

RARA TERRA MINERALS CORP.
(formerly Rara Terra Capital Corp.)

ANNUAL REPORT

for the Year ended March 31, 2011

Management's discussion and analysis is prepared as of March 31, 2011 and provides a review of the performance of the Company and should be read in conjunction with the Company's audited financial statements for the year ended March 31, 2011 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: July 21, 2011

1.2 Overall Performance

Nature of Business and Overall Performance

RARA TERRA MINERALS CORP. (the "Company") was incorporated as Rara Terra Capital Corp. under the Business Corporations Act (British Columbia) on December 17, 2009. The Company is in the development stage and was classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange ("Exchange"). The Company's intention was to list its common shares on the Exchange and complete a Qualifying Transaction (as defined). 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 Exchange. The Company is required to complete its Qualifying Transaction ("QT") within twenty-four months of listing on the Exchange. The acquisition will be subject to shareholder and regulatory approval. 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.

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 (subsequently released), and the remainder in six equal tranches of 15% every six months thereafter for a period of 36 months.

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 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. The Company also granted to the directors and officers incentive stock 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.

On November 29, 2010 the Company signed a letter of intent (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"), a niobium and rare earth property located in the Omineca Mining Division of British Columbia. 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. 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 ("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 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 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 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 Company's Shares were halted on November 30, 2010 pending receipt by the Exchange of certain required materials from the Company.

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 initial report on December 15, 2010 and subsequently on March 11, 2011 issued an updated report in accordance with National Instrument 43-101 ("NI 43-101") with respect to the Property to reflect additional information that was gathered from an airborne magnetic survey that was conducted in February 2011. 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.

On March 25, 2011, the Company entered into an agreement with Golden Santa Cruz S.A. ("GSC") to purchase 100% of the right, title and interest in the Las Chacras Property located in Argentina. Pursuant to the terms of the Las Chacras Agreement, the Company or subsidiary of the Company 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 up to 3,000,000 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 Company achieving (in any order) each of the following milestones:

- (a) the Company completing financings for aggregate gross proceeds of at least \$5,000,000 subsequent to the Closing Date being April 30, 2011, or such other date as the Purchaser and the Vendor may mutually agree to in writing, excluding proceeds from the QT Financing;
- (b) the Company obtaining an NI 43-101 technical report that indicates NI 43-101 compliant resources in excess of 50,000 tonnes total rare earth equivalents for any property acquired by RT (or its subsidiary(s)) during Christopher Ecclestone's tenure as Chief Executive Officer of RT, excluding any 43-101 report prepared for any property acquired by the Company that constitutes its Qualifying Property in connection with its QT (each as defined in TSX Venture Exchange (the "**Exchange**") Policy 1.1); and
- (c) the Company 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.

If any of the Las Chacras Payment Shares are released from escrow upon attainment by the Company 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. As at March 31, 2011, the Company has not paid the cash payment of \$25,000 nor issued 3,000,000 Company shares. As of the date of this report the Exchange has not approved this transaction.

On April 20, 2011 the Company staked an additional 875 hectares of property adjacent to the Lonnie property.

On May 3, 2011 the Company obtained the Exchange approval on its Qualifying Transaction to acquire a 60% interest in the Lonnie Property and changed its name to Rara Terra Minerals Corp. The initial release of 10% of the 2,200,000 escrowed shares was made upon the Company obtaining the Exchange's approval of the Qualifying Transaction. In connection with the Qualifying Transaction, on May 3, 2011 (the "Closing Date") the Company completed a brokered and non-brokered private placement financing for total gross proceeds of \$2,313,170 whereby the Company issued 8,291,000 non-flow-through units and 801,401 flow-through units. The non-flow-through units were priced at \$0.25 per unit, with each unit consisting of one common share and one half of one common share purchase warrant. The flow-through units were priced at \$0.30 per unit, with each unit consisting of one common share, issued on a flow-through basis, and one half of one non-flow through common share purchase warrant. Each whole warrant is exercisable at a price of \$0.39 per share until 18 months following the Closing Date. A portion of the non-flow-through financing, being the brokered financing portion, was placed by Global Securities Corporation ("Global"). The Company has paid Global a cash commission of \$75,040 and issued Global 300,160 broker warrants, exercisable at a price of \$0.25 per share, until 18 months following the Closing Date. The Company has also paid Global a \$30,000 corporate finance fee. Additional finder's fees of \$68,985 were paid in connection with this financing. All of the securities issued in connection with the concurrent financing, and the shares issued to American Manganese and the finders described above in connection with the option agreement, will be subject to a hold period of four months and one day from the Closing Date.

