No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

PROSPECTUS

April 11, 2011

Initial Public Offering by way of a Distribution as a Dividend-in Kind

Telferscot Resources Inc.

Maximum of 2,500,000 Common Shares

This Prospectus is being filed with the securities regulatory authorities in the provinces of Alberta, British Columbia, Manitoba and Ontario to enable Telferscot Resources Inc. (the "Corporation") to become a "reporting issuer" pursuant to such legislation and to qualify the distribution of 2,500,000 common shares of the Corporation (the "**Dividend Shares**") held by Exploratus Ltd. ("**Exploratus**") to the shareholders of Exploratus as a dividend-in-kind (the "**Dividend**"). No proceeds will be raised and all expenses in connection with the preparation and filing of this Prospectus will be paid by the Corporation from its working capital.

Exploratus intends to make a dividend to holders of its common shares (the "**Exploratus Common Shares**") of the Dividend Shares on the basis of one Dividend Share for each two (2) Exploratus Common Shares held on the Record Date (as hereinafter defined), provided that the Dividend will be subject to applicable securities laws and any applicable withholding taxes and no holder will be entitled to receive any fractional interests in Dividend Shares. Holders that would otherwise be entitled to a fractional Dividend Share will not receive a cash payment. The record date (the "**Record Date**") for the dividend is on or about April 12, 2011. A copy of this Prospectus will be delivered to each registered and each beneficial holder of Exploratus Common Shares who are entitled to receive Dividend Shares.

The Dividend will only take place in the provinces of Alberta, British Columbia, Manitoba and Ontario and in all other jurisdictions where it is possible to do so, either by statutory or discretionary exemptions (the "**Qualifying Jurisdictions**"). Accordingly, holders of Exploratus Common Shares who do not reside in a Qualifying Jurisdiction will not receive the certificates presenting their entitlement to the Exploratus Dividend. Instead, such shareholders will receive a cash dividend in an amount equal to the number of Dividend Shares that the shareholders would have received if it resided in a Qualifying Jurisdiction multiplied by $0.10 per share. Exploratus is a reporting issuer in the province of Manitoba whose common shares are not listed on any exchange or quotation system. See "**Exploratus Distribution**".

As of the date of this Prospectus, the Corporation does not have any of its securities listed or quoted on any exchange in Canada or elsewhere. There is currently no market through which the Corporation's securities may be sold and shareholders may not be able to resell securities of the Corporation owned by them. This may affect the pricing of the Corporation's securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. See "Risk Factors".

The Corporation has applied to list its common shares (the "**Common Shares**").on the Canadian National Stock Exchange (the "**CNSX**"). CNSX has conditionally approved the listing of the common shares of the Corporation. Listing is subject to the Corporation fulfilling all of the listing requirements of the CNSX, including without limitation, the distribution of the Corporation's Common Shares to a minimum number of public shareholders of the Company meeting certain financial and other requirements.

AN INVESTMENT IN NATURAL RESOURCE ISSUERS INVOLVES A SIGNIFICANT DEGREE OF RISK. THE DEGREE OF RISK INCREASES SUBSTANTIALLY BECAUSE THE CORPORATION'S PROPERTIES ARE IN THE EXPLORATION STAGE AS OPPOSED TO THE DEVELOPMENT STAGE. AN INVESTMENT IN THESE SECURITIES SHOULD ONLY BE MADE BY PERSONS WHO CAN AFFORD THE TOTAL LOSS OF THEIR INVESTMENT. SEE "RISK FACTORS".

Unless otherwise noted, all currency amounts in this prospectus are stated in Canadian dollars. No person is authorized by the Corporation to provide any information or make any representations other than those contained in this Prospectus.

No underwriter had been involved in the preparation of this Prospectus or performed any review of the contents of the Prospectus.

In this Prospectus, “we”, “us”, “our”, “Telferscot” and the “Corporation” refers to Telferscot Resources Inc., a corporation incorporated under the laws of Canada.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

This Prospectus contains "forward-looking statements" which reflect management's expectations regarding the Corporation's future growth, results of operations, performance and business prospects and opportunities. Such forward-looking statements may include, but are not limited to, statements with respect to the future financial or operating performance of the Corporation and its projects, the future price of metal prices, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of regulatory matters. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others: general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; conclusions of economic evaluations; fluctuations in currency exchange rates; changes in project parameters as plans continue to be refined; changes in labour costs or other costs of production; future prices of gold or other metal prices; possible variations of mineral grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry, including but not limited to environmental hazards, cave-ins, pit-wall failures, flooding, rock bursts and other acts of God or unfavourable operating conditions and losses, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; actual results of reclamation activities, and the factors discussed in the section entitled "Risk Factors" in this Prospectus. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this Prospectus and the Corporation disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

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PROSPECTUS SUMMARY

The following is a summary of the principal features of this Prospectus and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus.

The Corporation:	Telferscot Resources Inc. ("**Telferscot**" or the "**Corporation**") was incorporated on May 31, 2010 under the *Canada Business Corporations Act*.
The Business of the Corporation:	The Corporation is engaged in the exploration for minerals and is currently focused on base and precious metal exploration on its acquired Stephens Lake Property in Manitoba. The Stephens Lake area is located about 10 km northeast of the sheared boundary of the Trans-Hudson Orogen and the Superior Province. The area is covered by extensive glacial ground moraine and lacustrine deposits.
Purpose:	This Prospectus had been filed by the Corporation in order to become a reporting issuer in the Provinces of Alberta, British Columbia, Manitoba and Ontario and to permit Exploratus Ltd. to distribute up to 2,500,000 Common Shares to the holders of the Exploratus Common Shares as a dividend-in-kind.
Distributing Company	Exploratus Ltd.
Distribution Ratio	One Dividend Share for each two Exploratus Common Shares held as of the Record Date (as hereinafter defined). No fractional Dividend Shares will be distributed in connection with the Dividend and holders of Exploratus Common Shares will not receive any cash payment in lieu of fractional shares to which they would otherwise be entitled. Holders of Exploratus Common Shares who do not reside in a Qualifying Jurisdiction will not receive the certificate representing their entitlement to the Dividend. Instead, such persons will receive a cash dividend in an amount equal to the number of Dividend Shares that the shareholders would have received if a resident of a Qualifying Jurisdiction multiplied by $0.10 per share.
Record Date	April 12, 2011
Delivery Date	April 8, 2011
Certain Income Tax Considerations	Holders of Exploratus Common Shares should consult their advisors with respect to the income tax consequences of the Dividend.
Use of Available Funds:	The Corporation intends to fund its business using the proceeds of its prior private placement financings. As at April 8, 2011 the Corporation had working capital of approximately $1,300,000. The Corporation intends to expend its available funds as follows: <u>Use Of Proceeds</u> — <u>Amount</u> Costs of Offering — $30,000 Recommended work program on Stephens Lake Property — $130,000 Operating Expenses and working capital for 12 months — $210,000 Unallocated Working Capital — $930,000
Dividend Record And Policy	The Corporation has never paid any dividends on its Common Shares and does not anticipate that it will pay any dividends in the foreseeable future. See "Dividend Record and Policy."
Listing	The Corporation has applied to list its Common Shares on the CNSX. CNSX has conditionally approved the listing of the Common Shares. Listing is subject to the Corporation fulfilling all of the listing requirements of the CNSX, including without limitation, the distribution

	of the Corporation's Common Shares to a minimum number of public shareholders of the Company meeting certain financial and other requirements.
Risk Factors:	The securities of the Corporation are highly speculative due to the Corporation's involvement in the acquisition, exploration and development of mineral properties and its current stage of development. The exploration of minerals involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. In addition to the information presented elsewhere in this prospectus, investors should carefully consider the risks described under "Risk Factors", which are summarized below: (i) there is no assurance that any discovery will be economic; (ii) there may be defects in the title to the Property; (iii) the mining industry is subject to significant competition; (iv) commodity prices have historically fluctuated widely; (v) the exploration for minerals is speculative in nature and involves many risks; (vi) the Corporation's current operations do not generate any positive cash flow, and additional financing will be required; (vii) there is no assurance that any of the Corporation's required exploration or mining authorization permits will be issued or, if issued, will not be revoked by a government or challenged by third parties; (viii) government regulations may adversely affect the Corporation's operations; (ix) the Corporation is dependent on a relatively small number of key personnel; and (x) environmental compliance may involve significant costs.
Qualification:	This Prospectus is being filed in the Provinces of Alberta, British Columbia, Manitoba and Ontario.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following tables set forth selected financial information for the Corporation for the period from incorporation to December 31, 2010. The following summary of selected financial information is derived from and should be read in conjunction with and is qualified in its entirety by reference to the Corporation's financial statements, including the notes thereto, and Management Discussion and Analysis of Financial Conditions and Results of Operations included elsewhere in this prospectus.

Statement of Operations Data

	May 31, 2010 to December 31, 2010 (audited)
Revenues	Nil
Net Income (Loss) from Operations	($68,183)
Net Income (Loss)	($68,183)
Basic and Diluted Income (Loss) Per Share	($0.005)

Balance Sheet Data

	May 31, 2010 to December 31, 2010 (audited)
Total Assets	$881,702
Total Liabilities	$120,885
Shareholder Equity	$760,817

CONVERSIONS

1 hectare	= 2.471 acres
1 acre	= 0.405 hectares
1 kilometre	= 0.621 miles
1 mile	= 1.609 kilometres
1 metre	= 3.28 feet
1 foot	= 0.305 metres

ABBREVIATIONS and SYMBOLS

AFMAG	Audiofrequency Magnetic
EM	Electro Magnetic
Ga	billion years
ha	hectare
km	kilometre
m	metre
NTS	national topographic system
>	greater than
<	less than

NOTES

All financial information is expressed in Canadian dollars.

