

RARA TERRA CAPITAL CORP.

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FILING STATEMENT

Dated as at March 31, 2011

Neither the TSX Venture Exchange Inc. (the “Exchange”) nor any securities regulatory authority has in any way passed upon the merits of the Qualifying Transaction described in this filing statement.

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GLOSSARY OF TERMS

The following is a glossary of certain defined terms used throughout this Filing Statement. This is not an exhaustive list of defined terms used in this Filing Statement and additional terms are defined throughout. Terms and abbreviations used in the financial statements of the Issuer are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated. Words importing the singular, where the context requires, include the plural and vice versa, and words importing any gender include all genders.

- “\$”** Means Canadian dollars.
- “Affiliate”** Means a Company that is affiliated with another Company as described below:
- A company is an “Affiliate” of another Company if:
- (a) one of them is the subsidiary of the other, or
 - (b) each of them is controlled by the same Person.
- A Company is “controlled” by a Person if:
- (a) voting securities of the Company are held, other than by way of security only, by or for the benefit of that Person, and
 - (b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the Company.
- A Person beneficially owns securities that are beneficially owned by:
- (a) a Company controlled by that Person, or
 - (b) an Affiliate of that Person or an Affiliate of any Company controlled by that Person.
- “Agent”** Means Global Securities Corporation, the agent which assisted the Issuer with respect to the sale of Shares in the IPO pursuant to the terms of the IPO Agency Agreement and which has agreed to assist the Issuer with the Brokered Financing Portion, pursuant to the terms of the Financing Agency Agreement.
- “Agent’s Financing Warrants”** Means the warrants to be granted to the Agent in connection with the Brokered Financing Portion to purchase that number of Shares equal to 8% of the aggregate number of Non-Flow-Through Units sold by the Agent, at a price of \$0.25 per Share for a period of eighteen (18) months following the closing of the Financing, being 288,000 Agent’s Financing Warrants in the event that the Minimum Brokered Financing Portion is completed and 384,000 Agent’s Financing Warrants in the event that the Maximum Brokered Financing Portion is completed.
- “Aggregate Pro Group”** Has the meaning ascribed thereto in Exchange Policy 1.1.
- “AMY”** Means American Manganese Inc., a diversified specialty and critical metal company listed on the Exchange (TSXV: AMY).
- “Associate”** When used to indicate a relationship with a person or company, means:
- (a) an issuer of which the person or company beneficially owns or controls, directly or indirectly, voting securities entitling it to more than 10% of the voting rights attached to outstanding

securities of the issuer;

- (b) any partner of the person or company;
- (c) any trust or estate in which the person or company has a substantial beneficial interest or in respect of which a person or company serves as trustee or in a similar capacity;
- (d) in the case of a person, a relative of that person, including:
 - (i) that person's spouse or child, or
 - (ii) any relative of the person or of his spouse who has the same residence as that person;

but

- (e) where the Exchange determines that two persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D with respect to that Member firm, Member corporation or holding company.

“Auditor”	Means the Issuer's auditor, Dale Matheson Carr-Hilton Labonte LLP.
“Author”	Means Norman Tribe, P. Eng., of N. Tribe & Associates Ltd., who prepared the Technical Report.
“BCBCA”	Means the <i>Business Corporations Act</i> (British Columbia).
“Board”	Means the board of directors of the Issuer and the board of directors of the Resulting Issuer, as applicable.
“Brokered Financing Portion”	Means the portion of the Financing to be conducted by the Agent, consisting of a minimum of 3,600,000 Non-Flow-Through Units and a maximum of 4,800,000 Non-Flow-Through Units.
“Business Day”	Means a day other than Saturday, Sunday or a statutory holiday in British Columbia.
“CEO”	Means Chief Executive Officer.
“CFO”	Means Chief Financial Officer.
“Closing”	Means the closing of the Transaction.
“Closing Date”	Means the date on which the Closing occurs, which will be eight (8) Business Days after receipt of conditional acceptance from the Exchange with respect to the Transaction, unless otherwise mutually agreed to in writing by the Issuer and AMY.
“Company”	Unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.
“Completion of the Qualifying Transaction”	Means the date the Final Exchange Bulletin is issued by the Exchange.
“Control Person”	Means any person or company that holds, or is one of a combination of persons or

companies that holds, a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

“CPC”	Means a corporation: <ul style="list-style-type: none">(a) that has been incorporated or organized in a jurisdiction in Canada;(b) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities regulatory authorities in compliance with the CPC Policy; and(c) in regard to which the Completion of the Qualifying Transaction has not yet occurred.
“CPC Escrow Agreement”	Means the Exchange Form 2F <i>CPC Escrow Agreement</i> for Tier 2 issuers dated April 22, 2010, among the Issuer, the Transfer Agent and certain Shareholders, pursuant to which the CPC Escrow Shares are currently held in escrow.
“CPC Escrow Shares”	Means the 2,250,000 Shares held in escrow pursuant to the CPC Escrow Agreement.
“CPC Policy”	Means Exchange Policy 2.4 entitled “Capital Pool Companies” in the Exchange’s Corporate Finance Manual.
“Exchange”	Means the TSX Venture Exchange Inc.
“Exploration Expenditures”	Has the meaning ascribed thereto in the Lonnie Agreement.
“Filing Statement”	Means this filing statement dated March 31, 2011, together with all Schedules hereto.
“Final Exchange Bulletin”	Means the Exchange Bulletin which is issued following closing of the Qualifying Transaction and the submission of all required documentation and that evidences the final Exchange acceptance of the Qualifying Transaction.
“Financing”	Means the Minimum Financing or the Maximum Financing, as applicable.
“Financing Agency Agreement”	Means the agency agreement entered into between the Issuer and the Agent pertaining to the Brokered Financing Portion as further described in this Filing Statement.
“Financing Finder’s Fee”	Means the cash payment equal to up to 8% of the gross proceeds of the Financing to be paid to certain finders in connection with the Financing, subject to the approval of the Exchange.
“Finder’s Fee”	Means the finder’s fee to be paid to each of David Heyman and Nick Horsley consisting of the issuance of a total of 30,000 Shares and a total cash payment of \$6,000, subject to the approval of the Exchange.
“Flow-Through Share”	Means a Share issued on a flow-through basis.
“Flow-Through Units” or “FT Units”	Means the flow-through units issued pursuant to the Financing with each Flow-Through Unit consisting of one Flow-Through Share and one half of one Warrant.

“GSC”	Means Golden Santa Cruz S.A., a société anonyme incorporated under the laws of Argentina.
“Insider”	If used in relation to an Issuer, means: <ul style="list-style-type: none">(a) a director or senior officer of the Issuer;(b) a director or senior officer of the Issuer that is an Insider or subsidiary of the Issuer;(c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the Issuer; or(d) the Issuer itself if it holds any of its own securities.
“IPO”	Means the initial public offering of the Issuer as completed on August 27, 2010.
“IPO Agency Agreement”	Means the agency agreement dated March 10, 2010 between the Issuer and the Agent.
“IPO Agent’s Warrants”	Means the non-transferable share purchase warrants entitling the Agent to acquire up to 300,000 Shares at an exercise price of \$0.10 per Share until August 27, 2012.
“Issuer”	Means Rara Terra Capital Corp.
“Las Chacras Agreement”	Means the purchase agreement dated effective March 25, 2011 between the Issuer and GSC, pursuant to which the Issuer will acquire the 100% interest of GSC in and to the Las Chacras Property, a copy of which is available on SEDAR at www.sedar.com .
“Las Chacras Escrow Agreement”	Means the escrow agreement to be entered into between the Issuer, GSC and an escrow agent to be appointed by the Issuer in connection with the closing of the Las Chacras Transaction.
“Las Chacras LOI”	Means the non-binding letter of intent dated November 29, 2010 between GSC and the Issuer regarding the acquisition by the Issuer of a 100% interest in and to the Las Chacras Property.
“Las Chacras Payment Shares”	Means the 3,000,000 Resulting Issuer Shares to be issued to GSC in connection with the closing of the Las Chacras Transaction.
“Las Chacras Property”	Means the Las Chacras property located in the Sierra Pampeanas range in the Province of San Luis in the west of Argentina covering approximately 10,000 hectares.
“Las Chacras Transaction”	Means the transactions contemplated by the Las Chacras Agreement.
“Lonnie LOI”	Means the non-binding letter of intent dated November 29, 2010 between AMY and the Issuer regarding the acquisition by the Issuer of a 60% interest in and to the Lonnie Property.
“Lonnie Agreement”	Means the option agreement dated effective January 31, 2011 between the Issuer and AMY pursuant to which the Issuer has the right to acquire up to 60% of AMY’s 100% interest in and to the Lonnie Property, a copy of which is available on SEDAR at www.sedar.com .

“Lonnie Option”	Means the Issuer’s option to earn an undivided 60% of the interest of AMY in and to the Lonnie Property in accordance with the terms of the Lonnie Agreement.
“Lonnie Payment Shares”	Means the total of 285,000 Resulting Issuer Shares to be issued by the Issuer to AMY as partial consideration for the exercise of the Lonnie Option at a deemed issue price of \$0.26 per Lonnie Payment Share.
“Lonnie Property”	Means the Lonnie property located on Granite Creek, southeast of Manson Creek in the Omineca Mining Division of the Province of British Columbia, which is comprised of 8 claims covering approximately 1,605 hectares.
“Lonnie Transaction”	Means the transactions contemplated by the Lonnie Agreement.
“Maximum Brokered Financing Portion”	Means the offering of a maximum of 4,800,000 Non-Flow-Through Units for gross proceeds of \$1,200,000 to be conducted by the Agent in connection with the Brokered Financing Portion.
“Maximum Financing”	Means the private placement equity financing by the Issuer consisting of the issuance of: (i) a maximum of 10,000,000 Non-Flow-Through Units at a price of \$0.25 per Non-Flow-Through Unit; and (ii) a maximum of 1,500,000 Flow-Through Units at a price of \$0.30 per Flow-Through Unit, for maximum gross proceeds to the Issuer of \$2,950,000.
“Member”	Has the meaning set out in the policies of the Exchange.
“Minimum Financing”	Means the private placement equity financing by the Issuer consisting of the issuance of: (i) a minimum of 6,800,000 Non-Flow-Through Units at a price of \$0.25 per Non-Flow-Through Unit; and (ii) a minimum of 1,000,000 Flow-Through Units at a price of \$0.30 per Flow-Through Unit, for minimum gross proceeds to the Issuer of \$2,000,000.
“Minimum Brokered Financing Portion”	Means the offering of a minimum of 3,600,000 Non-Flow-Through Units for gross proceeds of \$900,000 to be conducted by the Agent in connection with the Brokered Financing Portion.
“Named Executive Officers” or “NEO”	Means: <ul style="list-style-type: none">(a) the CEO;(b) the CFO;(c) each of the Issuer’s three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonus exceeds \$150,000 per year; or(d) any additional individuals for whom disclosure would have been provided under (c) except that the individual was not serving as an officer of the Issuer at the end of the most recently completed financial year.
“NI 43-101”	Means National Instrument 43-101 <i>Standards of Disclosure for Mineral Projects</i> .
“Non Arm’s Length Party”	Means, in relation to a Company, a promoter, officer, director, other Insider or Control Person of that Company and any Associates or Affiliates of any of such Persons. In relation to an individual, means any Associate of the individual or any Company of which the individual is a promoter, officer, director, Insider or Control Person.

“Non Arm’s Length Qualifying Transaction”	Means a proposed Qualifying Transaction where the same party or parties or their respective Associates or Affiliates are Control Persons in both the CPC and in relation to the Significant Assets which are to be the subject of the proposed Qualifying Transaction.
“Non-Flow-Through Units”	Means the units issued pursuant to the Financing, with each Non-Flow-Through Unit consisting of one Share, issued on a non-flow-through basis, and one half of one Warrant.
“Options”	Means options granted under the Stock Option Plan to acquire Shares.
“Person”	Means a Company or individual.
“Qualified Person”	Means an individual who <ul style="list-style-type: none">(a) is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these;(b) has experience relevant to the subject matter of the mineral project and the technical report; and(c) is in good standing with a professional association and, in the case of a foreign association listed in Appendix A of NI 43-101, has the corresponding designation in Appendix A of NI 43-101.
“Qualifying Transaction”	Means a transaction where a CPC acquires Significant Assets other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means.
“Resulting Issuer”	Means the issuer that was formerly a CPC that exists upon issuance of the Final Exchange Bulletin.
“Resulting Issuer Options”	Means options to acquire Resulting Issuer Shares granted under the Stock Option Plan.
“Resulting Issuer Shares”	Means common shares in the capital of the Resulting Issuer.
“Resulting Issuer Warrants”	Means common share purchase warrants in the capital of the Resulting Issuer.
“Shareholder”	Means a registered or beneficial holder of Shares or, if the context requires, other securities of the Issuer.
“Shares”	Means common shares without par value in the capital of the Issuer.
“Significant Assets”	Means one or more assets or businesses which, when purchased, optioned or otherwise acquired by the CPC, together with any other concurrent transactions, would result in the CPC meeting the initial listing requirements of the Exchange.
“Stock Option Plan”	Means the incentive stock option plan of the Issuer or the Resulting Issuer, as applicable.
“Technical Report”	Means the technical report entitled “Mineral Resource Evaluation Report on the Lonnie Rare Earth Elements Property”, dated March 10, 2011, prepared by the Author, which Technical Report has been filed on SEDAR at www.sedar.com under the profile of the Issuer.

“Transaction”	Means the Lonnie Transaction, which is intended to constitute the Issuer’s Qualifying Transaction in accordance with the CPC Policy.
“Transfer Agent”	Means the Issuer’s transfer agent and registrar, Computershare Investor Services Inc.
“Warrants”	Means the non-transferable common share purchase warrants forming part of the Non-Flow-Through Units and the Flow-Through Units, with two half Warrants entitling the holder to purchase an additional Share for \$0.39 per Share for a period of 18 months following the closing of the Financing, provided that, any Warrants issued pursuant to the Brokered Financing Portion will be subject to an accelerated conversion within 30 days of the Issuer providing notice of same to the holders of the Warrants, in the event that the closing price of the Shares on the Exchange exceeds \$0.78 for 10 consecutive trading days.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Filing Statement are forward-looking statements or information (collectively “forward-looking statements”). The Issuer and the Resulting Issuer are hereby providing cautionary statements identifying important factors that could cause the Issuer’s or the Resulting Issuer’s actual results to differ materially from those projected in the forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as “may”, “is expected to”, “anticipates”, “estimates”, “intends”, “plans”, “projection”, “could”, “vision”, “goals”, “objective” and “outlook”) are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. In making these forward-looking statements, the Issuer and the Resulting Issuer have assumed that the current market will continue and grow and that the risks listed below will not adversely impact the business of the Issuer, the Lonnie Property or the Resulting Issuer.

By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. The risks, uncertainties and other factors, many of which are beyond the control of the Issuer or the Resulting Issuer, that could influence actual results include, but are not limited to: limited operating history; exploration, development and operating risks; regulatory risks; substantial capital requirements and liquidity; financing risks and dilution to shareholders; competition; reliance on management and dependence on key personnel; fluctuating mineral prices and marketability of minerals; title to properties; local resident concerns; no mineral reserves or mineral resources; environmental risks; governmental regulations and processing licenses and permits; conflicts of interest of management; uninsurable risks; exposure to potential litigation; dividends; and other factors beyond the control of the Issuer or the Resulting Issuer.

Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, neither the Issuer nor the Resulting Issuer undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of the Issuer, the Lonnie Property or the Resulting Issuer or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. See “Risk Factors”.

SUMMARY OF FILING STATEMENT

The following is a summary of information relating to the Issuer, the Lonnie Property and the Resulting Issuer (assuming completion of the Transaction) and should be read together with the more detailed information and financial data and statements contained elsewhere in this Filing Statement.

General

The Issuer is a company incorporated under the BCBCA and is a CPC and, as such, the principal business of the Issuer has been to identify and evaluate opportunities for the acquisition of an interest in assets or businesses and, once identified and evaluated, to negotiate an acquisition of or participation in such assets or business subject to receipt of the approval of the Exchange. Pursuant to the CPC Policy, the Issuer is required to complete its Qualifying Transaction by August 27, 2012.

Summary of Qualifying Transaction

The Lonnie Transaction

Under the terms of the Lonnie Agreement, the Issuer has agreed to acquire from AMY 60% of AMY's 100% right, title and interest in and to the Lonnie Property, as further described below. Upon completion of the Transaction, the Issuer expects that it will be classified as a mining issuer under the policies of the Exchange and will proceed to carry on business in the mining exploration sector.

To exercise the Lonnie Option, thereby earning a 60% interest in and to the Lonnie Property, the Issuer is required to:

- (a) pay to AMY total cash payments of \$60,000, comprised of: (i) a \$10,000 deposit, which was paid on November 29, 2010; (ii) a \$10,000 deposit which the Issuer paid to AMY on January 31, 2011 upon execution of the Lonnie Agreement; and (iii) \$20,000 on or before each of the first two anniversaries of the Completion of the Qualifying Transaction;
- (b) incur no less than \$500,000 in Exploration Expenditures on the Lonnie Property, as follows: (i) \$100,000 on or before the first anniversary of the Completion of the Qualifying Transaction; (ii) \$100,000 on or before the second anniversary of the Completion of the Qualifying Transaction; and (iii) \$300,000 on or before the third anniversary of the Completion of the Qualifying Transaction; and
- (c) allot and issue the Lonnie Payment Shares to AMY, as follows: (i) 75,000 Lonnie Payment Shares on or before the Completion of the Qualifying Transaction; (ii) 75,000 Lonnie Payment Shares on or before the first anniversary of the Completion of the Qualifying Transaction; (iii) 75,000 Lonnie Payment Shares on or before the second anniversary of the Completion of the Qualifying Transaction; and (iv) 60,000 Lonnie Payment Shares on or before the third anniversary of the Completion of the Qualifying Transaction.

Upon the Issuer exercising the Lonnie Option, AMY and the Issuer shall enter into a joint venture agreement for the purpose of further exploration and development work on the Lonnie Property and, if warranted, the operation of one or more mines on the Lonnie Property. The Issuer shall serve as the initial operator under the joint venture agreement.

Completion of the Transaction will be subject to certain conditions, including that:

- (a) the Exchange will have conditionally accepted the Transaction;

- (b) the Lonnie Payment Shares will have been conditionally accepted for listing by the Exchange, subject to the Issuer fulfilling the listing requirements of the Exchange;
- (c) the Issuer will have completed the Minimum Financing for gross proceeds of at least \$2,000,000; and
- (d) all consents, orders and approvals for the completion of the Transaction will have been obtained.

See "Information Concerning the Significant Assets" for further details of the terms of the Lonnie Agreement.

Finder's Fee

Upon the completion of the Transaction, the Finder's Fee will be paid to David Heyman and Nick Horsley as follows:

- (a) AMY will pay cash payments totalling \$3,000 to Mr. Heyman, with \$1,000 to be paid on the Completion of the Qualifying Transaction and \$1,000 to be paid on each of the first and second anniversary dates of the Completion of the Qualifying Transaction;
- (b) the Issuer will issue to Mr. Heyman a total of 15,000 Shares, with 3,750 Shares to be issued on the Completion of the Qualifying Transaction and on each of the first, second and third anniversary dates of the Completion of the Qualifying Transaction;
- (c) the Issuer will pay cash payments totalling \$3,000 to Mr. Horsley, with \$1,000 to be paid on the Completion of the Qualifying Transaction and \$1,000 to be paid on each of the first and second anniversary dates of the Completion of the Qualifying Transaction; and
- (d) the Issuer will issue to Mr. Horsley of a total of 15,000 Shares, with 3,750 Shares to be issued on the Completion of the Qualifying Transaction and on each of the first, second and third anniversary dates of the Completion of the Qualifying Transaction.

Subsequent Transaction - The Las Chacras Transaction

When the Issuer initially contemplated the structure of the Qualifying Transaction, it considered acquiring a company to be created by GSC into which GSC would vend all right, title and interest in and to the Las Chacras Property. Consequently, the Issuer entered into the Las Chacras LOI on November 29, 2010. Although the Las Chacras Transaction was not intended to be the Issuer's Qualifying Transaction, it was intended that it would close concurrently with its Qualifying Transaction. Upon further consideration, the Issuer determined that it would take longer than expected to complete its due diligence with respect to the Las Chacras Property and, as such, has determined to complete the Las Chacras Transaction after the Completion of the Qualifying Transaction. The structure of the Las Chacras Transaction has also changed such that the Issuer or subsidiary of the Issuer now intends to acquire the Las Chacras Property directly from GSC.

As the closing of the Lonnie Transaction, which is the Issuer's Qualifying Transaction, is not conditional upon the closing of the Las Chacras Transaction, information with respect to the Las Chacras Transaction is included in this Filing Statement for informational purposes only. The Issuer does not have an NI 43-101 compliant technical report with respect to the Las Chacras Property, nor can the Issuer provide geological information with respect to the Las Chacras Property at this time. The Issuer has not completed its due diligence with respect to the Las Chacras Property and approval of the Las Chacras Transaction is subject to completion of same, the approval of the Exchange and receipt of the approval of disinterested Shareholders. The Issuer has no immediate plans for exploration or development of the Las Chacras Property. Such plans will be formulated upon satisfaction or completion of the foregoing matters.

Pursuant to the terms of the Las Chacras Agreement, the Issuer or a subsidiary of the Issuer intends to acquire the Las Chacras Property from GSC by: (i) paying GSC a cash payment of \$25,000; and (ii) allotting and issuing to

GSC the Las Chacras Payment Shares, which will be deposited into escrow pursuant to the terms of the Las Chacras Escrow Agreement. 1,000,000 of the Las Chacras Payment Shares escrowed under the Las Chacras Escrow Agreement will be released from escrow upon the Issuer achieving (in any order) any of the following milestones:

- (a) the Issuer completing financings for aggregate gross proceeds of at least \$5,000,000 subsequent to the closing of the Las Chacras Transaction, excluding proceeds from the Financing;
- (b) the Issuer obtaining an NI 43-101 technical report, excluding the Technical Report, that evidences NI 43-101 compliant resources in excess of 50,000 tonnes total rare earth equivalents for any property acquired by the Issuer (or its subsidiary(s)) during Christopher Ecclestone's tenure as CEO of the Issuer (see "Changes of Officers and Directors"); and
- (c) the Issuer acquiring a project or property that qualifies as a producer (a property on which there is already a producing mine) or near-term producer (a property for which a bankable feasibility report has been completed and financing has been arranged to achieve commercial production on such property) via takeover, merger, acquisition or otherwise.

In addition, if any of the Las Chacras Payment Shares are released from escrow upon attainment by the Issuer of any of the milestones set forth above prior to the third anniversary of the Completion of the Qualifying Transaction, such Las Chacras Payment Shares will continue to be held in escrow and subject to a timed release schedule as set out in the Las Chacras Escrow Agreement. GSC is an arm's length party to the Issuer.

Closing of the Las Chacras Agreement will be conditional upon satisfaction of a number of conditions including the Issuer obtaining a title opinion with respect to the Las Chacras Property that is satisfactory to both the Issuer and the Exchange, and the Issuer obtaining an exploration permit for the Las Chacras Property that is satisfactory to the Issuer.

Changes of Officers and Directors

At the closing of the Transaction, Alexander Helmelt will resign as President, Secretary and CEO of the Issuer, Christopher Ecclestone will be appointed President and CEO of the Issuer, Roger Flowerdew will be appointed Secretary of the Issuer and John Veltheer will resign as Vice President of the Issuer. Alexander Helmelt and John Veltheer will remain as directors of the Issuer. Further, Darrell Elliott will resign as a director, but will remain as a strategic consultant to the Issuer in consideration for the grant of an additional 25,000 Options to Mr. Elliott at Closing.

Name Change

On completion of the Transaction, the Issuer intends to change its name to "Rara Terra Minerals Corp.", or such other name as may be approved by the Board. The Resulting Issuer Shares will continue to trade under the symbol "RTX" upon Completion of the Qualifying Transaction.

Financing

In connection with the Transaction, the Issuer is required to complete the Minimum Financing and may complete up to the Maximum Financing. The Financing Finder's Fee may be paid in connection with the Financing and certain fees and commissions will be payable to the Agent in connection with the Brokered Financing Portion. See "Information Concerning the Significant Assets – Proposed Financing" for further information regarding the Financing and the Brokered Financing Portion thereof.

Interests of Insiders

Except as disclosed herein, no Insider, promoter or Control Person of the Issuer and no Associate or Affiliate of any of those persons, has any interest in the Transaction other than that which arises from the holding of Shares.

Arm's Length Transaction

The Transaction will be carried out by parties dealing at arm's length to one another and therefore will not be a Non Arm's Length Qualifying Transaction.

Availability of Funds

The Issuer had working capital of approximately \$194,579 as at February 28, 2011. Based on this working capital position, and assuming completion of the Transaction and the Financing, the estimated funds available to the resulting issuer will be as follows:

Item	Assuming Completion of Minimum Financing	Assuming Completion of Maximum Financing
Estimated working capital of the Issuer as at February 28, 2011	\$194,579	\$194,579
Gross proceeds of the Financing	\$2,000,000	\$2,950,000
Payments related to the Completion of the Qualifying Transaction and the Financing	(\$213,500)	(\$299,500)
Estimated funds available to the Resulting Issuer upon Completion of the Qualifying Transaction	\$1,981,079	\$2,845,079

It is the Resulting Issuer's intention to use these funds for a period of 12 months after the Completion of the Qualifying Transaction as follows:

Use of Available Funds	Assuming Completion of Minimum Financing	Assuming Completion of Maximum Financing
General and administrative costs ⁽¹⁾	\$381,000	\$381,000
Costs relating to the work program on the Lonnie Property	\$220,850	\$220,850
Payment due to AMY on first anniversary of the Completion of the Qualifying Transaction	\$20,000	\$20,000
Unallocated working capital	\$1,359,229	\$2,223,229
Total⁽²⁾	\$1,981,079	\$2,845,079

⁽¹⁾ The estimate of general and administrative costs for the next 12 months following the Closing of \$381,000 includes, among others, transfer agent and filing fees of \$18,000, legal fees of \$20,000, audit and accounting fees of \$21,000, and wages and salaries of \$237,000.

⁽²⁾ Does not include a payment of \$25,000 that the Issuer will be required to pay to GSC in the event of the successful completion of the Las Chacras Transaction and \$7,500 in costs that the Issuer expects to incur with respect to the Las Chacras Property in the event of the successful completion of the Las Chacras Transaction.

There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. See "Information Concerning the Resulting Issuer – Available Funds and Principal Purposes".

