



# **MAINSTREAM MINERALS CORPORATION**

## **ANNUAL INFORMATION FORM**

**for the YEAR ENDED November 30<sup>th</sup>, 2011**

**May 22<sup>nd</sup>, 2012**

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## ANNUAL INFORMATION FORM

The following Annual Information Form, as prepared by management, reviews Mainstream Minerals Corporation's ("Mainstream Minerals" or the "Corporation" or the "Company" or "MJO" – the trading symbol assigned to the Corporation's common shares by the TSX Venture Exchange upon commencement of trading on that Exchange on June 13<sup>th</sup>, 2007) financial condition and results of operations for the year ended November 30<sup>th</sup>, 2011 compared to the four previous years ended November 30<sup>th</sup>, 2010, 2009, 2008, and 2007 and covers the subsequent period to May 22<sup>nd</sup>, 2012. Selected annual and quarterly financial information is included in order to assist the reader in better understanding the financial condition, results and evolution of the operations of the Corporation. The 2011 Annual Information Form ("AIF") dated May 22<sup>nd</sup>, 2012 should be read in conjunction with the audited financial statements for the years ended November 30<sup>th</sup>, 2011, 2010, 2009, 2008, and 2007, the Management Discussion and Analysis for the year ended and fourth quarter ended November 30<sup>th</sup>, 2011, and the Management Discussion & Analysis for the first quarter ended February 29<sup>th</sup>, 2012. As this the Corporation's fifth Annual Information Form since becoming a reporting issuer and going public on June 13<sup>th</sup>, 2007, there are only four other Annual Information Forms from prior years for readers to review. . The most recent Annual Information Form was dated April 30<sup>th</sup>, 2011 for the fiscal year ended November 30<sup>th</sup>, 2010 and was filed on [www.sedar.com](http://www.sedar.com) on May 6<sup>th</sup>, 2011.

All of the financial statements up to November 30<sup>th</sup>, 2011 were prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The condensed interim management-prepared financial report for the first quarter ended on February 29<sup>th</sup>, 2012 was prepared for the first time in accordance with the newly instituted International Financial Reporting Standards ("IFRS") for publicly accountable profit-oriented enterprises. The changeover to IFRS for financial statements for fiscal years commencing on or after January 1<sup>st</sup>, 2011 represents a change due to the implementation of these new accounting standards. These new accounting standards have affected the Corporation's reported financial position and results of operations starting with the first quarter of fiscal 2012. In 2010, the Corporation initiated an IFRS conversion plan to address the impact of the changes for its accounting policies, restatement of comparative periods, internal controls, and any required changes to business processes.

This discussion provides management's analysis of the Corporation's historical financial and operating results and provides estimates of the Corporation's future financial and operating performance based on information that is currently available. Actual results will vary from estimates and the variances may be significant. Readers should be aware that historical results are not necessarily indicative of future performance.

Unless otherwise stated, all amounts discussed herein are denominated in Canadian dollars.

Additional information on the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Corporation's website at [www.mainstreamminerals.com](http://www.mainstreamminerals.com)

## FORWARD LOOKING STATEMENT

Certain information set forth in this Annual Information Form ("AIF"), including management's assessment of the Corporation's future plans and operations, contains forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond these parties' control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, potential conflicts of interest, stock market volatility and the ability to access sufficient capital from internal and external sources. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The Corporation's actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that the Corporation will derive there from. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

## **MAINSTREAM MINERALS CORPORATION**

### **Annual Information Form Year Ended November 30<sup>th</sup>, 2011**

**May 22<sup>nd</sup>, 2012**

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## Glossary of Mineral & Other Terms

**"Aerial Survey"** refers to an airborne survey carried out by a helicopter or fixed-wing aircraft to obtain geophysical data and the subsequent interpretation of those results.

**"Alteration"** means chemical and mineralogical changes in a rock mass resulting from the passage of fluids or increases in pressure and temperature.

**"Agency Agreement"** means an agreement dated between the Company and an Agent pursuant to which the Agent agrees to conditionally offer the Non-Flow-Through Common Shares, Flow-Through Common Shares and / or Units, on a commercially reasonable best efforts basis, for sale on behalf of the Company.

**"Agent"** means a securities dealer.

**"Agent's Warrants"** (also may be known as **"Finders' Options"** or **"Finders' Fee Units"**) means warrants to purchase Common Shares of the Company issued to an Agent as compensation pursuant to an Offering.

**"Archean"** is synonymous with Precambrian and is occasionally used to refer to older Precambrian rocks.

**"Archean Anorthosite"** means a plutonic igneous rock.

**"Arm's Length"** has the same meaning as in subsection 251 (1) of the Income Tax Act and amendments thereof.

**"Assay"** means an analysis of the contents of metals in mineralized rocks.

**"Assessment File"** is a detailed dossier kept by the Ontario Ministry of Northern Development and Mines (ON MND&M) of exploration data on specific claims outlining the required work that was performed on such claims to ensure compliance with the Ministry's rules and regulations for keeping such claims in good standing. Such dossiers will also typically contain technical reports, maps, drilling reports, assay results and other such documents.

**"Atomic Absorption Spectroscopy"** means the defining and identification of certain minerals using a light spectrum.

**"Au"** means gold.

**"Axial Planar Fabric"** means a foliation or schistosity direction developed in rocks, parallel to the axial plane of a fold and is perpendicular to the main deformational direction (or pressure).

**"Basaltic"** means a dark colored fine-grained extrusive igneous rock composed largely of plagioclase feldspar and pyroxene, similar in composition to gabbro. Basalt is thought to be one of the main components of the oceanic crust.

**"Calc-Alkaline"** means an igneous rock that contains calcium (ie. calcic plagioclase, calcic pyroxenite etc.) having an alkali-lime index of 55 to 61.

**“Canadian Exploration Expense(s)”** or **“CEE”** means Canadian exploration expense described in paragraph (f) in the definition of “Canadian exploration expense” in subsection 66.1(6) of the Income Tax Act, excluding amounts which are prescribed to constitute “Canadian exploration and development overhead expense” under the Income Tax Act, the amount of any assistance described in paragraph 66(12.6)(a) of the Income Tax Act, and any expense described in paragraph 66(12.6)(b.1) of the Income Tax Act, and any assistance received by the Company of the type described in paragraph 66(12.6)(a) of the Income Tax Act.

**“Chalcopryite”** means a brassy yellow, metallic mineral composed of copper, iron and sulfur, and an important source of copper.

**“Chlorite”** means in geology, the general term for hydrated silicates of aluminum, iron and magnesium.

**“Closing”** means the procedure for the issuance of the Non-Flow-Through Common Shares, Flow-Through Common Shares and / or Units pursuant to a prospectus or an offering memorandum.

**“Closing Date”** means the date on which the Closing shall occur or such other date as the Company and the Agent may mutually agree.

**“Common Share”** means one common share of the Company.

**“Cu”** means copper.

**“Deposit”** means a mineralized body which has been physically delineated by drilling, trenching and / or underground work and may contain a sufficient grade of metal or metals to warrant further exploration and / or development expenditures. Such a deposit does not qualify as a commercially mineable ore body until final technical, legal and economic factors have been resolved.

**“Diabase”** means a dark colored intrusive rock, found as dykes and sills composed of mainly feldspar, pyroxene and / or olivine, it is the shallow intrusive equivalent of basalt and gabbro.

**“Diabase Lamprephyre”** means a dark, igneous dyke or rock group.

**“Disseminated”** means a mineral deposit in which minerals occur as scattered particles in the rock.

**“Drill Hole”** means a drilling method whereby rock is drilled with a diamond impregnated, hollow drilling bit which produces a continuous, insitu record of the rock mass intersected in the form of solid cylinders of rock which are referred to as core.

**“Ductile Shear Zone”** means a shear which is highly deformed and where minerals are stretched and oriented parallel to the main shear direction.

**“Earn-In Agreement”** means an agreement whereby one party (the “Grantor”) that owns or controls a mineral exploration property or resource (the “Subject Property”) grants an option or right to another party (the “Grantee”) that allows the Grantee to earn a predetermined interest, usually expressed as a percentage, in the Subject Property by spending a predetermined sum of money for exploration and development within a predetermined time frame, all in accordance with the terms and conditions of the particular Earn-In Agreement.

**“EM”** means electromagnetic.



**“Epiclastic Sediments or Metasediments”** means a rock formed from the fragments or particles broken away from pre-existing rocks to form an altogether new rock.

**“Exchange”** means the TSX Venture Exchange Inc.

**"Feldspar"** means one of a group of rock forming minerals which includes microcline, orthoclase, plagioclase and anorthoclase.

**"Felsic"** means light colored silicate minerals such as quartz, feldspar and feldspathoids.

**"Felsic Pyroclastic"** means a term used to describe an igneous rock that has a large percentage of light-colored minerals such as quartz, feldspar and muscovite. Also used in reference to magmas from which these rocks crystallize. Felsic rocks are generally rich in silicon and aluminum and contain only small amounts of magnesium and iron. Granite and rhyolite are examples of Felsic rocks. Pyroclastic rock is rock formed when small particles of magma are blown from the vent of a volcano by escaping gas.

**“Fire Assay”** means the assaying metallic ores, usually gold and silver, by methods requiring a furnace heat. It commonly involves the process of scorification, cupellation, etc.

**“Fiscal Year”** means the 12-month period of the Company ending on November 30<sup>th</sup> of each calendar year or such other date as the Company may determine for financial statement purposes.

**"Flows"** means a lava flow of usually Basaltic composition that is a product of a single volcanic eruption.

**“Flow-Through Share”** means a Common Share offered pursuant to a prospectus or offering memorandum that is a “flow-through share” within the meaning of the Income Tax Act.

**“Foliation”** means the banding or the lamination of metamorphic rocks as distinguished from the stratification of sedimentary rocks.

**“Free Gold”** means gold that is easily recoverable.

**"ft"** means foot.

**"Gabbro"** means a fine to coarse, dark colored crystalline igneous rock composed mainly of calcic plagioclase (labradorite or anorthite), clinopyroxene, and sometimes olivine.

**"Gabbro Anorthosite"** means a gabbro with anorthosite inclusions.

**“Galena”** means lead sulphide, blue in colour.

**“gms”** grams, also may be stated as **“g”**.

**“G.R.”** Geological Report.

**"Grab Sample"** means a sample of selected rock chips from within an area of interest.

**"Grade"** means the amount of valuable mineral in each metric tonne of ore, or expressed as ounces per imperial ton or grams per metric tonne for precious metal and as a percentage by weight for other metals.

**"Granitic"** means a special type of metamorphism by which solutions of magmatic origin move through solid rock.

**"Granodioritic"** means coarse grain diorite.

**"Gravimetric Procedure"** means a technique for determining the potential recovery of minerals.

**"Greenschist Facies Metamorphism"** means a low grade of metamorphism in a particular igneous rock unit.

**"G.S.C."** means Geological Survey of Canada.

**"Heli-Borne E.M. Surveys"** means a type of geophysical survey that utilizes flying with a helicopter close to the earth's surface in order to measure the electro-magnetic signatures of the rock units on and under the surface of the earth's crust (a number of companies utilize this method such as Dighem Surveys Ltd, Aerodat Surveys Ltd., Questor Surveys, and Geotech Surveys Ltd.)

**"Income Tax Act"** means the Income Tax Act (Canada) and the Regulations thereto, all as amended.

**"Induced Polarization Surveys"** means a method used by geophysical companies in the field to induce a magnetic field in the underlying rocks and to measure its rate of decay and the resultant impedance for finding buried mineral deposits.

**"Initial Public Offering"** or **"IPO"** means a new issue of securities offered to the public for investment for the very first time. IPOs must adhere to strict securities commission and exchange regulations as to how the investments are sold to the public.

**"International Financial Reporting Standards"** or **"IFRS"** means annual financial statements or quarterly interim reports that have been prepared in accordance with the newly instituted International Financial Reporting Standards ("IFRS") for publicly accountable profit-oriented enterprises. All of the Corporation's financial statements up to November 30<sup>th</sup>, 2011 were prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The condensed interim management-prepared financial report for the first quarter ended on February 29<sup>th</sup>, 2012 was prepared for the first time in accordance with IFRS. The changeover to IFRS for financial statements for fiscal years commencing on or after January 1<sup>st</sup>, 2011 represents a change due to the implementation of these new accounting standards. These new accounting standards have affected the Corporation's reported financial position and results of operations starting with the first quarter of fiscal 2012. In 2010, the Corporation initiated an IFRS conversion plan to address the impact of the changes for its accounting policies, restatement of comparative periods, internal controls, and any required changes to business processes.

**"Kenoran Orogeny"** means a geological sub-period during the formation of Archean rock units in the Lake Superior region of Canada / U.S. dating to the early Pre-Cambrian period. This is a period of active volcanic activity which saw to the formation of the Uchi-Confederation Greenstone Belt.

**"King's Bay", "King's Bay Gold", or "KBG"** means King's Bay Gold Corporation. King's Bay Gold was a former joint-venture partner on some of the Corporation's properties.

**"km"** means kilometer.

**"Komatiitic"** means extrusive volcanic unit which is ultramafic in composition (rich in olivene and pyroxenites and referred to as olivene basalts).

**"Lamination"** means the stratification on a fine scale, each thin stratum, or lamina, being a small fraction of an inch in thickness.

**"Limonite-stained Vugs"** means iron oxide stained cavity.

**“Leucocratic Trondhjemite”** means a light colored white granitic rock.

**“Lode”** means a tabular or vein-like deposit of valuable minerals between well-defined walls of rock.

**"Mafic"** means a general term used to describe ferromagnesian minerals.

**"Magnetometer"** means an instrument that measures magnetic fields.

**"Mag"** refers to a geophysical Magnetometer survey used to map out magnetic-rich rock sequences in the earth's crust.

**“Mainstream Minerals”, “Mainstream”, “MJO”, the “Corporation” or the “Company”** means Mainstream Minerals Corporation.

**“Manitoba Securities Act”** means The Securities Act (Manitoba), as amended.

**"Max Min II EM"** means a type of ground geophysics which was developed and utilized extensively from 1970-1990. This electromagnetic survey tool utilized the high and low frequencies of the electromagnetic responses in the earth's magnetism to detect different orebody types or mineral concentrations in the ground.

**"Metamorphosed"** means a rock mass which has been subjected to metamorphism. Metamorphism is a geological process whereby the original mineral composition of a rock is changed or metamorphosed in response to local or regional scale changes in temperature, pressure and the action of chemically active fluids.

**“Metasediments”** means metamorphosed sediments.

**"Metavolcanic"** means volcanic rock which has undergone metamorphism.

**"Mineralization"** means mineral bearing rock and generally refers to the presence of minerals established by widely spaced drilling.

**“MMC”** means the metic metaplutonic complex.

**“MND&M” or “ON MND&M”** means the Ministry of Northern Development and Mines of Ontario.

**"MML Geochemical Soil Survey"** means an exploration tool in the field used to collect geochemical soil samples in a defined area and utilizing the mobile ions given off by decaying or oxidizing rock units and certain minerals in order to map out the geochemical 'plumes' or 'signature characteristics' of those elements.

**“Monzonitic”** means an intermediate igneous intrusive rock composed of approximately equal amounts of sodic to intermediate plagioclase and orthoclase feldspars with minor amounts of hornblende, biotite and other minerals. Quartz is a minor constituent or is absent; with greater than 10% quartz, the rock is termed a quartz monzonite.

**“Native Gold”** means very rare gold in the purest state.

**"Net Smelter Return"** means the actual proceeds received by the Company from any mill, mint, smelter, refinery or purchase for the sale of ores, bullion, metals or refining by the Company, less insurance and the cost of transportation from the mineral dispositions to the applicable mill, mint, smelter, refinery or other purchaser.

**"NI 43-101"** means National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

**"Offering"** means a public offering by the Company and an Agent on a commercially reasonable best efforts basis of no less than the Minimum Offering and up to the Maximum Offering of Non-Flow-Through Common Shares, Flow-Through Common Shares and / or Units, as applicable.

**"Ore"** means rock that contains one or more minerals or metals, at least one of which has commercial value and which can be recovered at a profit.

**"O.D.M."** means the Ministry of Northern Development and Mines of Ontario, formerly known as the Ontario Department of Mines.

**"O.G.S."** means Ontario Geological Surveys.

**"Polyphase Deformation"** means Archean Supracrustal rocks.

**"ppb"** means parts per billion.

**"Pyrrhotite"** means iron sulphides that are the next most common magnetic mineral.

**"Pyrite"** means a common iron sulphide mineral commonly found in hydrothermal veins and systems and commonly associated with gold mineralization.

**"Qualified Person"** has the meaning ascribed to it in National Instrument 43-101.

**"Quartz"** means a common rock containing the mineral silicon dioxide.

**"Quartz Feldspar Propphyry"** means quartz crystals and feldspar in a fine-grained background mass.

**"Quartz Monzonitic"** means monolithic with an abundance of quartz.

**"REE" or "REEs"** means rare earth elements and rare metals

**"Schist"** means a metamorphic rock characterized by a well-developed parallel orientation of more than 50% of the minerals present.

**"Sedimentary"** means a formation of solid fragmented material that originates during the weathering of rocks and is transported from a source to a site of deposition.

**"Shear Zones"** means linear areas of weakness along which a failure occurred whereby the portion of mass on one side of the area slides past the portion on the opposite side and which often form conduits for mineralizing fluids.

**"Silica"** means silicon dioxide (SiO<sub>2</sub>), which occurs in the crystalline forms as quartz, cristobalite, tridymite; as cryptocrystalline chalcedony; as amorphous opal; and as an essential constituent of the silicate groups of minerals.

**"Sphalerite"** means zinc iron sulfide, an important ore in zinc.

**"Stratigraphy"** means the part of the descriptive geology of an area or district which pertains to the discrimination, character, thickness, sequence, age and correlation of the rocks of the district.

**"Strike"** means geological measurement of the direction of a horizontal line on the surface of the bed.

**"Stringer"** means a mineral veinlet or filament, usually one of a number, occurring in discontinuous sub-parallel pattern in host rock.

**"Sulphide"** means mineral formed by direct union of element with sulphur.

**“Superior Province”** means the Superior Craton (also known as the Superior Province) forms the core of both the North American Continent and Canadian Shield. It extends from Québec in the east to eastern Manitoba in the west. The western margin extends from northern Minnesota through eastern Manitoba to northwestern Ontario.

**"Supracrustal"** means rocks of both early Proterozoic and late Archean age.

**“Tectonic”** means the surface of the earth is broken into large plates known as tectonic plates.

**"Tholeiitic"** means a type of basalt which is poor in olivine and contains orthopyroxene and / or pigeonite. The groundmass is generally glassy containing silica (quartz) and alkalic feldspar.

**“Transfer Agent”** means Computershare Trust Company of Canada.

**“Tonalite-Trondhjemite”** means a certain type of white granite.

**"Tuffs"** means a rock formed of compacted volcanic fragments generally smaller than 4 mm. in diameter.

**“U”** means uranium.

**"Ultra Mafic"** means an igneous rock with very low silica content and rich in minerals such as hypersthene, augite and olivine.

**“Unit”** means one Unit of the Company offered pursuant to a prospectus or an offering memorandum, each Unit consisting of any combination of Non-Flow-Through Common Shares, Flow-Through Common Shares and possibly, a fraction or whole Common Share Purchase Warrant.

**"V.L.F."** refers to a geophysical exploration method known as a very-low frequency electromagnetic survey whereby the conductivity of the underlying rock units is measured.

**“VLF-EM Surveys”** means very low radio frequency electromagnetic surveys.

**"Vein"** means a sheet-like body of minerals formed by fracture-filling or replacement of the host rock.

**"Volcanic"** means formed by volcanic activity.

**“Warrant”** means a Common Share Purchase Warrant of the Company that forms part of each Unit if offered, each whole Warrant entitles the holder thereof to purchase one Common Share for a set exercise price per Common Share for a determined period of months following the date of issuance.

**"Zinc Blende"** is also known as Sphalerite (ZnS) and is a mineral that is the chief ore of zinc. It consists largely of zinc sulphide in crystalline form but almost always contains variable iron.

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## CORPORATE OVERVIEW

Mainstream Minerals Corporation (“Mainstream Minerals”, the “Corporation”, the “Company” or “MJO” – the trading symbol assigned to the Corporation’s common shares by the TSX Venture Exchange upon commencement of trading on June 13<sup>th</sup>, 2007) was incorporated under the name Mainstream Minerals Corporation pursuant to the Canada Business Corporations Act (“CBCA”) on July 19<sup>th</sup>, 2006. The registered office of the Corporation is located at the offices of Taylor McCaffrey LLP 900 – 400 St. Mary Avenue, Winnipeg, Manitoba R3C 4K5. The mailing and executive office address of the Corporation is #139 – 99 Scurfield Boulevard, Winnipeg, Manitoba R3Y 1Y1. The Corporation’s geological office (opened December 2011) is located at Unit # 211 – 850 West Hastings Street, Vancouver, British Columbia V6C 1E1. The Corporation has no subsidiaries.

At the present time, the Corporation has nine mineral exploration properties (for additional information on the development and exploration activities to date on each of these properties, see the section herein entitled *Ongoing Business Objectives and Key Properties*):

(i) the **Bobjo Mine Project**, formerly joint-ventured 50 / 50 with King’s Bay Gold Corporation (TSX.V: KBG), located in Earngey and Agnew Townships, Red Lake Mining Division, where Mainstream Minerals now has a 100 % interest in the project as per a Property Interests Exchange Agreement dated June 14<sup>th</sup>, 2010 (see the news release dated June 16<sup>th</sup>, 2010) and where the exploration target is first and foremost, gold. This property was subject to an Option Agreement signed with Premier Gold Mines Limited (TSX: PG) (“Premier Gold”) on February 11<sup>th</sup>, 2011 whereby Premier Gold was granted an option to earn up to a 70% interest in this Bobjo Mine Project Property, including the immediately adjacent and adjoining Hazard Lake Property, both for possible inclusion in Premier Gold’s “Redgold Project” (see the Mainstream Minerals news release dated February 15<sup>th</sup>, 2011). Despite meeting and exceeding all of the initial obligations of the earn-in period, the Option Agreement was terminated by Premier Gold on May 16<sup>th</sup>, 2011 (see the news release dated May 25<sup>th</sup>, 2011);

(ii) an option agreement was entered into on October 26<sup>th</sup>, 2009 to acquire a 100 % interest in a gold property named **Hazard Lake / Northgate Deposit** located in the Township of Uchi Lake in the Red Lake Mining Division, Ontario. The optioned 24 claim units are adjoining the Bobjo Mine Project property to the South East. This property was also subject to the since terminated Option Agreement as described in (i) above and for possible inclusion in the aforementioned “Redgold Project”;

(iii) an option agreement was entered into on January 5<sup>th</sup>, 2010 to acquire a 100 % interest in two gold properties named the **West Keefer Claims** located in Keefer Township of the Porcupine Mining Division of Ontario (West Timmins area);

(iv) an option agreement was entered into on August 10<sup>th</sup>, 2010 to acquire a 100 % interest in a gold property named the **Casa Berardi Claims** located in Township 32/E11 in the Casa Berardi area of northern Québec, approximately three kilometers south-east of Aurizon Mines Limited’s Casa Berardi Mine (see the news release of August 18<sup>th</sup>, 2010);

(v) two option agreements were entered into on October 10<sup>th</sup>, 2010 (a 9 claim block group consisting of 107 claim units covering 1,712 hectares – see the news release of October 20<sup>th</sup>, 2010) and February 7<sup>th</sup>, 2011 (Mining Lease 105626 covering 96 hectares – see the news release of March 21<sup>st</sup>, 2011) respectively to acquire a 100 % interest in what is essentially one gold property named the **Slate Lake Property** located in the Township of Slate Lake which is approximately 80 kilometres east of Red Lake, Ontario. The Slate Lake property adjoins a large block of claims that were staked by Goldcorp Inc (TSX: G) to the west;

(vi) an option agreement was entered into on November 24<sup>th</sup>, 2010 to acquire a 100 % interest in a gold property named the **Rowan Lake Property** that is situated in the Townships of Rowan Lake and Brooks Lake in the Kenora Mining District of north-western Ontario (see the news release of November 30<sup>th</sup>, 2010) – this property is now subject to an earn-in option agreement to Alita Resources Ltd. (TSX.V: AL) of Vancouver, British Columbia (see the news release dated October 26<sup>th</sup>, 2011 and subsequently accepted by the TSX Venture Exchange Inc. Inc. on January 27<sup>th</sup>, 2012);

(vii) two option agreements were entered into on January 10<sup>th</sup>, 2011 to acquire a 100 % interest in what is essentially one gold property named the **Hudson Patricia Project** (one mining lease consisting of the past-producing Hudson Patricia Mine and the surrounding Hudson Patricia Property consisting of 8 staked claims), that is located in the Township of Dent, Red Lake Mining Division of north-western Ontario. Dent Township itself is located approximately 75 kilometres east of the Town of Red Lake, Ontario. The past-producing base-metals South Bay Mine is located 7 kilometres to the south-east (see the news release of January 12<sup>th</sup>, 2011);

(viii) an option agreement was entered into on February 7<sup>th</sup>, 2011 to acquire a 100 % interest in a gold property named the **Fly Lake Property** located in the Township of Mitchell in the Red Lake Mining Division of Ontario (see the news release of March 23<sup>rd</sup>, 2011); and

(ix) an option agreement was entered into on April 17<sup>th</sup>, 2011 to acquire a 100 % interest in a gold property named the **Birch Lake Property** located in the Townships of Keigat Lake and Casummit Lake in the Red Lake Mining Division of Ontario (see the news release of April 20<sup>th</sup>, 2011). The Corporation recently announced in a news release dated October 6<sup>th</sup>, 2011 that it had staked three additional mining claims totaling 40 units for 640 hectares. These three newly staked claims now tie both the south-eastern and north-eastern claim groups together while also covering the Canamer Prospect. As a result, Mainstream's property at Birch Lake forms a contiguous land package covering 2,080 hectares.

Unfortunately due to the volatility in the stock markets in late 2008 and through most of 2009 and with one of the deepest and longest economic recessions since the Second World War, the Corporation, like many others involved in mineral exploration, had had some difficulty in raising new capital during the first three quarters of fiscal 2009, and as such, had to discontinue several promising projects that it had acquired earlier on between 2006 and 2008. These difficult decisions were made at the time with the belief that the Corporation's efforts and capital should be focused exclusively on the Bobjo Mine Project where the 2007 Phase 1 and 2008 Phase 2 drilling programs had together so far intersected gold in twenty seven out of thirty two holes from surface to a depth of 312 metres, including high-grade gold in many intersections.

Since "going public", the Corporation has completed several offerings, including the IPO Offering of June 12<sup>th</sup>, 2007, the three non-brokered private placements with the MineralFields Group (August 15<sup>th</sup>, 2007, December 19<sup>th</sup>, 2007, and December 29<sup>th</sup>, 2009), and six non-brokered private placements (June 2<sup>nd</sup>, 2009, October 1<sup>st</sup>, 2009, June 4<sup>th</sup>, 2010, November 12<sup>th</sup>, 2010, April 15<sup>th</sup>, 2011 and May 16<sup>th</sup>, 2012) with the net capital raised being used for administrative and organizational purposes and for the acquisition, exploration and development programs for the properties where it has or had land option and joint venture agreements. On May 22<sup>nd</sup>, 2012, the Corporation announced in a news release a non-brokered private placement of a maximum of 10,000,000 Units at a purchase price of \$0.05 for gross subscription proceeds of \$500,000 to close on or about June 8<sup>th</sup>, 2012 (see the section herein entitled *Proposed Transactions*).

Key management personnel of the Corporation are – **Michael Romanik**, a Director who was appointed as President & CEO on September 3<sup>rd</sup>, 2009; **Ray Préfontaine B.A., B.Comm. (Hons.)** who was appointed as Chief Financial Officer on January 21<sup>st</sup>, 2007; **Kyle Picard**, a Director who was appointed as Corporate Secretary on November 16<sup>th</sup>, 2009; **Lisa McCormack** who was appointed as Corporate Secretary on March 15<sup>th</sup>, 2012 (currently subject to the approval of the TSX Venture Exchange Inc.); **Brad Peters B.Sc (Earth & Ocean Sc.)** who was appointed as Vice-President of Exploration effective December 1<sup>st</sup>, 2011 and **Rory Ritchie H.B.Sc. (Chemistry), B.Sc. (Earth Sc.), GIT** who was appointed as Field Exploration Manager effective December 1<sup>st</sup>, 2011. The Qualified Person as defined under National Instrument 43-101 for work performed at each property and / or project is subject to change from time-to-time on a go forward basis from the date of this document.

The Corporation's goal will always be growth. The quality of the Corporation's projects, an aggressive acquisitions strategy based mostly on acquiring properties near present and past producers, and the proven background of the management team may allow the Corporation to become an emerging leader in the Canadian mining industry. Strengthening the Corporation's management team and Board of Directors, and by acquiring promising exploration projects, may provide shareholders with an opportunity to increase the value of their investments over the long term. Through the exploration and development of its properties, the Corporation's longer-term goals are to identify economically viable ore deposits and to advance its projects to the feasibility stage.

At this time, the Corporation has no intentions or plans of becoming a small to medium tier minerals producer. The Corporation will continue to acquire additional properties in the future, and may change its exploration and development priorities from time-to-time. For the purposes of this 2011 Annual Information Form dated May 22<sup>nd</sup>, 2012, and in reference to the exploration and development work to be undertaken in the remainder of fiscal 2012, the Bobjo Mine Project, along with the immediately adjacent Hazard Lake / Northgate Deposit, continue to be the Corporation's principal properties at this time.

### **BUSINESS ENVIRONMENT and OUTLOOK**

Over the next several years, the Corporation expects to continue to acquire interests in additional properties. Whenever possible, the Corporation will expand its drilling, exploration and development activities to further support exploration both internally and in possible additional earn-in option agreements and joint ventures with other companies. Economic turmoil, stock market volatility and weak base metal commodity prices were hampering the levels of capital inflows into the mining and mineral exploration industries during late 2008 and into most of 2009. That situation began to slowly improve for the industry as a whole at the start of the 4<sup>th</sup> quarter of 2009 and through 2010. However, concern and uncertainty over the European sovereign debt crisis and the debt ceiling crisis in the United States led to a challenging 2011, as capital markets tightened once again. In spite of these macro-economic problems, and given the relative strength of the price gold and of other mineral commodities at this time, staking and drilling activity in and around the Corporation's properties is continuing to expand, notably in the Red Lake, Birch-Uchi, Rainy River, and West Timmins gold camps of northern and northwestern Ontario and in the Casa Berardi gold camp of northern Québec. With a continued focus on exploration for gold, subject to the availability of equity financing, management believes that going forward into the remainder of fiscal 2012 and beyond, the long-term prospects for the Corporation remain positive.

### **MINERAL RESOURCES and MINERAL RESERVES**

The Corporation has no known mineral reserves as defined by and compliant with the requirements of National Instrument 43-101.

### **MINING OPERATIONS**

The Corporation has no mining operations.

### **GENERAL DEVELOPMENT of the BUSINESS PRIOR to NOVEMBER 30<sup>th</sup>, 2010**

The following is a brief description by date of the general development of the Corporation from incorporation on July 19<sup>th</sup>, 2006 through to November 30<sup>th</sup>, 2010:

July 19<sup>th</sup>, 2006 – The Corporation was incorporated under the name of Mainstream Minerals Corporation pursuant to the Canada Business Corporations Act ("CBCA"). The Corporation issued 20 Common Shares at a price of \$0.10 each as an Initial Subscription.

July 21<sup>st</sup>, 2006 – The Corporation issued 70,000 Common Shares valued at \$1,169 (\$0.0167 per Common Share) and paid \$3,000 to Perry English in respect to the Bobjo Mine Option Agreement. Cash payments due under the original option agreement dated July 21<sup>st</sup>, 2006 between the Corporation and Perry English were as follows: \$10,000 by July 21<sup>st</sup>, 2007, \$20,000 by July 21<sup>st</sup>, 2008 and \$45,000 by July 21<sup>st</sup>, 2009. Under this option agreement, the Corporation was further obligated to issue 70,000 Shares to Perry English on the 2007 and 2008 cash payment dates. At that time, the Corporation was required to begin work on the property of at least \$40,000 by September 15<sup>th</sup>, 2006. Under the terms of the Option Agreement, the Corporation was also required to obtain a stock listing on a recognized exchange by June 15<sup>th</sup>, 2007. If a listing was not obtained by that date, the Corporation would have had to pay the Optionor, Perry English, \$100,000. The property is subject to a 2% Net Smelter Return interest in favour



of Perry English subject to the right to purchase 1% for the sum of \$1,000,000 at any time and a first right of refusal in favour of the Corporation to purchase the remaining 1 %. As used herein, Net Smelter Return means the actual proceeds received by the Corporation from any mill, mint, smelter, refinery or purchase for the sale of ores, bullion, metals or concentrates produced from the Bobjo Mine and sold, after deducting from such proceeds charges for smelting, refining, insurance and the cost of transportation from the mineral dispositions to any mill, mint, smelter, refinery or other purchaser. The Bobjo Mine property was originally comprised of a total of 9 patented claims which hosted a past producer in 1927 to 1929. During those years, a two-compartment shaft was sunk to 270 feet with two levels. The property is also adjacent to the past producing South Bay Mine and Uchi Gold Mine, the latter of which once produced 100,000 ounces of gold. Mineralization at the Bobjo Mine consists of quartz veins and stringers situated along a large flexure in a north-trending quartz-feldspar porphyry dike which includes metavolcanic flows. The dike is wide and intensely fractured at the flexure where it hosts numerous fracture-hosted quartz stringers. The dike is sericitized, iron carbonatized and slightly pyretic. Quartz veins and stringers are also hosted by tension fractures in mafic metavolcanic rocks near the contact with the dike. The mafic metavolcanic rocks are strongly sheared at the contact. A lamprophyre dike intersects the mineralized zone. Quartz stringers and veins host carbonate, sericite, chlorite, pyrite, pyrrhotite and fine visible gold. The source of this information is the Government of Ontario assessment files which were reviewed and verified by Gerald L. Colborne, P.Eng., P.Geo.

July 21<sup>st</sup>, 2006 – The Corporation issued a further 70,000 Common Shares valued at \$1,169 (\$0.0167 per Common Share) and paid \$3,000 to Perry English in respect to the Dixie Lake North Option Agreement. This property was comprised of three claims, totalling 37 unpatented mining claim units, located in Red Lake mining district. It is adjacent and on strike of a known high-grade gold chute. The Corporation and Perry English, on behalf of Rubicon Minerals Corporation, entered into an Option Agreement dated July 21<sup>st</sup>, 2006. The Corporation was obligated to make cash payments under the Agreement consisting of \$10,000 and 70,000 Shares by July 21<sup>st</sup>, 2007, \$20,000 and 70,000 Shares by July 21<sup>st</sup>, 2008, \$45,000 by July 21<sup>st</sup>, 2009. Under the terms of the Option Agreement, the Corporation was also required to obtain a stock listing on a recognized exchange by June 15<sup>th</sup>, 2007. If a listing was not obtained, the Corporation would have had to pay the Optionor, Perry English, \$100,000. The property was subject to a 2% Net Smelter Return interest in favour of Perry English, on behalf Rubicon Minerals Corporation, subject to the right of the Corporation to purchase 1% for the sum of \$1,000,000 at any time and a first right of refusal in favour of the Corporation to purchase the remaining 1 %. As used herein, Net Smelter Return means the actual proceeds received by the Corporation from any mill, mint, smelter, refinery or purchase for the sale of ores, bullion, metals or concentrates produced from the Dixie Lake North property and sold, after deducting from such proceeds charges for smelting, refining, insurance and the cost of transportation from the mineral dispositions to any mill, mint, smelter, refinery or other purchaser. This option agreement was subsequently dropped in June 2008.

August 9<sup>th</sup>, 2006 – The Corporation issued 3,100,000 Common Shares from Treasury for director's fees. Based on the estimated fair value of the services provided, the Common Shares were valued at \$51,770 (\$0.0167 per share).

August 31<sup>st</sup>, 2006 – The Board of Directors issued 100,000 Shares to Ron Rivet, one of the founders of the Company and a related party to Richard Rivet, a Director at the time for services with an estimated fair value of \$1,670 (\$0.0167 per share).

September 12<sup>th</sup>, 2006 – King's Bay Gold Corporation announced in a news release that, subject to regulatory approval, it had entered into an agreement with Mainstream Minerals Corporation to acquire a 50 % interest in the past producing Bobjo Mine in Earngey Township, Red Lake area, ON. King's Bay Gold Corporation is a publicly traded company on the TSX Venture Exchange (TSX.V: KBG). That Corporation is a very active mineral resource company, which is engaged in the acquisition of interests in, and exploration of, mineral resource properties in North West Ontario. King's Bay Gold Corporation's mandate is to acquire, evaluate and bring significant gold and other precious metal properties to the development stage. In accordance with the letter of agreement, Mainstream Minerals Corporation irrevocably granted to King's Bay Gold Corporation the right to acquire a fifty percent interest in the Bobjo Mine property upon a deposit of \$125,000. These deposited funds were to be used to finance the further exploration of the project. As a result of this payment, Mainstream Minerals Corporation and King's Bay Gold Corporation were deemed to have entered into a Joint Venture Agreement in respect to the development, management and further exploration of the property and, if deemed warranted, bringing all or a portion of the property into production by establishing and operating a mine or mines thereon. With the deposit being made, the respective initial interest for the two corporations in the Joint Venture was fifty percent (50 %). King's Bay Gold Corporation was further obligated to pay 50% of the future cash payments due under the original option agreement

between the Company and Perry English dated July 21<sup>st</sup>, 2006, which 50% payments consist of \$5,000 by July 21<sup>st</sup>, 2007, \$10,000 by July 21<sup>st</sup>, 2008 and \$22,500 by July 21<sup>st</sup>, 2009. Under this option agreement, the Mainstream Minerals Corporation was further obligated to issue 70,000 Shares to Perry English on the 2007 and 2008 cash payment dates. All other terms under the original Option Agreement between Mainstream Minerals and Perry English remained the same (see the first entry of two entries dated July 21<sup>st</sup>, 2006 on the preceding page). An exploration program involving stripping, washing, prospecting and sampling was commenced immediately. The initial Operator on the project would be Mainstream Minerals Corporation with John Archibald B.Sc., P.Geo. as the Qualified Person under National Instrument 43-101. This joint-venture was later terminated on June 14<sup>th</sup>, 2010.

September 20<sup>th</sup>, 2006 – King's Bay Gold Corporation announced that, subject to regulatory approval (which was subsequently received), it had entered into a second agreement with Mainstream Minerals Corporation, whereby Mainstream Minerals would have an option to acquire a 50 % interest in King's Bay Gold's Helena Lake project, located in the Dash Lake area, Rainy River District, ON. These three (3) Helena Lake claims of 31 units (1,240 acres) are located some 22 miles northeast of the Town of Nestor Falls, ON. The occurrences on the property are located on a N.N.E. trending deformation zone. The gold mineralization occurs in a carbonatized quartz andesite shear zone associated with the Cameron / Pipestone Lake fault. The shear zone has been traced through the entire block (2,800 metres). Visible gold has been noted in many surface samples. The best surface assay returned 23.25 ounces of gold per ton. The source of this information was the Ontario Ministry of Northern Development and Mines Assessment Files. The information was reviewed and verified by Gerald L. Colborne, B.Sc., M.Sc., P.Eng., P.Geo., F.G.A.C., M.C.I.M. A ground magnetic and VLF-EM survey was completed by King's Bay Gold Corporation in early 2005. Results showed a pronounced magnetic formation that extends across the entire survey area from south-southeast to north-northwest along the western shore of Helena Lake. Numerous VLF-EM conductors have also been interpreted on this grid. Some of the more dominant conductors are clearly caused by bedrock sources and are very likely due to cross-cutting structures such as fault or shear zones. These conductors represent excellent targets for follow-up investigation for possible gold mineralization, either by entrenching or drilling. The source of this recommendation was Dennis V. Woods, Ph.D., P.Eng., Consulting Geophysicist in a report dated February 21<sup>st</sup>, 2005. In accordance with the letter of agreement, King's Bay Gold Corporation irrevocably granted to Mainstream Minerals the sole and exclusive right and option to earn a fifty percent (50 %) interest in King's Bay Gold Corporation's interest by funding expenditures of \$250,000 in the next twelve months. During this initial 12 month period, Mainstream Minerals would have to commence an exploration program and on commencement, deposit \$250,000 in King's Bay Gold Corporation's account, which in turn shall be designated for exploration expenditures for the property. Upon Mainstream Minerals earning its interest, both corporations would have entered into a Joint Venture Agreement with King's Bay as the initial Operator on the project. This joint-venture agreement was subsequently dropped in September 2007.

November 16<sup>th</sup>, 2006 – The Corporation issued 732,500 Units at \$0.20 per Unit, each Unit comprised of one Common Share and one Common Share purchase warrant, for cash proceeds of \$146,500. The warrant comprising each Unit entitled the holder to purchase one Share for \$0.30 on or before November 16, 2008 when the warrant expires. Of the proceeds raised, \$139,175 was allocated to the shares and \$7,325 was allocated to the warrants. The warrant value was calculated using the Black-Scholes option pricing model with dividends assuming a share price of 19 cents, a risk free interest rate of 4.5%, a volatility of 35% and a dividend yield of 0%.

December 1<sup>st</sup>, 2006 – The Corporation and its 50 / 50 joint-venture partner, King's Bay Gold Corporation, announced the discovery of new gold-bearing veins at the Bobjo Mine, Earngey Township, Red Lake District, Ontario and also announced that the companies jointly acquired by staking an additional 17 claim units (680 acres). Earlier on, a road was built to the property and this allowed the partners to immediately complete a ground-stripping program using a bulldozer and a backhoe around the old shaft right to the bedrock. A surface sampling program was initiated to test these new veins and the initial results from Accurassay Laboratories in Thunder Bay, Ontario returned some high and significant gold values on the veins sampled to date. High and significant surface values included: 49.54 g/t (grams per tonne), 11.36 g/t, 10.80 g/t, 9.59 g/t, 8.05 g/t, 7.05 g/t, 6.49 g/t, 5.76 g/t, 4.74 g/t, 4.26 g/t, 4.20 g/t, 3.36 g/t, 2.51 g/t, 2.10 g/t, 1.83 g/t, 1.67 g/t, 1.57 g/t, 1.49 g/t, 1.41 g/t, 1.36 g/t, 1.26 g/t, etc. As a result of the ground-stripping and surface sampling programs, the Corporation was able to announce that many new quartz veins, shears and stringers were exposed and that these were gold bearing. Of the many dozens of new criss-crossing gold bearing entities found only a dozen or so have been sampled to date. Most of the flat lying veins could not be sampled properly so a channel sampling program would be carried out at some point in the future. It was noted that only approximately 80 acres had been stripped on that property to that date.

December 11<sup>th</sup>, 2006 – King's Bay Gold Corporation along with its 50 / 50 joint-venture partner Mainstream Minerals Corporation, announced that a number of additional new results were received from Accurassay Laboratories in Thunder Bay, Ontario from the earlier surface sampling program at the Bobjo Mine, Earngey Township, Red Lake District, Ontario. Surface grab sampling at one vein, with a width of up to approximately 6 metres, returned ultra high-grade gold values of up to 2,942.7 g/t (grams per tonne) (85.84 oz/t) and 806.9 g/t (23.54 oz/t) from amongst the samples taken. Other veins and stringers also returned very high-grade gold values including 55.34 g/t (1.61 oz/t), 42.65 g/t (1.24 oz/t), 42.37 g/t (1.23 oz/t), 36.89 g/t (1.07 oz/t), 36.23 g/t (1.05 oz/t), etc. These results were in addition to those announced earlier on December 1<sup>st</sup>, 2006. At the time of both of these announcements, more claims were being staked or acquired (69 unpatented claim units for 2,760 acres) and a geophysical survey (Mag / VLF) was to be carried out over the entire land mass as well as over the ice on both sides of the peninsula. The partners were extremely pleased with these developments, especially with the discovery of these new ultra high-grade gold-bearing veins that have never been seen or tested before. The area has a history of gold and base metal production going back as far as 80 years and the work presently being carried out by the partners represents the commencement of the first modern, systematic exploration of this property.

December 17<sup>th</sup>, 2006 – The Corporation issued 40,000 Common Shares and paid \$5,000 to Perry English as partial compensation for two additional mining claims ("Bobjo West") adjacent to the claims identified as the Bobjo Mine. Based on the value of recent issuances of securities, these Common Shares were valued at \$667 (\$0.0167 per Common Share). The Corporation also agreed to pay additional consideration for this option as follows: December 17<sup>th</sup>, 2007 \$8,000 and 40,000 common shares, December 17<sup>th</sup>, 2008 \$12,000 cash and \$40,000 common shares, December 17<sup>th</sup>, 2009 \$20,000 and December 17<sup>th</sup>, 2010 \$35,000. The Corporation was also required to obtain a stock listing on a recognized exchange by June 1<sup>st</sup>, 2007 (this agreement was subsequently amended to extend this deadline to June 30<sup>th</sup>, 2007). If a listing was not obtained by that date, the vendor would have had the option to terminate the agreement. The vendor retained a 2 % Net Smelter Return (NSR) in this property adjacent to the Bobjo Mine. The Corporation may purchase half of the NSR production royalty for \$1,000,000. These claims were subsequently considered non-essential to the overall project and were dropped in late fiscal 2008.

January 16<sup>th</sup>, 2007 – The Corporation issued 5,000,000 Units at \$0.20 per Unit with each Unit comprised of one common share and one common share purchase warrant, for cash proceeds of \$1,000,000. The warrant comprising each Unit allowed the holder thereof to purchase one common share for \$0.30 on or before January 16<sup>th</sup>, 2009 when the purchase warrant expires. Of the proceeds raised, \$950,000 was allocated to the common shares and \$50,000 was allocated to the warrants. The warrant value was calculated using the Black-Scholes option pricing model with dividends assuming a share price of \$0.19 cents, a risk free interest rate of 4.5%, volatility of 35% and a dividend yield of 0%.

February 6<sup>th</sup>, 2007 – King's Bay Gold Corporation announced that it had commenced exploration at the high-grade Helena Lake claims by starting 25 kilometres of line-cutting. Upon completion of the line-cut grid, that Corporation would then be proceeding with a detailed geophysical program consisting of ground magnetics and a VLF-EM survey. It was noted that access to this high-grade gold property was very limited in the past, but in 2006, lumber companies built numerous roads and trails right up to the claims to retrieve their timber and that all of this has opened up new opportunities to explore and develop the claims. This joint-venture agreement was subsequently dropped in September 2007.

February 20<sup>th</sup>, 2007 – The Corporation and King's Bay Gold Corporation as 50 / 50 joint-venture partners announced the acquisition by way of staking of 90 claim units (3,600 acres) near Woman Lake in Goodall Township, Red Lake Mining Division of Ontario. This new property, entitled Woman Lake North of South Bay, was staked on its geological merits after a thorough review of historical data on the area from the government assessment files. Many gold-bearing quartz veins, stringers and shear zones are known to exist on this prospect. The setting is deemed exceptionally favorable and has not been systematically explored using the new technologies. These claims are located about 3 kilometres north of the South Bay Mine which once produced approximately 1.6 million tons of 1.5 % copper and 10.0 % zinc. It is also located about 5 kilometres north of the Bobjo Mine project. Along with the Bobjo Mine project, the joint-venture partners now owned a total of 185 claim units (7,400 acres) in the area. There are six past producing gold operations within a 12 kilometre radius of these claims as well as numerous gold occurrences that are documented in geological reports and government publications. This joint-venture agreement was subsequently dropped in November 2008.

February 20<sup>th</sup>, 2007 – The Corporation granted 860,000 incentive stock options to its directors, officers and persons providing ongoing services to the Corporation. These options entitle the holders to purchase one Common Share at an exercise price of \$0.25 per Common Share. These options, unless terminated earlier, will expire on February 19<sup>th</sup>, 2012 (these options were subsequently re-priced from \$0.25 to \$0.27 in June, 2007 as per the conditional listing approval granted by the TSX Venture Exchange Inc.).

April 30<sup>th</sup> to June 14<sup>th</sup>, 2007 (inclusive) – The Corporation applied to the TSX Venture Exchange Inc. to become a publicly traded entity on that Exchange. This application was submitted to the Exchange on April 30<sup>th</sup>, 2007 and conditionally approved on May 30<sup>th</sup>, 2007. The trading symbol “MJO” was one of the three symbols applied for, and subsequently, this particular symbol was reserved for the Corporation by the Exchange. On April 30<sup>th</sup>, 2007, the Corporation also filed a Preliminary Prospectus with the Manitoba Securities Commission for the purposes of an Initial Public Offering (IPO) for which a “Receipt for a Preliminary Prospectus” was subsequently issued by the Commission on May 2<sup>nd</sup>, 2007. The IPO was an offering of (i) a maximum of 1,851,852 Flow-Through shares at a price of \$0.27 per Flow-Through share (\$500,000.04) and a minimum of 1,111,112 Flow-Through shares (\$300,000.24) and (ii) a maximum of 1,851,852 Units at a price of \$0.27 per unit (500,000.04) and a minimum of 740,741 Units (\$200,000.07). Each Unit consisted of one Common Share and one half (1/2) of one warrant to purchase one Common Share, which would separate on closing. Each whole Warrant entitled the holder to purchase one Common Share for an exercise price of \$0.45 per Common Share for a period of 18 months following the date of issuance. Both the Flow-Through Price and the Unit Price were determined by way of negotiations between the Corporation and the Agent, being Wellington West Capital Inc. Wellington West Capital Inc. acted as the Agent for this IPO and received as compensation a commission equal to 9 % of the aggregate subscription proceeds of the Offering. As per the Underwriting Agency Agreement, the Agent was also entitled to receive such number of Agents’ Warrants enabling it to purchase that number of common shares which was equal to 10 % of the flow-through shares and non-flow-through units sold under the Offering. The listing of the Corporation’s Common Shares on the Exchange was a condition for the Closing of this Initial Public Offering.

As part of the process for Closing the IPO Offering and becoming a publicly traded company on the TSX Venture Exchange, a number of documents were filed on the following dates (from April 30<sup>th</sup>, 2007 to June 14<sup>th</sup>, 2007 inclusively), and therefore can be viewed in detail, on [www.sedar.com](http://www.sedar.com) :

April 30<sup>th</sup>, 2007 – National Instrument 43-101 Technical Report for the Bobjo Mine Property dated December 23<sup>rd</sup>, 2006 – the Qualifying Property for the Preliminary Prospectus

April 30<sup>th</sup>, 2007 – Preliminary Prospectus for the Initial Public Offering dated April 27<sup>th</sup>, 2007

April 30<sup>th</sup>, 2007 – Consent of the Qualified Person for the National Instrument 43-101 Technical Report for the Bobjo Mine Property dated December 23<sup>rd</sup>, 2006 – the Qualifying Property for the Preliminary Prospectus – signed by John Archibald B.Sc., P.Geo.

May 2<sup>nd</sup>, 2007 – MRRS Decision Document (Preliminary) - the “Receipt for a Preliminary Prospectus” from the Manitoba Securities Commission dated May 2<sup>nd</sup>, 2007 – In this decision document, the Manitoba Securities Commission noted “Pursuant to National Policy 43-201 Mutual Reliance System for Prospectuses and Annual Information Forms, this preliminary mutual reliance review system decision document evidences that preliminary receipts of the regulators in each of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario have been issued.”