THE CORPORATION

The Corporation was incorporated on May 31, 2010 pursuant to the *Canada Business Corporations Act*. On August 6, 2010, the Corporation filed articles of amendment to permit the board of directors to increase the number of directors in between meetings of shareholders, to include restrictions on transfer of its Common Shares and to change the location of the registered office of the Corporation to Ontario. On December 17, 2010 the Corporation filed articles of amendment to complete a share split on the basis of two (2) post-split shares for every one (1) pre-split share. On January 18, 2011 the Corporation filed articles of amendment to remove the restrictions on transfer for its Common Shares. The Corporation's registered and head office is located at Suite 2702, 401 Bay Street, Toronto, Ontario M5H 2Y4.

The Corporation does not have any subsidiaries.

DESCRIPTION OF THE BUSINESS AND PROPERTIES OF THE CORPORATION

Telferscot was formed in May of 2010 as a mineral exploration company. It has acquired a 100% interest in the Stephens Lake Project and intends to conduct an exploration program on that property. The Corporation also intends to seek out and acquire further mineral exploration properties.

The Corporation entered into an agreement with Exploratus Ltd. ("**Exploratus**") dated June 28, 2010 pursuant to which Exploratus agreed to transfer a 100% interest in the Stephens Lake Project to the Corporation in consideration of the issuance of 1,250,000 pre-split shares of the Corporation priced at $0.024 per share. Following the share split that occurred on December 17, 2010, Exploratus holds 2,500,000 Common Shares of the Corporation.

On December 17, 2010 the Corporation completed a split of its common shares on the basis of two (2) post-split common shares (the "**Common Shares**") for each one (1) pre-split common share (the "**Share Split**").

Trends

There are significant uncertainties regarding the prices of precious and base metals and the availability of equity financing for the purposes of mineral exploration and development. The prices of gold, silver, copper, nickel, cobalt, zinc and other metals have fluctuated widely in recent years and continued volatility in such prices is expected to continue to occur. Management is not aware of any trend, commitment, event or uncertainty that could reasonably be expected to have a material effect on the Corporation's business, financial condition or results of operations other than those inherent in the speculative nature of the natural resource sector as more particularly described in this Prospectus under the heading "Risk Factors".

Competitive Conditions

The natural exploration and mining industry is competitive in all phases of exploration, development and production. The Corporation competes with a number of other entities and individuals in the exploration or, search for and the acquisition of attractive mining properties. As a result of this competition, much of which is with entities with greater financial resources than the Corporation, the Corporation may be unable to obtain funding for its exploration projects, obtain and maintain the necessary resources to carry out such exploration or acquire attractive properties in the future on terms it considers acceptable. See "Risk Factors".

Environmental Protection

All phases of the Corporation's operations are subject to environmental regulation in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards of enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. See "Risk Factors".

PRINCIPAL PROPERTY OF THE CORPORATION – STEPHENS LAKE PROJECT

The following disclosure concerning the Stephens Lake Project (the "**Property**") is taken from the report titled "Stephens Lake Project Manitoba" written by Daniel A. Beauchamp. P.Geol, MBA, dated January 10, 2011 (the "**Independent Report**"). The Independent Report has been prepared in accordance with the requirements of National Instrument 43-101 – "Standards of Disclosure for Mineral Projects ("**NI 43-101**").

Property Description and Location (Including Property Ownership)

The Stephens Lake project is located in northern Manitoba, about 750 km north of Winnipeg, 175 km east-northeast of Thompson and centred about 20 km northwest of Gillam. The project is located at longitude 95°02' W and latitude 56°26' N in NTS 54D/06, 07.

The Stephens Lake mineral exploration license is located in Zone B and covers an area of about 12,341 ha. The Stephens Lake mineral exploration license, number 354B, was acquired by Exploratus Ltd. on February 5, 2008 and is currently valid until February 5, 2013. Ownership of the license was transferred to Telferscot in the summer 2010 in consideration for the issuance of 2,500,000 Common Shares of Telferscot (post share-split).

Access and Climate

Thompson is accessible from Winnipeg by 748 km of paved road along Provincial Highway 6. From Thompson to Gillam access is by 270 km of gravel road along Provincial Highway 280.

The Hudson Bay Railway Line extends northeast from The Pas to Gillam and north to Churchill along Hudson Bay. The Hudson Bay Railway Line is not directly accessible from Winnipeg in the south and trains must be routed through Yorkton or Hudson Bay, Saskatchewan, before coming back into Manitoba. Gillam is a station for Via Rail passenger service enroute from Thompson to Churchill.

From Winnipeg Calm Air operates two daily flights in and out of Gillam on Monday through Friday and one flight on Sunday using SAAB 340 and ATR 42 turboprop aircraft. Perimeter Airways operates scheduled flights from Winnipeg to Thompson. There are also various small charter airlines that operate flights in the region. Located about 270km north of Gilliam is a deep seaport at Churchill. The port is open several months of the year.

Easiest access to the Property from Gillam is by driving 17km west to the south shore of Stephens Lake. From there boats can be used to access much of the Property located 8km to the north. Care must be taken when using boats because there are many boulders and the level of the lake can vary depending on rainfall and demand for water from the hydroelectric dam at Kettle Rapids. Access to the Property is also possible by driving east along Highway 280 28km to the Long Spruce Generating Station, then west for another 50 km. From there the Property is located 3 km south of the road.

The climate is classified as northern continental. Thompson experiences a climate that is characterized by warm temperatures in the summer and very cold temperatures in the winter. The lowest precipitation occurs in winter. The daily mean temperature is -3.2°C and the total annual precipitation is about 518 millimetres. The temperatures in Gillam are somewhat colder, averaging -4.2°C for a daily mean but with daily mean temperatures of about 15°C during the summer, occasionally reaching 25°C, and averaging -22 to -25°C for the winter. The weather is termed continental but is often affected by Hudson Bay, located 175km to the northeast.

Resources and Infrastructure

The current population of Gilliam is 1,200. The town was established in the late 1960s to facilitate the development of hydroelectricity on the lower Nelson River by Manitoba Hydro, a provincial crown corporation. Gillam is the centre for the Nelson River Bipole converter station on the Nelson River. This station transmits electricity south along two high voltage direct current power lines.

Basic supplies can be obtained in Gillam. Thompson, while located about 270 km by road south-west of Gillam, is the regional centre for most of northern Manitoba and an important mining centre with a population of 15,000. It can provide much more equipment and supplies than Gillam although located about 270 km by road southwest of Gillam. Thompson's mining industry currently includes two operating mines as well as supporting operations to the milling, smelting and refining of nickel ore, with additional nickel concentrates coming from Voisey's Bay, Labrador to be processed.

Infrastructure and Physiography

The Gillam region is relatively flat and low-lying. Maximum elevation in the region is about 160m above sea level. The area is underlain by zones of discontinuous permafrost. The landscape consists of many lakes, streams, swamps and bogs with a few drumlins and eskers. Drainage in the area is to the east and northeast into Hudson Bay, located about 175 km northeast of the project area.

The northern boreal forest is relatively thin and consists mostly of black spruce, poplar, a few white birch and minor alders.

Stephens Lake was created as a result of the damming of the Nelson River in 1971 about 2.8 km upstream from Kettle Rapids and 5 km east of Gillam. The lake water level varies in elevation according to precipitation and the drawdown of the power dam but averages about 140m above sea level. Stephens Lake is shallow in some areas and on the north shore the lake bottom contains many boulders prohibiting float planes from bringing supplies and equipment to the Property.

Property History

Other than minor prospecting in the area in the 1920s and 1930s, reported mineral exploration in the immediate area of Stephens Lake started after the discovery of nickel deposits at Thompson in 1956. This was due to the realization that the Thompson Nickel belt was near the boundary between the Churchill and Superior provinces. The more recent reported exploration work, in the Stephens Lake area, was concentrated in two time periods: 1959-1968 and 2001-2004.

In 1959, Canadian Nickel Company Limited carried out an airborne magnetic and electromagnetic (EM) survey of three large blocks including all of the Stephens Lake exploration permit, however, the results of this survey are not available.

In 1960, Kennco Explorations (Canada) Ltd. performed an airborne magnetic and EM survey over 795 km2 immediately northwest of the Stephens Lake Project area. The magnetic data shows a strongly magnetic contrast with a western trend to the data northwest of the project area. Iin 1966, Amax Exploration Inc. covered 10,810 km2 from Thompson to Gillam, with an airborne magnetic and AFMAG EM survey flown at a line spacing of mostly 3 km and occasionally at 1.5 km.

In 1967, Sherritt Gordon Mines Limited reported on geological mapping, three drill holes and a magnetic and EM survey south and east of the Stephens Lake exploration license.

The mapping showed the presence of granite, quartz-feldspar-biotite and hornblende-plagioclase biotite gneisses with narrow bands of volcanic rocks and gabbroic dykes over two thirds of the area. The report documented the presence of massive andesite, graphitic tuff, iron formation and interflow sedimentary rocks that were intruded by ultramafic sills containing little sulphides in a belt estimated at 3-14 km in width. Micaceous greywacke and quartzite were reported to the north of this area.

In 1967 and in follow-up work in 1968, Sherritt Gordon Mines Limited drilled five holes totaling 884m with a maximum depth of 221m in an area 10-15 km south and southeast of the Stephens Lake property. The conductive zone was explained by several graphitic argillite horizons in amphibolite. Sulphides reported are mostly pyrrhotite and pyrite with occasional chalcopyrite from paragneiss with weakly mineralized zones showing minor assays for copper, nickel and cobalt.