On May 3, 2011 the Company granted 1,024,100 incentive stock options to directors, officers and consultants. The options are exercisable for a period of five years at a price of \$0.26 per share and are subject to the approval by the Exchange.

On May 3, 2011 the Company made a number of management changes including:

- Christopher Ecclestone was appointed as a director of the Company joining Fraser Atkinson, John Veltheer, Alexander Helm and Roger Flowerdew on the Company's board of directors;
- Christopher Ecclestone was appointed President and Chief Executive Officer of the Company replacing Alexander Helm (who remains a director);
- John Veltheer (who remains a director) resigned as Vice President of the Company;
- Roger Flowerdew was appointed Secretary of the Company; and
- Darrell Elliot resigned as a director of the Company but remains a strategic consultant to the Company.

On May 6, 2011 Global Securities exercised 300,000 agent's warrants and the Company received \$30,000.

On June 9, 2011, the Company entered into an option agreement to acquire a 100% interest in eight claims comprising approximately 2,940 hectares in the Xeno property in British Columbia for the following considerations:

- i) \$14,500 upon signing of the agreement (paid);
- ii) \$12,500 and 75,000 common shares upon approval of the Exchange (paid and issued);
- iii) \$10,000 and 50,000 common shares on the 1st anniversary of the Exchange approval date; and
- iv) \$10,000 and 50,000 common shares on the 2nd anniversary of the Exchange approval date.

The property is subject to a 0.5% Net Smelter Royalty ("NSR") which can be purchased by the Company for \$250,000.

On June 9, 2011, the Company also entered into a second option agreement to acquire a 100% interest in 20 claims comprising approximately 4,185 hectares in the Xeno property British Columbia for the following considerations:

- i) \$28,000 upon signing of the agreement (paid);
- ii) \$28,000 and 75,000 common shares upon approval of the Exchange (paid and issued);
and
- iii) \$50,000 and 115,000 common shares on the 1st anniversary of the Exchange approval date.

On June 28, 2011 the Company terminated the employment of Mr. Ecclestone as Chief Executive Officer and President and accepted his resignation as Director with immediate effect. Mr Helmel was appointed Chief Executive Officer and President of the Company with immediate effect.

On July 5, 2011 the Company granted 50,000 incentive stock options to a consultant. The options are exercisable for a period of five years at a price of \$0.26 per share and are subject to the approval by the Exchange.

On July 8, 2011 the Company staked an additional 841 hectares of property adjacent to the above referenced Xeno properties.

On July 9, 2011 the Exchange approved the two Xeno mineral claim purchase agreements.

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 twelve months ended March 31, 2011 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 March 31, 2011, the Company had not yet achieved profitable operations, had accumulated a deficit of \$168,625 (March 31, 2010: \$7,968), had working capital of \$167,142 (March 31, 2010: \$202,341) 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, raise further capital, and to identify, evaluate and negotiate an acquisition of, a participation in, or an investment of an interest in a Qualifying Transaction.

On May 3, 2011 the Company completed a private placement for total proceeds of \$2,313,170.