May 7<sup>th</sup>, 2007 – National Instrument 43-101 Technical Report for the Dixie Lake North Area Claims dated September 30<sup>th</sup>, 2006

June 1<sup>st</sup>, 2007 – The following material contracts were filed: (i) the option agreement dated July 21<sup>st</sup>, 2006 between 1544230 Ontario Inc. (Perry English) and Mainstream Minerals Corporation regarding the Bobjo Mine property; (ii) the option agreement dated July 21<sup>st</sup>, 2006 between Perry English, on behalf of Rubicon Minerals Corporation, and Mainstream Minerals Corporation for the Dixie Lake North Area Claims;

(iii) joint venture earn-in agreement dated September 11<sup>th</sup>, 2006 between King's Bay Gold Corporation and Mainstream Minerals Corporation regarding the Bobjo Mine property; (iv) option agreement dated September 11<sup>th</sup>, 2006 between King's Bay Gold Corporation and Mainstream Minerals Corporation regarding the Helena Lake claims; (v) option agreement dated December 17<sup>th</sup>, 2006 between Perry English, on behalf of Rubicon Minerals Corporation, and Mainstream Minerals Corporation for the two claims adjacent to the Bobjo Mine property; and (vi) the joint venture agreement dated February 20<sup>th</sup>, 2007 between King's Bay Gold and Mainstream Minerals for the Woman Lake North of South Bay claims.

June 1<sup>st</sup>, 2007 – The Underwriting Agency Agreement between Mainstream Minerals Corporation and Wellington West Capital Inc. was filed.

June 1<sup>st</sup>, 2007 – Final Long Form Prospectus – English

June 1<sup>st</sup>, 2007 – MRRS Decision Document (Final) - the "Receipt for a Final Prospectus" from the Manitoba Securities Commission dated May 31<sup>st</sup>, 2007 – In this decision document, the Manitoba Securities Commission noted "Pursuant to National Policy 43-201 Mutual Reliance System for Prospectuses and Annual Information Forms, this final mutual reliance review system decision document evidences that final receipts of the regulators in each of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario have been issued."

June 5<sup>th</sup>, 2007 – ON Form 13-502F1 (Class 1 Reporting Issuers – Participation Fee) as per the Fee Rules

June 12<sup>th</sup>, 2007 – Material Change Report – Pursuant to Section 7.1 of National Instrument 51-102 – Summary of Material Change – "On June 11<sup>th</sup>, 2007, the Issuer completed an initial public offering of common shares of the Issuer ("Common Shares") and the listing of the Common Shares on the TSX Venture Exchange Inc. A total of 1,851,852 Common Shares, issued as Flow-Through Shares pursuant to *The Income Tax Act* (Canada), and 1,851,852 Units, each Unit consisting of 1 Common Share and one half of one Common Share Purchase Warrant, were issued to investors resident in the Provinces of Manitoba, Saskatchewan and Ontario."

June 14<sup>th</sup>, 2007 – Escrow Agreement Form 5D dated June 8<sup>th</sup>, 2007 among Mainstream Minerals Corporation (the "Issuer") and Computershare Trust Company of Canada (the "Escrow Agent") and the Corporation's Principals and Spouses as identified therein. This Escrow Agreement was entered into by the Parties under Exchange Policy 5.4 – Escrow, Vendor Consideration and Resale Restrictions in connection with the listing application of the Issuer to list the Issuer's common shares in connection with the Issuer's initial public offering.

June 12<sup>th</sup>, 2007 – The Corporation announced that it had completed its Initial Public Offering (IPO) and attained the maximum aggregate subscription proceeds under the prospectus offering of \$1,000,000.08. An aggregate of 1,851,852 flow-through shares were issued at a price of \$0.27 per unit (\$500,000.04) and 1,851,852 non-flow-through units were issued at a price of \$0.27 per unit (\$500,000.04). Each non-flow-through unit was comprised of one common share and one half (1/2) common share purchase warrant. Each common share purchase warrant could be exercised into one common share upon payment of \$0.45 on or before 18 months from the date of issue. Wellington West Capital Inc. acted as the Agent for this IPO and received as compensation a commission equal to 9 % of the aggregate subscription proceeds of the Offering. As per the Underwriting Agency Agreement, the Agent was also entitled to receive such number of Agents' Warrants enabling it to purchase that number of common shares which were equal to 10 % of the flow-through shares and non-flow-through units sold under the Offering. The news release also noted that the TSX Venture Exchange Inc. had recently approved the listing of the Corporation's common shares and that these common shares were anticipated to start trading on the Exchange on Wednesday June 13<sup>th</sup>, 2007 under the trading symbol "MJO".

As announced on June 12<sup>th</sup>, 2007, the Corporation's shares began trading on the TSX Venture Exchange on June 13<sup>th</sup>, 2007 under the trading symbol "MJO".

June 18<sup>th</sup>, 2007 – The Corporation along with its 50 / 50 joint venture partner, King's Bay Gold Corporation (TSX.V: KBG), were pleased to report in a news release that they had received more high-grade gold results – up to 4.03 ounces per ton (opt) gold - and completed a major ground geophysical program on their joint venture Bobjo Mine Project, located in Earnsey and Agnew Townships, Red Lake Mining Division of Ontario. Recent sampling from mineralized quartz veins had just returned more high-grade gold results. Highlights included 138.0 gpt (grams per tonne) Au, 67.9 gpt Au, 67.3 gpt Au, 53.1 gpt Au, 50.4 gpt Au, 36.6 gpt Au, and 32.3 gpt Au. This sampling followed up previously released results by Kings Bay Gold dated December 11<sup>th</sup>, 2006. The mineralization sampled in this recent program was taken from quartz carbonate veins, and covers an area of approximately 200 square feet. Follow-up channel sampling was expected to commence in the coming weeks. The exploration program also consisted of 105.2 kms of line-cutting followed by ground magnetic and VLF-EM surveys. The surveys were conducted by Dan Patrie Exploration Ltd. to establish areas of magnetic elevations, magnetic lows and VLF cross-overs to help define structures and conductors. The readings were taken along the lines at 25 and 100 metres apart and at 25 metre station intervals. These surveys will be used to aid in targeting new areas for exploration as well as for extensions to known mineralization. The samples were taken under the supervision and direction of John Archibald B.Sc., P. Geo. Mr. John Archibald was the Qualified Person under National Instrument 43-101. All of the samples were analyzed by Accurassay Laboratories of Thunder Bay, Ontario, using the standard fire assay method.

June 26<sup>th</sup>, 2007 – Announced that it and its joint venture partner King's Bay Gold Corporation (TSX.V: KBG) were proceeding with a first phase \$1,000,000 diamond drill program on their high-grade gold Bobjo Mine Project.

July 30<sup>th</sup>, 2007 – The Corporation was deeply saddened to report the sudden passing of Mr. Gerald Colborne B.Sc., M.Sc., P.Eng., P.Geo., F.G.A.C., M.C.I.M. over the previous weekend. Mr. Colborne was a Director and the President & CEO of the Corporation since July 19<sup>th</sup>, 2007 and was a Director of King's Bay Gold Corporation since August 12<sup>th</sup>, 2003. The news release stated – “The entire Board and management of both companies would like to pass on our sympathy and condolences to his wife and family circle. Gerald's enthusiasm, commitment and dedication set him apart as one of the outstanding leaders in our industry. His service to our corporation was unconditional and selfless. He will be remembered as a role model and friend that will be greatly missed”. The news release went on to state that an interim President & CEO would be appointed as soon as practicable.

August 8<sup>th</sup>, 2007 – Announced that it was proceeding with a non-brokered private placement of \$1,000,000 through the sale of 1,333,333 Flow-through Units at \$0.75 each to the MineralFields Group. At the time, it was anticipated that the closing of this transaction would occur on or about August 10<sup>th</sup>, 2007. The news release stated that the closing of the offering was subject to the approval of the TSX Venture Exchange Inc. and that the Corporation intended to utilize the proceeds from this non-brokered private placement for the ongoing exploration and development of its joint-ventured Bobjo Mine Property, where drilling had commenced, and at its other projects.

August 15<sup>th</sup>, 2007 – The Corporation announced in a news release the closing of the non-brokered private placement of \$1,000,000 through the sale of 1,333,331 Units at \$0.75 each to the MineralFields Group that was first announced on August 8<sup>th</sup>, 2007. Each Unit consisted of one flow-through common share, and one non-flow-through common share purchase warrant having a term of 24 months from date of issue and an exercise price of \$1.00 in year 1 and \$1.25 in year 2. In arranging this financing, First Canadian Securities®, a Division of Limited Market Dealer Inc. (“the Finder”), received a 5 % cash finder's fee and 24 month finder's fee units equal to 10 % of the number of units subscribed for, at an exercise price of \$0.75 per unit. Each finder's fee unit entitled the holder thereof, upon exercise, to one non-flow-through common share and one non-flow-through common share purchase warrant having a term of 24 months from date of issue and an exercise price of \$1.00 in year 1 and \$1.25 in year 2. Mainstream Minerals Corporation also paid to the Finder a due diligence fee of \$20,000 equal to 2 % of the aggregate proceeds from the non-brokered private placement. The shares issued in connection with the offering were subject to a four-month plus one-day hold period. A Material Change Report, pursuant to Section 7.1 of National Instrument 51-102, was also filed on [www.sedar.com](http://www.sedar.com) on that same date.

August 29<sup>th</sup>, 2007 – In a news release, the Corporation updated its shareholders on the progress being made in the field. It noted that the Corporation first announced on June 26<sup>th</sup>, 2007 the commencement of a \$1,000,000 first phase diamond-drilling program on the Bobjo Mine property. The Corporation reported that drilling was ongoing and progressing well. As at that date, sixteen holes had been completed and samples from the first ten holes had been sent to the labs for assaying.

September 15<sup>th</sup>, 2007 – The Corporation was pleased to announce the appointment of Mr. Neil Sullivan, B.A., LLB, to the position of President & Chief Executive Officer. This appointment was made on an interim basis until the next Annual General Meeting of Shareholders (time, date and place to be announced at a later date). It was noted that Mr. Sullivan has been a Director of the Corporation since it was founded on July 19<sup>th</sup>, 2006. Mr. Sullivan replaces Gerald Colborne who passed away suddenly on July 28<sup>th</sup>, 2007. Mr. Colborne was also one of the Corporation's founding directors and was also, at the time of his passing, the Corporation's President & Chief Executive Officer. The news release provided the following brief biography on Mr. Sullivan:

“Mr. Neil Sullivan is a securities lawyer and a real estate developer. As a securities lawyer, he has extensive experience in the mining industry. In addition to serving as the managing partner of Sullivan McMullan, Barristers and Solicitors from 1996 to 2006, Mr. Sullivan has formed and remains active with several precious metals exploration companies. He has successfully undertaken several large real estate development projects in both Winnipeg, Canada and in the Central American country of Belize, formerly known as British Honduras. He is a graduate of the University of Manitoba where he obtained a Bachelor of Arts (Economics) and a Bachelor of Laws.”

Due to other ongoing work and time commitments, Mr. Michael A. Dehn, B.Sc. had recently tendered his resignation as Chairman of the Board of Directors and as the Corporation's Chief Operating Officer. The Board accepted his resignation and thanked Mr. Dehn for his services to the Corporation. At the time, the Board wished him every success in his present and future endeavors.

September 18<sup>th</sup>, 2007 – At the request of the Corporation, the stock was halt traded on the TSX Venture Exchange pending a news release. Trading resumed later in the morning of September 19<sup>th</sup>, 2007 after the following news dated that same day was released.

September 19<sup>th</sup>, 2007 –In a joint news release, the Corporation and its partner, King's Bay Gold Corporation, were pleased to announce they had received the first results from their Phase 1 diamond drilling program on the Bobjo Mine Project. The news release was verified and approved by Geologist John Archibald B.Sc., P.Geo. The companies reported that the first nine initial exploratory diamond drill holes cut through numerous high-grade gold bearing structures at or near surface. Recent stripping and washing also exposed a large quartz vein system that is open in all directions and at depth. It was noted that all nine holes reported intersected gold mineralization at shallow depths that could be amenable to open pit mining.

Highlights of this initial exploratory Phase 1 diamond drilling program included: 93.090 g/t Au (grams per tonne) over 0.20 metres; 32.950 g/t Au over 1.10 metres; 29.010 g/t Au over 0.30 metres; 20.030 g/t Au over 0.50 metres; 18.184 g/t Au over 0.50 metres; 15.659 g/t Au over 0.50 metres; 12.001 g/t Au over 0.50 metres; 11.301 g/t Au over 0.80 metres; 10.950 g/t Au over 1.40 metres; 8.701 g/t Au over 1.10 metres; 8.450 g/t Au over 3.40 metres; 6.847 g/t Au over 1.00 metres; 6.787 g/t Au over 0.50 metres; 6.290 g/t Au over 0.80 metres; and 6.250 g/t Au over 1.50 metres.

The samples from the first five holes were analyzed by Accurassay Laboratories of Thunder Bay, Ontario. The remainder, including all future samples, would be analyzed by SGS Laboratory in Red Lake, Ontario. John Archibald B.Sc., P.Geo. was the Qualified Person under National Instrument 43-101 for this project. Future assay results will be released once the information is received and coordinated with the drill log information. Both companies reported that they were very encouraged with these initial high-grade gold results at very shallow depths and with the many gold intersections in the holes. They also reported that drilling was ongoing and would continue to test areas of this large quartz vein system that is open in all directions and at depth. At that time, the partners were also waiting for the assay results of Holes #10 through #15 which would be released immediately upon receipt and verification. The September 19<sup>th</sup>, 2007 news release also stated that a third larger diamond drill was moved to the property for deeper drilling once the majority of the veins seen on surface have been drill tested. The partners noted that they were fortunate to have two diamond drill rigs, a timberjack and bulldozer on the property belonging to King's Bay. This additional equipment would give the partners the ability to adjust and anticipate drilling other targets as they become available and to continue into a winter program. It was further noted that an existing power line passes through the southern part of the property and that the property is within trucking distance to the Placer Dome / Goldcorp Mill in Red Lake, Ontario.



October 4<sup>th</sup>, 2007 – The Notice for the upcoming Annual General Meeting of Shareholders was filed by Computershare Trust Company of Canada, the Corporation's Transfer Agent, on [www.sedar.com](http://www.sedar.com). The meeting date was set as December 4<sup>th</sup>, 2007 and would be held in Winnipeg, Manitoba. The Record Date for the Notice of Meeting and the Record Date for Voting were both set as October 29<sup>th</sup>, 2007.

October 22<sup>nd</sup>, 2007 – At the request of the Corporation, the stock was halt traded on the TSX Venture Exchange in the early afternoon of October 22<sup>nd</sup>, 2007 pending a news release. Trading resumed late in the morning of October 23<sup>rd</sup>, 2007 after the following news dated that same day was released.

October 23<sup>rd</sup>, 2007 – Along with its partner, King's Bay Gold Corporation, the Corporation announced that it had received additional results from the Phase 1 diamond drilling program at the Bobjo Mine project for Holes #10 to #14. The partners noted that they were pleased to report that Hole #14 intersected a new gold zone returning 1.56 opt gold over 8 feet (53.61 g/t Au over 2.45 metres). Specks of gold were observed in this intersection. At that time, the partners were waiting for the results from a 40-foot heavily mineralized quartz carbonate zone that was intersected deeper in Hole #14. The mineralization therein is mainly comprised of pyrite, pyritite and some chalcopyrite. It was further noted that this 40-foot zone was sent to SGS Canada Inc.'s laboratory to be analyzed for gold and 32 elements using the ICP method. At that time, the partners were also awaiting the assay results of Holes #15 through #20. These would be released immediately upon receipt and verification.

October 25<sup>th</sup>, 2007 – In a news release, the Corporation along with its partner, King's Bay Gold Corporation, were pleased to update their shareholders on a number of new developments at the Bobjo Mine project in Red Lake, ON. The partners were pleased to report the acquisition by way of staking of another 164 claim units totaling 6,560 acres to the north and south of, and immediately adjacent to, the existing land package. The Bobjo Mine project was now comprised of 259 claim units totaling 10,360 acres which almost tripled the size of the land package for this high-grade gold project. Mainstream Minerals and King's Bay Gold also reported that an extra diamond drill rig was now on site and that a winter camp had now been set up. The partners also reported that they are presently drilling Hole #27. Drilling was ongoing and would continue to test areas of this large quartz vein system that is open in all directions and at depth.

November 1<sup>st</sup>, 2007 – On this date, the Corporation filed on [www.sedar.com](http://www.sedar.com) the following three documents relating to the proposed change in auditors from Scarrow & Donald LLP (former auditor) to Magnus & Buffie – Chartered Accountants (successor auditor) which was to be voted upon at the upcoming Annual General Meeting of Shareholders of December 4<sup>th</sup>, 2007: Notice of Change of Auditor dated October 31<sup>st</sup>, 2007; Letter from Successor Auditor dated October 22<sup>nd</sup>, 2007; and Letter from Former Auditor dated October 23<sup>rd</sup>, 2007.

November 9<sup>th</sup>, 2007 – On this date, the following documents relating to the upcoming Annual General Meeting of Shareholders of December 4<sup>th</sup>, 2007 were filed on [www.sedar.com](http://www.sedar.com) : Notice of Annual and Special General Meeting of Shareholders dated October 31<sup>st</sup>, 2007; Notice of Annual and Special General Meeting and Information Circular dated October 31<sup>st</sup>, 2007; and Form of Proxy – Annual and Special General Meeting – December 4<sup>th</sup>, 2007.

November 13<sup>th</sup>, 2007 – The Corporation along with its partner, King's Bay Gold Corporation, were pleased to announce in a news release that they had received the final results of Hole #14 from their Phase 1 diamond drilling program on their Bobjo Mine Project. The partners were pleased to report that Hole #14 was very successful in intersecting a new high-grade gold zone at very shallow depths and a new Rare Metals and Rare Earth Elements discovery at a depth of 153 metres situated along a fault structure with an approximate ten-kilometre strike length.

November 20<sup>th</sup>, 2007 – The partners were pleased to report in a news release dated that Hole #16 was very successful in intersecting more Rare Metals and Rare Earth Elements at depth. This Hole #16 intersected the zone at a depth of 258 metres right below Hole #14, which intersected the zone at a depth of 153 metres. All of the samples on the preceding page were analyzed by SGS Canada Inc.'s laboratory in Red Lake, Ontario. The November 20<sup>th</sup>, 2007 news release noted that this new rare metals and rare earth element discovery that has just brought a whole new dimension to this exploration project. The partners did not assay the entire mineralized zone, which was actually more than double in size than the section that was analyzed and reported in the news release.



## Mainstream Minerals Corporation

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The remainder of the zone will be sent for assay a little later and will test for all the rare earth elements. Hole #15 had no significant values and was drilled in a different area. More assay results will be released when received and verified.

December 4<sup>th</sup>, 2007 – The Annual General Meeting of Shareholders for the Corporation was held at 10:00 AM at the CanadInns Club Regent Casino Hotel, 1415 Regent Avenue West, Winnipeg, Manitoba.

December 4<sup>th</sup>, 2007 – The Corporation announced in a news release that it had granted a total of 1,140,000 incentive stock options for the purchase of up to 1,140,000 common shares of the Corporation at a price of \$0.36 per share to Directors / Officers / Consultants, expiring December 3<sup>rd</sup>, 2012.

December 6<sup>th</sup>, 2007 – In a news release, the Corporation announced a non-brokered private placement of \$1,000,000 through the sale of 2,380,948 Units at \$0.42 each to the MineralFields Group, subject to the approval of the TSX Venture Exchange Inc. At the time, it was anticipated that the closing of this transaction would occur on or before December 14<sup>th</sup>, 2007. Each Unit would consist of one flow-through common share, and one non-flow-through common share purchase warrant having a term of 24 months from date of issue and an exercise price of \$0.75 in year 1 and \$1.00 in year 2. In arranging this financing, First Canadian Securities @, a Division of Limited Market Dealer Inc. (“the Finder”), would receive a 5 % cash finder’s fee and 24 month finder’s fee units equal to 10 % of the number of units subscribed for, at an exercise price of \$0.75 per unit. Each finder’s fee unit would entitle the holder thereof, upon exercise, to one non-flow-through common share and one non-flow-through common share purchase warrant having a term of 24 months from date of issue and an exercise price of \$0.75 in year 1 and \$1.00 in year 2. Mainstream Minerals Corporation would also be paying to the Finder a due diligence fee of \$20,000 equal to 2 % of the aggregate proceeds from the non-brokered private placement. The shares issued in connection with this offering were subject to a four-month plus one-day hold period. Mainstream Minerals Corporation intended at the time were to utilize the proceeds from this non-brokered private placement for the ongoing exploration and development of its joint-ventured Bobjo Mine Property and at its other projects.

December 19<sup>th</sup>, 2007 – The Corporation announced in a news release the closing of the non-brokered private placement of \$1,000,000 through the sale of 2,380,948 Units at \$0.42 each to the MineralFields Group as first announced on December 6<sup>th</sup>, 2007.

December 21<sup>st</sup>, 2007 – Pursuant to Section 7.1 of National Instrument 51-102, the Corporation filed, as a reporting issuer, a Material Change Report on [www.sedar.com](http://www.sedar.com) as this related to the recently announced closing of a non-brokered private placement of \$1,000,000 through the sale of 2,380,948 Units at \$0.42 each to the MineralFields Group of December 19<sup>th</sup>, 2007.

January 8<sup>th</sup>, 2008 – The partners were pleased to announce in a news release that they had received the results of seven more holes (Holes #17 to #23 inclusive) from their Phase 1 diamond drilling program. The January 8<sup>th</sup>, 2007 news release also recapped all of the material results obtained to date within this Phase 1 program and commented on the following preliminary rare metals and rare earth elements results from Hole #20 and commented that Hole #23 was recently sent to lab for analysis. It was noted that Holes #14, 16, 20 and 23 are situated along a fault structure with an approximate ten-kilometre strike length. All of the samples found therein were analyzed by SGS Canada Inc.’s laboratory. The news release also stated that Holes #24 to 27 were to be sent to the lab very shortly, that all zones are open in all directions and at depth, and that crews were presently on site preparing for the start of a Phase 2 \$1,000,000 exploration program (since increased to \$2,000,000). John Archibald B.Sc., P.Geo., was the Qualified Person under National Instrument 43-101 for this project.

January 9<sup>th</sup>, 2008 – The MineralFields Group of Companies of Toronto, Ontario filed an Early Warning Report pursuant to National Instrument 62-103. This filing was subsequent to and related to the recently announced closing of a non-brokered private placement of \$1,000,000 through the sale of 2,380,948 Units at \$0.42 each to the MineralFields Group on December 19<sup>th</sup>, 2007. In this Early Warning Report, MineralFields stated – (i) “Prior to the transaction reported herein, MineralFields collectively owned 1,333,331 shares and 1,586,664 warrants of Mainstream. After the transaction reported herein, Mainstream has 18,031,087 issued and outstanding common shares on a non-diluted basis of which MineralFields owns 3,558,329 common shares of Mainstream on a non-diluted basis representing 19.7 % of the Mainstream non-diluted issued and outstanding shares, and 7,822,371 common shares of mainstream on a fully diluted basis representing 35.08 % of the Mainstream fully-diluted issued and outstanding shares.”; and (ii) “MineralFields’ purchase of these securities was made for investment purposes and MineralFields has no current intention of increasing its interest in the securities of Mainstream.”

March 3<sup>rd</sup>, 2008 – In a news release, the Corporation along with its joint-venture partner, King’s Bay Gold Corporation, were pleased to announce the commencement of a large Phase 2 diamond drilling program at their Bobjo Mine Project. Both companies were pleased to announce the commencement of their largest exploration program ever at one project which would involve 15,000 metres of drilling using two machines with one being a large machine from an independent drilling contractor equipped for deep drilling. The initial 2007 Phase 1 exploration program consisted of 5,300 metres included a new high-grade gold discovery with gold being intersected in almost every hole. It also included a new rare metals and rare earth elements discovery that could possibly prove to be very valuable because of the ever increasing industrial and consumer demand for such materials. The decision to commence this large Phase 2 drilling program came about after an extensive study and compilation of all available government and geophysical data outlining numerous positive drill targets. The joint venture partners also stated that they wanted to follow-up the results achieved in the very successful initial 2007 Phase 1 diamond drilling program. The work presently being carried out by the partners represents the first modern, systematic exploration of this property since 1929.

**Phase 2 Bobjo Drill Targets** - Many drill targets were established and prioritized. The first three drill targets would include: 1) Follow up drilling in the area of the new high-grade gold discovery; 2) Follow up drilling in the area of the new rare metals and rare earth elements discovery; and 3) Testing of a large Magnetic High located approximately 2,000 metres to the south of the old Bobjo Mine shaft where two conductors crisscross in the middle. Two parallel faults and two parallel cross faults also meet up at this same location. It is also located along a contact where the mafic volcanic rocks meet up with an intermediate to felsic volcanic zone. This target is on strike and in close proximity to the past producing Uchi Gold Mine.

March 27<sup>th</sup>, 2008 – Computershare Trust Company of Canada, the Corporation’s transfer agent, filed on [www.sedar.com](http://www.sedar.com) a Notice of Meeting to announce the upcoming Annual and Special Meeting of Shareholders to be held on May 28<sup>th</sup>, 2008 in Red Lake, Ontario. The Record Date for Notice of Meeting and the Record Date for Voting was established as April 23<sup>rd</sup>, 2008.

April 23<sup>rd</sup>, 2008 – In a news release, the Corporation along with its joint-venture partner, King’s Bay Gold Corporation, were pleased to announce in a news release that high grade gold intervals characteristic of a Red Lake vein type deposit have been intersected in Hole #25. This project continues to be the site of new discoveries that has so far included high-grade gold, strategic rare metals and rare earth elements. The partners were pleased to report the discovery of a new high-grade gold intersection of 19.61 g/t Au over 2.0 metres from 291.0 to 293.0 metres. These new results extended both the existing mineralized zones and confirmed the depth extension.

April 27<sup>th</sup>, 2008 – The Corporation and its’ joint venture partner were pleased to announce in a news release that they had received additional results from Hole #25 at the Bobjo Mine Project. The partners recently reported on April 23<sup>rd</sup>, 2008 the discovery of a new high-grade gold zone located approximately 150 metres south of the main zones at a depth of 291.0 to 293.0 metres. The partners also decided to test for rare metals and rare earth elements in a gold bearing quartz vein and were pleased to report that rare metals and rare earth elements are also present and combined within that gold bearing quartz vein. This new information had just increased the potential of all other quartz veins intersected so far. Additional testing will be needed. In summary, the results from Hole #25 are very positive as these now (i) Confirm the Extension of the Zones; (ii) Confirm the Depth Extension of the Gold Zone; and (iii) that Rare Metals and Rare Earth Elements are found within a Gold Bearing Quartz Vein.

May 9<sup>th</sup>, 2008 – On this date, the following documents relating to the upcoming Annual General Meeting of Shareholders of May 28<sup>th</sup>, 2008 were filed on [www.sedar.com](http://www.sedar.com) : Notice of Annual and Special General Meeting of Shareholders dated April 25<sup>th</sup>, 2008; Notice of Annual and Special General Meeting and Information Circular dated April 25<sup>th</sup>, 2008; and Form of Proxy – Annual and Special General Meeting – May 28<sup>th</sup>, 2008.

May 28<sup>th</sup>, 2008 – The Annual General Meeting of Shareholders for the Corporation was held at 3:00 PM at 109 Lakeview Drive, Red Lake, Ontario.

June 6<sup>th</sup>, 2008 – In a news release, the Corporation was pleased to announce that all of the Directors were re-elected at the Corporation's recent Annual and Special General Meeting of Shareholders as held on May 28<sup>th</sup>, 2008 in Red Lake, ON. Subsequent to this, the Board of Directors held a board meeting to appoint Lawrence Shewchuk to the Corporation's Board of Directors. This appointment was subject to the approval of the TSX Venture Exchange Inc., which was subsequently received. Mr. Shewchuk was also a Director of King's Bay Gold Corporation at the time.

June 11<sup>th</sup>, 2008 – The Corporation announced in a news release the acquisition of the Phyllis Lake Project by way of an Option Agreement with Falcon Mineral Exploration Limited (the "Vendor"). The project was located near the Town of Ignace, Ontario and was comprised of 64 unpatented claim units for 2,560 acres. Access to this property is excellent via the TransCanada Highway and then onto new gravel roads that were recently built by a lumber company. The Option Agreement for the Phyllis Lake property provided that Mainstream Minerals could acquire a 100% interest in the property by making the following payments to the Vendor: a) \$10,000 on signing and the issuance of 50,000 common shares upon approval from the TSX Venture Exchange; b) \$20,000 and the issuance of 50,000 shares upon the first anniversary; c) \$30,000 and the issuance of 50,000 shares upon the second anniversary; d) \$40,000 and the issuance of 100,000 shares upon the third and final anniversary. The vendor would retain a 2% net smelter return royalty on the property. A stripping program carried out by heavy equipment had recently uncovered large zones with impressive widths and strike lengths. Surface sampling has also yielded high-grade results that the Company believes could possibly be the beginning of a large mineral discovery on a new project that has never been explored before. Surface grab sampling of this project has yielded results as high as: 0.690% Molybdenum (Mo), 2.192 % Copper (Cu), 0.415 % Cobalt (Co), 0.393 % Nickel (Ni), 0.100 % Zinc (Zn), 9.60 g/t Silver (Ag), 2.81 g/t Gold (Au), 2.50 g/t Palladium (Pd) and 1.20 g/t Platinum (Pt). A 3 metre channel sample from a zone identified as the East Zone Number 1 with a strike length of approximately 500 metres returned high-grade values of 0.677 % Molybdenum. The news release went on to describe three other mineralized zones found on the property known as the East Zone Number 2, the North Zone, and the Central Zone. This option agreement was subsequently dropped in June 2009.

June 19<sup>th</sup>, 2008 – Announced in a news release, subject to regulatory approval, that the Corporation had entered into a joint venture earn-in agreement on its Phyllis Lake Project with King's Bay Gold Corporation (TSX.V: KBG). In accordance with their Joint Venture Earn-In Agreement of June 18<sup>th</sup>, 2008, Mainstream Minerals granted to King's Bay the right to acquire a fifty percent (50%) interest in the Phyllis Lake property upon King's Bay funding Earn-In Exploration Expenditures in an aggregate amount of \$500,000. The Earn-In Exploration Expenditures must be incurred within 15 months from the date of the Joint-Venture Earn-In Agreement. The scope of this Joint-Venture Earn-In Agreement would also include any and all additionally staked claims by either Mainstream Minerals or King's Bay that come within a 5 kilometre radius of the 64 claim units currently covered under the Phyllis Lake Option Agreement dated May 30<sup>th</sup>, 2008 between Mainstream Minerals and Falcon Mineral Exploration Limited (the "Vendor"). The Phyllis Lake Option Agreement was subject to a two percent (2%) Net Smelter Return in favour of the Vendor. Upon King's Bay earning the Earn-in Interest, Mainstream Minerals and King's Bay shall be deemed to have entered into a Joint Venture Agreement in respect of the development, management and further exploration of the Property, and, if deemed warranted, bringing all or a portion of the Property into production by establishing and operating a mine or mines thereon. The respective initial interests of Mainstream Minerals and King's Bay in the Joint Venture will be fifty percent (50%) and fifty percent (50%), subject to the 2% Net Smelter Return interest in favour of the Vendor. King's Bay would be the initial Operator of the Joint Venture during the earn-in period. Both companies stated that they were very pleased with the mineral potential of this project. The news release also stated that King's Bay, as the new Operator of the project, was planning on commencing an exploration program that would consist of a geophysical survey, sampling, stripping, washing and diamond drilling. This joint-venture agreement was subsequently dropped in June 2009.

June 23<sup>rd</sup>, 2008 – The Corporation announced in a news release the acquisition of the Stake Lake Copper, Gold, and Silver Project by way of an option agreement. This new project was comprised of 11 claims totaling 176 units (approximately 7,040 acres) and was located near the Town of Ignace, Ontario. Surface grab sampling of this Stake Lake project had yielded high-grade results with the best sample having a grade of 4.500 % Cu, 2.73 g/t Au and 97.00 g/t Ag. The option agreement for the Stake Lake property provided that Mainstream Minerals could acquire a 100% interest in the property by making the following payments to Falcon Mineral Exploration Limited (the “Vendor”): a) \$5,000 on signing and the issuance of 25,000 common shares upon approval from the TSX Venture Exchange; b) \$10,000 and the issuance of 25,000 shares upon the first anniversary; c) \$20,000 and the issuance of 25,000 shares upon the second anniversary; d) \$30,000 and the issuance of 50,000 shares upon the third and final anniversary. The vendor would have retained a 2% net smelter return royalty on the property. This option agreement was subsequently dropped in March 2009.

July 7<sup>th</sup>, 2008 – The Corporation, along with its joint venture partner, King’s Bay Gold Corporation, were pleased to report in a news release that numerous significant zones of rare earth elements and other minerals and metals were intersected in this Hole #23 between 162.0 to 262.5 metres.

July 16<sup>th</sup>, 2008 – Announced the appointment of Mr. Lawrence Shewchuk to the position of President & Chief Executive Officer. Mr. Shewchuk has been a director of the Corporation since his appointment to the Board of Directors on May 28<sup>th</sup>, 2008. His appointment as a director was subsequently approved by the TSX Venture Exchange. Mr. Shewchuk replaced Mr. Neil Sullivan, B.A., LL.B., who was appointed as the Corporation’s interim President & CEO on September 15<sup>th</sup>, 2007. That interim appointment was subsequent to the sudden passing of Mr. Gerald Colborne, President & CEO on July 28<sup>th</sup>, 2007. Going forward, it was noted that Mr. Sullivan would continue serving the Corporation, both as a director and as a member of the Board’s various committees. The Board of Directors expressed its gratitude to Mr. Sullivan for his ongoing dedication and service to the Corporation. The news release went to provide readers with a brief biography on Mr. Shewchuk’s career and achievements.

July 18<sup>th</sup>, 2008 – The Corporation, along with its joint venture partner, King’s Bay Gold Corporation, were pleased to announce that they have received additional assay results for Holes #26 to #30 inclusive from their ongoing diamond drilling program at their Bobjo Mine Project. Highlights that included 27.43 g/t Au over 1.0 metre. The news release stated that this Phase 2 diamond drilling program was ongoing and that additional results would be released when received and verified. The partners were pleased with the progress to date at this project and with the fact that drilling has so far intersected gold in twenty five out of thirty holes reported to date.

July 21<sup>st</sup>, 2008 – Announced a private placement offering which was anticipated to close on August 5<sup>th</sup>, 2008. The Units connected with this private placement would be offered to subscribers resident in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario. This private placement would be comprised of up to 1,200,000 Class A Units at \$0.25 per Class A Unit (the “Flow-Through Subscription Price”) for gross proceeds of up to \$300,000.00, and up to 1,000,000 Class B Units at \$0.20 per Class B Unit (the “Non-Flow-Through Subscription Price”) for gross proceeds of up to \$200,000.00, for an aggregate of 2,200,000 Units and for aggregate gross Offering Proceeds of up to \$500,000.00. Each flow-through Class A Unit would be comprised of one flow-through common share and one non-flow-through common share purchase warrant that could be exercised to purchase one common share upon payment \$0.30 for a period of 24 months following the date of issuance. Each non-flow-through Class B Unit would be comprised of one non-flow-through common share and one non-flow-through common share purchase warrant that can be exercised to purchase one common share upon payment \$0.25 for a period of 24 months following the date of issuance. A finder’s fee equal to 8 % of the subscription proceeds may be paid to registered dealers for services rendered in introducing certain subscribers to the offering. The shares issued in connection with this non-brokered private placement would be subjected to a four-month plus one-day hold period. This non-brokered private placement was subsequently cancelled on August 11<sup>th</sup>, 2008.

July 24<sup>th</sup>, 2008 – Announced in a news release that a Phase 1 diamond drill program had commenced at the joint-ventured Phyllis Lake Project. The Corporation and its partner were excited with the commencement of a 3,000 metre Phase 1 diamond drilling program at this project which is host to numerous minerals<sup>2</sup>. It was noted that the Corporation was at the time involved in two active and concurrent drilling projects with King’s Bay Gold – 15,000 metre Phase 2 project at the Bobjo Mine and this 3,000 metre Phase 1 project at Phyllis Lake. This joint-ventured project was subsequently dropped in June 2009.

July 28<sup>th</sup>, 2008 – The Corporation announced in a news release that it had submitted a number of coal permit applications encompassing approximately 45,546 acres just West of Hudson Bay, Saskatchewan. A recent coal discovery by Goldsource Mines Inc. (TSX-V: GXS) had attracted a lot of attention around this area at that time. The news release stated that the deposit in trust for the permits that had been forwarded to the Government of Saskatchewan's permitting office. The time frame required to process the permit applications would be determined by the permitting office. Coal structures of the Cretaceous age are generally very large and can sometimes encompass several thousand square kilometers. This recent coal discovery by Goldsource Mines Inc. was potentially the tip of the iceberg. The Corporation believed at the time that this could be the beginning of a new major coal region in the mining friendly province of Saskatchewan and that it planned to aggressively explore any successful permits. These coal permit applications were subsequently withdrawn by the Corporation in October 2008.

August 11<sup>th</sup>, 2008 – Due to overall unfavorable stock market conditions, and with many people being away at that time on summer vacations, the Corporation announced that it would not be proceeding with the private placement offering as previously announced on July 21<sup>st</sup>, 2008 and which was anticipated to close on August 5<sup>th</sup>, 2008.

November 26<sup>th</sup>, 2008 – The Corporation, along with its joint-venture partner King's Bay Gold Corporation, announced the successful completion of their Phase 1 drilling program on their Phyllis Lake Project. The results from this program confirms the presence of wide zones of uranium, rare earths, rare metals and other minerals, notably sulfur and iron, at or near surface in East Zone Number 1. It was also noted that both companies were also cooperating to stake more land in the immediate area which could triple the size of this project from the current 64 claim units (2,560 acres). The property is easily accessible via the TransCanada Highway and has a location advantage of being intersected by a railroad. The news release went on to state these drill results came from an area of the property known as the East Zone Number 1 and showed excellent potential to host several times the mineralization identified to date as these highly mineralized zones are still open at both ends and at depth. Hole #1 and Hole #4 were drilled at over 500 metres apart which now confirms a strike length of at least 500 metres and drill intersections from surface to a depth of 129 metres so far. This area will definitely need more surface stripping at both ends to fully define the actual strike length of this large mineral-rich structure and deeper drilling to test the depth extensions. Work on the Phyllis Lake Project was carried out under the supervision of Andrew Gracie Ph.D., P.Eng., P.Geo., the Qualified Person as defined under National Instrument 43-101. This joint-ventured project was subsequently dropped in June 2009.

November 27<sup>th</sup>, 2008 – The Corporation issued a second news release in order to provide a number of clarifications to the news release that was disseminated on November 26<sup>th</sup>, 2008. The statement "All of these minerals have significant economic value ..." was being retracted as being too general. Not all these minerals are in concentrations that could be considered for economic recovery. The samples were tested using the Neutron Activation Method and Acqua Regia Digestion with an ICPAES finish was being added. True widths are not known. The statement "given that these wide zones are at near surface, they are amenable to open pit mining" was also being retracted again for being too general. Amenability should be left for the results of an economic analysis. Additional exploration and development work, economic analysis and research on processing methodologies and costs will be needed to determine if these zones will be economically amenable to open pit mining. The paragraph containing "Surface sampling of the North and Central zones have yielded results as high as: 2.192 % Copper (Cu), 0.415 % Cobalt (Co), 0.393 % Nickel (Ni), 0.100 % Zinc (Zn), 9.60 g/t Silver (Ag), 2.50 g/t Palladium (Pd) and 1.20 g/t Platinum (Pt)." was also being retracted and cannot be relied upon as it only shows the highest assay results from the North and Central zones. The statement "All these rare earths and metals have significant economic and strategic value. Some of these metals like Rubidium and Cesium, which are not actively traded, have each recently sold for as much as \$100.00 US per gram" was also being retracted. Rare earths and rare metals are not actively traded and selling prices should not be relied upon. The statement "The Phyllis Lake property is also well situated for the mining of bulk ores such as sulfur and iron." was also being retracted until such time when the mode of occurrence of these minerals and their amenability to processing can better support this statement. This joint-ventured project was subsequently dropped in June 2009.

January 20<sup>th</sup>, 2009 – Announced in a news release the resignation of Mr. Lawrence Shewchuk both as a Director and as the President & Chief Executive Officer of the Corporation. Mr. Shewchuk had been a Director since his election to the Board of Directors on May 28<sup>th</sup>, 2008 and was appointed as President & CEO on July 16<sup>th</sup>, 2008. In his letter of resignation, Mr. Shewchuk cited that it was his inability to commit sufficient time to the operations of the Corporation which led to his decision to resign. Mr. Shewchuk was also resigned as a Director of King's Bay Gold Corporation (TSX.V: KBG). Mr. Shewchuk replaced Mr. Neil Sullivan, B.A., LL.B., who was appointed as interim President & CEO on September 15<sup>th</sup>, 2007. That interim appointment was subsequent to the sudden passing of Mr. Gerald Colborne, President & CEO on July 28<sup>th</sup>, 2007. The news release also noted that the Board of Directors had commenced a search for a suitable replacement and had expressed its gratitude to Mr. Shewchuk for his work and service to the Corporation.

January 26<sup>th</sup>, 2009 – The Corporation announced the appointment of Mr. Richard Rivet, a Director, to the position of President & Chief Executive Officer. Mr. Rivet replaced Mr. Lawrence Shewchuk, who resigned on January 20<sup>th</sup>, 2009 as a Director and as the Corporation's President & CEO.

February 19<sup>th</sup>, 2009 – Announced in a news release that it had granted, subject to the approval of the TSX Venture Exchange Inc., a total of 390,000 incentive stock options for the purchase of up to 390,000 common shares of the Corporation at a price of \$0.10 per share to Directors / Officers / Consultants, expiring February 18<sup>th</sup>, 2014.

March 13<sup>th</sup>, 2009 – The Corporation announced a non-brokered private placement which was anticipated to close at the time on or before May 15<sup>th</sup>, 2009. The Units connected with this non-brokered private placement would be offered to subscribers resident in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario. This non-brokered private placement would be comprised of up to 3,750,000 Class A Units at \$0.08 per Class A Unit (the "Flow-Through Subscription Price") for gross proceeds of up to \$300,000.00, and up to 4,000,000 Class B Units at \$0.05 per Class B Unit (the "Non-Flow-Through Subscription Price") for gross proceeds of up to \$200,000.00, for an aggregate of 7,750,000 Units and for aggregate gross Offering Proceeds of up to \$500,000.00. Each flow-through Class A Unit would be comprised of one flow-through common share and one non-flow-through common share purchase warrant that could be exercised to purchase one common share upon payment \$0.15 for a period of 12 months following the date of issuance. Each non-flow-through Class B Unit would be comprised of one non-flow-through common share and one non-flow-through common share purchase warrant that could be exercised to purchase one common share upon payment \$0.10 for a period of 12 months following the date of issuance. A finder's fee equal to 7 % of the subscription proceeds may be paid to registered dealers for services rendered in introducing certain subscribers to the offering. The shares issued in connection with this non-brokered private placement would be subject to a four-month plus one-day hold period. The news release stated that Mainstream Minerals intended to utilize the flow-through proceeds for the ongoing exploration of its joint-ventured Bobjo Mine Property, and at its other projects, and the non-flow-through proceeds for general corporate purposes.

April 1<sup>st</sup>, 2009 – The Corporation announced in a news release a pricing and units amendment to a non-brokered private placement as first announced on March 13<sup>th</sup>, 2009 and which was anticipated to close at the time on or before May 15<sup>th</sup>, 2009. The Flow-Through Subscription Price for the Class A Units, the number of Class A Units, and the aggregate number of Units would be changed to:

*"This non-brokered private placement is comprised of up to 6,000,000 Class A Units at \$0.05 per Class A Unit (the "Flow-Through Subscription Price") for gross proceeds of up to \$300,000.00, and up to 4,000,000 Class B Units at \$0.05 per Class B Unit (the "Non-Flow-Through Subscription Price") for gross proceeds of up to \$200,000.00, for an aggregate of 10,000,000 Units and for aggregate gross Offering Proceeds of up to \$500,000.00."*

All other details of this non-brokered private placement offering would remain the same.

April 24<sup>th</sup>, 2009 – The Notice for the upcoming Annual General Meeting of Shareholders was filed by Computershare Trust Company of Canada, the Corporation's Transfer Agent, on [www.sedar.com](http://www.sedar.com). The meeting date was set as June 24<sup>th</sup>, 2009 and would be held in Winnipeg, Manitoba. The Record Date for the Notice of Meeting and the Record Date for Voting were both set as May 20<sup>th</sup>, 2009.



May 26<sup>th</sup>, 2009 – Announced in a news release that the Corporation was amending the terms of the Private Placement Offering previously announced on April 1<sup>st</sup>, 2009. The Private Placement Offering, scheduled at that time to close on or about May 28<sup>th</sup>, 2009, would no longer require an aggregate minimum offering of Class "A" Units. The press release of April 1<sup>st</sup>, 2009 indicated that an aggregate minimum offering of 1,000,000 Class "A" Units was required to complete this financing.

June 2<sup>nd</sup>, 2009 – The Corporation was pleased to announce, subject to regulatory approval (which was subsequently received), that it had completed a non-brokered private placement as first announced on March 13<sup>th</sup>, 2009 and as subsequently amended with news releases dated April 1<sup>st</sup>, 2009 and May 26<sup>th</sup>, 2009. A total of 1,000,000 non-flow-through Class B Units were sold at a price of \$0.05 per Class B Unit (the "Non-Flow-Through Subscription Price") for gross proceeds of \$50,000. The Units were sold to subscribers resident in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario. Each non-flow-through Class B Unit was comprised of one non-flow-through common share and one non-flow-through common share purchase warrant that can be exercised to purchase one common share upon payment \$0.10 for a period of 12 months following the date of issuance. The shares issued in connection with this non-brokered private-placement were subject to a four-month plus one-day hold period. The Corporation received advance net proceeds in the amount of \$45,500 from this non-brokered private placement prior to May 31<sup>st</sup>, 2009 and these proceeds were classified as an advance on share issuance from treasury on the balance sheet.

June 3<sup>rd</sup>, 2009 – On this date, the following documents relating to the upcoming Annual General Meeting of Shareholders of June 24<sup>th</sup>, 2009 were filed on [www.sedar.com](http://www.sedar.com): Notice of Annual and Special General Meeting of Shareholders dated May 26<sup>th</sup>, 2009; Notice of Annual and Special General Meeting and Information Circular dated May 26<sup>th</sup>, 2009; Voting Instruction Form for non-registered (beneficial) shareholders – Annual and Special General Meeting of Shareholders of June 24<sup>th</sup>, 2009; and Form of Proxy – Annual and Special General Meeting of Shareholders of June 24<sup>th</sup>, 2009.

June 3<sup>rd</sup>, 2009 – A Material Change Report pursuant to Section 7.1 of National Instrument 51-102 was filed on [www.sedar.com](http://www.sedar.com) in connection with the non-brokered private placement which closed on June 2<sup>nd</sup>, 2009.

June 9<sup>th</sup>, 2009 – The Corporation and its joint-venture partner, King's Bay Gold Corporation, were pleased to announce in a news release that they had received the final rare earth elements and gold drill results from their Phase 2 program at their Bobjo Mine Project, located in Earnsey and Agnew Townships, Red Lake, Ontario. Phase 2 included 5 holes, Holes #28 to #32 inclusive, in the vicinity of the high-grade gold discovery area, two holes in the rare earth elements discovery area and 10 exploratory holes 2 kilometres south at the bottom end of the property. Hole #11-B was drilled approximately 100 metres east of the companies' high-grade gold discovery along a fault with a strike length of approximately 10 kilometres and included the discovery of significant zones of rare earth elements, iron, magnesium, manganese and others.

The partners drilled 10 exploratory holes 2 kilometres south of the main discovery area at the bottom end of the property. All ten holes intersected wide zones of anomalous Platinum values. This area will need to be investigated further at some point in the future. Andrew Gracie, Ph.D., P. Eng, P.Geo was the Qualified Person under National Instrument 43-101. All of the samples herein were analyzed by Acurassay Labs using the Neutron Activation Method and Aqua Regia Digestion with an ICP-AES finish and standard fire assay for gold. True widths are not known. The partners were pleased with the progress made to date at this project and with the fact that drilling has so far intersected gold in twenty seven out of thirty two holes from surface to a depth of 312 metres so far, which included high-grade gold in many intersections. All zones are open at depth and in all directions. The rare earth elements, rare metals, and other minerals were a surprise on this gold project and will definitely need some follow up drilling in the future. Most of the veins tested so far ran in an east-west direction. The area just north of the high-grade gold discovery is also host to many other quartz veins that have not been tested as of yet, including a 2 metre wide quartz vein than is running in a north-south direction. Grab samples from this vein yielded results as high as 115.00 g/t Au. At the time of this news release of June 9<sup>th</sup>, 2009, the partners were planning an aggressive Phase 3 exploration program for this project pending the successful conclusion of sufficient financing.

June 24<sup>th</sup>, 2009 – The Annual General Meeting of Shareholders for the Corporation was held at 10:00 AM at Canad Inns Club Regent Hotel 1415 Regent Avenue West, Winnipeg, Manitoba.

## Mainstream Minerals Corporation

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August 26<sup>th</sup>, 2009 - Announced the appointment of Mike Romanik as a Director of the Corporation. His directorship was subsequently approved by the TSX Venture Exchange Inc. The following is brief résumé that was included in the news release:

“Mr. Romanik is the Chief Financial Officer and a Director of First Lithium Resources Inc. (TSX.V: MCI), Director and Vice-President of Corporate Finance of Newcastle Minerals Ltd. (TSX.V: NCM) and is President of Verenex Capital Corp, a private investment company which also provides investor relations services for Pebble Creek Mining Ltd. (TSX.V: PEB). He is also the President of First India Resources Inc., a private company engaged in seeking out attractive mineral projects in India.”

September 3<sup>rd</sup>, 2009 – The Corporation announced in a news release, that subject to TSX Venture Exchange Inc.’s approval, Mr. Michael Romanik had been appointed as President and Chief Executive Officer of the Company (see the brief résumé in the news release dated August 26<sup>th</sup>, 2009). Mr. Romanik had also recently been appointed as a Director on August 26<sup>th</sup>, 2009, filling an existing vacancy on the Board. The news release noted that Mr. Richard Rivet had resigned as President and Chief Executive Officer but would continue to serve on with the Company as a Director. In addition, the Company was also pleased to announce its intention to raise \$750,000 by way of a non-brokered private placement. Mainstream Minerals intended at the time to utilize the flow-through proceeds from the subscription for Class A Units of this non-brokered private placement for the ongoing exploration and development of its joint-ventured Bobjo Mine rare earth elements / gold project. The non-flow-through proceeds from the subscription for Class B Units would be used as working capital for general corporate purposes.

September 3<sup>rd</sup>, 2009 – Announced that the Corporation granted, subject to the approval of the TSX Venture Exchange Inc., a total of 100,000 incentive stock options for the purchase of up to 100,000 common shares of the Corporation at a price of \$0.10 per share to Michael Romanik expiring September 2<sup>nd</sup>, 2014 (5 years).

September 8<sup>th</sup>, 2009 – The Corporation announced an amendment to the non-brokered private placement announced earlier on September 3<sup>rd</sup>, 2009, that in addition to a finder’s fee equal to 10 % of the subscription proceeds, the Corporation would also be issuing non-transferable broker warrants, equal to 10 % of the Class A and Class B Units subscribed for. Each broker warrant would entitle the holder thereof to receive one common share of the Issuer at an exercise price of \$0.15 per share, for a period of 24 months following the date of issuance.