In 1967, Selco drilled three holes southeast of the Stephens Lake license and intersected quartz-chlorite schist and gneiss containing a few graphite sections up to 3m thick with 5% pyrrhotite. In 1968 the company followed up with two drill holes about 11 km southwest of the Stephens Lake exploration license and intersected granitic gneiss, argillite and amphibolite. No assays were reported.

In 1968, Canadian Nickel Company Limited flew an EM survey south and east of the Stephens Lake Property for a total of 4,870 km2. The survey was flown at 400 and 800m line spacing. Canadian Nickel followed the work with two drill holes, the first of which was abandoned but the second one intersected pyrite, pyrrhotite and minor sphalerite.

From 1968 onward, the Manitoba Geological Survey initiated geological mapping of the areas that would be flooded by Stephens Lake upon the completion of the Kettle Generation Station in 1971. In 1974 and 1975 mapping continued downstream along the Nelson River where the Long Spruce Generating Station would be built. Additional mapping work was carried out from 1980 to 2000 in the region.

In 1970, Canadian Nickel Company Limited drilled two holes about 18 km southwest of the Stephens Lake license and intersected biotite schist amphibolite and reported trace amounts of zinc.

Also in 1970, Sherritt Gordon completed another large airborne magnetic and electromagnetic survey of 3,716 km2 in the area further south of Stephens Lake.

In 1981, Falconbridge performed a series of diamond drill holes starting about 17 km south of the Stephens Lake license. The rock types encountered include mostly metasedimentary rocks with intercalated ultramafic, volcanic and graphitic units. Assays for gold, silver, cobalt and nickel were at the background level.

Starting in 2001, Falconbridge carried out a field program of geological mapping and soil sampling in a belt 6-10 km wide and nearly 150 km long in the Stephens Lake project area. This was done over three Special and Regular Exploration Permits in an exploration program targeted at exploring for nickel-copper and platinum group elements.

Although several first- and second-priority soil anomalies were identified, no significant Ni-Cu-Co-PGE mineralization was identified, and neither were significant bodies of mafic or ultramafic rock, or oxide or sulphide iron formation identified. Because of the extensive overburden there was generally poor correlation between the results of the soil sampling and the underlying lithology or geophysical signature and therefore soil sampling could not be used to map the underlying lithology.

Of the 828 soil samples collected on 24 widely-spaced lines, Enzyme Leach and to a lesser extent TerralSol analyses proved more valuable while SGH (Soil Gas Hydrocarbon) and Na-pyrophosphate extraction techniques proved to be relatively ineffective in generating significant anomalies in this area. The project geologist could not explain the geophysical anomalies from the ground follow-up prospecting and soil geochemical work performed.

The principle behind partial leach analyses is that the ions that are leached from the sample are loosely bound to the soil particles and could reflect a bedrock source deep below. The ions may have risen to the surface as a result of interaction with groundwater and would not be related to the transported material in the overburden itself.

In 2002, Falconbridge contracted Fugro Airborne Surveys to perform 8,184 line kilometres of magnetic and GEOTEM-DEEP electromagnetic survey. Several new bedrock conductors were identified and the magnetic survey showed a complex network of features that had not been recognized before and could represent the eastern extension of the Thompson Nickel belt

In a follow-up private report, Steven D. Amor (2007) describes the results of the TerraSol soil survey over three lines 3-4 km apart in the Stephens Lake area. The TerraSol method is proprietary to Activation Laboratories Ltd., of Ancaster, ON and is one of several methods of partial leach analysis available in the industry. The geophysical interpretation of the geology by Falconbridge shows several continuous bedrock conductors.

The results of the survey on the Stephens Lake property show a TerraSol anomaly on one line above the 97.5 percentile for nickel and platinum, coincident with an amphibolite unit as interpreted from the geophysical survey. Soil anomalies to the north of the property were in vicinity of another amphibolite unit.

From November 2002 to April 2003 Falconbridge carried out horizontal loop EM and magnetic surveys on three grids, one of which is within the Stephens Lake license, and completed three diamond drill holes to follow up on the airborne survey. The drill holes are located at least 45 km southeast of the Stephens Lake license and encountered pelitic, psammitic and graphitic rocks.

In November 2003, Falconbridge carried out a GeoTEM-DEEP survey over a large area including the Stephens Lake mineral exploration license. Many new bedrock conductors were identified and the magnetic data identified a complex network of features that could indicate thin-skinned thrusting and folding of the stratigraphic units.

A total of 16 targets were recommended for ground follow-up by geophysics and drilling, several of which are located in the Stephens Lake area. A few holes were drilled more than 30 km southeast of the Stephens Lake mineral exploration license and intersected graphite- and pyrrhotite-rich units in sedimentary, but no anomalous nickel was identified in the analyses. No mafic or ultramafic units were intersected.

In November 2004 a GEOTEM airborne geophysical survey was carried out in the area, which identified many new targets on which 15 grids were established and surveyed with magnetometer and horizontal loop electromagnetic surveys.

Ten holes were drilled for a total length of 2,467m. Five of these were drilled 8-15 km south of the Stephens Lake mineral exploration license and all encountered metasedimentary gneiss including pelitic and semi-pelitic rocks with variable units of graphite and sulphide. Oxide and silicate iron formation were also noted. Ultramafic rocks were not identified and no anomalous assays were reported.

Falconbridge reported that many lower-priority conductors remain untested but the substantial overburden makes for complicated modeling.

Geological Setting

Regional Geology

The Canadian Shield covers most of the north-central and northeast parts of the North American continent. The Canadian Shield has been subdivided into provinces and sub-provinces depending on the age and structural components of the region.

The Stephens Lake Property is located in the Churchill Province near the boundary with the Superior Province. The rocks in these provinces are of mostly Archean age but when the two provinces joined the boundary zone was sheared and thrust and sedimentary basins were created in a zone that has been called the Trans-Hudson.

The Superior Province is composed of intrusive, sedimentary and volcanic rocks from several terranes of middle and late Archean age and forms a craton that was accreted mostly from the south during the period 2.72-2.68 Ga.

In Manitoba, from south to north the terranes include the Western Wabigoon, Winnipeg River, Bird River, English River, North Caribou, Oxford-Stull and the Northern Superior Superterrane. After accretion, the Superior Province underwent rifting and faulting, basin sedimentation and the injection of mafic dyke swarms during the Proterozoic. The Northern Superior Superterrane has been dated at about 3.7 Ga and was accreted at 2.71-2.72 Ga.

The Rae-Hearne Craton forms part of the Churchill Province and is comprised of reworked granite, granodiorite and tonalite and granitoid complexes as well as charnockite-mangerite granitoid gneiss of Archean age. The Rae-Hearne Craton is flanked to the south by the Wathaman/Chipewyan Batholith, Southern Indian and Lynn Lake/Leaf Rapids domains which are mostly Paleoproterozoic terranes that were accreted onto the Hearne Craton. To the southwest are rocks of the Burntwood back-arc basin and the Glennie-Flin Flon Complex of intraoceanic accreted terranes.

The Trans-Hudson Orogen is a broad zone that was formed when the Rae-Hearne and Superior cratons collided during the Paleoproteozoic. The Trans-Hudson Orogen is composed of a complex series of geological domains that were accreted from the late Neoarchean to the late Paleoproteozoic and include intraplate magmatism and rifting that created oceanic crust, arcs and back-arcs, and was terminated at the time of collision of the Archean cratons. Rocks in the Trans-Hudson Orogen extend from Manitoba and eastern Saskatchewan north and northeast to Nunavut, Northern Ontario across Hudson Bay to Ungava, Quebec and south along the Labrador Trough.

In Manitoba, the Superior Boundary Zone is associated with the Thompson Nickel Belt and consists of complexly deformed and metamorphosed rocks of 3.0 to 2.65 Ga of the Superior Province that are unconformably overlain by metasedimentary and metavolcanic rocks of the Ospwagan, Burntwood and Sickle groups. Deposition of the Ospwagan Group may have been initiated as early as 2.09 to 2.07 Ga. The Thompson Nickel Belt underwent rifting at about 1.88 Ga and another magmatic event occurred along the Thompson Nickel Belt at about 1.8 Ga. During the last stages of oceanic arc development and collision at 1.83-1.78 Ga large mafic to ultramafic flows and sills now hosting the Thompson magmatic Ni-Cu-(PGE) deposits were emplaced on the margin between the Superior craton and its Paleoproterozoic cover sequence.

Local and Property Geology

Prior mapping by the Manitoba Geological Survey produced a compilation geological map indicating that the Stephens Lake area is underlain by Burntwood and Sickle Groups of the Trans-Hudson Orogen.

During the last stages of oceanic arc development and collision at 1.83-1.78 Ga large mafic to ultramafic flows and sills now hosting the Thompson magmatic Ni-Cu-(PGE) deposits were emplaced on the margin between the Superior craton and its Paleoproterozoic cover sequence.

The Stephens Lake area is located about 10 km northeast of the sheared boundary of the Trans-Hudson Orogen and the Superior Province. At the boundary zone the rocks of the Superior Province include well foliated hornblende-biotite and granodiorite gneiss, and granodiorite and granite plutons of Archean age.

Much of the immediate area covered by the Stephens Lake mineral exploration license is covered with glacial overburden and the few outcrops present in the area are now under water as a result of damming of the lake.

The surficial geology shows mostly lacustrine deposits over ground moraine in most parts of the Property. In the northeast bogs and fen occur with peat 2-3m thick and permafrost occurs at a depth of 30-130 cm.