Financial Information

Included with this Filing Statement are unaudited interim financial statements of the Issuer for the nine month period ended December 31, 2010 and audited financial statements of the Issuer for the period from its incorporation on December 17, 2009 to March 31, 2010. The Issuer's working capital and total assets as at December 31, 2010 and March 31, 2010 were as follows:

	December 31, 2010 (Unaudited)	Period from incorporation on December 17, 2009 to March 31, 2010 (Audited)
Working capital	\$320,348	\$202,341
Total assets	\$377,822	\$251,989

Exchange Listing

The Shares were listed for trading on the Exchange on August 27, 2010 under the trading symbol “RTX.P”. The trading symbol is expected to change to “RTX” upon Completion of the Qualifying Transaction.

The Shares have been halted from trading on the Exchange since November 30, 2010 pending the Completion of the Qualifying Transaction. The closing price per Share on November 29, 2010, the date immediately preceding the announcement of the Transaction, was \$0.26. See “Stock Exchange Price” for more information.

Sponsorship

Pursuant to Policy 2.2 of the Exchange, sponsorship is generally required in conjunction with a Qualifying Transaction. The Issuer has applied for a waiver of the sponsorship requirement on the basis that: (a) the Resulting Issuer will not be a Foreign Issuer (as defined in Exchange Policy 2.2); (b) the Board and management of the Resulting Issuer meet a high standard and collectively possess appropriate experience, qualifications and history that indicate positive records with junior companies, as evidenced by the growth of such companies, the ability to raise financing, positive corporate governance and regulatory histories, and appropriate technical and other experience with public companies in Canada or the United States; and (c) the Resulting Issuer will be a mining issuer, satisfying the Initial Listing Requirements for a Tier 2 Issuer and will have a current Technical Report on the Lonnie Property.

Exchange Approval

The Issuer has applied for the acceptance of the Exchange for the Transaction. The Completion of the Qualifying Transaction is subject to the Issuer fulfilling all of the requirements of the Exchange.

Conflicts of Interest

Directors or officers of the Resulting Issuer may, from time to time, serve as directors or officers of, or participate in ventures with, other companies involved in natural resource exploration or development. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Resulting Issuer, notwithstanding that they will be bound by the provisions of the BCBCA to act at all times in good faith in the interests of the Resulting Issuer and to disclose such conflicts to the Resulting Issuer if and when they arise. As of the date of this Filing Statement, to the best of its knowledge, the Issuer is not aware of the existence of any conflicts of interest between the Issuer and any of the directors or officers of the Issuer.

Interests of Experts

To the best of the Issuer’s knowledge, no direct or indirect interest in the Issuer is held or will be received by any expert. Refer to “Experts” for more information.

Risk Factors

An investment in the Resulting Issuer following completion of the Transaction involves a substantial degree of risk and should be regarded as highly speculative due to the nature of the business of the Issuer and the Resulting Issuer. The risks, uncertainties and other factors, many of which are beyond the control of the Issuer or the Resulting Issuer, that could influence actual results include, but are not limited to: limited operating history; mineral exploration, development and operating risks; foreign operations; substantial capital requirements and liquidity; competition; reliance on management and dependence on key personnel; fluctuating mineral prices and marketability of minerals; regulatory requirements; financing risks and dilution to shareholders; title to properties; local resident concerns; no

mineral reserves or mineral resources; environmental risks; governmental regulations and processing licenses and permits; management inexperience in developing mines; potential conflicts of interest of management; uninsurable risks; uncertainty as to foreign government regulations and policies; exposure to potential litigation; dividends; and other factors beyond the control of the Issuer or the Resulting Issuer. For a detailed description of certain risk factors relating to the Transaction and the ownership of the Shares which should be carefully considered before making an investment decision, see “Risk Factors”.

RISK FACTORS

The following are certain factors relating to the business of the Issuer and of the Resulting Issuer assuming completion of the Transaction, which factors investors should carefully consider when making an investment decision concerning the Shares. These risks and uncertainties are not the only ones facing the Issuer and the Resulting Issuer. Additional risks and uncertainties not presently known to the Issuer, or that the Issuer currently deems immaterial, may also impair the operations of the Resulting Issuer. If any such risks actually occur, the financial condition, liquidity and results of operations of the Resulting Issuer could be materially adversely affected and the ability of the Resulting Issuer to implement its growth plans could be adversely affected.

An investment in the Resulting Issuer is speculative. An investment in the Resulting Issuer will be subject to certain material risks and investors should not invest in securities of the Resulting Issuer unless they can afford to lose their entire investment. The following is a description of certain risks and uncertainties that may affect the business of the Resulting Issuer.

Limited Operating History

The Issuer is a relatively new company with limited operating history and no history of business or mining operations, revenue generation or production history. The Issuer was incorporated on December 17, 2009 and has yet to generate a profit from its activities. The Resulting Issuer will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Resulting Issuer anticipates that it may take several years to achieve positive cash flow from operations.

Conditions Precedent

There is no assurance that the Transaction will receive regulatory and Exchange approval or that all other conditions precedent, including other conditions under the Lonnie Agreement, will be satisfied or waived.

Exploration, Development and Operating Risks

The Resulting Issuer’s mining and exploration activities will involve significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. The figures presented for mineral resources in this document are only estimates. The estimating of mineral resources is a subjective process and the accuracy of mineral resource estimates is a function of the quantity and quality of available data, the accuracy of statistical computations, and the assumptions used and judgments made in interpreting available engineering and geological information. There is significant uncertainty in any mineral resource estimate and the actual deposits encountered and the economic viability of a deposit may differ materially from the estimates contained in this Filing Statement.

Estimated mineral resources may have to be re-estimated based on changes in mineral prices, further exploration or development activity or actual production experience. This could materially and adversely affect estimates of the volume or grade of mineralization, estimated recovery rates or other important factors that influence mineral resource estimates. Mineral resources are not mineral reserves and there is no assurance that any mineral resources will ultimately be reclassified as proven or probable reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability.

There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in an increase in the Resulting Issuer's resource base.

Las Chacras Agreement and Foreign Operations

The Completion of the Qualifying Transaction is not conditional upon the successful completion of the Las Chacras Transaction, and there is no assurance that the acquisition of the Las Chacras Property will be completed. If the Las Chacras Transaction is successfully completed, the Resulting Issuer may pursue operations in the Argentine Republic. If that occurs, the Resulting Issuer's operations will be exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties vary from country to country and include, but are not limited to, terrorism, hostage taking, military repression, extreme fluctuations in currency exchange rates, high rates of inflation, labour unrest, the risks of war or civil unrest, expropriation and nationalization, uncertainty as to the outcome of any litigation in foreign jurisdictions, uncertainty as to enforcement of local laws, renegotiation or nullification of existing concessions, licenses, permits and contracts, illegal mining, changes in taxation policies, restrictions on foreign exchange and repatriation, and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude in the Argentine Republic may adversely affect the Resulting Issuer's production operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with varied or other interests. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Resulting Issuer's business, financial condition and results of operations.

Substantial Capital Requirements and Liquidity

Substantial additional funds for the establishment of the Resulting Issuer's current and planned mining operations will be required. No assurances can be given that the Resulting Issuer will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures and operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Resulting Issuer may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Resulting Issuer or at all. If the Resulting Issuer is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and pursue only those projects that can be funded through cash flows generated from its existing operations, if any.

Fluctuating Mineral Prices

The economics of mineral exploration are affected by many factors beyond the Resulting Issuer's control, including commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, the Resulting Issuer may determine that it is impractical to continue a mineral exploration operation.

Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which

cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals found on the Lonnie Property.

Regulatory, Permit and License Requirements

The current or future operations of the Resulting Issuer require permits from various governmental authorities, and such operations are and will be governed by laws and regulations concerning exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Resulting Issuer may require for facilities and the conduct of exploration and development operations on the Lonnie Property will be obtainable on reasonable terms, or that such laws and regulations will not have an adverse effect on any exploration or development project which the Resulting Issuer might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material adverse impact on the Resulting Issuer and cause increases in capital expenditures or exploration and development costs, or require abandonment or delays in the development of new or existing properties.

First Nations

The Lonnie Property is located within First Nations traditional territories. The risks to project development are identified and evaluated based on First Nations rights. First Nations rights have two legal sources of authority both recognized by the *Constitution Act*, 1982, which consist of aboriginal rights and title, and treaty rights. Aboriginal rights and title are derived from pre-contact activities based on historical records, including oral tradition. Treaty rights are based on an agreement between a First Nation and the Crown as represented by the federal government and, more currently, the provincial government. These rights stipulate that companies have a duty to consult or engage First Nations potentially affected by development projects. The purpose of the engagement process is to ascertain and evaluate the impact of a project on First Nation rights, and to identify any mitigation strategies and accommodation to address these impacts.

The greatest risk factor associated with the above mentioned consultation process is the failure of the Resulting Issuer to enter into agreements with respect to consultation and accommodation with the relevant First Nations. This may cause delays or financial hardship (related to resolution measures) to the point where the proposed developments may have to be abandoned. It should be noted that, even if agreements are entered into, the impact of these risk factors on the Resulting Issuer's proposed projects cannot be predicted.

Financing Risks and Dilution to Shareholders

The Resulting Issuer will have limited financial resources, no operations and no revenues. If the Resulting Issuer's exploration program on the Lonnie Property is successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Resulting Issuer will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity which will result in dilution to the Resulting Issuer's shareholders.

Title to Properties

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The Resulting Issuer cannot give an assurance that title to the Lonnie Property

will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that AMY or the Resulting Issuer, as the case may be, does not have title to the Lonnie Property could cause the Resulting Issuer to lose any rights to explore, develop and mine any minerals on the Lonnie Property without compensation for its prior expenditures relating to the Lonnie Property.

Competition

The mineral exploration and development industry is highly competitive. The Resulting Issuer will have to compete with other mining companies, many of which have greater financial, technical and other resources than the Resulting Issuer, for, among other things, the acquisition of minerals claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. Failure to compete successfully against other mining companies could have a material adverse effect on the Resulting Issuer and its prospects.

Reliance on Management and Dependence on Key Personnel

The success of the Resulting Issuer will be largely dependent upon the performance of its directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Resulting Issuer's business and prospects. The Resulting Issuer will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Resulting Issuer can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Resulting Issuer and its prospects.

Environmental Risks

The Resulting Issuer's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and state and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

Local Resident Concerns

Apart from ordinary environmental issues, the exploration, development and mining of the Lonnie Property could be subject to resistance from local residents that could either prevent or delay exploration and development of the Lonnie Property.

Conflicts of Interest

Certain of the directors and officers of the Resulting Issuer will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers may become subject to conflicts of interest. The BCBCA provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to an issuer, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA.

Uninsurable Risks

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other

environmental occurrences, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution, and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Resulting Issuer. It is not always possible to obtain insurance against all such risks and the Resulting Issuer may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Resulting Issuer's results of operations and financial condition and could cause a decline in the value of the Resulting Issuer Shares.

Litigation

The Resulting Issuer and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

INFORMATION CONCERNING THE ISSUER

Corporate Structure

Name and Incorporation

The Issuer was incorporated under the BCBCA on December 17, 2009, under the name "Rara Terra Capital Corp.", as evidenced by a certificate of incorporation issued on that date pursuant to the provisions of the BCBCA. The Issuer's head office is located at Suite 1160 – 1100 Melville Street, Vancouver, British Columbia V6E 4A6. The registered and records office of the Issuer is located at Suite 800 - 885 West Georgia Street, Vancouver, BC V6C 3H1.

General Development of the Business

History

The Issuer is a CPC and to date has not carried on any operations. The sole business of the Issuer since its incorporation has been to identify and evaluate opportunities for the acquisition of an interest in assets or businesses and, once identified and evaluated, to negotiate an acquisition or participation subject to any approvals as required under applicable corporate and securities laws and subject to acceptance by the Exchange, so as to complete a Qualifying Transaction. Until the completion of the Transaction, the Issuer will not have a business, business operations or any material assets other than cash. The Issuer currently has no written or oral agreements in principle for the acquisition of an asset or business other than the Lonnie Agreement and the Las Chacras Agreement.

On April 30, 2010, the Issuer filed a preliminary prospectus in British Columbia and Alberta to qualify for public sale and distribution under the IPO a minimum of 2,000,000 Shares and a maximum of 3,000,000 Shares at \$0.10 per Share. The final prospectus was filed on June 3, 2010 and the maximum offering was completed under the IPO on August 27, 2010 for gross proceeds of \$300,000. On August 27, 2010, pursuant to the IPO Agency Agreement, the Issuer paid a commission of \$30,000 (10% of the gross proceeds of the IPO) to the Agent and granted the Agent the IPO Agent's Warrants. The Issuer also paid the Agent a non-refundable corporate finance fee of \$12,000 (plus GST) and reimbursed the Agent for expenses of \$4,838 and legal of \$15,997. The IPO Agent's Warrants are exercisable until August 27, 2012. Pursuant to Exchange policies, no more than 50% of the IPO Agent's Warrants can be executed prior to the Completion of the Qualifying Transaction

Financing

The Closing is subject to the condition that the Issuer completes the Minimum Financing to raise gross proceeds of a minimum of \$2,000,000. The Minimum Financing will consist of the issuance of 6,800,000 Non-Flow-Through Units at a price of \$0.25 per Unit and 1,000,000 Flow-Through Units at a price of \$0.30 per Flow-Through Unit. The Issuer has the discretion to complete the Maximum Financing to raise gross proceeds of a maximum of \$2,950,000. The Maximum Financing will consist of the issuance of up to 10,000,000 Non-Flow-Through Units at a

price of \$0.25 per Non-Flow-Through Unit and up to 1,500,000 Flow-Through Units at a price of \$0.30 per Flow-Through Unit.

Each Flow-Through Unit will consist of one Flow-Through Share, and one half of one Warrant, with each whole Warrant entitling the holder to purchase one Share at an exercise price of \$0.39 per Share for 18 months from the closing of the Financing. Each Unit will consist of one Share and one half of one Warrant, with each whole Warrant entitling the holder thereof to purchase one Share at an exercise price of \$0.39 per Share for 18 months from the closing of the Financing. The Financing Finder's fee may be payable in connection with the closing of the Financing.

A portion of the Financing, being the Brokered Financing Portion, will be brokered by the Agent. All warrants comprising the Non-Flow-Through Units sold pursuant to the Brokered Financing Portion will be subject to a right of call of the Issuer in the event that the trading price of the Shares on the Exchange closes at over \$0.78 for 10 consecutive trading days. It is expected that compensation payable to the Agent will consist of a cash commission equal to 8% of the aggregate gross proceeds from the Brokered Financing Portion, representing \$72,000 in the event that the Minimum Brokered Financing Portion is completed and \$96,000 in the event that the Maximum Brokered Financing Portion is completed. The Agent will also be granted the Agent's Financing Warrants and the Issuer will pay the Agent a non-refundable corporate finance fee of \$30,000 (plus HST) and the Agent's legal fees, disbursements, taxes and any other reasonable expenses, estimated at \$15,000. The Agent's corporate finance fee may be increased up to 30% if extraordinary time and effort are required to be expended to complete the Brokered Financing Portion or the Agent's due diligence. In the event that any Flow-Through Units are placed by the Agent in connection with the broader Financing, the Agent will charge the Issuer a commission of 1% of the aggregate gross proceeds of the placement of such Flow-Through Units. The Issuer shall grant the Agent a right of first refusal as agent or underwriter for any future public offerings or brokered private placements undertaken by the Issuer for a period of twelve (12) months from the closing of the Financing.

The securities issued in the Financing will be legended with a "hold period" in accordance with applicable securities laws and, if required, the policies of the Exchange.

The Issuer intends to use the proceeds from the Financing to carry out the recommended work program as set out in the Technical Report and for general and working capital requirements during the twelve month period following the Closing Date. See "Available Funds and Principal Purposes – Principal Use of Funds for the Following 12 Months."

Selected Consolidated Financial Information and Management's Discussion and Analysis

Overall Performance

Since its incorporation, the Issuer has incurred costs in carrying out its IPO, in seeking, evaluating and negotiating a potential Qualifying Transaction, and in meeting the disclosure obligations imposed upon it as a reporting issuer listed for trading on the Exchange.

The Issuer is classified as a CPC. The Issuer was listed on the Exchange on August 27, 2010 and is required to complete a Qualifying Transaction pursuant to the policies of the Exchange within twenty-four months of listing.

Information from Incorporation to December 31, 2010

The following table sets forth the Issuer's total expenses since incorporation. Such information is derived from the Issuer's financial statements and should be read in conjunction with such financial statements. See Schedule "A", which contains audited annual financial statements of the Issuer for the period from incorporation on December 17, 2009 to March 31, 2010 and the Issuer's unaudited financial statements for the nine month period ended December 31, 2010:

Expenses	For the nine month period ended December 31, 2010 (Unaudited) (\$)	From Incorporation on December 17, 2009 to March 31, 2010 (Audited) (\$)
Stock-based compensation	33,768	-
Professional fees	14,949	-
Rent	9,000	3,000
General and administrative	32,964	4,934
Bank charges and interest	-	34
Total	90,681	7,968

From incorporation on December 17, 2009 to December 31, 2010, the Issuer had deferred mineral property acquisition costs of \$30,000. Between December 31, 2010 and February 28, 2011, management of the Issuer estimates that the Issuer has incurred additional costs of approximately \$48,387.

As of the date of this Filing Statement, the Issuer had cash and cash equivalents of approximately \$235,722. The Issuer estimates that its additional cash expenditures in closing the Transaction, including legal fees, filing fees and audit fees will be approximately \$213,500, assuming the Minimum Financing is completed, or \$299,500 assuming the Maximum Financing is completed. The Issuer expects that if the Transaction is not completed, it will have sufficient cash remaining to pursue another Qualifying Transaction, as many of these costs will not be incurred if the Transaction is not completed.

Management's Discussion and Analysis

The Management's Discussion and Analysis ("MD&A") of the Issuer as at and for the unaudited nine month period ended December 31, 2010 is incorporated by reference and attached to this Filing Statement as Schedule "B". The MD&A should be read in conjunction with the Issuer's unaudited interim financial statements as at and for the nine month period ended December 31, 2010, together with the notes thereto, which are incorporated by reference and attached to this Filing Statement as Schedule "A".

Description of the Securities

Attributes and Characteristics of Shares

The authorized capital of the Issuer consists of an unlimited number of Shares without par value and an unlimited number of preferred shares without par value.

As at the date of this Filing Statement, 6,600,000 Shares were issued and outstanding, of which 2,250,000 Shares were held in escrow. The Shareholders are entitled to one vote at all meetings of Shareholders, to receive dividends if, as and when declared by the directors and, to participate rateably in any distribution of property or assets upon the liquidation, winding-up or other dissolution of the Issuer, subject to the rights of preferred shareholders. The Shares carry no pre-emptive rights, conversion or exchange rights, or redemption, retraction, repurchase, sinking fund or purchase fund provisions. There are no provisions requiring a holder of Shares to contribute additional capital and no restrictions on the issuance of additional securities by the Issuer. There are no restrictions on the repurchase or redemption of Shares by the Issuer except to the extent that any such repurchase or redemption would render the Issuer insolvent.

As at the date of this Filing Statement, there are no issued or outstanding preferred shares. The preferred shares may be issued in one or more series. The holders of the preferred shares shall be entitled, on the liquidation or dissolution of the Issuer, or on any other distribution of its assets among the Shareholders for the purpose of winding up its affairs, to receive, before any distribution is made to the Shareholders or any other shares of the Issuer ranking

junior to the preferred shares with respect to the repayment of capital on the liquidation or dissolution of the Issuer, or on any other distribution of its assets among its Shareholders for the purpose of winding up its affairs, the amount paid up with respect to each preferred share held by them, together with the fixed premium (if any) thereon, all accrued and unpaid cumulative dividends (if any and if preferential) thereon, and all declared and unpaid non-cumulative dividends thereon. After payment to the holders of the preferred shares of the amounts so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Issuer, except as specifically provided in the special rights and restrictions attached to any particular series. All assets remaining after payment to the holders of preferred shares as aforesaid shall be distributed rateably among the Shareholders. Except for such rights relating to the election of directors on a default in payment of dividends as may be attached to any series of the preferred shares by the directors, holders of preferred shares shall not be entitled, as such, to receive notice of, or to attend or vote at, any general meeting of the Shareholders.

Stock Option Plan

The Issuer has adopted the Stock Option Plan, pursuant to which the board of directors of the Issuer may from time to time, in its discretion, and in accordance with Exchange requirements, grant to directors, officers and consultants to the Issuer non-transferable options to purchase Shares, provided that, while the Issuer is a CPC, the number of Shares reserved for issuance will not exceed 10% of the issued and outstanding Shares. Such Options may be exercisable for a period of up to 10 years from the date of grant. Upon Completion of the Qualifying Transaction, the Issuer may also grant Options to consultants and employees of the Issuer. Until the Completion of the Qualifying Transaction, the number of Shares reserved for issuance pursuant to the Stock Option Plan will not exceed 10% of the issued and outstanding Shares. The number of Shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding Shares and the number of Shares reserved for issuance to all consultants will not exceed two percent (2%) of the issued and outstanding Shares. Options may be exercised for 90 days following cessation of the optionee's position with the Issuer, unless an optionee was engaged in investor relations activities on behalf of the Issuer, in which case the Options may only be exercised for 30 days following the optionee's ceasing such position. If the cessation of office, directorship or consulting arrangement was by reason of death, the Options may be exercised within a maximum period of one year after such death, subject to the expiry date of such Options. Any Shares acquired pursuant to the exercise of Options prior to the Completion of the Qualifying Transaction, must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued. Option prices are determined based on the market price of the Shares on the date of grant in accordance with the policies of the Exchange.

The Issuer has granted Options to persons eligible to receive Options under the Stock Option Plan. As of the date of this Filing Statement, the Issuer had 450,000 Options outstanding, which Options entitle the holders thereof to acquire an aggregate of 450,000 Shares at \$0.10 per Share until August 27, 2015.

Name	Securities Under Options Granted⁽¹⁾	Exercise Price (\$/Resulting Issuer Share)	Expiry Date
Fraser Atkinson	90,000	\$0.10	August 27, 2015
Alexander Helmel	90,000	\$0.10	August 27, 2015
Roger Flowerdew	90,000	\$0.10	August 27, 2015
John Veltheer	90,000	\$0.10	August 27, 2015
Darrell Elliott	90,000	\$0.10	August 27, 2015
Total	450,000	-	-

⁽¹⁾ All Options granted are subject to the terms of the CPC Escrow Agreement.

Prior Sales

Since the date of incorporation, 6,600,001 Shares have been issued as follows:

Date	Price	Number of Shares
December 17, 2009	\$0.05	1 ⁽¹⁾
December 21, 2009	\$0.05	2,200,000 ⁽²⁾⁽³⁾
January 26, 2010	\$0.10	915,000 ⁽⁴⁾
January 30, 2010	\$0.10	485,000
August 27, 2010	\$0.10	3,000,000 ⁽⁵⁾
Total	-	6,600,001

⁽¹⁾ This Share was repurchased by the Issuer on January 26, 2010 for \$0.05. The Share was cancelled and the sum of \$0.05 was deducted from the stated capital account of the Issuer.

⁽²⁾ These Shares are held in escrow pursuant to the CPC Escrow Agreement.

⁽³⁾ An aggregate of 2,600,000 Shares were issued to directors and officers of the Issuer on December 21, 2009. Effective January 30, 2010, one of the directors of the Issuer resigned and his 400,000 Shares were returned to the treasury of the Issuer for cancellation in exchange for a refund of his subscription payment, and the sum of \$20,000 was deducted from the stated capital account of the Issuer.

⁽⁴⁾ 50,000 of these Shares were issued to members of the Aggregate Pro Group and are held in escrow pursuant to the CPC Escrow Agreement.

⁽⁵⁾ These Shares were issued upon completion of the IPO on August 27, 2010.

IPO Agent's Warrants

In consideration of the services provided by the Agent in connection with the Issuer's IPO, which was completed on August 27, 2010, the Issuer granted the 300,000 IPO Agent's Warrants to the Agent. As of the date of this Filing Statement, none of the IPO Agent's Warrants have been exercised.

Stock Exchange Price

The following table shows the monthly high, low and closing prices and average trading volume of the Shares between August 27, 2010, being the first day the Shares began trading on the Exchange, and November 30, 2010, being the day trading in the Shares was halted in connection with the Issuer's announcement of the Transaction:

Period	High	Low	Close	Average Volume
Month Ended March 31, 2011 ⁽¹⁾	No trades ⁽¹⁾			
Month Ended February 28, 2011 ⁽¹⁾	No trades ⁽¹⁾			
Month Ended January 31, 2011 ⁽¹⁾	No trades ⁽¹⁾			
Month Ended December 31, 2010 ⁽¹⁾	No trades ⁽¹⁾			
Month Ended November 30, 2010 ⁽¹⁾	0.28	0.17	0.26	86,462
Month Ended October 31, 2010	0.24	0.17	0.19	40,509
Month Ended September 30, 2010	0.21	0.10	0.21	31,542
Month Ended August 31, 2010 ⁽²⁾	0.13	0.11	0.13	3,000

⁽¹⁾ The trading of the Shares has been halted since November 30, 2010 following execution of the Lonnie LOI and the Las Chacras LOI and the filing of a news release pertaining to same.

⁽²⁾ Trading of the Shares on the Exchange commenced on August 31, 2010.

Arm's Length Transaction

The proposed Transaction is an Arm's Length Qualifying Transaction.

Legal Proceedings

There are no material pending legal proceedings to which the Issuer is or is likely to be a party, or of which any of its property is the subject matter.

Auditor, Transfer Agent and Registrar

Auditor

The auditor of the Issuer is Dale Matheson Carr-Hilton Labonte, Chartered Accountants, LLP, at its office at 1500 – 1140 West Pender Street, Vancouver, British Columbia V6E 4G1.

Transfer Agent and Registrar

Computershare Investor Services Inc., at its Vancouver office located at 510 Burrard Street, 3rd Floor, Vancouver, British Columbia V6C 3B9, is the transfer agent and registrar for the Shares.

Material Contracts

The Issuer has not entered into any contracts material to investors in the Shares since incorporation other than contracts in the ordinary course of business, except:

- (a) the Lonnie Agreement (see "Information Concerning the Issuer – General Development of the Business");
- (b) the Lonnie LOI, which was superseded by the Lonnie Agreement;
- (c) the Las Chacras Agreement (see "Information Concerning the Issuer – General Development of the Business");
- (d) the Las Chacras LOI, which was superseded by the Las Chacras Agreement;
- (e) Employment Agreement with Christopher Ecclestone;
- (f) the CPC Escrow Agreement (See "Information Concerning the Issuer - Escrowed Securities");
- (g) the IPO Agency Agreement (See "Information Concerning the Resulting Issuer - Fully Diluted Share Capital");
- (h) the Stock Option Plan dated March 3, 2010 (See "Information Concerning the Issuer – Stock Option Plan"); and
- (i) the Transfer Agent, Registrar and Dividend Disbursing Agent Agreement dated January 26, 2010 between the Issuer and the Transfer Agent.