October 1<sup>st</sup>, 2009 – The Corporation was pleased to announce the closing of a non-brokered private placement as first announced on September 3<sup>rd</sup>, 2009 and amended on September 8<sup>th</sup>, 2009. A total of 3,750,000 Class A Units and 3,750,000 Class B Units were purchased by subscribers resident in British Columbia, Alberta and Manitoba, at a purchase price of \$0.10 per Class A Unit and a price of \$0.10 per Class B Unit, for gross subscription proceeds of \$750,000. Each Class "A" Unit consisted of one Class "A" common share of the Issuer, issued as a Flow-Through Share, and one-half of one Class "A" Common Share purchase warrant. Each Class "A" Warrant entitles the holder thereof to purchase one Class "A" common share of the Issuer at an exercise price of \$0.15 per Warrant for a period of twenty four months following the date of issuance. Each Class "B" Unit consisted of one Class "A" common share of the Issuer and one Class "B" Common Share purchase warrant. Each Class "B" Warrant entitles the holder thereof to purchase Class "A" common share of the Issuer at an exercise price of \$0.12 per Warrant for a period of twenty four months following the date of issuance. A finder's fee equal to 10 % of the subscription proceeds was paid to registered dealers for services rendered in introducing certain subscribers to the offering. In addition to a finder’s fee equal to 10 % of the subscription proceeds, the Corporation issued non-transferable broker warrants, equal to 10 % of the Class A and Class B Units subscribed for. Each broker warrant would entitle the holder thereof to receive one common share of the Issuer at an exercise price of \$0.15 per share, for a period of 24 months following the date of issuance. The shares issued in connection with this non-brokered private placement were subject to a minimum four-months plus one day hold period.

October 2<sup>nd</sup>, 2009 – Filed with [www.sedar.com](http://www.sedar.com) a Material Change Report pursuant to Section 7.1 of National Instrument 51-102 summarizing the non-brokered private placement of \$750,000 that closed on October 1<sup>st</sup>, 2009.



October 7<sup>th</sup>, 2009 – Filed with [www.sedar.com](http://www.sedar.com) a Material Change Report (amended) pursuant to Section 7.1 of National Instrument 51-102 when it was discovered that an error was made in the original Material Change Report filed on October 2<sup>nd</sup>, 2009 whereby “Amendment to Material Change Report filed on October 2, 2009 clarifying that Class B Units were comprised of one Class “A” Common Share and one full Class “B” Warrant. All other items remain the same.” The original Material Change Report stated that the Class B Units were comprised of one Class “A” Common Share and one half of one Class “B” Warrant.

October 7<sup>th</sup>, 2009 – The Corporation announced in a news release that it had entered into a Property Option Agreement with Mr. Perry English, acting on behalf of Rubicon Minerals Corporation (the "Optionor"), for an option to acquire a 100% interest in a lithium / rare earth property located near Raleigh Lake in Raleigh Township in the Kenora Mining Division, Ontario. Raleigh Lake's lithium bearing pegmatites have been known in the area since the 1960's. Provincial government mapping in the 1990's identified a 'Pegmatite Field' trending through the area. A detailed surface exploration program was also completed in 2000 and consisted of linecutting, lithogeochemical bedrock sampling and pegmatite evaluation. The lithogeochemical survey consisting of hundreds of bedrock samples identified several extensive north-south bedrock trends interpreted to reflect large buried or unexposed pegmatite bodies. One trend is comprised of multiple anomalies over a broad area, and extends for 1.8 kilometres in length and 500 metres in width. This lithogeochemical survey was very successful in delineating bedrock anomalies over most parts of the grid for all three elements Li (Lithium), Rb (Rubidium), and Cs (Cesium). Of importance is the Johnson Pegmatite which has a strong anomaly. It is so far exposed for almost 100 metres with an 8 metre width at surface. This dyke is enriched in Lithium, Cesium, Niobium, Tantalum and very high Rubidium values. Channel sample results included highs of: 9.0 metres grading 0.557% Li (Lithium), 981.0 g/t Rb (Rubidium), 83.0 g/t Cs (Cesium), 95.0 g/t Nb (Niobium) and 125.0 g/t Ta (Tantalum) and 3.0 metres grading 5,340.0 g/t Rb (Rubidium), 239.0 g/t Cs (Cesium) and 99.0 g/t Nb (Niobium) and 62.00 g/t Ta (Tantalum). Historic data was taken from the Ontario Government geological files.

Under the terms of the Option Agreement, Mainstream Minerals can earn a 100% interest by completing payments to the Optionor as follows: On signing of the Agreement \$8,000; 1<sup>st</sup> Anniversary of the Agreement \$12,000; 2<sup>nd</sup> Anniversary of the Agreement \$16,000; 3<sup>rd</sup> Anniversary of the Agreement \$25,000; and 4<sup>th</sup> and final Anniversary of the Agreement \$35,000. In addition to the cash payment schedule, Mainstream Minerals shall issue to the Optionor, shares in the Company as follows: On signing of the Agreement 50,000 Common Shares; 1<sup>st</sup> Anniversary of the Agreement 50,000 Common Shares; and 2<sup>nd</sup> Anniversary of the Agreement 50,000 Common Shares. The Optionor will retain a 1.5 % Net Smelter Return (the “NSR”) interest in the Property. The news release noted that Mainstream Minerals is planning a limited exploration program which would consist of compilation of all previous data, stripping of the Johnson Pegmatite, a detailed mapping program of abundant lithium / rare earths bearing pegmatite outcrops located on the Raleigh Lake property and a tightly spaced detailed magnetometer program to better define the known geological structures. This project was subsequently transferred to King's Bay Gold Corporation in the Property Interests Exchange Agreement of June 14<sup>th</sup>, 2010.

October 14<sup>th</sup>, 2009 – Announced the appointment of Dr. Andrew Nevin, Ph.D., P.Eng. as a Director of the Corporation, subject to the approval of the TSX Venture Exchange Inc. (which was subsequently received). The following is brief résumé that was included in the news release:

“Dr. Nevin was educated at St. Lawrence University, the University of California at Berkeley and the University of Idaho. He previously worked with Phelps Dodge Corp., Cannon-Hicks Associates Ltd., Nevin Sadlier-Brown Goodbrand Ltd., and more recently as an independent consultant and developer. He is currently the President and Chief Executive Officer of Pebble Creek Mining Ltd. Dr. Nevin has 44 years of global experience as a geologist and exploration manager. He has contributed to the discovery, development or augmenting of reserves of several mineral deposits around the world, including copper, gold and silver mines in the United States, Canada, Mexico, China and Colombia, and geothermal steam fields in Canada and Indonesia. Dr. Nevin has consulted for many leading companies and governmental agencies, and served on the boards of several junior Canadian companies. He is a fellow of the Society of Economic Geologists, a member and past director of the Society for Mining, Metallurgy and Exploration of the American Institute of Mining, Metallurgical and Petroleum Engineers, a professional engineer in British Columbia, and a registered geologist in Idaho.”

November 2<sup>nd</sup>, 2009 – The Corporation announced in a news release the resignation of Richard Rivet as a Director effective October 28<sup>th</sup>, 2009. Mr. Rivet is one of the founders of the Corporation and had been a Director since the company was incorporated on July 19<sup>th</sup>, 2006. He was the Corporation's President and Chief Executive Officer from January 26<sup>th</sup>, 2009 to September 3<sup>rd</sup>, 2009. At the time of the news release, the Board of Directors expressed its gratitude to Mr. Rivet for his vision in creating the Corporation, and for his work and service to it over the last 3 years. The news release stated that Mr. Rivet would now be pursuing other business interests.

November 3<sup>rd</sup>, 2009 – Announced in a news release the appointment of James Darcel B.A., CFA as a Director of the Corporation. His directorship was subject to the approval of the TSX Venture Exchange Inc. (which was subsequently received). The news release went on to provide a brief bio on Mr. Darcel as follows:

“Mr. James Darcel graduated in 1985 from the University of Manitoba with a Bachelor of Arts degree and began his career with the Toronto Stock Exchange in 1986. He held positions in the TSE economics and derivative markets departments, including at the Toronto Futures Exchange until he returned to Winnipeg in 1990. He was granted the right to use the CFA designation in 1994 and has been employed with Moss Lawson, Loring Ward Administrative Services, D.V. McQueen Ltd., CFG Futures, and Manitoba Public Insurance. From 2003 until 2007, he was a director, trading officer, investment counsel, portfolio manager, and the ultimate responsible person with Regensis Capital Management Inc. (formerly Navigator Capital Management Inc) of Toronto. He is currently an independent investment research analyst covering publicly traded companies in broad sectors, including natural resources, exploration and development, small energy, and emerging technologies. Mr. Darcel is a Director of Newcastle Minerals Ltd. (TSX.V: NCM).”

November 16<sup>th</sup>, 2009 – The Corporation announced in a news release that it had entered into a Property Option Agreement with Mr. Perry English, acting on behalf of Rubicon Minerals Corporation (the "Optionor"), for an option to acquire a 100% interest in the Hazard Lake / Northgate Deposit gold property, located in Uchi Lake Township in the Red Lake Mining Division, Ontario. The optioned 24 claim units are adjoining the Bobjo property to the South East. The Hazard Lake Property area lies within the Archean Birch-Uchi Greenstone Belt of the western Uchi Subprovince of NW Ontario. The most significant mineralization discovered on the Hazard Lake property to date is at the Northgate and Milberry occurrences. Northgate Exploration drill tested the “Northgate Occurrence” in 1959, with one hole intersecting 0.4 ounces per ton Au over 3.3 feet at a 500ft depth. At that time, Northgate calculated a resource of 64,000 tons grading 0.28 ounces gold per ton. This resource constitutes a “historical resource” in the context of National Instrument 43-101. The mineralization at the Milberry Occurrence is believed to be the extension of the Hill-Sloan-Tivy vein north of the property. The vein strikes N28°E and can be traced for a length of 228.7 metres (Thurston 1985). Drilling on the Milberry Occurrence has returned assays up to 107.31 g/T Au over 0.91 metres, 151.54 g/T Au over 0.67 metres, 81.94 g/T Au over 0.76 metres, and 44.29 g/T Au over 0.91 metres. Historic data taken was from the Ontario Government geological files.

*(The calculations and results shown in the news release of November 16<sup>th</sup>, 2009 are pre-National Instrument 43-101 and are therefore not compliant with National Instrument 43-101 requirements. The Company is not treating the historical estimates and results as accurate or current. Readers are cautioned not to place undue reliance on these historical estimates and results.)*

Under the terms of the Option Agreement, Mainstream Minerals can earn a 100% interest by completing payments to the Optionor as follows: On signing of the Agreement \$8,000; 1<sup>st</sup> Anniversary of the Agreement \$12,000; 2<sup>nd</sup> Anniversary of the Agreement \$16,000; 3<sup>rd</sup> Anniversary of the Agreement \$25,000; and 4<sup>th</sup> and final Anniversary of the Agreement \$35,000. In addition to the cash payment schedule, Mainstream Minerals shall issue to the Optionor, shares in the Company as follows: On signing of the Agreement 100,000 Common Shares; 1<sup>st</sup> Anniversary of the Agreement 50,000 Common Shares; and 2<sup>nd</sup> Anniversary of the Agreement 50,000 Common Shares. The Optionor will retain a 1.5 % Net Smelter Return (the “NSR”) interest in the Property of which one-half (0.75%) can be purchased back by the Company for a onetime payment of \$750,000.

December 18<sup>th</sup>, 2009 – The Corporation was pleased to announce that it had agreed to a non-brokered private placement of \$450,000 to subscribers in the Province of Ontario, to be effected through the sale of 4,090,909 Class A Units at a price per Class A Unit of \$0.11 each. It was anticipated at the time that the closing of this transaction would occur on or about December 23<sup>rd</sup>, 2009. Concurrently, the Corporation also announced in the same news release, a non-brokered private placement of up to an aggregate maximum of \$450,000 of Class B Units to subscribers in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario at a price per Class B Unit of \$0.10 each on a "best efforts" basis. The Company stated that it may close one or more offerings of Class B Units, in its sole discretion, but all would be subject to the approval of the TSX Venture Exchange Inc. Class A Units are to be comprised of one Common Share of the Issuer, issued as a "flow through" share for the purposes of *The Income Tax Act* (Canada) and one Class A Warrant of the Issuer. Each Class A Warrant shall entitle the holder to purchase one Common Share of the Issuer for \$0.15 for a period of 12 months following the date of issuance, and \$0.20 for a subsequent period of 12 months (24 months from the date of issuance). Class B Units are comprised of one Common Share and one Class B Warrant of the Issuer. Each Class B Warrant shall entitle the holder to purchase one Common Share of the Issuer for \$0.15 for a period of 12 months following the date of issuance, and \$0.20 for a subsequent period of 12 months (24 months from the date of issuance). The Company intended to offer a 6% cash finder's fee (payable by way of the issuance of Class A Units) to registered dealers for services rendered in introducing certain subscribers to the Class A Unit offering, together with that number of non-transferrable finder's options equal to 10% of the Class A Units subscribed for through such registered dealers. Each Finder Option will entitle a Finder to subscribe for one Unit of the Company (a "Finder Unit") for \$0.11 per Finder Unit. Each Finder Unit shall be comprised of one Common Share and one non-transferable share purchase warrant. Each Finder Warrant shall entitle the holder thereof to purchase one Common Share of the Issuer for \$0.15 for a period of 12 months following the date of issuance, and \$0.20 for a subsequent period of 12 months (24 months from the date of issuance). The closing of this offering was subject to the approval of the TSX Venture Exchange Inc.

The Company also noted that it intended to offer an 8% cash finder's fee to registered dealers for services rendered in introducing certain subscribers to the Class B Unit offering. In addition to the finders' fee equal to 8% of the Class B subscription proceeds, the Company may issue non-transferable broker warrants equal to up to 8% of the Class B Units subscribed for. Each broker warrant will entitle the holder thereof to receive one Common Share of the Company at an exercise price of \$0.15 for a period of 12 months following the date of issuance, and \$0.20 for a subsequent period of 12 months (24 months from the date of issuance).

December 21<sup>st</sup>, 2009 – Announced in a news release the resignation of Mr. Jean Rivet as a Director effective December 18<sup>th</sup>, 2009. Mr. Rivet is one of the founders of the Corporation and had been a Director since the company was incorporated on July 19<sup>th</sup>, 2006. He served on the Board of Directors' Audit and Compensation Committees. At the time of the news release, the Board of Directors expressed its gratitude to Mr. Rivet for his work and service to the Corporation over the last 3 years.

December 30<sup>th</sup>, 2009 – The Corporation was pleased to announce in a news release that it has entered into an Option Agreement to acquire a 100 % interest in 11 claims totaling 134 mineral claim units located east of Lake Shore Gold's (TSX: LSG) Golden River Trend. The claims cover an area of approximately 2,144 hectares and are located in the Price and Adams Townships of the Porcupine Mining Division of Ontario. These newly acquired claims are strategically located for several reasons, including: (i) the claims are located on the projection of the Destor-Porcupine Fault System, (ii) the claims appear to be on trend with the Golden River Trend; (iii) the claims have limited outcrop exposure, which is similar to other properties being worked in the area; and (iv) there has been little to no work conducted on the claimed area in the past. As such, these newly acquired claims may potentially host a similar geological environment as that of the nearby Lake Shore Gold area. Several publications, including the Geological Survey of Canada and West Timmins Mining Inc. public maps, project the Destor-Porcupine Fault as running east-west through these newly acquired mineral claims. The Destor-Porcupine Fault is a regional fault system in the Timmins Gold Belt that has been attributed as a major contributor of the gold bearing quartz vein systems of the prolific Timmins Mining District where over 70 million ounces of gold have been produced. The recent discovery of the million plus ounce Timmins West Deposit and the discovery of the high-grade Rusk Zone have both focused considerable investor and industry attention on the West Timmins District. Lake Shore Gold has also recently intersected new gold zones on the Highway 144 Property located along the same trend as the Timmins West, Rusk gold zones, and the Golden River Trend. Mainstream's claims cover ground that appears to be on trend with the Golden River Trend. The nearby Lake Shore Gold claims host "an existing 400,000 ounce inferred

gold resource” (as per Lake Shore Gold’s website at [www.lsgold.com](http://www.lsgold.com) ). That company also recently announced results of 83.40 Metres (273.55 feet) grading 12.75 g/t (0.37 oz/t) gold (see their news release June 24<sup>th</sup>, 2009). For the purposes of exploring these newly acquired claims, Mainstream Minerals expects to be employing many of the same exploration techniques as are being utilized by Lake Shore Gold. Under the terms of the Option Agreement, Mainstream Minerals can earn a 100% interest by issuing 1,750,000 common shares of the Company to the Vendor. In addition to the issuance of common shares as outlined immediately above, Mainstream Minerals further agrees to a \$225,000 work commitment to be scheduled as follows: Within the 1<sup>st</sup> Year of agreement \$75,000 and Within the 2<sup>nd</sup> Year of agreement \$150,000. The Vendor will retain a 2.0% Net Smelter Return (the “NSR”) interest in the Property. Mainstream can buy back 1.0% of the NSR for a cash payment of \$1,000,000 to the Vendor.

January 4<sup>th</sup>, 2010 – In a news release, the Corporation was pleased to announce that it had closed on December 31<sup>st</sup>, 2009 a non-brokered private placement of \$450,000, as first announced on December 18<sup>th</sup>, 2009, to subscribers in the Province of Ontario, and as effected through the sale of 4,090,908 Class A Units at a price per Class A Unit of \$0.11 each. The closing of this offering was subject to the approval of the TSX Venture Exchange Inc. (which was subsequently received). “We are very pleased to be renewing our relationship with the MineralFields Group”, said Michael Romanik, President & CEO. “This is another important milestone in the growth of Mainstream Minerals Corporation and we look forward to once again be working with MineralFields Group as we continue to develop our Bobjo Mine project in the Red Lake Camp of Northwestern Ontario.”

January 4<sup>th</sup>, 2010 – The Corporation filed with [www.sedar.com](http://www.sedar.com) a Material Change Report pursuant to Section 7.1 of National Instrument 51-102 summarizing the non-brokered private placement of \$450,000 that closed on December 31<sup>st</sup>, 2009.

January 5<sup>th</sup>, 2010 – The Corporation was pleased to announce in a news release that it had entered into an Option Agreement to acquire a 100 % interest in two additional West Timmins gold properties consisting of 3 claims totaling 34 mineral claim units commonly known as the West Keefer Claims. The claims cover an area of approximately 544 hectares and are located in Keefer Township of the Porcupine Mining Division of Ontario. The first gold property optioned by the Company in the West Timmins gold area is known as the Price Claims and that acquisition was announced in a news release dated December 30<sup>th</sup>, 2009. Both of these newly optioned properties are located immediately north of the Destor-Porcupine Fault System and are accessible via year-round gravel roads. The Destor-Porcupine Fault is a regional fault system in the Timmins Gold Belt that has been attributed as a major contributor of the gold bearing quartz vein systems of the prolific Timmins Mining District where over 70 million ounces of gold have been produced. The northern block of 26 claim units has numerous splays running north from the volcanic belt that overlaps the southern portion of the property. Shear zones and quartz veins were discovered just south of Little Star Lake in the 1930s. Little assessment work has been filed over the years on this property, and as such, the property deserves a closer look using modern exploration methods. The southern block of 8 claim units is also accessible by the same gravel road as the northern block. It is underlain by volcanic and granitic quartz diorite. There are two faults transecting the property in opposite directions. This property has also seen limited work over the years. Under the terms of the Option Agreement, Mainstream Minerals can earn a 100% interest for both properties by issuing 900,000 common shares of the Company to the Vendors. The Vendors will retain a 2.0% Net Smelter Return (the “NSR”) interest in both properties. The Corporation can buy back 1.0% of the NSR for both properties for a single cash payment of \$1,000,000 to the Vendors.

January 25<sup>th</sup>, 2010 – In a news release, the Corporation was pleased to announce that Mr. A.A. Burgoyne, P.Eng., M.Sc. of Burgoyne Geological Inc. was engaged as the Qualified Person (QP) for the purposes of completing a detailed Technical Evaluation Report on the historical exploration work carried out on their recently acquired 480 hectare Hazard Lake gold property located near Uchi Lake in Northwestern Ontario. Mr. Burgoyne’s report will also be making recommendations for future exploration and development work on this property. Mr. Burgoyne has many years of exploration and development experience in different types of mineral deposits and has worked extensively in Pre Cambrian rocks in the search and discovery of “greenstone belt gold deposit types” similar to those being mined at Red Lake, Ontario and other parts of the Canadian Shield.

Michael Romanik, President & Chief Executive Officer, stated at the time: “We are looking forward to Mr. Burgoyne’s technical evaluation report on our Hazard Lake Property. This is the first step in our plan to move ahead with further exploration and development work that may eventually establish a National Instrument 43-101 resource on the property.”

February 11<sup>th</sup>, 2010 – The Corporation announced in a news release that it has initiated a work program on the joint-ventured Bobjo Mine Project that is partnered with King's Bay Gold Corporation (KBG-TSX). The agreed to program will include re-logging and additional assaying of the core from previous drilling, line cutting and IP surveys will be conducted over a number of strategic locations. The purpose of the program is to establish high priority drill targets for drilling early in the spring. Previous work on the Bobjo project was organized and supervised by Ron Rivet, Exploration Coordinator of Kings Bay Gold and with the use of drills and equipment owned by Kings Bay Gold and other independent contractors. Going forward, neither Ron Rivet nor any of his affiliated companies, associates and family members would be involved in any exploration projects of Mainstream Minerals, including the Bobjo. Mainstream is the operator of the Joint Venture and will bring in independent experienced contractors that are familiar with the area to complete future work on the property. Mainstream President Michael Romanik stated "We are very excited to be getting back to work on our Bobjo project. The results to date have been very impressive. We believe the phrase "the best place to find a new mine is beside an old one" is a terrific philosophy. With 5 past producing mines within 12 a kilometre radius, we are in the right place and will aggressively drill new targets outlined by this initial work program. With the new management and board in place, Mainstream is refocused on working for shareholders and taking the company to the next level."

March 9<sup>th</sup>, 2010 – Subsequent to the first quarter ended February 28<sup>th</sup>, 2010, the company issued 900,000 common shares under an option agreement relating to the West Keefer claims. Based on the estimated fair value, the common shares issued were valued at \$99,000. On that same date, the company issued 1,750,000 common shares under an option agreement relating to the Price claims. Based on the estimated fair value, the common shares issued were valued at \$183,750.

April 23<sup>rd</sup>, 2010 – Computershare Trust Company of Canada, the Corporation's transfer agent, filed on [www.sedar.com](http://www.sedar.com) a Notice of Meeting to announce the upcoming Annual and Special Meeting of Shareholders to be held on June 23<sup>rd</sup>, 2010 in Winnipeg, Manitoba. The Record Date for Notice of Meeting and the Record Date for Voting were established as May 19<sup>th</sup>, 2010.

May 14<sup>th</sup>, 2010 – Filed the Annual Information Form dated April 30<sup>th</sup>, 2010 for the fiscal year ended November 30<sup>th</sup>, 2009 on [www.sedar.com](http://www.sedar.com).

May 18<sup>th</sup>, 2010 – The Corporation announced it's intention to raise \$280,000 by way of a non-brokered private placement comprised of 4,000,000 non-flow-through units at \$0.07 per Unit. Each Unit would be comprised of one non-flow through common share and one half (1/2) of one non-flow through common share purchase warrant. Each whole warrant would entitle the holder thereof to purchase one common share upon payment \$0.10 for a period of 12 months following the date of issuance. A finder's fee equal to 8% of the subscription proceeds would be paid to registered dealers for services rendered in introducing certain subscribers to the offering. The Corporation intended to utilize the proceeds from the subscription for the Units for working capital and for general corporate purposes.

May 31<sup>st</sup>, 2010 – Announced in a news release, the closing of the first tranche of the non-brokered private placement as previously announced on May 18th, 2010. A total of 3,313,572 Units were issued to subscribers resident in British Columbia, Alberta, Manitoba, Ontario and Québec at price of \$0.07 per Unit for aggregate gross Offering Proceeds of \$231,950.04. The closing was subject to the approval of the TSX Venture Exchange Inc. (which was subsequently received). The shares issued in connection with this non-brokered private placement are subject to a minimum hold period of four-months plus one day.

June 2<sup>nd</sup>, 2010 – On this date, the following documents dated May 20<sup>th</sup>, 2010 and relating to the upcoming Annual General Meeting of Shareholders of June 23<sup>rd</sup>, 2010 were filed on [www.sedar.com](http://www.sedar.com) : Notice of Annual and Special General Meeting of Shareholders; and the Notice of Annual and Special General Meeting and Information Circular.

June 4<sup>th</sup>, 2010 – Announced in a news release, the closing of the second and final tranche of the non-brokered private placement as previously announced on May 18th, 2010. A total of 700,000 Units were issued to subscribers resident in the province of Québec at price of \$0.07 per Unit for aggregate gross Offering Proceeds of \$49,000.00. The closing was subject to the approval of the TSX Venture Exchange Inc. (which was subsequently received). The shares issued in connection with this non-brokered private placement are subject to a minimum hold period of four-months plus one day.



June 7<sup>th</sup>, 2010 – On this date, the following document relating to the upcoming Annual General Meeting of Shareholders of June 23<sup>rd</sup>, 2010 was filed on [www.sedar.com](http://www.sedar.com) : the Form of Proxy – Annual and Special General Meeting of Shareholders of June 23<sup>rd</sup>, 2010.

June 16<sup>th</sup>, 2010 – The Corporation reported in a news release that it had come to an agreement with King's Bay Gold Corporation on the future of their joint-ventured Bobjo Mine Project, located in Earnsey and Agnew Townships of the Red Lake Mining Division of Ontario. In a Property Interests Exchange Agreement dated June 14<sup>th</sup>, 2010, King's Bay Gold sold its' remaining interests of approximately 40% in the Bobjo Mine Project to Mainstream Minerals. King's Bay Gold had further agreed to cancel the advance receivable related to the project in the amount of \$141,572 from Mainstream Minerals to King's Bay Gold. In consideration for Property Interests Exchange Agreement of June 14<sup>th</sup>, 2010, Mainstream Minerals had agreed to: assign to King's Bay Gold it's one hundred per cent (100%) interest in the Raleigh Lake property.; grant 250,000 common shares of Mainstream Minerals to King's Bay Gold; and transfer title of ownership on various pieces of equipment valued at approximately \$16,000. Both Parties further agreed to waive any and all present and future claims whatsoever against one another in relation to the Bobjo Mine Project Joint Venture Earn-In Agreement of September 12<sup>th</sup>, 2006, including all amendments entered into thereafter, and to save the other party harmless from any and all present and future third party claims whatsoever as these may relate to the Bobjo Mine Project. With the execution of the Property Interests Exchange Agreement, Mainstream Minerals now had an undisputed 100% ownership interest in the Bobjo Mine Project. The common shares being issued are subject to the approval of and the hold periods as required by the applicable policies of the TSX Venture Exchange Inc. The Agreement itself was also subject to the approval of the TSX Venture Exchange Inc. President & CEO Michael Romanik said at the time, "We are exceptionally pleased to have been able to secure 100% ownership of the Bobjo Mine Project. With our adjoining 100% owned Hazard Lake / Northgate Deposit property, we now have a fantastic land package to focus our exploration efforts on. The exploration program that was previously announced on February 11<sup>th</sup>, 2010 for the Bobjo Mine Project was limited due to ongoing talks with a third party for a potential transaction on another property within the area."

June 23<sup>rd</sup>, 2010 – The Annual General and Special Meeting of Shareholders for the Corporation was held at 10:00 AM at the offices of Taylor McCaffrey LLP, 9<sup>th</sup> floor, 400 Saint-Mary Avenue, Winnipeg, Manitoba, R3C 4K5. All of the resolutions, as presented to the shareholders and described in the Notice of Annual and Special General Meeting and Information Circular dated May 20<sup>th</sup>, 2010, were passed and all of the directors nominated for re-election were elected.

June 30<sup>th</sup>, 2010 – Announced in a news release that it had granted, subject to the approval of the TSX Venture Exchange Inc., a total of 1,800,000 incentive stock options for the purchase of up to 1,800,000 common shares of the Corporation at a price of \$0.10 per share to Directors / Officers / Consultants, expiring June 29<sup>th</sup>, 2015.

July 13<sup>th</sup>, 2010 – Provided in a news release an update to shareholders on the recently completed and ongoing exploration and development work at its' 4 existing properties – the Bobjo Mine Project and Hazard Lake / Northgate properties in the Red Lake, ON gold camp and the Price Claims and West Keefer Claims properties in the West Timmins area gold camp.

August 18<sup>th</sup>, 2010 – Announced in a news release the acquisition via an option agreement of 59 exploration claims (later clarified in a news release as 62 exploration claims) by the Corporation known as the Casa Berardi Claims from vendors Pierre Lavoie (50 %) and Gabriel Provost (50 %) covering approximately 977 hectares in the Casa Berardi area of Québec, approximately three kilometres south-east of Aurizon Mines Ltd. ("Aurizon") Casa Berardi Mine. The Property is contiguous to both Iamgold and to the Lake Shore Gold / Aurizon JV. The Casa Berardi Property is located roughly 90 km north of the Town of La Sarre, Québec in the northern part of the Abitibi Subprovince, a subdivision of the Archean Superior Province.

The Property area belongs to the Harricana-Turgeon Belt, which is part of the North Volcanic Zone. Regional geology is characterized by a mixed assemblage of mafic volcanic, flysch-type sedimentary iron formation, and graphitic mudrock that are limited north of the Casa Berardi Mine by a large granodioritic to granitic batholith. Structurally, the property is enclosed in the Casa Berardi Tectonic Zone, a 15 km wide corridor that can be traced over 200 km. The Property lies in an area with good potential for finding mineralization, as many significant deposits and past producers of different types are present in the region. Base metals have been produced from the Joutel and Matagami camps.

New deposits have been identified 15 km south of Casa Berardi, on Cancor Mines Inc./ Iamgold Corp. Joint Venture Gemini-Turgeon Property. Eastward, on the Casa Berardi structural trend is the former Agnico-Eagle Telbel Mine. Other deposits, with tonnages in the order of one to three million tonnes and grades between 4 g/t Au and 6 g/t Au, have also been outlined on the Douay, Vezza, and Desjardins Properties.

Under the terms of the option agreement, Mainstream Minerals can earn a 100% interest by completing payments to the Vendors as follows: \$15,000 within 7 days of TSX.V approval and \$15,000 on the 1st Anniversary of the Agreement. In addition to the cash payment schedule, Mainstream Minerals shall issue to the Vendors, shares in the Company as follows: 500,000 Common Shares within 7 days of TSX.V approval and 500,000 Common Shares on the 1st Anniversary of the Agreement. The issued shares shall be subject to hold periods as required by the applicable policies of the TSX Venture Exchange Inc and other securities laws. The Vendors will retain a 2.0 % Net Smelter Return (the “NSR”) interest in the Property. Mainstream Minerals can buyback one half or 1% of the “NSR” at anytime for a payment of \$1,000,000. Under the terms of the acquisition agreement Mainstream Minerals is required to spend \$30,000 in exploration on these claims and file the work in Québec this fall. In that regard, Mainstream Minerals has hired Minroc Management Limited to carry out an airborne geophysical survey over the claim group in order to identify follow up targets for future work. Ms. Tracy Armstrong P.Geo is the Qualified Person on this project pursuant to National Instrument 43-101 and has reviewed and approved the technical disclosure in this press release.

Michael Romanik, President and Chief Executive Officer, said at the time: "This new project further diversifies the company into another active mining friendly region. It will also enable us to intensify our exploration efforts on multiple projects simultaneously”.

September 27<sup>th</sup>, 2010 – The Corporation announced the acquisition via an option agreement of 6 exploration claims for 28 claim units totalling approximately 1,020 acres with Glen Coyne (the “Vendor”) at the Bobjo Mine Project, Earngey Township, Red Lake Mining Division of Ontario. Under the terms of the option agreement, Mainstream Minerals can earn a 100% interest by completing a payment to the Vendor of \$10,000 within 7 days of TSX.V approval and issuing 100,000 common shares to the Vendor within 7 days of TSX.V approval. The issued shares shall be subject to hold periods as required by the applicable policies of the TSX Venture Exchange Inc and other securities laws. The Vendor will retain a 2.0 % Net Smelter Return (the “NSR”) interest in the Property. Mainstream Minerals can buyback one half or 1% of the “NSR” at anytime for a payment of \$1,000,000.

October 14<sup>th</sup>, 2010 – The Corporation announced in a news release that it had signed a Letter of Intent (the “LOI” or the “Agreement”) with Premier Gold Mines Limited (TSX:PG) (“Premier” or “Premier Gold”) dated October 6<sup>th</sup>, 2010 with respect to the Corporation’s 100 % owned Bobjo Mine Project. The Letter of Intent with Premier Gold provides that Mainstream will grant Premier Gold an option to earn up to a 70% interest in Mainstream's Bobjo Mine Project and become the Operator. As part of the Agreement, Premier Gold will firstly operate a due diligence drill program of \$350,000 that will be funded by Mainstream (the “Mainstream Funded Drill Program”) to confirm earlier results from drilling completed prior to a potential acquisition by Premier Gold, subject to the terms of the Agreement. Following a successful program, Premier Gold can earn its interest by making certain cash and share payments to Mainstream and by performing additional exploration on the Property. The Agreement is subject to the approval of the TSX Venture Exchange Inc.

The Corporation’s President and Chief Executive Officer, Michael Romanik, said at the time: "We are pleased to be teaming up with Premier on our Bobjo Property. Premier has an experienced technical staff that will ensure the Bobjo Property reaches its full potential. Mainstream shares Premier’s enthusiastic outlook in regards to the underexplored region of the eastern Birch-Uchi belt. Over the past several months we have been working hard at putting together new projects within the area.”

In the same news release of October 14<sup>th</sup>, 2010, the Corporation also announced a non-brokered private placement of \$450,000 which at the time was anticipated to close on or about October 30<sup>th</sup>, 2010. The Units connected with this non-brokered private placement was being offered to qualified subscribers resident in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Québec. This non-brokered private placement would be comprised of up to 5,000,000 Units at \$0.09 per Unit (the “Non-Flow-Through Subscription Price”) for gross proceeds of up to \$450,000. Each Unit is comprised of one non-flow-through common share and one half (1/2) of one non-flow-through common share purchase warrant. Each whole common share purchase warrant may be exercised to purchase

one common share upon payment \$0.12 for a period of 12 months following the date of issuance. A finder's fee equal to 8 % of the subscription proceeds may be paid to registered dealers for services rendered in introducing certain subscribers to the offering. The closing of this non-brokered private placement is subject to the approval of the TSX Venture Exchange Inc. The shares issued in connection with this non-brokered private placement will be subject to a four-month plus one-day hold period. The Corporation intended to utilize the proceeds from the subscription for Units for working capital and for general corporate purposes.

October 14<sup>th</sup>, 2010 – Due to an early morning power outage in downtown Toronto, Ontario, the Investment Industry Regulatory Organization of Canada (“IIROC”) issued a halt trading order in Mainstream Minerals Corporation shares on the TSX Venture Exchange at 9:27 AM EST October 14<sup>th</sup>, 2010 so as to allow for the simultaneous and coordinated dissemination of Mainstream Minerals Corporation (TSX.V: MJO)'s and Premier Gold Mines Limited (TSX: PG)'s respective news releases of October 14<sup>th</sup>, 2010 announcing their October 6<sup>th</sup>, 2010 Letter of Intent to possibly form a future joint-venture for the exploration and development of the Bobjo Mine Project. Trading in MJO shares on the TSX Venture Exchange resumed at 12:45 PM EST on that same day.

October 20<sup>th</sup>, 2010 – Announced the acquisition via an option agreement of 9 claim blocks consisting of 107 units covering approximately 1,712 hectares located approximately 80 kilometres east of Red Lake, Ontario. The Slate Lake property adjoins a large block of claims that were recently staked by Goldcorp Inc (TSX: G) to the west. The property has seen historical exploration, including the discovery of gold by Noranda, Cumberland Resources and St. Joe Exploration, the latter succeeded in finding a high grade massive sulphide horizon on the north side of Slate Lake. The proximal location of the property to this known mineralization, as well as the structural features identified on the property encouraged Mainstream to acquire this property. Present on the property is a strong EM anomaly trending in a roughly E-W direction across the entire property which was outlined in an airborne MAG-EM survey carried out in the early 1990's by The Ministry of Northern Development and Mines. Ground work following the airborne survey was carried out the Geological Survey of Canada (GSC) that included regional scale mapping and a reconnaissance glacial till sampling program. Till sample number 92-SBB-142 returned the highest count in pristine gold (104) in the entire survey area. This sample correlates strongly with the airborne MAG-EM anomaly. The GSC concluded that the glacial ice movement was in the S-SW direction and that there was a very thin glacial till layer in this area. This suggests that the till anomaly is proximal to its bedrock source making it an attractive exploration target. In addition to this historic work, Noranda in 1989 uncovered a 2-10cm silicified zone in a mafic volcanic rock unit by handstripping and grab sampling that returned 6.27 g / t Au.

November 3<sup>rd</sup>, 2010 – Announced in a news release that the Corporation had closed the first tranche of a non-brokered private placement as previously announced on October 14<sup>th</sup>, 2010. A total of 2,400,000 Units were sold to subscribers resident in the Provinces of Manitoba, Ontario and British Columbia at a purchase price of \$0.09 per Unit for gross proceeds of \$216,000.00. At the time, Mainstream intended to close the second and final tranche of this non-brokered private placement on or before November 12<sup>th</sup>, 2010.

November 4<sup>th</sup>, 2010 – The Corporation announced that it had engaged Haveman Brothers Forestry Services Limited of Kakabeka Falls, Ontario to complete an MMI (Mobile Metal Ion) soil sampling survey on the 100% owned Slate Lake property in the Red Lake Mining District. This survey will follow up on the results of the Geological Survey of Canada's regional mapping and reconnaissance glacial till sampling program completed in 1991-92. This survey resulted in a sample taken off of Mainstream's property that had the highest count of pristine gold (104) in the entire region (sample 92-SBB-142). This specific sample correlates strongly with an airborne MAG-EM anomaly. The news release stated that the MMI survey would consist of approximately 700 samples and was designed to prioritize drilling targets for future exploration. Mainstream President & CEO, Michael Romanik said at the time – “Our Slate Lake property adjoins a large block of claims that were recently staked immediately to the west by Goldcorp (TSX:G). Obviously we find this very encouraging for the ongoing exploration and development of the area and look forward to the results of our MMI survey.”

November 12<sup>th</sup>, 2010 – Announced in a news release that it had closed the second and final tranche of a non-brokered private placement as previously announced on October 14<sup>th</sup>, 2010. A total of 2,600,000 Units were sold to subscribers resident in the Provinces of Ontario, Québec and British Columbia and the Yukon Territory at a purchase price of \$0.09 per Unit for gross proceeds of \$234,000.00.



November 26<sup>th</sup>, 2010 – The Corporation announced that Premier Gold Mines Ltd. (TSX: PG) had commenced with the confirmation drill program at the Bobjo Mine Project as outlined in the Letter of Intent (LOI) signed by both parties and as previously disclosed in a news release dated October 14<sup>th</sup>, 2010. The initial program would consist of 4 holes totaling 1,500 meters. Mainstream was also pleased to announce that an airborne EM and Mag survey had recently been completed over the entire property and that this would aid in identifying and prioritizing further exploration targets for future drilling.

November 30<sup>th</sup>, 2010 – The Corporation announced the acquisition via an option agreement of 25 claim blocks consisting of 323 units covering approximately 12,920 acres in the Townships of Rowan Lake and Brooks Lake in the Kenora Mining District of Northwestern Ontario. The aptly named Rowan Lake property adjoins Coventry Resources' (ASX: CVY) Cameron Lake deposit which consists of a JORC-compliant indicated and inferred mineral resource estimate of 11,300,000 tonnes at 2.77 g/t gold for 1,005,833 ounces of gold (1.5 g/t gold cut off). The Cameron Lake deposit is located to the north-east of the Pipestone-Cameron Lake Fault. Coventry Resources is currently conducting a 20,000 meter drill program designed to increase the size of the Cameron Lake deposit as well as test many of the regional prospects. (Source: [www.coventryres.com](http://www.coventryres.com)). Mainstream's optioned Rowan Lake property covers 12.5 kilometers of the Pipestone Cameron Lake Fault. The Cameron Lake deposit is located on a first / second order splay off of this regional structure two kilometers to the north of the property. Preliminary interpretation of regional magnetic data indicates that there are three other possible structural splays on the 12.5 kilometer strike length that the Mainstream property now covers.

President and Chief Executive Officer, Michael Romanik, said at the time: "We moved quickly on this opportunity as we were able to pick up this large land package directly tying onto Coventry Resources. The Rowan Lake area is another emerging mining camp in Northwestern Ontario. There have been significant amounts of staking in this belt over the past several weeks and we look forward to planning our initial work program in the near future."

### **KEY DEVELOPMENTS from December 1<sup>st</sup>, 2010 to November 30<sup>th</sup>, 2011**

The following is a brief description of the Corporation's key developments by date during the 12 months of the 2011 fiscal year from December 1<sup>st</sup>, 2010 through to November 30<sup>th</sup>, 2011:

December 14<sup>th</sup>, 2010 – The Corporation contracted Geotech Ltd. to carry out an airborne VTEM time-domain electromagnetic and magnetic survey covering the Company's 12,920 acre Rowan Lake property adjacent to Coventry Resources Limited's (ASX: CVY) Cameron Lake deposit. At the time, the survey was expected to commence within the following two weeks. Mainstream's optioned Rowan Lake property covers 12.5 square kilometers of the Pipestone Cameron Lake Fault. The Cameron Lake deposit is located on a first / second order splay off of this regional structure two kilometers to the north of the property. Preliminary interpretation of regional magnetic data indicates that there are three other possible structural splays on the 12.5 square kilometers section that the Mainstream property now covers.

Mainstream President and Chief Executive Officer, Michael Romanik, said at the time: "This survey was the recommended next step of exploration on the property and will give us a better idea on where to focus our follow up exploration efforts."

January 10<sup>th</sup>, 2011 – Announced in a news release that it had engaged [www.smallcappower.com](http://www.smallcappower.com), a division of Ubika Corporation ("Ubika") as a consultant to provide capital market exposure services. Ubika would be using its online portal smallcappower.com to offer Mainstream Minerals Corporation an organized and structured information platform to reach to a wide network of brokers, retail advisors and investors.

Ubika's engagement commenced on January 5<sup>th</sup>, 2011, and would extend for a twelve month term. Thereafter, the engagement would be subject to renewals at the option of both parties. In consideration for Ubika's services, Mainstream would be paying a monthly fee of \$3,000 plus applicable taxes and a onetime fee of \$5,000 plus applicable taxes for the preparation of an Information Report. This engagement was subsequently terminated in August 2011.

January 12<sup>th</sup>, 2011 – The Corporation announced the acquisition via two option agreements of two separate properties known as the Hudson Patricia Mine and the surrounding Hudson Patricia Property consisting of an aggregate total of 8 staked claims (the surrounding area) and one mining lease (the past-producing Hudson Patricia Mine itself) totaling 1,268 hectares covering 5.5 km of strike length. The Hudson Patricia Property is located in the Birch-Uchi Greenstone Belt, approximately 75 km east of the town of Red Lake, Ontario. The former South Bay Mine is located 7 km to the south east. The well endowed Red Lake-Uchi Greenstone Belt has produced more than 25 million ounces of gold with the nearby South Bay Mine producing 1.6 million tons of ore grading 2.3% copper, 14.5% zinc and 3.5 oz/ton silver. The past-producing Hudson Patricia Mine itself produced 1,857 ounces of gold and 305 ounces of silver from 11,228 tons of ore with an average grade of 0.165 ounces (Ontario MND&M website). Three separate ore shoots were delineated in the mine with all production from above the first level on an inclined shaft during 1935. There is no indication any production was from the deeper second level. Previous surface work west of the former Hudson Patricia Mine site, on the shore of Bogford Lake, has exposed base metal horizon hosted in dacite to rhyodacite lapill tuffs composed of pyrite, sphalerite and chalcopyrite. Previous diamond drilling on the Bogford Lake VMS horizon intersected core lengths of 6.8 m of sulphide-bearing horizon. Grab samples taken by St. Joe Explorations Ltd. from this horizon assayed 12.9% zinc, 1.8% copper, 0.51% lead, 0.01 oz / ton gold and 2.79 oz / ton silver.

The Hudson Patricia Property is an example of an under-explored vein gold deposit with north-south structures that host discontinuous quartz veins resulting from an extensive structural history. The intersection points of these north-south structures with northwestern fault are excellent locations to concentrate auriferous vein systems over significant widths. Volcanic massive sulphide mineralization was not recognized when the mine was in operation. The sulphide zones identified by St. Joe Explorations Ltd. and the reports of sulphide mineralization while the mine was in operation indicate that the area has good potential for base metal exploration as well.

The Corporation's President and Chief Executive Officer, Michael Romanik, said at the time: "We are very fortunate to have been able to secure this exciting project for the company. The past-producing, under-explored mine model is a concept that has been successful in the past and in the present for other mineral exploration companies in Canada. We believe that this project could develop into a great fit for Mainstream and its shareholders. We feel that the Birch-Uchi Greenstone Belt is a fantastic place to be looking for gold in Canada."

February 15<sup>th</sup>, 2011 – The Corporation was pleased to announce in a news release that upon the successful completion of the due diligence drill program (as per the terms of a Letter of Intent ("LOI") as announced in a news release dated October 14<sup>th</sup>, 2010), Premier Gold Mines Limited (TSX: PG) ("Premier") had entered into an option agreement on February 11<sup>th</sup>, 2011 with Mainstream on the exploration and development of the Bobjo Mine property. The news release also stated that the results of the Fugro airborne survey flown in November 2010 indicated numerous target areas to focus on going forward. Due to the results attained, an additional 5 claims totaling 39 units were staked by Mainstream and would be included into the Mainstream / Premier Gold Mines option agreement. Premier had informed Mainstream that drilling was ongoing and would follow up on the recently identified targets.

Mainstream President and Chief Executive Officer, Michael Romanik, said at the time: "The signing of a formal option agreement with Premier on the Bobjo Mine property is a major milestone for our company. Premier is a very active and well-financed Canadian-based mineral exploration and development company with a solid track record of achievement and growth. We look forward to working closely with them as they develop their Redgold Project which will incorporate the Bobjo Mine property and other properties currently held by them in the immediate area."

March 21<sup>st</sup>, 2011 – The Corporation announced in a news release it had entered into an option agreement to acquire Mining Lease # 105626 covering 96 hectares and was also announcing a non-brokered private placement of \$720,000 (an amount that was later increased to \$729,000 on April 12<sup>th</sup>, 2011). The mining lease in question is located in the middle of Mainstream's current claims group at Slate Lake (a 9 claim block group consisting of 107 claim units covering approximately 1,712 hectares as acquired via an option agreement on October 7<sup>th</sup>, 2010 – see the news release of October 20<sup>th</sup>, 2010). The combined Slate Lake property adjoins a large block of claims that were recently staked by Goldcorp Inc (TSX: G) to the west.

Mainstream Minerals had recently completed in November 2010 a Mobile Metal Ions soil geochemical survey on the Slate Lake property. A total of 333 samples were collected with 25 m sample spacing and analysis by MMI-M for 53 elements. Analyses were performed in the Toronto, Ontario laboratories of SGS Mineral Services. Results indicate the presence of high-contrast anomalous responses in the surveyed area. The anomalous responses occur at several locations on the grid, correspond with anomalous electromagnetic and magnetic anomalies and are strongly suggestive of bedrock-hosted metal zonation typical in base metal massive sulphide-type mineralization. The MMI responses indicate mineralization on the property will be zinc-rich with lesser copper and associated gold and silver. Oxide facies iron formation is likely present as indicated by elevated MMI responses for the triplet iron, titanium and niobium, typical indicators for this type of chemical sedimentary lithology. Interpretation of the Mobile Metal Ions survey results was undertaken by Mount Morgan Resources Ltd. of Winnipeg, MB. Positive results from the survey triggered Mainstream to acquire Mining Lease 105626.

The 50 page MMI Soil Survey Results Report of January 14<sup>th</sup>, 2011 as prepared by Mount Morgan Resources Ltd. of Winnipeg, Manitoba and a 9 page Slate Lake Property Summary Report can be viewed at the company's website at <http://www.mainstreamminerals.com/properties/slate-lake/>. The Slate Lake property is marked by the presence of a base metal massive sulphide style of mineralization as well as a structural geologic environment conducive to the formation of gold mineralization. A gold-in-till anomaly defined by the GSC underscores precious metal potential. Exploration for both stratigraphic and structurally-controlled styles of mineralization will be undertaken with a fully integrated program based initially on a compilation of geophysics, geochemistry and geologic mapping to support a planned drill program.

The Corporation also announced in the same news release of March 21<sup>st</sup>, 2011, a non-brokered private placement which was at the time anticipated to close on or about April 15<sup>th</sup>, 2011. This non-brokered private placement would be comprised of up to 8,000,000 Units at \$0.09 per Unit (the "Non-Flow-Through Subscription Price") for gross proceeds of up to \$720,000 (an amount that was later increased to \$729,000 on April 12<sup>th</sup>, 2011). Each Unit would be comprised of one non-flow-through common share and one half (1/2) of one non-flow-through common share purchase warrant. Each whole common share purchase warrant can be exercised to purchase one common share upon payment \$0.15 for a period of 12 months following the date of issuance. A cash finder's fee equal to 8 % of the subscription proceeds may be paid to registered dealers for services rendered in introducing certain subscribers to the offering. The news release noted that the closing of this non-brokered private placement was subject to the approval of the TSX Venture Exchange Inc. The shares issued in connection with this non-brokered private placement would be subject to a four-month plus one-day hold period. At the time, Mainstream Minerals intended to utilize the proceeds from the subscription for working capital and for general corporate purposes.

March 23<sup>rd</sup>, 2011 – Announced the acquisition via an option agreement of one leased and six staked mining claims in Mitchell Township of the Red Lake Mining Division of Ontario. The Fly Lake property consists of 44 units totaling 935 hectares and covers 2.8 km of prospective strike length. The property is located 80 km east of the Town of Red Lake and 6.5 km south of the former South Bay Mine which produced 1.6 million tons of ore grading 2.3% copper, 14.5% zinc, and 3.5 ounces per ton of silver.

The Fly Lake property lies within the Red Lake–Uchi Subprovince of the Superior Province of the Canadian Shield. There are three known mineral occurrences on the Fly Lake property and all are from drilling by St. Joe Exploration. The Nekapean occurrence beneath Fly Lake intersected a best assay of 0.34% copper and 8.25% zinc over 1 meter in drill hole #3197-1-80. The Fly Lake occurrence yielded an assay of 3.63% zinc over 1.24 m. The Fly Lake #3197-6-80 occurrence produced assays of up to 0.23% copper, 7.4% zinc, 1.2% lead and 0.65 ounces per ton of silver over 0.5 m. The property covers a sequence of felsic volcanics with one or more temporal discontinuities in the volcanic history. These temporal discontinuities are highly prospective horizons for VMS mineralization and are spatially coincident with both conformable and crosscutting hydrothermal alteration zones.

Elsewhere in the belt base metal mineralization is known to occur associated to these alteration zones. Several electromagnetic conductors from historical and recent Fugro Airborne surveys on the property currently remain untested. At the time that the news release was made, Clark Exploration Consulting Inc. of Thunder Bay, Ontario had been engaged to write a National Instrument 43-101 technical report on the Fly Lake property in order to make recommendations for an initial work program.