In the western part of the Property ground moraine occurs along with minor remnants of glaciofluvial outwash near the lake shore. Glaciofluvial deposits have also been mapped on one of the islands on the south edge of the Property.

The possible group of rock types in the Stephens Lake area has been determined from the interpretation of the geophysical data and from the geological mapping by the Manitoba Geological Survey and are summarized in the table below.

Rock groups in the Stephens Lake region

Unit	Description
Intrusive rocks	Granite, tonalite, hornblende-biotite gneiss and migmatite
Sickle Group	Arkose, arenite, greywacke and quartzite gneiss, polymictic conglomerate, biotite-magnetite gneiss and migmatite
	Amphibolite
Burntwood Group	Metasedimentary rocks including pelitic greywacke, arkosic and psammitic gneiss, and amphibolite
Ospwagan Group (not mapped)	Metasedimentary rocks that include orthogneiss and paragneiss, meta-pelite, sulphidic sediments, iron formation and marble; contains mafic and ultramafic basalt in the upper units, and is host to the ultramafic intrusions and nickel-copper deposits.
Basement (not mapped)	Migmatite, granite and granodiorite gneiss

In the Stephens Lake area the basement rocks have been interpreted from the geophysical data but have not been observed in outcrop.

The Ospwagan group has not yet been mapped in the Stephens Lake area but occurs at the base of the supracrustal sequence in the Thompson Nickel Belt to the west. The sulphidic sedimentary rocks are presumed to be the source rock for the sulphide that allowed for the precipitation of the nickel and copper as sulphides in the Thompson Nickel Belt deposits. Although the Ospwagan formation has not been identified in the Stephens Lake area the unit is recessive and could be present in the region.

The Burntwood Group is composed of gneisses of pelitic, arkosic, psammitic and greywacke composition and of layered hornblende-diopside amphibolite, all of which have been dated at about 1.84-1.83 Ga and interpreted as a back-arc basin. To date, there is no known volcanogenic massive sulphide deposits associated with the Burntwood Group.

To the west in the Thompson Nickel Belt in several locations, a thin amphibolite unit occurs at or near the inferred contact between the Burntwood Group and the overlying Sickle Group. The amphibolite is predominantly intrusive into the basal unit of the Sickle Group and the top of the Burntwood Group.

The Sickle Group is composed of greywacke and polymictic conglomerate near the base, of greywacke-psammite gneiss and biotite-magnetite gneiss and cordierite-sillimanite gneiss toward the middle section and of arkose near the top of the sequence.

The late intrusive rocks were mapped to the north and include tonalite, granite, hornblende-bearing granodiorite and migmatite that may include inclusions of earlier rocks such as the Sickle and Burntwood groups.

As a result of a high quality airborne geophysical survey in the area, a detailed evaluation of the data was performed and interpreted the structure and underlying geology from the magnetic and EM data. It was concluded that the survey "clearly defines a number of strong, linear, convoluted magnetic anomalies within the Stephens Lake Belt that may represent buried mafic-ultramafic intrusions and associated iron formations".

The interpretation of the geophysical data shows a base unit interpreted to be migmatite (unit 1) overlain by Burntwood Group rocks including mostly psammitic and semi-pelitic gneiss and one bed identified as a mafic and graphitic unit (units 2 and 3). Two slightly different units of magnetic amphibolite (units 4 and 5) were interpreted as units separate from the Burntwood and Sickle Groups. A unit of amphibolite has been identified in the Thompson Nickel Belt at the contact between the two groups of mostly sedimentary rocks. In the Sickle Group (unit 6) presumed to correspond to arkosic gneiss the rocks show less magnetic contrast and few EM conductors.

Late intrusions (unit 8) have been interpreted in the north-central and northeast part of the property accompanied by slightly more mafic phases or possibly inclusions of country rock (unit 7). Diabase dykes were identified about 9 km northeast of the property.

Several important faults were recognized throughout the Property.

A significant number of electromagnetic anomalies were identified, nearly all of which are within the unit mapped as the Burntwood Group in the central and southeast parts of the Property. In several areas the anomalies correspond well with the magnetic units identified as amphibolite but in other areas the conductor axes appear between the bands of amphibolite. Most of the conductors are oriented to the northwest; some have been interpreted as having dips to the northeast and some appear to be flat-lying.

Deposit Types

The Thompson Nickel Belt is the second largest magmatic copper-nickel district in Canada after Sudbury. The total endowment of the belt has been estimated at more than 150 Mt at a grade of about 2.3% Ni. Up to now, six deposits have been in production and many mineral showings occur over a strike length of about 130 km, mostly on the west margin of the belt. Individual orebodies have ranged from 0.9 Mt at a grade of 1.5% Ni at Soab, to 18.8 Mt at 1% Ni at Bucko and the Thompson 1D deposit at 19 Mt at 2.5% Ni. These orebodies are not located on the Stephens Lake Property, the calculations are not compatible with NI 43-101 standards and there is no assurance that mineralization of this type or grade will be discovered on the Property.

The nickel sulphide mineralization is closely associated with gabbroic and ultramafic rocks of Paleoproterozoic age that have intruded metasedimentary gneiss of the Ospwagan Group and the underlying upper part of the Superior Craton. The mineralization is present in lenses or tabular bodies of mostly pyrrhotite and pentlandite with minor quantities of chalcopyrite and magnetite in serpentinized ultramafic intrusions that have been described as dunite and pyroxenite.

The ore is usually composed of massive sulphides within in the ultramafic rocks or within the sedimentary rocks of the Ospwagan Group and that may have precipitated after the assimilation of sulphide-rich sedimentary rocks by the high-temperature ultramafic magma. Other mineralization has been described as massive, net-textured, layered and as patchy-, blebby- and heavily-disseminated.

Mineralization

There is currently no known mineralization on the Stephens Lake mineral exploration license. Little ground exploration has been carried out and there are no known outcrops on the property.

Exploration

The exploration carried out by previous companies is limited to airborne geophysical surveys and one field program where several lines of soil sampling were performed. The soil samples were processed by TerraSol, a proprietary partial leach analytical method that identifies metallic ions that have mobilized as a result of contact with ground water. No work was been carried out by the Corporation or by Exploratus Ltd., the previous owner of the Property.

Interpretation and Conclusions

Over the past 50 years, and in the last eight years the region covered by the Stephens Lake mineral exploration license has been explored by several airborne geophysical surveys and two lines of soil sampling. The Property has seen little prospecting and the few outcrops that may have been present in streambeds are now under water as a result of flooding by the dam. The area is covered by extensive glacial ground moraine and lacustrine deposits.

Interpretation of an airborne geophysical survey performed by Falconbridge in 2002 shows the presence of the Burntwood and Sickle Groups overlying basement migmatite and intruded by late granitic rocks.

The basal Burntwood Group consists of sedimentary rocks that show relatively flat magnetic background but contains several EM conductors some of which are spatially associated with amphibolite units, interpreted to be volcanic rocks. A mafic and graphitic unit has also been interpreted in the south part of the Property. The Sickle Group is also composed of sedimentary rocks that show more variable magnetic background but few EM conductors. Elsewhere in the Trans-Hudson Orogen the Burntwood and Sickle Groups show similar geophysical patterns although the Burntwood Group doesn't contain as many amphibolite bands.

Although the Ospwagan Formation hasn't been mapped in the region it is possible that the basal amphibolite rocks of the Burntwood Group that overlie the interpreted migmatite basement could correspond to a lateral equivalent to the Ospwagan Group.

The well-defined EM conductors identified in the interpreted Burntwood Group could contain magmatic nickel or volcanogenic massive sulphide mineralization and should be further evaluated with ground geophysical surveys to determine their extent, continuity and character.

Recommendations

A ground geophysical program consisting of magnetometer and horizontal loop electromagnetic survey is recommended over the southern part of the property to better define the relationship of the magnetic anomalies and EM conductors. This survey should be initially performed at 100m line-spacing over a strike length of two kilometres.

This will allow for a better evaluation of the character and potential of the property and of any mineralization. A budget of $130,000 is proposed to carry out this program, preferably during the winter because of logistical issues such as access, lake shore and some low-lying terrain.

Proposed Exploration Budget – Stephens Lake Project			
Description			**Cost**
Mobilization/Demobilization			$12,000
Survey costs:			
Linecutting	$800	/line km	
HLEM survey	$1,000	/line km	
Magnetometer survey	$200	/line km	
Survey costs	$2,000	/line km	
Total survey costs @	42	/line km	$84,000
Support Costs			$17,000
Contingency	15%		$17,000
Total			$130,000

After successful completion of this preliminary survey and presuming positive results the company may review the data and determine that additional infill geophysical data is required, that an extension to the survey is warranted or whether it may want to drill any anomalies that may have been identified.

Other Mineral Interests

The Corporation does not currently have an interest in any other mineral properties. However, it is the intention of the Corporation to seek out other potential properties to acquire and explore.

NATURE OF DISTRIBUTION

This Prospectus is being filed with the securities regulatory authority in the provinces of Alberta, British Columbia, Manitoba and Ontario to enable the Corporation to become a reporting issuer pursuant to applicable securities legislation in the province of Ontario, notwithstanding that no sale of its securities is contemplated herein. Since no securities are being offered pursuant to this Prospectus, no proceeds will be raised and all expenses in connection with the preparation and filing of this Prospectus will be paid by the Corporation from its working capital.

The Corporation has applied to list its Common Shares on the CNSX. CNSX has conditionally approved the listing of the Common Shares. Listing is subject to the Corporation fulfilling all of the listing requirements of the CNSX, including without limitation, the distribution of the Corporation's Common Shares to a minimum number of public shareholders of the Company meeting certain financial and other requirements.