Copies of these agreements may be inspected without charge during regular business hours at the offices of the Issuer's counsel, Clark Wilson LLP, at Suite 800, 885 West Georgia Street, Vancouver, British Columbia V6C 3H1, until 30 days after the Closing.

INFORMATION CONCERNING THE SIGNIFICANT ASSETS

The Lonnie Agreement

Under the terms of the Lonnie Agreement, the Issuer has the option to acquire from AMY 60% of AMY's 100% right, title and interest in and to the Lonnie Property, as further described below. Upon completion of the Transaction, the Issuer expects that it will be classified as a mining issuer under the policies of the Exchange and will proceed to carry on business in the mining exploration sector.

To exercise the Lonnie Option, thereby earning a 60% interest in and to the Lonnie Property, the Issuer is required to:

- (a) pay to AMY total cash payments of \$60,000, comprised of: (i) a \$10,000 deposit, which was paid on November 29, 2010; (ii) a \$10,000 deposit which the Issuer paid to AMY upon execution of the Lonnie Agreement; and (iii) \$20,000 on or before each of the first two anniversaries of the Completion of the Qualifying Transaction;
- (b) incur no less than \$500,000 in Exploration Expenditures on the Lonnie Property, as follows: (i) \$100,000 on or before the first anniversary of the Completion of the Qualifying Transaction; (ii) \$100,000 on or before the second anniversary of the Completion of the Qualifying Transaction; and (iii) \$300,000 on or before the third anniversary of the Completion of the Qualifying Transaction; and
- (c) allot and issue the Lonnie Payment Shares to AMY, as follows: (i) 75,000 Lonnie Payment Shares on or before the Completion of the Qualifying Transaction; (ii) 75,000 Lonnie Payment Shares on or before the first anniversary of the Completion of the Qualifying Transaction; (iii) 75,000 Lonnie Payment Shares on or before the second anniversary of the Completion of the Qualifying Transaction; and (iv) 60,000 Lonnie Payment Shares on or before the third anniversary of the Completion of the Qualifying Transaction.

Upon the Issuer exercising the Lonnie Option, AMY and the Issuer shall enter into a joint venture agreement for the purpose of further exploration and development work on the Lonnie Property and, if warranted, the operation of one or more mines on the Lonnie Property. The Issuer shall serve as the initial operator under the joint venture agreement.

Completion of the Transaction will be subject to certain conditions, including that:

- (a) the Exchange will have conditionally accepted the Transaction;
- (b) the Lonnie Payment Shares will have been conditionally accepted for listing by the Exchange, subject to the Issuer fulfilling the listing requirements of the Exchange;
- (c) the Issuer will have completed the Minimum Financing for gross proceeds of at least \$2,000,000; and
- (d) all consents, orders and approvals for the completion of the Transaction will have been obtained.

Finder's Fee

Upon the completion of the Transaction, the Finder's Fee will be paid to David Heyman and Nick Horsley as follows:

- (a) AMY will pay cash payments totalling \$3,000 to Mr. Heyman, with \$1,000 to be paid on the Completion of the Qualifying Transaction and \$1,000 to be paid on each of the first and second anniversary dates of the Completion of the Qualifying Transaction;

- (b) the Issuer will issue to Mr. Heyman a total of 15,000 Shares, with 3,750 Shares to be issued on the Completion of the Qualifying Transaction and on each of the first, second and third anniversary dates of the Completion of the Qualifying Transaction;
- (c) the Issuer will pay cash payments totalling \$3,000 to Mr. Horsley, with \$1,000 to be paid on the Completion of the Qualifying Transaction and \$1,000 to be paid on each of the first and second anniversary dates of the Completion of the Qualifying Transaction; and
- (d) the Issuer will issue to Mr. Horsley of a total of 15,000 Shares, with 3,750 Shares to be issued on the Completion of the Qualifying Transaction and on each of the first, second and third anniversary dates of the Completion of the Qualifying Transaction.

The Technical Report

The Issuer commissioned the Author to prepare the Technical Report on the Lonnie Property. The Author is an independent Qualified Person under NI 43-101. The Technical Report, a report compliant with NI 43-101, is dated March 10, 2011 and has been filed on SEDAR at www.sedar.com. The following information concerning the Lonnie Property is derived from the Technical Report:

Property Description and Location

The Lonnie Property is located some 800 kilometres north of Vancouver in the Omenica Mining District near the settlement of Manson Creek. The Lonnie Property is situated at 55°41'N. latitude and 124°23' west longitude (UTM 413,300E, 6,171,300N) on NTS Map Sheet 93N/9W, on Granite Creek, 8.0 kilometers (5.0 miles) east of Manson Creek and covers 1604.62 ha. Altitude on the Lonnie Property varies between 3200 feet and 4000 feet. The Lonnie Property is 100% owned by AMY. The boundaries of the Lonnie Property were established in the field with the use of a Garmin Colorado 300 GPS. To the best of the Author's knowledge, there are no environmental liabilities attached to the Lonnie Property. The normal Notice of Work permits will be required before work can begin and these have not yet been applied for.

The Lonnie Property consists of 8 contiguous mineral claims as shown in the following table.

<i>THE LONNIE GROUP OF CLAIMS</i>	
CLAIM (TENURE) NUMBER	AREA Ha.
559717 expiry Jul 31,2015	18.22
563966 expiry Jul 31,2015	91.13
564009 expiry Jul 31,2015	164.05
639286 expiry Jul 31,2015	364.61
595332 expiry Jul 31,2015	328.23
639283 expiry Jul 31,2015	328.26
564093 expiry Jul 31,2015	127.69
565354 expiry Jul 31,2015	182.43
Total Hectares	1604.62

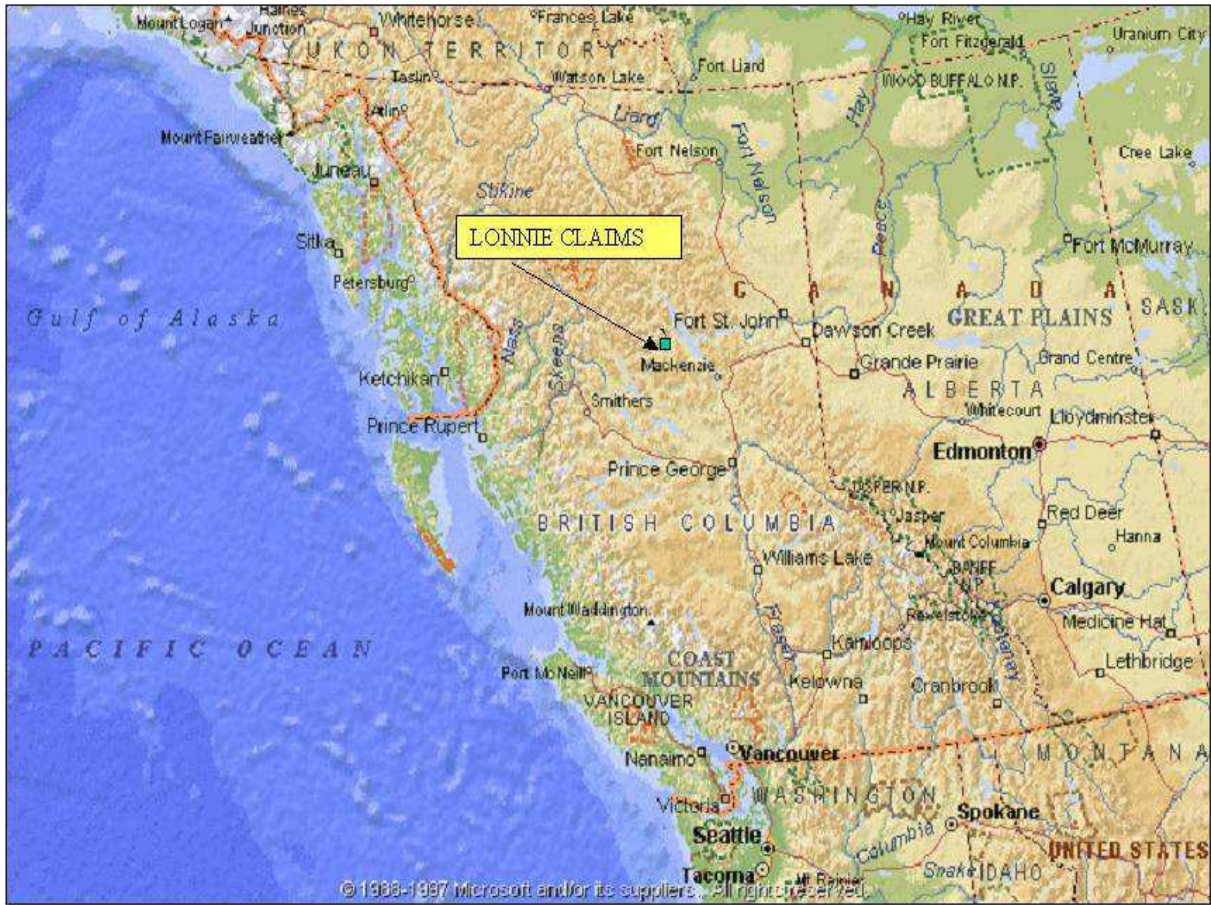


Figure #1 Location Map for the Lonnie Property within B.C.

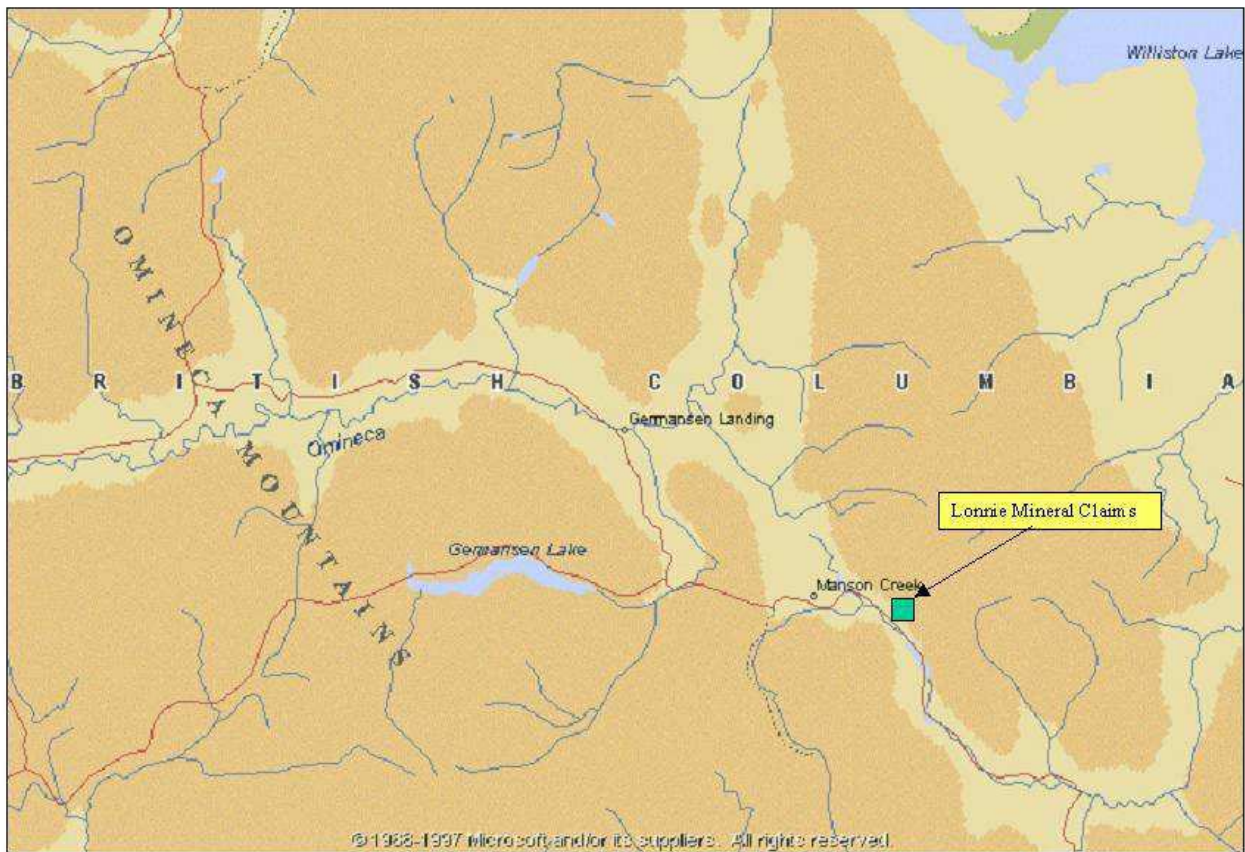


Figure #2 Location of the Lonnie Claims with Respect to Manson Creek

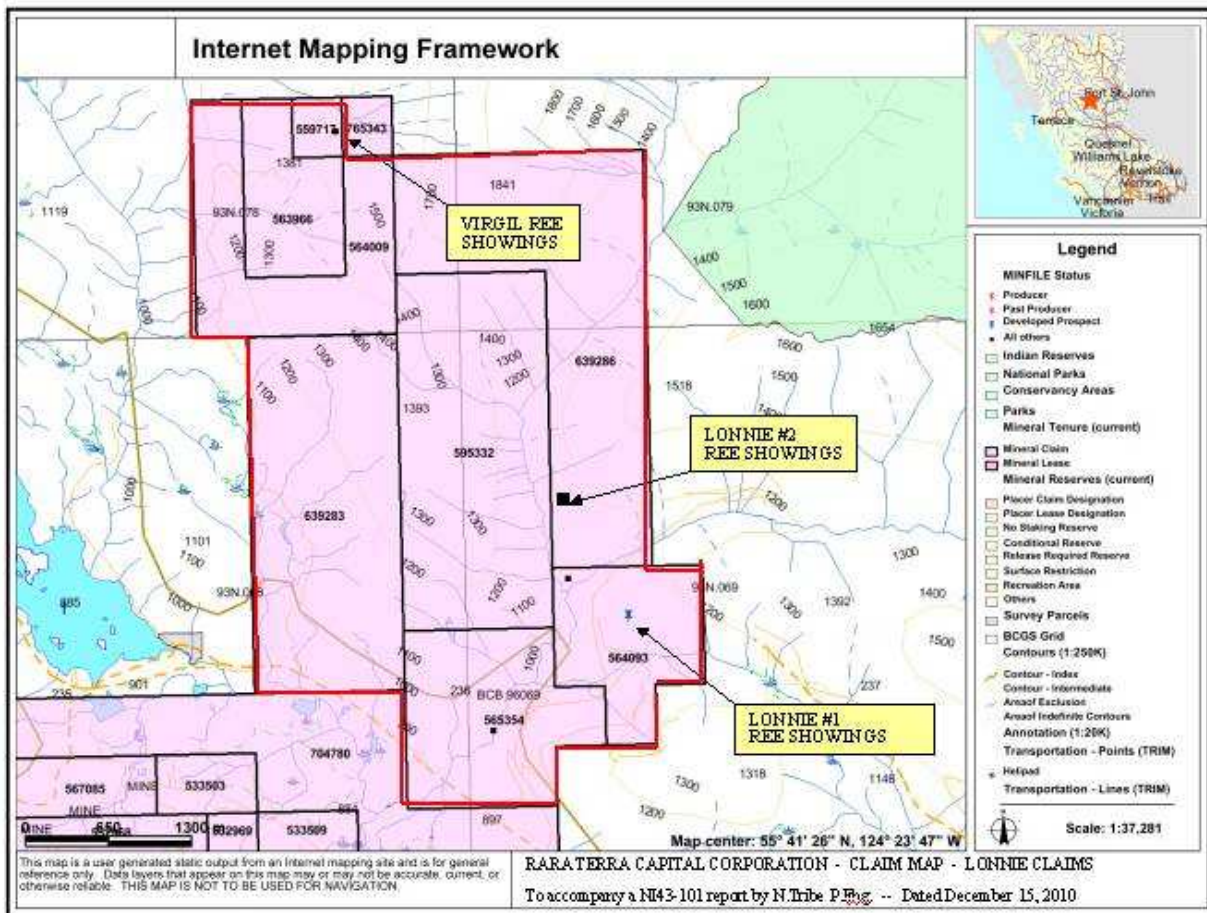


Figure #3 Claim Map Lonnie Property

Location of Mineralization and Workings

The Lonnie Property contains several conformable formations of carbonitite reported to contain niobium, zirconium, titanium and rare earth elements. The mineralized outcrops in the Lonnie #2 showing have been partially covered by recent road building work done by the logging company on whose timber license the showings are located and who completed clear cut logging on this slope within the last two years.

The mineralization on the Lonnie #1, some 450 meters south of the Lonnie #2, was explored in 1979 by 3 diamond (Winkie Xray) drill holes under the direction of Mr. P. Vaillancourt and these are reported in Assessment Report 7515.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Lonnie Property is accessed by traveling first to Prince George then west to Vanderhoof then north to Fort St. James, thence north on a good gravel Forest Service Road 175 kilometers to the turn off onto a small gravel cut block access road which leads to the Lonnie Property. The Lonnie #1 showings are located 3.0 kilometers up this road and the Lonnie #2 showings are 4.5 kilometers up this road. It should be noted that this road was decommissioned by the Ministry of Forests. This required re-commissioning of the road for the drill program, including the creek crossing on Upper Granite Creek. The roads were decommissioned again after the drill program was completed. The elevation at the showings varies from 975 meters (3200 feet) to 1158 meters (3800 feet). On the Lonnie #2 there are two road cuts which expose the showings, one at 1128 meters (3700 feet) and the second at 1109 meters (3640 feet). The upper road was used for drill access for this drill program. The area around the

showings has been clear cut for the timber but exposures of bedrock are sparse, the ground being covered with glacial till.

The climate is typical of north central B.C. with temperatures reaching the low 30 degrees Celsius in summer and -40 degrees Celsius in winter. Average precipitation listed for Manson creek is 38.1 cm. (15 inches).

There are no local resources aside from the road access. Manson Creek has very limited accommodation as does Germansen Landing. The store at Manson Creek has a limited supply of food stuffs and a small restaurant at Germansen Landing services the tourist trade in the summer. Other supplies have to come from Fort St. James or Mackenzie. Both are a three to four hour drive away. Telephone service is available at the Manson Creek Store. Internet connection is also available at the Manson Creek Store.

Manson Creek is a mining town with the basic income derived from alluvial mining and a small tourist component in the summer months. Forest companies are active in the area with the logs being hauled to Mackenzie for processing. The power grid does not reach Manson Creek and diesel power is generated locally for the settlement.

The physiography at the Lonnie Property is mountainous with deeply incised creeks and steep terrain. Wild life in this area consists of grizzly bears, black bears, wolves, caribou, moose, numerous small predators, lynx, bobcat, foxes, martin, fisher, weasel and mink. These live on the numerous squirrels, rabbits, mice and birds, including Franklin grouse and ptarmigan. Muskrat and beaver habituate the creeks and lakes.

History

The Lonnie showings were discovered in 1953 by Messrs. Floyd, Powney, Almond and Kay while prospecting for uranium in the area. The first claims were staked by C.S. Powney in 1954 and sold to Northwestern Explorations later that year.

The following year, Northwestern (or perhaps Kennco Explorations) dug 28 trenches along a strike length of 488 meters (1600 feet). Assay results returned values of 0.21% Nb₂O₅ columbite (niobium or columbium) over 14.3 meters (47 feet), with a central zone returning values of 0.30% Nb₂O₅ columbite, over 7.6 meters (25 feet). These results are non-compliant with respect to NI 43-101 standards.

Westrim Mining Corp. acquired the Lonnie Property in 1969 and resampled the trenches. The resampling returned values of, 0.1-0.15% Nb; 0.2-0.3% Zr; 0.001-0.018% Y; 0.2-0.7% Ti; 0.2-0.3% Mn; and 0.005% Cu. The following year Westrim returned and dug a further 5 trenches at the southwest end (lower end) of the showings. These trenches were sampled and returned values of 0.1% Nb and 0.1% Zr. These results are also non-compliant with NI 43-101 standards.

The claims were restaked in 1976 by Mr. Powney. The claims were later optioned to Moly Mite Mines Inc. and in 1979 three Winkie "Xray" diamond drill holes were drilled under the direction of Pierre Vaillancourt and Robert Stokes of Stokes Exploration Management Co. Ltd.

The Virgil showings, 3 kilometers northwest of the Lonnie showings, were trenched by Texaco in 1975. Texaco completed 565 meters of trenching and reported values of 0.19% Nb₂O₅ in one of the trenches.

In 1982, the Lonnie Property was covered by claims owned by Mr. H.M. Jones. These claims were called the Wolverine Group and were optioned to Golden Slipper Resources Inc. In the summer of 1982 considerable work was done including geology, silt and soil sampling, and magnetic surveys all under the direction of B. Taylor, P. Eng., of G.A. Noel & Associates Inc. Very little new understanding was added as a result of this work.

The "Floyd Claims" were staked by G. Belik on behalf of Mr. Ernie Floyd covering the Lonnie and Virgil showings in 2001. Work in 2001 consisted of soils geochemistry and rock sample surveys. (See Assessment Report 26854 dated May 13, 2002.) Again, very little advancement was made with respect to the development of the Lonnie Property.

The present claims were staked in August of 2007 by Rocher Deboule Minerals Corp. (now renamed to American Manganese Inc.) and cover the entire zone in which the carbonatites have been recognized from Lonnie on the south to Virgil (Brent) on the northwest.

The present work consisting of 5 BQTW diamond drill holes for a total of 474 meters was drilled on the central portion of the Lonnie #2 showings.

Geological Setting

Regional Geological Setting

The regional geology is dominated by the Wolverine Complex (Ingenika Group) in which the carbonatites of the Lonnie showings are located. The Wolverine Complex is of Late Proterozoic age and consists of amphibolite facies metamorphic rocks. The assemblage consists of hornblende gneisses, biotite garnet schists, marbles, carbonatites and quartzites. These rocks trend Az., 150o and dip 70o to the southwest. A strong northwest trending fault, the Manson Creek Fault, separates the Wolverine Complex from the Cache Creek Group to the west. (MEMPRBC-MRD-GSB Open File 1990-32)