Mainstream's President and Chief Executive Officer, Michael Romanik, stated at the time: "The Fly Lake property provides the company with an entry into base metals in an area known to host economic mineralization. The property also provides Mainstream with some commodity diversification and will allow it to continue in its quest to be an important landholder and player in the Birch-Uchi Greenstone Belt of north-western Ontario. The Birch-Uchi area has been the scene of a staking rush in the past couple of months as some companies in the area, such as Gold Canyon Resources Inc. (TSX.V: GCU), are reporting drilling successes. The data generated by the recently flown Fugro airborne survey provides an excellent base for Mainstream to commence exploration efforts on the Fly Lake property. We look forward to the completed technical report and will follow up on the recommendations to guide our exploration program. In addition, Mainstream is actively pursuing other projects of interest in the Birch-Uchi Greenstone Belt."

April 12<sup>th</sup>, 2011 – The Corporation announced that it had increased its previously announced non-brokered private placement offering from 8,000,000 Units (as such term is defined in the news release of March 21<sup>st</sup>, 2011) at a purchase price of \$0.09 per Unit for gross proceeds of up to \$720,000 to 8,100,000 Units at a purchase price of \$0.09 per Unit for gross proceeds of up to \$729,000. The balance of the terms and conditions previously announced in the March 21<sup>st</sup>, 2011 news release remained unchanged.

April 15<sup>th</sup>, 2011 – Announced that it had closed the non-brokered private placement that was initially announced on March 21<sup>st</sup>, 2011 and that was amended as described in a press release dated April 12<sup>th</sup>, 2011. A total of 8,086,109 Units were sold to subscribers resident in the Provinces of British Columbia, Ontario, Québec, New Brunswick and Newfoundland (and to certain purchasers resident in jurisdictions outside of Canada) at a purchase price of \$0.09 per Unit for gross proceeds of \$727,749.81. The approval of the TSX Venture Exchange Inc. was subsequently received.

April 15<sup>th</sup>, 2011 – Computershare Trust Company of Canada, the Corporation's transfer agent, filed a Notice of Meeting on [www.sedar.com](http://www.sedar.com) to announce the upcoming Annual and Special Meeting of Shareholders to be held on May 31<sup>st</sup>, 2011 in Winnipeg, Manitoba. The Record Date for Notice of Meeting and the Record Date for Voting were established as April 26<sup>th</sup>, 2011.

April 19<sup>th</sup>, 2011 – Provided shareholders with an update on the drilling program that was being conducted by Bobjo property optionee Premier Gold Mines Limited (TSX: PG) via a news release. Since signing of the formal option agreement on February 11<sup>th</sup>, 2011 Premier had completed 3 holes totalling approximately 1,500 meters. Of the three holes drilled within this property, one significant intersection over 1 gpt was returned: #RG1109 returned 2.20 gpt over 2.9 m from 222.1 m to 225.0 m, including 5.06 gpt over 1.0 m from 222.1 to 223.1 m. This hole tested the Northgate Zone, and contains quartz-ankerite-tourmaline veins with traces of fine-grained disseminated pyrrhotite, pyrite, sphalerite and molybdenite. Hole #RG1108 tested the northeast extension of the shear zone that hosts the Northgate showing. This structure was recognized in the hole from 400 m to 435 m, which contains strongly-altered basalts and quartz-ankerite-tourmaline veinlets, but no significant gold assays. Hole #RG1110 tested a geophysical target coincident with a regional shear zone. It encountered sericite-silica altered tuff with 3-4% stringers of finegrained pyrite from 247 m to 410 m. No significant gold assays were returned. Going forward from April 19<sup>th</sup>, 2011, an extensive summer prospecting and sampling program was being planned by Premier to ground-truth the numerous untested Mag and EM targets in order to rank these targets for future drilling programs.

April 20<sup>th</sup>, 2011 – The Corporation announced the acquisition of the Birch Lake Property via an option agreement. The Birch Lake property is comprised of two non-contiguous groups of mining claims covering 1,440 hectares. The south-eastern claim group (four claims covering 704 hectares) sits between, and contiguous to, Gold Canyon Resources Inc.'s (TSX.V: GCU) Springpole Gold Project and Pelangio Exploration Inc.'s (TSX.V: PX) Birch Lake property. The north-eastern claim group (six claims covering 736 hectares) is contiguous to Pelangio Exploration Inc.'s Birch Lake property.

The Birch Lake property under option by Mainstream is situated in the north-eastern portion of the Birch-Uchi Greenstone Belt within the Uchi Subprovince of the Archean Superior Province. Prospective Balmer assemblage and Confederation assemblage volcanic, with mafic intrusive and metasedimentary rocks have all been mapped on the property by the Ontario Geological Survey. The discovery of gold at Red Lake in 1925 brought prospectors into the Birch Lake area with visible gold first discovered north of the Birch-Springpole portage in 1928.

Gold Canyon currently recognizes at least four different styles of gold mineralization on its Springpole Gold Project in eight different zones and continues to report spectacular drill results including 100.5 metres at 7.23 grams per tonne gold (330 feet at 0.211 oz per ton gold) in hole SP11-040, a vertical infill hole testing the mid-section of the Portage Zone (see Gold Canyon's press release dated March 15<sup>th</sup>, 2011). It should be noted that the true width of this zone has yet to be determined and several of Gold Canyon's drill holes ended in mineralization. Exploration completed on Pelangio's Birch Lake property is dominated by work by Dome Exploration (Canada) Ltd. (later Placer Dome) in the 1980's. The Birch Lake area was identified as highly favourable for gold bearing iron formations. Placer Dome delineated a gold bearing system on High Grade Island over a strike length of approximately 300 metres to a vertical extent of 150 metres. Placer Dome drilled 110 holes totalling 19,918 metres. Approximately 2,000 metres were drilled on the property between 2003 and 2008, including significant high grade intercepts of 115.89 g/t Au over 2.9 metres and 229.96 g/t Au over 2.45 metres. Historical work on the optioned Birch Lake property is minimal, though there are several documented gold occurrences (Ontario Geological Survey Open File Report #5835). Most noteworthy is the Dome-Birch Lake prospect where gold occurs on the southwest shore of a small island, southeast of Johnson Island. This occurrence consists of quartz-carbonate veins in chert-magnetite iron formation. The veins contain pyrite, chalcopyrite and visible gold. Airborne magnetics and electromagnetics by Cangold in 2003 identified what appears to be tightly folded iron formation in the north-eastern portion of the claim block. Structural studies in 1996 by Placer Dome on Pelangio's High Grade Island prospect resulted in recommendations of surface exploration to the southeast of the Main Central Zone (toward Mainstream's property) in an area that magnetic data indicates more complex structural geology. Northwest-southeast trending areas of high resistivity conformable to those identified on High Grade Island by Placer Dome in 1995 also fall on Mainstream's portion of Keigat Island (part of the North-western claim group) roughly 1,200 meters along strike to the Southeast of the High Grade Island prospect. A detailed digital compilation of all geological and geophysical data on and surrounding Mainstream's Birch Lake property was underway at the time. The compilation will form the base for identifying the prospective gold bearing areas.

Mainstream's President and Chief Executive Officer, Michael Romanik, said at the time: "Securing the Birch Lake property between, and contiguous to, Gold Canyon Resources Inc.'s Springpole Gold Project and Pelangio Exploration Inc.'s Birch Lake property is a direct result of the strong relationships we have built with geotechnical experts well-versed in the Red Lake area. It is another step toward Mainstream becoming a strategic player and landholder in the Birch-Uchi Greenstone Belt at a time of greatly renewed interest in the area."

May 4<sup>th</sup>, 2011 – Announced in a news release that the Directors of the Corporation had approved the adoption of a Shareholder Rights Plan (the "Plan") dated April 27<sup>th</sup>, 2011. The news release stated that the purpose of the Plan is to provide both shareholders and the Board sufficient time to adequately consider a take-over bid and to allow for competing and alternative proposals to emerge during the period between the announcement of a proposed take-over bid and the period of review allowed within the Plan. The Plan is similar to those adopted by other Canadian public companies. At the time, Mainstream was unaware of any party contemplating or preparing a proposal to acquire control of the Company.

At the close of business on April 27<sup>th</sup>, 2011, existing shareholders of the Company were granted Rights to acquire one additional common share for each share currently held as at that date (a "Right") at a purchase price that is subject to certain future adjustments. The Rights were granted for no cash or non-cash consideration. These Rights are attached to each share as long as the Plan remains in effect. Each subsequent shareholder who invests in the Company's common shares will also be entitled to the Rights for no consideration. The Right is triggered only if a party acquires or announces its intention to acquire 20% or more of the outstanding shares of the Company and this proposed acquisition does not meet the Permitted Bid requirements set forth within the Plan. Under the Plan, only bids that meet certain specific requirements intended to protect the interests of all shareholders will qualify as Permitted Bids. Permitted Bids must be made to all shareholders of the Company, must remain open for 60 days and must be made by way of a take-over bid circular prepared in compliance with applicable securities laws. The Rights, once triggered, allow shareholders, other than the take-over bidder, to purchase one common share of the Company for each common share held at a 50% discount to the then current market price. The news release stated that the Board's approval of the Plan is subject to the ratification by shareholders at the upcoming annual and special meeting of shareholders to be held on May 31<sup>st</sup>, 2011 and the acceptance by the TSX Venture Exchange Inc. Shareholders will also be required to ratify the Plan in three years time in order for the Plan to continue to be in effect. A copy of the Plan was filed on [www.sedar.com](http://www.sedar.com) on May 5<sup>th</sup>, 2011.



Michael Romanik, President and Chief Executive Officer of Mainstream stated, "A number of Mainstream's assets are sufficiently advanced to show their potential and given normal commodity price cycle movements, an environment may arise where an opportunistic takeover offer could be made for the Company. Such an offer may not be in the best interests of all shareholders. Consequently, the Board has taken a pro-active approach and implemented a shareholder rights plan. Should an offer be made for the Company, the Plan will protect our shareholders from a low bid price without adequate time to effectively evaluate such a bid and for an alternative bid to come forward."

May 5<sup>th</sup>, 2011 – On this date, the following documents dated April 28<sup>th</sup>, 2011 and relating to the upcoming Annual General Meeting of Shareholders of May 31<sup>st</sup>, 2011 were filed on [www.sedar.com](http://www.sedar.com) : Notice of Annual and Special General Meeting of Shareholders; and the Notice of Annual and Special General Meeting and Information Circular.

May 6<sup>th</sup>, 2011 – Filed the Annual Information Form dated April 30<sup>th</sup>, 2011 for the fiscal year ended November 30<sup>th</sup>, 2010 on [www.sedar.com](http://www.sedar.com) .

May 25<sup>th</sup>, 2011 – Announced in a news release that Premier Gold Mines Limited (TSX: PG) ("Premier") had dropped its option on the Bobjo Mine Project property. This option agreement was originally announced in a news release dated February 15<sup>th</sup>, 2011. Since the signing of the option agreement in February, Premier had spent approximately one million dollars on exploration that included the completion of an airborne Mag / EM survey and 3 drill holes for 1,500 meters of drilling. The drill holes were targeting anomalies located in the south-eastern portion of the Bobjo property in an area adjoining Premier's 100% optioned "Woco Vein claims". Hole #RG1109 returned 2.2 g/t Au over 2.9 meters including 5.06 g/t Au over 1 meter. After reviewing all of Premier's data, a substantial ground prospecting / sampling program would commence within a few weeks to "ground truth" all of the high priority anomalies identified by the airborne survey. Also, a channel sampling program would follow up on a number of grab samples that were taken from the "Bobjo peninsula" on the northern section of the overall Bobjo Mine property. Tim Twomey, P.Geo was the Qualified Person on this project pursuant to National Instrument 43-101 at the time and had reviewed and approved the technical disclosure in this press release of May 25<sup>th</sup>, 2011

Mainstream's President and Chief Executive Officer, Michael Romanik, said: "We plan to continue right where Premier left off, without delay or hesitation. We are moving very quickly to get geological crews on the ground within the next several weeks. The Bobjo Mine property is in itself approximately 5,232 hectares (or approximately 12,928 acres) and only a small part of it has been explored. We are excited to start a prospecting program on the southern half of the property with the new information acquired from and with Premier's cooperation. This southern area has seen very minimal exploration. Much of the company's exploration to date has been focused on the Bobjo peninsula where the old Bobjo Mine Shaft is located. Mainstream remains focused on the Birch-Uchi Greenstone Belt. The company has put together a 6 property land package in the belt totaling approximately 11,067 hectares (or approximately 27,346 acres) and covering numerous past producing mines and known gold occurrences. The company also remains open to pursuing new joint-ventures and option agreements with other companies on mutually beneficial commercial terms and conditions."

May 31<sup>st</sup>, 2011 – The Annual General and Special Meeting of Shareholders for the Corporation was held at 10:00 AM at the offices of Taylor McCaffrey LLP, 9<sup>th</sup> floor, 400 Saint-Mary Avenue, Winnipeg, Manitoba, R3C 4K5. All of the resolutions, as presented to the shareholders and described in the Notice of Annual and Special General Meeting and Information Circular dated April 28<sup>th</sup>, 2011, were passed and all of the directors nominated for re-election were elected.

June 1<sup>st</sup>, 2011 – The Corporation announced in a news release the outcomes of the Annual General and Special Meeting of Shareholders as held the day before in Winnipeg, Manitoba. The shareholders ratified the Directors' decision to approve the adoption of the Shareholder Rights Plan (the "Plan") dated April 27<sup>th</sup>, 2011 and as first announced in a news release dated May 4<sup>th</sup>, 2011. The Shareholder Rights Plan is with Computershare Trust Company of Canada, Mainstream's transfer agent, and was at the time still subject to the review and approval of the TSX Venture Exchange Inc. (the approval of which was subsequently received).

The purpose of the Plan is to provide both shareholders and the Board sufficient time to adequately consider a take-over bid and to allow for competing and alternative proposals to emerge during the period between the announcement of a proposed take-over bid and the period of review allowed within the Plan. The Plan is similar to those adopted by other Canadian public companies. Mainstream at the time was unaware of any party contemplating or preparing a proposal to acquire control of the Company by way of a take-over bid or otherwise. The news release also noted that the shareholders will also be required to re-ratify the Plan in three years time in order for the Plan to continue to be in effect. A copy of the Plan was filed on May 5<sup>th</sup>, 2011 on SEDAR at [www.sedar.com](http://www.sedar.com).

The news release also noted that, in addition to the ratification of the Plan, all of the other resolutions presented to the shareholders at the Annual General and Special Meeting of Shareholders of May 31<sup>st</sup>, 2011 were ratified and / or approved. These other resolutions included the re-election of the Directors, the re-appointment of the Auditors and the authorization of the Directors to fix the Auditors' remuneration, the approval by the disinterested shareholders of the Stock Option Plan dated June 11<sup>th</sup>, 2007 and the approval of the comparative audited financial statements of the Company for the fiscal years of November 30<sup>th</sup>, 2010 and 2009.

August 23<sup>rd</sup>, 2011 – The Corporation provided an update in a news release on its recent exploration activities on the Bobjo Mine and Slate Lake properties. The news release stated that in June, the Corporation contracted Mount Morgan Resources Ltd. to complete a channel sampling program at the Bobjo Mine project. The channel samples targeted previously untested outcrops with quartz veins, lenses and veinlets with the intention of assessing the potential for gold mineralization outside of the immediate Bobjo Mine shaft environment. There were a total of 66 samples that were analyzed from the 33 meters of channel sampling. The program was very successful with multiple high-grade gold assays received from a series of 0.5 meter channel samples. The channel samples contained quartz veins +/- bedrock.

Results indicate significant gold potential exists outside of the actual Bobjo Mine shaft. Assay results ranged from <.03 g/t Au up to a high of 87.53 g/t Au. A table highlighting the best 19 samples was presented in the news release (from 1.75 g/t Au to 87.53 g/t Au). The channel samples were processed and analyzed by TSL Laboratories located in Saskatoon, Saskatchewan. TSL Laboratories as an ISO-Certified laboratory performed the gold assays and a multi-element scan of the sample set. Two kinds of analyses were used. One is a gold fire assay with gravimetric finish and the second a multi-element scan. The multi-element scan provides information for a wide range of elements at very low detection limits. This analysis is used to determine whether there are any unusual "pathfinder" elements that might be used to indicate the presence of gold mineralization. Analysis was by ICP-MS. The gold assay was based upon 60 grams of rock after it has been crushed and powdered. A serious gold nugget effect in the mineralized samples was documented from metallic screen assays and indicates significant specific gravity differences between gold-bearing mineralization and the host rock. The high-grade gold assays suggest the likely presence of native gold.

Mainstream President and Chief Executive Officer, Michael Romanik, said at the time: "We are very excited with the recent assay results since they are from previously unrecognized zones of gold mineralization. There are many other outcrops that remain untested and will be followed up in the next round of exploration. We firmly believe that the Bobjo Mine project has excellent potential for finding more high grade gold and will be an exciting project for Mainstream going forward."

Mainstream is reviewing the drill logs from the 32 holes that were drilled in 2007-2009 as well as the core logs from the 11 holes totaling 4,580 meters that were drilled by Premier Gold Mines Limited in late 2010 and early 2011. The company plans to incorporate the most recent channel sample results with the data from the drill logs in order to formulate exploration plans for the fall of 2011. In June 2011, Mainstream staked 9 claims tying the Fly Lake – Bobjo Mine – Slate Lake projects together. This will enable the company to transfer future assessment work freely between the three projects giving the company greater operational flexibility going forward.

Mount Morgan Resources Ltd. of Winnipeg, Manitoba also completed the second and final phase of the mobile metal ions (MMI) soil sampling program on the Slate Lake property. The survey detected elevated Au levels at several locations. Rock chip samples were collected in the vicinity of MMI soil geochemical gold anomalies outlined in the first phase.

Two of the seven rock chip samples returned elevated gold content values. In particular, sample SL11-05 which assayed 0.14 g/t Au strongly confirms the presence of gold-bearing mineralization on the Slate Lake property. It also suggests that MMI soil geochemical surveys were effective in delineating follow-up gold exploration targets. Interpretation of the mobile metal ions geochemical survey results was undertaken and an updated MMI results report dated July 18<sup>th</sup>, 2011 was prepared by Mount Morgan Resources Ltd

Over the summer, National Instrument 43-101 technical reports were completed on the Hudson Patricia Mine and Rowan Lake properties. The two reports recommended at least \$500,000 of work on each property in the next phase of exploration. The reports were commissioned to provide the company with a background of all historical work that was performed on both properties. The reports themselves may prove to be useful in attracting potential joint-venture partners or as a qualifying transaction for Capital Pool Companies.

Due to the forest fire situation and lack of lodging, the prospecting / sampling program that was scheduled for the Birch Lake property had been pushed back to the late fall of 2011. The Birch Lake property is comprised of two non-contiguous groups of mining claims covering a total of 1,440 hectares. The southeastern claim group (four claims covering 704 hectares) sits between, and contiguous to, Gold Canyon Resources Inc.'s Springpole gold project and Pelangio Exploration Inc.'s Birch Lake property. The northeastern claim group (six claims covering 736 hectares) is contiguous to Pelangio Exploration Inc.'s Birch Lake property. The planned construction of an all season road leading up to Gold Canyon's Springpole deposit could greatly reduce exploration costs for all companies involved in the Birch Lake / Casummit Lake area.

Mark Fedikow P. Geo is the Qualified Person pursuant to National Instrument 43-101 and was the one who reviewed and approved the technical disclosure in this August 23<sup>rd</sup>, 2011 press release.

October 6<sup>th</sup>, 2011 – The Corporation announced in a news release that it had increased its land position at Birch Lake by staking three mining claims totalling 40 units covering an additional 640 hectares. The Birch Lake property is located in the Keigat Lake Area of the Red Lake Mining Division of Ontario. These newly staked claims are in addition to those acquired via an option agreement as was announced in a news release dated on April 20th, 2011. The original agreement consisted of two separate claim groups: a south-eastern claim group sitting between, and adjacent to, Gold Canyon Resources Inc.'s (TSX.V: GCU) Springpole Gold Project and Pelangio Exploration Inc.'s (TSX.V: PX) Birch Lake property; and a north-eastern claim group adjacent to Pelangio Exploration Inc.'s Birch Lake property. These three newly staked claims now tie both the south-eastern and north-eastern claim groups together while also covering the Canamer Prospect. As a result, Mainstream's property at Birch Lake forms a contiguous land package covering 2,080 hectares.

The Canamer prospect is situated on the newly staked claims and is located on the eastern shore of Birch Lake. Gold mineralization at the Canamer Prospect is associated with pods and lenses of intensely sulphidized, silicified, folded and brecciated iron formation. The sulphidized, brecciated zones consist of abundant pyrite with lesser amounts of pyrrhotite, arsenopyrite and chalcopyrite with an alteration assemblage of quartz, biotite and chlorite. The largest sulphide-breccia zone located on surface to date is 1 meter wide and 2 meters long and is exposed at the Main Showing. Assays reported by the Resident Geologist from grab samples assayed 0.50 ounces gold per ton and 0.34 ounces silver per ton. In a review of government assessment files it was noted that historical drilling by Canamer Mining Corporation in 1966 intersected a 14.7 foot wide zone of brecciated iron formation that returned assays of 0.18 ounces per ton gold over 5.0 feet, 0.16 ounces of gold per ton over 5.0 feet and 0.32 ounces per ton gold over 4.7 feet. Garry Clark, P. Geo is the Qualified Person pursuant to National Instrument 43-101 and was the one who reviewed and approved the technical disclosure in this October 6<sup>th</sup>, 2011 press release.

Mainstream President and Chief Executive Officer, Michael Romanik, stated at the time: "We have been watching these claims for a while and waiting for them to come open. Mainstream is very fortunate to have been able to add these new claims covering the Canamer Prospect to our existing Birch Lake project. The Canamer Prospect is a significant occurrence in the area and adds another great target to focus our exploration efforts."



## Mainstream Minerals Corporation

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October 26<sup>th</sup>, 2011 – Announced in a news release that the Corporation had entered into an option agreement dated October 14<sup>th</sup>, 2011 pursuant to which it the Corporation was optioning up to a 60% interest in the Rowan Lake property (the "Claims") to Alita Resources Ltd. ("Alita"). Alita will earn a 60% interest in the Claims upon successful completion of the following:

- Year 1:
  - Payment of \$20,000 in cash and issue and allot to Mainstream 100,000 shares in the capital of Alita within five days after the Acceptance Date (as defined below);
  - Complete at least \$200,000 of exploration work on the Claims within a period of one year measured from the Acceptance Date;
- Year 2:
  - Payment of \$20,000 in cash and issue and allot to Mainstream 100,000 shares in the capital of Alita within 12 months following the Acceptance Date;
  - Complete at least \$550,000 of exploration work on the Claims within a period of 24 months measured from the Acceptance Date;
- Year 3:
  - Payment of \$20,000 in cash and issue and allot to Mainstream 100,000 shares in the capital of Alita within 24 months after the Acceptance Date;
  - Complete at least \$900,000 of exploration work on the claims within 36 months after the Acceptance Date.

The Acceptance Date, as defined in the Option Agreement, will mean the date of the written confirmation from the TSX Venture Exchange Inc. (which the shares of Alita are listed for trading) that it has accepted the Option Agreement for filing. The Claims, known to the parties as the Rowan Lake claims, are 25 contiguous claims covering 5,076 hectares (approximately 12,543 acres) in the Cameron and Rowan Lakes area approximately 60 kilometres southeast of Kenora, in Northwestern Ontario. The claims are subject to a 2.0-per-cent net smelter royalty obligation. If Alita earns the 60-per-cent interest in the claims, it and Mainstream will form a joint venture, which will be entitled to purchase a 1.0-per-cent net smelter return royalty for \$1-million cash.

Mainstream President and Chief Executive Officer, Michael Romanik, stated at the time: "This deal is a great way for the company to advance a non-core property while maintaining a minority interest in the project. Mainstream will continue to work towards similar deals with our other non core projects which will enable us to focus on our main game plan of developing our Birch Uchi projects. "

November 15<sup>th</sup>, 2011 – The Corporation announced that it was forming an in-house and dedicated geological team for the purposes of advancing its exploration projects. Brad Peters and Rory Ritchie, both of Vancouver, British Columbia, will be joining the company as geologists effective on December 1<sup>st</sup>, 2011. Both have initiated the process to obtain their P.Geo designation with the Association of Professional Engineers and Geoscientists of British Columbia.

**Brad Peters B.Sc. (Earth & Ocean Sciences)** – Effective December 1<sup>st</sup>, 2011, Brad Peters will become the Vice-President, Exploration of Mainstream Minerals Corporation. Brad is a graduate of the University of British Columbia and holds a B.Sc. in Earth & Ocean Sciences. Brad has been responsible for the successful management of a variety of exploration programs in British Columbia, Yukon, Ontario, Arizona and Mexico. He has worked on and is familiar with a variety of mineral deposit styles including porphyry copper-gold, high grade silver veins, structurally controlled gold systems and polymetallic epithermal systems.

**Rory Ritchie H.B.Sc. (Chemistry), B.Sc. (Earth Sciences), GIT** – Effective December 1<sup>st</sup>, 2011, Mr. Ritchie will become the Field Exploration Manager for Mainstream Minerals Corporation. Rory graduated from The University of Western Ontario with an Honours B.Sc. in Chemistry in 2004. He spent some time working for ALS Chemex in North Vancouver running ICP-AES for the analysis of soil and rock samples, where he gained a glimpse into one aspect of mineral exploration. He then attended Simon Fraser University to complete a degree in Earth Sciences.

Rory has worked on grassroots exploration and drill programs around Central British Columbia, the Yukon Territory, Arizona, and most notably, Red Lake, ON, where he spent two years overseeing gold resource delineation and deep drilling campaigns with Mega Precious Metals Inc. (TSX.V: MGP). Rory is fluent in GIS (Mapinfo) and Resource Modeling (GEMCOM) softwares. Rory is a member of the Association of Professional Engineers and Geoscientists as a Geoscientist-In-Training.

Mainstream President and Chief Executive Officer, Michael Romanik, said at the time: “We are very pleased to have Brad and Rory join our team. Our shareholders can only benefit from having an in-house geotechnical team which is completely dedicated to the company and its exploration projects. This will ensure that our exploration programs are ran as efficiently as possible. Rory’s experience in the Red Lake area will be a tremendous asset.”

### **KEY DEVELOPMENTS from December 1<sup>st</sup>, 2011 to May 22<sup>nd</sup>, 2012**

The following is a brief description of the Corporation’s key developments by date subsequent to the fiscal year ended November 30<sup>th</sup>, 2011 from December 1<sup>st</sup>, 2011 through to May 22<sup>nd</sup>, 2012:

December 8<sup>th</sup>, 2011 – Announced in a news release that following the appointments of Brad Peters as Vice-President of Exploration and Rory Ritchie as Field Exploration Manager, both effective December 1<sup>st</sup>, 2011 (see news release of November 15<sup>th</sup>, 2011), a new business development unit was being created within the company. The new business development unit would immediately begin advancing Mainstream’s current portfolio of properties in order to unlock value and identify other third parties as strategic joint-venture or earn-in option partners for follow-up drill testing. The geological services to be provided internally going forward will include, but will not be limited to prospecting, geochemical surveying (including soil sampling), mapping and technical evaluation of potential drill targets based on the existing data collected with the objective of advancing Mainstream’s projects to drill ready status as rapidly as possible.

The news release stated that the new business development unit would not represent a “Change of Business (COB)” or a change in direction for the company as Mr. Peters and Mr. Ritchie would be working primarily on the exploration and development of the company’s own portfolio of 10 properties. The company’s mandate will continue to be that of a “mineral exploration and development company focused on precious metal mining properties with economic potential, all with the aim of possibly bringing such properties to commercial production”.

Mainstream President and CEO, Michael Romanik, said at the time: “By hiring Brad and Rory, and by executing this strategy within the company, we will be able to accomplish a number of goals at the same time – (i) reducing the costs associated with the hiring of external geological consultants; (ii) have a dedicated in-house geological staff that is focused on Mainstream’s own portfolio of projects and (iii) potentially generating future cash-flows for the company through the management of geological work for other companies. To the benefit of our shareholders, we can limit the amount of dilution going forward as we navigate our way through these difficult capital markets. One of the priorities for our new geological team will be to thoroughly review and then advance our current Birch-Uchi Greenstone Belt projects to the drill-ready stage. With the investments we’ve made to date in these properties, we feel that we are now ready to package the information. Once done, we will then be in a good position to look for or attract joint-venture or earn-in option agreement partners.”

January 27<sup>th</sup>, 2012 – The TSX Venture Exchange Inc. issued a Bulletin stating that it has accepted for filing an Option Agreement dated October 14<sup>th</sup>, 2011 between Alita Resources Ltd. and Mainstream Minerals Corporation which grants Alita Resources Ltd. an option to acquire a 60% interest in the Rowan Lake, Ontario group of mineral claims. The Bulletin also noted that the TSX Venture Exchange Inc. had accepted for filing Alita Resources Ltd.’s Qualifying Transaction (the acquisition of a 60% interest in the Rowan Lake, Ontario group of mineral claims from Mainstream Minerals Corporation) as described in its Filing Statement dated December 16<sup>th</sup>, 2011. As a result, effective at the opening, Monday, January 30<sup>th</sup>, 2012, the trading symbol for Alita Resources Ltd. was change from AL.P to AL and that it would no longer be considered a Capital Pool Company.

February 6<sup>th</sup>, 2012 – The Corporation announced a non-brokered private placement of a maximum of 12,000,000 Units at a purchase price of \$0.05 for gross subscription proceeds of \$600,000. The offering would be made to subscribers resident in the Provinces of Ontario, Manitoba, Saskatchewan, Alberta and British Columbia, and such other jurisdictions as the Corporation may determine. At the time of the news release, it was anticipated that the closing of offering would occur on or around March 9<sup>th</sup>, 2012. Each Unit shall be comprised of one non-flow-through Common Share and one-half (1/2) of one non-flow-through Common Share purchase warrant (a "Warrant"). Each whole Warrant shall entitle the holder to purchase one Common Share for an exercise price of \$0.10 for a period of 12 months following the date of issuance. The Common Shares and Warrants issued in connection with this offering will be subject to a hold period of four months plus one day. The Corporation may, at its discretion, offer a 6 % cash finder's fee to registered dealers for services rendered in introducing certain subscribers to the offering. In addition to the finder's fee, brokers warrants equivalent to 6 % of the number of Units subscribed for in this non-brokered placement may be paid to registered dealers for services rendered in introducing certain subscribers to the offering. Each broker warrant can be exercised to purchase one non-flow-through common share upon payment \$0.10 for a period of 12 months following the date of issuance. The closing of this offering is subject to the approval of the TSX Venture Exchange Inc.

March 13<sup>th</sup>, 2012 – The Corporation announced in a news release that the non-brokered private placement previously announced on February 6<sup>th</sup>, 2012 and originally scheduled to close on March 9<sup>th</sup>, 2012, would now be closing in one or more tranches. The first tranche was now anticipated to close on or about March 27<sup>th</sup>, 2012. The final closing date of this offering will be extended to April 28<sup>th</sup>, 2012. All other terms and conditions of the offering previously announced on February 6<sup>th</sup>, 2012 will remain the same. The closing of this offering remained at the time still subject to the approval of the TSX Venture Exchange Inc.

March 16<sup>th</sup>, 2012 – Announced its intention to extend the term of the 4,043,055 Series N common share purchase warrants (the "Series N Warrants") that were issued on April 15<sup>th</sup>, 2011. The Series N Warrants were originally set to expire after 12 months from the date of issuance, namely April 14<sup>th</sup>, 2012. The term of the Series N Warrants would now be extended by 12 months from April 14<sup>th</sup>, 2012 to April 14<sup>th</sup>, 2013. This extension was applicable to all of the Series N Warrants. The news release noted that the exercise price of the Series N Warrants would remain unchanged at \$0.15. The 4,043,055 Series N Warrants were the only warrants currently outstanding for the Corporation as at the date of this news release. All other warrants previously issued by Mainstream had either been exercised or had expired. The extension of the term of the Series N Warrants is subject to the approval of the TSX Venture Exchange Inc. (which was subsequently received).

March 22<sup>nd</sup>, 2012 – The Corporation announced in a news release the appointment of Lisa McCormack of Toronto, Ontario as Corporate Secretary of the Company subject to TSX Venture Exchange approval. The news release went on to provide a brief biography as follows:

**Lisa McCormack** – “Ms. McCormack is a seasoned professional law clerk, specializing in securities and corporate law. She is currently Corporate Secretary of several public companies including Trelawney Mining and Exploration Inc. Ms. McCormack has over 15 years of experience working for various securities and corporate finance law firms in Toronto and assisting public issuers within the mining industry.”

March 27<sup>th</sup>, 2012 – Announced that it had closed the first tranche of a non-brokered private placement that was initially announced on February 6<sup>th</sup>, 2012 and amended on March 13<sup>th</sup>, 2012. A total of 1,880,000 Units were sold to subscribers resident in the Provinces of British Columbia, New Brunswick and Manitoba (and to certain purchasers resident in jurisdictions outside of Canada) at a purchase price of \$0.05 per Unit for gross proceeds of \$94,000.00. At the time of this news release, Mainstream intended to close the second and final tranche of this non-brokered private placement on or before April 28<sup>th</sup>, 2012. Each Unit of the first tranche was comprised of one common share of Mainstream and one half (1/2) of one Common Share purchase warrant. Each whole Warrant may be exercised to purchase one Common Share upon payment \$0.10 for a period of 12 months following the date of issuance. A finder's fee equal to 6 % of the subscription proceeds was paid to certain registered dealers for services rendered in introducing certain subscribers to the offering. In addition to the finder's fee, brokers warrants equivalent to 6% of the number of Units subscribed for in this non-brokered placement was issued to the Finders. Each broker warrant can be exercised to purchase one non-flow-through common share upon payment of \$0.10 for a period of 12 months following the date of issuance.

The closing of the second tranche of this non-brokered private placement remained subject to the approval of the TSX Venture Exchange Inc. The shares issued in connection with this non-brokered private placement were subject to a four-month plus one-day hold period. The news release went on to state that Mainstream Minerals intended to utilize the proceeds from the subscription for the Units for working capital, general corporate purposes and for the maintenance of its mineral property claims.

May 16<sup>th</sup>, 2012 – Announced in a news release that the second tranche of the non-brokered private placement that was initially announced on February 6<sup>th</sup>, 2012, and amended on March 13<sup>th</sup>, 2012, would not be closing and accordingly that private placement was now closed.

May 22<sup>nd</sup>, 2012 – The Corporation announced in a news release a non-brokered private placement of a maximum of 10,000,000 Units at a purchase price of \$0.05 for maximum gross subscription proceeds of \$500,000.00. The offering is being made to subscribers resident in the Provinces of Ontario, Manitoba, Saskatchewan, Alberta and British Columbia, and such other jurisdictions as the Issuer may determine. It is anticipated that the closing of the offering will occur on or about June 8<sup>th</sup>, 2012. Each Unit shall be comprised of one common share of the Issuer (a "Common Share") and one half (1/2) of a Common Share purchase warrant (a "Warrant") of the Issuer. Each whole Warrant shall entitle the holder to purchase one Common Share for an exercise price of \$0.10 for a period of 12 months following the date of issuance. The Common Shares and Warrants issued in connection with this offering will be subject to a hold period of four months plus one day from the date of issuance. The Issuer may, at its discretion, offer a 6% cash finder's fee to registered dealers for services rendered in introducing certain subscribers to the offering (each, a "Finder"). In addition to the finder's fee, brokers warrants equivalent to 6 % of the number of Units subscribed for in this non-brokered placement may be paid to registered dealers for services rendered in introducing certain subscribers to the offering. Each broker warrant can be exercised to purchase one non-flow-through common share upon payment \$0.10 for a period of 12 months following the date of issuance. The closing of this offering is subject to the approval of the TSX Venture Exchange Inc. Mainstream Minerals intends to utilize the proceeds from the subscription for Units for working capital, general corporate purposes and for the maintenance of its mineral property claims.

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**DESCRIPTION OF ONGOING BUSINESS OBJECTIVES AND KEY PROPERTIES**

The business objectives that the Corporation is planning to accomplish in the remainder of fiscal 2012 with its existing cash resources and the net proceeds of any future Offerings relying on this Annual Information Form dated May 22<sup>nd</sup>, 2012 for the year ended November 30<sup>th</sup>, 2011 and as filed on [www.sedar.com](http://www.sedar.com) on May 23<sup>rd</sup>, 2012 and any future Annual Information Forms, all subject to change and dependent on financing, is to –

<b>Project</b>	<b>Minimum Required Exploration Expenditures <sup>(1)</sup></b>	<b>Assessment Work Filing Due Date</b>	<b>Property Option Payments</b>	<b>Option Payment Due Date</b>
<b>Birch Lake</b>	\$52,000	March 2013	\$12,000	April 2012
<b>Slate Lake (9 unpatented claims)</b>	\$31,830 <sup>(2)</sup>	April 2012	\$15,000	October 2012
<b>Slate Lake (1 mining lease)</b>	\$10,000 <sup>(2)</sup>	August 2012	\$5,000	June 2012
<b>Fly Lake</b>	\$16,400	November 2012	\$5,000	June 2012
<b>Casa Berardi</b>	\$31,000	January 2013	-	-
<b>Rowan Lake</b>	\$129,200 <sup>(3)</sup>	October 2012	\$16,000	November 2012
<b>Hudson Patricia (8 unpatented claims)</b>	-	-	\$16,000	January 2013
<b>Hudson Patricia (1 mining lease)</b>	-	-	\$30,000	December 2012
<b>Bobjo Mine Project</b>	-	-	-	-
<b>Hazard Lake / Northgate Deposit</b>	-	-	\$25,000	October 2012
<b>West Keefer</b>	-	-	-	-
<b>TOTALS</b>	<b>\$270,430</b>		<b>\$124,000</b>	

- (1) The amounts noted in this column are the minimum required exploration expenditures for assessment work filings in the next 12 months. At the time of this 2011 Annual Information Form dated May 22<sup>nd</sup>, 2012, the Corporation was still in the process of formulating its finalized Exploration Budget for fiscal 2012, much of which will be dependent on a successful closing of a non-brokered private placement of \$500,000 that is expected to close on or about June 8<sup>th</sup>, 2012. Work on some or all of the properties may include, but is not limited to, diamond drilling, prospecting, mapping, geo-chemical soil sampling, line-cutting, grab and channel sampling, Magnetometer / IP surveys and a compilation of the individual property's geological historical data and records.
- (2) Pending the approval of the recent assessment report filing and thus determining the amount in banked reserve. Banked credits from previously filed assessment work at the Bobjo Mine Project work may be used to cover these required exploration expenditures.
- (3) Alita Resources Ltd. has committed to spend a minimum of \$200,000 on exploration for the Rowan Lake property prior to January 27<sup>th</sup>, 2013 as per the Option Agreement dated October 14<sup>th</sup>, 2011 to acquire a 60% interest in the property over 3 years.

## **(1) Bobjo Mine Project in Earngey and Agnew Townships, Red Lake Mining Division of Ontario (Birch-Uchi Greenstone Belt)**

**Location** – The Bobjo Mine Project is located in Earngey and Agnew Townships in the Red Lake Mining Division of Ontario. It is situated approximately 80 kilometres by road east-north-east of the Town of Ear Falls, Ontario.

**Number of Claims & Hectares** – 9 patented claims for approximately 133 hectares and 31 unpatented claims for 315 unpatented claim units for approximately 5,232 hectares for a combined total of 5,365 hectares.

**Exploration Target** – Gold

**Date of Acquisition via Option Agreements & Staking** – The 324 claim units were assembled by way of an initial Option Agreement dated July 21<sup>st</sup>, 2006 for 9 patented claim units for 133 hectares, staking during the Fall of 2006 of 54 unpatented claim units for 874 hectares, and the acquisition by way of staking of another 261 claim units totalling 4,358 hectares in 2007 and 2008 to the north and south of, and immediately adjacent to, the existing land package. A second Option Agreement dated December 17<sup>th</sup>, 2006 (32 unpatented claim units for 518 hectares) for an area known as “Bobjo West” was subsequently dropped in late fiscal 2008 due to the costs associated with maintaining it and for being non-essential to the overall project. On September 27<sup>th</sup>, 2010, the Corporation announced an option agreement for 6 exploration claims for 28 claim units totalling approximately 453 hectares with Glen Coyne (the “Vendor”) at the Bobjo Mine Project. These claims, commonly known as the “water claims”, had lapsed in the late fall of 2009 and were acquired via staking by Richard Daigle and subsequently sold to Mr. Coyne. Re-acquiring these claims was one of the conditions for proceeding with the Letter of Intent dated October 6<sup>th</sup>, 2010 with Premier Gold Mines Limited at the Bobjo Mine Project. Under the terms of the option agreement with Mr. Coyne, Mainstream Minerals can earn a 100% interest by completing a payment to the Vendor of \$10,000 within 7 days of TSX.V approval (paid November 24<sup>th</sup>, 2010) and issuing 100,000 common shares to the Vendor within 7 days of TSX.V approval (issued November 23<sup>rd</sup>, 2010). The issued shares shall be subject to hold periods as required by the applicable policies of the TSX Venture Exchange Inc and other securities laws. The Vendor will retain a 2.0 % Net Smelter Return (the “NSR”) interest in the Property. Mainstream Minerals can buyback one half or 1% of the “NSR” at anytime for a payment of \$1,000,000.

**Ownership Interests** – 100 % Mainstream Minerals Corporation

**Operator** – Mainstream Minerals Corporation

**Qualified Person as per NI 43-101 as at May 22<sup>nd</sup>, 2012 (subject to change)** – Garry Clark P.Geo.

### **Description and Access to the Bobjo Mine Property**

The Bobjo Mine property is located along the southeast limb of the Red Lake-Uchi Lake Greenstone Belt area in the Red Lake Mining District of Ontario. The property is located approximately 80 kilometers by road east-north-east of the Town of Ear Falls, Ontario. The Bobjo Mine site is accessible by gravel timber haul-roads and local trails in the summer months. The former South Bay Mine road connects the Town of Ear Falls to several tourist camps on the Woman, Confederation and Uchi Lakes situated within 10 to 20 kilometres of the Bobjo Mine Property and is presently used by outdoors sports fishermen, hunters, timber companies and exploration personnel and is a “Use at Own Risk” access road. This road is normally ploughed during the winter months due to the timber activity in the area all year round. Access to the property can be obtained via a poorly maintained tote road north from this timber haul road for approximately three thousand metres. The Bobjo Mine is sandwiched between the South Bay Mine which produced approximately 1.6 million tons of 10% zinc and 15% copper and the Uchi Mine which has produced approximately 114,000 ounces of gold. The Jackson-Manion Mine which produced 27, 142 ounces is also located northwest of the property. The numbers of the 9 patented claims at the Bobjo Mine are: KRL 17329 (1 unit), KRL 4544 (1 unit), KRL 6630 (1 unit), KRL 6631 (1 unit), KRL 6632 (1 unit), KRL 6633 (1 unit), KRL 6638 (1 unit), KRL 6689 (1 unit) and KRL 6690 (1 unit).

**SUMMARY of the National instrument 43-101 Technical Report of December 23<sup>rd</sup>, 2006 for Bobjo Mine as the Corporation's ORIGINAL QUALIFYING PROPERTY – RECOMMENDED WORK**

The following is a summary of the recommendations contained in the National Instrument 43-101 Technical Report of John C. Archibald, B.Sc. (Honours - Geology), A.P.G.O., P. Geo. (the former Qualified Person at the time under National Instrument 43-101) dated December 23<sup>rd</sup>, 2006 covering the Bobjo Mine Property:

"My recommendations are based on my review of the historical work in the area as well as that covering these claims, and on my experience as a geologist working in the Red Lake area and in other Greenstone Belts across Ontario.

I am recommending a Phase I program to cover the 95 claim units optioned by the Company. The work in fact has commenced with power stripping and limited sampling over the more accessible areas of Claim KRL 6631 which covers the Bobjo shaft collar and 'open-cut' referred to in the 1928-29 historical work. Additional work will consist of compiling all the pertinent geological, structural, and past diamond drilling information on a large working site plan to be used as a base map for the new work. The information will include the available geological and sampling information from the two adjacent properties along with any underground information that may hold a key to the surface mineralization on this property. Regional airborne and ground geophysics done in the area will also be useful to put on a separate plan to help extrapolate the existing geological and structures close to the property. Any conductors that correspond to mineralized trends will be primary targets for the new work. This is especially important when tracing any east-west trending conductors and magnetic responses along the central portions of the nine main claim dispositions.

I also recommend a close-spaced grid system to be cut north-south and east-west across the entire property, to be geologically mapped in detail and ground geophysics to be carried out at close-spaced intervals. This will include detailed Magnetometer, V.L.F.-Electromagnetic and Induced Polarization surveys. The best time to carry this out is in the winter months to capitalize on the ice conditions by covering the whole property out under Lost Bay of Confederation Lake.

Once spring arrives, the back-hoe stripping will continue to trace the quartz veining to the east, west and parallel the quartz-feldspar porphyry dike. **The stripping to date has exposed a number of new veins and dike systems that need to be sampled in detail. The gold assays that were returned indicate a wider system of mineralization than was known to date.** The outcrop areas will also be thoroughly stripped, mapped and sampled. A considerable portion of the budget will be used in detailed sampling and determining what units or structures the gold mineralization resides in. The analysis portion of the budget will need some additional contingency funding if sampling warrants it.

The diamond drilling should be done in two phases with the poorer access and lake targets done during good ice conditions in the winter and the land-based set-ups done in the summer months when costs are much lower. By next summer, the drilling should be well under way and many of the geophysical and sampling targets defined. The program is outlined in the 'Proposed Budget' portion of this report and broken down into one phase which will cover the additional work based on the findings from the August to November preliminary work done in the fall of 2006.

The budget spent to date is listed in the appendices of this report and is estimated at \$118,412.00 (Cdn.). The second phase covers the additional work recommended by my report as a follow-up to the initial stripping, sampling and analytical work done to date. The additional work will cost approximately \$588,350.00 (Cdn.).

**It is the opinion of the author that this property is one of merit due to the sampling results received to date, the exposure of new mineralized gold zones and geological structures, and the additional work recommended to help determine the significance of the mineralization found to date.** The Bobjo Mine property is well situated between two former past producing mines of significance and similar structures exist on this property that give it a good chance of successfully finding gold mineralization."

### Regional Geological Setting

The geology of the region has been mapped by various exploration companies doing work on a number of gold and base metal showings in the area as well as the different government agencies including the Geological Survey of Canada and the Ontario Geological Association. The geology is complex on a regional scale but locally over the property appears to be underlain by a series of sedimentary and metavolcanic sequences as part of the Uchi-Red Lake Greenstone Belt. Much of the information on this property has been derived from the original road making and stripping work, shaft and underground development work carried out by the Coniagas Mines Ltd. and Bobjo Mines Ltd. groups from 1927 to 1929. The Red Lake District, including this property, is underlain by Archean aged rocks of the Superior Province. This property lies within the Uchi Sub-Province of northwestern Ontario. These rocks have been subdivided into assemblages with ages ranging from the youngest, the Confederation Assemblage of 2,730-2,800 million years, through the Bruce Channel and Woman Assemblages, from 2,800-2,900 million years, to the Balmer and Ball Assemblages, from 2,900-3,000 million years. The Balmer Assemblage forms the core of the Red Lake Greenstone Belt and hosts the areas largest and most prolific gold mining operations such as Placer Dome's Campbell Mine and Gold Corp's Red Lake Mine. The Balmer consists of basaltic tholeiitic and komatiitic flows intercalated with magnetite-rich and quartz-rich, cherty iron formations. Felsic pyroclastic rocks occur intercalated with these main units as thinly bedded substrates. Small mafic to ultra-mafic intrusives cut all the assemblages and units. The main portion of the Ball Assemblage is composed of calc-alkaline mafic flows and intermediate to felsic calc-alkaline flows and tuffs. The Bruce Channel Assemblage is poorly exposed in the eastern part of the belt but is composed of basaltic flows capped by minor felsic pyroclastic rocks dating around 2,894 Ma and clastic and iron formation meta-sediments. The Woman Assemblage units are restricted to 2,830 Ma in age and are composed of felsic rocks as seen on Mackenzie Island, where they are exposed on surface. The Confederation Assemblage is found on the northern and southern flanks of the Red Lake Belt which is comprised of calc-alkalic rocks with thick sequences of felsic pyroclastic deposits similar to those seen in the Birch Lake-Uchi Greenstone Belt. The later emplacement of large plutons and explosive felsic events from 2,731 Ma to 2,700 Ma heralded the Kenoran Orogeny. These events thermally weakened the crust and induced the localization of compression-related poly-phase deformation and regional greenschist facies metamorphism within an overall compressional regime. The property itself is located on the eastern limb of the Uchi-Red Lake Greenstone Belt within the Confederation Assemblage of volcanic rocks. Thurston had identified three Cycles of volcanism as described in his G.R. Report 236, "Physical Volcanology and Stratigraphy of the Confederation Lake Area - Patricia Portion" 1985. Each cycle consists of a mafic base which grades upward into a felsic top. Interlayered within the felsic episodes are marginal, underwater hosted marbles, cherts and iron formations which cap each of Cycles I and II. Intermediate and felsic tuffs make up the middle to top layers of each cycle. The area appears to be affected by at least three phases of regional deformation resulting in the widespread development of folds, axial planar fabrics and ductile shear zones. The D-1 deformation involved N.W.-S.E. shortening, the development of N.E. to N-striking folds and faults. This event is most prevalent in the southern part of the belt in the Confederation Lakes area. The D-2 deformation involves N.E.-S.W. to N-S shortening and the development of east-west to west-northwest trending regional faults, folding and fabric orientations. This event is most recognizable in the Uchi Lake area, but tends to be locally distorted by the late D-2 emplacement of the plutons. The D-3 deformation in the area is recognized by the late, north-south trending brittle faulting.

### General History of the Property prior to Mainstream Minerals Corporation

The following is a summary of the work history of the Bobjo Mine Property. The information was taken from the assessment file records for the area from the resident geologist's office in Red Lake and Sudbury, Ontario and from the open file reports for the area. Over the past eighty-one years, only a limited amount of exploration and development work has been carried out over the claims and more precisely over the main mining claim KRL 6631 where the shaft and open cut exists. A number of exploration companies have carried out various exploration programs in the area adjacent to this ground since the more recent discovery of the Uchi Lake and South Bay Mines but due to the unavailable nature of the subject claims, no new work has been reported on the main patented group since the last Ontario Geological Reports from 1920 to 1930. A number of recent mapping and compilation programs done in the area by the Ontario Geological Survey and the Geological Survey of Canada have determined a significant east-west and northeast trending fault projections cutting through the area. This may have significant impact on the emplacement of the gold mineralization within the silicified host rock in the metavolcanic package surrounding major igneous plutons within the Red Lake Mining District, Ontario.