RELATIONSHIP WITH EXPLORATUS LTD.

Exploratus transferred the Stephens Lake Property to the Corporation in consideration for the Dividend Shares. Exploratus currently owns approximately 8.76% of the Corporation's outstanding capital. Following the Dividend it is anticipated that Exploratus will hold less than 1% of the outstanding capital of the Corporation. A director of Exploratus, Stephen Coates, is also a director of the Corporation. Exploratus received 2,500,000 Common Shares of the Issuer valued at the time at $30,000 in consideration for the transfer of the Stephens Lake Property to the Issuer. The agreement was approved by the Chief Executive Officer of the Issuer who is at arm's length to Exploratus. Exploratus acquired the Stephens Lake Property in February of 2008 directly from the Manitoba government for nil consideration. However, it did pay a finder's fee of $3,750 and 12,000 Exploratus Common Shares valued at $3,840.

Exploratus has signed the Prospectus as required by applicable securities laws. As a result, Exploratus will have liability for any misrepresentations contained in the prospectus in accordance with section 130(1) of the *Securities Act* (Ontario) and equivalent provisions in the other Qualifying Jurisdictions.

DISTRIBUTION BY EXPLORATUS LTD. OF 2,500,000 COMMON SHARES BY WAY OF A DIVIDEND-IN-KIND

Exploratus intends to dividend the Dividend Shares to the holders of the Exploratus Common Shares as of the Record Date. Holders of Exploratus Common Shares will receive one (1) Dividend Share for each two

(2) Exploratus Common Shares held. No fractional Dividend Shares will be distributed in connection with the Dividend and holders of Exploratus Common Shares will not receive any payment in lieu of fractional shares to which they would otherwise be entitled. The Dividend will only take place in the Qualifying Jurisdictions. Accordingly, holders of Exploratus Common Shares who do not reside in a Qualifying Jurisdiction will not receive the certificates representing their entitlement to the Dividend Shares. Instead, such shareholders will receive a cash dividend in an amount equal to the number of Dividend Shares that the shareholders would have received if it resided in a Qualifying Jurisdiction multiplied by $0.10 per share.

On February 23, 2010 Exploratus received the required shareholder approvals necessary for it to complete the Dividend. On April 8, 2011 the board of directors of Exploratus declared the Dividend at a value of 0.10 per share.

USE OF AVAILABLE FUNDS

As at April 8, 2011, the Corporation had working capital of approximately $1,300,000 consisting of cash and marketable securities. The Corporation's funds were raised pursuant to various private placement offerings. On July 19, 2010, the Corporation issued 4,000,000 pre-Share Split units consisting of one (1) common share and one (1) share purchase warrant to acquire a further common share at a price of $0.02 per unit to the founders of the Corporation for gross proceeds of $80,000. Following the Share Split this represents 8,000,000 Common Shares and warrants to acquire a further 8,000,000 Common Shares at a price of $0.01 per unit. On August 20, 2010 the Corporation issued 3,000,000 pre-Share Split common shares at a price of $0.06 per share for aggregate proceeds of $180,000. Following the Share Split this represents 6,000,000 Common Shares. On December 31, 2010 the Corporation issued 5,390,000 Common Shares priced at $0.10 per share for aggregate proceeds of $539,000. On January 13, 2011 the Corporation issued 2,625,000 Common Shares priced at $0.10 per share for aggregate proceeds of $262,500. On January 14, 2011 the Corporation issued 700,000 Common Shares priced at $0.10 per share for aggregate proceeds of $70,000. On January 25, 2011 the Corporation issued 3,310,000 Common Shares priced at $0.10 per share for aggregate proceeds of $331,000.

The Corporation may carry out a subsequent financing following the Corporation becoming a reporting issuer in Ontario but there can be no assurance that such a financing will be completed.

Use of Proceeds	Amount
Cost of Offering	$30,000
Recommended work program on the Property	$130,000
Operating Expenses and working capital for 12months	$210,000
Unallocated Working Capital	$930,000

The Corporation intends to spend the funds available to it as stated in this Prospectus; however, there may be circumstances where, for sound business reasons, a reallocation of the funds may be necessary in order for the Corporation to achieve its stated business objectives. The actual use of the available funds will vary depending on the Corporation's operating and capital needs from time to time and will be subject to the discretion of management of the Corporation.

Milestones and Objectives

The Corporation's objectives for the next 12 months include completing the recommended work program on the Stephens Lake Property and seeking out and acquiring one or more additional properties.

SELECTED FINANCIAL INFORMATION

The following tables set forth selected financial information for the Corporation for the period from incorporation to December 31, 2010. The following summary of selected financial information is derived from and should be read in conjunction with and is qualified in its entirety by reference to the Corporation's financial statements, including the notes thereto, and Management Discussion and Analysis of Financial Conditions and Results of Operations included elsewhere in this prospectus.

Statement of Operations Data

	May 31, 2010 to December 31, 2010 (audited)
Revenues	Nil
Net Income (Loss) from Operations	($68,183)
Net Income (Loss)	($68,183)
Basic and Diluted Income (Loss) Per Share	($0.005)

Balance Sheet Data

	May 31, 2010 to December 31, 2010 (audited)
Total Assets	$881,702
Total Liabilities	$120,885
Shareholder Equity	$760,817

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis includes financial information from, and should be read in conjunction with, the audited financial statements of the Company for the period from incorporation to December 31, 2010 and the notes thereto, appearing elsewhere in this Prospectus, as well as the disclosure contained throughout this Prospectus.

Overall Performance

The Corporation was incorporated on May 31, 2010 and has elected to have a December 31 year end. The business of the Corporation is mineral resource exploration and development. The Corporation is engaged in the exploration for minerals and is currently focused on base and precious metal exploration on the Property located at Stephens Lake in the Province of Manitoba. The Stephens Lake area is located about 10 km northeast of the sheared boundary of the Trans-Hudson Orogen and the Superior Province. The area is covered by extensive glacial ground moraine and lacustrine deposits. The Corporation has been primarily focused on the acquisition and exploration of the Property noted above and on raising capital. Toward those ends, the Company has (i) acquired a 100% interest in the Property; (ii) raised sufficient funds to undertake initial exploratory work on the Property and meet working capital requirements; and (iii) commissioned an independent technical report on the Property (completed January 10, 2011). As of December 31, 2010, the Corporation has raised an aggregate of $829,000 (of which $799,000 was in cash) through the sale of its securities for cash and the acquisition of the Property.

Financial Information

The following table summarizes selected financial data from the audited financial statements for the period from incorporation on May 31, 2010 to December 31, 2010, and should be read in conjunction with such statements and related notes, contained in the company's Prospectus:

Item	**Period from May 31, 2010** (date of incorporation) **to December 31, 2010** **(audited)**
Revenue	Nil
Expenses	$68,183
Net Loss	$68,183
Current Assets	$849,479

Item	**Period from May 31, 2010** (date of incorporation) **to December 31, 2010** **(audited)**
Resource Property	$32,223
Total Assets	$881,702
Current Liabilities	$120,885
Working Capital	$728,594
Shareholders' Equity	$760,817
Number of Shares Outstanding	21,890,000(1)

Results of Operations

The financial statements reflect the Corporation's financial condition from its inception on May 31, 2010 to December 31, 2010. To December 31, 2010, the Corporation has raised aggregate proceeds of $829,000 ($799,000 in cash) through the sale of its securities. The financial statements for the period ended December 31, 2010 reflect the Corporation's start-up costs and initial operations. There are no comparable prior periods as the Corporation was incorporated on May 31, 2010. As at December 31, 2010, the Corporation had issued 19,390,000 shares for cash consideration of $799,000 and 2,500,000 shares to acquire the Property. In addition to the share consideration valued at $30,000 the Corporation paid the further sum of $2,223 in cash for total consideration for the acquisition of the Property of $32,223. To date, $18,273 of expenditures have been incurred on the Property. These costs were incurred in the preparation of the Independent Report for the Property which establishes the initial Phase of the exploration program for the Property. For the period from May 31, 2010 through to December 31, 2010 the Corporation incurred $49,910 in general and administrative expenses. These expenses are comprised of $10,000 in management consulting fees, $11,900 in audit expense, $22,769 in legal fees and $3,500 in management support and office rent and $1,781 in office and miscellaneous expenses. The Net Loss for the period ending December 31, 2010 was $68,183, resulting in a basic and diluted loss per share of $0.005 based on an average number of Common shares outstanding of 12,139,000 during the period.

Working Capital

As at December 31, 2010 the Corporation had working capital of $728,594, including cash of $842,050. (Of this amount, $637,446 was held in trust by the Corporation's lawyers and was subsequently released to the Corporation during Q1 2011). The Corporation has no cash flow from operations and is dependent upon raising equity to sustain its operations.

Outstanding Share Data

The Corporation's authorized share capital consists of an unlimited number of Common Shares without par value. At December 31, 2010 there were 19,390,000 Common Shares issued and outstanding which were issued for aggregate consideration of $829,000.00. At December 31, 2010 there were common share purchase warrants outstanding to purchase an aggregate of 8,000,000 Common Shares. Each warrant entitles the holder to purchase one Common Share at $0.05 with all warrants expiring on January 15, 2015. Subsequent to December 31, 2010 the Corporation has issued an additional 6,635,000 Common Shares at a price of $0.10 per share for aggregate proceeds of $663,500.

Changes in Accounting Policies

There are no proposed changes in accounting policies.