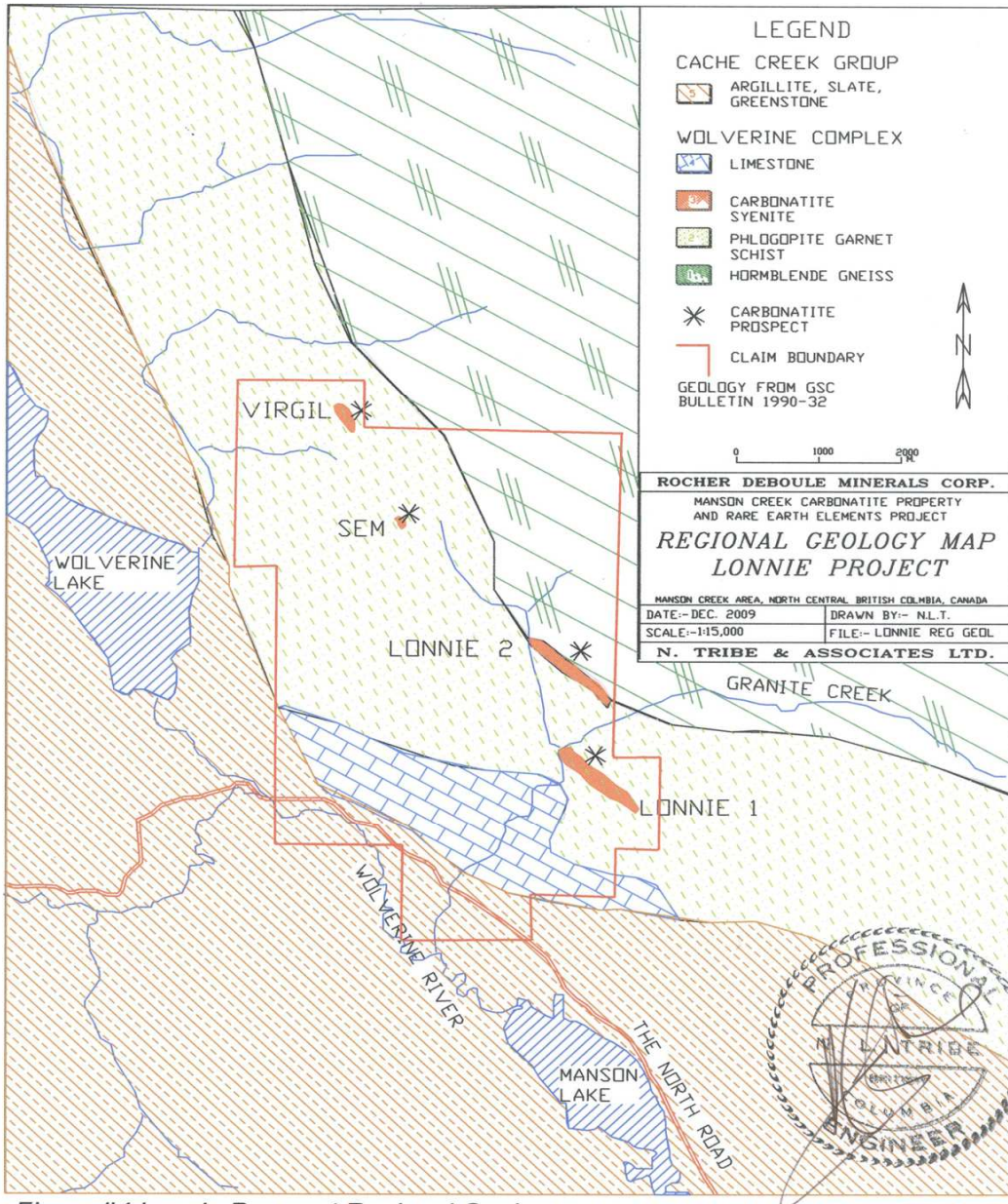
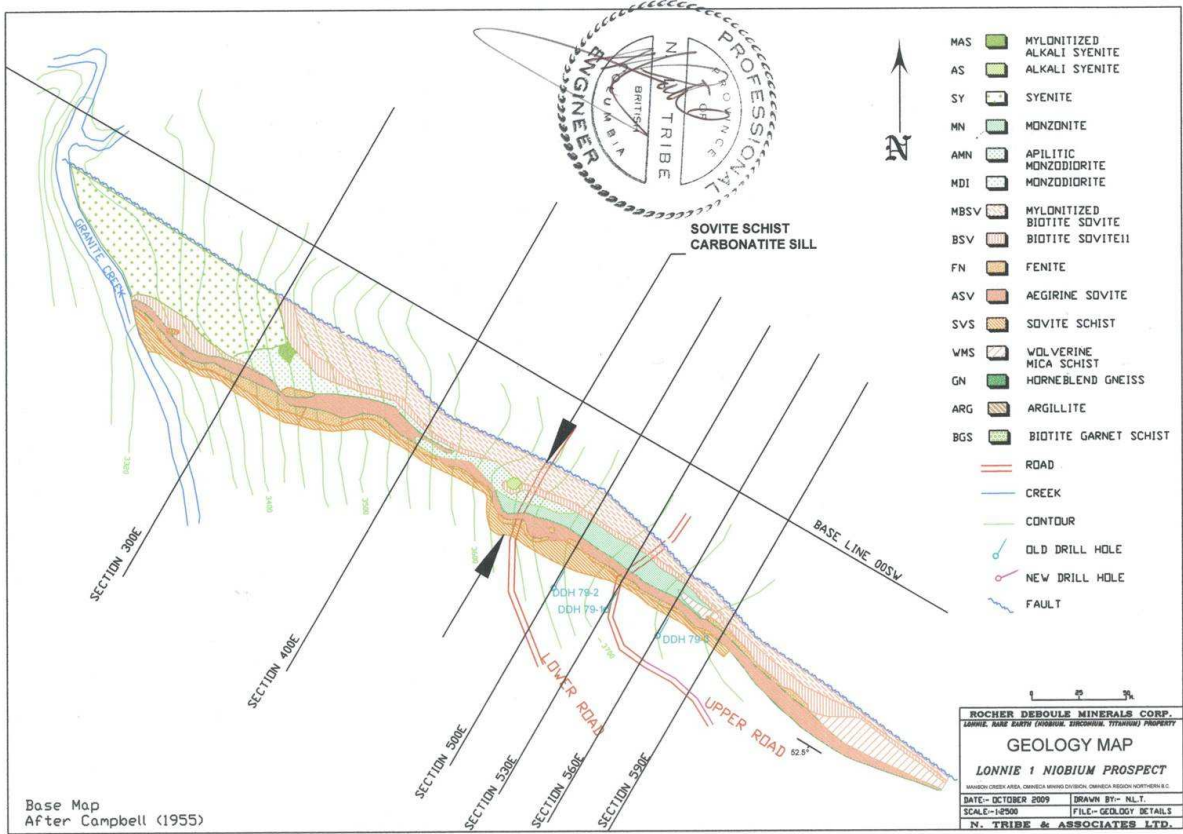
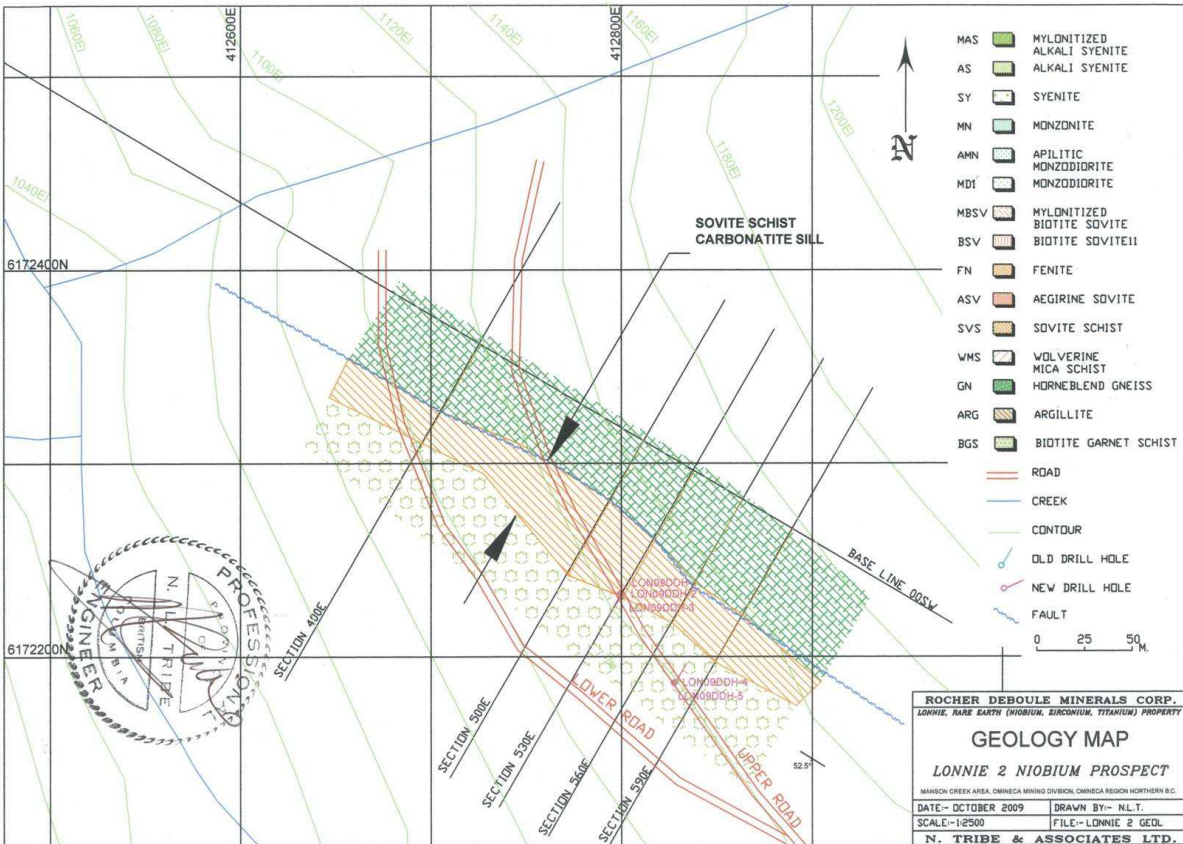


Figure #4 Lonnie Prospect Regional Geology

Figure #5 Local Geology Map LONNIE 1



Figures #5 and #5a Local Geology Map LONNIE 1 and LONNIE 2



Property and Local Geology with Lithology

The following description of the Lonnie showings is published in the B.C. Ministry of Mines Geological Survey Branch: A conformable medium grained carbonatite complex intrudes the metasediments of the Upper Proterozoic Wolverine Complex (Ingenika Group). The metasediments include quartz hornblende gneiss, quartz gneiss, quartzite and garnet biotite muscovite schist. Both the carbonatite complex and the country rocks have been metamorphosed to amphibolite grade. The northern contact of the complex is mylonitized.

The Lonnie carbonatite complex consists of discontinuous lenses of syenite, monzonite and sovite. The syenite is composed of oligoclase, microcline and up to 25% calcite, and contains accessory minerals muscovite, zircon, ilmenorutile and columbite ((Fe,Mn)(Nb,Ta)₂O₆). Two varieties of carbonatite are present. The aegirine sovite contains calcite, microcline perthite and aegirine and the accessory minerals apatite and pyrochlore, ((Ca,Na,Y,Ce,Th,U,Ti)(Nb,Ta)₂O₆(O,F,OH)). The biotite sovite contains calcite, biotite and accessory minerals, microcline, apatite, zircon, columbite, ilmenorutile and ilmenite. Pods of fenitized country rock occur within the complex and the country is typically fenitized for tens of meters away from the contacts.

The carbonatite zone measures 500 by 50 meters along a 120° strike and 70° southwest dip (MEMPRBC-MRD-GSB Open File 1990-32). Values reported in the MinFiles indicate a zone of mineralization 480 meters by 15 meters grading 0.21% Nb₂O₅ with a central portion grading 0.30% Nb₂O₅ over a length of 240 meters and a width of 7.6 meters. (Not compliant with NI 43-101 standards)

The Lonnie #2 showing is very similar to Lonnie #1 and the purpose of the 2009 exploration was to explore this newly exposed carbonatite. Although the rocks are aegirine sovite and biotite sovite and the alteration is fenitization and mylonitization, and are very similar to Lonnie #1. Core drilling across the Lonnie #2 structure revealed the rare earth elements were at background levels (22 ppm Nb₂O₅). These results are compliant with NI 43-101 standards.

The Virgil showings located near the northern edge of the property are thought to be related to the Lonnie showings and are a similar carbonatite, syenite complex sill like structure. Fenitization and mylonitic alteration indicate the association with the Lonnie Complex and a major fault system which is believed to be the controlling structure. Minerals of interest in the Virgil deposit are apatite, zircon, columbite and pyrochlore. The Virgil carbonatite is 200 meters long and 75 meters wide, striking 135 degrees Az., and dipping 50 degrees to the southwest. Values reported in the MinFiles are 0.19% Nb₂O₅, 0.15% TiO₂, 0.05% La₂O₅, and 0.03% Nb₂O₅. Results are non-compliant with NI 43-101 standards.

Deposit Types

The carbonatites are considered to be intrusive sills injected along strong regional faults. The carbonatites are interfingering with syenite sovite and monzonite within the sill. The columbite occurs as disseminations at or near the contact between the syenite sovite and the biotite sovite within the sill. The entire sill is considered prospective.

Mineralization

The columbite occurs as disseminations within the carbonatite at or near the contact between the syenite sovite and the biotite sovite. The columbite, ((Fe,Mn)(Nb,Ta)₂O₆), is a fine black grainy accessory mineral with associated apatite, ilmenorutile, ilmenite and pyrochlore ((Ca,Na,Y,Ce,Th,U,Ti)(Nb,Ta)₂O₆(O,F,OH)). Pure columbium columbite, Nb₂O₅, is 70% niobium but there is often considerable tantalum substituted into the columbium lattice. The element niobium was once called columbium and the mineral form of niobium pentoxide is still called columbite.

The Lonnie #1 carbonatite sill is 575 meters long and varying between 50 and 15 meters wide with disseminated mineralization throughout. The hanging wall is biotite garnet schist adjacent to the sovite (carbonatite) then argillite. The footwall rocks are argillite adjacent to the sovite and then gneiss. Fenitization is noted in the wall rocks.

The Lonnie #2 carbonatite sill is 600 meters long and 20 to 40 meters wide with disseminated mineralization throughout. The drilling has indicated that the width of the sill is continuous at a consistent width to a depth of at least 60 meters. The hangingwall rocks are a biotite garnet schist and the footwall rocks are gneiss. Fertilization is noted in the wall rocks

The Virgil carbonatite sill is 250 meters long and 75 meters wide with disseminated mineralization throughout. The hangingwall rocks are metasediments (biotite garnet schist), and the footwall is gneiss. Fertilization is reported in the wall rocks.

All three of the showings have discontinuous outcrops protruding through the glacial till which blankets the area.

Exploration

The present phase of exploration has concentrated on drilling the newly exposed showings at Lonnie #2. The area around the Lonnie #2 carbonatite showings has been clear cut by the forest company. Five holes were drilled on two sections (530SW and 590SW) cutting the known carbonatite showings. One of these holes was drilled to the south missing the carbonatite sill, remaining in the hangingwall garnet schists. The carbonatite was confirmed to be 15 metres (50 feet) in width dipping 60° to the southwest. The core was split on site and samples every 1.52m, (5 feet) were bagged and sent to Pioneer Laboratories in Richmond for analysis. The remainder was returned to the boxes covered with tarps and stored at the site.

The Lonnie #1 showings are defined by the old trenching and some outcrops along the roads constructed by the loggers. Very limited exploration work has been done on the Virgil showings. The work completed in October 2009 was carried out by AMY by their exploration crews.

The drill results for the five drill holes drilled on Lonnie #2 are shown in the assay certificates in Appendix II of the Technical Report. The assays were for niobium (Nb) only and do not include the other REE elements. These results were considerably lower than expected. Earlier work on the Lonnie #1 (1955) returned values of 0.21% Nb₂O₅. (Not compliant with NI 43-101 standards). The results from the 2009 summer drilling program and the reconnaissance rock chip sampling on the Lonnie #2 averaged 22.5 ppm Nb or 0.0032% Nb₂O₅. These results are compliant with NI 43-101 standards.

Soils Geochemistry

A limited soils geochemistry survey was completed with 191 samples collected. Three areas were covered: these were the Virgil and the Lonnie #1 and the Lonnie #2 with two lines extending over the area of the SEM gold silver showing. The samples were collected from the "B" soil horizon, at a depth of 20 – 30 cm, and sent to Pioneer Assay laboratory for analysis using their HNO₃-HClO₄- HF-HCl digestion with ICP/MS finish. An area of 487,500 square meters was covered by the geochemistry surveys. A limited number of rock grab samples were also taken with results for niobium.

Airborne Geophysics

On February 26th, 2011, an airborne Total Field Magnetism geophysical survey was conducted by Precision GeoSurveys Inc. of Vancouver, B.C. The magnetometer used was a Scintrex CS3 housed in a 40 foot "stinger" beneath the Bell 206 BIII Jet Ranger helicopter provided by Interior Helicopters Ltd. of Fort St. James. The survey used an AGIS (Airborne Geophysical Information System) unit, coupled to a Pico Envirotec computer, which was mounted in the cockpit. The equipment had a visual readout which enabled the pilot to keep to the survey lines as well as a laser altimeter to provide accurate ground to magnetometer clearance to be later used in the adjustment of the data. The Pico Envirotec computer collected the raw data which was then converted into Geosoft computer files. A base station was set up near the airport to record diurnal variation for final adjustment of the data. The data was then adjusted for noise, diurnal variation, elevation variance, data striping etc and plotted on paper for presentation. This software is also provided by Pico Software. The magnetic results are shown in Figure #9 of the Technical Report in color gradation format.

The Total Field Magnetic Intensity is shown in Figure #9 of the Technical Report as a multi-colored display with intensities shown on that attached legend. The magnetics can best be interpreted against the regional geology. Figure #9 of the Technical Report also shows the magnetics overlain on the regional geology map.

The regional geology is trending northwesterly and this can clearly be seen on the magnetic map with the magnetics closely aligned with the geology. The rocks of the north eastern third of the claims are Hornblende Gneiss. The magnetic signature of the gneiss is higher than average magnetic intensities and is presented as reds and oranges on the magnetic map. The southwestern third of the claims is underlain by limestones and shales and these rocks, as expected, show a very low magnetic intensity and are displayed as blues and greens on the magnetic map.

The area of interest, geologically, is the biotite (phlogopite) garnet schist and is that strip of geology extending southeast from the northwest corner of the Lonnie Property to the southeast corner of the Lonnie Property and being 1.5 kilometers wide.

Concordant with the geology and lying one third south east of the northeast boundary of the schist is a zone of high magnetic intensity. This zone is a strong shear structure and is thought to be the controlling factor for the emplacement of the carbonatites. The Lonnie #1, the SEM and the Virgil showings all lie at the eastern edge of this shear. The Lonnie #2 is displaced some 400 meters to the northeast.

A less dominant feature of the magnetics is the two small anomalous lows located at 6173300N, 411400E and 617310N, 411470E. These two small anomalies are important because of their isolated nature within the survey. These are not regional features but rather a local response to an intense magnetic variation in the geology at these locations. These lows are adjacent to and on the western edge of the regional shear structure and are considered to represent a concentration of magnetite at this location.

Drilling

Previous drilling on the Lonnie #1 showing consisted of 3 Xray diamond drill holes drilled in 1955 by Northwestern Explorations (or perhaps Kennco Explorations). In 2009, 5 BQW diamond drill holes were drilled on the Lonnie #2 showing by Rocher Debole Minerals Corp. (now AMY).

The three, 1979, XRay holes were logged and the logs can be found in Vaillancourt's Assessment Report No. 7515. These logs clearly define the carbonatite zone but no assays are provided. These results are summarized as follows:

There were five BQW holes drilled on Lonnie #2, by Rocher Debole Minerals Corp. (AMY). Appendix III of the Technical Report contains the logs with the assays for same. The zone is clearly defined and the assays average 0.0016% Nb. In all, 143 core samples were taken with an average of 16 ppm Nb or 23 ppm Nb₂O₅. These results are summarized as follows:

HOLE NUMBER	EASTINGS	NORTHINGS	ELEVATION	AZ.	DIP	LENGTH
LON09DDH-1	413007	6171230	1130.5 m (3709')	30	-50	76.2
LON09DDH-2	413007	6171230	1130.5 m (3709')	0	-90	106.7
LON09DDH-3	413007	6171230	1130.5 m (3709')	210	-50	121.9
LON09DDH-4	413033	6171183	1130,2 m (3708')	0	-90	68.6
LON09DDH-5	413033	6171183	1130,2 m (3708')	30	-50	100.6
TOTAL METERAGE						474

Sampling Method and Approach

The diamond drilling was done using BQW equipment and the core recoveries were good, nearly 100%. The core was split on site and half the core was bagged, tagged, recorded and carried to Pioneer Laboratories in Richmond for analysis. The remainder of the core was returned to the box and stored on site.

The sample width was established at 1.52 meters to give a number of samples for each cut across the sill (8 to 10 samples). The true widths vary from hole to hole as shown on the cross sections. The core boxes were cross stacked and covered with tarps to protect the core from the weather.

At the Pioneer Laboratories the core was crushed and ground in ring pulverizers in the standard sample preparation process. The samples were then assayed by ICP methods suitable for the detection of rare earth elements. Fifteen check assay samples were selected at random from the samples prepped by Pioneer and sent to ALS Chemex in North Vancouver, B.C., for analysis by ICP ME-MS81 method with detection limits down to 0.20 ppm Nb.

Background Information and Methodology

The cores, the soils and the rock samples were all handled in the traditional manner by experienced geologists. The cores were split with a manual screw type chisel splitter in five foot sections, bagged, tagged and transported to the laboratory by the field geologist.

The soils were taken at a depth of 30 cm or the “B” soil horizon, bagged in soil bags, marked with the line and station, and transported to the laboratory by the field geologist. The rock samples were primarily grab samples from out crops on or near the known showings. These were bagged, tagged and transported to the laboratory by the field geologist.

Sample Preparation, Analyses and Security

The drill core samples were prepped with the standard methods consisting of crushing to minus 4 mm then pulverizing to 90% minus 100 mesh in a ring pulverizer.

The sample was then rolled and a 250 gram portion of the pulps was cut out and sent for analysis. The samples were handled exclusively by the field geologist and the people at the Pioneer Laboratories, 103-2691 Viscount Way Richmond, B.C., Canada, V6V 2R5 under the direction of Mr. Ray Sam.

It is the opinion of the Author that the sampling, preparation and the analytical procedures are adequate. There is no governing body controlling the certification of assay labs in Canada. The verification of assays is left to the client. A full coverage of the verification process carried out by the Author is presented under the heading “Data Verification”.

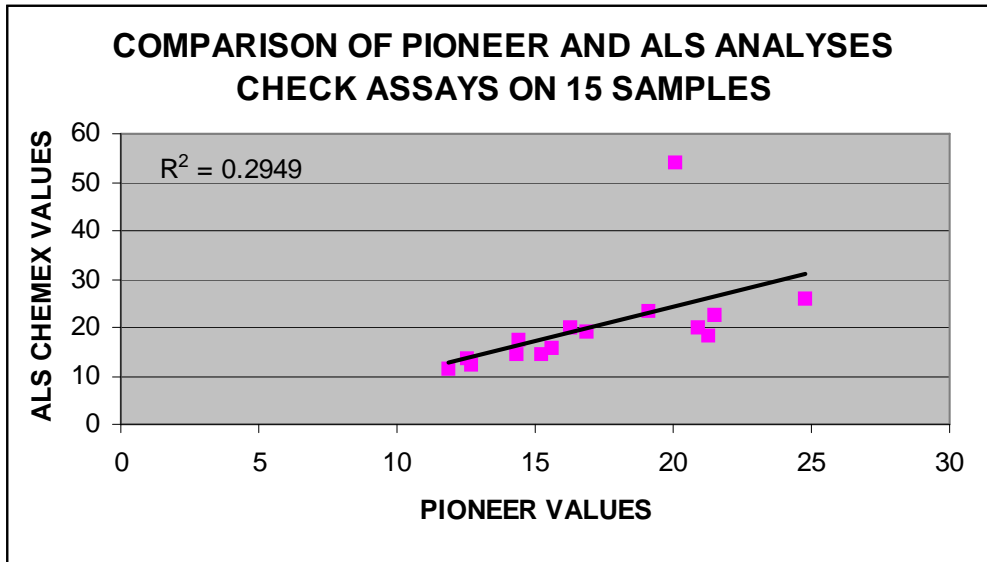
Data Verification

The statistical analyses of the Check Assays for the Lonnie deposits are as follows:

RESULTS OF THE LONNIE #2 SAMPLING			
REGRESSIONS ANALYSIS			
	PIONEER	ALS	
257953	20.9	19.9	
257963	11.9	11.6	
257971	15.6	15.8	
257980	14.4	17.6	
257993	12.7	12.2	
258000	12.5	13.8	
258006	20.1	53.9	
258016	16.3	20.0	
258022	14.3	14.5	
258030	19.1	23.2	
258043	21.3	18.2	
258054	24.8	26.1	
258068	16.9	19.2	
258080	15.2	14.6	
258093	21.5	22.4	
	SUM	SUM	
	AVE.	AVE	
	257.5	303.0	
	17.17	20.20	
DIFFERENCE		+	15.0%
R SQ.	0.2949	R	54%
SLOPE OF LINE IS 0.833			
INDICATING A BIAS OF 16.6%			

The samples were analyzed by ICP analysis. These methods are considered adequate for preliminary exploration sampling.

These results indicate a bias on the high side for the ALS analyses (or a bias on the low side for the Pioneer Laboratory) of 15% based on an arithmetical average and of 16.6 % based on a regression analysis using the distance squared method.



The results above show that the check assays returned grades approximately 15% higher than the routine assaying. Considering the limited number of check assays and the low values encountered this is not considered significant.

Mineral Processing and Metallurgical Testing

No mineral processing or metallurgical testing was done on the carbonatite.

Mineral Resource Estimate

Data Analysis

In order to understand the spatial relationships between all the samples it was necessary to develop a series of cross sections covering the full extent of the deposits. Two sets of cross sections spaced at 30 meter intervals were drawn up on the known carbonatites so that the sampling could be plotted, and analyzed. Each drill hole was plotted on the sections at a scale of 1:500 (1 cm to 5 meters) and each of the assay result was plotted at its location in the hole. In addition, the geology logged by the field geologist was plotted next to the hole so that geological interpretation could be made of the deposit to assist in interpretation of the assaying and to avoid projecting values into unfavorable geological environments.

Geological parameters recorded on the sections include a generalization of the rock types as logged by the geologist in 1979 and by the geologist who logged the core in 2009. Rock types interpreted from the old data and reconciled with the new data were the carbonatites, (aegirine sovite, biotite sovite, and fenite), the igneous intrusive rocks (syenites and monzonites) and the wall rocks (biotite garnet schist, argillite and gneiss). Several alteration types were noted by the field geologists such as mylonitized versions of the sovites.

Resource estimates were not calculated as the commercial value of the mineralization measured to date by the drilling is considered uneconomic.

Mineralization Controls

Generally speaking, the mineralization at both Lonnie showings and the Virgil showing are considered to be carbonatite intrusive sills. The sills appear to have been injected along strong regional faults. These faults may be offshoots of the Manson Creek Fault. The mineralization is syngenetic with respect to the carbonatite having been introduced along with the carbonatite or perhaps the syenite. The sill is epigenetic having been introduced during, a phase of regional metamorphism and structural deformation. The mineralization consists of fine grained columbite as disseminations within the carbonatite at or near the contact between the syenite sovite and the biotite sovite. The columbite ((Fe,Mn)(Nb,Ta)₂O₆) is a fine black grainy accessory mineral with associated apatite, ilmenorutile, ilmenite and pyrochlore,

((Ca,Na,Y,Ce, Th,U,Ti)(Nb,Ta)₂O₆(O,F,OH)). Pure columbium columbite, Nb₂O₅, is 70% niobium but there is often considerable tantalum substituted into the columbite lattice. The element niobium was once called columbium and the mineral form of niobium oxide is still called columbite.

Resource Calculation Parameters

No resource calculations were applied to the Lonnie Property.

Statistical Analyses

Fifteen check analyses were done by the ALS Chemex Laboratory in North Vancouver. Arithmetic averages were calculated and a regression analysis was done. The arithmetic average shows a 15% higher value from the ALS lab. The slope of the regression line which should read 1.0 for an exact correlation showed a slope 0.833 or 16.7% bias on the high side for ALS.

Results

The results of the historical work on the Lonnie #1 showings indicate values on the order of 0.25% niobium (Not compliant with NI 43-101 standards). These values have not been verified by the Author. The values reported in the Minfiles, although sub-economic, indicate the presence of rare earth elements in the carbonatites.

Results to date in the drilling on the Lonnie #2 showings returned values averaging 22 ppm Nb. These are not considered to be economic.

The results of the soil survey proved to be much more interesting with five areas showing anomalous results in several multi element rare earth analyses.

The complexities of the 25 element ICP scan are difficult to understand without some further work. In order to understand the significance of these numbers a statistical analysis was performed on the assay analyses of each of the elements. The arithmetic mean and the standard deviation from the mean were defined. Two standard deviation above the mean is considered to be anomalous.

The assay tables contained in the Technical Report (available at www.sedar.com) shows the assay certificate with the anomalous values highlighted in yellow. Some samples were anomalous in numerous of the rare earth elements. Some of the anomalous results were clustered into discreet areas which have been designated Anomalies. In all, five areas were defined as multi-element Anomalies. These are listed below:

- Anomaly #1 is associated with the Virgil carbonatite with nine samples showing high values in niobium and three samples showing anomalous values in other rare earth elements (Ce,Er,Eu,Gd,La,Nd,Pr,Nb,Sr,Ta,Zr.).
- Anomaly #2 is associated with the SEM showings. The SEM prospect is listed in the MinFile as a gold silver showing but the REE analyses show three samples giving anomalous values in the multi-element analyses. (Ce,Dy,Er,Eu,Gd,Ho,La,Nd,Pr,Sm,Tb,Y,Yb.). It should be noted that the niobium (Nb) values were very low at this location.