A complete review of the available Assessment File data at the regional Red Lake Office determined that there is no historical data covering this property prior to the O.D.M. 'Annual Reports' for the periods dating from 1927 through 1935. The first work covering the Bobjo Mine Property was in 1927 when a group of 15 mining claims was staked and referred to as the 'Laidley Claims'. These included claims KRL 6630 to 6638 and KRL 4544 to 4546. The Bobjo Mine Property was immediately optioned to Coniagas Mines Ltd., who carried out an unknown amount of surface work including stripping, trenching and sampling. In 1928-29, Bobjo Mines Ltd. was formed to develop the Bobjo Mine Property. A shaft was sunk to a depth of 270 feet and two levels with over 1,600 feet of lateral development carried out. The main 'open cut' was started to exploit the high grade gold occurrence exposed on surface. A small stamp mill and amalgam plant was erected which produced 261.7 ounces of gold and 29 ounces of silver from an unknown tonnage. During the period from 1938 to 1939, Bobjo Mines Ltd. conducted further surface trenching, pitting, stripping and over 7000 feet of diamond drilling under the direction of T.C. Fawcett. All work was discontinued in April, 1939 due to the war effort. In 1971, ownership of the Bobjo Mine Property reverted to R.J. Jowsey Mining Co. Ltd. of Toronto, Ontario and the claims remained in the company with little or no reported work being carried out over them due to their patent status. In 1974, ownership of the Bobjo Mine Property reverted to New York Oils Ltd. and consisted of the original nine patented claims KRL 4544, 4546, 6630 to 6633, 6638, 6889 and 6890. There is no record of any new work having been carried out during this period even though the South Bay and Uchi Mines in the Red Lake Mining District, Ontario were actively exploring and developing their ground in the vicinity. Over the period from 1928 to 1989, a number of Ontario Government Geologists had looked at the Bobjo Mine Property and taken samples. Of note, was E.L. Bruce's map and comments which were included in the Ontario Department of Mines Annual Reports in 1929, J.D. Bateman in 1940, Fyon and Lane's map in 1986 (P.2989), P.C. Thurston's mapping in 1973 (M.P.56), 1980 (O.G.S. Map 2428) and 1985 (Map G.R. 234 + 236). The latest review and re-interpretation of the Red Lake-Uchi Lake Greenstone Belt was completed by M. Sanborn-Barrie in the GSC Publication Paper 98-01C.

### **General Developments from December 1<sup>st</sup>, 2006 and up to June 13<sup>th</sup>, 2010**

From the winter of 2006 / 07 to the winter of 2008 / 09, the Corporation and its former 50 / 50 joint-venture partner, King's Bay Gold Corporation, completed the following work on this property as follows:

- (i) announced the discovery of new gold-bearing veins at the Bobjo Mine. An initial surface sampling program of grab samples was initiated to test these new veins and the initial results from Accurassay Laboratories in Thunder Bay, Ontario returned some high and significant gold values on these veins;
- (ii) built a road to the property;
- (iii) completed a ground-stripping program of approximately 80 acres using a bulldozer and a backhoe around the old shaft right to the bedrock conducted;
- (iv) acquired additional 8,720 acres through staking in 2006 and 2007;
- (v) conducted in 2007 a geophysics program that consisted of 105.2 km's of line-cutting followed by ground magnetic and VLF-EM surveys. The surveys were conducted by Dan Patrie Exploration Ltd. for the purposes of establishing areas of magnetic elevations, magnetic lows and VLF cross-overs that help define structures and conductors. The readings were taken along lines that were spaced at 25 and 100 metres apart and at 25 metre station intervals. The surveys produced high and low areas of magnetic levels and VLF cross-overs which is typical for many gold properties in the Red Lake camp. The surveys proved very successful in finding 2 parallel high magnetic anomalies 200 to 2000 nT above the background running parallel to the base line and also to the west side of the grid and running north-south along the entire length of the grid and open to the north and south. These surveys can now be seen at [www.mainstreamminerals.com](http://www.mainstreamminerals.com);
- (vi) completed Phase I (5,300 metres in 2007) and Phase II (15,000 metres in 2008) drilling programs for 32 holes near the old shaft. Gold was intersected in twenty seven out of thirty two holes from surface to a depth of 312 metres, which included high-grade gold in many intersections. All zones are open at depth and in all directions. Some rare earth elements, rare metals, and other minerals were a surprise on this gold project and may, after careful analysis, need some follow up drilling in the future. Most of the gold-bearing veins tested so far ran in an east-west direction. The results of these two drilling programs can be viewed in table format at [www.mainstreamminerals.com](http://www.mainstreamminerals.com);
- (vii) completed a 10 hole exploratory program in 2008 in an area located 2 kilometres south of the main discovery area at the bottom end of the property. All ten holes intersected wide zones of anomalous platinum values. This area will need to be investigated further at some point in the future; and

- (vii) the exploration program that was previously announced on February 11<sup>th</sup>, 2010 for the Bobjo Mine Project was limited due to ongoing talks with a third party for a potential transaction on another property within the area. Some minor field work was resumed on the property over the summer of 2010.

**Highlights from the 32 holes drilled to date for Phases I and II at the high-grade gold discovery area included (true widths are not known):**

53.61 g/t Au over 2.45 metres	12.01 g/t Au over 0.50 metres
32.95 g/t Au over 1.10 metres	9.45 g/t Au over 1.00 metres
27.43 g/t Au over 1.00 metres	8.70 g/t Au over 1.10 metres
19.61 g/t Au over 2.00 metres	8.45 g/t Au over 3.40 metres
18.18 g/t Au over 0.50 metres	6.84 g/t Au over 1.00 metres
14.55 g/t Au over 1.00 metres	6.25 g/t Au over 1.50 metres
12.80 g/t Au over 0.50 metres	5.77 g/t Au over 3.00 metres

John Archibald B.Sc., P.Geo. was the Qualified Person on the project up until February 2009. At that time, he became President & CEO of King's Bay Gold Corporation, the former joint-venture partner, and as such, he could no longer act as the Qualified Person on this project. Thereafter, Andrew Gracie Ph.D., P. Eng., P.Geo. became the Qualified Person under National Instrument 43-101 for the time while the project was still joint-ventured between King's Bay Gold and Mainstream Minerals. All of the samples taken during the Phase I and Phase II drilling programs were analyzed by Acurassay Labs using the Neutron Activation Method and Acqua Regia Digestion with an ICPAES finish and standard fire assay for gold. True widths are not known.

**Property Interests Exchange Agreement dated June 14<sup>th</sup>, 2010 with King's Bay Gold Corporation**

On June 16<sup>th</sup>, 2010, the Corporation reported in a news release that it had come to an agreement with King's Bay Gold Corporation on the future of their joint-ventured Bobjo Mine Project, located in Earngey and Agnew Townships of the Red Lake Mining Division of Ontario. In a Property Interests Exchange Agreement dated June 14<sup>th</sup>, 2010, King's Bay Gold sold its' remaining interests of approximately 40% in the Bobjo Mine Project to Mainstream Minerals. King's Bay Gold had further agreed to cancel the advance receivable related to the project of approximately \$140,000 from Mainstream Minerals to King's Bay Gold. In consideration for Property Interests Exchange Agreement of June 14<sup>th</sup>, 2010, Mainstream Minerals had agreed to: assign to King's Bay Gold it's one hundred per cent (100%) interest in the Raleigh Lake property; grant 250,000 common shares of Mainstream Minerals to King's Bay Gold (issued May 3<sup>rd</sup>, 2011); and transfer title of ownership on various pieces of equipment valued at approximately \$16,000. Both Parties further agreed to waive any and all present and future claims whatsoever against one another in relation to the Bobjo Mine Project Joint Venture Earn-In Agreement of September 12<sup>th</sup>, 2006, including all amendments entered into thereafter, and to save the other party harmless from any and all present and future third party claims whatsoever as these may relate to the Bobjo Mine Project. With the execution of the Property Interests Exchange Agreement, Mainstream Minerals now had an undisputed 100% ownership interest in the Bobjo Mine Project. President & CEO Michael Romanik said at the time "We are exceptionally pleased to have been able to secure 100% ownership of the Bobjo Mine Project. With our adjoining 100% owned Hazard Lake / Northgate Deposit property, we now have a fantastic land package to focus our exploration efforts on. The exploration program that was previously announced on February 11<sup>th</sup>, 2010 for the Bobjo Mine Project was limited due to ongoing talks with a third party for a potential transaction on another property within the area."

**Option Agreement of February 11<sup>th</sup>, 2011 with Premier Gold Mines Limited**

With the successful completion of the due diligence diamond drill program (the "Mainstream Funded Drill Program" of \$350,000 as per the terms of a Letter of Intent ("LOI") as signed on October 6<sup>th</sup>, 2010 and as announced in a news release dated October 14<sup>th</sup>, 2010), Mainstream Minerals Corporation entered into an Option Agreement dated February 11<sup>th</sup>, 2011 with Premier Gold Mines Limited (TSX: PG) ("Premier Gold") for the exploration and development of the Bobjo Mine property (see the Mainstream Minerals news release dated February 15<sup>th</sup>, 2011).

The Option Agreement with Premier Gold provided that Mainstream Minerals would grant to Premier Gold an option to earn up to a 70% interest in this Bobjo Mine Project Property, including the immediately adjacent and adjoining Hazard Lake / Northgate Deposit Property, through a 5 year earn-in program involving annual cash payments, share issuances and exploration and development expenditure commitments. Upon completion of the earn-in provisions by Premier Gold, this Option Agreement would have possibly lead to the formation of a formal joint-venture between the companies whereby the companies will thereafter share all future exploration and development expenditures in proportion to their respective interests.

### **Termination of the Option Agreement of February 11<sup>th</sup>, 2011 with Premier Gold Mines Limited**

The option agreement provided that Premier Gold had to immediately pay \$50,000 cash (received on February 15<sup>th</sup>, 2011) and expend a minimum of \$500,000 prior to the first anniversary of the agreement. At Premier Gold's exclusive discretion, the work included, but was not limited to, drilling, line-cutting, geophysics, mapping, ground stripping and washing, and channel sampling.

On May 25<sup>th</sup>, 2011, the Corporation announced in a news release that Premier Gold had dropped its option on the Bobjo Mine Project property. Since the signing of the option agreement in February, Premier had spent approximately one million dollars on exploration and development work on the property that included the completion of an airborne Mag / EM survey and 3 drill holes for 1,500 meters of drilling. Tim Twomey, P.Geo was the Qualified Person on this project pursuant to National Instrument 43-101 and had reviewed and approved the technical disclosure in the press release of May 25<sup>th</sup>, 2011 that announced the termination of the option agreement by Premier Gold.

### **Going Forward at the Bobjo Mine Project**

Overall, and despite the termination of the option agreement by Premier Gold in May 2011, the Company is pleased with the progress made to date at this project and with the fact that the drilling programs in 2007 and 2008 had so far intersected gold in twenty seven out of thirty two holes from surface to a depth of 312 metres so far, which included high-grade gold in many intersections. All zones are open at depth and in all directions. Some rare earth elements, rare metals, and other minerals were a surprise on this gold project and may after careful analysis, may need some follow up drilling in the future to determine if these initial findings are economically viable. Most of the gold-bearing veins tested so far ran in an east-west direction. The area just north of the high-grade gold discovery is also host to many other quartz veins that have not been tested as of yet, including a quartz vein of up to 2 metres wide that is running in a north-south direction. Grab samples from this vein yielded results as high as 115.00 g/t Au. The work that was being carried out by the Company represents the first modern, systematic exploration of this property since 1929.

After reviewing all of Premier Gold's data, a substantial ground prospecting / sampling program was commenced within a few weeks of the option agreement's termination to "ground truth" all of the high priority anomalies as identified by the airborne survey. Also, a channel sampling program would be following up on a number of grab samples that were taken from the "Bobjo peninsula" on the northern section of the overall Bobjo Mine property.

Mainstream's President and Chief Executive Officer, Michael Romanik, said at the time (May 25<sup>th</sup>, 2011): "We plan to continue right where Premier left off, without delay or hesitation. We are moving very quickly to get geological crews on the ground within the next several weeks. The Bobjo Mine property is in itself approximately 5,232 hectares (or approximately 12,928 acres) and only a small part of it has been explored. We are excited to start a prospecting program on the southern half of the property with the new information acquired from and with Premier's cooperation. This southern area has seen very minimal exploration. Much of the company's exploration to date has been focused on the Bobjo peninsula where the old Bobjo Mine Shaft is located. Mainstream remains focused on the Birch-Uchi Greenstone Belt. The company has put together a 6 property land package in the belt totaling approximately 11,067 hectares (or approximately 27,346 acres) and covering numerous past producing mines and known gold occurrences. The company also remains open to pursuing new joint-ventures and option agreements with other companies on mutually beneficial commercial terms and conditions."

On August 23<sup>rd</sup>, 2011 the Corporation was pleased to provide an update via a news release on its recent exploration activities on the Bobjo Mine and Slate Lake properties. In June, Mainstream contracted Mount Morgan Resources Ltd. to complete a channel sampling program at the Bobjo Mine project. The channel samples targeted previously untested outcrops with quartz veins, lenses and veinlets with the intention of assessing the potential for gold mineralization outside of the immediate Bobjo Mine environment. There were a total of 66 samples that were analyzed from the 33 meters of channel sampling. The program was very successful with multiple high-grade gold assays received from a series of 0.5 meter channel samples. The channel samples contained quartz veins +/- bedrock. Results indicate significant gold potential exists outside of the actual Bobjo Mine shaft. Assay results ranged from <.03 g/t Au up to a high of 87.53 g/t Au. A table highlighting the best samples is given below:

Sample Number	Sample Location	Description	Au g/t
BJ11-56	15 U 526236 5661196	Quartz	87.53
BJ11-28	15 U 526256 5661160	Quartz	50.79
BJ11-62	15 U 526234 5661207	Quartz	39.59
BJ11-26	15 U 526258 5661155	Quartz and bedrock	32.48
BJ11-29	15 U 526248 5661158	Quartz	32.41
BJ11-25	15 U 526254 5661153	Quartz	21.47
BJ11-27	15 U 526258 5661155	Quartz and bedrock	18.93
BJ11-22	15 U 526258 5661154	Quartz and bedrock	16.98
BJ11-61	15 U 526234 5661207	Quartz	11.13
BJ11-09	15 U 526289 5661129	Quartz	7.70
BJ11-03	15 U 526288 5661120	Quartz and bedrock	5.61
BJ11-60	15 U 526235 5661206	Quartz	4.72
BJ11-59	15 U 526235 5661201	Quartz	4.29
BJ11-08	15 U 526289 5661129	Quartz	3.82
BJ11-01	15 U 526283 5661123	Quartz and bedrock	3.16
BJ11-30	15 U 526249 5661168	Quartz and bedrock	2.85
BJ11-05	15 U 526288 5661130	Quartz	2.62
BJ11-36	15 U 526251 5661153	Quartz	2.06
BJ11-63	15 U 526234 5661207	Quartz	1.75

The channel samples were processed and analyzed by TSL Laboratories located in Saskatoon, Saskatchewan. TSL Laboratories as an ISO-Certified laboratory performed the gold assays and a multi-element scan of the sample set. Two kinds of analyses were used. One is a gold fire assay with gravimetric finish and the second a multi-element scan. The multi-element scan provides information for a wide range of elements at very low detection limits. This analysis is used to determine whether there are any unusual “pathfinder” elements that might be used to indicate the presence of gold mineralization. Analysis is by ICP-MS. The gold assay is based upon 60 grams of rock after it has been crushed and powdered. A serious gold nugget effect in the mineralized samples is documented from metallic screen assays and indicates significant specific gravity differences between gold-bearing mineralization and the host rock. The high-grade gold assays suggest the likely presence of native gold. Mainstream is reviewing the drill logs from the 32 holes that were drilled in 2007-2009 as well as the core logs from the 11 holes totaling 4,580 meters that were drilled by Premier Gold Mines Limited in late 2010 and early 2011. The most recent channel sample results will be incorporated with the data from the drill logs in order to formulate the exploration plans for the fall of 2011.

President and Chief Executive Officer, Michael Romanik, said at the time (August 23<sup>rd</sup>, 2011): “We are very excited with the recent assay results since they are from previously unrecognized zones of gold mineralization. There are many other outcrops that remain untested and will be followed up in the next round of exploration. We firmly believe that the Bobjo Mine project has excellent potential for finding more high grade gold and will be an exciting project for Mainstream going forward.”

**(2) Hazard Lake / Northgate Deposit Property in Uchi Lake Township, Red Lake Mining Division of Ontario (Birch-Uchi Greenstone Belt)**

**Location** – The Hazard Lake / Northgate Deposit is located in Uchi Lake Township in the Red Lake Mining Division of Ontario. The optioned 24 claim units are adjoining the Bobjo Mine Project property to the South East.

**Number of Claims & Hectares** – 3 claims for 24 claim units for approximately 384 hectares

**Exploration Target** – Gold

**Date of Acquisition via Option Agreement** – October 26<sup>th</sup>, 2009

**Ownership Interests** – 100 % Mainstream Minerals Corporation

**Operator** – 100 % Mainstream Minerals Corporation

**Qualified Person as per NI 43-101 as at May 22<sup>nd</sup>, 2012 (subject to change)** – Garry Clark P. Geo

The Hazard Lake Property area lies within the Archean Birch-Uchi Greenstone Belt of the western Uchi Subprovince of NW Ontario. The most significant mineralization discovered on the Hazard Lake property to date is at the Northgate and Milberry occurrences. Northgate Exploration drill tested the “Northgate Occurrence” in 1959, with one hole intersecting 0.4 ounces per ton Au over 3.3 feet at a 500ft depth. At that time, Northgate calculated a resource of 64,000 tons grading 0.28 ounces gold per ton. This resource constitutes a “historical resource” in the context of National Instrument 43-101.

The mineralization at the Milberry Occurrence is believed to be the extension of the Hill-Sloan-Tivy vein north of the property. The vein strikes N28°E and can be traced for a length of 228.7 metres (Thurston 1985). Drilling on the Milberry Occurrence has returned assays up to 107.31 g/t Au over 0.91 metres, 151.54 g/t Au over 0.67 metres, 81.94 g/t Au over 0.76 metres, and 44.29 g/t Au over 0.91 metres. Historic data taken was from the Ontario Government geological files.

*(The calculations and results shown here and in the news release of November 16<sup>th</sup>, 2009 are pre-National Instrument 43-101 and are therefore not compliant with National Instrument 43-101 requirements. The Company is not treating the historical estimates and results as accurate or current. Readers are cautioned not to place undue reliance on these historical estimates and results.)*

Under the terms of the Option Agreement, Mainstream Minerals can earn a 100% interest by completing payments to the Optionor as follows:

On signing of the Agreement	\$8,000
1 <sup>st</sup> Anniversary of the Agreement	\$12,000
2 <sup>nd</sup> Anniversary of the Agreement	\$16,000
3 <sup>rd</sup> Anniversary of the Agreement	\$25,000
4 <sup>th</sup> and final Anniversary of the Agreement	\$35,000

In addition to the cash payment schedule, Mainstream Minerals shall issue to the Optionor, shares in the Company as follows:

On signing of the Agreement	100,000 Common Shares
1 <sup>st</sup> Anniversary of the Agreement	50,000 Common Shares
2 <sup>nd</sup> Anniversary of the Agreement	50,000 Common Shares

The Optionor will retain a 1.5 % Net Smelter Return (the “NSR”) interest in the Property in which one-half (0.75%) can be purchased back by the Company for a one-time payment of \$750,000.

In a news release dated January 25<sup>th</sup>, 2010, the Company was pleased to announce that it had engaged the services of Mr. A.A. Burgoyne, P.Eng., M.Sc. of Burgoyne Geological Inc. as the Qualified Person (QP) for the purposes of completing a detailed Technical Evaluation Report on the historical exploration work carried out on this gold property. Mr. Burgoyne delivered his report and made a number of specific recommendations for a Phase I exploration and development program on this property. This property was also subject to the Option Agreement dated February 11<sup>th</sup>, 2011 and for possible inclusion into Premier Gold Mines Limited's "Redgold Project". This option agreement was subsequently terminated by Premier Gold – see the news release of May 25<sup>th</sup>, 2011.

### **(3) West Keefer Claims Properties in Keefer Township, Porcupine Mining Division of Ontario (West Timmins area)**

**Location** – The West Keefer Claims properties are located in Keefer Township of the Porcupine Mining Division of Ontario (West Timmins area).

**Number of Claims & Hectares** – 3 claims for 34 claim units for approximately 544 hectares

**Exploration Target** – Gold

**Date of Acquisition via Option Agreement** – January 2<sup>nd</sup>, 2010

**Ownership Interests** – 100 % Mainstream Minerals Corporation

**Operator** – Mainstream Minerals Corporation

**Qualified Person as per NI 43-101 as at May 22<sup>nd</sup>, 2012 (subject to change)** – Brian H. Newton P.Geo.

The West Keefer Claims were acquired via an option agreement dated January 2<sup>nd</sup>, 2010 and are divided into a northern block of 26 units and a southern block of 8 claim units. Both of these optioned blocks are located immediately north of the Destor-Porcupine Fault System and are accessible via year-round gravel roads. The Destor-Porcupine Fault is a regional fault system in the Timmins Gold Belt that has been attributed as a major contributor of the gold bearing quartz vein systems of the prolific Timmins Mining District where over 70 million ounces of gold have been produced.

The northern block of 26 claim units has numerous splays running north from the volcanic belt that overlaps the southern portion of the property. Shear zones and quartz veins were discovered just south of Little Star Lake in the 1930s. Little assessment work has been filed over the years on this property, and as such, the property deserves a closer look using modern exploration methods. The southern block of 8 claim units is also accessible by the same gravel road as the northern block. It is underlain by volcanic and granitic quartz diorite. There are two faults transecting the property in opposite directions. This property has also seen limited work over the years.

Under the terms of the Option Agreement, Mainstream Minerals can earn a 100% interest for both properties by issuing 900,000 common shares of the Company to the Vendors (issued on February 1<sup>st</sup>, 2010). The Vendors will retain a 2.0 % Net Smelter Return (the "NSR") interest in both properties. Mainstream can buy back 1.0% of the NSR for both properties for a single cash payment of \$1,000,000 to the Vendors.

In fiscal 2010, the Company engaged the services of Vision Exploration of Timmins, ON. On the northern block of 26 claim units, Vision Exploration completed 14.7 kilometres of line cutting, 11.5 kilometres of Induced Polarization Survey, and 14.1 kilometres of Magnetometer Survey. On the southern block of 8 claim units, Vision Exploration completed 13.1 kilometres of line cutting, 11.2 kilometres of Induced Polarization Survey, and 13.1 kilometres of Magnetometer Survey. The goal of this work was to make these two claim blocks either drill ready or joint-venture ready.

**(4) Casa Berardi Claims, Township 32E/11, Casa Berardi / La Sarre area of northern Québec**

**Location** – The Casa Berardi Claims property is located in Township 32E/11, Casa Berardi area of northern Québec, approximately 90 kilometres north of the Town of La Sarre, Québec.

**Number of Claims & Hectares** – 62 claim units for approximately 977 hectares

**Exploration Target** – Gold

**Date of Acquisition via Option Agreement** – August 10<sup>th</sup>, 2010

**Ownership Interests** – 100 % Mainstream Minerals Corporation

**Operator** – Mainstream Minerals Corporation

**Qualified Person as per NI 43-101 as at May 22<sup>nd</sup>, 2012 (subject to change)** – Tracy Armstrong B.Sc.(Hons.), P.Geo.

In a news release dated August 18<sup>th</sup>, 2010, the Corporation announced the acquisition via an option agreement of 59 exploration claims by the Corporation (subsequently clarified in a later news release as 62 exploration claims) known as the Casa Berardi Claims from vendors Pierre Lavoie (50 %) and Gabriel Provost (50 %) covering approximately 977 hectares in the Casa Berardi area of northern Québec, approximately three kilometres south-east of Aurizon Mines Ltd. (“Aurizon”) Casa Berardi Mine. The Property is contiguous to both Iamgold and to the Lake Shore Gold / Aurizon JV. The Casa Berardi Property is located roughly 90 km north of the Town of La Sarre, Québec in the northern part of the Abitibi Subprovince, a subdivision of the Archean Superior Province. The Property area belongs to the Harricana-Turgeon Belt, which is part of the North Volcanic Zone. Regional geology is characterized by a mixed assemblage of mafic volcanic, flysch-type sedimentary iron formation, and graphitic mudrock that are limited north of the Casa Berardi Mine by a large granodioritic to granitic batholith. Structurally, the property is enclosed in the Casa Berardi Tectonic Zone, a 15 km wide corridor that can be traced over 200 km.

The Property lies in an area with good potential for finding mineralization, as many significant deposits and past producers of different types are present in the region. Base metals have been produced from the Joutel and Matagami camps. New deposits have been identified 15 km south of Casa Berardi, on Cancor Mines Inc./ Iamgold Corp. Joint Venture Gemini-Turgeon Property. Eastward, on the Casa Berardi structural trend is the former Agnico-Eagle Telbel Mine. Other deposits, with tonnages in the order of one to three million tonnes and grades between 4 g/t Au and 6 g/t Au, have also been outlined on the Douay, Vezza, and Desjardins Properties.

Michael Romanik, President & CEO said at the time (August 18<sup>th</sup>, 2010): "This new project further diversifies the company into another active mining friendly region. It will also enable us to intensify our exploration efforts on multiple projects simultaneously"

Under the terms of the option agreement, Mainstream Minerals can earn a 100% interest by completing payments to the Vendors as follows:

Within 7 days of TSX.V approval: \$15,000 (paid September 29<sup>th</sup>, 2010)  
1st Anniversary of the Agreement: \$15,000 (paid August 10<sup>th</sup>, 2011)

In addition to the cash payment schedule outlined above, Mainstream Minerals shall issue to the Vendors, shares in the Company as follows:

Within 7 days of TSX.V approval: 500,000 Common Shares (issued October 20<sup>th</sup>, 2010)  
1st Anniversary of the Agreement: 500,000 Common Shares (issued August 10<sup>th</sup>, 2011)

The issued shares shall be subject to hold periods as required by the applicable policies of the TSX Venture Exchange Inc and other securities laws.

The Vendors will retain a 2.0 % Net Smelter Return (the “NSR”) interest in the Property. Mainstream Minerals can buyback one half or 1% of the “NSR” at anytime for a payment of \$1,000,000 dollars.

Under the terms of the acquisition agreement Mainstream Minerals was required to spend \$30,000 in exploration on these claims and file the work in Québec this fall. In fiscal 2010, and to meet this \$30,000 expenditure commitment, the Corporation engaged the services of Minroc Management Limited of Toronto, ON for the purposes of conducting a heli-borne geophysical survey on this property in order to identify follow up targets for future work. The heli-borne geophysical survey was completed on or about October 13<sup>th</sup>, 2010. Two detailed reports – VTEM and Aeromagnetic Geophysical Survey by Geotech Ltd. (35 pages) and an Interpretation Report by Scott Hogg & Associates Ltd. (21 pages) – were prepared and posted to the Corporation’s website at [www.mainstreamminerals.com](http://www.mainstreamminerals.com). The goal of this work was to make this property either drill ready or joint-venture ready.

### **(5) Slate Lake Property in the Slate Lake Area, Red Lake Mining Division of Ontario (Birch-Uchi Greenstone Belt)**

**Location** – The Slate Lake Property is located approximately 80 kilometres east of Red Lake, Ontario. The Slate Lake property adjoins a large block of claims that were recently staked by Goldcorp Inc (TSX: G) to the west.

**Number of Claims & Hectares** – 9 claim blocks consisting of 107 units covering approximately 1,712 hectares as acquired via a land option agreement on October 10<sup>th</sup>, 2010 and 1 mining lease (Mining Lease # 105626) covering approximately 96 hectares as acquired via a land option agreement on February 7<sup>th</sup>, 2011 for a total of approximately 1,808 hectares.

**Exploration Target** – Gold

**Dates of Acquisition via two Option Agreements** – October 10<sup>th</sup>, 2010 and February 7<sup>th</sup>, 2011

**Ownership Interests** – 100% Mainstream Minerals Corporation

**Operator** – Mainstream Minerals Corporation

**Qualified Person as per NI 43-101 as at May 22<sup>nd</sup>, 2012 (subject to change)** – Mark Fedikow P.Geo.

The Slate Lake Property has seen historical exploration, including the discovery of gold discussed below, by Noranda, Cumberland Resources and St. Joe Exploration, the latter succeeded in finding a high grade massive sulphide horizon on the north side of Slate Lake. The Slate Lake property is marked by the presence of a base metal massive sulphide style of mineralization as well as a structural geologic environment conducive to the formation of gold mineralization. A gold-in-till anomaly defined by the GSC underscores precious metal potential. Exploration for both stratigraphic and structurally-controlled styles of mineralization will be undertaken with a fully integrated program based initially on a compilation of geophysics, geochemistry and geologic mapping to support a planned drill program. The proximal location of the property to this known mineralization, as well as the structural features identified on the property encouraged Mainstream to acquire this property.

Present on the property is a strong EM anomaly trending in a roughly E-W direction across the entire property which was outlined in an airborne MAG-EM survey carried out in the early 1990’s by The Ministry of Northern Development and Mines. Ground work following the airborne survey was carried out the Geological Survey of Canada (GSC) that included regional scale mapping and a reconnaissance glacial till sampling program. Till sample number 92-SBB-142 returned the highest count in pristine gold (104) in the entire survey area. This sample correlates strongly with the airborne MAG-EM anomaly.



The GSC concluded that the glacial ice movement was in the S-SW direction and that there was a very thin glacial till layer in this area. This suggests that the till anomaly is proximal to its bedrock source making it an attractive exploration target. In addition to this historic work, Noranda in 1989 uncovered a 2-10cm silicified zone in a mafic volcanic rock unit by handstripping and grab sampling that returned 6.27 g / t Au.

Recently, Mainstream completed a Mobile Metal Ions soil geochemical survey on the Slate Lake property. A total of 333 samples were collected with 25 m sample spacing and analysis by MMI-M for 53 elements. Analyses were performed in the Toronto, Ontario laboratories of SGS Mineral Services. Results indicate the presence of high-contrast anomalous responses in the surveyed area. The anomalous responses occur at several locations on the grid, correspond with anomalous electromagnetic and magnetic anomalies and are strongly suggestive of bedrock-hosted metal zonation typical in base metal massive sulphide-type mineralization. The MMI responses indicate mineralization on the property will be zinc-rich with lesser copper and associated gold and silver. Oxide facies iron formation is likely present as indicated by elevated MMI responses for the triplet iron, titanium and niobium, typical indicators for this type of chemical sedimentary lithology. Interpretation of the Mobile Metal Ions survey results was undertaken by Mount Morgan Resources Ltd. of Winnipeg, MB. Positive results from the survey triggered Mainstream to acquire Mining Lease # 105626.

Under the terms of the October 10<sup>th</sup>, 2010 land option agreement (9 claim blocks consisting of 107 units covering approximately 1,712 hectares), Mainstream Minerals can earn a 100% interest by completing payments to the Vendors totaling \$80,000 over 4 years and the issuance of 200,000 common shares as follows:

Upon signature of the option agreement	\$10,000
1 <sup>st</sup> Anniversary of the Agreement	\$10,000
2 <sup>nd</sup> Anniversary of the Agreement	\$15,000
3 <sup>rd</sup> Anniversary of the Agreement	\$20,000
4 <sup>th</sup> Anniversary of the Agreement	\$25,000

The common share issuances will be: (i) 100,000 shares within 10 days of regulatory approval of the agreement, and (ii) 100,000 shares upon the 1<sup>st</sup> anniversary of the agreement. The issued shares shall be subject to hold periods as required by the applicable policies of the TSX Venture Exchange and other securities laws.

The Vendor will retain a 2.0 % Net Smelter Return (the “NSR”) interest in the Property. Mainstream Minerals can buyback one half or 1% of the “NSR” at anytime for a payment of \$1,000,000 CDN dollars.

Under the terms of the February 7<sup>th</sup>, 2011 land option agreement (1 mining lease (Mining Lease # 105626) covering approximately 96 hectares), Mainstream Minerals can earn a 100% interest by completing payments to the Vendors totaling \$75,000 over 5 years and the issuance of 200,000 common shares over 1 year as follows:

Upon signature of the option agreement	\$15,000
1 <sup>st</sup> Anniversary of the Agreement	\$ 5,000 (payment amended and postponed to June 7 <sup>th</sup> , 2012)
2 <sup>nd</sup> Anniversary of the Agreement	\$10,000
3 <sup>rd</sup> Anniversary of the Agreement	\$10,000
4 <sup>th</sup> Anniversary of the Agreement	\$35,000

The common share issuances will be: (i) 100,000 shares within 10 days of regulatory approval of the agreement, and (ii) 100,000 shares upon the 1<sup>st</sup> anniversary of the agreement. The issued shares shall be subject to hold periods as required by the applicable policies of the TSX Venture Exchange and other securities laws.

Whereas the Vendor acquired the property rights to Slate Lake Mining Lease 105626 from a third party, that third party retains an original Net Smelter Return (“NSR”) royalty of 1.5%. As such, and under the terms of the option agreement, there will be two “NSR” royalties applicable to the lease. Each of the original third party and the Vendor for the Slate Lake mining lease will retain a 1.5% “NSR” (for a total “NSR” on the property of 3.0%). Mainstream Minerals may buy back one-half of each “NSR” by paying \$1,000,000 to the applicable party. Without affecting the other party’s “NSR”, the party who is paid \$1,000,000 will retain 0.75% of its original 1.5% “NSR”.

On November 4<sup>th</sup>, 2010, the Corporation announced in a news release that it had engaged Haveman Brothers Forestry Services Limited of Kakabeka Falls, Ontario to complete an MMI (Mobile Metal Ion) soil sampling survey on this property. During the first quarter of fiscal 2011, \$23,220 was expended on this property for the balance of a MMI soil sampling program, the assaying of these samples and two detailed geological reports – MMI Results Report by Mount Morgan Resources Ltd. (50 pages) and a Slate Lake Summary Report (9 pages) – both have been posted to the Corporation's website at [www.mainstreamminerals.com](http://www.mainstreamminerals.com).

### **(6) Rowan Lake Property located in the Townships of Rowan Lake and Brooks Lake in the Kenora Mining Division of Ontario**

**Location** – The Rowan Lake Property is located in the Townships of Rowan Lake and Brooks Lake in the Kenora Mining District of Northwestern Ontario. The property is located approximately 30 kilometres east off of Highway 71 that runs between the City of Kenora and the Town of Nestor Falls, ON (the turnoff is approximately 40 kilometres north of Nestor Falls, ON).

**Number of Claims & Hectares** – 25 claim blocks consisting of 323 units covering approximately 5,231 hectares

**Exploration Target** – Gold

**Date of Acquisition via Option Agreement** – November 24<sup>th</sup>, 2010

**Ownership Interests** – 100 % Mainstream Minerals Corporation, subject to an earn-in option agreement with Alita Resources Ltd. (TSX.V: AL – newly listed as of January 30<sup>th</sup>, 2012) dated October 14<sup>th</sup>, 2011, whereby that company can earn a 60% interest in the property by completing certain cash payments, share issuance and exploration expenditures over a 3 year period

**Operator** – Alita Resources Ltd.

**Qualified Person as per NI 43-101 as at May 22<sup>nd</sup>, 2012 (subject to change)** – To Be Determined by Alita Resources Ltd. as the project's Operator.

The Rowan Lake Property adjoins Coventry Resources' (ASX: CVY) Cameron Lake deposit which consists of a JORC-compliant indicated and inferred mineral resource estimate of 11,300,000 tonnes at 2.77 g/t gold for 1,005,833 ounces of gold (1.5 g/t gold cut off). The Cameron Lake deposit is located to the North East of the Pipestone-Cameron Lake Fault. Coventry Resources is currently conducting a 20,000 meter drill program designed to increase the size of the Cameron Lake deposit as well as test many of the regional prospects. (Source: [www.coventryres.com](http://www.coventryres.com))

Mainstream's optioned Rowan Lake property covers 12.5 kilometers of the Pipestone Cameron Lake Fault. The Cameron Lake deposit is located on a first / second order splay off of this regional structure two kilometers to the north of the property. Preliminary interpretation of regional magnetic data indicates that there are three other possible structural splays on the 12.5 kilometer strike length that the Mainstream property now covers.

Under the terms of the option agreement, Mainstream Minerals can earn a 100% interest by completing payments to the Vendor totaling \$120,300 over 5 years and the issuance of 200,000 common shares as follows:

On signing of agreement	\$32,300
1 <sup>st</sup> Anniversary of the Agreement	\$12,000
2 <sup>nd</sup> Anniversary of the Agreement	\$16,000
3 <sup>rd</sup> Anniversary of the Agreement	\$25,000
4 <sup>th</sup> Anniversary of the Agreement	\$35,000

The common share issuances will be as follows: (i) 100,000 shares within 10 days of regulatory approval of the agreement, and (ii) 100,000 shares upon the 1<sup>st</sup> anniversary of the agreement.

## Mainstream Minerals Corporation

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The Vendor will retain a 2.0 % Net Smelter Return (the “NSR”) interest in the Property. Mainstream Minerals can buyback one half or 1% of the “NSR” at anytime for a payment of \$1,000,000 CDN dollars.

On December 14<sup>th</sup>, 2010, the Corporation contracted Geotech Ltd. to carry out an airborne VTEM time-domain electromagnetic and magnetic survey covering this property which is adjacent to Coventry Resources Limited’s (ASX: CVY) Cameron Lake deposit. Two VTEM survey maps were prepared and posted to the Corporation’s website at [www.mainstreamminerals.com](http://www.mainstreamminerals.com).

In a news release dated October 26<sup>th</sup>, 2012, the Corporation announced that it had entered into an Option Agreement dated October 14<sup>th</sup>, 2012, with Alita Resources Ltd. (TSX.V: AL.P) whereby Alita will have the option to earn a 60% interest in the Rowan Lake Property upon successful completion of the following:

### Year 1

- Payment of \$20,000 cash (received on February 3<sup>rd</sup>, 2012) and issue and allot to Mainstream 100,000 shares (received on February 7<sup>th</sup>, 2012) in the capital of Alita within five days after the “Acceptance Date” by the TSX Venture Exchange Inc. The 100,000 Alita Resources Ltd. (TSX.V: AL) shares were subsequently deposited to the Corporation’s brokerage account at PI Financial Corp. of Vancouver, British Columbia and then sold on March 20<sup>th</sup>, 2012 at \$0.08 per share for gross proceeds of \$8,000.00 less commissions of \$223.28 for net proceeds of \$7,776.72.
- Completing at least \$200,000 of exploration work on the Claims within a period of one year measured from the “Acceptance Date”.

### Year 2

- Payment of \$20,000 cash and issue and allot to Mainstream 100,000 shares in the capital of Alita within 12 months after the “Acceptance Date”.
- Completing at least \$550,000 of exploration work on the Claims within a period of 24 months measured from the “Acceptance Date”.

### Year 3

- Payment of \$20,000 cash and issue and allot to Mainstream 100,000 shares in the capital of Alita within 24 months after the “Acceptance Date”.
- Completing at least \$900,000 of exploration work on the Claims within a period of 36 months measured from the “Acceptance Date”.

The Acceptance Date as defined in the Option Agreement, will mean the date of the written confirmation from the TSX Venture Exchange Inc. that it has accepted the Option Agreement for filing.

The TSX Venture Exchange Inc. issued a Bulletin on January 27<sup>th</sup>, 2012 stating that it had accepted for filing an Option Agreement dated October 14<sup>th</sup>, 2011 between Alita Resources Ltd. and Mainstream Minerals Corporation which granted Alita Resources Ltd. an option to acquire a 60% interest in the Rowan Lake, Ontario group of mineral claims. The Bulletin also noted that the TSX Venture Exchange Inc. had accepted for filing Alita Resources Ltd.’s Qualifying Transaction (the acquisition of a 60% interest in the Rowan Lake, Ontario group of mineral claims from Mainstream Minerals Corporation) as described in its Filing Statement dated December 16<sup>th</sup>, 2011. As a result, effective at the opening, Monday, January 30<sup>th</sup>, 2012, the trading symbol for Alita Resources Ltd. was change from AL.P to AL and that it would no longer be considered a Capital Pool Company.

Alita Resources Ltd. has committed to spend a minimum of \$200,000 prior to January 27<sup>th</sup>, 2013 and details of the planned exploration program are pending.

**(7) Hudson Patricia Project located in the Township of Dent, Red Lake Mining Division of Ontario (Birch-Uchi Greenstone Belt)**

**Location** – The Hudson Patricia Mine (1 mining lease for the past-producing mine site) and the surrounding Hudson Patricia Property (8 staked claims) are located in the Township of Dent, Red Lake Mining Division of north-western Ontario. Dent Township itself is located approximately 75 kilometres east of the Town of Red Lake, Ontario. The past-producing base-metals South Bay Mine is located 7 kilometres to the south-east.

**Number of Claims & Hectares** – 1 mining lease (the past producing Hudson Patricia Mine site) and 8 staked claims for 72 claim units (the immediately surrounding Hudson Patricia Property) for a total area of approximately 1,268 hectares.

**Exploration Target** – Gold

**Date of Acquisition via two Option Agreements** – both land option agreements are dated January 10<sup>th</sup>, 2011

**Ownership Interests** – 100 % Mainstream Minerals Corporation

**Operator** – Mainstream Minerals Corporation

**Qualified Person as per NI 43-101 as at May 22<sup>nd</sup>, 2012 (subject to change)** – Andrew Tims P.Geol.

The past-producing Hudson-Patricia Mine and surrounding property are located on the Birch-Uchi Greenstone Belt and the optioned claims cover 5.5 kilometres of strike length. The well endowed Red Lake-Uchi Greenstone Belt has produced more than 25 million ounces of gold with the nearby South Bay Mine producing 1.6 million tons of ore grading 2.3% copper, 14.5% zinc and 3.5 oz/ton silver. The past-producing Hudson Patricia Mine itself produced 1,857 ounces of gold and 305 ounces of silver from 11,228 tons of ore with an average grade of 0.165 ounces (Ontario MND&M website). Three separate ore shoots were delineated in the mine with all production from above the first level on an inclined shaft during 1935. There is no indication any production was from the deeper second level. Previous surface work west of the former Hudson Patricia Mine site, on the shores of Bogford Lake, has exposed base metal horizon hosted in dacite to rhyodacite lapill tuffs composed of pyrite, sphalerite and chalcopyrite. Previous diamond drilling on the Bogford Lake VMS horizon intersected core lengths of 6.8 m of sulphide-bearing horizon. Grab samples taken by St. Joe Explorations Ltd. from this horizon assayed 12.9% zinc, 1.8% copper, 0.51% lead, 0.01 oz / ton gold and 2.79 oz / ton silver. The Hudson Patricia Property is an example of an under-explored vein gold deposit with north-south structures that host discontinuous quartz veins resulting from an extensive structural history. The intersection points of these north-south structures with northwestern fault are excellent locations to concentrate auriferous vein systems over significant widths. Volcanic massive sulphide mineralization was not recognized when the mine was in operation. The sulphide zones identified by St. Joe Explorations Ltd. and the reports of sulphide mineralization while the mine was in operation indicate that the area has good potential for base metal exploration as well.

Under the terms of the first option agreement dated January 10<sup>th</sup>, 2011 for the acquisition of the Hudson Patricia Property, Mainstream Minerals can earn a 100% interest in the 8 unpatented mining claims by completing payments totaling \$91,000 over 5 years and the issuance of 200,000 common shares to the Vendor of that property as follows:

Upon signature of the option agreement	\$8,000	100,000 common shares
1 <sup>st</sup> Anniversary of the Agreement	\$12,000	100,000 common shares
2 <sup>nd</sup> Anniversary of the Agreement	\$16,000	
3 <sup>rd</sup> Anniversary of the Agreement	\$25,000	
4 <sup>th</sup> and Final Anniversary of the Agreement	\$30,000	

The issued shares shall be subject to hold periods as required by the applicable policies of the TSX Venture Exchange Inc and other securities laws.

## Mainstream Minerals Corporation

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The Vendor will retain a 2.0 % Net Smelter Return (the “NSR”) interest in the Hudson Patricia Property. Mainstream Minerals can buyback one half or 1.0 % of the “NSR” at anytime for a payment of \$1,000,000 CDN.

On January 6<sup>th</sup>, 2012, the company entered into an agreement to amend the terms of the option agreement relating to the 8 unpatented Hudson - Patricia mineral claims. An 11 month extension of the first anniversary cash payment has been granted resulting in a due date of December 10<sup>th</sup>, 2012 rather than January 10<sup>th</sup>, 2012 and the cash payment has been increased from \$12,000 to \$16,000. The new terms results in additional consideration to be paid for these options as follows:

2012	(January 10 <sup>th</sup> )	100,000 common shares
2012	(December 10 <sup>th</sup> )	\$16,000
2014		\$16,000
2015		\$25,000
2016		\$30,000

On January 12<sup>th</sup>, 2012 the company issued 100,000 common shares under this land option agreement. Based on the estimated fair value of the land options, the shares were valued at \$9,000.

Under the terms of the second option agreement dated January 10<sup>th</sup>, 2011 for the acquisition of the past-producing Hudson Patricia Mine, Mainstream Minerals can earn a 100% interest of the mining lease by completing payments totaling \$160,000 over 5 years and the issuance of 400,000 common shares to the Vendor of that property as follows:

Upon signature of the option agreement	\$50,000	100,000 common shares
1 <sup>st</sup> Anniversary of the Agreement	\$25,000	100,000 common shares
2 <sup>nd</sup> Anniversary of the Agreement	\$25,000	100,000 common shares
3 <sup>rd</sup> Anniversary of the Agreement	\$25,000	100,000 common shares
4 <sup>th</sup> and Final Anniversary of the Agreement	\$35,000	

The issued shares shall be subject to hold periods as required by the applicable policies of the TSX Venture Exchange Inc and other securities laws.

Whereas the Vendor acquired the property rights to the Hudson Patricia Mine mining lease from a third party, that third party retains an original Net Smelter Return (“NSR”) royalty of 1.5%. As such, and under the terms of the option agreement, there will be two “NSR” royalties. The original third party and the Vendor for the Hudson Patricia Mine mining lease will each retain a 1.5 % “NSR” interest creating a total “NSR” on the property of 3.0 %. Mainstream Minerals can buyback half of either or both of the “NSRs” by paying \$1,000,000 to the applicable party. Without affecting the other party’s “NSR”, the applicable party who was paid \$1,000,000 will retain a remaining 0.75% of its respective and original 1.5 % “NSR”.

On January 6<sup>th</sup>, 2012, the company entered into an agreement to amend the terms of the option agreement relating to the one Hudson - Patricia mining lease. An 11 month extension of the first anniversary cash payment has been granted resulting in a due date of December 10<sup>th</sup>, 2012 rather than January 10<sup>th</sup>, 2012 and the cash payment has been increased from \$25,000 to \$30,000. The new terms results in additional consideration to be paid for these options as follows:

2012 (January 10 <sup>th</sup> )	100,000 common shares
2012 (December 10 <sup>th</sup> )	\$30,000 and 100,000 common shares
2014	\$25,000 and 100,000 common shares
2015	\$25,000
2016	\$35,000

On January 12<sup>th</sup>, 2012 the company issued 100,000 common shares under this land option agreement. Based on the estimated fair value of the land options, the shares were valued at \$9,000.

## **(8) Fly Lake Property in Mitchell Township, Red Lake Mining Division of Ontario (Birch-Uchi Greenstone Belt)**

**Location** – The Fly Lake Property is located in Mitchell Township of the Red Lake Mining Division of Ontario in the area generally known as the Birch-Uchi Greenstone Belt. The property itself is located 80 kilometres east of the Town of Red Lake, Ontario and 6.5 km south of the former South Bay Mine which produced 1.6 million tons of ore grading 2.3% copper, 14.5% zinc, and 3.5 ounces per ton of silver.

**Number of Claims & Hectares** – 1 leased (Mining Lease #105625) and 6 staked mining claims for a total of 44 claim units covering approximately 935 hectares

**Exploration Target** – Gold

**Date of Acquisition via Option Agreement** – February 7<sup>th</sup>, 2011

**Ownership Interests** – 100 % Mainstream Minerals Corporation

**Operator** – Mainstream Minerals Corporation

**Qualified Person as per NI 43-101 as at May 22<sup>nd</sup>, 2012 (subject to change)** – Garry Clark P.Geo.

The Fly Lake property lies within the Red Lake-Uchi Subprovince of the Superior Province of the Canadian Shield. There are three mineral known occurrences on the Fly Lake property and all are from drilling by St. Joe Exploration. The Nekapean occurrence beneath Fly Lake intersected a best assay of 0.34% copper and 8.25% zinc over 1 meter in drill hole #3197-1-80. The Fly Lake occurrence yielded an assay of 3.63% zinc over 1.24 m. The Fly Lake #3197-6-80 occurrence produced assays of up to 0.23% copper, 7.4% zinc, 1.2% lead and 0.65 ounces per ton of silver over 0.5 m. The property covers a sequence of felsic volcanics with one or more temporal discontinuities in the volcanic history. These temporal discontinuities are highly prospective horizons for VMS mineralization and are spatially coincident with both conformable and crosscutting hydrothermal alteration zones. Elsewhere in the belt base metal mineralization is known to occur associated to these alteration zones. Several electromagnetic conductors from historical and recent Fugro Airborne surveys on the property currently remain untested. Clark Exploration Consulting Inc. of Thunder Bay, Ontario has been engaged to write a National Instrument 43-101 technical report on the Fly Lake property and will recommend an initial work program.

President and CEO, Michael Romanik, stated (February 7<sup>th</sup>, 2011): "The Fly Lake property provides the company with an entry into base metals in an area known to host economic mineralization. The property also provides Mainstream with some commodity diversification and will allow it to continue in its quest to be an important landholder and player in the Birch-Uchi Greenstone Belt of north-western Ontario. The Birch-Uchi area has been the scene of a staking rush in the past couple of months as some companies in the area, such as Gold Canyon Resources Inc. (TSX.V: GCU), are reporting drilling successes. The data generated by the recently flown Fugro airborne survey provides an excellent base for Mainstream to commence exploration efforts on the Fly Lake property. We look forward to the completed technical report and will follow up on the recommendations to guide our exploration program. In addition, Mainstream is actively pursuing other projects of interest in the Birch-Uchi belt."

Under the terms of the option agreement of February 7<sup>th</sup>, 2011, Mainstream Minerals can earn a 100% interest by completing payments to the Vendor totaling \$75,000 over 4 years and the issuance of 200,000 common shares over the period of 1 year as follows:

Within 7 days of receiving regulatory approval	\$15,000	100,000 common shares
1 <sup>st</sup> Anniversary of the Agreement	\$5,000	100,000 common shares
	(cash payment amended and postponed to June 7 <sup>th</sup> , 2012)	
2 <sup>nd</sup> Anniversary of the Agreement	\$10,000	
3 <sup>rd</sup> Anniversary of the Agreement	\$10,000	
4 <sup>th</sup> and Final Anniversary of the Agreement	\$35,000	

The issued shares shall be subject to hold periods as required by the applicable policies of the TSX Venture Exchange Inc and other securities laws.

Whereas the Vendor acquired the property rights to the Fly Lake Mining Lease # 105625 from a third party, that third party retains an original Net Smelter Return (“NSR”) royalty of 1.5%. As such, and under the terms of the option agreement, there will be two “NSR” royalties for the Fly Lake Mining Lease with the original third party retaining a 1.5% “NSR” and the Vendor retaining a 2.0% “NSR” (for a total “NSR” on the property of 3.5%). Without affecting the other party’s “NSR”, Mainstream Minerals may buy back one-half of either “NSR” by paying a onetime payment of \$1,000,000 to the applicable party. The party who is paid \$1,000,000 will retain half of their respective original “NSR”.

### **(9) Birch Lake Property in the Townships of Keigat Lake and Casummit Lake, Red Lake Mining Division of Ontario (Birch-Uchi Greenstone Belt)**

**Location** – The Birch Lake Property is located in the Townships of Keigat Lake and Casummit Lake of the Red Lake Mining Division of Ontario in the area generally known as the Birch-Uchi Greenstone Belt. The property itself is located 90 kilometres east of the Town of Red Lake, Ontario. With the staking of three additional mining claims in late September 2011, the Birch Lake property is now comprised of one contiguous group of mining claims covering 2,080 hectares that sit between, and are contiguous to, Gold Canyon Resources Inc.’s (TSX.V: GCU) Springpole Gold Project and Pelangio Exploration Inc.’s (TSX.V: PX) Birch Lake property.