Critical Accounting Estimates

The Corporation's significant accounting policies for the period ended December 31, 2010 are presented in Note 2 of the audited financial statements. As stated in Note 2 (b), the preparation of financial statements in accordance with generally accepted accounting principles requires management to make certain estimates and assumptions. Such estimates may have a significant impact on the financial statements.

The Corporation regularly reviews these estimates; however, actual amounts could differ from the estimates used and may accordingly affect the results of operations.

These estimates include:

- *The carrying values of mineral properties*
- *The valuation of future income taxes and allowances*
- *The valuation of financial instruments*

Financial Instruments

The Corporation's significant accounting policies regarding its financial instruments are set out in Note 2 (c) and (d) of the financial statements. The Corporation's financial instruments consist of cash, receivables, and accounts payable and accrued liabilities. Management is of the opinion that the Corporation is not exposed to significant interest rate, currency or credit risks arising from these financial instruments. As at December 31, 2010 the Corporation had total cash of $842,050, (Of this amount, $637,446 was held in trust by the Corporation's lawyer and was subsequently released to the Corporation during Q1 2011), sales tax receivable of $7,429, and current payables and accrued liabilities of $22,419.

Off-Balance Sheet Arrangements

The Corporation does not have any off-balance sheet arrangements.

Contractual Obligations for Next Five Years

The Corporation has no contractual obligations over the next five years. There are no outstanding option or purchase payments with respect to the Property. In years where no work is completed on the Property, the Corporation is required to make annual payments to the government of Manitoba to keep the Property in good standing. As no work was undertaken in 2010, a payment of $18,511.50 is due in the first quarter of 2011. The Corporation has entered into a business services agreement with Grove Capital for corporate and administrative support and office space. The terms of this agreement are $3,500 per month with six months' notice required for termination. Grove Capital is a related party to the Corporation.

Adoption of New Accounting Standards

Transition to International Financial Reporting Standards ("IFRS")

Canadian publicly accountable enterprises will be required to adopt IFRS in replacement of Canadian generally accepted accounting principles ("**GAAP**") on January 1, 2011. This transition is effective for the Corporation on January 1, 2011, and will require the Corporation to present its financial statements under IFRS starting with its first quarterly report dated March 31, 2011, and where applicable, with restated comparative information for the comparative quarter ended in 2010 also under IFRS. As the Corporation was in its start up phase in 2010 and did not prepare quarterly statements during that time, it is not anticipated that there will be any difficulties in preparing its financial statements in accordance with IFRS.

Impact of Adopting IFRS on the Corporation's Financial Statements:

It is anticipated the adoption of IFRS may result in changes to the Corporation's accounting policies that are applied in the recognition, measurement and disclosure of balances and transactions in its financial statements.

The following provides a summary of the Corporation's evaluation of potential changes to accounting policies in key areas based on the current standards and guidance within IFRS. This is not intended to be a complete list of areas where the adoption of IFRS will require a change in accounting policies, but to highlight the areas the Company has identified as having the most potential for a significant change.

First Time adoption (IFRS 1)

IFRS 1 provides guidance to entities on the general approach to be taken when first adopting IFRS. The underlying principle of IFRS 1 is retrospective application of IFRS standards in force at the date an entity first reports using IFRS. IFRS 1 acknowledges that full retrospective application may not be practical or appropriate in all situations and prescribes:

- Optional exemptions from specific aspects of certain IFRS standards in the preparation of the Company's opening balance sheet; and
- Mandatory exceptions to retrospective application of certain IFRS standards.

The Corporation has not yet identified optional exemptions that it expects to adopt in its preparation of an opening IFRS statement of financial position as of January 1, 2011. Additionally, IFRS 1 contains disclosure requirements to highlight changes made to financial statement items due to the transition to IFRS. IFRS 1 does not permit changes to estimates that have been made previously. Accordingly, estimates used in the preparation of the Corporation's opening IFRS statement of financial position will be consistent with those made when preparing the Corporation's financial statements under current GAAP. If necessary, estimates will be adjusted to reflect any differences in accounting policies.

Impairment (IAS 36)

IFRS requires the use of a one-step impairment test (impairment testing is performed using discounted cash flows) rather than the two-step test under GAAP (using undiscounted cash flow as a trigger to identify potential impairment loss). IFRS requires reversal of impairment losses where previous adverse circumstances have changed; this is prohibited under GAAP. Impairment testing should be performed at the asset level for long-lived assets and intangible assets.

Where the recoverable amount cannot be estimated for individual assets, it should be estimated as part of a Cash Generating Unit ("**CGU**").

The Corporation's accounting policies related to impairment testing will be changed to reflect these differences; however, the Corporation does not expect this change will have an immediate impact to the carrying value of its assets. The company will perform impairment assessments as at the transition date in accordance with IFRS.

Share-based payments (IFRS 2)

Per IFRS, the forfeiture rate, with respect to share options, needs to be estimated by the Corporation at the grant date instead of allowing for the recognition of the entire compensation expense and only recording actual forfeitures as they occur. The Corporation does not expect any changes to its accounting policies related to share-based payments that would result in a significant change to line items within its financial statements.

Mineral property interests, exploration and evaluation costs (IFRS 6)

Under IFRS, the Corporation would be required to develop an accounting policy to specifically and consistently identify which expenditures on exploration and evaluation activities will be recorded as assets. Unlike IFRS, GAAP indicates that exploration costs may initially be capitalized if the Corporation considers that such costs have the characteristics of property, plant and equipment. Exploration and evaluation assets shall be classified as either tangible or intangible according to the nature of the assets acquired. The Corporation expects to continue capitalizing acquisition costs and expensing exploration costs as incurred. The Corporation does not expect the adoption of IFRS to result in a significant change to the related line items within its financial statements.

Impact on the business

The business processes of the Corporation are simple and no major challenges are expected at this point to operate under IFRS. The Corporation has no compensation arrangements that will be affected by the IFRS implementation. The Corporation's Stock Option Plan is not affected by ratios or financial targets. Business processes will be monitored during the following months to detect and address any previously unidentified IFRS conversion issues.

Liquidity and Capital Resources

To date the Corporation has financed its operations through the sale of its securities. The Corporation generated aggregate consideration of $829,000, $799,000 in cash consideration, and $30,000 for the acquisition of the Property. On December 17, 2010, the Corporation split its shares on a two-for-one basis; all numbers herein have been adjusted for the split. During Q3, 8,000,000 Units comprised of one

Common Share of the Corporation and one warrant to purchase a Common Share of the Corporation, exercisable at $0.05 until January 15, 2015 were sold. The units were sold for $0.01 for total cash proceeds from the unit sale of $80,000. 6,000,000 Common Shares were sold at a price of $0.03 per share for cash proceeds of $180,000. During Q4, 5,390,000 Common Shares were sold at $0.10 for cash consideration of $539,000. To December 31, 2010 total cash consideration received from the issuance of these securities is $799,000. Further, during Q3, the Corporation issued 2,500,000 Common Shares to acquire the Property with a share value of $30,000 bringing total consideration received from the issuance of securities to $829,000. Subsequent to year-end, an additional 6,635,000 Common Shares were issued during Q1 2011 at $0.10 per share for cash consideration of $663,500, resulting in a total aggregate consideration of $1,492,500 from the sale of securities ($30,000 non-cash consideration).

The Corporation has no source of revenue, income or cash flow. It is wholly dependent upon raising monies through the sale of its Shares to finance its business operations.

The Corporation is required to have sufficient funds to complete the Stage 1 recommended work program, to meet twelve months of general and administrative expenses and the Corporation plans to retain approximately $1,130,000 of unallocated working capital. The estimated cost to complete the Stage 1 recommended work program is $130,000. Twelve months of general and administrative expense is estimated to be $210,000.

The Corporation may require additional funds to support its working capital requirements or for other purposes and may seek to raise additional funds through public or private equity funding, bank debt financing or from other sources. There can be no assurances that this capital will be available in amounts or on terms acceptable to the Corporation, or at all.

Off-Balance Sheet Arrangements

During the period from incorporation to September 30, 2010 there were no off-balance sheet arrangements to which the Corporation was committed.

Transactions with Related Parties

Other than the contract with Grove Capital referred to above, the Corporation has not entered into any related party transactions.

Additional Disclosure for Venture Issuers Without Significant Revenue

As the Corporation has no revenue from operations since its incorporation in May of 2010, the following is a breakdown of the material costs incurred:

	From May 31,2010 to December 31, 2010
Capitalized or Expensed Exploration and Development Costs	$18,273
Accounts Payable	$22,419
General and administrative expenses	$49,910
Share Issue Costs	-
Other material costs (capitalized, deferred or expensed) not referred to above	-

Additional Disclosure for Junior Issuers

The estimated available funds of the Corporation are expected to fund the operations of the Corporation for 24 months. During that time the Corporation will undertake the recommended work program on the Property and seek out additional acquisitions.

DESCRIPTION OF SHARE CAPITAL

Common Shares

The Corporation is authorized to issue an unlimited number of Common Shares. As of the date hereof, there are 28,525,000 Common Shares issued and outstanding. Each holder of a Common Share is entitled to receive notice of, to attend, and to vote at all meetings of the shareholders of the Corporation. The holders of the Common Shares are entitled to receive dividends, if, as, and when declared by the directors of the Corporation. The holders of the Common Shares are entitled to share equally in the remaining property of the Corporation upon liquidation, dissolution or winding-up of the Corporation.

Warrants

The Corporation has issued 8,000,000 warrants to acquire Common Shares at a price of $0.05 per share until January 15, 2015.