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

1.3 Selected Annual Information

	For the Year ended <u>March 31,</u> <u>2011</u>	For the Period* ended <u>March 31,</u> <u>2010</u>
Total Revenues	\$0	\$0
Net and Comprehensive Loss	(160,657)	(7,968)
Basic and diluted Net Loss Per Common Share	(0.04)	(0.01)
Current Assets	215,439	218,162
Mineral Properties	83,230	0
Total Assets	330,469	251,989
Current Liabilities	50,097	15,821
Share Capital & Contributed Surplus	448,997	244,136
Deficit	(168,625)	(7,968)
Dividends	n/a	n/a

* for the period December 17, 2009 (Inception) to March 31, 2010

As noted above, the period ended March 31, 2010 is not comparable to the year ended March 31, 2011 as the period ended March 31, 2010 represents less than 4 months of operations. The costs incurred in the net loss in the year ended March 31, 2011 are normal costs related to the administration of a capital pool company prior to completing its Qualifying Transaction. The only other significant transaction was the stock based compensation of \$33,767 with respect to the granting of the directors' and officers' incentive stock options. The financial data has been prepared in accordance with Canadian Generally Accepted Accounting Principles and all figures are stated in Canadian dollars.

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 year ended March 31, 2011 was \$160,657 (March 31, 2011: \$7,968) and was comprised of operating 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 five 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.

Q4	Q3	Q2	Q1	Q4*
March 31,	December	September	June 30,	March 31,
2011	31,	30,	2010	2010
2011	2010	2010	2010	2010

Net & Comprehensive Loss	(\$69,976)	(\$36,186)	(\$48,986)	(\$5,509)	(\$7,968)
Basic & Diluted Net Loss Per Common Share	(\$0.02)	(\$0.01)	(\$0.01)	(\$0.00)	(\$0.01)

* for the period December 17, 2009 (Inception) to March 31, 2010

The increase in the Q2 2011 Net & Comprehensive Loss was due to the costs of the Company's IPO while the increase in Q4 2011 Net & Comprehensive Loss was due to the costs associated with the Qualifying Transaction.

1.6 Liquidity

The Company has total assets of \$330,469 (March 31, 2010: \$251,989). The primary assets of the Company are cash of \$194,087 (March 31, 2010: \$217,086) and its investment in mineral properties in the amount of \$83,230 (March 31, 2010: \$nil). The Company expects that it has adequate working capital, \$167,142 (March 31, 2010: \$202,341), 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 Exchange within the required twenty-four months of listing on the Exchange.

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 \$194,087 (March 31, 2010: \$217,086). 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 Fourth Quarter

The Company's fourth quarter was primarily related to continued efforts with regard to the completion of its Qualifying Transaction, including providing regulatory authorities with required information for this purpose.

1.11 Proposed Transactions

There are no other proposed transactions other than those 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, other than what was disclosed in the annual March 31, 2011 financial statements.

International Financial Reporting Standards ("IFRS")

In 2006, Canada's Accounting Standards Board (AcSB) ratified a strategic plan that will result in the convergence of Canadian GAAP, as used by public companies, with International Financial Reporting Standards ("IFRS") over a transitional period. The AcSB has developed and published a detailed implementation plan, with a changeover date for fiscal years beginning on or after January 1, 2011. The adoption of IFRS will require the Company to prepare its comparative figures for the year ended March 31, 2011 in accordance with IFRS. The Company continues to monitor and assess the impact of Canadian GAAP and IFRS.

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.

Other accounting pronouncements issued by the CICA with future effective dates have been reviewed by management and determined to be either not applicable or are not expected to be significant to the financial statements of the Company.

1.14 Financial Instruments and Other Instruments

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, 2011 is \$194,087. 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 Harmonized Sales 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 on hand. As at March 31, 2011, the Company was holding cash of \$194,087.

1.15 Other MD&A Requirement

1. Additional information relating to the Company can be reviewed on SEDAR at www.sedar.com.
2. Disclosure of Outstanding Share Data

Authorized:

Unlimited common shares without par value

Issued

	Number of Shares	Amount
Balance as at December 17, 2009 (Inception)	1	\$0
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)	0
Share issuance costs	0	(5,864)
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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

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Share issuance costs - cash	0	(128,906)
Share issuance costs - warrants	0	(15,846)
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Balance as at March 31, 2011	6,600,000	\$399,384

During the year ended March 31, 2011, the Company completed an IPO and issued 3,000,000 shares at \$0.10 per share for total proceeds of \$300,000. The Company incurred share issuance costs of \$128,906 in cash, of which \$33,827 had been recorded in deferred share issuance cost in the prior year, and issued 300,000 agent's warrants exercisable at \$0.10 per share for a period of two years. The following assumptions were used for the Black-Scholes valuation of these warrants: Expected dividend yield – 0; Expected stock price volatility – 100%; Risk-free interest rate – 1.61%; Expected life of warrants – 2 years. The fair value was determined to be \$15,846 and was charged to share issuance costs and recorded as contributed surplus.