**Number of Claims & Hectares** – 13 mining claims covering approximately 2,080 hectares

**Exploration Target** – Gold

**Date of Acquisition via Option Agreement and staking** – On October 6<sup>th</sup>, 2011 the company announced in a news release that it has increased its land position at Birch Lake by staking three mining claims totalling 40 units covering an additional 640 hectares. These newly staked claims are in addition to those acquired via an option agreement dated April 17<sup>th</sup>, 2011 and that was announced in a news release dated on April 20<sup>th</sup>, 2011.

The original agreement consisted of two separate claim groups: a south-eastern claim group sitting between, and adjacent to, Gold Canyon Resources Inc.’s (TSX.V: GCU) Springpole Gold Project and Pelangio Exploration Inc.’s (TSX.V: PX) Birch Lake property; and a north-eastern claim group adjacent to Pelangio Exploration Inc.’s Birch Lake property. These three newly staked claims now tie both the south-eastern (four claims covering 704 hectares) and north-eastern (six claims covering 736 hectares) claim groups together while also covering the Canamer Prospect. As a result, Birch Lake property forms a contiguous land package of 13 mining claims covering approximately 2,080 hectares.

**Ownership Interests** – 100 % Mainstream Minerals Corporation

**Operator** – Mainstream Minerals Corporation

**Qualified Person as per NI 43-101 as at May 22<sup>nd</sup>, 2012 (subject to change)** – Garry Clark P.Geo.

The Birch Lake property under option by Mainstream is situated in the north-eastern portion of the Birch-Uchi Greenstone Belt within the Uchi Subprovince of the Archean Superior Province. Prospective Balmer assemblage and Confederation assemblage volcanic, with mafic intrusive and metasedimentary rocks have all been mapped on the property by the Ontario Geological Survey.

The discovery of gold at Red Lake in 1925 brought prospectors into the Birch Lake area with visible gold first discovered north of the Birch-Springpole portage in 1928. Gold Canyon currently recognizes at least four different styles of gold mineralization on its Springpole Gold Project in eight different zones and continues to report spectacular drill results including 100.5 metres at 7.23 grams per tonne gold (330 feet at 0.211 oz per ton gold) in hole SP11-040, a vertical infill hole testing the mid-section of the Portage Zone (see Gold Canyon's press release dated March 15<sup>th</sup>, 2011). It should be noted that the true width of this zone has yet to be determined and several of Gold Canyon's drill holes ended in mineralization. Exploration completed on Pelangio's Birch Lake property is dominated by work by Dome Exploration (Canada) Ltd. (later Placer Dome) in the 1980's. The Birch Lake area was identified as highly favourable for gold bearing iron formations. Placer Dome delineated a gold bearing system on High Grade Island over a strike length of approximately 300 metres to a vertical extent of 150 metres. Placer Dome drilled 110 holes totalling 19,918 metres. Approximately 2,000 metres were drilled on the property between 2003 and 2008, including significant high grade intercepts of 115.89 g/t Au over 2.9 metres and 229.96 g/t Au over 2.45 metres. Historical work on the optioned Birch Lake property is minimal, though there are several documented gold occurrences (Ontario Geological Survey Open File Report 5835). Most noteworthy is the Dome-Birch Lake prospect where gold occurs on the southwest shore of a small island, southeast of Johnson Island. This occurrence consists of quartz-carbonate veins in chert-magnetite iron formation. The veins contain pyrite, chalcopyrite and visible gold. Airborne magnetics and electromagnetics by Cangold in 2003 identified what appears to be tightly folded iron formation in the north-eastern portion of the claim block. Structural studies in 1996 by Placer Dome on Pelangio's High Grade Island prospect resulted in recommendations of surface exploration to the southeast of the Main Central Zone (toward Mainstream's property) in an area that magnetic data indicates more complex structural geology. Northwest-southeast trending areas of high resistivity conformable to those identified on High Grade Island by Placer Dome in 1995 also fall on Mainstream's portion of Keigat Island (part of the North-western claim group) roughly 1,200 meters along strike to the Southeast of the High Grade Island prospect.

Mainstream's President and Chief Executive Officer, Michael Romanik, said at the time of this acquisition: "Securing the Birch Lake property between, and contiguous to, Gold Canyon Resources Inc.'s Springpole Gold Project and Pelangio Exploration Inc.'s Birch Lake property is a direct result of the strong relationships we have built with geotechnical experts well-versed in the Red Lake area. It is another step toward Mainstream becoming a strategic player and landholder in the Birch-Uchi Greenstone Belt at a time of greatly renewed interest in the area."

Under the terms of the option agreement (the "Agreement") dated April 17<sup>th</sup>, 2011, Mainstream can earn a 100% interest by completing payments to the Vendor totaling \$100,500 over 5 years and the issuance of 200,000 common shares as follows:

Upon signing of the Agreement	\$12,500
1 <sup>st</sup> Anniversary of the Agreement	\$12,000
2 <sup>nd</sup> Anniversary of the Agreement	\$16,000
3 <sup>rd</sup> Anniversary of the Agreement	\$25,000
4 <sup>th</sup> and Final Anniversary of the Agreement	\$35,000
Within 10 days of receiving regulatory approval of the Agreement	200,000 common shares

The issued shares shall be subject to hold periods as required by the applicable policies of the TSX Venture Exchange and applicable securities laws.

The vendor will retain a 2.0 % Net Smelter Return (the "NSR") interest in the Property. Mainstream can buy back one half or 1% of the "NSR" at any time by paying the vendor \$1,000,000 CDN dollars.

On October 6<sup>th</sup>, 2011, the Corporation announced in a news release that it had increased its land position at Birch Lake by staking three mining claims totalling 40 units covering an additional 640 hectares. These newly staked claims are in addition to those acquired via an option agreement as was announced in a news release dated on April 20<sup>th</sup>, 2011. These three newly staked claims now tie both the south-eastern and north-eastern claim groups together while also covering the Canamer Prospect. As a result, Mainstream's property at Birch Lake forms a contiguous land package covering 2,080 hectares.



The Canamer prospect is situated on the newly staked claims and is located on the eastern shore of Birch Lake. Gold mineralization at the Canamer Prospect is associated with pods and lenses of intensely sulphidized, silicified, folded and brecciated iron formation. The sulphidized, brecciated zones consist of abundant pyrite with lesser amounts of pyrrhotite, arsenopyrite and chalcopyrite with an alteration assemblage of quartz, biotite and chlorite. The largest sulphide-breccia zone located on surface to date is 1 meter wide and 2 meters long and is exposed at the Main Showing. Assays reported by the Resident Geologist from grab samples assayed 0.50 ounces gold per ton and 0.34 ounces silver per ton. In a review of government assessment files it was noted that historical drilling by Canamer Mining Corporation in 1966 intersected a 14.7 foot wide zone of brecciated iron formation that returned assays of 0.18 ounces per ton gold over 5.0 feet, 0.16 ounces of gold per ton over 5.0 feet and 0.32 ounces per ton gold over 4.7 feet.

### **DISCONTINUED PROPERTIES and PROJECTS of the CORPORATION during the previous twelve months to May 22<sup>nd</sup>, 2012**

Only one property or project was discontinued, abandoned or written-off during the previous 12 months to this this Annual Information Form dated May 22<sup>nd</sup>, 2012 for the year ended November 30<sup>th</sup>, 2011. That property is as follows:

- (1) An option agreement was entered into on December 30<sup>th</sup>, 2009 to acquire a 100 % interest in a gold property of eleven claims totalling one hundred and thirty four mineral claim units known as the **Price Claims** located east of Lake Shore Gold's (TSX: LSG) Golden River Trend in Price and Adams Townships of the Porcupine Mining Division of Ontario (West Timmins area). Under the terms of the option agreement, the Corporation could earn a 100% interest in the properties by issuing 1,750,000 common shares to Blair Naughty, the Vendor. The 1,750,000 common shares were issued on March 9<sup>th</sup>, 2010. In addition to the issuance of common shares, the Corporation further agreed to a \$225,000 work commitment. \$75,000 of the work commitment was to be completed by December 30<sup>th</sup>, 2010 and the remaining \$150,000 of the work commitment was to be completed by December 30<sup>th</sup>, 2011.

In February 2010, the Company engaged the services of Vision Exploration of Timmins, ON. On this 134 claim unit property, Vision Exploration completed 57.4 kilometres of line cutting, 24.5 kilometres of Induced Polarization Survey, and 57.4 kilometres of Magnetometer Survey. The goal of this work was to make this property either drill ready or joint-venture ready. For the fiscal year ended November 30<sup>th</sup>, 2010, a total of \$88,767 was spent on this property thus surpassing the first year requirement of \$75,000. The Corporation did not meet the second year work commitment of \$150,000 as required under the Price Claims land option. As a result, the Corporation no longer had an option right relating to the Price Claims property effective December 30<sup>th</sup>, 2011.

The Corporation decided on February 2<sup>nd</sup>, 2012 not to renegotiate (for additional cash payments and share issuances to the Vendor) the original option agreement in order to retain and further pursue the exploration and development of this property. This was decided in order to save the ongoing costs related to this property and to conserve capital resources to better focus on more promising properties. As a result of this decision, the Corporation incurred a write-down of \$272,536 against capitalized acquisition and exploration expenditures on Mineral Properties for the fourth quarter of fiscal 2011.

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## ANNUAL FINANCIAL INFORMATION

**Financial Data** – The following table shows selected key financial information for the years ended as indicated.

Category	Year Ended Nov. 30, 2011 (1)	Year Ended Nov. 30, 2010	Year Ended Nov. 30, 2009	Year Ended Nov. 30, 2008	Year Ended Nov. 30, 2007
Total Revenues	\$573	\$1,297	\$722	\$30,224	\$37,273
Income from Operations	\$0	\$0	\$0	\$0	\$0
Total	\$573	\$1,297	\$722	\$30,224	\$37,273
Net Income (Loss) before income taxes	-712,114	-527,021	-738,812	-862,972	-702,886
Total Net Income (Loss) after income taxes	-629,114	-560,021	-679,812	-823,972	-702,886
Stock Compensation Expense	\$0	\$5,040	\$9,538	\$106,935	\$53,000
Common Shares Issued	54,122,130	43,701,021	27,101,087	18,176,087	15,610,139
Loss per Share (basic & diluted)	-\$0.01	-\$0.02	-\$0.03	-\$0.05	-\$0.06
Total Assets	\$3,976,729	\$3,982,105	\$3,096,254	\$3,234,569	\$2,678,248
Total Long Term Debt	Nil	Nil	Nil	Nil	Nil
Cash Dividends	Nil	Nil	Nil	Nil	Nil

The following discussion and analysis of the operating results and financial condition of the Corporation should be read in conjunction with the audited financial statements and related notes thereto for the five fiscal years ended November 30<sup>th</sup>, 2011, 2010, 2009, 2008, and 2007. These financial statements have also been filed with the British Columbia, Alberta, Saskatchewan, Manitoba and Ontario securities commissions and the TSX Venture Exchange Inc. via SEDAR ([www.sedar.com](http://www.sedar.com)) and are incorporated herein by reference.

**Note (1)** – The financial statements up to and including November 30<sup>th</sup>, 2011 were prepared in accordance with Canadian generally accepted accounting principles (“GAAP”). The condensed interim management-prepared financial report for the first quarter ended February 29<sup>th</sup>, 2012 was prepared in accordance with the newly adopted International Financial Reporting Standards (“IFRS”) for publicly accountable profit-oriented enterprises. The changeover to IFRS for financial statements for fiscal years commencing on or after January 1<sup>st</sup>, 2011 represents an important change due to the implementation of these new accounting standards. In 2010, the Corporation started an IFRS conversion plan to address the impact of the changes in accounting policies, restatement of comparative periods, internal controls, and any required changes to business processes. As discussed elsewhere in this Management Discussion and Analysis, these new accounting standards have impacted some elements of the Corporation’s reported financial position and results of operations.

## **YEAR ENDED NOVEMBER 30<sup>th</sup>, 2011**

When compared to the volatility of the previous three fiscal years, the company's financial and operational situation remained relatively stable throughout fiscal 2011. During the 2011 fiscal year, only one non-brokered private placement was completed for net proceeds of \$661,682 (closed on April 15<sup>th</sup>, 2011) and 385,000 warrants were exercised for proceeds of \$39,100 (all were exercised during April 2011). The company also received \$50,000 from Premier Gold Mines Limited on February 16<sup>th</sup>, 2011 under the subsequently terminated Bobjo Mine Project earn-in agreement of February 11<sup>th</sup>, 2011 and a core-log splitter was sold to King's Bay Gold Corporation for \$2,500 on February 4<sup>th</sup>, 2011. With these limited funds, the company was able to meet its obligations, keep all of its accounts payable up-to-date and was able to acquire via land option agreements the Hudson-Patricia Claims and Mining Lease, the Slate Lake Mining Lease, the Fly Lake Claims and the Birch Lake property, all of which are located on the Birch-Uchi Greenstone Belt. However, the company was unable to complete the second year work commitment of \$150,000 as required under the Price Claims land option. As a result, the company no longer had an option right relating to the Price Claims property effective December 30<sup>th</sup>, 2011. The company decided on February 2<sup>nd</sup>, 2012 not to renegotiate the original option agreement for additional cash payments and share issuances to the Vendor. As a result of this decision, the company incurred a write-down of \$272,536 against capitalized acquisition and exploration expenditures on Mineral Properties for the fourth quarter of fiscal 2011. The company also continued working on reducing its general and administrative expenditures, those overhead expenditures that are not capitalized to mineral properties. The company continued the positive trend that commenced in 2009 by reducing the Loss from operations from \$691,436 in fiscal 2009 to \$515,963 in fiscal 2010 to \$442,650 in fiscal 2011. During fiscal 2011, the company incurred the following general and administrative expenditures, notably: \$37,586 for advertising and promotion (2010: \$5,000); \$143 for amortization on its office computer equipment (2010: \$1,573); \$248,533 for non-capitalized consulting fees (2010: \$293,100); \$4,650 for the Annual General and Special Meeting of Shareholders as held in Winnipeg, MB on May 31<sup>st</sup>, 2011 (2010: \$12,135 for the general meeting of June 23<sup>rd</sup>, 2010); \$10,266 paid for premiums on the commercial general and directors' & officers' insurance policies (2010: \$11,011); \$18,495 for office expenditures (2010: \$18,911); \$Nil for Part XII.6 taxes payable to the Canada Revenue Agency on unspent flow-through funds during the fiscal year as the company did not have any flow-through funds to expend in fiscal 2011 (2010: \$10,964); \$63,616 for professional fees (2010: \$106,104); \$43,060 for regulatory filing fees (2010: \$40,445); stock based compensation for \$Nil as there were no stock option distributions in fiscal 2011 (2010: \$5,040); and \$16,301 for all other general and administrative expenditures (2010: \$11,680). As a result of these non-capitalized expenditures, the company incurred a Loss from operations of \$442,650 (2010: \$515,963) and a comprehensive Net Loss for the year of \$629,114 (2010: \$560,021), after interest income of \$573 (2010: \$1,297), mineral exploration properties write-downs of \$272,537 for the Price Claims abandonment (2010: \$13,676 for the Raleigh Lake property which was transferred to King's Bay Gold Corporation as part of the consideration for the Bobjo Mine Property Interests Exchange Agreement that was concluded on June 14<sup>th</sup>, 2010), a gain on the sale of equipment of \$2,500 (2010: \$1,321), and a future income tax recovery of \$83,000 (2010: a future income tax expense of \$33,000). The cumulative loss per share, basic and diluted, for the fiscal year ended November 30<sup>th</sup>, 2011 was \$0.01 (versus 2010: \$0.02; 2009: \$0.03; and 2008: \$0.05). Given the various operating, financing and investing activities undertaken by the company during the fiscal year, the amount of cash and restricted cash on hand as at November 30<sup>th</sup>, 2011 was \$106,710 (versus \$254,435 as at November 30<sup>th</sup>, 2010).

## **YEAR ENDED NOVEMBER 30<sup>th</sup>, 2010**

The company's financial and operational situation continued to improve throughout fiscal 2010 with the closing of a number of offerings that occurred in December 2009, June and November 2010. The company was able to keep all of its accounts payable up-to-date and was able to acquire the Price Claims, West Keefer Claims, Casa Berardi, Slate Lake and Rowan Lake properties. The Bobjo Mine Project became a 100% Mainstream Minerals owned property as a result of the Property Interests Exchange Agreement that was concluded with King's Bay Gold Corporation on June 14<sup>th</sup>, 2010. During the fiscal year, \$700,264 was capitalized as deferred exploration charges and acquisitions costs incurred to mineral properties. The company also worked on reducing a number of other general and administrative expenditures during the fiscal year that were not capitalized to mineral properties. The company incurred the following general and administrative expenditures, notably: \$5,000 for advertising and promotion (2009: \$39,503); \$1,573 for amortization (2009: \$16,810 – a significantly lower amount in 2010 as result of the sale of all of the company's field exploration equipment in late 2009); \$293,100 for non-capitalized consulting fees (2009: \$400,490); \$12,135 for the general meeting of June 23<sup>rd</sup>, 2010 (2009: \$1,491 for the general meeting of June

23<sup>rd</sup>, 2009); \$11,011 for insurances (2009: \$17,302 – a lower amount mostly due to the sale of all of the company's field exploration equipment in late 2009); \$18,911 for office expenditures (2009: \$18,502); \$10,964 for Part XII.6 tax on flow-through (2009: \$Nil); \$106,104 for professional fees (2009: \$124,860); \$40,445 for regulatory filing fees (2009: \$41,812); stock based compensation for \$5,040 (2009: \$9,538); and \$11,680 for all other general and administrative expenditures (2009: \$21,128). As a result of these non-capitalized expenditures, the company incurred a Loss from operations of \$515,963 (2009: \$691,436) and a comprehensive Net loss for the year of \$560,021 (2009: \$679,812), after interest income of \$1,297 (2009: \$722), mineral exploration properties write-downs of \$13,676 (2009: \$42,681), a gain on the sale of equipment of \$1,321 (2009: loss on the sale of equipment: \$5,417), and a future income tax expense of \$33,000 (2009: a future income tax recovery of \$59,000). This write-down amount of \$13,676 against mineral exploration properties represents the total expenditures that were previously capitalized for the Raleigh Lake property which was transferred to King's Bay Gold Corporation as part of the consideration for the Bobjo Mine Property Interests Exchange Agreement that was concluded on June 14<sup>th</sup>, 2010 (2009: \$42,681 for the abandonment of the Phyllis Lake property for \$31,431 and the Stake Lake property for \$11,250). The cumulative loss per share, basic and diluted, for the fiscal year ended November 30<sup>th</sup>, 2010 was \$0.02 (versus 2009: \$0.03 and 2008: \$0.05). Given the various operating, financing and investing activities undertaken by the Corporation during the fiscal year, the amount of cash and restricted cash on hand as at November 30<sup>th</sup>, 2010 was \$254,435 (versus \$455,205 as at November 30<sup>th</sup>, 2009). It is noted that the Corporation had a Share subscriptions receivable of \$207,000 that had not yet been received by year's end from the \$450,000 offering that had closed in two tranches on November 3<sup>rd</sup> and November 12<sup>th</sup>, 2010 respectively. By adding the \$207,000 in Share subscriptions receivable with the \$254,435 in cash and restricted cash on hand, we find that this combined amount of \$461,435 would be closely comparable to the amount of cash and restricted cash on hand from the end of the previous fiscal year of \$455,205 as at November 30<sup>th</sup>, 2009.

## **YEAR ENDED NOVEMBER 30<sup>th</sup>, 2009**

Due to the volatility of the capital markets, the most significant economic recession since the Second World War, and the resulting difficulties in raising capital, the company severely curtailed its exploration activities in fiscal 2009. The company also made an effort to reduce its administrative overhead expenditures to conserve capital. Although the company kept its joint-ventured Bobjo Mine Project in good standing, it had to abandon its Phyllis Lake and Stake Lake properties in order to conserve the capital that would have been required to maintain the option agreements on those properties. As a result, the company incurred a mineral properties write-down of \$42,681 for 2009. The company's financial situation started to improve in the fall of 2009 with the closing of a \$750,000 offering on October 1<sup>st</sup>, 2009. The company was able to bring a number of accounts payable up-to-date and was able to acquire the Raleigh Lake and Hazard Lake / Northgate Deposit properties. During the fiscal year, only \$21,439 was capitalized as deferred exploration charges and acquisitions costs incurred to mineral properties. The company also incurred a number of other expenditures during the fiscal year that were not capitalized to mineral properties, notably: \$39,503 for advertising and promotion (2008: \$149,650), \$16,810 for amortization (2008: \$22,975), \$400,490 for non-capitalized consulting fees (2008: \$295,000), \$1,491 for the general meeting of June 24<sup>th</sup>, 2009 (2008: \$17,733 for two general meetings in December 2007 and May 2008); \$17,302 for insurances (2008: \$25,566), \$18,502 for office expenditures (2008: \$25,607), \$Nil for Part XII.6 tax on flow-through (2008: \$30,736), \$124,860 for professional fees (2008: \$68,325), \$41,812 for regulatory filing fees (2008: \$35,703), stock based compensation for \$9,538 (2008: \$106,935), and \$21,128 for all other general and administrative expenditures (2008: \$24,854). As a result of these non-capitalized expenditures, the company incurred a Loss from operations of \$691,436 (2008: \$803,084) and a Net loss for the year of \$679,812 (2008: \$823,972), after interest income of \$722 (2008: \$30,224), mineral exploration properties write-downs of \$42,681 (2008: \$90,112) and a future income tax recovery of \$59,000 (2008: \$39,000). This write-down amount of \$42,681 against mineral exploration properties represents the total expenditures that were previously capitalized for properties / projects that were abandoned in fiscal 2009 as follows: (i) \$31,431 for the Phyllis Lake property and (ii) \$11,250 for the Stake Lake property. The cumulative loss per share, basic and diluted, for the fiscal year ended November 30<sup>th</sup>, 2009 was \$0.03 (2008 cumulative loss per share: \$0.05). Given the various operating, financing and investing activities undertaken by the company during the fiscal year, the amount of cash and restricted cash on hand as at November 30<sup>th</sup>, 2009 was \$455,205 (versus \$515,304 at November 30<sup>th</sup>, 2008). This is a net decrease of \$60,099 in the amount of cash and restricted cash on hand from the end of the previous fiscal year. This decrease is primarily the result of having expended a more capital on administrative overheads and exploration and development expenditures without having acquired an equivalent offsetting amount of capital through financing activities.

## **YEAR ENDED NOVEMBER 30<sup>th</sup>, 2008**

The company was very active in fiscal 2008 as it successfully completed one non-brokered flow-through private placement on December 19<sup>th</sup>, 2007 for \$1,000,000 with the MineralFields Group, acquired the Phyllis Lake and Stake Lake properties in late May through an Option Agreement, created a 50 / 50 joint-venture earn-in agreement with King's Bay Gold Corporation in June for the Phyllis Lake Project and participated in a Phase 2 diamond drilling program at the Bobjo Mine property with King's Bay Gold Corporation as 50 / 50 partners. During the fiscal year, most of the expenses related to exploration and development incurred by the company were capitalized to the mineral properties. The company also incurred a number of other expenditures during the fiscal year that were not capitalized to mineral properties, notably: \$149,650 for advertising and promotion (2007: \$65,238), \$22,975 for amortization (2007: \$7,130), \$295,000 for non-capitalized consulting fees (2007: \$348,541), \$17,733 for two general meetings in December 2007 and May 2008 (2007: \$1,560); \$25,566 for insurances (2007: \$870), \$25,607 for office expenditures (2007: \$40,470), \$30,736 for Part XII.6 tax on flow-through (2007: \$ Nil), \$68,325 for professional fees (2007: \$108,961), \$35,703 for regulatory filing fees (2007: \$53,220), stock based compensation for \$106,935 (2007: \$53,000), and \$24,854 for other general and administrative expenditures (2007: \$14,786). As a result of these non-capitalized expenditures, the company incurred a Loss from operations of \$803,084 (2007: \$693,776) and a Net loss for the year of \$823,972 (2007: \$702,886), after interest income of \$30,224 (2007: \$37,273), mineral exploration properties write-downs of \$90,112 (2007: \$46,383) and a future income tax recovery of \$39,000 (2007: \$ Nil). This write-down amount of \$90,112 against mineral exploration properties represents the total expenditures that were previously capitalized for properties / projects that were abandoned in fiscal 2008 as follows: (i) \$68,790 for the Dixie Lake North property; (ii) \$14,334 for the Bobjo West claims; (iii) \$2,400 for coal permit application fees for the Hudson Bay, Saskatchewan Area; and (iv) \$4,588 for the Woman Lake North of South Bay. The cumulative loss per share, basic and diluted, for the fiscal year ended November 30<sup>th</sup>, 2008 was \$0.05 (2007 cumulative loss per share: \$0.06). Given the various operating, financing and investing activities undertaken by the Corporation during the fiscal year, the amount of cash and restricted cash on hand as at November 30<sup>th</sup>, 2008 was \$515,304 (versus \$1,443,140 at November 30<sup>th</sup>, 2007). This is a net decrease of \$927,836 in the amount of cash and restricted cash on hand from the end of the previous fiscal year. This decrease is primarily the result of having expended a significant amount of capital on exploration and development expenditures without having acquired an equivalent offsetting amount of capital through financing activities.

## **YEAR ENDED November 30<sup>th</sup>, 2007**

During fiscal 2007, the company successfully completed several financings, an Initial Public Offering resulting in a listing on the TSX Venture Exchange (TSX.V: MJO), acquired the Woman Lake North of South Bay property via staking with King's Bay Gold Corporation as 50 / 50 partners and completed a significant 27-hole Phase 1 diamond drilling program at the Bobjo Mine with King's Bay Gold Corporation as 50 / 50 partners. During the fiscal year, most of the expenses related to exploration and development were capitalized to the mineral properties. The company also incurred a number of other expenditures during the fiscal year, such as those for advertising and promotion (\$65,238), amortization (\$7,130), consulting fees (\$348,541), office (\$40,470), professional fees (\$108,961), regulatory filing fees (\$53,220), stock based compensation (\$53,000), travel (\$10,342) and other general and administrative expenditures (\$6,874) that were not capitalized to mineral properties. As a result of these non-capitalized expenditures, the company incurred a Loss from operations of \$693,776 and a Net loss of \$702,886 for the fiscal year, after interest income of \$37,273 and a mineral exploration properties write-down of \$46,383. This write-down amount of \$46,383 against mineral exploration properties represents the total expenditures that were previously capitalized for the 50 / 50 joint venture Helena Lake Project with King's Bay Gold Corporation. During the third quarter the company decided not to pursue this joint venture any further in order to focus its efforts at the Bobjo Mine Project and at the Woman Lake North of South Bay Project. The cumulative loss per share, basic and diluted, for the fiscal year ended November 30<sup>th</sup>, 2007 was \$0.06. Given the various operating, financing and investing activities undertaken by the Corporation during the fiscal year, the amount of cash on hand as at November 30<sup>th</sup>, 2007 was \$1,443,140 (versus \$108,737 at November 30<sup>th</sup>, 2006). This is a net increase of \$1,334,403 in the amount of cash on hand from the end of the previous fiscal year.

## **OPERATING RESULTS for the FIRST QUARTER ended FEBRUARY 29<sup>th</sup>, 2012**

For the three months ended February 29<sup>th</sup>, 2012, the Corporation incurred a Net and comprehensive loss for the period of \$170,834 (February 28<sup>th</sup>, 2011 Net Loss: \$106,864), after Interest income of \$3 (February 28<sup>th</sup>, 2011: \$42), General and administrative expenses of \$173,837 (February 28<sup>th</sup>, 2011: \$109,406), write-downs on Mineral properties of \$Nil (February 28<sup>th</sup>, 2011: \$Nil), a Gain on the sale of machinery and equipment of \$Nil (versus a Gain for February 28<sup>th</sup>, 2011: \$2,500); an Unrealized Gain on Marketable Securities of \$3,000 (versus Not Applicable as the Corporation did not have any Marketable Securities as at February 28<sup>th</sup>, 2011) and a Future income tax recovery of \$Nil (February 28<sup>th</sup>, 2011: \$Nil). The substantial increase of \$64,431 in the quarter-over-quarter Net Loss from operations for the period when compared to the same quarter in fiscal 2011 is primarily attributable to the opening of the Geological Office at Unit # 211 – 850 West Hastings Street in Vancouver, British Columbia and the hiring of Brad Peters B.Sc (Earth & Ocean Sc.) (appointed as Vice-President of Exploration effective December 1<sup>st</sup>, 2011) and Rory Ritchie H.B.Sc. (Chemistry), B.Sc. (Earth Sc.), GIT (appointed as Field Exploration Manager effective December 1<sup>st</sup>, 2011) as independent contractors. The Corporation also had a consulting fee arrangement with Lytle & Associates Corporate Communications of West Vancouver, British Columbia which it did not have during the first quarter of fiscal 2011. As a result, non-capitalized Consulting fees increased to \$97,800 for the first quarter of fiscal 2012 when compared to the \$57,800 incurred during the first quarter of fiscal 2011. Given the ongoing difficult capital markets for junior mineral exploration companies, the Corporation continued with its efforts to monitor and control its general and administrative overheads where and when possible. Despite these efforts, and excluding the non-capitalized Consulting fees, most general and administrative overhead expense categories increased from a combined \$51,606 in the first quarter of fiscal 2011 to a combined \$76,037 in the first quarter of fiscal 2012 and more specifically due to the two following expense categories: (i) Office expenditures of \$23,992 compared to \$5,832 in the first quarter of fiscal 2011 partially due to the opening of a Geological Office in Vancouver, British Columbia and (ii) higher Professional fees of \$19,823 compared to \$7,646 in the first quarter of fiscal 2011 due to the culmination and timing of legal invoices from 2011 related to the non-brokered private placement, various property acquisitions via option agreements, and other legal services that occurred throughout 2011. These higher first quarter expenditures were only partially offset by lower Advertising and promotion expenditures of \$2,650 compared to the \$12,220 that was incurred during the first quarter of fiscal 2011. This is mostly due to no longer having the promotional agreement with Ubika Corporation that existed during the first quarter of fiscal 2011 for advertising on smallcappower.com. Interest income for the first quarter of fiscal 2012 continued to decrease to a minimal \$3 when compared to both the \$42 earned during the first quarter of 2011 and the \$401 earned in the first quarter of fiscal 2010 partially due to the ongoing trend of lower interest rates paid on deposits and the timing of and lower amounts of cash and restricted cash on deposit (February 29<sup>th</sup>, 2012: \$16,050; February 28<sup>th</sup>, 2011: \$68,082 and February 28<sup>th</sup>, 2010: \$254,435).

## **SUMMARY of QUARTERLY RESULTS**

The table on the following page sets out the summary of the quarterly results for the Corporation for each of the most recently completed eight quarters. At the time of incorporation on July 19<sup>th</sup>, 2006, the fiscal year end was established as November 30<sup>th</sup>.

The financial statements up to and including November 30<sup>th</sup>, 2011 were prepared in accordance with Canadian generally accepted accounting principles (“GAAP”) – the seven quarters identified as “2010 Second” through to “2011 Fourth” in the table on the following page. However, for comparison purposes, the column identified as “2011 Fourth” was restated and reconciled to reflect the newly adopted International Financial Reporting Standards (“IFRS”). The condensed interim management-prepared financial report for the first quarter ended February 29<sup>th</sup>, 2012 (the one quarter identified as “2012 First” in the table on the following page) was prepared in accordance with the newly adopted International Financial Reporting Standards (“IFRS”) for publicly accountable profit-oriented enterprises. The changeover to IFRS for financial statements for fiscal years commencing on or after January 1<sup>st</sup>, 2011 represents an important change due to the implementation of these new accounting standards. In 2010, the Corporation started an IFRS conversion plan to address the impact of the changes in accounting policies, restatement of comparative periods, internal controls, and any required changes to business processes. As discussed elsewhere in this Annual Information Form, these new accounting standards have impacted some elements of the Corporation’s reported financial position and results of operations. All amounts are shown in Canadian dollars.

## Mainstream Minerals Corporation

Quarter	2012 First	2011 Fourth (1)	2011 Third	2011 Second	2011 First	2010 Fourth	2010 Third	2010 Second
Revenue	\$3	\$83	\$216	\$232	\$42	\$244	\$351	\$301
Income (loss) from continuing operations	-\$173,837	-\$119,000	-\$100,614	-\$113,630	-\$109,406	-\$143,852	-\$136,699	-\$123,161
Net Income (loss)	-\$170,834	-\$391,454	-\$100,398	-\$113,398	-\$106,864	-\$143,608	-\$143,731	-\$122,860
Basic and Fully Diluted Earnings per Share	-\$0.01	-\$0.01	-\$0.01	-\$0.01	-\$0.01	-\$0.01	-\$0.01	-\$0.01
Cash and Restricted Cash	\$16,050	\$106,710	\$278,188	\$525,881	\$68,082	\$254,435	\$664,728	\$715,692
Total Current Assets	\$43,099	\$123,558	\$296,648	\$544,145	\$102,441	\$479,355	\$686,570	\$958,424
Total Current Liabilities	\$121,435	\$41,550	\$6,971	\$34,398	\$132,267	\$183,094	\$160,026	\$387,792
Working Capital	-\$78,336	\$82,008	\$289,677	\$509,747	-\$29,826	\$296,261	\$526,544	\$570,632
Working Capital Ratio : 1.00	0.35	2.97	42.55	15.82	0.77	2.62	4.29	2.47
Total Assets	\$3,923,780	\$3,976,729	\$4,315,604	\$4,418,429	\$3,873,914	\$3,982,105	\$3,632,238	\$3,953,615
Total Liabilities	\$1,084,435	\$1,004,550	\$1,052,971	\$1,080,398	\$1,178,267	\$1,229,094	\$1,173,026	\$1,400,792
Share Capital	\$6,741,214	\$6,703,214	\$6,071,688	\$6,046,688	\$5,290,906	\$5,241,406	\$4,770,999	\$4,725,919
Share-based payments reserve	\$350,349	\$350,349	\$350,349	\$350,349	\$350,349	\$350,349	\$350,349	\$345,309
Accumulated Deficit	-\$4,252,218	-\$4,081,384	-\$3,159,404	-\$3,059,006	-\$2,945,608	-\$2,838,744	-\$2,662,136	-\$2,518,405
Shareholder's Equity	\$2,839,345	\$2,972,179	\$3,262,633	\$3,338,031	\$2,695,647	\$2,753,011	\$2,459,212	\$2,552,823
Debt / Equity Ratio : 1.00	0.38	0.34	0.32	0.32	0.44	0.45	0.48	0.55

**Note (1) – “2011 Fourth”** – Although the comparative audited financial statements for the years ended November 30<sup>th</sup>, 2011 and 2010 were prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP), some items in this column were restated and reconciled to reflect changes as a result of the transition to International Financial Reporting Standards (IFRS).

## LIQUIDITY and CAPITAL RESOURCES

As a result of the various financing activities and the exercise of options and warrants that occurred during the fiscal years of 2006 through to 2012 year-to-date, the Corporation closed out six of its last eight quarters with positive working capital positions (current assets less current liabilities). The two exceptions being the first quarters of each of the 2012 and 2011 fiscal years when working capital was respectively (negative \$78,336) and (negative \$29,826). As at February 29<sup>th</sup>, 2012, the Corporation once again fell into a negative working capital position of (negative \$78,336) mostly due to the fact that the last non-brokered private placement with gross proceeds of \$727,750 closed a relatively long time ago on April 15<sup>th</sup>, 2011.

At the closing of the first quarter of fiscal 2012, the Corporation had current assets consisting of \$16,050 in Cash and Restricted Cash, Accounts Receivable of \$16,274 (consisting mostly of the refund of GST and HST Input Tax Credits on expenses incurred during the first quarter of fiscal 2012), Marketable Securities of \$10,000 (representing the unrealized value of the 100,000 common shares of Alita Resources Ltd. received on February 7<sup>th</sup>, 2012 as an initial share distribution on the Rowan Lake Option Agreement of October 14<sup>th</sup>, 2011) and minor Prepaid Expenses of \$775. The 100,000 Alita Resources Limited (TSX.V: AL) common shares were subsequently sold on March 20<sup>th</sup>, 2012 for net proceeds of \$7,777. Current liabilities consisted of various normal-course-of-business Trade Payables of \$111,935 and Other Payables of \$9,500 (accrued liabilities). Of the \$111,935 of Accounts Payable owing as at February 29<sup>th</sup>, 2012, \$50,637 was due on management consulting fees, \$43,257 to the suppliers of professional services and \$18,041 to other suppliers of goods and services.

To remedy the current working capital shortfall and provide the monies required to meet a substantial portion of the \$270,000 in direct budgeted exploration expenditures (net of GST & HST), \$222,730 in budgeted general operating expenditures (net of GST & HST) and \$78,000 in budgeted option payment obligations in the remainder of the fiscal year (May to November 2012 inclusive), the Corporation announced in a news release on March 22<sup>nd</sup>, 2012 a \$500,000 non-flow-through non-brokered private placement for 10,000,000 units to close on or about June 8<sup>th</sup>, 2012. The closing of this offering is subject to the approval of the TSX Venture Exchange Inc. The Corporation will also likely require another non-brokered private placement sometime later in fiscal 2012.

The Corporation currently has no other financial commitments or obligations except to fund those costs related to the care and maintenance of its mineral property titles. There are no contingent liabilities of which the Corporation is aware of at this time. The Corporation has no long-term debt. As a result of its flow-through financings over the years, the Corporation has incurred a potential future income tax liability of \$963,000 which is duly noted on the Balance Sheet and in the Notes to Condensed Interim Financial Statements for the first quarter ended February 29<sup>th</sup>, 2012 (November 30<sup>th</sup> – 2011: \$963,000; 2010: \$1,046,000; 2009: \$752,000 and 2008: \$811,000).

For details on the number of currently issued and outstanding Options and Warrants, their respective Exercise Prices and Expiry Dates as at February 29<sup>th</sup>, 2012, see *Note 11. Share Purchase Warrants* and *Note 12. Share-based Payments* in the Notes to the condensed interim financial report for the first quarter ended February 29<sup>th</sup>, 2012.

The Corporation had reconciled cash (non-flow-through) and restricted cash (flow-through) resources on hand of approximately \$2,415 as at the date of this 2011 Annual Information Form of May 22<sup>nd</sup>, 2012.

Management is always reviewing its expenditures and exploration activities vis-à-vis its remaining cash resources and is always actively engaged in sourcing capital from new sources and from existing sources known to it. As the Corporation becomes more active in the remainder of fiscal 2012 and beyond, expenditures are expected to continue to increase as a result of: (i) the ongoing exploration and development expenditures on its portfolio of properties and (ii) as new exploration activities or opportunities are identified. As the Corporation has not begun production on any of its properties, it does not have any cash flow from operations. The Corporation's main source of cash is the money received from the issuance of securities (new issues, exercise of outstanding warrants and options) with some funds being received from interest on deposits. The Corporation will likely once again require additional equity financing in the latter part of fiscal 2012, notably as flow-through funds, and in the coming years in order to fund its exploration and development activities on its mineral properties. If the Corporation is not successful in raising sufficient capital, it will have to curtail or otherwise limit its operations and exploration activities.



**CASH FLOW BUDGET for FISCAL 2012** (Budget estimates only going forward from May 2012. All subject to change and is dependent on being successful in raising sufficient capital to meet these budgeted outgoing cash expenditures.)

<b>Budget Estimates for Cash by Month for Fiscal 2012</b>	<b>General Operating (2)</b>	<b>Property Option Payments (3)</b>	<b>Exploration Expenditures</b>
<b>December (1)</b>	\$52,030	\$ -	\$17,000
<b>January (1)</b>	10,565	-	10,200
<b>February (1)</b>	8,935	-	12,425
<b>March (1)</b>	15,615	-	34,000
<b>April (1)</b>	52,260	-	17,600
<b>May</b>	79,730	22,000	48,000
<b>June</b>	20,000	-	41,000
<b>July</b>	23,000	-	41,000
<b>August</b>	20,000	-	41,000
<b>September</b>	20,000	-	41,000
<b>October</b>	20,000	40,000	41,000
<b>November</b>	40,000	16,000	17,000
<b>TOTAL</b>	<b>\$362,135</b>	<b>\$78,000</b>	<b>\$361,225</b>

Notes: (1) Actual cash expenses (net of GST & HST) as were incurred in those months. (2) General Operating Expenses (net of GST & HST) in future months are estimates only that are based on currently known repetitive and historical expenditures. (3) Property Option Payments are in accordance with the cash payment amounts and timelines as found within the various agreements and amendments currently in place. (4) As at the date of this 2011 Annual Information Form of May 22<sup>nd</sup>, 2012, the Corporation had \$2,415 in reconciled cash (non-flow-through funds) and restricted cash (flow-through funds) on deposit. This amount is substantially less than what is required between May to November 2012 to meet the \$270,000 in direct budgeted exploration expenditures (net of GST & HST), \$222,730 in budgeted general operating expenditures (net of GST & HST) and \$78,000 in budgeted option payment obligations. To remedy the current working capital shortfall and provide the monies required to meet a substantial portion of the budgeted expenditures in the remainder of fiscal 2012, the Corporation announced in a news release on March 22<sup>nd</sup>, 2012 a \$500,000 non-flow-through non-brokered private placement for 10,000,000 units to close on or about June 8<sup>th</sup>, 2012. The closing of this offering is subject to the approval of the TSX Venture Exchange Inc. The Corporation will also likely require another non-brokered private placement sometime later in fiscal 2012.

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## INTERNATIONAL FINANCIAL REPORTING STANDARDS CONVERSION PLAN

In 2010, the Corporation started an IFRS conversion plan to address the impact of the changes in accounting policies, restatement of comparative periods, internal controls, and any required changes to business processes. It is noted that the company continued to use Canadian generally accepted accounting principles (Canadian GAAP) up to the end of its most recent fiscal year that ended on November 30<sup>th</sup>, 2011 (the 2011 fiscal year commenced on December 1<sup>st</sup>, 2010). The changeover to IFRS for financial statements for fiscal years commencing on or after January 1<sup>st</sup>, 2011 represents a change due to new account standards and has affected the Corporation's reported financial position and results of operations. The Corporation effectively implemented its IFRS conversion plan in time for the preparation of the interim management-prepared financial report starting with the first quarter of fiscal 2012 (February 29<sup>th</sup>, 2012). Below is a table outlining some of the key milestones, timing, actions and current status of the conversion –

ACTIVITY	TIMING	STATUS
Identify differences in Canadian GAAP and IFRS and the effect on current accounting policies	Assessment was completed in 2010.	Done.
Identify IFRS exemptions	Assessment was completed in 2010.	Done.
Financial Statements in accordance with IFRS	Q1 2012 management-prepared interim financial report of February 29 <sup>th</sup> , 2012 was completed in accordance with IFRS.	Done.
Calculate the effects of IFRS on the Financial Statements	Q1 2012 management-prepared interim financial report of February 29 <sup>th</sup> , 2012 was completed in accordance with IFRS.	Done.
Assess the need for IFRS training	Assessment was completed during the third and fourth quarters of fiscal 2011.	Ongoing IFRS training is available to assist the current CFO, Ray Préfontaine B.A., B.Comm. (Hons.). He has not undergone such formal training but has completed readings on the subject. If required, additional assistance and support is available through consultations with the company's external auditors, Magnus Chartered Accountants LLP.
Assess the effect on planning process	Assessment was completed in Q4 2010.	Done.
Determine if business processes are IFRS compliant	Assessment was completed in Q4 2010.	Done.
Determine if current software is IFRS compliant	Assessment was completed in Q4 2010.	Existing accounting software is useable for IFRS statements.
Determine if current chart of accounts is IFRS compliant	Assessment was completed in Q4 2010.	The assessment completed in Q4 2010 indicated that there are no changes needed to the current chart of accounts, other than a few minor changes that were implemented in Q1 2012.
Determine if current controls are IFRS compliant	Assessment was completed in Q4 2010.	Done – current controls are IFRS compliant.

## STATEMENT of COMPLIANCE with the IFRS

The condensed interim management-prepared financial report for the first quarter ended February 29<sup>th</sup>, 2012 is unaudited and has been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* using accounting policies consistent with International Financial Reporting Standards ("IFRS") and with interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

This is the company's first financial report prepared in accordance with IFRS and IFRS 1 *First-time Adoption of International Reporting Standards* has been applied. Previously, the company prepared its annual and interim financial statements in accordance with Canadian generally accepted accounting principles ("GAAP").

The condensed interim management-prepared financial report for the first quarter ended February 29<sup>th</sup>, 2012 should be read in conjunction with the company's 2011 annual financial statements and the explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the company is provided in Note 18 of the *Notes to Condensed Interim Financial Statements*.

The condensed interim management-prepared financial report for the first quarter ended February 29<sup>th</sup>, 2012 was reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on April 19<sup>th</sup>, 2012. Any subsequent changes to IFRS that are given effect in the company's annual financial statements for the year ended November 30<sup>th</sup>, 2012 could result in restatement of these unaudited condensed interim financial reports, including the transition adjustments recognized on changeover to IFRS.

## SUMMARY of SIGNIFICANT ACCOUNTING ESTIMATES and POLICIES

The condensed management-prepared interim financial report for the quarter ended February 29<sup>th</sup>, 2012 and the comparative audited financial statements for the years ended November 30<sup>th</sup>, 2011 and 2010 should be read in conjunction with the audited financial statements for the four years ended November 30<sup>th</sup>, 2010, 2009, 2008, and 2007.

### (a) Basis of measurement

The condensed management-prepared interim financial report for the quarter ended February 29<sup>th</sup>, 2012 has been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value.

The accounting policies set out in this section have been applied consistently in the financial statements and in preparing the opening IFRS statement of financial position at December 1<sup>st</sup>, 2010 for the purpose of the transition to IFRSs, unless otherwise indicated.

### (b) Going concern of operations

The going concern assumption implies that the company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. There is doubt about the appropriateness of the use of the going concern assumption because the company has experienced significant losses, has experienced negative cash flow from operations over a number of years, has a working capital deficiency and has current exploration expenditure commitments in excess of its liquid assets on hand.

The ability of the company to continue as a going concern and to be able to realize on its assets and discharge its liabilities is dependent upon the company's ability to obtain sufficient funding for its operations and its current exploration expenditure commitments and is ultimately dependant on the recoverability of the amounts capitalized to exploration and evaluation assets. The company has not yet determined whether its mineral properties contain reserves that are economically recoverable, and accordingly, the success of any further exploration or development prospects cannot be assured. If the company's exploration and development programs are successful, additional funds may be required, and the company may not have sufficient funds to conduct the mineral exploration required. The primary source of future funds available to the company is through the sale of additional equity capital, which may dilute the interests of existing shareholders.

There is no assurance that the company will be successful in raising sufficient funds to meet its obligations. In the event where it cannot meet its obligations, it may lose its properties and incur other liabilities relating to flow-through share issuance commitments, if any.

The condensed interim management-prepared financial report for the first quarter ended February 29<sup>th</sup>, 2012 does not reflect adjustments that would be necessary if the going concern assumption was not appropriate. If the going concern assumption was not appropriate for these financial statements, then adjustments would be necessary in the carrying value of assets and liabilities and the reported amounts of revenues and expenses.

(c) **Machinery and equipment**

*Recognition and measurement*

Machinery and equipment are recorded at historical cost less accumulated depreciation and impairment losses. Residual values, depreciation methods and useful economic lives are reviewed and adjusted as necessary at the end of the reporting period.

Cost includes expenditures that are directly attributable to the acquisition of the asset. When components of machinery and equipment have different useful lives, they are accounted for as a separate item of machinery and equipment.

*Subsequent costs*

The cost of replacing a component of an item of machinery and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefit embodied within the component will flow to the company, and its costs can be reliably measured. The carrying amount of the replaced component is derecognized. The costs of servicing machinery and equipment are recognized in profit or loss as incurred.

*Depreciation*

Depreciation is based on the cost of an asset less its residual value. Depreciation methods and rates are applied consistently within each asset except where significant individual assets have been identified which have different depreciation patterns. Depreciation is recognized in profit or loss. The following rate and method is used:

	<u>Rate</u>	<u>Method</u>
Computer equipment	30%	Declining balance

In the year of acquisition, depreciation is provided at one half (1/2) the declining balance rate. Depreciation methods and useful lives are reviewed at each reporting date and adjusted as required.

An item of machinery and equipment is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the statements of profit or loss.

(d) **Exploration and evaluation expenditures**

Costs incurred prior to obtaining the legal right to undertake exploration and evaluation activities on a project are expensed as incurred.

Exploration and evaluation expenditures are defined as costs incurred after having obtained the legal right to explore the mineral property and before the technical and commercial viability of extracting resources are demonstrated. These expenditures are capitalized when it is probable that future economic benefits will flow to the company and when the amounts can be reliably measured. For properties which do not yet have proven reserves, the amounts shown represent costs to date and are not intended to represent present or future values.

The recoverability of the costs is dependent upon the discovery of economically recoverable reserves, confirmation of the company's interests in the underlying mineral claims, the ability to obtain necessary financing to complete development and the development of future profitable production from the properties or realization of sufficient proceeds from the disposition of the properties. Subsequent to initial recognition, rights and licenses are assessed for impairment when facts and circumstances suggest that the carrying amount may exceed the recoverable amount. When a project is deemed to no longer have commercially viable prospects to the company, exploration and evaluation assets expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation assets expenditures, in excess of estimated recovery, are written off to the statement of comprehensive loss or income.

As part of certain joint venture agreements, in the event the company is not reimbursed by the other venturers, the company will, within certain thresholds, obtain an increased interest in the property. When the company has recourse by way of an increased interest in a joint operation, recoveries that management is unsure will be collected are categorized with mineral exploration properties. In the event that such amounts are subsequently collected, the company will record the cash receipt as a reduction in the amount categorized with the related property. If the property had been written-down due to impairment, the amount in excess of the carrying amount is recorded as a gain in the period the funds are recovered. In addition, the company may elect to incur recoverable expenditures on properties subject to a joint venture agreement where there is no recourse and management has determined that recovery is uncertain at the time the expenditure is made. Such amounts are capitalized as mineral exploration properties. If the company incurs recoverable expenditures for joint ventures without recourse and expects recovery, the amounts are recorded as accounts receivable. If management determines that recoverability is uncertain subsequent to incurring the expenditure, the unrecoverable receivable is expensed.

(e) **Borrowing costs**

The company capitalizes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset when it is probable that they will result in future economic benefits and when they can be reliably measured. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are expensed as incurred.

(f) **Provisions**

*General*

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. The expense relating to any provision is presented in profit or loss net of any reimbursement.

*Environmental rehabilitation provision*

The company recognizes the fair value of a liability for environmental rehabilitation in the period in which the company is legally or constructively required to remediate, if a reasonable estimate of fair value can be made, based on an estimated future cash settlement of the environmental rehabilitation obligation, discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. The environmental rehabilitation obligation is capitalized as part of the carrying amount of the associated long-lived asset and a liability is recorded. The environmental rehabilitation cost is amortized on the same basis as the related asset. The liability is adjusted for the accretion of the discounted obligation and any changes in the amount or timing of the underlying future cash flows. Significant judgments and estimates are involved in forming expectation of the amounts and timing of environmental rehabilitation cash flows. The company has assessed each of its exploration and evaluation assets and determined that no material environmental rehabilitations exist as the disturbance to date is minimal.

(g) **Flow-through shares**

Under Canadian income tax legislation, a company is permitted to issue shares whereby the company agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. To account for flow-through shares, the company allocates total proceeds from the issuance of flow-through shares between the offering of shares and the sale of tax benefits.