CONSOLIDATED CAPITALIZATION

There have been no material changes in the share and loan structure of the Corporation since December 31, 2010. On January 13, 2011 the Corporation issued 2,625,000 Common Shares priced at $0.10 per share for aggregate proceeds of $262,500. On January 14, 2011 the Corporation issued 700,000 Common Shares priced at $0.10 per share for aggregate proceeds of $70,000. On January 25, 2011 the Corporation issued 3,310,000 Common Shares priced at $0.10 per share for aggregate proceeds of $331,000.

STOCK OPTION PLAN

Shareholders of the Corporation adopted a stock option plan (the "**Stock Option Plan**") on October 1, 2010. The following is a summary of its principal terms.

The purpose of the Stock Option Plan is to encourage common stock ownership in the Corporation for directors, executive officers, employees and consultants who are primarily responsible for the management and profitable growth of its business, to provide additional incentive for superior performance by such persons and to enable the Corporation to attract and retain valued directors, officers and employees by granting stock options to such persons.

The Stock Option Plan provides that eligible persons thereunder include any director, employee (full-time or part-time), executive officer or consultant of the Corporation or any subsidiary thereof. A consultant means an individual (including an individual whose services are contracted through a personal holding company) with whom the Corporation or a subsidiary has a contract for substantial services.

The Stock Option Plan is administered by the board of directors of the Corporation. The board of directors has the authority to determine, among other things, subject to the terms and conditions of the Stock Option Plan, the terms, limitations, restrictions and conditions respecting the grant of stock options under the Stock Option Plan.

The total number of shares which may be reserved and set aside for issuance to eligible persons may not exceed 10% of the issued and outstanding common shares from time to time. Investor Relations persons may not be granted options exceeding 2% of outstanding capital and such options must vest over one (1) year with no more than 25% vesting in each quarter.

Pursuant to the Stock Option Plan, the options will not be transferable other than by will or the laws of descent and distribution, the option price to be such price as is to be fixed by the Plan's administrator but shall not be less than the fair market value of the shares at the time the option is granted and payment thereof shall be made in full on the exercise of the options. The terms of the options may not exceed five (5) years and shall be subject to earlier redemption upon the termination of employment. If an optionee ceases to be an eligible person for any reason whatsoever other than death, each option held by such optionee will cease to be exercisable in a period not exceeding six (6) months following the termination of the optionee's position with the Corporation but only up to and including the original option expiry date. If an optionee dies, the legal representative of the optionee may exercise the optionee's options for a period not exceeding one (1) year after the date of the optionee's death but only up to and including the original option expiry date. The Stock Option Plan also contains anti-dilution provisions usual to plans of this type.

The Corporation will not provide any optionee with financial assistance in order to enable such optionee to exercise stock options granted under the Stock Option Plan. The Corporation has no other compensation plans or arrangements in place and none are currently contemplated.

To date, no stock options have been granted pursuant to the Stock Option Plan.

Other than as set out above, the Corporation does not have any other securities reserved for issuance.

PRIOR SALES OF SECURITIES

The following table contains details of the prior sales of the Common Shares since incorporation. All references to Common Shares represent the post-Share Split shares of the Corporation.

Date	Number of Shares	Issue Price Per Share	Total Issue Price	Nature of Consideration Received
June 26, 2010	2,500,000	$0.012	$30,000	See Note 1
July 19, 2010	8,000,000 (2.)	$0.01	$80,000	Cash
August 20, 2010	6,000,000	$0.03	$180,000	Cash
Dec. 31, 2010	5,390,000	$0.10	$539,000	Cash
Jan. 13, 2011	2,625,000	$0.10	$262,500	Cash
Jan. 14, 2011	700,000	$0.10	$70,000	Cash
Jan. 25, 2011	3,310,000	$0.10	$331,000	Cash

(1.) Mineral exploration license for Stephens Lake
(2.) The company issued 4,000,000 pre-Share Split units at a price of $0.02 per unit. The units were each comprised of one common share of the Company and one warrant to purchase a common share of the Company, exercisable at $0.10 until January 15, 2015.

PRINCIPAL SHAREHOLDERS

The following table sets forth the shareholdings of those persons who, as of the date of this Prospectus, own of record or are known to the Corporation to own beneficially, directly or indirectly, or exercise control or direction over, more than 10% of the issued and outstanding Common Shares as well as for Exploratus, without taking into consideration the Common Shares issuable upon the exercise of the outstanding warrants:

Name	Number of Common Shares	Percentage	Number of Warrants	Percentage
James Garcelon	4,000,000	14.02%	4,000,000	50%
Exploratus Ltd.	2,500,000	8.76%	Nil	Nil

The Directors and Officers currently own, collectively and beneficially, directly or indirectly, 7,400,000 Common Shares, or 25.94% of the outstanding shares.

PROMOTERS

James Garcelon should be considered the promoter of the Corporation in that he founded the Corporation, serves as its Chief Executive Officer, is the largest shareholder with 4,000,000 common shares, and to this day is the promoter of its activities. Exploratus should also be considered a promoter as on the formation of the Corporation it was a wholly-owned subsidiary of Exploratus.

DIRECTORS AND OFFICERS

The board of directors is currently comprised of 3 persons. Each director is elected to serve until the next annual meeting of shareholders or until a successor is elected or appointed. The following table sets out the name, address, present position(s) held with the Corporation and principal occupations during the last five years (unless otherwise indicated) of each director and officer of the Corporation and the number of

Common Shares held by each. The board of directors has established an Audit Committee comprised of all three directors.

Name and Municipality of Residence	Position Held Date Appointed	Principal Occupation(s) During the Preceding Five Year Period	Common Shares Percentage Beneficially Held or Controlled as at the Date Hereof:
James Garcelon[1] Toronto, Ontario	President, Chief Executive Officer and Director	Principal of Grove Capital Group since 2009. Strategic Advisor to Homeland Energy Group Inc. from 2008 to 2009. Prior to that, Managing Director, Head of Institutional Equity Sales National Bank Financial	4,000,000
Stephen Coates[1] Toronto, Ontario	Director	Principal of Grove Capital Group. Prior to that, President of Homeland Energy Group Ltd. from July to October of 2009.	2,400,000[2]
Gerry Gravina[1] Toronto, Ontario	Director	Since December of 2009, Co-President of Visium Capital Inc., prior to that Mr. Gravina was a private investor and entrepreneur.	1,000,000
Jeff Lowe Barrie, Ontario	Chief Financial Officer	Corporate Director and interim Chief Financial Officer for Homeland Energy Group Ltd. from 2009 to 2010 and Managing Partner at Carina Energy, a junior Uranium start up from 2007 to 2008. Prior to that Corporate Treasurer for Centerra Gold and Inmet Mining.	Nil

(1) Denotes members of the Audit Committee
(2) Held as to 2,000,000 Common Shares directly, and 400,000 Common Shares through two trusts which are controlled by Mr. Coates. Mr. Coates also holds 122,000 Exploratus Common Shares. On completion of the Dividend, Mr. Coates will receive a further 61,000 Common Shares.

The following is a brief summary of the biographical information for each of the individuals referred to above:

James Garcelon, - Chief Executive Officer and Director (age 40)

Mr. Garcelon has over 15 years of experience in the financial services industry. He began his career at RBC Dominion Securities where he acted in a number of capacities and areas including investment banking, derivatives and quantitative research. In 1997, he joined Pacific Century Group a Hong Kong based private equity fund. Pacific Century was then a strategic investor in Gordon Capital Corporation, which was acquired by HSBC Securities in late 1998. Mr. Garcelon played an instrumental role in the restructuring and merging of the two organizations. He was appointed Managing Director, Institutional Research at HSBC Securities in 2000. In 2003, Mr. Garcelon joined National Bank Financial and was promoted to Managing Director, Head of Institutional Sales in 2005. Currently Mr. Garcelon is a Principal with, and cofounder of, Grove Capital Group a merchant banking group. He recently acted as an advisor to Homeland Energy Group on business development and acquisition opportunities. He is a Chartered Financial Analyst and holds a Masters of Science in International Political Economy from the London School of Economics in addition to a HBA from the Richard Ivey School of Business. Mr. Garcelon will be devoting 50% of his time to the affairs of the Corporation.

Stephen Coates – Director (age 39)

Mr. Coates is a founder and principal of Grove Capital Group, specializing in the incubation and development of new resource companies across the world. Mr. Coates previously founded and served as CEO of TSX-listed Homeland Energy Group and having spent more than 12 years in the resource and financial industries, brings together strengths in business development, communications and finance to create strategic relationships for success. Stephen Coates began his career in investment management and advisory services at RBC Dominion Securities in Canada. Following which he joined Independent Equity Research Corp. as Vice President, Business Development. In 2003, Mr. Coates formed Grove Communications Inc. to provide communications and business development services to small-cap public companies primarily in the mining and resource industry. In 2006, he co-founded Homeland Uranium Inc., which subsequently gave rise to Homeland Energy Group Limited, which he served as President and Chief Executive Officer of from December 2004 to October 2009. Mr. Coates is a graduate of Kings College at the University of Western Ontario in London, Canada. He also served two years with the Government of Ontario ending as Special Assistant to then Premier Mike Harris. Mr. Coates will be devoting 25% of his time to the affairs of the Corporation.