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.

As of the date of this report the following common shares, incentive stock options and warrants were outstanding.

Common Shares – 16,224,901

Incentive Stock Options – 1,524,100 options consisting of 450,000 options with an exercise price of \$0.10 per share and expiring on August 27, 2015; 1,024,100 options with an exercise price of \$0.26 per share and expiring on May 3, 2016; and 50,000 options with an exercise price of \$0.26 per share expiring on July 5, 2016.

Warrants – 4,846,361 warrants consisting of 300,160 agent's warrants with an exercise price of \$0.25 per share expiring on December 3, 2012 and 4,546,201 warrants with an exercise price of \$0.39 per share expiring on December 3, 2012.

(d) Subsequent Events

- a) On May 3, 2011, the Company obtained the Exchange approval on its Qualifying Transaction to acquire a 60% interest in the Lonnie Property and changed its name to Rara Terra Minerals Corp. The initial release of 10% of the 2,200,000 escrowed common shares was made upon the Company obtaining the Exchange's approval of the QT. The Company also completed a concurrent brokered and non-brokered private placement to issue 8,291,000 non-flow-through units at \$0.25 per unit and 801,401 flow-through units at \$0.30 per unit for total proceeds of \$2,313,170. Each unit consists of one common share and one-half of one share purchase warrant. Each whole warrant is exercisable at \$0.39 per share for a period of 18 months. A deposit of

\$30,000 was paid to the broker during the year ended March 31, 2011 and recorded as deferred share issuance costs.

- b) On May 3, 2011, the Company granted 1,024,100 stock options to its directors, officers and consultants with an exercise price of \$0.26 per share for a period of five years.
- c) On June 9, 2011, the Company entered into two Mineral Claim Purchase Agreements with the following terms:
 - a. to acquire a 100% interest in a property consisting of eight claims in the Xeno property in British Columbia for the following considerations:
 - i. \$14,500 upon signing of the agreement (paid);
 - ii. \$12,500 and 75,000 common shares upon approval of the Exchange (paid and issued);
 - iii. \$10,000 and 50,000 common shares on the 1st anniversary of the Exchange approval date; and
 - iv. \$10,000 and 50,000 common shares on the 2nd anniversary of the Exchange approval date.

The property is subject to a 0.5% Net Smelter Royalty (“NSR”) which can be purchased by the Company for \$250,000.

- b. to acquire a 100% interest in a property consisting of 20 claims in the Xeno property British Columbia for the following considerations:
 - i. \$28,000 upon signing of the agreement (paid);
 - ii. \$28,000 and 75,000 common shares upon approval of the Exchange (paid and issued); and
 - iii. \$50,000 and 115,000 common shares on the 1st anniversary of the Exchange approval date.

On July 9, 2011 the Exchange approved the two Xeno mineral claim purchase agreements

- d) On April 20, 2011, the Company staked an additional 875 hectares of property adjacent to the Lonnie property.
- e) On May 6, 2011, the Company received \$30,000 upon the exercise of 300,000 agent’s warrants.
- f) On June 28, 2011 the Company terminated the employment of Mr. Ecclestone as Chief Executive Officer and President and accepted his resignation as Director with immediate effect. Mr Helmel was appointed Chief Executive Officer and President of the Company with immediate effect.
- g) On July 5, 2011 the Company granted 50,000 incentive stock options to a consultant. The options are exercisable for a period of five years at a price of \$0.26 per share and are subject to the approval by the Exchange.
- h) On July 8, 2011 the Company staked an additional 841 hectares of property adjacent to the above referenced Xeno properties.