The total amount allocated to the offering of shares is based on the quoted price of the underlying shares. The remaining amount, which is allocated to the sale of tax benefits, is recorded as a liability and is reversed proportionately and recognized as after-tax income when the tax benefits are renounced. In situations where there is an absence of compelling evidence supporting a comparable value of the underlying shares, the company allocates management's estimate of the prevailing flow-through premium in market conditions at the time of issuance to the sale of tax benefits. The tax effect of the renunciation is recorded at the time the company makes the renunciation, which may differ from the effective date of renunciation and on renunciation the value of the tax assets renounced is recorded as a deferred tax expense.

(h) **Jointly controlled operations**

A portion of the company's exploration activities is conducted jointly with others whereby the company enters into agreements that provide for specified percentage interest in mineral exploration properties. The company accounts for its investment in joint ventures using the proportionate consolidation method.

(i) **Loss per share**

Diluted loss per share is calculated using the treasury stock method which assumes all common share equivalents, such as options and warrants had been exercised at the beginning of the reporting period of issue and that the funds obtained thereby were used to purchase common shares of the company at the estimated average trading price of the common shares during the year.

(j) **Revenue recognition**

Revenue from sales of precious metals will be recognized when title passes to the buyer, which will generally coincide with the delivery and acceptance of goods, and the collectability is reasonably assured.

Interest income is recognized as accrued.

(k) **Income taxes**

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

(i) Current income tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable or receivable in respect of previous years.

(ii) Deferred income tax

Deferred tax is recognized in respect of temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax is measured at the enacted or substantially enacted tax rates expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period that includes the date of enactment or substantive enactment.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(l) **Share-based payments**

The company has implemented a stock option plan to allow the company to grant options to directors, officers, employees and service providers. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors and officers of the company. The maximum number of common shares which may be issued pursuant to those granted under the stock option plan are limited to 10% of the issued and outstanding common shares. In addition, the number of common shares which may be reserved for issuance to any one individual may not exceed 5% of the issued common shares on a yearly basis.

The company uses the fair value-based approach to account for share-based payments under their stock option plan. Compensation expense is recognized for these stock options over their vesting period based on their estimated fair values on the date of grant as determined by using the Black-Scholes option-pricing model.

The fair values of the options issued, if any, are credited to share-based payments reserve in the period they vest. Upon exercise of the share purchase options, consideration paid together with the amount previously recognized in share-based payments reserve is recorded as an increase in share capital. Charges to share purchase options that are forfeited before vesting are reversed from share-based payments reserve. For those share purchase options that expire or are forfeited after vesting, the amount previously recorded in share-based payments reserve is transferred to deficit. Share-based payments granted to non-employees are measured at the fair value of the goods or services received. In the event the company cannot reasonably estimate the fair value of goods or services received, the transaction is recorded at the estimated value of the share-based payment.

(m) **Financial instruments**

(i) Non-derivative financial assets

All financial assets are recognized on the trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value. Financial assets are classified into the following categories: financial assets at fair value through profit or loss ("FVTPL"), held-to-maturity, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

*Financial assets at fair value through profit or loss*

A financial asset is classified at fair value through profit or loss if it is classified as held-for-trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the company's risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss.

*Held-to-maturity*

A financial asset is classified as held-to-maturity if the asset has fixed or determinable payments and fixed maturities that the company's management has the intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. Any changes to the carrying amount of the asset, including impairment losses, are recognized in other comprehensive income or loss.

*Available-for-sale*

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified as loans and receivables, held-to-maturity or financial assets at fair value through profit or loss. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognized in other comprehensive income or loss and presented within equity in the fair value reserve. Equity instruments that do not have an active market are recorded at cost. When an investment is derecognized, the cumulative gain or loss in other comprehensive income or loss is transferred to profit or loss.

*Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. The effect of discounting on these financial instruments is not considered to be material.

*De-recognition of financial assets*

A financial asset is de-recognized when the contractual right to the asset's cash flows expires or if the company transfers the financial asset and substantially all risks and rewards of ownership to another entity.

(ii) Non-derivative financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

*Other financial liabilities*

Other financial liabilities including borrowings are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest recognized on an effective yield basis.

*De-recognition of financial liabilities*

The company de-recognizes financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

(iii) The company's financial instruments consist of the following:

Financial instrument	Classification	Measurement
Cash and cash equivalents	FVTPL	Fair value
Other receivables	Loans and receivables	Amortized cost
Marketable securities	FVTPL	Fair value
Trade payables	Other financial liabilities	Amortized cost
Other payables	Other financial liabilities	Amortized cost

(n) **Impairment of long-lived assets**

(i) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flow.



*Financial assets measured at amortized cost*

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

*Financial assets carried at cost*

An impairment loss of a financial asset carried at cost, where its fair value cannot be reliably measured, is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the current market rate of similar financial assets. Such impairment losses are not reversed.

*Available-for-sale securities*

An impairment loss of an available-for-sale investment security is recognized by transferring the cumulative loss that has been recognized in other comprehensive income or loss, and presented in the fair value reserve in equity, to profit or loss. The cumulative loss that is removed from other comprehensive income or loss and recognized in profit or loss is the difference between acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss previously recognized in profit or loss.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases, the impairment loss is reversed, with the amount of the reversal recognized in profit or loss. If, however, the fair value of an impaired available-for-sale equity security increases, the amount of reversal is recognized in other comprehensive income or loss.

(ii) **Non-financial assets**

At each reporting date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have been impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash generating unit to which the assets belong. Exploration and evaluation assets, however, are reviewed for impairment only when facts and circumstances suggest that the carrying amount may exceed the recoverable amount.

The recoverable amount of an asset or cash-generating unit is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive income or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years.

(o) **Use of estimates and judgments**

The preparation of financial statement requires management to make accounting estimates and assumptions requiring judgment in applying the company's accounting policies. These estimates and assumptions may affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the valuation of exploration and evaluation assets, determination of valuation allowances for deferred income tax liabilities and assumptions used in determining the fair value of non-cash share-based payments. Actual amounts may differ from such estimates.

## **CHANGES in ACCOUNTING POLICIES including INITIAL ADOPTION during the first quarter ended February 29<sup>th</sup>, 2012**

The financial statements up to and including November 30<sup>th</sup>, 2011 were prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The condensed interim management-prepared financial report for the first quarter ended February 29<sup>th</sup>, 2012 was prepared in accordance with the newly adopted International Financial Reporting Standards ("IFRS") for publicly accountable profit-oriented enterprises. The changeover to IFRS for financial statements for fiscal years commencing on or after January 1<sup>st</sup>, 2011 represents an important change due to the implementation of these new accounting standards. In 2010, the Corporation started an IFRS conversion plan to address the impact of the changes in accounting policies, restatement of comparative periods, internal controls, and any required changes to business processes.

## **FUTURE CHANGES in ACCOUNTING POLICIES**

Standards issued but not yet effective up to the date of issuance of the company's financial statements are listed below. This listing is of the standards and interpretations issued, which the company reasonably expects to be applicable at a future date. The company intends to adopt those standards when they become effective. The company does not expect the impact of such changes on the financial statements to be material.

### **IFRS 9 Financial Instruments: Classification and measurement**

IFRS 9, as issued, reflects the first phase of the International Accounting Standards Board's ("IASB's") work on the replacement of IAS 39 and applies to classification and measurement of financial assets as defined in IAS 39. The standard is effective for annual periods beginning on or after January 1<sup>st</sup>, 2013. In subsequent phases, the IASB will address classification and measurement of financial liabilities, hedge accounting and de-recognition. The adoption of the first phase of IFRS 9 may have an effect on the classification and measurement of the company's financial assets.

### **IFRS 10 Consolidated Financial Statements**

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 replaces SIC-12 Consolidation - *Special Purpose Entities* and parts of IAS 27 *Consolidated and Separate Financial Statements*. The standard is effective for annual periods beginning on or after January 1<sup>st</sup>, 2013.

### **IFRS 11 Joint Arrangements**

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. IFRS 11 supersedes IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly Controlled Entities - Non-Monetary Contributions by Venturers*. The standard is effective for annual periods beginning on or after January 1<sup>st</sup>, 2013.

### **IFRS 12 Disclosure of Interests in Other Entities**

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities. The standard is effective for annual periods beginning on or after January 1<sup>st</sup>, 2013.

**IFRS 13 Fair Value Measurement**

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. The standard is effective for annual periods beginning on or after January 1<sup>st</sup>, 2013.

**IAS 1 Presentation of Financial Statements (Amended)**

The amendments retain the option to present profit or loss and other comprehensive income or loss either in one continuous statement or in two separate but consecutive statements. Items of other comprehensive income or loss are required to be grouped into those that will and will not be subsequently classified to profit or loss. Tax on items of other comprehensive income is required to be allocated on the same basis. The measurement and recognition of items of profit or loss and other comprehensive income or loss are not affected by the amendments. The amendment is effective for annual periods beginning on or after July 1<sup>st</sup>, 2012.

**IAS 19 Employee Benefits (Amended)**

The amendments require the recognition of changes in the defined benefit obligation and in plan assets when those changes occur, eliminating the corridor approach and accelerating the recognition of past service costs. The amendment is effective for annual periods beginning on or after January 1<sup>st</sup>, 2013.

**IAS 27 Separate Financial Statements (Amended)**

IAS 27 was re-issued by the IASB on May 12<sup>th</sup>, 2011 in order to conform to changes as a result of the issuance of IFRS 10, IFRS 11, and IFRS 12. IAS 27 will now only prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements as the consolidation guidance will now be included in IFRS 10. The amendment is effective for annual periods beginning on or after January 1<sup>st</sup>, 2013.

**IAS 28 Investment in Associates and Joint Ventures (Amended)**

IAS 28 was re-issued by the IASB on May 12<sup>th</sup>, 2011 in order to conform to changes as a result of the issuance of IFRS 10, IFRS 11, and IFRS 12. IAS 28 continues to prescribe the accounting for investments in associates, but is now the only source of guidance describing the application of the equity method. The amended IAS 28 will be applied by all entities that are investors with joint control of, or significant influence over, an investee. The amendment is effective for annual periods beginning on or after January 1<sup>st</sup>, 2013.

**OFF-BALANCE SHEET ARRANGEMENTS**

The Corporation does not have any off-balance sheet arrangements other than what is disclosed in the Notes to Condensed Interim Financial Statements for the quarter ended February 29<sup>th</sup>, 2012 and in the Notes to Financial Statements in the comparative audited year-end financial statements of November 30<sup>th</sup>, 2011 and 2010.

**DIVIDEND POLICY**

To date, the Corporation has not paid any dividends on its outstanding Common Shares. The future payment of dividends will be dependent upon the financial requirements of the Corporation to fund future growth, the financial condition of the Corporation and other factors which the Board of Directors of the Corporation may consider appropriate in the circumstances.

## **AUDIT COMMITTEE and its CHARTER**

By Written Resolution of the Board of Directors dated June 11<sup>th</sup>, 2007, the Directors of the Corporation adopted a comprehensive Audit Committee Charter. The overall purpose and objectives of and key excerpts from the Charter are as follows:

“The Audit Committee will assist the Board of Directors in fulfilling its responsibilities. The Audit Committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and Mainstream Minerals Corporation’s process for monitoring compliance with laws and regulations and its own code of business conduct. In performing its duties, the Committee will maintain effective working relationships with the Board of Directors, Management, and the External Auditors and monitor the independence of those auditors. To perform his or her role effectively, each committee member will obtain an understanding of the responsibilities of committee membership as well as the Corporation’s business, operations and risks.

The Board authorizes the Audit Committee, within the scope of its responsibilities, to seek information it requires from any employee and external parties, to obtain outside legal and professional advice and to ensure attendance of the Corporation’s officers at meetings as appropriate.

The Audit Committee will be comprised of at least three members, a majority of which are not officers or employees of the Corporation.

Meetings shall not be held less than two times per year. Special meetings shall be convened as required. The External Auditors may convene a meeting if they consider that to be necessary.

The proceedings of all meetings will be recorded as minutes.”

## **FINANCIAL INSTRUMENTS**

As at February 29<sup>th</sup>, 2012, the Corporation’s financial instruments consisted of cash and cash equivalents, other receivables, marketable securities, trade payables and other payables.

### **(a) Risk management and hedging activities**

In the normal course of operations the company is exposed to various financial risks. Management’s close involvement in the operations allows for the identification of risks and variances from expectations. The company does not meaningfully participate in the use of financial instruments to control these risks. The company has no designated hedging transactions. The financial risks and management’s risk management objectives and policies are as follows:

#### **(i) Currency risk**

The company does not hold any assets or liabilities denominated in a foreign currency.

#### **(ii) Price risk**

The company is exposed to price risk with respect to commodity prices. As the company is not a producing entity, this risk does not currently affect earnings, however, the risk could affect the completion of future equity transactions. The company monitors commodity prices of precious metals and the stock market to determine the timing, nature and extent of equity transactions.

(iii) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the entity. The company is exposed to credit risk on cash, trade receivables and other receivables. Cash is held with a reputable Canadian bank and the company's other receivables are from Canadian government entities, from which management believes the risk of loss to be remote. The company does not have any derivatives or similar instruments that mitigate the maximum exposure to credit risk.

The carrying amount of financial assets recorded in the audited financial statements of February 29<sup>th</sup>, 2012 in the amount of \$32,324 represents the maximum exposure to credit risk at the reporting date (November 30<sup>th</sup>, 2011: \$119,030; November 30<sup>th</sup>, 2010: \$479,355).

(iv) Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. Management monitors the company's liquidity by assessing forecast and actual cash flows and by maintaining adequate cash on hand. It is management's opinion that it is unlikely that the company will encounter difficulty in raising funds to meet commitments associated with financial instruments. As at February 29<sup>th</sup>, 2012, the company has working capital in the amount of negative \$(78,336) (November 30<sup>th</sup>, 2011: positive \$77,480; November 30<sup>th</sup>, 2010: positive \$296,261).

The contractual maturities of financial liabilities, at February 29<sup>th</sup>, 2012, based on the earliest date on which payment can be required, were as follows:

	Total amount	Six month or less	More than six months
Trade payables	\$ 121,935	\$ 121,935	\$ -
Accrued liabilities	9,500	9,500	-
	\$ 131,435	\$ 131,435	\$ -

(v) Interest rate risk

The company is not exposed to any meaningful interest rate risk due to the short term nature of its interest generating asset.

(b) Sensitivity analysis

As at February 29<sup>th</sup>, 2012, the company had cash and cash equivalents subject to interest rate risk of approximately \$16,050 (November 30<sup>th</sup>, 2011: \$106,710; November 30<sup>th</sup>, 2010: \$254,435). A 1% change in the primary interest rate would affect the reported net income, on an annualized basis, by \$161 (November 30<sup>th</sup>, 2011: \$1,067; November 30<sup>th</sup>, 2010: \$2,544).

(c) Fair values, carrying amounts and changes in fair value

The fair values of the company's financial instruments approximate their carrying value due to their short-term nature. Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of judgment. The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the balance sheet, have been prioritized into three levels as per the fair value hierarchy in Canadian generally accepted accounting principles.

Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level two includes inputs that are observable other than quoted prices included in level one.

Level three includes inputs that are not based on observable market data.

## Mainstream Minerals Corporation

The company's financial instruments within the fair value hierarchy as at February 29<sup>th</sup>, 2012 is as follows:

	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 16,050	\$ -	\$ -
Marketable securities	10,000	-	-
	\$ 26,050	\$ -	\$ -

The company's financial instruments within the fair value hierarchy as at November 30<sup>th</sup>, 2011 is as follows:

	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 106,710	\$ -	\$ -
Marketable securities	-	-	-
	\$ 106,710	\$ -	\$ -

The company's financial instruments within the fair value hierarchy as at December 1<sup>st</sup>, 2010 is as follows:

	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 254,435	\$ -	\$ -
Marketable securities	-	-	-
	\$ 254,435	\$ -	\$ -

### (d) Collateral

The carrying value of financial assets the company has pledged as collateral as at November 30<sup>th</sup>, 2011 was \$Nil (November 30<sup>th</sup>, 2010: \$Nil). As at February 29<sup>th</sup>, 2012, it was \$Nil (February 28<sup>th</sup>, 2011: \$Nil).

## INCOME TAXES

### (a) Canadian development and exploration expenditures:

As at November 30<sup>th</sup>, 2011, the company had \$742,262 (2010: \$124,161 and 2009: \$239,397) of unused Canadian exploration and development expenses available to offset future taxable income of the company. The tax benefit of these expenses carry forward indefinitely.

### (b) Losses:

The company has non-capital tax losses available for carry forward to reduce future years' taxable income totalling \$3,361,000 which expire as follows:

2026	\$ 15,000
2027	655,000
2028	716,000
2029	752,000
2030	665,000
2031	558,000

Total loss carry forwards \$ 3,361,000

The company has not recorded in its accounts the potential income tax benefit that may be derived from the tax losses due to the uncertainty that the benefits will be realized.

## Mainstream Minerals Corporation

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### (c) Income tax recovery:

Income tax recovery differs from the amount that would be computed by applying the federal and provincial statutory income tax rates of 28% (2010: 31% and 2009: 32%). The reasons for the differences are as follows:

	<u>2011</u>	<u>2010</u>
Income tax recovery computed at statutory rates	\$ 125,000	\$ 163,000
Permanent differences	(1,000)	(2,000)
Adjustment to future tax assets and liabilities due to change in combined federal and provincial tax rates	13,000	1,000
	<u>137,000</u>	<u>162,000</u>
Valuation allowance	(54,000)	(195,000)
	<u>\$ 83,000</u>	<u>\$ (33,000)</u>

The components of the company's net future income tax asset at November 30<sup>th</sup>, 2011 and 2010 are as follows:

	<u>2011</u>	<u>2010</u>
Future income tax assets (liabilities)		
Property and equipment	\$ 1,000	\$ 1,000
Operating loss carry-forwards	958,000	869,000
Share issue costs	43,000	64,000
Mineral exploration properties	(963,000)	(1,047,000)
	<u>39,000</u>	<u>(113,000)</u>
Future income tax assets (liabilities)	(1,002,000)	(933,000)
Valuation allowance		
Net future income tax asset	<u>\$ (963,000)</u>	<u>\$ (1,046,000)</u>

In assessing the realizability of future tax assets, management considers whether it is more likely than not that some portion or all the future tax assets will not be realized. The ultimate realization of future tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of future tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

### (d) Flow-through shares:

Flow-through shares:

As at February 29<sup>th</sup>, 2012, \$Nil of eligible renounced Canadian Exploration Expenditures (CEE's) had not yet been expended by the company (November 30<sup>th</sup>, 2011 - \$Nil; November 30<sup>th</sup>, 2010 - \$179,043).

**(BLANK)**

**TRANSACTIONS with RELATED PARTIES for the year ended November 30<sup>th</sup>, 2011**

The Corporation paid directors, officers and persons related to directors and officers a total of \$211,200 for the year ended November 30<sup>th</sup>, 2011 (versus the years respectively ended on November 30<sup>th</sup> – 2010: \$215,600; 2009: \$532,240; 2008: \$804,382; 2007: \$570,036 and 2006: \$41,800). The costs relating to consulting services and accounting and administrative services have been accounted for at the exchange amount, being the amount of cash paid and are included in expenses. The costs for exploration services paid to directors, officers and persons related to directors and officers have been accounted for at the exchange amount, being the amount of cash paid, and are included in the cost of mineral properties.

Within the \$532,640 noted for fiscal 2009 is (i) a severance of \$45,000 was paid to Richard Rivet upon his resignation as President & CEO to allow Michael Romanik to assume that post and as per the provisions found within his independent contractor agreement of February 1<sup>st</sup>, 2009 and (ii) a severance of \$25,000 was paid to Janice Rivet upon her resignation as Office Manager in October 2009 and as per the provisions found within her independent contractor agreement of February 1<sup>st</sup>, 2009.

In addition, the company sold machinery and equipment in fiscal 2009 to directors and individuals related to directors of the company for gross proceeds of \$28,650 resulting in a loss on disposal of machinery and equipment in the amount of \$13,720. No such transactions occurred during fiscal 2010.

The company is no longer involved in any joint venture or any other similar agreement with King's Bay Gold Corporation. The last such joint-venture agreement was for the Bobjo Mine Project. On June 14<sup>th</sup>, 2010, the company entered into a Property Interests Exchange Agreement with King's Bay Gold Corporation whereby King's Bay Gold has sold its remaining interests of approximately 40% in the Bobjo Mine Project to the company. King's Bay Gold further agreed to cancel the advance receivable related to the project in the amount of \$141,572 from the company. In consideration for the Property Interests Exchange Agreement, the company agreed to assign to King's Bay Gold its 100% interest in the Raleigh Lake Property, grant 250,000 common shares to King's Bay Gold and transfer title and ownership on various pieces of equipment valued at approximately \$16,000.

	<b>Total for each individual listed herein for the Year Ended November 30th, 2011</b>	<b>Total for each individual listed herein for the Year Ended November 30th, 2010</b>	<b>Total for each individual listed herein for the Year Ended November 30th, 2009</b>
<b>Related Party Transactions - Consulting, administrative and exploration fees</b>			
Verenex Capital Corporation, a company owned by Michael Romanik, a director for consulting services relating to a position of office for the company	\$90,000	\$90,000	\$22,500
Raymond L. Préfontaine Advisory Services, a sole proprietorship owned by Ray Préfontaine, for consulting services relating to a position of office for the company	\$90,000	\$97,000	\$105,000



<b>Related Party Transactions - Consulting, administrative and exploration fees</b>	<b>Total for each individual listed herein for the Year Ended November 30th, 2011</b>	<b>Total for each individual listed herein for the Year Ended November 30th, 2010</b>	<b>Total for each individual listed herein for the Year Ended November 30th, 2009</b>
Kyle Picard, a director for consulting services relating to a position of office for the company	\$31,200	\$28,600	\$16,000
Dr. Andrew Nevin, a director	\$0	\$0	\$0
Neil Sullivan, a director for consulting services	\$0	\$0	\$0
James Darcel, a director	\$0	\$0	\$0
5276854 Manitoba Ltd., a company owned by Richard Rivet, a director for consulting services relating to a position of office for the company (resigned November 2nd, 2009)	n/a	n/a	\$135,000
Janice Rivet, an individual related to certain directors and officers for consulting services relating to accounting and administrative services for the company (resigned October 31st, 2009)	n/a	n/a	\$115,000
Great Canadian Adventures Inc., a company owned by Jean Rivet, a director for consulting services (resigned December 21st, 2009)	n/a	n/a	\$25,000
Richard Rivet, a director for consulting services (resigned November 2nd, 2009)	n/a	n/a	\$19,800
Ron Rivet, an individual related to certain directors and officers for services relating to exploration	n/a	n/a	\$45,000
MJR Contracting and Exploration, a sole proprietorship owned by Michael Rivet, an individual related to certain directors and officers for services relating to exploration	n/a	n/a	\$11,500
Andrew Rivet, an individual related to certain directors and officers for services relating to exploration	n/a	n/a	\$34,340

<b>Related Party Transactions - Consulting, administrative and exploration fees</b>	<b>Total for each individual listed herein for the Year Ended November 30th, 2010</b>	<b>Total for each individual listed herein for the Year Ended November 30th, 2009</b>	<b>Total for each individual listed herein for the Year Ended November 30th, 2008</b>
Danny Rivet, an individual related to certain directors and officers for services relating to exploration	n/a	n/a	\$0
5283753 Manitoba Inc., a company owned by David Rivet, an individual related to certain directors and officers for services relating to exploration	n/a	n/a	\$2,500
Diane St-Jean, an individual related to certain directors and officers for services relating to administration	n/a	n/a	\$0
Melissa Rivet, an individual related to certain directors and officers for services relating to administration	n/a	n/a	\$600
<b>Total</b>	<b>\$211,200</b>	<b>\$215,600</b>	<b>\$532,240</b>

On August 9<sup>th</sup>, 2006 the Company issued 3,100,000 Common Shares from Treasury for Director's Fees. Based on the estimated fair value of the services provided, the Common Shares were valued at \$51,770 (\$0.0167 per share). These Common Shares were issued to the Directors as follows:

Gerald Colborne – formerly a Director and President & CEO (deceased July 28<sup>th</sup>, 2007) – 600,000 shares  
Patrick Dan McCloskey – formerly a Director (resigned May 16<sup>th</sup>, 2007) – 300,000 shares  
Kyle Picard – Director – 300,000 shares  
Jean Rivet – formerly a Director (resigned December 21<sup>st</sup>, 2009) – 400,000 shares  
Neil Sullivan – Director & formerly the President & CEO – 400,000 shares  
Richard Rivet – formerly a Director and President & CEO (resigned November 2<sup>nd</sup>, 2009) – 700,000 shares  
Mike Wallace – formerly a Director & Corporate Secretary (resigned December 5<sup>th</sup>, 2007) – 400,000 shares

On August 31<sup>st</sup>, 2006, the Company issued 100,000 Shares to Ron Rivet, a founder of the Company and a related party to Richard Rivet, a former Director, for services with an estimated fair value of \$1,670 (\$0.0167 per share).

Since July 19<sup>th</sup>, 2006, the Corporation had entered into a number of joint venture agreements with King's Bay Gold Corporation all of which were subsequently abandoned or exchanged (exchanged joint venture: Bobjo Mine Project; abandoned joint ventures: Phyllis Lake, Woman Lake North of South Bay and Helena Lake properties).

It is noted that during fiscal 2007, the Corporation paid a \$30,000 severance to Michael A. Dehn, B.Sc. (formerly a Director, Chairman and Chief Operating Officer) as per the terms of his independent contractor agreement with the Corporation upon his departure and paid a further \$30,000 severance to Mike Wallace (formerly a Director and Corporate Secretary) upon his departure.

## NAMED EXECUTIVE OFFICERS (NEO) – Compensation Discussion & Analysis for the fiscal year ended November 30<sup>th</sup>, 2011

"NEO" or "Named Executive Officer" means each of the following individuals:

(a) a CEO;

(b) a CFO;

(c) each of the 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 fiscal year ending November 30<sup>th</sup>, 2011 whose total compensation was, individually, more than \$150,000; and

(d) each individual who would be an NEO under paragraph (c) 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 the fiscal year ending November 30<sup>th</sup>, 2011.

The following table sets out information concerning the compensation earned from the Corporation and any of the Corporation's subsidiaries during the financial year ended November 30<sup>th</sup>, 2011 by the Corporation's NEOs. In light of significant changes to the requirements, content and format for executive compensation disclosure made by the Canadian Securities Administrators, and in accordance with these requirements, reported compensation in the below Summary Compensation Table is for the financial years 2010 and 2011 only.

The Company has no long term incentive plans in place and therefore there were no awards made under any long term incentive plan to the Executive Officers during the Company's 2011 fiscal year.

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity inception plan compensation (\$)		Pension value (\$)	All other Compensation (\$)	Total Compensation (\$)
					Annual Incentive plans	Long-term incentive plans			
Michael Romanik, <sup>(1)</sup> President and Chief Executive Officer	2011	\$90,000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$90,000.00
Michael Romanik, <sup>(1)</sup> President and Chief Executive Officer	2010	\$90,000	\$0.00	\$840.00	\$0.00	\$0.00	\$0.00	\$0.00	\$90,840.00
Raymond Préfontaine <sup>(2)</sup> Chief Financial Officer	2011	\$90,000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$90,000.00
Raymond Préfontaine <sup>(2)</sup> Chief Financial Officer	2010	\$97,000	\$0.00	\$840.00	\$0.00	\$0.00	\$0.00	\$0.00	\$97,840.00
Kyle Picard <sup>(3)</sup> Corporate Secretary	2011	\$31,200	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$31,200.00
Kyle Picard <sup>(3)</sup> Corporate Secretary	2010	\$28,600	N/A	\$840.00	N/A	N/A	N/A	N/A	\$29,440.00

Note 1: The compensation paid to Mr. Romanik was received by Verenex Capital Corporation, a corporation wholly owned by Mr. Romanik. The compensation arrangement between Verenex Capital Corporation (Mr. Romanik) is governed by a 24 month independent contractor agreement from December 1<sup>st</sup>, 2010 to November 30<sup>th</sup>, 2012 whereby compensation is paid at a rate of \$7,500.00 plus GST per month.

Note 2: The compensation paid to Mr. Préfontaine was received by Raymond L. Préfontaine Advisory Services, a sole proprietorship owned by Mr. Préfontaine. The compensation arrangement between Raymond L. Préfontaine Advisory Services (Mr. Préfontaine) is governed by a 24 month independent contractor agreement from December 1<sup>st</sup>, 2010 to November 30<sup>th</sup>, 2012 whereby compensation is paid at a rate of \$7,500.00 plus GST per month.

Note 3: The compensation paid to Mr. Picard was received by Kyle Picard Advisory Services, a sole proprietorship owned by Mr. Picard. The compensation arrangement between Kyle Picard Advisory Services (Mr. Picard) is governed by a 24 month independent contractor agreement from December 1<sup>st</sup>, 2010 to November 30<sup>th</sup>, 2012 whereby compensation is paid at a rate of \$2,600.00 plus GST per month.

## Mainstream Minerals Corporation

The following table sets out, for each NEO, information concerning all option-based and share-based awards outstanding as of November 30<sup>th</sup>, 2011.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price(\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Michael Romanik, President and Chief Executive Officer	100,000	\$0.10	Sept 2, 2014	N/A	0	\$0.00
Michael Romanik, President and Chief Executive Officer	300,000	\$0.10	Jun 29, 2015	N/A	0	\$0.00
Raymond Préfontaine Chief Financial Officer	30,000	\$0.27	Feb 19, 2012	N/A	0	\$0.00
Raymond Préfontaine <sup>(c)</sup> Chief Financial Officer	200,000	\$0.36	Dec 3, 2012	N/A	0	\$0.00
Raymond Préfontaine <sup>(c)</sup> Chief Financial Officer	95,000	\$0.10	Feb 18, 2014	N/A	0	\$0.00
Raymond Préfontaine <sup>(c)</sup> Chief Financial Officer	300,000	\$0.10	Jun 29, 2015	N/A	0	\$0.00
Kyle Picard Corporate Secretary	30,000	\$0.27	Feb 19, 2012	N/A	0	\$0.00
Kyle Picard Corporate Secretary	130,000	\$0.36	Dec 3, 2012	N/A	0	\$0.00
Kyle Picard Corporate Secretary	50,000	\$0.10	Feb 18, 2014	N/A	0	\$0.00
Kyle Picard Corporate Secretary	300,000	\$0.10	Jun 29, 2015	N/A	0	\$0.00

The following table sets out, for each NEO, information concerning the value of incentive plan awards – option-based and share-based awards as well as non-equity incentive plan compensation – vested or earned during the financial year ended November 30<sup>th</sup>, 2011.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Michael Romanik, President and Chief Executive Officer	\$0.00	\$0.00	\$0.00
Raymond Préfontaine Chief Financial Officer	\$0.00	\$0.00	\$0.00
Kyle Picard Corporate Secretary	\$0.00	\$0.00	\$0.00

During the most recently completed financial year, the Company did not have a pension plan or similar plan for its NEOs or directors.

Name	Number of years credited service (#)	Annual benefits payable (\$)		Accrued obligation at start of year (\$)	Compensatory change (\$)	Non-compensatory change (\$)	Accrued obligation at year end (\$)
		At year end	At age 65				
Michael Romanik, President and Chief Executive Officer	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Kyle Picard Corporate Secretary	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Raymond Préfontaine Chief Financial Officer	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

## Mainstream Minerals Corporation

The Compensation Committee understands the long-term implications of each of the Contractor Agreements and the limitations that the Contractor Agreements may impose on changing the compensation mix. The Company has no plans or arrangements in respect of remuneration received or that may be received by the NEOs in the Company's most recently completed financial year-end in respect of compensating such officers in the event of termination of employment (as a result of resignation, retirement, change of control, etc.) or a change in responsibilities following a change of control, with the exception of Michael Romanik, the President and a Director of the Company; Raymond Préfontaine, the Chief Financial Officer of the Company and Kyle Picard, the Corporate Secretary and a Director of the Company. Each of these individuals have Contractor Agreements which entitle the individual to a severance equal to three months salary pursuant to their respective Contractor Agreements, in the event of a change of control.

The Corporation reviews director compensation arrangements to ensure that they are competitive in light of the time commitments required from directors and align directors' interests with those of shareholders.

The following table sets out information concerning the compensation earned from the Corporation by the Corporation's directors during the financial year ended November 30<sup>th</sup>, 2011.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other Compensation (\$)	Total (\$)
James Darcel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Neil Sullivan	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Dr. Andrew Nevin	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

The following table sets out, for each director, information concerning all option-based and share-based awards outstanding as of November 30<sup>th</sup>, 2011.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Michael Romanik	100,000	\$0.10	Sept 2/14	\$0.00	N/A	N/A
Michael Romanik	300,000	\$0.10	Jun 29/15	\$0.00	N/A	N/A
Kyle Picard	30,000	\$0.27	Feb 19/12	\$0.00	N/A	N/A
Kyle Picard	130,000	\$0.36	Dec 3/12	\$0.00	N/A	N/A
Kyle Picard	50,000	\$0.10	Feb 18/14	\$0.00	N/A	N/A
Kyle Picard	300,000	\$0.10	Jun 29/15	\$0.00	N/A	N/A
Neil Sullivan	100,000	\$0.27	Feb 19/12	\$0.00	N/A	N/A
Neil Sullivan	130,000	\$0.36	Dec 3/12	\$0.00	N/A	N/A
Neil Sullivan	25,000	\$0.10	Feb 18/14	\$0.00	N/A	N/A
Neil Sullivan	300,000	\$0.10	Jun 29/15	\$0.00	N/A	N/A
James Darcel	300,000	\$0.10	Jun 29/15	\$0.00	N/A	N/A
Dr. Andrew Nevin	300,000	\$0.10	Jun 29/15	\$0.00	N/A	N/A

## Mainstream Minerals Corporation

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The table immediately below sets out, for each director, information concerning the value of incentive plan awards – option-based and share-based awards as well as non-equity incentive plan compensation – vested or earned during the financial year ended November 30<sup>th</sup>, 2011.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Michael Romanik	N/A	N/A	N/A
Neil Sullivan	N/A	N/A	N/A
James Darcel	N/A	N/A	N/A
Dr. Andrew Nevin	N/A	N/A	N/A
Kyle Picard	N/A	N/A	N/A

The table immediately below sets out, the number of securities authorized for issuance under the Equity Compensation Plans. The Directors of the Company have issued an aggregate of 3,215,000 incentive stock options as of November 30<sup>th</sup>, 2011, leaving a balance of 2,197,213 of incentive stock options available for future issuance pursuant to the Company's Stock Option Plan as approved at the most Annual and Special Meeting of Shareholders of May 31<sup>st</sup>, 2011. The Company's Stock Option Plan must once again be approved for renewal at the upcoming Annual and Special Meeting of Shareholders to be held sometime during the month of July 2012.

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 (excluding securities reflected in column)
Equity Compensation plans to be approved by Shareholders at the AGM scheduled for sometime during the month of July 2012.	3,215,000	\$0.19	2,197,213
Equity Compensation plans not approved by Shareholders as at May 22 <sup>nd</sup> , 2012.	0	N/A	N/A
Total	3,215,000		2,197,213

## TRANSACTIONS with RELATED PARTIES for the First Quarter ended February 29<sup>th</sup>, 2012

For the first quarter ended February 29<sup>th</sup>, 2012, the Corporation paid directors, officers and persons related to directors and officers \$37,800 for consulting services, accounting and administration services, and for services relating to exploration (versus the totals for the first quarters ended February 28<sup>th</sup> – 2011: \$52,800; 2010: \$37,500, 2009: \$181,660; and 2008: \$222,652). The Corporation did not pay employment based remuneration to directors, officers and other members of key management for the three month period ended February 29<sup>th</sup>, 2011. However, the Corporation did pay contract based remuneration to directors, officers and other key management. The costs relating to such consulting services and accounting and administrative services have been accounted for at the exchange amount, being the amount of cash paid and are included in expenses. The costs for geological and exploration services paid to directors, officers and persons related to directors and officers have been accounted for at the exchange amount, being the amount of cash paid, and are included in the cost of mineral properties.

	Total for each individual listed herein for the First Quarter for the Fiscal Year to End November 30th, 2012	Total for each individual listed herein for the First Quarter for the Fiscal Year to End November 30th, 2011	Total for each individual listed herein for the First Quarter for the Fiscal Year to End November 30th, 2010
<b>Related Party Transactions - Consulting, administrative and exploration fees</b>			
Verenex Capital Corporation, a company owned by Michael Romanik, a director for consulting services relating to a position of office for the company	\$7,500	\$22,500	\$22,500
Raymond L. Préfontaine Advisory Services, a sole proprietorship owned by Ray Préfontaine, for consulting services relating to a position of office for the company	\$22,500	\$22,500	\$15,000
Kyle Picard Advisory Services, a sole proprietorship owned by Kyle Picard, a director for consulting services relating to a position of office for the company	\$7,800	\$7,800	\$0
Dr. Andrew Nevin, a director	\$0	\$0	\$0
Neil Sullivan, a director	\$0	\$0	\$0
James Darcel, a director	\$0	\$0	n/a
<b>Total</b>	<b>\$37,800</b>	<b>\$52,800</b>	<b>\$37,500</b>

### EMPLOYEES & CONSULTANTS as at May 22<sup>nd</sup>, 2012

Mainstream Minerals Corporation currently has engaged the services of five management consultants – Verenex Capital Corporation (Mr. Romanik), Raymond L. Préfontaine Advisory Services (Mr. Préfontaine), Kyle Picard Advisory Services (Mr. Picard), BJP Consulting (Mr. Peters) and Rory Ritchie Geological Consulting (Mr. Ritchie). Those who are either directors or officers of the Corporation are all as noted in the Related Party Transactions table immediately above. The Corporation may engage additional consultants from time-to-time and as required.

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## **MATERIAL CONTRACTS – LAND OPTION AGREEMENTS, JOINT VENTURE OPERATIONS and COMMITMENTS as at May 22<sup>nd</sup>, 2012**

The company has entered into land option agreements and jointly controlled operations. The joint operations have no liabilities or revenues and the assets are limited to mineral exploration properties. Expenditures are limited to exploration activities which are deferred in the accounts of the company. The cash flows of the joint operations are limited to the expenditures on exploration activity and are equal to the amounts of these expenditures. The joint operations are subject to certain commitments relating to net smelter rights and these commitments, where applicable, are disclosed in the following pages.

A summary and description of the company's current ownership interest in its mineral properties are as follows:

<u>Name</u>	<u>Ownership interest</u>
Bobjo Mine property (a)	100%
Hazard Lake property (b)	100%
West Keefer property (c)	100%
Casa Berardi property (d)	100%
Slate Lake property (e)	100%
Rowan Lake property (f)	100%
Hudson-Patricia property (g)	100%
Fly Lake property (h)	100%
Birch Lake property (i)	100%

### **(a) Bobjo Mine in Earngey and Agnew Townships, Red Lake Mining Division, Ontario (Birch-Uchi Greenstone Belt)**

The company entered into an agreement on July 21<sup>st</sup>, 2006 to acquire an option with Perry English for the nine patented claims identified as Bobjo Mine. During the 2010 fiscal year the company paid the final \$25,000 option payment under this agreement. The vendor has retained a 2% production royalty in the property of which the company has the right to purchase 50% of the production royalty for \$1,000,000 at any time.

The company then entered into a joint venture agreement on September 11<sup>th</sup>, 2006 with King's Bay Gold Corporation. Both companies had two directors in common at that time. King's Bay Gold Corporation had earned a 50% interest related to nine patented claim units of the property after funding earn-in expenditures in the amount of \$125,000. Over the subsequent years, there were a number of minor amendments and additions to this original joint venture agreement.

On June 14<sup>th</sup>, 2010, the company entered into a Property Interests Exchange Agreement with King's Bay Gold Corporation whereby King's Bay Gold Corporation sold its remaining interests in the Bobjo Mine project to the company. King's Bay Gold Corporation further agreed to cancel the advance receivable related to the project in the amount of \$141,572 from the company. In consideration for the Property Interests Exchange Agreement the company agreed to assign to King's Bay Gold Corporation its 100% interest in the Raleigh Lake Property, grant 250,000 common shares to King's Bay Gold Corporation valued at \$15,000 and transfer title and ownership on various pieces of equipment valued at approximately \$16,000. The company issued the 250,000 common shares to King's Bay Gold Corporation on May 3<sup>rd</sup>, 2011.

On September 23<sup>rd</sup>, 2010, the company entered into an option agreement with Glen Coyne to acquire a 100% interest in 28 mineral claims, known as the "water claims", adjacent to and included with the Bobjo Mine Claims. Upon signing of the agreement the company paid \$10,000 and was required to issue 100,000 common shares. On December 9<sup>th</sup>, 2010 the company issued the 100,000 common shares relating to the Bobjo Mine "water claims". Based on the estimated fair value of the land options, the common shares were valued at \$9,000.



The vendor has retained a 2.0% Net Smelter Return (the "NSR") interest in the 28 mineral claims. The company can buy back 1.0% of the NSR for \$1,000,000 at any time.

On October 6<sup>th</sup>, 2010, the company entered into a non-binding letter of intent with Premier Gold Mines Limited ("Premier") with respect to the Bobjo Mine Project and the Hazard Lake / Northgate Deposit regarding the possible acquisition by Premier of up to a 70% interest in the property.

On February 11<sup>th</sup>, 2011, the company entered into an option agreement with Premier Gold Mines Limited ("Premier") with respect to the Bobjo Mine Project and the Hazard Lake / Northgate Deposit to earn up to a 70% interest in the property through a 5 year earn-in program involving annual cash payments, share issuances and exploration and development expenditure commitments. On May 16<sup>th</sup>, 2011, and despite having made all of the initial and first year commitments, Premier provided notice to the company of their decision to terminate its option on the Bobjo Mine Project and the Hazard Lake / Northgate Deposit.

### **(b) Hazard Lake / Northgate Deposit in Uchi Lake Township, Red Lake Mining Division, Ontario (Birch-Uchi Greenstone Belt)**

On October 26<sup>th</sup>, 2009, the company has entered into an option agreement with Perry English, acting on behalf of Rubicon Minerals Corporation ("the vendor"), to acquire an option for twenty four claim units in a gold property identified as Hazard Lake / Northgate Deposit located in Uchi Lake Township in the Red Lake Mining Division of Ontario. Upon signing the agreement, the company paid \$8,000 and issued 100,000 common shares. During fiscal 2010, the company paid \$12,000 and was required to issue 50,000 common shares. These 50,000 common shares were issued on December 13<sup>th</sup>, 2010. The company then paid \$16,000 and issued the 50,000 common shares on October 12<sup>th</sup>, 2011 as required for the first anniversary payment. The company has agreed to pay additional consideration for the option agreement as follows:

2012	\$25,000
2013	\$50,000

The vendor has retained a 1.5% production royalty in the property of which one half (0.75%) can be purchased back by the company for a onetime payment of \$750,000.

As described in the previous section, the company entered into an option agreement on February 11<sup>th</sup>, 2011 with Premier Gold Mines Limited ("Premier") with respect to the Bobjo Mine Project and the Hazard Lake / Northgate Deposit. On May 16<sup>th</sup>, 2011, and despite having made all of the initial and first year commitments, Premier provided notice to the company of their decision to terminate its option on the Bobjo Mine Project and the Hazard Lake / Northgate Deposit.

### **(c) West Keefer Claims in Keefer Township, Porcupine Mining Division, Ontario**

On January 5<sup>th</sup>, 2010, the company entered into an option agreement with Daryl Bremner and Yvon Bellemare ("the vendors") to acquire a 100% interest in properties consisting of 3 claims totalling 34 mineral claim units commonly known as the West Keefer Claims located in Keefer Township of the Porcupine Mining Division of Ontario.

Under the terms of the option agreement, the company can earn a 100% interest for the properties by issuing 900,000 common shares of the company to the vendors. On March 9<sup>th</sup>, 2010, the company issued the 900,000 common shares under the option agreement relating to the West Keefer Claims. Based on the estimated fair value, the common shares issued were valued at \$99,000.

The vendors will retain a 2.0% Net Smelter Return (the "NSR") interest in the properties. The company can buy back 1.0% of the NSR for the properties at any time for a single cash payment of \$1,000,000 to the vendors.

**(d) Casa Berardi Claims, Township 32-E / 11, Casa Berardi / La Sarre area of northern Québec**

On August 12<sup>th</sup>, 2010, the company entered into an option agreement with two vendors, Pierre Lavoie (50%) and Gabriel Provost (50%) to acquire a 100% interest in properties consisting of sixty two mineral claim units known as Casa Berardi located in the Casa Berardi / La Sarre area of the Province of Québec. Upon signing the agreement the company paid \$15,000 and issued 500,000 common shares on October 20<sup>th</sup>, 2010. On August 10<sup>th</sup>, 2011, the company paid an additional \$15,000 and issued 500,000 common shares of the company on the first anniversary in accordance with the option agreement.

In addition to the cash payments and the issuance of common shares as outlined immediately above, the company agreed to a \$30,000 work commitment to be completed in the fall of 2010. This obligation was met in September 2010.

The vendor will retain a 2.0% NSR interest in the Properties. The company can buy back 1.0% of the NSR for \$1,000,000 at any time.

**(e) Slate Lake Property, Slate Lake area, Red Lake Mining Division, Ontario (Birch-Uchi Greenstone Belt)**

On October 10<sup>th</sup>, 2010, the company entered into an option agreement with Perry English, on behalf of Rubicon Minerals Corporation, to acquire a 100% interest in properties consisting of one hundred and seven mineral claim units known as Slate Lake in the Township of Slate Lake in the District of Red Lake in the Province of Ontario. Upon signing the agreement the company paid \$10,000 and was required to issue 100,000 common shares. On December 9<sup>th</sup>, 2010 the company issued the 100,000 common shares as required under land option agreement. On October 12<sup>th</sup>, 2011, the company paid \$10,000 and issued 100,000 common shares on the first anniversary in accordance with the option agreement.

The company has agreed to pay additional consideration for this option agreement as follows:

2012	\$15,000
2013	\$20,000
2014	\$25,000

The vendor has retained a 2.0% production royalty in the property of which one half (1.0%) can be purchased back by the company for \$1,000,000 at any time.

On February 7<sup>th</sup>, 2011 the company entered into an agreement with Perry English, on behalf of Rubicon Minerals Corporation, to acquire a 100% interest in a mining lease located in the middle of the company's property known as Slate Lake in the Slate Lake area in the District of Red Lake in the Province of Ontario. Upon signing the agreement the company paid \$15,000 and was required to issue 100,000 common shares. On April 1<sup>st</sup>, 2011, the company issued the 100,000 common shares. In February 2012, the company did not make the required \$5,000 payment under the option agreement, however the company is in contact with the optionor and the optionor has granted an extension for this payment to June 7<sup>th</sup>, 2012. In addition to the \$5,000 unpaid amount that was payable in February 2012, the company has agreed to pay additional consideration for this option agreement as follows:

2013	\$10,000
2014	\$10,000
2015	\$35,000

The vendor acquired the property rights to the Slate Lake mining lease from a third party, who retains an original NSR of 1.5%. Under the terms of the agreement, there will be two NSR royalties with the original third party retaining 1.5% and the vendor retaining 1.5% creating a total NSR of 3.0%. The company can purchase half of either or both of the NSRs for a one-time payment of \$1,000,000 for each NSR.

**(f) Rowan Lake Property, Townships of Rowan Lake and Brooks Lake, Kenora Mining Division, Ontario (Birch-Uchi Greenstone Belt)**

On November 24<sup>th</sup>, 2010, the company entered into an option agreement with Perry English, on behalf of Rubicon Minerals Corporation, to acquire a 100% interest in properties consisting of three hundred and twenty three mineral claim units known as Rowan Lake in the Township of Rowan Lake and Brooks Lake area in the District of Kenora in the Province of Ontario. Upon signing the agreement the company paid \$32,300 for the reimbursement of staking costs incurred by the optionor and was required to issue 100,000 common shares. On December 7<sup>th</sup>, 2010 the company issued the 100,000 common shares required under this land option agreement. During fiscal 2011, the company paid \$12,000 and issued the 100,000 common shares for the first anniversary in accordance with the option agreement. The company has agreed to pay additional consideration for this option agreement as follows:

2012	\$16,000
2013	\$25,000
2014	\$35,000

The vendor has retained a 2.0% production royalty in the property of which one half (1.0%) can be purchased back by the company for \$1,000,000 at any time.

On October 14<sup>th</sup>, 2011 the company entered into an option agreement with Alita Resources Ltd. ("Alita") with respect to the Rowan Lake property. Alita will earn up to a 60% interest in the property by performing the following:

Alita can earn a 60% interest in the property by making a cash payment of \$20,000 and issuing 100,000 shares upon signing the agreement, making a cash payment of \$20,000 and issuing 100,000 shares prior to the first anniversary of the agreement, making a cash payment of \$20,000 and issuing 100,000 common shares prior to the second anniversary of the agreement. In addition, Alita must expend \$900,000 for exploration work on the claims within the first three years after signing with a minimum of \$200,000 expended prior to the first anniversary of the agreement and a minimum of \$550,000 expended prior to the second anniversary of the agreement.

The TSX Venture Exchange Inc. issued a Bulletin on January 27<sup>th</sup>, 2012 stating that it has accepted for filing an Option Agreement dated October 14<sup>th</sup>, 2011 between Alita Resources Ltd. and Mainstream Minerals Corporation which grants Alita Resources Ltd. an option to acquire a 60% interest in the Rowan Lake, Ontario group of mineral claims. The Bulletin also noted that the TSX Venture Exchange Inc. had accepted for filing Alita Resources Ltd.'s Qualifying Transaction (the acquisition of a 60% interest in the Rowan Lake, Ontario group of mineral claims from Mainstream Minerals Corporation) as described in its Filing Statement dated December 16<sup>th</sup>, 2011. As a result, effective at the opening, Monday, January 30<sup>th</sup>, 2012, the trading symbol for Alita Resources Ltd. was change from AL.P to AL and that it would no longer be considered a Capital Pool Company.

On February 2<sup>nd</sup>, 2012 the company received the \$20,000 cash payment required under the Rowan Lake option agreement with Alita and on February 7<sup>th</sup>, 2012 the company received the 100,000 common shares of Alita under the Rowan Lake option agreement. The 100,000 Alita Resources Limited (TSX.V: AL) common shares were subsequently sold on March 20<sup>th</sup>, 2012 for net proceeds of \$7,777.

Alita Resources Ltd. has committed to spend a minimum of \$200,000 prior to January 27<sup>th</sup>, 2013 as per its first year exploration commitment under the option agreement. Details of the planned exploration program are pending.

**(g) Hudson Patricia Project, Township of Dent, Red Lake Mining Division, Ontario (Birch-Uchi Greenstone Belt)**

On January 10<sup>th</sup>, 2011, the company entered into two option agreements with Perry English, on behalf of Rubicon Minerals Corporation, relating to seventy two mineral claim units known as the Hudson Patricia Mine in the Township of Dent area in the District of Red Lake in the Province of Ontario. Under the first option agreement for the staked claims, the company can earn a 100% interest in the mineral claim units by paying \$8,000 (paid on February 16<sup>th</sup>, 2011) and issuing 100,000 common shares upon signing the agreement (issued on February 1<sup>st</sup>, 2011).

On January 6<sup>th</sup>, 2012, the company entered into an agreement to amend the terms of the option agreement relating to the Hudson-Patricia mineral claims. An 11 month extension of the first anniversary cash payment has been granted resulting in a due date of December 10<sup>th</sup>, 2012 rather than January 10<sup>th</sup>, 2012 and the cash payment has been increased from \$12,000 to \$16,000. On January 12<sup>th</sup>, 2012 the company issued 100,000 common shares under this land option agreement. The new terms results in additional consideration to be paid for these options are as follows:

2012 (December 10 <sup>th</sup> )	\$16,000
2014	\$16,000
2015	\$25,000
2016	\$30,000

The vendor has retained a 2.0% production royalty in the property of which one half (1.0%) can be purchased back by the company for \$1,000,000 at any time.