- Anomaly #3 is associated with the Lonnie #2 carbonatite where it extends down into Granite Creek. This site shows four separate adjoining samples with anomalous multi-element assays, (Dy,Er,Eu,Gd,Ho,Lu,Nd,Pr,Sc,Sm,Tb,Y,Yb.). The niobium values are low at this location. The low niobium values co-relate favorably with the drilling further up slope, 200 meters to the east.
- Anomaly #4 is located near the edge of the road 550 meters north east of the Lonnie #1 showing (413250E, 6171750N). This is a one sample anomaly with multi-element anomalous values in several REE elements.(Ce,La,Nd,Pr.). This sample shows a particularly strong response to Cerium and Lanthanum.
- Anomaly #5 is located 580 meters northeast of Lonnie #1 at 413400E, 6171600N at the southeastern corner of the sampling pattern. This is a one sample anomaly with several multi-element anomalous values. (Dy,Er,Eu,Gd,Ho,Nd,Sm,Tb,Y,Yb.) The niobium values are low at this location.

Adjacent Properties

There are a number of active properties in the Manson Creek area. These are alluvial placer operations and the associated bedrock areas around them. These properties have no significant influence on the Lonnie Property.

Other Relevant Information

The Lonnie Property is located in a remote part of north central British Columbia. Road access is available and, although gravel, the road is well maintained and in good condition.

The First Nations People are active in the Fort St. James area and have claims on much of this portion of the province.

Environmental concerns are no more urgent than they are in other parts of the province. There are no current environmental liabilities connected with the Lonnie Property. There are no current environmental liabilities connected with the Lonnie Property. The area around Manson Creek is an active placer mining area with many operations in and around the village of Manson Creek. The populous of Manson Creek are tolerant of miners and mining operations and are not expected to make problems with respect to any mining developments.

Permitting with respect to the anticipated work on the Lonnie Property will be the standard for the industry with the standard Notice of Work application and notification will be required and the appropriate bonding put in place.

Testing for rare earth elements has come a long way in the past 20 years. ICP and AAS methods are more definitive than colorimetric tests generally used in the 1970s. Recent discoveries of the effectiveness of niobium in stabilizing the lithium hydride batteries used in battery powered automobiles has created a window of opportunity to develop a large market for niobium.

Interpretation and Conclusions

The Lonnie #1 deposit is reported to contain niobium in the order of 0.25% Nb (non compliant with NI 43-101 standards). Although this is low grade it does warrant further work to test for higher grade material along this structure. Five drill holes are recommended.

The Lonnie #2 deposit does not appear to contain sufficient niobium to develop an economically interesting deposit. The grades are well below the economic requirements for resource production. The western extension of this zone near Granite Creek has a strong geochemical anomaly which warrants further work. Trenching followed by drilling is recommended.

The Virgil deposit has received the least amount of attention possibly due to its lack of vehicular access. The soils survey indicates that the rare earth minerals are present and well enough defined to locate several drill holes to test the carbonatite. Three drill holes are recommended.

The five anomalous areas defined in the multi-element geochemistry warrant further investigation. A soils geochemistry surveys along strike is recommended followed by trenching and drilling.

The magnetic survey defined the regional shear structure which is thought to control the placement of the carbonatites. The definition of this shear structure has provided a locus for further work, which should be concentrated along this regional shear structure and more exactly along the eastern edge of this structure.

The two magnetic lows located on the western edge of the regional shear are believed to be mineralization of base metal minerals similar to the SEM showings rather than the carbonatite of the Lonnie and Virgil showings. Three trenches are recommended to further explore these magnetic lows.

Risk Analysis

The Lonnie #1 deposit and the Virgil deposit warrant further work to confirm the values reported in Open File 1990-32 and Bulletin 88. The work recommended for the Lonnie Property is early exploration work and should be considered high risk. A certain level of confidence with respect to the structure and the grades has been achieved based on the earlier results by others.

Site Inspection

The Author completed a site inspection of the Lonnie Property from October 16th to October 18th, 2009. The Author reviewed the conditions at the site, together with his field geologist and outlined a soils survey to confirm the presence of the rare earth mineralization. A reconnaissance soils geochemistry survey was completed in July 2010 by the field geologist. The details of this survey are included in the Technical Report. The Lonnie Property is in an early stage of development and the soils survey did not change the material facts with respect to the Lonnie Property. Beneficial information would not have been gained with another site visit. Communications with AMY have confirmed that no further work has been done on the Lonnie Property.

The Author again visited the site on February 26th, 2011, in the company of the geophysicists during their airborne magnetic survey. The Author reviewed the conditions at the site, and noted no changes from the earlier visit.

Recommendations

Phase I

A program consisting of cleaning out the old trenches and drilling 5 new drill holes on the Lonnie #1 showings is recommended.

A program consisting of cleaning out the old trenches and drilling 3 drill holes on the Virgil showings is recommended.

A soils geochemistry survey is recommended to fill-in that area between the known showings. A pattern of sampling 1400 meters wide on 50 meter spacing and a length of 5600 meters on 100 meter spacing covering a corridor over the full width of the carbonatites for the full length of the Lonnie Property is recommended. This would involve 1568 samples. A sampling crew should be able to collect 100 samples per day, making this a 16 day program. The geochemistry is to be plotted up and the anomalies analyzed.

The geochemical anomalies should be followed up with surface trenching using a small backhoe to expose the bedrock. A total of 10 trenches of 200 meters each requiring 10 samples per trench or 100 samples is projected depending on the results of the geochemistry survey. These are marked up on Figure #6 in the Technical Report.

- Trench #1 -- 410737E, 6174832N. 180 meters at Az.42deg.
- Trench #2 -- 410703E, 6174868N. 180 meters at Az.42deg.
- Trench #3 -- 410669E, 6174906N. 180 meters at Az.42deg.
- Trench #4 -- 410638E, 6174943N. 180 meters at Az.42deg.
- Trench #5 -- 410604e, 6174980N. 180 meters at Az.42deg.

- Trench #6 -- 412425E, 6172987N. 180 meters at Az.42deg.
- Trench #7 -- 412565E, 6172078N. 180 meters at Az.42deg.
- Trench #8 -- 412555E, 6172132N. 180 meters at Az.42deg.
- Trench #9 -- 413194E, 6171706N. 180 meters at Az.42deg.
- Trench #10 -- 413297E, 6171501N. 180 meters at Az.42deg.

Five holes are laid out for the Lonnie #1 showing. These are as follows:

- 412953E, 6171120N. 200 meters at Az. 42 deg., dip -60 deg.
- 412892E, 6171134N. 200 meters at Az. 42 deg., dip -60 deg.
- 412853E, 6171165N. 200 meters at Az. 42 deg., dip -60 deg.
- 412818E, 6171198N. 200 meters at Az. 42 deg., dip -60 deg.
- 412785E, 6171241N. 200 meters at Az. 42 deg., dip -60 deg.

Phase II

Three holes are laid out for the Virgil showings. These are as follows:

- 410703E, 6174868N. 200 meters at Az. 42 deg., dip -60 deg.
- 410669E, 6174906N. 200 meters at Az. 42 deg., dip -60 deg.
- 410638E, 6174943N. 200 meters at Az. 42 deg., dip -60 deg.

Three trenches are recommended for the "Blue Spot" magnetic anomalies:

- Trench #11 – 411275E, 6173314N. 200 meters at Az.60deg.
- Trench #12 – 411340E, 6173230N. 200 meters at Az.60deg.
- Trench #13 – 411420E, 6173080N. 150 meters at Az.60deg.

Depending on the results of the trench sampling, each significant showing should be drilled. Assuming 5 anomalous areas in the trenching and one, 150 meter hole on each would require 5 drill holes or 750 meters of drilling.

A second phase of drilling, Phase II, may follow depending on the results of Phase I. Depending on the results of the trench sampling, each significant showing should be drilled. Assuming 5 anomalous areas in the trenching and one 150 meter hole on each would require 5 drill holes or 750 meters of drilling.

Budget

Phase I

Clean out trenches		
Mobilization of men and equipment	\$	2,500
Trench clean up four days at \$1000/day		
2 men and one supervisor	\$	4,000
Geological work on trenches 2 days	\$	1,600
Assays 100 samples at \$25	\$	2,500
Soils geochemistry survey		
2 men 16 days or 32 man days		
@ \$400 per man per day all in.	\$	12,800
Sample assaying @ \$25 /sample		
for 1600 samples	\$	40,000
Plotting and drafting soils results	\$	5,000
Trenching at 15 days \$1000/day	\$	15,000
Sampling/Geological –		
2 men for 8 days @\$400/manday	\$	6,400
Assaying 150 samples @ \$25	\$	3,750

Drilling mobilization and demobilization	\$	20,000
Lonnie #1 Drilling 5 holes to 200 meters = 1000 meters @ \$100 meter	\$	100,000
Assaying 100 at \$25	\$	2,500
Geological supervision - 8 days at \$600	\$	4,800
		=====
	\$	220,850
		=====
Phase II		
Virgil Drilling 3 holes to 200 meters = 600 meters At \$100 meter	\$	60,000
Assaying 60 at \$25	\$	1,500
Geological 4 days at \$600	\$	2,400
Drilling the Geochem/Trenching anomalies 5 holes at 150 meters each 750 meters or 6 days @\$100/meter	\$	75,000
Supervision 20 days at \$800/day	\$	16,000
Assaying 300 samples @\$25	\$	7,450
Reporting NI43-101	\$	30,000
		=====
Total Phase II	\$	192,350
		=====
Total	\$	413,200
		=====
Contingencies at 15%	\$	61,980
		=====
Grand Total	\$	475,180
		=====

Subsequent Transaction - The Las Chacras Transaction

When the Issuer initially contemplated the structure of the Qualifying Transaction, it considered acquiring a company to be created by GSC, into which GSC would vend all right, title and interest in and to the Las Chacras Property. Consequently, the Issuer entered into the Las Chacras LOI on November 29, 2010. Although the Las Chacras Transaction was not intended to be the Issuer's Qualifying Transaction, it was intended that it would close concurrently with its Qualifying Transaction. Upon further consideration, the Issuer determined that it would take longer than expected to complete its due diligence with respect to the Las Chacras Property and, as such, has determined to complete the Las Chacras Transaction after the Completion of the Qualifying Transaction. The structure of the Las Chacras Transaction has also changed such that the Issuer or subsidiary of the Issuer now intends to acquire the Las Chacras Property directly from GSC.

As the closing of the Lonnie Transaction, which is the Issuer's Qualifying Transaction, is not conditional upon the closing of the Las Chacras Transaction, information with respect to the Las Chacras Transaction is included in this Filing Statement for informational purposes only. The Issuer does not have an NI 43-101 compliant technical report with respect to the Las Chacras Property, nor can the Issuer provide geological information with respect to the Las Chacras Property at this time. The Issuer has not completed its due diligence with respect to the Las Chacras Property and approval of the Las Chacras Transaction is subject to completion of same, the approval of the Exchange and receipt of the approval of disinterested Shareholders. The Issuer has no immediate plans for

exploration or development of the Las Chacras Property. Such plans will be formulated upon satisfaction or completion of the foregoing matters.

Mr. Ecclestone was previously a partial owner of the Las Chacras Property but sold his fifty percent interest in and to the Las Chacras Property to GSC in exchange for the right to receive fifty percent of the consideration paid by GSC to the Issuer pursuant to the Las Chacras Agreement. Mr. Ecclestone is neither a shareholder nor a director or officer of GSC.

Pursuant to the terms of the Las Chacras Agreement, the Issuer or subsidiary of the Issuer intends to acquire the Las Chacras Property from GSC by: (i) paying GSC a cash payment of \$25,000; and (ii) allotting and issuing to GSC the Las Chacras Payment Shares, which will be deposited into escrow pursuant to the terms of the Las Chacras Escrow Agreement. 1,000,000 of the Las Chacras Payment Shares escrowed under the Las Chacras Escrow Agreement will be released from escrow upon the Issuer achieving (in any order) any of the following milestones:

- (a) the Issuer completing financings for aggregate gross proceeds of at least \$5,000,000 subsequent to the closing of the Las Chacras Transaction, excluding proceeds from the Financing;
- (b) the Issuer obtaining an NI 43-101 technical report, excluding the Technical Report, that evidences NI 43-101 compliant resources in excess of 50,000 tonnes total rare earth equivalents for any property acquired by the Issuer (or its subsidiary(s)) during Christopher Ecclestone's tenure as CEO of the Issuer; and
- (c) the Issuer acquiring a project or property that qualifies as a producer (a property on which there is already a producing mine) or near-term producer (a property for which a bankable feasibility report has been completed and financing has been arranged to achieve commercial production on such property) via takeover, merger, acquisition or otherwise.

In addition, if any of the Las Chacras Payment Shares are released from escrow upon attainment by the Issuer of any of the milestones set forth above, prior to the third anniversary of the Completion of the Qualifying Transaction, such Las Chacras Payment Shares will continue to be held in escrow and subject to a timed release schedule as set out in the Las Chacras Escrow Agreement. GSC is an arm's length party to the Issuer.

Closing of the Las Chacras Agreement will be conditional upon satisfaction of a number of conditions including the Issuer obtaining a title opinion with respect to the Las Chacras Property that is satisfactory to both the Issuer and the Exchange, and the Issuer obtaining an exploration permit for the Las Chacras Property that is satisfactory to the Issuer.

INFORMATION CONCERNING THE RESULTING ISSUER

Corporate Structure

The Resulting Issuer may change its name to "Rara Terra Minerals Corp.", or such other name as may be determined by the Board in its sole discretion, upon the Closing, which change will not require Shareholder approval. The head office of the Resulting Issuer will be located at Suite 1160 – 1100 Melville Street, Vancouver, British Columbia V6E 4A6 and the registered and records office of the Resulting Issuer will remain located at Suite 800, 885 West Georgia Street, Vancouver, British Columbia V6C 3H1.

Narrative Description of the Business

Principal Business

After completion of the Transaction, the Resulting Issuer will be a natural resource company engaged in the acquisition, exploration and development of mineral properties, with its primary focus on the Lonnie Property. The Resulting Issuer will be an exploration stage company with no producing properties and, consequently, no current operating income cash flow or revenues. It will not provide any products or services to third parties. There is no assurance that a commercially viable mineral deposit exists on the Lonnie Property.

Upon the issuance of the Final Exchange Bulletin, the Resulting Issuer will conduct the recommended exploration program for the Lonnie Property as set out in the Technical Report. See “Information Concerning the Significant Assets – Conclusions and Recommendations” for additional information. The Resulting Issuer may also complete additional property acquisitions.

Environmental Conditions

All aspects of the Resulting Issuer’s field operations will be subject to environmental regulations and generally will require approval by appropriate regulatory authorities prior to commencement. Any failure to comply could result in fines and penalties. With the development of the Lonnie Property at the exploration stage, the financial and operational impact of environmental protection requirements is minimal. Should any projects advance to the test mining or feasibility stage, considerably more time and money would be involved in satisfying environmental protection requirements.

Competitive Conditions

The Resulting Issuer will compete with other mining companies, some of which have greater financial resources and technical facilities, for the acquisition of mineral tenements, claims, leases and other mineral interests for exploration and development projects. The Resulting Issuer will also compete with other mining companies for investment capital with which to fund such projects and for the recruitment and retention of qualified employees.

The ability of the Resulting Issuer to acquire additional mineral properties in the future will depend on its ability to operate and develop the Lonnie Property and also on its ability to select and acquire suitable producing properties or prospects for development or exploration.

Stated Business Objectives

The Resulting Issuer expects to use its available working capital to finance exploration and development on the Lonnie Property, and for general working capital, including complementary acquisitions. The Resulting Issuer’s immediate short-term objectives will be to:

- (a) complete the recommended work program on the Lonnie Property pursuant to the Technical Report; and
- (b) acquire and evaluate additional complementary mineral properties to expand the Resulting Issuer’s portfolio.

The Resulting Issuer’s long-term objectives will be to:

- (a) determine if an economic mineral deposit exists on the Lonnie Property;
- (b) find one or more economic mineral deposits and bring them to commercial production; and
- (c) deliver a return on capitalization to shareholders.

Milestones

The principal milestone that must occur for the stated short-term business objectives described above to be accomplished is as follows:

Milestone	Target Date	Cost
Phase I Work Program on the Lonnie Property	October 31, 2011	\$220,850
Phase II Work Program on the Lonnie Property	October 31, 2012	\$192,350

Exploration and Development

The Resulting Issuer intends to begin the Phase I work program as recommended in the Technical Report as soon as possible following the Closing.

Description of the Securities

Common Shares

The authorized capital of the Resulting Issuer will consist of an unlimited number of Resulting Issuer Shares without par value and an unlimited number of preferred shares without par value. Following completion of the Transaction, 14,482,500 Resulting Issuer Shares will be issued and outstanding, assuming the completion of the Minimum Financing and 18,182,500 Resulting Issuer Shares will be issued and outstanding, assuming the completion of the Maximum Financing.

Description of Security	Assuming Completion of Minimum Financing	Assuming Completion of Maximum Financing
Shares issued as at the date of this Filing Statement	6,600,000	6,600,000
Lonnie Payment Shares to be issued at Closing	75,000	75,000
Shares issued as part of the Finder's Fee	7,500	7,500
Shares and Flow-Through Shares issued pursuant to the Financing	7,800,000	11,500,000
Total⁽¹⁾	14,482,500	18,182,500

⁽¹⁾ Does not include the Las Chacras Payment Shares which will only be issued in the event of the successful completion of the Las Chacras Transaction, the 210,000 remaining Lonnie Payment Shares that will be issued subsequent to the Closing and the remaining 22,500 Finder's Fee Shares that will be issued subsequent to the Closing.

The Resulting Issuer Shares and the preferred shares of the Resulting Issuer will have all of the same attributes and characteristics as the existing Shares and preferred shares of the Issuer. For a full description of such rights and restrictions, see "Information Regarding the Issuer – Description of the Securities – Attributes and Characteristics of Shares".

Warrants

Following completion of the Transaction, the following Warrants will be outstanding:

Warrants	Assuming Completion of Minimum Financing	Assuming Completion of Maximum Financing	Exercise price (\$)
IPO Agent's Warrants ⁽¹⁾	300,000	300,000	0.10
Warrants issued pursuant to the Financing ⁽²⁾	3,900,000	5,750,000	0.39
Agent's Financing Warrants ⁽³⁾	288,000	384,000	0.25
Total	4,488,000	6,434,000	-

⁽¹⁾ The IPO Agent's Warrants expire on August 27, 2012.

⁽²⁾ Each Warrant (consisting of two half warrants) will entitle the holder thereof to acquire one Share for a period of 18 months after the closing of the Financing.

⁽³⁾ Each Agent's Financing Warrant will entitle the Agent to acquire one Share for a period of 18 months after the closing of the Financing.

Resulting Issuer Options

The following table sets out the Resulting Issuer Options that are expected to be outstanding upon Completion of the Qualifying Transaction:

Name	Resulting Issuer Shares under Options granted	Exercise price (\$/Resulting Issuer Share)	Expiry date
Fraser Atkinson	90,000	\$0.10	August 27, 2015
	250,000 ⁽¹⁾	\$0.26	Five years from date of grant
Alexander Helm	90,000	\$0.10	August 27, 2015
	170,000 ⁽¹⁾	\$0.26	Five years from date of grant
Roger Flowerdew	90,000	\$0.10	August 27, 2015
	220,000 ⁽¹⁾	\$0.26	Five years from date of grant
John Veltheer	90,000	\$0.10	August 27, 2015
	290,000 ⁽¹⁾	\$0.26	Five years from date of grant
Darrell Elliott	90,000	\$0.10	August 27, 2015
	25,000 ⁽¹⁾	\$0.26	Five years from date of grant
Christopher Ecclestone	300,000 ⁽²⁾	\$0.26	Five years from date of grant
Total	1,705,000		

⁽¹⁾ The issuance of these Resulting Issuer Options will be dependent upon Completion of the Qualifying Transaction and completion of the Financing that results in at least 17,050,000 issued shares. Otherwise they will be reduced on a pro-rata basis.

⁽²⁾ The issuance of these Resulting Issuer Options will be dependent upon Completion of the Qualifying Transaction.

Pro Forma Consolidated Capitalization

The following table sets out the capitalization of the Resulting Issuer after giving effect to the Transaction:

Designation of Security	Amount authorized or to be authorized	Amount outstanding as of December 31, 2010 and as of March 31, 2011	Assuming Completion of Minimum Financing	Assuming Completion of Maximum Financing
Common Shares	Unlimited	6,600,000	14,482,500 ⁽¹⁾⁽²⁾	18,182,500 ⁽¹⁾⁽²⁾

⁽¹⁾ On an undiluted basis. Does not include the 1,705,000 Resulting Issuer Shares to be reserved for issuance upon the exercise of the Resulting Issuer Options, the 300,000 Resulting Issuer Shares reserved for issuance upon exercise of the IPO Agent's Warrant, the 3,900,000 Resulting Issuer Shares reserved for issuance upon exercise of the Warrants issued pursuant to the Financing (assuming completion of the Minimum Financing) or 5,750,000 Resulting Issuer Shares reserved for issuance upon exercise of the Warrants issued pursuant to the Financing (assuming completion of the Maximum Financing), the 288,000 Resulting Issuer Shares reserved for issuance upon exercise of the Agent's Financing Warrants issued pursuant to the Brokered Financing Portion (assuming completion of the Minimum Brokered Financing Portion) or 384,000 Resulting Issuer Shares reserved for issuance upon exercise of the Agent's Financing Warrants issued pursuant to the Brokered Financing Portion (assuming completion of the Maximum Brokered Financing Portion), the 3,000,000 Las Chacras Payment Shares which will only be issued in the event of the successful completion of the Las Chacras Transaction, the 210,000 Lonnie Payment Shares to be issued subsequent to the Completion of the Qualifying Transaction and the 22,500 shares to be issued as part of the Finder's Fee subsequent to the Completion of the Qualifying Transaction.

⁽²⁾ See "Information Concerning Issuer – General Development of the Business – Financing".

As of February 28, 2011, the Issuer had cash and cash equivalents of approximately \$235,722 and a deficit of approximately \$147,036.

Fully Diluted Share Capital

As part of the IPO, the Issuer issued the IPO Agent's Warrants to purchase 300,000 Shares at a price of \$0.10 per Share. The IPO Agent's Warrants terminate on August 27, 2012, being the date which is 24 months from the

commencement of trading of Shares on the Exchange. None of the IPO Agent's Warrants have been exercised as of the date of this Filing Statement.

The Resulting Issuer will have 450,000 Resulting Issuer Options outstanding to purchase 450,000 Resulting Issuer Shares at a price of \$0.10 per Resulting Issuer Share and 1,255,000 Resulting Issuer Options outstanding to purchase 1,255,000 Resulting Issuer Shares at a price of \$0.26 per Resulting Issuer Share. None of the Resulting Issuer Options have been exercised as of the date of this Filing Statement.

In connection with the Financing, the Issuer has agreed to issue an aggregate of 3,900,000 Warrants assuming the Minimum Financing or 5,750,000 Warrants assuming the Maximum Financing, with each Warrant entitling the holder thereof to purchase one Resulting Issuer Share at an exercise price of \$0.39 per share for a period of eighteen (18) months from the Closing. The Issuer has also agreed to issue 288,000 Agent's Financing Warrants assuming the Minimum Brokered Financing Portion is completed and 384,000 Agent's Financing Warrants assuming the Maximum Brokered Financing Portion is completed. Each Agent's Financing Warrant is exercisable at \$0.25 per share for eighteen (18) months from the Closing.

The following table states the fully diluted share capital of the Resulting Issuer after giving effect to the Transaction:

Description of Security	Number Assuming Completion of Minimum Financing	Percentage Assuming Completion of the Minimum Financing	Number Assuming Completion of Maximum Financing	Percentage Assuming Completion of Maximum Financing
Shares issued as at the date of this Filing Statement	6,600,000 ⁽¹⁾	31.9%	6,600,000 ⁽¹⁾	25.1%
Lonnie Payment Shares to be issued in connection with the Closing	75,000 ⁽³⁾	0.4%	75,000 ⁽³⁾	0.3%
Shares issued as part of the Finder's Fee	7,500	0.03%	7,500	0.03%
Shares and Flow-Through Shares issued pursuant to the Financing	7,800,000	37.7%	11,500,000	43.7%
Resulting Issuer Shares reserved for issuance upon the exercise of the Warrants ⁽²⁾	3,900,000	18.9%	5,750,000	21.8%
Resulting Issuer Shares reserved for issuance upon exercise of Resulting Issuer Options	1,705,000	8.2%	1,705,000	6.5%
Resulting Issuer Shares reserved for issuance upon exercise of IPO Agent's Warrants	300,000	1.5%	300,000	1.1%
Resulting Issuer Shares reserved for issuance upon exercise of Agent's Financing Warrants for the Brokered Financing Portion	288,000	1.4%	384,000	1.5%
Total	20,675,500	100.00%	26,321,500	100.00%

⁽¹⁾ 2,250,000 of these will remain subject to the CPC Escrow Agreement. See "Escrowed Securities".

⁽²⁾ See "Information Concerning the Resulting Issuer – Description of the Securities – Warrants".

⁽³⁾ Does not include the 3,000,000 Las Chacras Payment Shares which will only be issued in the event of the successful completion of the Las Chacras Transaction, the 210,000 remaining Lonnie Payment Shares that will be issued subsequent to the Closing and the remaining 22,500 Finder's Fee Shares that will be issued subsequent to the Closing.

Available Funds and Principal Purposes

Funds Available

The Issuer had working capital of approximately \$194,579 as at February 28, 2011. Based on this working capital position, and assuming completion of the Transaction and the Financing, the estimated funds available to the resulting issuer will be as follows:

Item	Assuming Completion of Minimum Financing	Assuming Completion of Maximum Financing
Estimated working capital of the Issuer as at February 28, 2011	\$194,579	\$194,579
Gross proceeds of the Financing	\$2,000,000	\$2,950,000
Payments related to the Completion of the Qualifying Transaction and the Financing	(\$213,500)	(\$299,500)
Estimated funds available to the Resulting Issuer upon Completion of the Qualifying Transaction	\$1,981,079	\$2,845,079

As of the date of this Filing Statement, the Issuer has cash and cash equivalents of approximately \$235,722 and a deficit of approximately \$147,036.

Dividends

The Resulting Issuer does not currently intend to declare any dividends payable to the holders of the Resulting Issuer Shares. The Resulting Issuer has no restrictions on paying dividends, but if the Resulting Issuer generates earnings in the foreseeable future, it expects that they will be retained to finance growth, if any. The directors of the Resulting Issuer will determine if and when dividends should be declared and paid in the future based upon the Resulting Issuer's financial position at the relevant time. All of the Resulting Issuer Shares will be entitled to an equal share in any dividends declared and paid.

Principal Purposes of Funds

The following table sets out the principal purposes, using approximate amounts, for which the Resulting Issuer currently intends to use its estimated available working capital for the 12 months following the completion of the Transaction and the Financing. The table does not include any proceeds that may be available to the Issuer through the exercise of the Warrants, IPO Agent's Warrants or Resulting Issuer Options. See "Stated Business Objectives".

Use of Available Funds	Assuming Completion of Minimum Financing	Assuming Completion of Maximum Financing
General and administrative costs ⁽¹⁾	\$381,000	\$381,000
Costs relating to the work program on the Lonnie Property	\$220,850	\$220,850
Payment due to AMY on first anniversary of the Completion of the Qualifying Transaction	\$20,000	\$20,000
Unallocated working capital	\$1,359,229	\$2,223,229
Total⁽²⁾	\$1,981,079	\$2,845,079

⁽¹⁾ The estimate of general and administrative costs for the next 12 months following the Closing of \$381,000 includes, among others, transfer agent and filing fees of \$18,000, legal fees of \$20,000, audit and accounting fees of \$21,000, and wages and salaries of \$237,000.

⁽²⁾ Does not include a payment of \$25,000 that the Issuer will be required to pay to GSC in the event of the successful completion of the Las Chacras Transaction and \$7,500 in costs that the Issuer expects to incur with respect to the Las Chacras Property in the event of the successful completion of the Las Chacras Transaction.

The Resulting Issuer intends to spend the funds available to it upon Completion of the Qualifying Transaction to further its stated business objectives as set forth in the table above. There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary in order for the Resulting Issuer to achieve its stated business objectives.

Principal Securityholders

To the knowledge of the Issuer’s directors and senior officers, upon Completion of the Qualifying Transaction, no person is anticipated to own of record or beneficially, directly or indirectly, or exercise control or direction over, Resulting Issuer Shares carrying more than 10% of all voting rights attached to the outstanding Resulting Issuer Shares. In the event that the Las Chacras Transaction is completed, GSC will be issued the 3,000,000 Las Chacras Transaction Shares, which would amount to 17.2% of the Resulting Issuer Shares assuming completion of the Minimum Financing, or 14.2%, of the Resulting Issuer Shares assuming completion of the Maximum Financing. All of these Resulting Issuer Shares will be subject to escrow pursuant to the terms of the Las Chacras Escrow Agreement.

Directors, Officers and Promoters

The following table sets out the name, municipality and province of residence, position with the Resulting Issuer, current principal occupation, period during which served as a director or officer, and the number and percentage of Resulting Issuer Shares which will be beneficially owned, directly or indirectly, or over which control or direction is proposed to be exercised, by each of the Resulting Issuer’s directors and officers following completion of the Transaction.

Name, Municipality of Residence and Proposed Position with the Resulting Issuer	Principal Occupation During Last Five Years	Period during which Proposed Director of Resulting Issuer has served as a Director of the Issuer	Anticipated Number and Percentage of Resulting Issuer Shares owned or controlled on completion of the Transaction assuming completion of Minimum Financing ⁽¹⁾	Anticipated Number and Percentage of Resulting Issuer Shares owned or controlled on completion of the Transaction assuming completion of Maximum Financing ⁽²⁾
Christopher Ecclestone Morristown, New Jersey <i>CEO, President and Director</i>	Metals & Mining Strategist Hallgarten & Co since 2007; and Strategist for Clearinvest Geneva and Union House Asset from 2004 to September 2007.	To be appointed at Closing.	Nil 0%	Nil 0%

Name, Municipality of Residence and Proposed Position with the Resulting Issuer	Principal Occupation During Last Five Years	Period during which Proposed Director of Resulting Issuer has served as a Director of the Issuer	Anticipated Number and Percentage of Resulting Issuer Shares owned or controlled on completion of the Transaction assuming completion of Minimum Financing ⁽¹⁾	Anticipated Number and Percentage of Resulting Issuer Shares owned or controlled on completion of the Transaction assuming completion of Maximum Financing ⁽²⁾
<p>Roger Flowerdew Vancouver, B.C.</p> <p><i>CFO, Secretary and Director</i></p>	<p>Operated management and finance consultancy since 1986; Chief Operating Officer and CFO of Fuseforward International Inc. since November, 2009; CEO and Director of Calyx Bio-Ventures Inc. from October, 2008 to July, 2009; Director of Virexx Medical Corp from September 2008 to December, 2008; CEO Chromos Molecular Systems Inc. from April, 2008 to October, 2008; Director, Chromos Molecular Systems Inc. from October 2004 to October, 2008; CEO and CFO of Radient Technologies Inc. from August, 2006 to October, 2007; CEO and Director of Cognetix, Inc from October, 2003 to July, 2006; President and CFO of Cognetix from May, 2005 to July, 2006</p>	<p>Director of the Issuer since December 18, 2009 and CFO since December 21, 2009</p>	<p>500,000 3.5%</p>	<p>500,000 2.7%</p>
<p>Fraser Atkinson Vancouver, B.C.</p> <p><i>Chairman of the Board and Director</i></p>	<p>Director of Grizzly Discoveries Inc. since March 2011; Director of Equus Total Return, Inc. since May 2010; CFO of Versatile Systems Inc. since February, 2003 and as a director since November, 2003; director of Equus Total Return, Inc. since May, 2010; director of Calyx Bio-Ventures Inc. from July, 2008 to December, 2009; and Director of Moventis Capital Inc. from February, 2006 to November, 2008.</p>	<p>Director of the Issuer since December 18, 2009 and Chairman of the Issuer since December 21, 2009.</p>	<p>700,000 4.8%</p>	<p>700,000 3.8%</p>
<p>Alexander Helmel West Vancouver, B.C.</p> <p><i>Director</i></p>	<p>Director of Giyani Gold Corp. (formerly 99 Capital Corporation) since April 6, 2010 and President and CEO since June 2010; President and Director of Network Exploration Ltd. since March 2006 and CEO since August 2007.</p>	<p>Director of the Issuer since December 18, 2009</p>	<p>600,000 4.1%</p>	<p>600,000 3.3%</p>
<p>John Veltheer Vancouver, B.C.</p> <p><i>Director</i></p>	<p>Strategic advisor to Network Exploration Ltd since December 2008; President and Director of Rapidtron Inc. since July, 2008; Director of Texada Ventures Inc. since September 2006; CEO, CFO, President, Secretary and Treasurer of Rapidtron from September 2006 to September 2008; CEO, Secretary and Director of Vecten Corporation from September 2005 to</p>	<p>Director of the Issuer since December 18, 2009</p>	<p>500,000 3.5%</p>	<p>500,000 2.7%</p>

Name, Municipality of Residence and Proposed Position with the Resulting Issuer	Principal Occupation During Last Five Years	Period during which Proposed Director of Resulting Issuer has served as a Director of the Issuer	Anticipated Number and Percentage of Resulting Issuer Shares owned or controlled on completion of the Transaction assuming completion of Minimum Financing ⁽¹⁾	Anticipated Number and Percentage of Resulting Issuer Shares owned or controlled on completion of the Transaction assuming completion of Maximum Financing ⁽²⁾
	August 2008; President of SES Solar Inc. from November, 2005 to September, 2006, and a director of SES Solar from November, 2005 to May, 2008.			

⁽¹⁾ Percentages calculated on an undiluted basis based on 14,482,500 Resulting Issuer Shares issued and outstanding upon Completion of the Qualifying Transaction assuming the minimum financing is completed.

⁽²⁾ Percentages calculated on an undiluted basis based on 18,182,500 Resulting Issuer Shares issued and outstanding upon Completion of the Qualifying Transaction assuming the maximum financing is completed.

At the Completion of the Qualifying Transaction, the directors and officers of the Resulting Issuer as a group will beneficially own, directly or indirectly, or exercise control or direction over an aggregate of 2,300,000 Resulting Issuer Shares, representing 15.9% of the issued and outstanding Resulting Issuer Shares (on an undiluted basis) assuming completion of the Minimum Financing or 12.6% of the issued and outstanding Resulting Issuer Shares (on an undiluted basis) assuming completion of the Maximum Financing. Each director’s term of office will expire at the next annual meeting of the shareholders unless re-elected at such meeting.

The Resulting Issuer’s audit committee will be comprised of Fraser Atkinson, Alex Helmelt and John Veltheer. John Veltheer and Alex Helmelt will be independent members. All members are considered financially literate. There are no other committees of the Board at this time. It is not anticipated that the Resulting Issuer will have any other committees upon the closing of the Qualifying Transaction. All compensation and corporate governance matters will be overseen by the board of directors of the Resulting Issuer.

Mr. Ecclestone will be the member of the Resulting Issuer’s board of directors with specialized technical expertise relevant to the Resulting Issuer’s industry in that he has specialized knowledge of the rare earths and specialty metals sectors as a result of his position as Metals & Mining Strategist at the boutique New York investment bank, Hallgarten & Company.

The directors and officers will devote their time and expertise as required by the Resulting Issuer, however, it is not anticipated that any director or officer will devote 100% of their time to the activities of the Resulting Issuer. None of the directors and officers will be employees of the Resulting Issuer, other than Mr. Ecclestone who is proposed to be an employee of the Resulting Issuer; all will serve as independent contractors. None of the directors or officers is expected to enter into a non-competition or non-disclosure agreement with the Resulting Issuer at this time. See also “Management” below for additional biographic information about the proposed directors and officers.

Management

Additional biographic information about the proposed directors and officers of the Resulting Issuer is provided below.

Christopher Ecclestone – Morristown, New Jersey – Proposed CEO, President and Director

Mr. Ecclestone, age 49, has been the Metals & Mining Strategist at the boutique New York investment bank, Hallgarten & Company, which specializes in mining-related concerns since September 2007 and has been a director of Mediterranean Resources Ltd., a company listed on the Toronto Stock Exchange (the “TSX”), since January 13,

2011. He is well-known for his consultancy to the rare earths and specialty metals industries. From 2004 to September 2007, he was the Strategist at Clearinvest Geneva and Union House Assets Management. From 2003 to 2004 he was the Director of Research at Hallgarten & Company and Sassanid Capital based in New York. For ten years prior to that he was the Founding Principal of the Argentine equity research house, Buenos Aires Trust Company, from 1991 until 2001. As such he has a breadth of experience doing business in Latin America. Prior to his arrival in Argentina, he worked in London as a corporate finance and equities analyst and as a freelance consultant on the restructuring of the securities industry. He has also worked for the Federal and State governments in Australia. He is a native of Melbourne, Australia and graduated in 1981 from the Royal Melbourne Institute of Technology.

Fraser Atkinson – Vancouver, British Columbia – Chairman and Director

Mr. Atkinson, age 53, has served as a director of the Issuer since December 18, 2009 and Chairman of the Issuer since December 21, 2009. Mr. Atkinson has been a director and officer of a number of public companies. He has been a director of Grizzly Discoveries Inc., a public company listed on the Exchange, since March 2011. He has served as CFO of Versatile Systems Inc. since February 2003 and as a director since November 2003. Versatile Systems Inc. is a public company listed on the Exchange and the Alternative Investment Market (AIM) on the London Stock Exchange that provides technology services. Mr. Atkinson has been a director and Chairman of the audit committee of Equus Total Return, Inc. a closed end fund which trades on the New York Stock Exchange since May 2010. In addition, Mr. Atkinson was a director of Calyx Bio-Ventures Inc., a biotechnology company listed on the Exchange, from July 2008 to December 2009, and a director of Moventis Capital Inc., a financing company trading on the Pink Sheets, from February 2006 to November, 2008. From October 2002 to December 2005, he served as President of Prospex Capital Corp., a company involved in providing financing for mining and exploration companies. In addition, Mr. Atkinson was involved in both technology and corporate finance as a partner at KPMG, LLP for over 14 years, until September 2002. Mr. Atkinson obtained a Bachelor of Commerce from the University of British Columbia in 1980 and his designation as a Chartered Accountant from the Institute of Chartered Accountants of British Columbia in 1982.

Alexander Helmel– West Vancouver, British Columbia – Director

Mr. Helmel, age 41, has served as a director of the Issuer since December 18, 2009 and President and CEO since December 21, 2009. On April 6, 2010, Mr. Helmel was appointed as a director of Giyani Gold Corp. (formerly 99 Capital Corporation), a junior mineral exploration company listed on the Exchange, and was subsequently appointed its President and CEO on June 18, 2010. Mr. Helmel has served as the President and director since March 2006, and as CEO since August 2007, of Network Exploration Ltd., a junior mineral exploration company listed on the Exchange. Mr. Helmel provided corporate communications services for Xinhua China, a company formerly listed on the OTCBB primarily involved in the distribution of literature in China, from February, 2005 to February, 2006. Mr. Helmel obtained his Bachelor of Science degree from the University of British Columbia in 1994 and obtained his Certified Information Systems Auditor (CISA) designation in 2006.

Roger Flowerdew – Vancouver, British Columbia – CFO, Secretary and Director

Mr. Flowerdew, age 59, has served as a director of the Issuer since December 18, 2009 and as CFO and Secretary since December 21, 2009. He has operated his own management and finance consultancy since 1986 and has provided executive management services in the areas of corporate finance, marketing and sales, product and business development, strategic planning and corporate reorganization to life sciences and technology companies in Canada, the United States and the United Kingdom. Mr. Flowerdew has served as the Chief Operating Officer and CFO of Fuseforward International Inc., an asset management software development and sales company, since November, 2009. From October, 2008 to July, 2009, he served as CEO and director of Calyx Bio-Ventures Inc., a bio-tech company. From September, 2008 to December, 2008, he served as a director of Virexx Medical Corp. From April, 2008 to October, 2008, he served as CEO and from October 2004 to October 2008 as a director of Chromos Molecular Systems Inc., a bio-tech company. Mr. Flowerdew was the CEO and CFO of Radiant Technologies Inc. from August, 2006 to October, 2007. From October, 2003 to July, 2006, he was the CEO and a director of Cognetix, Inc., a bio-tech company, and he was also the President and CFO of Cognetix from May, 2005 to July, 2006. From January, 2002 to February, 2010, he was the President and a director of 5G Networks Inc., a

broadband internet provider. Mr. Flowerdew obtained his Bachelor of Arts from Simon Fraser University in May, 1980 and his Chartered Accountant designation in December, 1982.

John Veltheer – Vancouver, British Columbia – Director

Dr. Veltheer, age 45, has served as a director and promoter of the Issuer since December 18, 2009. Dr. Veltheer has been a director and officer of numerous private and public companies. Since December, 2008, he has been employed as a strategic advisor by Network Exploration Ltd., a junior mineral exploration company listed on the Exchange. Since July, 2008, he has acted as President and served as a director of Rapidtron, Inc., previously a leading provider of radio frequency smart access control and ticketing/membership systems. Dr. Veltheer has served as a director of Texada Ventures Inc., a company engaged in the business of the acquisition and exploration of mineral and resource properties listed on the Over-the-Counter Bulletin Board (the “OTCBB”), since September, 2006 and was CEO, CFO, President, Secretary and Treasurer of that company from September, 2006 to September, 2008.

From September, 2005 to August, 2008, Dr. Veltheer served as the CEO, Secretary and a director of Vecten Corporation, a start-up private equity fund. He acted as President of SES Solar Inc., a company listed on the OTCBB, from November, 2005 to September, 2006, and as a director of that company from November, 2005 to May, 2008. From February, 2004 to February, 2005, Dr. Veltheer was Chief Operating Officer, Secretary and a director of House of Brussels Chocolates, Inc., a company listed on the OTCBB whose primary business is gourmet chocolate wholesaling. Dr. Veltheer obtained his Bachelor of Science in Chemistry (Honours) from Queen’s University in 1988 and his Ph.D. (Chemistry) from the University of British Columbia in 1993.

Promoters

John Veltheer is the promoter of the Issuer in that he took the initiative in founding and organizing the Issuer, and he will continue to be the promoter of the Resulting Issuer upon Completion of the Qualifying Transaction. Except as disclosed in this Filing Statement, Mr. Veltheer has not and will not receive from or provide to the Resulting Issuer anything of value, including money, property, contracts, options or rights of any kind directly or indirectly. No other person will be, or has been within the two years preceding the date of this Filing Statement, a Promoter of the Resulting Issuer.

Corporate Cease Trade Orders or Bankruptcies

Except as set out below, as at the date of this Filing Statement and within the ten years before the date of this Filing Statement, no director, officer or promoter of the Resulting Issuer is or has been a director, officer or promoter of any person or company (including the Resulting Issuer), that while that person was acting in that capacity:

- (a) was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Dr. Veltheer was a director of SUM Media Corp. from July 1999 to November 2000. On April 25, 2001, SUM Media Corp. (“SMC”) filed a proposal to its creditors under the BIA. This step was taken after negotiations with third parties for additional financing necessary for continued solvency and continued operations proved unsuccessful. The firm of Ernst & Young Inc., was appointed trustee in SMC’s bankruptcy proceedings. SMC filed an Assignment for the General Benefit of Creditors pursuant to the BIA. This assignment was made on May 10, 2001. The bankruptcy was discharged on January 18, 2006.

Mr Flowerdew was a director of Chromos from October 2004 until October 2008 and President of Chromos from April 2008 until October 2008. During the first quarter of fiscal 2007, Chromos was unable to complete an equity financing. On April 11, 2007, after having received a demand for repayment from the holders of a bridge loan financing, Chromos filed a Notice of Intention to Make a Proposal (the “Proposal”) under the *Bankruptcy and*

Insolvency Act (Canada) (the “BIA”). In July 2007 Chromos sold certain assets, with upfront proceeds from this sale transaction used, together with a small amount of existing cash, to fully repay Chromos’ secured creditors, including the holders of the bridge loan financing. In late July 2007, Chromos filed the Proposal to its unsecured creditors to settle all of its financial obligations that had arisen prior to April 11, 2007. At a meeting of unsecured creditors held on August 14, 2007, the unsecured creditors overwhelmingly endorsed the Proposal and on August 23, 2007 the Supreme Court of British Columbia in Bankruptcy approved the Proposal. On October 2, 2007, Chromos sold certain assets. A portion of the proceeds from this sale transaction were used to fund the payment to the trustee under the Proposal as required under the terms of the Proposal. With this payment, the company satisfied all of the conditions of the Proposal to creditors. In April, 2007, the TSX suspended trading in Chromos’ common shares pending the outcome of the proceedings under the BIA. Having successfully completed the BIA proceedings, its common shares were delisted from the TSX on May 8, 2008. Subsequent to the BIA filing, the securities commissions in British Columbia, Alberta, Manitoba, Ontario and Quebec issued cease trade orders against Chromos for its failure to file financial statements and other required continuous disclosure documents. The company brought all of its continuous disclosure obligations into good standing and filed an application in June 2008 to have the cease trade orders rescinded. The application was approved and the cease trade orders were rescinded.

Mr. Flowerdew became a director of Virexx in September 2008. In December 2007, Virexx learned that the Phase III clinical trial then being conducted by Virexx’s pharmaceutical company partner (United Therapeutics) for a Virexx drug, had completely failed. The partnership was terminated and Virexx was left without adequate financing to continue. During 2008, Virexx attempted to complete a rights offering with the assistance of a standby purchaser. The rights offering was undersubscribed and the backstop guarantor was subsequently unable to honour its commitment. This occurred at a very depressed time in the financial markets and led inevitably to the company’s failure. Virexx made a proposal to its creditors under the BIA in September 2008. The proposal was approved on December 22, 2008. During this period, the trading of Virexx’s shares on the TSX and the American Stock Exchange (now, the NYSE Amex) was initially suspended and ultimately delisted. Virexx was sold to Paladin Labs Inc. of Montreal.

Penalties or Sanctions

No proposed director, officer or promoter of the Resulting Issuer, or a securityholder anticipated to hold sufficient securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, has:

- (a) been the subject of any penalties or sanctions imposed by a court relating to securities legislation or by a 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, including a self-regulatory body that would be likely to be considered important to a reasonable securityholder making a decision about the Transaction.

Personal Bankruptcies

No proposed director, officer or promoter of the Resulting Issuer, or a securityholder anticipated to hold sufficient securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or a personal holding company of such persons, has, within the past ten years, 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.

Conflicts of Interest

Conflicts of interest may arise as a result of the directors and officers of the Resulting Issuer holding positions as directors or officers of other companies. Some of the directors and officers have been and will continue to be engaged in the identification and evaluation of assets and businesses, with a view to potential acquisition of interests in businesses and companies on their own behalf and on behalf of other companies, and situations may arise where

the directors and officers will be in direct competition with the Resulting Issuer. Conflicts, if any, will be subject to the procedures and remedies under the BCBCA or other applicable corporate legislation.

Other Reporting Issuer Experience

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

Name of Director, Officer or Promoter	Name and Jurisdiction of Reporting Issuer	Name of Exchange or Market	Position	Term From – To
Fraser Atkinson	Versatile Systems Inc. (British Columbia)	Exchange AIM ⁽¹⁾	CFO and Director	02-03 to present 11-03 to present
	Equus Total Return, Inc. (Delaware)	NYSE ⁽²⁾	Director	05-10 to present
	Calyx Bio-Ventures Inc. (British Columbia)	Exchange	Director	07-08 to 12-09
	Grizzly Discoveries Inc. (Alberta)	Exchange	Director	03-11 to present
Alexander Helmel	Network Exploration Ltd. (British Columbia)	Exchange	Director and President	03-06 to present
			CEO	08-07 to present
	Giyani Gold Corp. (formerly 99 Capital Corporation) (British Columbia)	Exchange	Director	04-10 to present
			President and CEO	06-10 to present
Roger Flowerdew	Calyx Bio-Ventures Inc. (British Columbia)	Exchange	CEO and Director	10-08 to 07-09
	Chromos Molecular Systems Inc. (British Columbia)	TSX	Director	10-04 to 10-08
			CEO	04-08 to 10-08
	Virexx Medical Corp. (Alberta)	TSX AMEX ⁽³⁾	Director	09-08 to 12-08
John Veltheer	Nil	Nil	Nil	Nil
Christopher Ecclestone	Mediterranean Resources Ltd. (British Columbia)	TSX	Director	01-11 to present

⁽¹⁾ Means the Alternative Investment Market, a sub-market of the London Stock Exchange.

⁽²⁾ Means the New York Stock Exchange.

⁽³⁾ Means the American Stock Exchange

Executive Compensation

Summary Compensation Table

The information below contains disclosure of anticipated compensation, to the extent known, for the four most highly compensated executive officers, in addition to the proposed CEO, regardless of the anticipated amount of the compensation to be paid to such individuals, for the 12 month period after giving effect to the Transaction:

Name and proposed principal position	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽¹⁾	Non-equity incentive compensation plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
				Annual incentive plans	Long-term incentive plans			
Christopher Ecclestone President, CEO and Director	75,000	-	-	-	-	-	-	75,000
Fraser Atkinson Chairman and Director	60,000	-	-	-	-	-	-	60,000
Roger Flowerdew Chief Financial Officer and Director	60,000	-	-	-	-	-	-	60,000

⁽¹⁾ Based on an estimated grant date fair value of \$0.26 per share, which equals the current market price, resulting in a \$nil dollar amount value on the date of grant.

Options Granted to Executive Officers

The management of the Resulting Issuer anticipates that 810,000 Resulting Issuer Options will be issued to the executive officers set forth in the table above upon Completion of the Qualifying Transaction. The table below under the heading “Options to Purchase Securities” sets out information with respect to these proposed grants of Resulting Issuer Options. All of the currently outstanding Options will remain outstanding after Completion of the Qualifying Transaction. See “Information Concerning the Resulting Issuer – Options to Purchase Securities”.

Termination of Employment, Change in Responsibilities and Employment Contracts

It is not anticipated that there will be any employment contracts between the Resulting Issuer and a Named Executive Officer in the 12 months following completion of the Transaction, other than an employment contract to be entered into between the Issuer and Christopher Ecclestone, pursuant to which the Issuer will employ Mr. Ecclestone as CEO and President in consideration for a salary of \$75,000 per year, payable monthly, which salary will be reviewed annually. Under this agreement, the Issuer will agree to grant Mr. Ecclestone 300,000 Resulting Issuer Options. No benefits will be provided to Mr. Ecclestone under this agreement however the Issuer will agree to reimburse the executive for reasonable travelling and other expenses incurred by Mr. Ecclestone in connection with the performance of his duties. The term of the agreement will continue indefinitely until terminated in accordance with its terms. The agreement may be terminated by Mr. Ecclestone at any time upon his giving the Issuer at least three months prior written notice. On the giving of such notice, the Issuer may accelerate the resignation notice period by paying Mr. Ecclestone a lump sum equal to the salary for such notice period. The agreement may be terminated by the Issuer without cause upon paying Mr. Ecclestone a lump sum equal to three months salary or may be terminated by the Issuer for cause as set out in the agreement. The agreement does not contain any change of control provisions.

It is not anticipated that there will be any compensatory plans, contract or arrangements between the Resulting Issuer and a Named Executive Officer in the 12 months following completion of the Transaction with respect to: (a) the resignation, retirement or other termination of employment of the Named Executive Officer; (b) a change in control of the Resulting Issuer; or (c) a change in the Named Executive Officer’s responsibilities following a change in control of the Resulting Issuer involving an amount, where the Named Executive Officer is entitled to receive more than \$100,000, including periodic payments or instalments.

Compensation of Directors

Other than as set out below, it is not anticipated that any directors of the Resulting Issuer who are not Named Executive Officers, will receive, in the 12 months following completion of the Transaction, compensation pursuant to:

- (a) any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments;
- (b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as director; or
- (c) any arrangement for the compensation of directors for services as consultants or experts.

Name	Fees (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Alexander Helmel	60,000	-	-	-	-	-	60,000
John Veltheer	72,000	-	-	-	-	-	72,000

⁽¹⁾ Based on an estimated grant date fair value of \$0.26 per share, which equals the current market price.

Indebtedness of Directors and Officers

No director or officer of the Issuer, nor any proposed director or officer of the Resulting Issuer, is or has been indebted to the Issuer at any time.

Investor Relations Arrangements

No written or oral agreement has been reached with any person to provide promotional or investor relations activities for the Resulting Issuer.

Options to Purchase Securities

As of the date of this Filing Statement, the following table sets forth all Resulting Issuer Options to purchase securities of the Resulting Issuer that will be held upon Completion of the Qualifying Transaction:

Persons who will Receive Resulting Issuer Options (as a group)	Number of Resulting Issuer Shares Under Option	Purchase Price of Resulting Issuer Shares Under Option	Expiration Date	Market Value of Resulting Issuer Shares Under Option on the date of this Filing Statement ⁽⁵⁾
Proposed executive officers of the Resulting Issuer (3 persons) ⁽¹⁾	180,000	\$0.10	August 27, 2015	\$46,800
	770,000 ⁽⁴⁾	\$0.26	Five years from date of grant	\$0
Proposed directors of the Resulting Issuer (who are not also executive officers) (2 persons) ⁽²⁾	180,000	\$0.10	August 27, 2015	\$46,800
	460,000 ⁽⁴⁾	\$0.26	Five years from date of grant	\$0
Proposed consultants of the Resulting Issuer (1 person) ⁽³⁾	90,000	\$0.10	August 27, 2015	\$23,400
	25,000 ⁽⁴⁾	\$0.26	Five years from date of grant	\$0
Total	1,705,000			

⁽¹⁾ Consists of Chris Ecclestone, Fraser Atkinson and Roger Flowerdew.