Under the second option agreement, the company can earn a 100% interest in a mining lease (site of the past producing Hudson Patricia Mine) by paying \$50,000 (paid on February 16<sup>th</sup>, 2011) and issuing 100,000 common shares upon signing the agreement (issued on February 1<sup>st</sup>, 2011).

On January 6<sup>th</sup>, 2012, the company entered into an agreement to amend the terms of the option agreement relating to the Hudson-Patricia mining lease. An 11 month extension of the first anniversary cash payment has been granted resulting in a due date of December 10<sup>th</sup>, 2012 rather than January 10<sup>th</sup>, 2012 and the cash payment has been increased from \$25,000 to \$30,000. On January 12<sup>th</sup>, 2012 the company issued 100,000 common shares under this land option agreement. The new terms results in additional consideration to be paid for these options are as follows:

2012 (December 10 <sup>th</sup> )	\$30,000 and 100,000 common shares
2014	\$25,000 and 100,000 common shares
2015	\$25,000
2016	\$35,000

The vendor acquired the property rights to the Hudson Patricia Mine mining lease from a third party, who retains an original NSR of 1.5%. Under the terms of the agreement, there will be two NSR royalties with the original third party retaining 1.5% and the vendor retaining 1.5% creating a total NSR of 3.0%. The company can purchase half of either or both of the NSRs for a one-time payment of \$1,000,000 for each NSR.

**(h) Fly Lake Property, Township of Mitchell, Red Lake Mining Division, Ontario (Birch-Uchi Greenstone Belt)**

On February 7<sup>th</sup>, 2011, the company entered into an option agreement with Perry English, on behalf of Rubicon Minerals Corporation, to acquire a 100% interest in one leased and six mineral claim units known as Fly Lake in Mitchell Township in the District of Red Lake in the Province of Ontario.

Upon signing the agreement the company paid \$15,000 and was required to issue 100,000 common shares. On April 1<sup>st</sup>, 2011, the company issued a Treasury Order for the 100,000 common shares. On February 3<sup>rd</sup>, 2012 the company issued another 100,000 common shares. In February 2012, the company did not make the required \$5,000 payment under the option agreement, however the company is in contact with the optionor and the optionor has granted an extension for this payment to June 7<sup>th</sup>, 2012.

## Mainstream Minerals Corporation

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In addition to the \$5,000 unpaid amount that was payable in February 2012, the company has agreed to pay additional consideration for this option agreement as follows:

2013	\$10,000
2014	\$10,000
2015	\$35,000

The vendor acquired the property rights to both the Fly Lake mining lease and mineral claims from a third party. That third party retains an original NSR of 1.5%. Under the terms of the agreement, there will be two NSR royalties with the original third party retaining 1.5% and the vendor retaining 2.0% creating a total NSR of 3.5%. The company can purchase half of either or both of the NSRs for a one-time payment of \$1,000,000 for each NSR.

**(i) Birch Lake Property, Townships of Keigat Lake & Casummit Lake, Red Lake Mining Division, Ontario (Birch-Uchi Greenstone Belt)**

On April 17<sup>th</sup>, 2011, the company entered into an option agreement with Perry English, on behalf of Rubicon Minerals Corporation, to acquire a 100% interest in properties consisting of 10 mineral claims known as Birch Lake in the townships of Keigat Lake and Casummit Lake of the Red Lake Mining Division of Ontario.

Upon signing the agreement the company paid \$12,500 and was required to issue 200,000 common shares. On May 2<sup>nd</sup>, 2011 the company issued the 200,000 common shares.

In April 2012, the company did not make a required \$12,000 payment under the option agreement, however, the company is in contact with the optionor and the company anticipates obtaining an extension in order to re-instate the option. In addition to the \$12,000 unpaid amount that was payable in April 2012, the company has agreed to pay additional consideration for these options as follows:

2013	\$16,000
2014	\$25,000
2015	\$35,000

The vendor has retained a 2.0% NSR interest in the property of which one half (1.0%) can be purchased back by the company for \$1,000,000 at any time.

**(BLANK)**

**EXPLORATION & EVALUATION ASSETS – CAPITALIZED AMOUNTS on MINERAL PROPERTIES for the first quarter ended February 29<sup>th</sup>, 2012 compared with the years ended November 30<sup>th</sup>, 2011 and November 30<sup>th</sup>, 2010**

Active properties are those that the company intends on continuing further exploration and development work within the next twelve months. Any properties identified as “on hold” are those properties that the company intends to continue further exploration and development work, but not necessarily within the next twelve months. This is subject to change. These cumulative total deferred acquisition, exploration and development costs relate to the following properties as at February 29<sup>th</sup>, 2012, November 30<sup>th</sup>, 2011 and November 30<sup>th</sup>, 2010:

<b>Acquisition, Exploration &amp; Development Costs</b>	<b>February 29<sup>th</sup>, 2012</b>	<b>November 30<sup>th</sup>, 2011</b>	<b>November 30<sup>th</sup>, 2010</b>
ACTIVE PROPERTIES (as at May 22 <sup>nd</sup> , 2012):			
Bobjo Mine	\$ 2,930,829	\$ 2,924,828	\$ 2,852,200
Hazard Lake / Northgate Deposit	59,855	59,855	33,355
Casa Berardi Claims	170,530	170,530	118,676
Slate Lake Claims	169,554	154,554	17,875
Rowan Lake Claims	135,246	162,246	34,458
Hudson – Patricia Claims	154,901	129,913	6,944
Fly Lake Claims	56,135	50,732	4,418
Birch Lake Claims	38,368	38,369	-
<b>TOTAL ACTIVE PROPERTIES</b>	<b>\$ 3,715,448</b>	<b>\$ 3,691,027</b>	<b>\$ 3,067,926</b>
INACTIVE “on hold” or DISCONTINUED PROPERTIES (as at May 22 <sup>nd</sup> , 2012):			
West Keefer Claims	161,840	161,810	161,810
Price Claims (1)	-	-	272,536
<b>TOTAL INACTIVE PROPERTIES</b>	<b>\$ 161,840</b>	<b>\$ 161,810</b>	<b>\$ 434,346</b>
<b>GRAND TOTAL</b>	<b>\$ 3,877,258</b>	<b>\$ 3,852,837</b>	<b>\$ 3,502,272</b>

(1) A summary of the mineral properties activity for the three month period to February 29<sup>th</sup>, 2012 is as follows:

Balance, November 30 <sup>th</sup> , 2011	\$	3,852,837
Development costs incurred during the period including share-based payments	51,421	
Proceeds on exploration and evaluation asset option agreements including share-based payments	(27,000)	
Balance, February 29 <sup>th</sup> , 2012	\$	3,877,258

**Note (1) – Price Claims** – The Corporation did not meet the second year work commitment of \$150,000 by December 30<sup>th</sup>, 2011 as required under the Price Claims land option agreement of December 30<sup>th</sup>, 2009. The Corporation decided on February 2<sup>nd</sup>, 2012 not to renegotiate the original option agreement for additional cash payments and share issuances to Blair Naughty, the Vendor. As a result of this decision, the Corporation incurred a write-down of \$272,536 against capitalized acquisition and exploration expenditures on Mineral Properties for the fourth quarter of fiscal 2011.

## **RISKS and UNCERTAINTIES**

### **Going Concern**

The comparative audited financial statements for the fiscal years ended November 30<sup>th</sup>, 2011 and 2010, the condensed interim management-prepared financial report for the first quarter ended on February 29<sup>th</sup>, 2012 and the audited financial statements for the four years ended November 30<sup>th</sup>, 2010, 2009, 2008, and 2007 were all prepared on a going concern basis, which contemplates that the Corporation will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

For the first quarter ended February 29<sup>th</sup>, 2012, the Corporation incurred a Net and Comprehensive Loss of \$170,834 before income taxes and future income tax recovery and had an accumulated deficit of \$4,252,218 (versus a Net and Comprehensive Loss of \$106,864 before income taxes and future income tax recovery and had an adjusted IFRS reconciled accumulated deficit of \$3,559,134 for the first quarter ended February 28<sup>th</sup>, 2011).

For the fiscal year ended November 30<sup>th</sup>, 2011, the Corporation incurred an IFRS compliant Net and Comprehensive Loss of \$712,114 before income taxes and future income tax recovery (versus pre-IFRS compliant Net and Comprehensive Losses for prior years respectively ended on November 30<sup>th</sup> – 2010: \$527,021; 2009: \$738,812; 2008: \$862,972; and 2007: \$702,886). The Corporation had an adjusted IFRS reconciled accumulated deficit of \$4,081,384 as at November 30<sup>th</sup>, 2011 (versus pre-IFRS reconciled accumulated deficits for prior years respectively ended on November 30<sup>th</sup> – 2010: \$2,838,744; 2009: \$2,278,723; 2008: \$1,598,911; and 2007: \$774,939). All of which could raise substantial doubt about the Corporation's ability to continue as a going concern.

The ever-increasing accumulated deficit could raise substantial doubt about the Corporation's ability to continue as a going concern. The ability of the Corporation to remain a going concern is dependent upon new equity injected into the company to fund its ongoing development of the mineral properties. It is the Corporation's intent to continue to rely upon the issuance of new equity to finance its operations and exploration commitments and activities. If the Corporation is unsuccessful in continuing to raise the necessary funds to meet its exploration commitments and activities, the realizable values of its assets may materially decline from their current estimates.

### **Raising Capital Funding and Dilution**

The profitability of the Corporation is affected by business risks including the price of gold, the normal risks associated with open pit and underground mining, which affects production rates and costs, and the exchange rate between the Canadian dollar and United States dollar. Once the Corporation commences production, outside financing will be required. While the Corporation has been successful in the past, there is no assurance that funding will be available under terms that are satisfactory to management. The ability of the Corporation to achieve its operational objectives is dependent in large measure on the results of the exploration activities and the ability to raise capital funding for continued exploration. The Corporation frequently issues Common Shares to finance its operations and for working capital purposes. It is possible that the Corporation will enter into more agreements to issue Common Shares and warrants and options to purchase Common Shares. The impact of the issuance of a significant amount of Common Shares, along with warrant and option exercises, could place downward pressure on the market price of the Common Shares and at a minimum such issuances will dilute the existing shareholders' interests in the Corporation.

### **Competition Risk**

The mineral exploration and mining business is competitive in all of its phases. The Corporation competes with other mining companies and individuals, including competitors with greater financial, technical and other resources than the Corporation for mining claims and leases on exploration properties, acquisition of mineral assets, capital and qualified employees. Competition could adversely affect the Corporation's ability to raise capital, acquire suitable properties, sufficient equipment and qualified personnel for exploration in the future. The Corporation cannot assure that it will continue to be able to compete successfully with its competitors in acquiring such properties, capital and employees or terms it considers acceptable, if at all.

### **Gold and Mineral Commodities Price Volatility**

The Corporation's business could be affected by the world market prices of gold and mineral commodities. The prices of gold and mineral commodities are subject to volatile price movements over short periods of time and are affected by numerous factors, all of which are beyond the Corporation's control. These include industry factors such as: demand; speculative trading; and costs of and levels of global production by producers of gold and mineral commodities. Gold and mineral commodities prices may also be affected by macroeconomic factors, including: expectations of the future rate of inflation; the strength of, and confidence in, the US dollar, the currency in which the price of gold and mineral commodities are generally quoted, and other currencies; interest rates; and global or regional, political or economic uncertainties. A decline in the world market price of gold and mineral commodities could affect the Corporation's ability to raise additional financing and could make exploration and / or development of the Corporation's mineral properties uneconomical.

### **Mining Risks and Insurance Risks**

The operations of the Corporation are subject to significant risks and hazards, incidental to the exploration, development and production of gold including environmental hazards, industrial accidents, unusual or unexpected rock formations, pressures, cave-ins and flooding, most of which are beyond the Corporation's control. These risks and hazards could result in: damage to, or destruction of, mineral properties or producing facilities; personal injury or death; environmental damage; delays in production; and monetary losses and possible legal liability for such damage. Prior to November 30<sup>th</sup>, 2007, the Corporation was operating without Commercial General Liability Insurance coverage and without Directors' & Officers' Insurance coverage. Commencing on December 1<sup>st</sup>, 2007, the Corporation obtained such policies with Lloyd's (Commercial General Liability Insurance) and with the Chartis Insurance Company of Canada – formerly known as AIG Commercial Insurance Company of Canada – (Directors' & Officers' Insurance). Originally the respective liability limits for both policies were \$5,000,000 but were subsequently reduced effective December 1<sup>st</sup>, 2008 in order to save on premium costs. Both policies now have respective liability limits of \$2,000,000 and \$1,000,000. The deductible for the Directors' & Officers' Insurance is \$25,000 per event. The deductibles for the Commercial General Liability Insurance range from \$500 to \$5,000 per event and are dependent on the nature of the event. The policies are underwritten by JLT Northern Underwriting Services of Toronto, ON. Even with such insurance coverage in place, no assurance can be given that such insurance will be paid out in the event of a claim. In addition, the Corporation may become subject to liability for hazards for which it could not be insured against or for which it elected not to insure against because of premium costs above those already paid for or for other reasons.

### **Dividends**

No dividends on the Common Shares have been paid to date. The Corporation anticipates that it will retain all future earnings and other cash resources for the future operation and development of its business. The Corporation does not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of the Corporation's Board of Directors, after taking into account many factors, including the Corporation's operating results, financial condition and current and anticipated cash needs.

### **Dependence on Management**

The success of the operations and activities of the Corporation is dependent to a significant extent on the efforts and abilities of its management, a relatively small group of individuals. Investors must be willing to rely to a significant extent on management's discretion and judgment. The Company does not have in place any formal programs for the succession of management. The Corporation considers **Michael Romanik** (President & Chief Executive Officer), **Raymond Préfontaine, B.A., B.Comm. (Hons.)** (Chief Financial Officer), **Kyle Picard** (Corporate Secretary), **Lisa McCormack** (who was recently appointed as Corporate Secretary on March 15<sup>th</sup>, 2012 subject to TSX Venture Exchange Inc. approval), **Brad Peters B.Sc (Earth & Ocean Sc.)** (who was appointed as Vice-President of Exploration effective December 1<sup>st</sup>, 2011) and **Rory Ritchie H.B.Sc. (Chemistry), B.Sc. (Earth Sc.), GIT** (who was appointed as Field Exploration Manager effective December 1<sup>st</sup>, 2011) to be the key members of the management group. The Corporation does not maintain any key man insurance on any of its employees. The loss of any one member of the management group could have a material adverse effect on the Corporation's business.



### **Payment Obligations**

The Corporation is, or may in the future become, a party to certain contractual agreements pursuant to which the Corporation is or may become subject to payments and be required to comply with other obligations. If such obligations are not complied with when due, in addition to any other remedies that may be available to the other parties, this could result in dilution or forfeiture of interests held by the Corporation. The Corporation may not have, or be able to obtain, financing for all such obligations as they arise.

### **Environmental, Health and Safety Regulations**

The Corporation's operations and exploration activities are subject to extensive laws and regulations governing the protection of the environment, waste disposal, worker safety, mine development and protection of endangered and protected species. Environmental legislation is evolving in a manner that may require 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. There is no assurance that existing or future environmental regulation will not materially adversely affect the Corporation's business, financial condition and results of operations. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. In addition, certain types of operations require the submission and approval of environmental impact assessments. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Corporation's operations. Environmental hazards may exist on the properties on which the Corporation holds interests that are unknown to the Corporation at present and that have been caused by previous existing owners or operators of the properties. There may be costs and / or delays associated with compliance with these laws and regulations. The unknown nature of possible future additional regulatory requirements creates uncertainties related to future environmental, health and safety costs. Any amendment to current laws and regulations governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Corporation's financial condition and results of operations.

### **Exploration**

Mineral exploration is highly speculative in nature. The Corporation's exploration work involves many risks and may be unsuccessful. Substantial expenditures are required to establish proven and probable reserves and to complete the related mine development. It may take several years from the initial phases of exploration until drilling and / or production is possible. As a result of these uncertainties, there is no assurance that current or future exploration programs will be successful and result in production or result in the discovery of new ore bodies.

### **Title to Properties**

The validity of unpatented and patented mining claims, which constitute the Corporation's property holdings, can be uncertain and may be contested. Although the Corporation has attempted to acquire satisfactory title to its properties, some risk exists that some titles, particularly title to undeveloped properties, may be subject to prior unregistered agreements, transfers and / or native land claims the Corporation's title to its property holdings may be affected by other undetected defects and may be defective.

### **Future Capital Requirements**

The Corporation may encounter significant unanticipated liabilities or expenses. The Corporation's ability to continue its planned exploration activities depends in part on its ability to obtain additional financing in the future to fund exploration and development activities or acquisitions of additional projects. Since incorporation on July 19<sup>th</sup>, 2006, the Corporation has raised capital primarily through equity financing and in the future may raise capital through equity or debt financing, joint ventures or other means. There can be no assurance that the Corporation will be able to obtain the necessary financing in a timely manner, on acceptable terms or at all.

### **Conflicts of Interest**

Certain of the directors and officers of Corporation are also directors and / or officers of other natural resource companies, and may be shareholders of those companies. Such associations or relationships may give rise to conflicts of interest from time to time. The Corporation's directors are required by law to act honestly and in good faith with a view to the best interests of the Corporation and to disclose any interest, which they may have in any project or opportunity of the Corporation. If a conflict of interest arises at a meeting of the Board of Directors, any director in a conflict must disclose his interest and abstain from voting on such matters in accordance with applicable corporate laws, and may be required to resign as a director of one of the companies.

### **Estimates and Assumptions employed in the preparation of financial statements**

The preparation of its financial statements requires the Corporation to use estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The Corporation's significant accounting policies are described in the Notes to the comparative audited financial statements for the years ended November 30<sup>th</sup>, 2011 and 2010, the condensed interim management-prepared financial report for the first quarter ended on February 29<sup>th</sup>, 2012 and in the audited financial statements for the four years ended November 30<sup>th</sup>, 2010, 2009, 2008, and 2007. See the section herein entitled *Summary of Significant Accounting Estimates and Policies*. The Corporation's accounting policies are subject to estimates and assumptions regarding reserves, future mineral prices and future mining activities.

## **DIRECTORS & OFFICERS – CORPORATE GOVERNANCE**

The initial Board of Directors was established at the Founding Meeting of Shareholders as held on July 19<sup>th</sup>, 2006 in Winnipeg, Manitoba. Subsequent to the most recent Annual General Meeting of Shareholders as held on May 31<sup>st</sup>, 2011 in Winnipeg, Manitoba, the Board is currently comprised of the five individuals as identified below. The Board of Directors has established two committees: the Audit Committee and the Compensation Committee. Each director is elected to serve until the next Annual General and Special Meeting of Shareholders (expected to be held sometime during the month of July 2012) or until a successor is elected or appointed.

### **Directors (& Officers as applicable)**

Michael Romanik	Director since August 26 <sup>th</sup> , 2009. President & Chief Executive Officer since September 3 <sup>rd</sup> , 2009.
Kyle Picard <sup>(1) (2)</sup>	Director since July 19 <sup>th</sup> , 2006. Corporate Secretary since November 16 <sup>th</sup> , 2009.
Neil Sullivan B.A., LLB <sup>(1) (2)</sup>	Director since July 19 <sup>th</sup> , 2006. Former President & Chief Executive Officer from September 15 <sup>th</sup> , 2007 to July 15 <sup>th</sup> , 2008.
Andrew Nevin Ph.D, P.Eng.	Director since October 14 <sup>th</sup> , 2009.
James Darcel B.A., CFA <sup>(1) (2)</sup>	Director since November 3 <sup>rd</sup> , 2009.

Notes: (1) Denotes members of the Audit Committee. (2) Denotes members of the Compensation Committee.

### **Officers (only)**

Ray Préfontaine B.A., B.Comm. (Hons.)	Chief Financial Officer since January 21 <sup>st</sup> , 2007.
Lisa McCormack	Corporate Secretary (appointed on March 15 <sup>th</sup> , 2012, but subject to and effective upon the approval of the TSX Venture Exchange Inc.)

Name of Current Directors and Present Office Held, if applicable, and municipal address	Director Since	# of Common Shares, Warrants, Options Beneficially Owned, or Controlled or Directed, Directly or Indirectly, as at May 22 <sup>nd</sup> , 2012 <sup>(1)</sup>	Principal Occupation, and if not Presently an Elected Director, Occupation During the Past Five (5) Years
Michael Romanik – Director and President and Chief Executive Officer. Brandon, MB	August 26 <sup>th</sup> , 2009	2,442,000	Presently President & CEO of Mainstream Minerals Corporation since September 2009. Director and President & CEO of Newcastle Minerals Ltd. since April 2008. Director and President of the following private companies: Verenex Capital Corp. since October 2006; First India Resources Inc. since March 2009; and Blue Star Capital Inc. since July 2009. Director of Accolade Resources Corporation since January 2010.
Kyle Picard – Director and Corporate Secretary. Winnipeg, MB	July 19 <sup>th</sup> , 2006	798,500	Presently Corporate Secretary of Mainstream Minerals Corporation since November 2009; Director of King's Bay Gold Corporation since December 2010 and President & CEO since June 2011; Account Manager, MTS Allstream Inc. since July 2002. Director of Accolade Resources Corporation since January 2010. Director of Saint-Boniface General Hospital Auxiliary Inc.
Neil Sullivan B.A., LLB – Director. San Pedro, Belize	July 19 <sup>th</sup> , 2006	878,500	Presently a real estate developer in Belize and a lawyer. Former President and Chief Executive Officer of Mainstream Minerals Corporation from September 2007 to July 2008.
Dr. Andrew Nevin Ph.D., P.Eng. – Director. North Vancouver, BC	October 14 <sup>th</sup> , 2009	300,000	Presently Consulting Engineer and Geologist; Director of Newcastle Minerals Ltd. since September 2009, Director of Senator Minerals Inc. since April 2012. Former President & CEO and Geologist for Pebble Creek Mining Ltd. from April 1993 to December 2011 and Director from April 1993 to April 2012.
James Darcel B.A., CFA – Director. Winnipeg, MB	November 3 <sup>rd</sup> , 2009	300,000	Presently self-employed as a financial analyst since June 2007. From January 2005 to June 2007, Director, Trading Officer, Investment Counsel, Portfolio Manager, Compliance Officer of Regenesys (formerly Navigator) Capital Management of Toronto, ON. Director of Newcastle Minerals Ltd. since December 2007, Director and Chief Financial Officer of Tasca Resources Ltd. since February 2011.
Ray Préfontaine B.A., B.Comm. (Hons.) – Chief Financial Officer. Winnipeg, MB	Not Applicable – Officer only since January 21 <sup>st</sup> , 2007.	597,000	Presently Chief Financial Officer of Mainstream Minerals Corporation since January 2007 and reappointed in December 2010 as Chief Financial Officer of King's Bay Gold Corporation (was a Director from August 2003 and former Chief Financial Officer from January 2005 of King's Bay Gold Corporation, both up to March 2010). Director of Accolade Resources Corporation since January 2010. Director and past-Chairman of Saint-Boniface General Hospital Auxiliary Inc.

**Note (1):** The table on the preceding page includes all Common Shares owned by the individuals and all options and warrants to acquire Common Shares pursuant to the exercise of warrants and stock options as found on [www.sedi.ca](http://www.sedi.ca)

## **INDEPENDENT DIRECTORS**

Pursuant to National Instrument 52-110, the directors of the Company who are independent of the management of the Company are Neil Sullivan B.A., LLB, Dr. Andrew Nevin Ph.D., P.Eng., and James Darcel B.A., CFA.

## **CEASE TRADE ORDERS OR BANKRUPTCIES**

No current director, officer or promoter of the Company is, or has been within the past ten years, a director, officer or promoter of any other company that, while such Person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the company access to any statutory exemptions for a period of more than 30 consecutive days, or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been 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 that Person.

## **PENALTIES OR SANCTIONS – DIRECTORS, OFFICERS AND PROMOTERS**

No current director, officer or promoter of the Company has, within the ten years preceding the date hereof:

- (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

## **PERSONAL BANKRUPTCIES – DIRECTORS, OFFICERS AND PROMOTERS**

No current director, officer or promoter of the Company is, or has, within the ten years preceding the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been 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 that individual.

## **INDEBTEDNESS OF DIRECTORS AND OFFICERS**

No current director or officer, as at the date of this 2011 Annual Information Form of May 22<sup>nd</sup>, 2012, is indebted to the Company.

## **INTEREST OF MANAGEMENT & OTHERS IN MATERIAL TRANSACTIONS**

Other than as described elsewhere in this 2011 Annual Information Form of May 22<sup>nd</sup>, 2012, no insider of the Company is or has been interested, directly or indirectly, in material transactions since the date of inception of the Company or in any proposed transaction which has materially affected or will materially affect the Company.

## PROMOTERS / INVESTOR RELATIONS

The Corporation, as at May 22<sup>nd</sup>, 2012, does not have contractual relationships with any firm for the purposes of either active promotion and / or active investor relations services.

In the 2009 Annual Information Form dated April 30<sup>th</sup>, 2010, the Corporation noted that it was at the time negotiating an agreement with Stone Communication Services Limited, a Division of Stone Investment Group, of Toronto, ON for the purposes of providing such services relating to both promotion and investor relations. That agreement itself did not materialize and a submission that was made to the TSX Venture Exchange Inc. for the Exchange's approval of the proposed agreement, that would have included the issuance of 200,000 common share purchase stock options there under, was subsequently withdrawn.

In the 2010 Annual Information Form dated April 30<sup>th</sup>, 2011, the Corporation noted that it had engaged [www.smallcappower.com](http://www.smallcappower.com), a division of Ubika Corporation ("Ubika") on January 10<sup>th</sup>, 2011 as a consultant to provide passive advertising and capital market exposure services for a twelve month term with a monthly fee of \$3,000 plus HST. Ubika would use its online portal [www.smallcappower.com](http://www.smallcappower.com) to offer Mainstream Minerals Corporation an organized and structured information platform to reach to a wide network of brokers, retail advisors and investors. Thereafter, the engagement would be subject to renewals at the option of both parties. In August 2011, this contractual arrangement was terminated upon the mutual agreement of both parties.

## STOCK-BASED COMPENSATION PLAN

The Board of Directors of the Company has adopted an incentive "rolling" stock option plan. It is subject to TSX Venture Exchange Inc.'s approval on an annual basis (the Exchange's initial approval was received on May 2<sup>nd</sup>, 2007) and is subject to an annual ratification by the disinterested shareholders of the Company at the Annual General and Special Meetings of Shareholders (the Plan was approved at the meetings of December 4<sup>th</sup>, 2007; May 28<sup>th</sup>, 2008; June 24<sup>th</sup>, 2009; June 23<sup>rd</sup>, 2010; and May 31<sup>st</sup>, 2011).

The Stock Option Plan permits the Board of Directors of the Company, from time to time, in its discretion, and in accordance with the Exchange requirements, to grant to directors, officers, investor relations consultants and technical consultants to the Company, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares exercisable for a period of up to 5 years from the date of grant. The number of Common Shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to all investor relations consultants and technical consultants will not exceed two percent (2%) of the issued and outstanding Common Shares. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. The Stock Option Plan provides that, for an investor relations consultant, no option shall be exercisable for a period exceeding twelve (12) months from the date the option is granted, with no more than one quarter of the options vesting in any three month period. Any option granted to an investor relations consultant will expire 30 days after the date that such person ceases to carry on investor relations activities on behalf of the Company. Options granted under the Stock Option Plan must have an exercise price per Common Share that is greater than or equal to the Discounted Market Price (as defined under the Exchange's policies) of the Common Shares at the time of the grant.

## PRINCIPAL SHAREHOLDERS

To the knowledge of, and based on the information that is available to the directors and senior officers of the Company as of the date of this 2011 Annual Information Form of May 22<sup>nd</sup>, 2012 and pursuant to the non-objecting shareholders register of the Company, no person beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of the issued and outstanding Common Shares of the company.

## **ESCROWED SECURITIES**

Pursuant to National Policy 46-201 – Escrow for Initial Public Offerings (the “Escrow Policy”), each of the officers and directors (including spouses of the officers and directors) of the Company (herein collectively the “Principals”) qualify as “Principals” pursuant to the Escrow Policy and were required to enter into an escrow agreement (the “Escrow Agreement”) with the Company and Transfer Agent effective June 12<sup>th</sup>, 2007 (“Closing Date of the Initial Public Offering”). A total of 3,081,520 Common Shares (comprising a total of 2,801,020 Common Shares held by officers and directors of the Company, 180,500 Common Shares of the Company purchased by spouses of the officers and directors of the Company pursuant to previous private placement transactions prior to the Closing Date of the Initial Public Offering, and 100,000 Common Shares of the Company held by Ron Rivet - all hereinafter referred to as the “Escrowed Securities”) represented 33.82% of the issued and outstanding Common Shares prior to giving effect to the Initial Public Offering which were owned or controlled by the Principals and were deposited in escrow with the Transfer Agent. In addition, 504,570 Common Shares of the Company purchased by the Principals pursuant to the Initial Public Offering of 3,703,704 Common Shares were also deposited in escrow with the Transfer Agent and subject to the Escrow Agreement.

Following the Closing Date of the Public Offering, the Company was classified as an “emerging issuer” under the Escrow Policy. An “emerging issuer” is an issuer that does not meet the “established issuer” criteria (which includes issuers listed on the Toronto Stock Exchange in its non-exempt category and issuers that meeting Tier 1 listing requirements of the Exchange). Based on the Company being an “emerging issuer”, the Escrowed Securities were subject to a three year escrow. Ten percent of each Principal’s Escrowed Securities were exempted from escrow effective upon the receipt of notice confirming the listing of the Common Shares on the Exchange (“Listing Notice”). The balance of the Escrowed Securities were to be released over three years in equal tranches at six month intervals from the date of the Listing Notice, with 15% of the Escrowed Securities being released in each tranche. The Escrowed Securities cannot generally be transferred or otherwise dealt with while in escrow other than pursuant to certain permitted transfers or dealings within escrow, as more particularly set out in the Escrow Agreement. The Escrowed Securities are also subject to a hold period pursuant to National Instrument 45-102 – Resale of Securities.

Subsequently, as per the provisions upon death of the Escrow Agreement, Mr. Gerald Colborne’s 556,677 remaining escrowed Common Shares were released from escrow upon his passing away on July 28<sup>th</sup>, 2007.

As at the date of this 2011 Annual Information Form of May 22<sup>nd</sup>, 2012, a balance of Nil common shares remained in escrow with the Transfer Agent and subject to the Escrow Agreement of June 12<sup>th</sup>, 2007. (versus April 30<sup>th</sup>, 2011 with a balance of Nil common shares remaining in escrow and April 30<sup>th</sup>, 2010 when 446,062 common shares remained in escrow representing 1.31 % of the 34,087,449 fully paid and non-assessable common shares issued and outstanding at that time).

## **MARKET FOR THE SECURITIES OF THE CORPORATION**

The common shares of the Corporation commenced trading on the TSX Venture Exchange Inc. on June 13<sup>th</sup>, 2007 under the symbol “MJO”.

## **REPORTING JURISDICTIONS**

British Columbia, Alberta, Saskatchewan, Manitoba and Ontario

## **CEASE TRADE ORDERS / HALTS in TRADING**

The Corporation has never experienced a Cease Trade Order from the TSX Venture Exchange Inc. There were no Halts in Trading during the 2011, 2009 and 2008 calendar years.

However, the Corporation had requested and obtained from the TSX Venture Exchange Inc. two (2) Halts in Trading during the 2007 calendar year as follows: (i) from September 18<sup>th</sup>, 2007 to September 19<sup>th</sup>, 2007 pending the release of news relating to the announcement of drilling results at the Bobjo Mine property – this news was released in the morning of September 19<sup>th</sup>, 2007 and trading resumed early that same afternoon; and (ii) from the early afternoon of October 22<sup>nd</sup>, 2007 to the morning of October 23<sup>rd</sup>, 2007 pending the release of news relating to the announcement of drilling results at the Bobjo Mine property – this news was released in the morning of October 23<sup>rd</sup>, 2007 and trading resumed later that same morning.

On October 14<sup>th</sup>, 2010, due to an early morning power outage in downtown Toronto, Ontario, the Investment Industry Regulatory Organization of Canada (“IIROC”) issued a halt trading order in Mainstream Minerals Corporation shares on the TSX Venture Exchange at 9:27 AM EST October 14<sup>th</sup>, 2010 so as to allow for the simultaneous and coordinated dissemination of Mainstream Minerals Corporation (TSX.V: MJO)’s and Premier Gold Mines Limited (TSX: PG)’s respective news releases of October 14<sup>th</sup>, 2010 announcing their October 6<sup>th</sup>, 2010 Letter of Intent to possibly form a future joint-venture for the exploration and development of the Bobjo Mine Project. Trading in MJO shares on the TSX Venture Exchange resumed at 12:45 PM EST on that same day.

# **DISCLOSURE of OUSTANDING SHARE DATA as at November 30<sup>th</sup>, 2011 and SUBSEQUENT EVENTS relating to share data from December 1<sup>st</sup>, 2011 to May 22<sup>nd</sup>, 2012**

	Number	Share Capital	52 Week Trading Range
<b>Common Shares (1) to (4) &amp; (8)</b>	54,122,130	\$ 6,089,688	\$ 0.035 to \$ 0.15

	Number		Weighted Average	Expiry
<b>Stock Options (6)</b>	<b>Outstanding</b>	<b>Price</b>	<b>Exercise Price per share</b>	<b>Date</b>
Outstanding	3,215,000	\$0.10 - \$0.36	\$0.19	2012 to 2015

	Number		Weighted Average	Expiry
<b>Warrants (5), (7) &amp; (8)</b>	<b>Outstanding</b>	<b>Price</b>	<b>Exercise Price per share</b>	<b>Date</b>
Outstanding	8,952,143	\$ 0.11 - \$ 0.20	\$ 0.17	2011 to 2012

**Notes** – Subsequent to the fiscal year ended November 30<sup>th</sup>, 2011 and up to the date of this 2011 Annual Information Form of May 22<sup>nd</sup>, 2012, there were eight transactions or events that have materially affected the Disclosure of Outstanding Share Data.

**Note (1)** – A Treasury Direction was issued to Computershare, the Corporation’s transfer agent, for the purposes of issuing 100,000 common shares on January 12<sup>th</sup>, 2012 to Rubicon Minerals Corporation for the 1<sup>st</sup> anniversary issuance of shares for the Hudson Patricia Option Agreement of January 10<sup>th</sup>, 2011 for 8 unpatented mining claims.

**Note (2)** – A Treasury Direction was issued to Computershare, the Corporation’s transfer agent, for the purposes of issuing 100,000 common shares on January 12<sup>th</sup>, 2012 to Rubicon Minerals Corporation for the 1<sup>st</sup> anniversary issuance of shares for the Hudson Patricia Option Agreement of January 10<sup>th</sup>, 2011 for the 1 mining lease consisting of 8 mining claims.

**Note (3)** – A Treasury Direction was issued to Computershare, the Corporation’s transfer agent, for the purposes of issuing 100,000 common shares on February 3<sup>rd</sup>, 2012 to Rubicon Minerals Corporation for the 1<sup>st</sup> anniversary issuance of shares for the Fly Lake Option Agreement of February 7<sup>th</sup>, 2011 for 1 mining lease and 6 staked unpatented claims.

**Note (4)** – A Treasury Direction was issued to Computershare, the Corporation’s transfer agent, for the purposes of issuing 100,000 common shares on February 3<sup>rd</sup>, 2012 to Rubicon Minerals Corporation for the 1<sup>st</sup> anniversary issuance of shares for the Slate Lake Option Agreement of February 7<sup>th</sup>, 2011 for 1 mining lease.

## Mainstream Minerals Corporation

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**Note (5)** - On December 30<sup>th</sup>, 2011, the following 4,909,088 warrants expired as unexercised: 4,090,908 Series I warrants with an exercise price of \$0.20, 409,090 Finders' warrants with an exercise price of \$0.11, and 409,090 Finders' warrants (imbedded) with an exercise price of \$0.20.

**Note (6)** - On February 19<sup>th</sup>, 2012, 180,000 directors' options as issued on February 20<sup>th</sup>, 2007 with an exercise price of \$0.27 expired as unexercised.

**Note (7)** - On March 16<sup>th</sup>, 2012, the Corporation announced in a news release its intention to extend the term of the 4,043,055 Series N common share purchase warrants (the "Series N Warrants") that were issued on April 15<sup>th</sup>, 2011. The Series N Warrants were originally set to expire after 12 months from the date of issuance, namely April 14<sup>th</sup>, 2012. The term of the Series N Warrants would now be extended by 12 months from April 14<sup>th</sup>, 2012 to April 14<sup>th</sup>, 2013. This extension was applicable to all of the Series N Warrants. The news release noted that the exercise price of the Series N Warrants would remain unchanged at \$0.15. The 4,043,055 Series N Warrants were the only warrants currently outstanding for the Corporation as at the date of this news release of March 16<sup>th</sup>, 2012. All other warrants previously issued by Mainstream had either been exercised or had expired. The extension of the term of the Series N Warrants is subject to the approval of the TSX Venture Exchange Inc. (which was subsequently received).

**Note (8)** - On March 27<sup>th</sup>, 2012, the Corporation closed the first tranche of a non-brokered private placement initially announced on February 6<sup>th</sup>, 2012 (see the following section herein entitled *Proposed Transactions*). A total of 1,880,000 units were issued at a price of \$0.05 per unit for gross proceeds of \$94,000. Each Class A unit consisted of one non-flow-through common share and one half of one non-flow-through common share purchase warrant. Each whole non-flow-through common share purchase warrant entitles the holder to purchase an additional common share of the company at a price of \$0.10 for a period of 12 months following the date of issuance. A cash finder's fee equal to 6% of the subscription proceeds totalling \$5,640 was paid to registered dealers for services rendered in introducing certain subscribers to the offering. In addition, 112,800 brokers warrants equivalent to 6% of the number of units subscribed for in this non-brokered private placement were issued to finders. Each broker warrant can be exercised to purchase one non-flow-through common share of the company at a price of \$0.10 for a period of 12 months following the date of issuance.

### DISCLOSURE of OUSTANDING SHARE DATA as at May 22<sup>nd</sup>, 2012

As a result of the transactions and the resulting changes since December 1<sup>st</sup>, 2011 as noted in (1) to (8) in the immediately preceding section, the Outstanding Share Data as at May 22<sup>nd</sup>, 2012 stood as follows:

	Number	Share Capital	52 Week Trading Range
Common Shares	56,402,130	\$ 6,835,214	\$ 0.025 to \$ 0.095

	Number		Weighted Average	Expiry
Stock Options	Outstanding	Price	Exercise Price per share	Date
Outstanding	3,035,000	\$0.10 - \$0.36	\$0.19	2012 to 2015

	Number		Weighted Average	Expiry
Warrants	Outstanding	Price	Exercise Price per share	Date
Outstanding	5,095,855	\$0.10 - \$ 0.15	\$ 0.14	2013



**HISTORICAL SHARE PRICE & TRADING VOLUME CHART – from June 13<sup>th</sup>, 2007  
(date of listing with TSX Venture Exchange Inc.) to May 22<sup>nd</sup>, 2012**

06/13/07 to 05/22/12



Source: [www.stockhouse.com](http://www.stockhouse.com) website

[http://www.stockhouse.com/financialtools/sn\\_advancedcharts.aspx?qm\\_symbol=V.MJO](http://www.stockhouse.com/financialtools/sn_advancedcharts.aspx?qm_symbol=V.MJO)

**Price Range and Annual Trading Volume during the last five calendar years (January 1<sup>st</sup> to December 31<sup>st</sup>)**

Year	Volume	High	Low	Close
2011	38,363,287	\$0.15	\$0.025	\$0.035
2010	23,290,396	\$0.13	\$0.05	\$0.105
2009	18,575,051	\$0.24	\$0.04	\$0.12
2008	5,183,511	\$0.49	\$0.03	\$0.06
2007	7,010,815	\$0.80	\$0.29	\$0.34

**LEGAL PROCEEDINGS**

The directors and officers are not aware of any pending or current material legal proceedings to which the Corporation is subject to as at the date of this 2011 Annual Information Form of May 22<sup>nd</sup>, 2012.

## CONTINGENT LIABILITY

There are no contingent liabilities, legal claims or other such claims against the Corporation that the directors and officers are aware of as at the date of this 2011 Annual Information Form of May 22<sup>nd</sup>, 2012.

## PROPOSED TRANSACTIONS

There was only one proposed transaction contemplated at the time that this 2011 Annual Information Form dated May 22<sup>nd</sup>, 2012 was prepared that would materially affect the number of issued and outstanding common shares.

On May 22<sup>nd</sup>, 2012, the Corporation announced in a news release a non-brokered private placement of a maximum of 10,000,000 Units at a purchase price of \$0.05 for gross subscription proceeds of \$500,000. At the time of the news release, it was anticipated that the closing of offering would occur on or about June 8<sup>th</sup>, 2012. The offering would be made to subscribers resident in the Provinces of Ontario, Manitoba, Saskatchewan, Alberta and British Columbia, and such other jurisdictions as the Corporation may determine. Each Unit shall be comprised of one non-flow-through Common Share and one-half (1/2) of one non-flow-through Common Share purchase warrant (a "Warrant"). Each whole Warrant shall entitle the holder to purchase one Common Share for an exercise price of \$0.10 for a period of 12 months following the date of issuance. The Corporation may, at its discretion, offer a 6 % cash finder's fee to registered dealers for services rendered in introducing certain subscribers to the offering. In addition to the finder's fee, brokers warrants equivalent to 6 % of the number of Units subscribed for in this non-brokered placement may be paid to registered dealers for services rendered in introducing certain subscribers to the offering. Each broker warrant can be exercised to purchase one non-flow-through common share upon payment \$0.10 for a period of 12 months following the date of issuance. The closing of this offering is subject to the approval of the TSX Venture Exchange Inc. The Common Shares and Warrants issued in connection with this offering will be subject to a hold period of four months plus one day.

Description of Security	Number Authorized	Number outstanding at May 22 <sup>nd</sup> , 2012 (unaudited)	Number outstanding after the Minimum Offering (as in \$Nil) is closed on or about June 8 <sup>th</sup> , 2012 (unaudited)	Number outstanding after the Maximum Offering (as in the full \$500,000) to close on or about June 8 <sup>th</sup> , 2012 (unaudited)
Common Shares	Unlimited	56,402,130	56,402,130	66,402,130
Incentive Stock Options	Maximum of 10% of the outstanding Common Shares	3,035,000	3,035,000	3,035,000
Warrants	Unlimited	5,095,855	5,095,855	10,095,855

## CAPITAL MANAGEMENT

As the company is in the exploration stage, its principal source of capital is from the issuance of common shares. The company's capital management objective is to obtain sufficient capital to maintain its exploration programs for the benefit of its stakeholders. To meet the objectives, management monitors the company's ongoing capital requirements against unrestricted net working capital and assesses additional capital requirements on specific exploration properties on a case by case basis. The company is not subject to externally imposed capital requirements. Management is of the opinion that the amounts and changes in the company's capital are readily determinable in its financial statements.

## **OTHER MATERIAL FACTS**

There are no other material facts relating to the Company which have not been disclosed in this 2011 Annual Information Form of May 22<sup>nd</sup>, 2012.

## **DISCLOSURE CONTROLS and PROCEDURES**

The Chief Executive Officer and the Chief Financial Officer have evaluated the effectiveness of the Corporation's disclosure controls and procedures and have concluded, based on their evaluation, that they were effective as at February 29<sup>th</sup>, 2012 (end of the first quarter) and as at November 30<sup>th</sup>, 2011 (end of the most recent fiscal year) to provide reasonable assurance that all material information relating to the Corporation will be made known to management and disclosed in accordance with applicable securities regulations.

## **MANAGEMENT'S REPORT on INTERNAL CONTROL of FINANCIAL REPORTING**

The Corporation's management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can only provide reasonable assurance with respect to financial statement preparation and presentation.

The Corporation evaluated the design of its internal controls over financial reporting as defined in *Multilateral Instrument 52-109* for the first quarter ended February 29<sup>th</sup>, 2012 and for the year ended November 30<sup>th</sup>, 2011 and based on this evaluation have determined those controls to be effective except as noted in the following paragraph.

This evaluation of the design of internal controls over financial reporting for the Corporation resulted in the identification of internal controls deficiencies which are not atypical for a company this size including the lack of segregation of duties due to the limited number of employees dealing with accounting and financial matters and insufficient in-house expertise to deal with certain complex accounting, reporting and taxation issues.

## **CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING**

There have been no changes in the Corporation's internal control over financial reporting during the first quarter ended February 29<sup>th</sup>, 2012 and during the year ended November 30<sup>th</sup>, 2011, that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

## **FORM 52-109F1 – CERTIFICATION OF ANNUAL FILINGS in connection with a VOLUNTARILY FILED AIF**

Certificates are being filed concurrently on [www.sedar.com](http://www.sedar.com) on May 23<sup>rd</sup>, 2011 with this voluntarily filed Annual Information Form ("the AIF") for the year ended November 30<sup>th</sup>, 2011 and dated as at May 22<sup>nd</sup>, 2012, whereby Michael Romanik, Chief Executive Officer and Raymond Préfontaine, Chief Financial Officer of Mainstream Minerals Corporation ("the issuer"), each individually certify the following:

1. *Review*: They have each reviewed the AIF, annual financial statements and annual MD&A, including for greater certainty all documents and information that are incorporated by reference in the AIF (together, the "annual filings") of the issuer for the financial year ended November 30<sup>th</sup>, 2011.
2. Based on their knowledge, each having exercised reasonable diligence, the annual filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the annual filings;

3. Based on their knowledge, each having exercised reasonable diligence, the annual financial statements together with the other financial information included in the annual filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the annual filings;

4. The issuer's other certifying officers and they are each responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the issuer, and they have:

(a) designed such disclosure controls and procedures, or caused them to be designed under their supervision, to provide reasonable assurance that material information relating to the issuer, including its consolidated subsidiaries, is made known to them by others within those entities, particularly during the period in which the annual filings are being prepared;

(b) designed such internal control over financial reporting, or caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP; and

(c) evaluated the effectiveness of the issuer's disclosure controls and procedures as of the end of the period covered by the annual filings and have caused the issuer to disclose in the annual MD&A their conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by the annual filings based on such evaluation; and

5. They have caused the issuer to disclose in the annual MD&A any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent interim period that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.

## **DISCLOSURE of CONTROLS & PROCEDURES for the first quarter ended February 29<sup>th</sup>, 2012**

### **NOTE TO READER**

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (NI 52-109), the two *Certifications of Interim filings Form 52-109FV2 - Venture Issuer Basic Certificates* dated April 26<sup>th</sup>, 2012, each respectively signed by the Chief Executive Officer and the Chief Financial Officer and filed concurrently on [www.sedar.com](http://www.sedar.com) with: (i) the Management Discussion & Analysis for the first quarter ended February 29<sup>th</sup>, 2012 and dated as at April 24<sup>th</sup>, 2012 and (ii) the condensed management-prepared interim financial report for the quarter ended February 29<sup>th</sup>, 2012, do not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing the respective certificates are not making any representations relating to the establishment and maintenance of:

- i. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in these certificates. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

## TRANSFER AGENT & REGISTRAR

**Computershare Trust Company of Canada**

600, 530 – 8<sup>th</sup> Avenue South West, Calgary, Alberta T2P 3S8

Telephone: (403) 267-6800 Fax: (403) 267-6529

[www.computershare.com](http://www.computershare.com)

Attention: Gloria Gherasim & Elyse Sheppard

**Mainstream Minerals Corporation's CUSIP Number: 56064G 10 9 / ISIN Number: CA56064G1090**

## AUDITORS

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## CORPORATE LEGAL COUNSEL

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Attention: Donn Pirie & Norm Snyder

## ADDITIONAL INFORMATION

Additional financial information is provided in the Corporation's comparative audited financial statements for the years ended November 30<sup>th</sup>, 2011 and 2010, in the comparative condensed management-prepared interim financial report for the first quarters respectively ended February 29<sup>th</sup>, 2012 and February 28<sup>th</sup>, 2011 and in the audited financial statements for the four years ended November 30<sup>th</sup>, 2010, 2009, 2008, and 2007. These and other News Releases can be found at the SEDAR website – [www.sedar.com](http://www.sedar.com). Other information can also be obtained from the Corporation's website at [www.mainstreamminerals.com](http://www.mainstreamminerals.com). Upon request the Corporation will provide to any person:

- (a) when the securities of the Corporation are in the course of a distribution pursuant to a short form prospectus or a preliminary short form prospectus has been filed in respect of a proposed distribution of its securities.
  - (i) one copy of the Corporation's latest Annual Information Form, together with one copy of any document, or the pertinent pages of any document, incorporated therein by reference;
  - (ii) one copy of comparative financial statements of the Corporation for the Corporation's most recently completed financial year in respect of which such audited financial statements have been issued together with the report of the auditor thereon;
  - (iii) one copy of any interim financial statements of the Corporation as prepared by Management subsequent to the audited financial statements for its most recent year end;
  - (iv) one copy of the Management Information Circular of the Corporation in respect of the most recent Annual General Meeting of Shareholders of the Corporation which involved the election of directors; and
  - (v) one copy of any other documents which are incorporated by reference into the preliminary short form prospectus or the short form prospectus; or
- (b) any other time, a copy of the documents referred to in clauses (a) (i), (ii), (iii), (iv) above.

## CAUTIONARY NOTICES

This Annual Information Form for 2011 dated May 22<sup>nd</sup>, 2012, the quarterly Management Discussion & Analysis reports, comparative audited financial statements for the years ended November 30<sup>th</sup>, 2011 and 2010, the comparative condensed management-prepared interim financial report for the first quarters respectively ended February 29<sup>th</sup>, 2012 and February 28<sup>th</sup>, 2011, and the audited financial statements for the four years ended November 30<sup>th</sup>, 2010 2009, 2008, and 2007, include certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 of the United States. Other than statements of historical fact, all statements in these documents, including without limitation, statements regarding potential mineralization and resources, future plans and objectives of the Corporation, are forward-looking statements that involve various known and unknown risks, uncertainties and other factors. There can be no assurance that such statements will prove to be accurate. Actual results and future events could differ materially from those anticipated in such statements. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their respective dates. Important factors that could cause actual results to differ materially from the Corporation’s expectations include, among others, the ongoing results of current exploration activities, feasibility studies, on-going engineering work, changes in project parameters, and future metal prices, as well as those factors discussed under the heading “*Risks and Uncertainties*” and elsewhere in the Corporation’s documents filed from time to time with the TSX Venture Exchange Inc. and with Canadian Securities regulators. All subsequent written and oral forward-looking statements attributable to the Corporation or persons acting on its behalf are expressly qualified in their entirety by this notice.

The Qualified Person (QP) as defined under National Instrument 43-101 for work performed at each property and / or project is subject to change from time-to-time on a go forward basis from the date of this document. At the present time, Garry Clark, P.Geo. is the QP for the Bobjo Mine Project, Hazard Lake / Northgate Deposit, Fly Lake and Birch Lake properties; Mark Fedikow, P.Geo. is the QP for the Slate Lake Property; Tracy Armstrong, P.Geo. is the QP for the Casa Berardi Claims property; Brian H. Newton, P.Geo. is the QP for the West Keefer Claims property; and Andrew Tims, P.Geo. is the QP for the Hudson Patricia Project.