⁽²⁾ Consists of John Veltheer and Alex Helmel.

⁽³⁾ Consists of Darrell Elliott, who is currently a director of the Issuer but will resign in connection with the Closing.

⁽⁴⁾ The issuance of these Resulting Issuer Options will be dependent upon the Completion of the Qualifying Transaction and completion of the Financing that results in at least 17,050,000 issued shares. Otherwise the options granted to John Veltheer, Roger Flowerdew, Fraser Atkinson and Alex Helmel will be reduced on a pro-rata basis.

- (5) Based on a market price of \$0.26 per Resulting Issuer Share, being the closing price per Share on the Exchange on November 29, 2010, the last day of trading prior to the halting of trading in the Shares in connection with the Transaction.

Stock Option Plan

Following the Closing, the Stock Option Plan as disclosed under the heading “Information Concerning the Issuer – Stock Option Plan” will remain in effect. The shareholders of the Resulting Issuer may approve a resolution at a meeting of the shareholders of the Resulting Issuer adopting a new Stock Option Plan or amending the existing Stock Option Plan.

Escrowed Securities

CPC Escrow Shares

The following table sets out, as at the date of this Filing Statement, the number and percentage of CPC Escrow Shares held in escrow under the CPC Escrow Agreement prior to giving effect to the Qualifying Transaction, and the number and percentage of Reporting Issuer Shares that will be held in escrow after giving effect to the Qualifying Transaction, but before giving effect to the initial release of the CPC Escrow Shares under the CPC Escrow Agreement.

Name and Municipality of Residence of Securityholder	Designation of Class	Prior to Giving Effect to the Transaction		After Giving Effect to the Transaction		
		Number of Shares Held in Escrow	Percentage of Class ⁽¹⁾	Number of Shares to be Held in Escrow	Percentage of Class After Giving Effect to the Minimum Financing ⁽²⁾	Percentage of Class After Giving Effect to the Maximum Financing ⁽³⁾
Fraser Atkinson Vancouver, BC	Common Shares	500,000	7.6%	500,000	3.5%	2.7%
Alexander Helmel West Vancouver, BC	Common Shares	500,000	7.6%	500,000	3.5%	2.7%
Roger Flowerdew Vancouver, BC	Common Shares	500,000	7.6%	500,000	3.5%	2.7%
John Veltheer Vancouver, BC	Common Shares	500,000	7.6%	500,000	3.5%	2.7%
Skellum Enterprises Inc. ⁽⁴⁾ North Vancouver, BC	Common Shares	200,000	3.0%	200,000	1.4%	1.1%
Jama Holdings Inc. ⁽⁵⁾ Vancouver, BC	Common Shares	50,000	0.8%	50,000	0.3%	0.3%
Total		2,250,000	34.2%	2,250,000	15.5%	12.4%

(1) Based on 6,600,000 Shares issued and outstanding on an undiluted basis.

(2) Based on 14,482,500 Resulting Issuer Shares issued and outstanding on an undiluted basis.

(3) Based on 18,182,500 Resulting Issuer Shares issued and outstanding on an undiluted basis.

(4) Skellum Enterprises Inc. is controlled by Darrell Elliott.

(5) Jama Holdings Inc. is a member of the Aggregate Pro Group.

The CPC Escrow Shares are currently held in escrow pursuant to the CPC Escrow Agreement. The Transfer Agent is the escrow agent for the purposes of the CPC Escrow Agreement. There are 2,250,000 CPC Escrow Shares currently in escrow. At the time of Completion of the Qualifying Transaction, it is expected that each of the persons listed in the table above will hold Resulting Issuer Shares subject to escrow in the amount listed beside such persons name.

The CPC Escrow Shares are currently subject to the release schedule set out in Schedule B(1) to the Exchange's Form 2F – *CPC Escrow Agreement*. Pursuant to Schedule B(1) of Form 2F, 10% of the CPC Escrow Shares are to be released upon the date of issuance of the Final Exchange Bulletin respecting the Transaction and an additional 15% of the CPC Escrow Shares are to be released every 6 months thereafter until all CPC Escrow Shares have been released (36 months following the date of issuance of the Final Exchange Bulletin). Should the Resulting Issuer be accepted by the Exchange as a Tier 1 Issuer, the CPC Escrow Shares will be released on an accelerated schedule, as set out in Schedule B(2) of Form 2F. Pursuant to Schedule B(2) of Form 2F, 25% of the CPC Escrow Shares would be released upon the date of issuance of the Final Exchange Bulletin and an additional 25% of the CPC Escrow Securities would be released every 6 months thereafter, until all CPC Escrow Shares have been released (18 months following the date of issuance of the Final Exchange Bulletin).

The CPC Escrow Agreement provides that the CPC Escrow Shares are held in escrow pursuant to its terms and the beneficial ownership thereof may not be sold, assigned, hypothecated, transferred within escrow or otherwise dealt with in any manner without the prior written consent of the Exchange. In the event of the bankruptcy of an escrow shareholder, provided the Exchange does not object, the CPC Escrow Shares held by such escrow shareholder may be transferred to the trustees in the bankruptcy or such person legally entitled to the CPC Escrow Shares which shares will remain in escrow subject to the escrow agreement. In the event of the death of an escrow shareholder, provided the Exchange does not object, the CPC Escrow Shares held by the escrow shareholder will be released from escrow.

Value Escrow Shares

Pursuant to the policies of the Exchange, the securities of the Resulting Issuer to be issued to AMY in connection with the Transaction are expected to be held in escrow after giving effect to the Transaction:

Name and Municipality of Residence of Securityholder	Designation of Class	Number of Securities to be Held in Escrow	Percentage of Class Assuming Completion of Minimum Financing⁽²⁾	Percentage of Class Assuming Completion of Maximum Financing⁽³⁾
American Manganese Inc. Vancouver, BC	Common Shares	75,000 ⁽¹⁾	0.5%	0.4%

⁽¹⁾ Does not include the 210,000 remaining Lonnie Payment Shares that will be issued subsequent to the Closing.

⁽²⁾ Based on 14,482,500 Resulting Issuer Shares issued and outstanding on an undiluted basis.

⁽³⁾ Based on 18,182,500 Resulting Issuer Shares issued and outstanding on an undiluted basis.

All of the Resulting Issuer securities subject to escrow shall be held in escrow pursuant to the terms of a value security escrow agreement based on Exchange Form 5D (the "QT Escrow Agreement"). The QT Escrow Agreement will be entered into by the Resulting Issuer, the Transfer Agent (or an alternate transfer agent as approved by the Resulting Issuer and the Exchange) and AMY.

If the Resulting Issuer is listed as a Tier 2 Issuer on the Exchange upon completion of the Transaction, such Resulting Issuer Shares will be released from escrow as follows:

<u>% of Escrowed Shares To Be Released</u>	<u>Release Date</u>
10%	On the date of the Final Exchange Bulletin
15%	6 months from the date of the Final Exchange Bulletin
15%	12 months from the date of the Final Exchange Bulletin
15%	18 months from the date of the Final Exchange Bulletin
15%	24 months from the date of the Final Exchange Bulletin
15%	32 months from the date of the Final Exchange Bulletin
15%	36 months from the date of the Final Exchange Bulletin

Notwithstanding the foregoing, the release of the Resulting Issuers Shares held in escrow pursuant to the Escrow Agreement may be accelerated if the Resulting Issuer is, at any time, classified as a Tier I issuer on the Exchange, with the result that such Resulting Issuer Shares shall be released from escrow as follows:

<u>% of Escrowed Shares To Be Released</u>	<u>Release Date</u>
25%	On the date of the Final Exchange Bulletin
25%	6 months from the date of the Final Exchange Bulletin
25%	12 months from the date of the Final Exchange Bulletin
25%	18 months from the date of the Final Exchange Bulletin

GENERAL MATTERS

Sponsorship

Pursuant to Policy 2.2 of the Exchange, sponsorship is generally required in conjunction with a Qualifying Transaction. The Issuer has made application to the Exchange for a waiver of the sponsorship requirement on the basis that: (a) it will not be a foreign issuer upon Completion of the Qualifying Transaction; (b) the board of directors and management of the Resulting Issuer meet a high standard and collectively possess appropriate experience, qualifications and history, having positive records with junior companies and appropriate technical and other experiences with public companies in Canada; (c) the Resulting Issuer will be a mining issuer, satisfying the Minimum Listing Requirements for a Tier 1 or Tier 2 Issuer and will have a current technical report on its material mineral property. There are no assurances that the Issuer will be granted a waiver of the sponsorship requirements.

Experts

The following is a list of persons or companies whose profession or business gives authority to a statement made by a person or company named in this Filing Statement as having prepared or certified a part of that document or report described in the Filing Statement:

- (a) Dale Matheson Carr-Hilton Labonte LLP; and
- (b) Norm Tribe, P. Eng. of N Tribe & Associates Ltd. the Author of the Technical Report.

To the knowledge of management of the Issuer, as of the date hereof, no expert, nor any Associate or Affiliate of such person has any beneficial interest, direct or indirect, in the securities or property of the Issuer, Cougar or the Resulting Issuer or of an Associate or Affiliate of any of them, and no such person is expected to be elected, appointed or employed as a director, senior officer or employee of the Resulting Issuer or of an Associate or Affiliate thereof.

Auditor, Transfer Agent and Registrar

The Resulting Issuer anticipates that the transfer agent and registrar for the Resulting Issuer will be the Transfer Agent, located at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9. Transfers may be recorded in Vancouver, British Columbia.

Upon completion of the Transaction, it is intended that the Resulting Issuer's auditors will continue to be Dale Matheson Carr-Hilton Labonte LLP, of Vancouver, British Columbia.

Other Material Facts

To management's knowledge, there are no other material facts relating to the Transaction that are not otherwise disclosed in this Filing Statement or are necessary for the Filing Statement to contain full, true and plain disclosure of all material facts relating to the Transaction.

Board Approval

The Board of Directors of the Issuer has approved the contents of this Filing Statement.

CERTIFICATION OF ISSUER

The foregoing constitutes full, true, and plain disclosure of all material facts relating to the securities of Rara Terra Capital Corp. assuming completion of the Qualifying Transaction.

DATED March 31, 2011

RARA TERRA CAPITAL CORP.

“Alexander Helmel”

Alexander Helmel
President, Chief Executive Officer and
Director

“Roger Flowerdew”

Roger Flowerdew
Chief Financial Officer and Director

On behalf of the Board of Directors of Rara Terra Capital Corp.

“John Veltheer”

John Veltheer
Vice-President and Director

“Fraser Atkinson”

Fraser Atkinson
Chairman and Director

ACKNOWLEDGEMENT – PERSONAL INFORMATION

“**Personal Information**” means any information about an identifiable individual, and includes information contained in any items in the attached filing statement that are analogous to Items 4.2, 11, 12.1, 15, 17.2, 18.2, 23, 24, 26, 31.3, 32, 33, 34, 35, 36, 37, 38, 40 and 41 of Exchange Form 3B1/3B2, as applicable.

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

- (a) the disclosure of Personal Information by the undersigned to the Exchange (as defined in Appendix 6B) pursuant to Exchange Form 3B1/3B2; and
- (b) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6B or as otherwise identified by the Exchange, from time to time.

Dated: March 31, 2011

RARA TERRA CAPITAL CORP.

“Alexander Helm”

Alexander Helm
President, Chief Executive Officer and Director



Partnership of:			
Vancouver	Robert J. Burkart, Inc. Alvin F. Dale Ltd. Robert J. Matheson, Inc.	James F. Carr-Hilton Ltd. Barry S. Hartley, Inc. Rakesh I. Patel Inc.	Kenneth P. Chong Inc. Reginald J. LaBonte Ltd. F.M. Yada FCA Inc.
South Surrey	Michael K. Braun Inc.	Peter J. Donaldson, Inc.	
Port Coquitlam	Wilfred A. Jacobson Inc. Brian A. Shaw Inc.	G.D. Lee Inc.	Fraser G. Ross, Ltd.

AUDITORS' CONSENT

We have read the Filing Statement of Rara Terra Capital Corp. (the "Company") dated March 31, 2011 in respect of the qualifying transaction involving the acquisition of 60% interest in the Lonnie Property. We have complied with Canadian generally accepted standards for an auditor's involvement with such documents.

We consent to the use in the above-mentioned Filing Statement of our report to the directors of Rara Terra Capital Corp. on the balance sheet of the Company as at March 31, 2010 and the statements of loss, comprehensive loss and deficit and cash flows for the period from December 17, 2009 (Date of Incorporation) to March 31, 2010. Our report is dated May 18, 2010.

"DMCL"

DALE MATHESON CARR HILTON LABONTE LLP
Chartered Accountants

Vancouver, Canada
March 31, 2011

Schedule "A"

**Audited annual financial statements of Rara Terra Capital Corp.
for the period from incorporation on December 17, 2009 to March 31, 2010 and
the unaudited financial statements for the nine month period ended December 31, 2010**

RARA TERRA CAPITAL CORP.

FINANCIAL STATEMENTS

MARCH 31, 2010

AUDITORS' REPORT

To the Directors of Rara Terra Capital Corp.

We have audited the balance sheet of Rara Terra Capital Corp. as at March 31, 2010 and the statements of loss, comprehensive loss and deficit and cash flows for the period from December 17, 2009 (inception) to March 31, 2010. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2010 and the results of its operations and its cash flows for the period from December 17, 2009 (inception) to March 31, 2010 in accordance with Canadian generally accepted accounting principles.



Vancouver, Canada
May 18, 2010

Dale Matheson Carr-Hilton LaBonte LLP
Chartered Accountants

**RARA TERRA CAPITAL CORP.
BALANCE SHEET**

March 31,
2010

ASSETS	
CURRENT	
Cash	\$ 217,086
Receivables	1,076
	218,162
DEFERRED SHARE ISSUE COSTS (Note 9)	33,827
	\$ 251,989

LIABILITIES	
CURRENT	
Accounts payable and accrued liabilities	\$ 10,244
Due to related party (Note 5)	5,577
	15,821

SHAREHOLDERS' EQUITY	
SHARE CAPITAL (Note 4)	244,136
DEFICIT	(7,968)
	236,168
	\$ 251,989

Nature and Continuance of Operations (Note 1)
Initial Public Offering (Note 9)

On behalf of the Board of Directors:

/s/ Fraser Atkinson
Fraser Atkinson
Director

/s/ Roger Flowerdew
Roger Flowerdew
Director

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

RARA TERRA CAPITAL CORP.
STATEMENT OF LOSS, COMPREHENSIVE LOSS AND DEFICIT

December 17, 2009
(Inception) to
March 31, 2010

EXPENSES	
Bank charges and interest	\$ 34
General and administrative	4,934
Rent (Note 5)	3,000
<hr/>	
NET AND COMPREHENSIVE LOSS, BEING DEFICIT, END OF PERIOD	\$ (7,968)
<hr/>	
BASIC AND DILUTED NET LOSS PER COMMON SHARE	\$ (0.01)
<hr/>	
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	866,667
<hr/>	

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

**RARA TERRA CAPITAL CORP.
STATEMENT OF CASH FLOWS**

December 17, 2009
(Inception) to
March 31, 2010

OPERATING ACTIVITIES	
Net loss	\$ (7,968)
Changes in non-cash working capital items	
- Receivables	(1,076)
- Due to related party	5,577
<hr/>	
Cash flows used in operating activities	(3,467)
<hr/>	
FINANCING ACTIVITIES	
Proceeds received for shares issued, net of issuance costs	244,136
Deferred share issue costs	(23,583)
<hr/>	
Cash flows from financing activities	220,553
<hr/>	
CHANGE IN CASH	217,086
<hr/>	
CASH, BEGINNING	-
<hr/>	
CASH, ENDING	\$ 217,086

SUPPLEMENTARY CASH FLOW INFORMATION:

Cash paid for interest	\$ -
<hr/>	
Cash paid for income taxes	\$ -

During the period ended March 31, 2010, the Company recorded \$10,244 of deferred share issue costs in accounts payable and accrued liabilities.

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

NOTE 1- NATURE AND CONTINUANCE OF OPERATIONS

Rara Terra Capital Corp. (the “Company”) was incorporated under the British Columbia *Business Corporations Act* on December 17, 2009. The Company was formed for the primary purpose of completing an Initial Public Offering (“IPO”) on the TSX Venture Exchange (“Exchange”) as a Capital Pool Company (“CPC”) as defined in Policy 2.4 of the Exchange. As a CPC, the Company’s principal business would be to identify, evaluate and acquire assets, properties or businesses which would constitute a qualifying transaction in accordance with Policy 2.4 of the Exchange (“Qualifying Transaction”). A CPC has 24 months from when the shares are listed on the Exchange to complete a Qualifying Transaction. Such a transaction will be subject to shareholder and regulatory approval. Until completion of the Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction.

The proposed business of the Company involves a high degree of risk and there is no assurance that the Company will complete its IPO or identify an appropriate business for acquisition or investment, and even if so identified and warranted, it may not be able to finance such an acquisition or investment. Additional funds may be required to enable the Company to pursue such an initiative and the Company may be unable to obtain such financing on terms which are satisfactory to it, particularly in the current economic environment. Furthermore, there is no assurance that the business will be profitable. Those factors raise doubt as to the Company’s ability to continue as a going concern.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”) and are presented in Canadian dollars.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the expected tax rates for future income tax recoveries. Where estimates have been used financial results as determined by actual events could differ from those estimates.

Loss Per Share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during this period. Basic and diluted loss per common share is calculated using the weighted-average number of common shares outstanding during the period.

Income Taxes

Future income taxes are recorded using the asset and liability method whereby future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs. To the extent that the Company does not consider it more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES - Continued

Stock-based Compensation

The Company follows the fair value method of accounting for all stock-based compensation. The fair value of stock options granted is determined using the Black-Scholes option pricing model. When options to purchase shares are granted to employees or directors, the fair value of the options on the date of the grant is recognized as a compensation expense, with a corresponding increase in contributed surplus, over the period during which the related options vest. When options to purchase shares are granted to non-employees in return for goods or services, the fair value of the options granted is recognized as an expense, with a corresponding increase in contributed surplus, in the period in which the goods or services are received or are expected to be received. The consideration received on the exercise of share options is credited to share capital. When options are exercised, previously recorded compensation is transferred from contributed surplus to share capital to fully reflect the consideration for the shares issued. As at March 31, 2010, the Company has not granted any stock options.

Financial instruments

The Company follows the Canadian Institute of Chartered Accountants (“CICA”) Handbook Section 3855, “Financial Instruments”; and Section 3856, “Hedges”. Section 3855 prescribes when a financial instrument is to be recognized on the balance sheet and at what amount. Under Section 3855, financial instruments must be classified into one of five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets, or other financial liabilities. All financial instruments, including derivatives, are measured at the balance sheet date at fair value except for loans and receivables, held-to-maturity investments, and other financial liabilities which are measured at amortized cost.

The Company’s financial instruments consist of cash, receivables, accounts payable and due to related party. Cash is measured at face value, representing fair value, and is classified as held-for-trading. Receivables, which are measured at amortized cost, are classified as loans and receivables. Accounts payable and due to related party, which are measured at amortized cost, are classified as other financial liabilities.

The Company has determined that it does not have derivatives or embedded derivatives and does not use any hedging instruments.

Deferred share issue costs

Deferred share issue costs consist of costs relating to the listing of the Company on the Exchange and under taking an IPO. Upon successful completion of the IPO, these costs will be recorded as a reduction of share capital. If the IPO is not successfully completed, these costs will be charged to the statement of loss, comprehensive loss and deficit.

NOTE 3 – RECENT ACCOUNTING PRONOUNCEMENTS

International Financial Reporting Standards (“IFRS”)

The Canadian Accounting Standards Board will require all public companies to use IFRS for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Companies will be required to provide IFRS comparative information for the previous fiscal year. The transition from Canadian GAAP to IFRS will be applicable for the Company for the first quarter of fiscal year 2012 when the Company will prepare both the current and comparative financial information using IFRS. The Company expects the transition to IFRS to impact financial reporting, business processes and information systems. While the Company has begun assessing the adoption of IFRS for 2012, the financial reporting impact of the transition to IFRS and initial adoption alternatives have not been determined.

NOTE 3 – RECENT ACCOUNTING PRONOUNCEMENTS

Business Combinations, Consolidated Financial Statements and Non-controlling interest

For interim and annual financial statements relating to fiscal years commencing on or after January 1, 2011, the Company will be required to adopt new CICA Section 1582 “Business Combinations”, Section 1601 “Consolidated Financial Statements” and Section 1602 “Non-Controlling Interests”. Section 1582 replaces existing Section 1581 “Business Combinations”, and Sections 1601 and 1602 together replace Section 1600 “Consolidated Financial Statements”. The adoption of Sections 1582 and collectively, 1601 and 1602 provides the Canadian equivalent to IFRS 3 “Business Combinations” and International Accounting Standard (“IAS”) 27 “Consolidated and Separate Financial Statements” respectively. The impact of adopting these new standards has not yet been assessed.

NOTE 4 – SHARE CAPITAL

Common Shares

Authorized:

Unlimited common shares without par value

Issued:	Number of Shares	Amount
Balance as at December 17, 2009 (Inception)	1	\$ -
Common shares issued for cash at \$0.05 per share	2,200,000	110,000
Common shares issued for cash at \$0.10 per share	1,400,000	140,000
Cancelled share	(1)	-
Share issuance costs	-	(5,864)
Balance as at March 31, 2010	3,600,000	\$ 244,136

During the period ended March 31, 2010 the Company issued 2,200,000 common shares to directors of the Company. All the shares will be subject to an escrow agreement in accordance with the Exchange Policy 2.4. The shares will be released as follows: 10% upon the issuance of notice of final acceptance of a Qualifying Transaction by the Exchange, and the remainder in six equal tranches of 15% every six months thereafter for a period of 36 months.

During the period ended March 31, 2010 the Company issued 1,400,000 common shares at a price of \$0.10 per share by way of a private placement.

Stock Options

On March 3, 2010, the directors of the Company consented to adopt a Company Share Option Plan (the “Plan”). The Plan provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares, provided that, subsequent to the Company having completed the IPO, the number of common shares reserved for issuance will not exceed 10% of the common shares to be outstanding at closing. Such options may be exercisable for a period of up to 10 years from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any individual director or officer will not exceed five 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed 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 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. Any common shares acquired pursuant to the exercise of options prior to completion of the Qualifying Transaction, must be deposited in escrow and will be subject to escrow until the final Exchange bulletin is issued. The approval of the plan is subject to approval by the Exchange and the Company’s shareholders.

NOTE 4 – SHARE CAPITAL – Continued

Stock Options - Continued

The Company also proposes to grant the directors' and officers' options at the closing of the IPO in accordance with the policies of the Exchange, which options are qualified for distribution pursuant to the filing of a prospectus. The proposed directors' and officers' options entitle the holders to purchase an aggregate of 450,000 common shares at a price of \$0.10 per common share and such options may be exercised for a period of 5 years from the date on which the common shares are listed on the Exchange.

NOTE 5 – RELATED PARTY TRANSACTION

Commencing January 1, 2010, the Company pays \$1,000 per month for the use of premises to a company with a common director. During the period ended March 31, 2010 the Company was charged \$3,000, which is included in due to related party at March 31, 2010. Amounts due to related parties are non-interest bearing, unsecured and are repayable on demand.

Related party transactions were in the normal course of operations and were measured at the exchange amount, which was the amount of consideration established and agreed to by the related parties.

NOTE 6 – INCOME TAXES

The provision for income taxes differs from the amount that would have resulted in applying Canadian federal and provincial statutory rates as follows:

Loss before income taxes	\$ (7,968)
Statutory income tax rate	29.5%
Expected income tax recovery at statutory income tax rate	(2,351)
Tax effect of share issuance costs not recognized	(9,979)
Effect of difference between future and current tax rates	1,881
Change in valuation allowance	10,449
Income tax provision	\$ -

The significant components of the Company's future income tax assets are as follows:

Non-capital losses	\$ 2,479
Share issuance costs	7,970
	10,449
Valuation allowance	(10,449)
Net future income tax asset	\$ -

Management has determined that the realization of the potential income tax benefits related to the non-capital losses and other tax pools is uncertain at this time, and cannot be viewed as more likely than not. Accordingly, the Company has recorded a valuation allowance for the potential future income tax asset.

As at March 31, 2010, the Company has a non-capital loss of approximately \$8,000 that may be applied against future income for Canadian income tax purposes and expires in 2030.

NOTE 7 – FINANCIAL INSTRUMENTS

Financial Risk Management

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash whose balance at March 31, 2010 is \$217,086. Cash is held with a major bank in Canada which minimizes the risk.

The Company's secondary exposure to credit risk is on its receivables. The most significant receivable is a refund of Goods and Services tax which gives rise to minimal risk as this balance is recoverable from a government agency.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates in Canada and is therefore not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

Interest Rate Risk

Interest rate risk refers to the risk that future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk as bank accounts earn interest income at variable rates.

Liquidity Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash. As at March 31, 2010, the Company was holding cash of \$217,086.

NOTE 8 – CAPITAL MANAGEMENT

The Company manages its capital, consisting of share capital and cash, in a manner consistent with the risk characteristics of the assets it holds. All sources of financing are analyzed by management and approved by the board of directors.

The Company's objectives when managing capital are:

- a) To safeguard the Company's ability to continue as a going concern; and
- b) To facilitate the completion of a Qualifying Transaction.

The Company is meeting its objective of managing capital through its detailed review and performance of due diligence on all potential acquisitions, preparing short-term and long-term cash flow analysis to ensure an adequate amount of liquidity and monthly review of financial results. The Company is not subject to externally imposed capital restrictions.

NOTE 9 – INITIAL PUBLIC OFFERING

The Company intends to complete its IPO and list its shares for trading on the Exchange. The Company plans to offer a minimum of 2,000,000 common shares (the “Minimum Offering”) and maximum of 3,000,000 common shares (the “Maximum Offering”) priced at \$0.10 per share for minimum total gross proceeds of \$200,000 and maximum total gross proceeds of \$300,000.

Pursuant to an agency agreement dated March 10, 2010, the Company has agreed to pay the agent a non-refundable corporate finance fee of \$12,000, of which \$6,000 was paid upon execution of the term sheet between the parties dated February 9, 2010 and of which \$6,000 is payable in cash on the closing date.

An agent’s commission of 10% of the gross proceeds of the planned IPO will be payable at closing. The Company will also issue to the agent, at closing, non-transferrable warrants to purchase that number of common shares equal to 10% of the number of common shares issued pursuant to the planned IPO. The warrants have an exercise price of \$0.10 per share and may be exercised at any time up to the close of business 24 months from the date of the listing and posting for trading of the common shares, provided no more than 50% of the common shares which may be acquired on exercise of the warrants are sold by the agent prior to completion of the Qualifying Transaction.

At March 31, 2010, the Company had incurred costs relating to the completion of the planned IPO in the amount of \$33,827.

RARA TERRA CAPITAL CORP.

FINANCIAL STATEMENTS

December 31, 2010

(UNAUDITED-PREPARED BY MANAGEMENT)

RARA TERRA CAPITAL CORP.
(Unaudited – prepared by management)
BALANCE SHEETS

	December 31, 2010	March 31, 2010
ASSETS		
CURRENT		
Cash	\$ 335,345	\$ 217,086
Receivables	12,477	1,076
	347,822	218,162
DEFERRED SHARE ISSUE COSTS (Note 3)	-	33,827
DEFERRED ACQUISITION COSTS (Note 4)	30,000	-
	\$ 377,822	\$ 251,989
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 27,474	\$ 10,244
Due to related party	-	5,577
	27,474	15,821
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 3)	399,384	244,136
WARRANTS (Note 3)	15,845	-
CONTRIBUTED SURPLUS (Note 3)	33,768	-
DEFICIT	(98,649)	(7,968)
	350,348	236,168
	\$ 377,822	\$ 251,989

Nature and Continuance of Operations (Note 1)

On behalf of the Board of Directors:

"Fraser Atkinson"
Fraser Atkinson
Director

"Roger Flowerdew"
Roger Flowerdew
Director

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

RARA TERRA CAPITAL CORP.
(Unaudited – prepared by management)
STATEMENTS OF LOSS AND DEFICIT

	Three months ended December 31, 2010	Three months ended December 31, 2009	Nine months ended December 31, 2010	Nine months ended December 31, 2009
EXPENSES				
General and administrative	\$ 20,987	\$ -	\$ 32,964	\$ -
Professional fees	12,199	-	14,949	-
Rent	3,000	-	9,000	-
Stock-based compensation	-	-	33,768	-
NET LOSS	(36,186)	-	(90,681)	-
DEFICIT, BEGINNING	(62,463)	-	(7,968)	-
DEFICIT, ENDING	\$ (98,649)	\$ -	\$ (98,649)	\$ -
BASIC AND DILUTED NET LOSS PER COMMON SHARE				
	\$ (0.01)	\$ -	\$ (0.03)	\$ -
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING				
	4,400,000	-	2,785,455	-

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

RARA TERRA CAPITAL CORP.
(Unaudited – prepared by management)
STATEMENTS OF CASH FLOWS

	Three months ended December 31, 2010	Three months ended December 31, 2009	Nine months ended December 31, 2010	Nine months ended December 31, 2009
OPERATING ACTIVITIES	\$ (36,186)	\$ -	\$ (90,681)	\$ -
Net loss for the period				
Non cash item:				
Stock-based compensation	-	-	33,768	-
Changes in non-cash working capital items				
Accounts payable	12,320	-	17,230	-
Accounts receivable	(5,491)	-	(11,401)	-
Due to related party	(7,358)	-	(5,577)	-
Cash flows used in operating activities	(36,715)	-	(56,661)	-
INVESTING ACTIVITIES				
Deferred acquisition costs	(30,000)	-	(30,000)	-
Cash flows used in investing activities	(30,000)	-	(30,000)	-
FINANCING ACTIVITIES				
Proceeds received for shares issued, net of				
Issuance costs	-	-	256,189	-
Deferred share issue costs	-	-	(51,269)	-
Cash flows used in financing activities	-	-	204,920	-
INCREASE (DECREASE) IN CASH	(66,715)	-	118,259	-
CASH, BEGINNING	402,060	-	217,086	-
CASH, ENDING	\$ 335,345	\$ -	\$ 335,345	\$ -
SUPPLEMENTARY CASH FLOW INFORMATION:				
Cash paid for interest	\$ -	\$ -	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -	\$ -	\$ -

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

RARA TERRA CAPITAL CORP.
NOTES TO THE FINANCIAL STATEMENTS
(Unaudited – prepared by management)
DECEMBER 31, 2010

NOTE 1 NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

Rara Terra Capital Corp. (the “Company”) was incorporated under the British Columbia *Business Corporations Act* on December 17, 2009. The Company was formed for the primary purpose of completing an Initial Public Offering (“IPO”) on the TSX Venture Exchange (“Exchange”) as a Capital Pool Company (“CPC”) as defined in Policy 2.4 of the Exchange. As a CPC, the Company’s principal business would be to identify, evaluate and acquire assets, properties or businesses which would constitute a qualifying transaction in accordance with Policy 2.4 of the Exchange (“Qualifying Transaction”). A CPC has 24 months from when the shares are listed on the Exchange to complete a Qualifying Transaction. Such a transaction will be subject to shareholder and regulatory approval. Until completion of the Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction. The Company completed its IPO on August 27, 2010 and the Company’s shares commenced trading on the Exchange on August 31, 2010.

The proposed business of the Company involves a high degree of risk and there is no assurance that the Company will identify an appropriate business for acquisition or investment, and even if so identified and warranted, it may not be able to finance such an acquisition or investment. Additional funds may be required to enable the Company to pursue such an initiative and the Company may be unable to obtain such financing on terms which are satisfactory to it, particularly in the current economic environment. Furthermore, there is no assurance that the business will be profitable. Those factors raise doubt as to the Company’s ability to continue as a going concern.

The results of operations for the period ended December 31, 2010 are not necessarily indicative of the results for the full year ending March 31, 2011.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Share Capital

The proceeds from the exercise of stock options, warrants and shares are recorded as share capital in the amount for which the option, warrant or share enabled the holder to purchase a share in the Company. Share capital issued for non-monetary consideration is recorded at an amount based on fair value. Fair value is determined by the market value of the shares on the dates issued.

Stock-based Compensation

The Company adopted the accounting recommendations of the Canadian Institute of Chartered Accountants Handbook, Section 3870, “Stock-based compensation and other stock-based payments” whereby the Company will expense the fair value of stock-based compensation awards. Fair values are determined using the Black-Scholes option pricing model.

RARA TERRA CAPITAL CORP.
NOTES TO THE FINANCIAL STATEMENTS
(Unaudited – prepared by management)
DECEMBER 31, 2010

NOTE 3 SHARE CAPITAL

Common Shares

Authorized

a. Unlimited common shares without par value

b. Issued:

	Number of Shares	Amount
Balance as at December 17, 2009 (Inception)	1	\$ -
Common shares issued for cash at \$0.05 per share	2,200,000	110,000
Common shares issued for cash at \$0.10 per share	1,400,000	140,000
Cancelled share	(1)	-
Share issuance costs	-	(5,864)
Balance as at March 31, 2010	3,600,000	\$ 244,136
Common shares issued for cash at \$0.10 per share	3,000,000	300,000
Share issuance costs	-	(144,752)
Balance as at December 31, 2010	6,600,000	399,384

During the period ended March 31, 2010 the Company issued 2,200,000 common shares to directors of the Company. All the shares are subject to an escrow agreement in accordance with the Exchange Policy 2.4. The shares will be released as follows: 10% upon the issuance of notice of final acceptance of a Qualifying Transaction by the Exchange, and the remainder in six equal tranches of 15% every six months thereafter for a period of 36 months.

During the period ended March 31, 2010 the Company issued 1,400,000 common shares at a price of \$0.10 per share by way of a private placement.

On August 27, 2010 the Company completed its initial public offering of 3,000,000 common shares of the Company at \$0.10 per share for gross proceeds of \$300,000. The Company incurred expenses of \$144,752 in respect of its listing on the Exchange and the completion of its initial public offering, including the fair value of broker warrants of \$15,845.

Deferred share issuance costs consisted of costs relating to the listing of the Company's shares on the Exchange and undertaking an initial public offering. Upon successful completion of the initial public offering, these costs have been recorded as a reduction of share capital.

c. Stock options and warrants:

The directors of the Company adopted a Company Share Option Plan (the "Plan"). The Plan provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares, provided that, subsequent to the Company having completed its IPO, the number of common shares reserved for issuance will not exceed 10% of the common shares to be outstanding at closing. Such options may be exercisable for a period of up to 10 years from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any individual director or officer will not exceed five 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding common shares.

RARA TERRA CAPITAL CORP.
NOTES TO THE FINANCIAL STATEMENTS
(Unaudited – prepared by management)
DECEMBER 31, 2010

NOTE 3 SHARE CAPITAL continued

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 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.

Pursuant to the Plan, the Company granted share purchase options to directors and officers of the Company to acquire up to 450,000 common shares at \$0.10 per share, exercisable up to August 27, 2015. The fair value of the stock options was calculated as \$33,768 using the Black-Scholes option pricing model using the following assumptions: 100% volatility, 0% dividend yield and a risk-free rate of 2.16%. All of these options were outstanding at December 31, 2010.

The Company granted Global Securities Corp., who acted as agent to the Company for its initial public offering, finders' warrants to acquire up to 300,000 common shares at an exercise price of \$0.10 per common share exercisable for a period of two years from August 27, 2010. The fair value of the warrants was calculated as \$15,845 using the Black-Scholes option pricing model using the following assumptions: 100% volatility, 0% dividend yield and 1.61% interest free rate.

NOTE 4 QUALIFYING TRANSACTION

On November 29, 2010, the Company entered into a letter of intent ("LOI") with American Manganese Inc. ("American Manganese") to acquire up to a 60% interest in American Manganese's Lonnie property ("Lonnie Property"), a niobium and rare earth property located in the Omineca Mining Division of British Columbia. This transaction is subject to the approval of the Exchange and is intended to constitute the Company's Qualifying Transaction. As the Company and American Manganese are at arm's length, the proposed Qualifying Transaction will not be a non-arms length qualifying transaction, as defined in the policies of the Exchange. Accordingly, it is expected that a valuation will not be required and that the Qualifying Transaction will not be subject to approval of the shareholders of the Company. Under the terms of the LOI, the Company has agreed to pay American Manganese a cash payment of \$60,000, payable over three years. As at December 31, 2010, a \$10,000 refundable deposit has been paid. In addition, \$20,000 has been paid for the preparation of a report in accordance with National Instrument 43-101. The LOI also requires the Company to incur a total of \$500,000 in exploration expenditures on the Lonnie Property and issue and 285,000 common shares of the Company's capital stock over a three year term.

Subsequent to the Qualifying Transaction, the Company shall acquire a 100% interest in Golden Santa Cruz S.A.'s ("GSC") Las Chacras property located in the Sierra Pampeanas range in the province of San Luis for a cash payment of \$25,000 and the issuance of 3,000,000 common shares to GSC, which shares will be driven by a milestone-driven escrow agreement to be entered into between the Company, GSC's principles and an escrow agent to be selected by the Company.

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Schedule "B"

**Management's Discussion and Analysis for the
unaudited nine month period ended December 31, 2010**

See attached document

RARA TERRA CAPITAL CORP.**QUARTERLY REPORT**

for the three months ended December 31, 2010

Management's discussion and analysis is prepared as of December 31, 2010 and provides a review of the performance of the Company and should be read in conjunction with the Company's unaudited interim consolidated financial statements for the three and nine month periods ended December 31, 2010 and related notes included therein which are prepared in accordance with Canadian generally accepted accounting principles. This report contains discussion and analysis, which includes forward-looking statements that may differ materially from actual results achieved. Additional information on the Company is available on the SEDAR website at www.sedar.com.

FORWARD LOOKING STATEMENTS

Certain statements contained in this document constitute "forward looking statements". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", "forecast", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such statements reflect the Company's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments except as required by law.

MANAGEMENT DISCUSSION AND ANALYSIS

1.1 Date of Report: Feb 10, 2011

1.2 Overall Performance

Nature of Business and Overall Performance

RARA TERRA CAPITAL CORP. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on December 17, 2009. The Company is in the development stage and is classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange ("TSX"). The Company's intention was to list its common shares on the TSX and complete a Qualifying Transaction (as defined).

On June 3, 2010, the Company filed a prospectus in British Columbia and Alberta to qualify for public sale and distribution of a minimum of 2,000,000 and a maximum of 3,000,000 common shares of the Company in an Initial Public Offering ("IPO") at \$0.10 per share for gross proceeds of a minimum of \$200,000 and a maximum of \$300,000.

On August 27, 2010 the Company completed its IPO of 3,000,000 common shares in the capital of the Company at a price of \$0.10 per common share for gross proceeds of \$300,000. The Company paid the agent a cash commission equal to 10% of the gross proceeds and granted non-transferable agent's

warrants to purchase 300,000 common shares of the Company equal to 10% of the common shares sold in the IPO. The agent's warrants are exercisable for a period of 24 months from the date of listing on the TSX Venture Exchange ("Exchange") at a price of \$0.10 per common share provided no more than 50% of the common shares which may be acquired on exercise of the warrants are sold by the agent prior to completion of the Qualifying Transaction. The agent also received a corporate finance fee of \$21,000 (plus HST).

The Company also granted to the directors and officers options to acquire 450,000 common shares at a price of \$0.10 per common share for a period of five years from the date the common shares are listed on the Exchange.

The Company's principle business is to identify and evaluate opportunities for the acquisition of an interest in assets or businesses and, once identified and evaluated, to negotiate an acquisition or participation subject to receipt of shareholder approval and acceptance for filing by the TSX. The Company is required to complete its Qualifying Transaction within twenty-four months of listing on the TSX. The acquisition will be subject to shareholder and regulatory approval.

The Company does not have business operations or assets other than cash.

On December 1, 2010, Rara Terra announced (refer to the Company's news release on www.SEDAR.com):

1. That it had signed a letter of intent dated November 29, 2010 (the "LOI") with American Manganese Inc. (TSX-V: AMY) ("American Manganese") to acquire up to 60% of the right, title and interest of American Manganese in the Lonnie property (the "Lonnie Property" or the "Property"), a niobium and rare earth property located in the Omineca Mining Division of British Columbia (the "Transaction"). The Company's Shares were halted on the November 30, 2010 pending receipt by the Exchange of certain required materials from the Company.

The Lonnie Property consists of 8 mineral claims, totalling 1605 hectares, and is located on Granite Creek, south east of Manson Creek in North Central British Columbia, approximately three hours drive north of Fort St. James. The Property is more specifically situated at latitude 55°41'N, longitude 124°23'E (UTM 413,300E, 6,171,300N) on NTS Map Sheet 93N/9W. Altitude on the Property varies between 3200 feet and 4000 feet. While historically known for its showings of niobium, the Lonnie Property has more recently become of interest for its rare earth elements showings.

Pursuant to the terms of the LOI, as consideration for the acquisition of the interest in the Lonnie Property, Rara Terra agreed to pay American Manganese cash payments totaling \$60,000 and issue to American Manganese 285,000 common shares of the Company over the three year term of an option agreement to be entered into between the Company and American Manganese (the "Definitive Agreement"). Rara Terra also committed to incur exploration expenditures totaling \$500,000 over the three year term of the Definitive Agreement.

Subject to the approval of the Exchange, a finder's fee will be paid to each of David Heyman and Nick Horsley, who are arm's length parties to the Company and American Manganese, in connection with the Proposed Transaction. The finder's fee payable to Mr. Heyman was expected to consist of a total cash payment of \$3,000 and the issuance of a total of 15,000 Shares of the Company. The finder's fee payable to Mr. Horsley was expected to consist of a total cash payment of \$3,000 and the issuance of a total of 15,000 Shares of the Company.

The Transaction is subject to the approval of the TSX Venture Exchange (the "Exchange") and is intended to constitute Rara Terra's "Qualifying Transaction" ("QT") as defined in Exchange Policy 2.4 concerning capital pool companies (the "CPC Policy").

As Rara Terra and American Manganese are at arm's length, the proposed Transaction will not be a Non-Arm's Length Qualifying Transaction, as defined in the policies of the Exchange. Accordingly, it is expected that a valuation will not be required and that the QT will not be subject to approval of the shareholders of the Company.

The QT may be subject to the provisions of the CPC Policy relating to sponsorship and sponsorship requirements. Rara Terra may make an application to the Exchange for a waiver of the sponsorship requirements. There are no assurances that the Exchange will grant such waiver. If a waiver is not received, Rara Terra expects to retain Global Securities Corp. ("Global Securities") to act as sponsor for the QT pursuant to Global Securities' right of first refusal under Rara Terra's current agency agreement with Global Securities that was entered into in connection with the Company's initial public offering.

The proposed Transaction will be subject to a number of conditions, including, but not limited to, the following: negotiation and execution of the Definitive Agreement; the satisfaction of the initial listing requirements of the Exchange; Exchange approval of the QT; receipt of a report with respect to the Lonnie Property completed in accordance with NI 43-101; entry into a sponsorship agreement or obtaining a waiver of sponsorship; and receipt of the approval of the board of directors of Rara Terra.

2. Subsequent to the QT, Rara Terra or a subsidiary intends to acquire 100% of the right, title and interest of Golden Santa Cruz S.A., an Argentine Corporation ("GSC") in the Las Chacras property (the "Las Chacras Property"), located in the Sierra Pampeanas range in the province of San Luis in the west of Argentina, for a cash payment of \$25,000 and the issuance of 3,000,000 Shares to GSC, which Shares shall be subject to a milestone-driven release formula and an escrow agreement to be entered into between Rara Terra, GSC's principles and an escrow agent. The Las Chacras Property is prospective for rare earth elements and is proximal to the Rodeo de Los Molles REE property currently under option by Wealth Minerals Ltd. (TSX-Venture: WML).
3. Christopher Ecclestone, a principal of GSC, will become Chief Executive Officer and President of Rara Terra. At Closing, Alexander Helmel will step down as President and CEO of Rara Terra. Christopher Ecclestone is a Principal at the boutique New York investment bank, Hallgarten & Company, which specializes in mining-related businesses. He is well-known for his consultancy to the rare earths and specialty metals industries. Prior to this position, he was the head of research at an economic think-tank in New Jersey which he joined in 2001. For ten years prior to that he was the Founding Principal of the Argentine equity research house, Buenos Aires Trust Company, from 1991 until 2001. As such he has extensive experience doing business in Latin America. Prior to his arrival in Argentina, he worked in London as a corporate finance and equities analyst and as a freelance consultant on the restructuring of the securities industry. He has also worked for the Federal and State governments in Australia. He is a native of Melbourne, Australia and graduated in 1981 from the Royal Melbourne Institute of Technology.
4. In connection with the proposed Transaction, Rara Terra also plans to complete a concurrent private placement to raise gross aggregate proceeds of up to \$2,950,000, the exact terms of which will be determined at a later date. The Company intends to use the proceeds of the private placement to fund the acquisition costs of the proposed QT, to finance the work program as detailed in the NI 43-101 report, and to finance the general working capital expenses of the resulting issuer upon completion of the QT. A finder's fee may be paid on the private placement on terms to be determined. Rara Terra will issue a subsequent news release once the Company has finalized the terms of the proposed private placement.

Following completion of the QT, the resulting issuer will be classified as a mining issuer under the policies of the Exchange and will proceed to carry on business in the mining exploration sector.

In December 2010, Rara Terra engaged Norm Tribe, P. Eng., of the geological consulting firm N. Tribe & Associates Ltd., for the purpose of preparing a report in accordance with National Instrument 43-101 (“NI 43-101”) with respect to the Property. Mr. Tribe issued his report on December 15, 2010. The report contains a proposed work program and budget for the exploration and development of the Lonnie Property. It is anticipated that the Company will be able to cover the costs of this program with its existing resources and the funds obtained through a proposed private placement which is described below, but, should the actual amounts be greater than anticipated, the Company may need to obtain further financing.

On January 31, 2011 the Company and American Manganese executed the Definitive Agreement which agreement contained the material terms described above.

All of the financial data has been prepared in accordance with Canadian Generally Accepted Accounting Principles and all figures are stated in Canadian dollars.

Discussion of Operations and Financial Condition

Operations during the three months ended December 31, 2010 were primarily related to the identification and negotiation of a Qualifying Transaction. The Company incurred costs related to identifying and negotiating a Qualifying Transaction, which costs were deferred or expensed as identified in the financial statements.

There were no investor relations arrangements entered into during the period.

There were no transactions with related parties other than the payment of rent for office space and the reimbursement of expenses incurred by the Company’s officers and directors.

There also were no legal proceedings, contingent liabilities, and defaults under debt or other contractual obligations, breach of any laws or special resolutions during the period.

At December 31, 2010, the Company had not yet achieved profitable operations, had accumulated a deficit of \$98,649 (September 30, 2010: \$62,463), had working capital of \$320,349 (September 30, 2010: \$386,534) which may not be sufficient to sustain operations over the next twelve months and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company’s ability to continue as a going concern. The Company’s ability to continue as a going concern is dependent upon its ability to generate future profitable operations and to identify, evaluate and negotiate an acquisition of, a participation in, or an investment of an interest in a Qualifying Transaction.

The fiscal year-end of the Company is March 31.

1.3 Selected Annual Information

N/A

1.4 Results of Operations

The Company has not yet generated revenue to date and has reported net losses since inception of the Company.

Net loss during the three months ended December 31, 2010 was \$36,186 (September 30, 2010: \$48,986) and was comprised of general and administrative operating costs and to costs related primarily to the identification, negotiation and completion of a Qualifying Transaction.

1.5 Summary of Quarterly Results

The following is a summary of the Company's financial results for the four most recently completed quarters. The financial data has been prepared in accordance with Canadian Generally Accepted Accounting Principles and all figures are stated in Canadian dollars.

	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010
Net Loss	\$36,186	\$48,986	\$5,509	\$7,968
Basic & Diluted Net Loss Per Common Share	\$0.01	\$0.01	\$0.00	\$0.01

1.6 Liquidity

The Company has total assets of \$377,822 (September 30, 2010: \$409,046). The primary assets of the Company are cash of \$335,345 (September 30, 2010: \$402,060). The Company expects that it has adequate working capital, \$320,348 (September 30, 2010: \$386,534), to enable it to undertake its business of identifying and evaluating the acquisition of an interest in assets or businesses and, once identified and evaluated, to negotiate an acquisition or participation subject to receipt of shareholder approval, if required, and acceptance for filing by the TSX within the required twenty-four months of listing on the TSX.

The Company has contractual obligations for the use of cash which consist of its obligations under the Definitive Agreement to:

- invest up to \$500,000 in a Lonnie Property work program being:
 - \$100,000 on or before the first anniversary date of the acceptance of the Company's Qualifying Transaction by the TSXV;
 - \$100,000 on or before the second anniversary date of the acceptance of the Company's Qualifying Transaction by the TSXV;
 - \$300,000 on or before the third anniversary date of the acceptance of the Company's Qualifying Transaction by the TSXV; and
- the payment of \$40,000 in two instalments, each of \$20,000, on the first and second anniversaries of the acceptance of the Company's Qualifying Transaction by the TSXV.

1.7 Capital Resources

The capital resources of the Company are primarily its cash of \$335,345 (September 30, 2010: \$402,060). The Company does not currently have any capital commitments.

1.8 Off Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed.

1.9 Transactions with Related Parties

There are currently no transactions with related parties other than payments for office rent and reimbursement of expenses incurred by the Company's officers and directors.

1.10 Third Quarter

Operations during the three months ended December 31, 2010 were primarily related to the identification and negotiation of a Qualifying Transaction. The Company incurred costs primarily related to these activities. Other than the Lonnie Property letter of intent (as described above) no material contracts were entered into during the three month period ended December 31, 2010. There were no investor relations arrangements entered into during the period. There were no transactions with related parties other than the payment of rent for office space and the reimbursement of expenses incurred by the Company's officers and directors. There also were no legal proceedings, contingent liabilities, and defaults under debt or other contractual obligations, breach of any laws or special resolutions during the period. At December 31, 2010, the Company had not yet achieved profitable operations.

1.11 Proposed Transactions

There are no other proposed transactions other than those that were described above (refer to "Nature of Business and Overall Performance").

1.12 Critical Accounting Estimates

N/A

1.13 Changes in Accounting Policies

There are no accounting policies that the Company has adopted or expects to adopt, other than what was disclosed in the annual March 31, 2010 financial statements (refer to the Company's audited financial statements incorporated in the Company's prospectus filed on SEDAR.com).

1.14 Financial Instruments and Other Instruments

The carrying value of cash, accounts receivable and accounts payable and accrued liabilities approximate their fair values due to the short maturity of those instruments. Unless otherwise noted, it is managements' opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial statements.

1.15 Other MD&A Requirement

- (a) Additional information relating to the Company is on SEDAR at www.sedar.com.
- (b) Disclosure of Outstanding Share Data

Authorized:

Unlimited common shares without par value

Issued:	Number Of Shares	Amount
Balance as at December 17, 2009 (Incorporation)	1	\$ -
Common shares issued for cash at \$0.05 per share	2,200,000	110,000
Common shares issued for cash at \$0.10 per share	1,400,000	140,000
Common shares issued for cash at \$0.10 per share	3,000,000	300,000
Cancelled share	(1)	-
Share issuance costs	-	(150,616)
Balance as at December 31, 2010	<u>6,600,000</u>	<u>\$ 399,384</u>

(c) Initial Public Offering

On August 27, 2010 the Company completed its IPO of 3,000,000 common shares in the capital of the Company at a price of \$0.10 per common share for gross proceeds of \$300,000. The Company paid the agent a cash commission equal to 10% of the gross proceeds and granted non-transferable agent's warrants to purchase 300,000 common shares of the Company equal to 10% of the common shares sold in the IPO. The agent's warrants are exercisable for a period of 24 months from the date of listing on the TSX Venture Exchange ("Exchange") at a price of \$0.10 per common share provided no more than 50% of the common shares which may be acquired on exercise of the warrants are sold by the agent prior to completion of the Qualifying Transaction. The agent also received a corporate finance fee of \$21,000 (plus HST).

At December 31, 2010, the Company had incurred costs relating to the various financings in the amount of \$150,616 (September 30, 2010: \$150,616).

(d) Subsequent Event

On January 31, 2011 the Company and American Manganese executed the Definitive Agreement which agreement contained the material terms described above (refer to "Nature of Business and Overall Performance")