Gerry Gravina – Director (age 54)

Mr. Gravina began his investment career as an Equities Analyst at Commercial Union Assurance of Canada, an insurance company since acquired by Aviva. From 1980 to 1996, Mr. Gravina held a number of increasingly senior positions in institutional equity agency and liability trading. He was a Vice President and Director at Merrill Lynch Canada, Partner at Loewen Ondaatje McCutcheon, and Vice President and Manager at RBC Dominion Securities in that time period. From 1996 to 2002, Mr. Gravina was Executive Vice President and Managing Partner for Institutional Equities at Gordon Capital Corporation. In late 1998, Gordon Capital was acquired by HSBC Securities Canada, a subsidiary of one of the largest banking and financial services organizations in the world. At HSBC, Mr. Gravina's responsibilities grew to include equity research and proprietary trading. Mr. Gravina joined National Bank Financial in 2002 as Executive Vice President and Head of Institutional Equities. In 2009, Mr. Gravina founded Visum Capital, a multi-strategy alternative investment management firm, bringing to fruition his unique vision for trading and managing risk in the Canadian marketplace. At Visum, Mr. Gravina is responsible for the firm's risk policy and management as well as trading Canadian equity strategies. Mr. Gravina holds an Honours Bachelor's degree from the University of Toronto. Mr. Gravina will be devoting 5% of his time to the affairs of the Corporation.

Jeff Lowe – Chief Financial Officer (age 47).

Mr. Lowe is a corporate finance, capital markets and corporate governance professional with experience acquired across a diverse industry base including mining and resources, consumer products and telecom. Most recently, a member of the Board of Directors and Acting Chief Financial Officer for Homeland Energy Group Ltd., and prior to that, a Managing Partner for a start-up junior Uranium Exploration Company. Additionally, Mr. Lowe has served as Vice President and Corporate Treasurer for a number of public companies that included a corporate turnaround and restructuring from bankruptcy proceedings that involved a complex refinancing program. Mr. Lowe holds an MBA from the Rotman School of Management, University of Toronto, is a Certified General Accountant and holds the accreditation ICD.D as a member of the Institute of Corporate Directors. Mr. Lowe will be devoting approximately 20% of his time to the affairs of the Corporation.

CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES

None of the directors or officers of the Corporation is, or within the past ten years prior to the date hereof has been, a director, officer or promoter of any other issuer that, while the person was acting in that capacity:

(1) was subject to a cease trade or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than 30 consecutive days; or

(2) was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

other than Mr. Jeff Lowe who was a director and Chief Financial Officer of Homeland Energy Group Ltd. ("**HEG**") while a Management Cease Trade Order was issued by the Ontario Securities Commission on April 19, 2010 against the senior officers of HEG in respect of HEG's failure to file its audited financial statements, management discussion and analysis and annual information form for the year ended December 31, 2009 by March 31, 2010. This order lapsed on May 25, 2010 upon the filing of the required disclosure.

Penalties or Sanctions

None of the directors or officers of the Corporation has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or have entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Individual Bankruptcies

None of the directors or officers of the Corporation has, within the ten years prior to the date hereof, been declared bankrupt or made a voluntary assignment in bankruptcy, 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

To the best of the Corporation's knowledge and other than as disclosed herein, there are no existing or potential conflicts of interest among the Corporation, its promoters, directors, officers or other members of management of the Corporation except that certain of the directors, officers, promoters and other members of management serve as directors, officers, promoters and members of management of other public companies and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of such other companies and their duties as a director, officer, promoter or management of the Corporation.

The directors and officers of the Corporation are aware of the existence of laws governing accountability of directors, officers for corporate opportunity and requiring disclosure by directors of conflicts of interest and the Corporation will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty to any of its directors and officers.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITORS

The Corporation is required to have an audit committee comprised of not less than three directors. The following sets out the disclosure required by Multilateral Instrument 52-110 of the Canadian Securities Administrators ("**MI 52-110**") with respect to the audit committee of a Venture Issuer.

The Audit Committee's Charter

The Corporation's Audit Committee is governed by its Audit Committee Charter, a copy of which is annexed hereto as **Appendix "B"**.

Composition of the Audit Committee

The Corporation's Audit Committee is currently comprised of its three (3) directors, James Garcelon, Stephen Coates and Gerry Gravina. As defined in MI 52-110, Mr. Coates and Mr. Gravina are independent. Also as defined in MI 52-110, all three members of the Audit Committee are financially literate.

Audit Committee Oversight

Since the commencement of the Corporation's most recently completed fiscal year, the Corporation's board of directors has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Relevant Education and Experience

The following is a summary of the relevant education and experience of each of the members of the Corporation's Audit Committee:

Stephen Coates: Mr. Coates is a founder and principal of Grove Capital Group, specializing in the incubation and development of new resource companies across the world. Mr. Coates previously founded and served as CEO of TSX-listed Homeland Energy Group and having spent more than 12 years in the resource and financial industries, brings together strengths in business development, communications and finance to create strategic relationships for success. Stephen Coates began his career in investment management and advisory services at RBC Dominion Securities in Canada. Following which he joined Independent Equity Research Corp. as Vice President, Business Development. In 2003, Mr. Coates formed Grove Communications Inc. to provide communications and business development services to small-cap public companies primarily in the mining and resource industry. In 2006, he co-founded Homeland Uranium Inc., which subsequently gave rise to Homeland Energy Group Limited, which he served as President and Chief Executive Officer of from December 2004 to October 2009. Mr. Coates is a graduate of Kings College at the University of Western Ontario in London, Canada. He also served two years with the Government of Ontario ending as Special Assistant to then Premier Mike Harris.

James Garcelon: Mr. Garcelon has over 15 years of experience in the financial services industry. He began his career at RBC Dominion Securities where he acted in a number of capacities and areas including investment banking, derivatives and quantitative research. In 1997, he joined Pacific Century Group a Hong Kong based private equity fund. Pacific Century was then a strategic investor in Gordon Capital Corporation, which was acquired by HSBC Securities in late 1998. Mr. Garcelon played an instrumental role in the restructuring and merging of the two organizations. He was appointed Managing Director, Institutional Research at HSBC Securities in 2000. In 2003, Mr. Garcelon joined National Bank Financial and was promoted to Managing Director, Head of Institutional Sales in 2005. Currently Mr. Garcelon is a Principal with, and cofounder of, Grove Capital Group a merchant banking group. He recently acted as an advisor to Homeland Energy Group on business development and acquisition opportunities. He is a Chartered Financial Analyst and holds a Masters of Science in International Political Economy from the London School of Economics in addition to a HBA from the Richard Ivey School of Business

Gerry Gravina: Mr. Gravina began his investment career as an Equities Analyst at Commercial Union Assurance of Canada, an insurance company since acquired by Aviva. From 1980 to 1996, Mr. Gravina held a number of increasingly senior positions in institutional equity agency and liability trading. He was a Vice President and Director at Merrill Lynch Canada, Partner at Loewen Ondaatje McCutcheon, and Vice President and Manager at RBC Dominion Securities in that time period. From 1996 to 2002, Mr. Gravina was Executive Vice President and Managing Partner for Institutional Equities at Gordon Capital Corporation. In late 1998, Gordon Capital was acquired by HSBC Securities Canada, a subsidiary of one of the largest banking and financial services organizations in the world. At HSBC, Mr. Gravina's responsibilities grew to include equity research and proprietary trading. Mr. Gravina joined National Bank Financial in 2002 as Executive Vice President and Head of Institutional Equities. In 2009, Mr. Gravina founded Visum Capital, a multi-strategy alternative investment management firm, bringing to fruition his unique vision for trading and managing risk in the Canadian marketplace. At Visum, Mr. Gravina is responsible for the firm's risk policy and management as well as trading Canadian equity strategies. Mr. Gravina holds an Honours Bachelor's degree from the University of Toronto.

Reliance on Certain Exemptions

Since the effective date of MI 52-110, the Corporation has not relied on the exemptions contained in sections 2.4 or 8 of MI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditors, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditors in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of MI 52-110, in whole or in part.

Pre-Approval Policies and Procedures

The Committee has not adopted specific policies and procedures for the engagement of non-audit services. The Committee will review the engagement of non-audit services as required.

External Auditors Service Fees (By Category)

The Corporation has not yet prepared a set of year end financial statements. The Corporation was incorporated on May 31, 2010 and its first fiscal year ended December 31, 2010. Audit fees charged for the period ended December 31, 2010 were $11,900.

Exemption

The Corporation is relying upon the exemption in section 6.1 of MI 52-110 for venture issuers which allows for an exemption from Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of MI 52-110 and allows for the short form of disclosure of audit committee procedures set out in Form 52-110F2.

CORPORATE GOVERNANCE

Effective June 30, 2006, the securities regulatory authorities in Canada adopted National Instrument 58-101-Disclosure of Corporate Governance Practices ("**NI-58-101**") and National Policy 58-201 Corporate Governance Guidelines ("**NP-58-201**"). NP-58-201 contains a series of guidelines for effective corporate governance. The guidelines deal with such matters as the constitution and independence of corporate boards, their functions, the experience and education of board members and other items dealing with sound corporate governance.

Pursuant to NI-58-101, the Corporation is now required to provide disclosure in this Information Circular of its corporate governance practices in accordance with Form 58-101F2 which follows:

1. **Board of Directors —** Currently Stephen Coates and Gerry Gravina are the independent directors of the Corporation. James Garcelon is President and Chief Executive Officer.

2. **Directorships —** No director of the Corporation is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction except for: James Garcelon, director of Southern Andes Energy Inc. and Stephen Coates, Director of Exploratus Ltd. and Homeland Uranium Inc.

3. **Orientation and Continuing Education —** The board of directors is in the process of developing a Corporate Governance Policy which will include the establishment of a Corporate Governance Committee, one of the mandates of which will be to create an orientation program for new board members. The board of directors has not currently established criteria for continuing education for directors.

4. **Ethical Business Conduct —** The directors understand their fiduciary obligations as directors of a public company and are in the process of developing a code of business conduct and ethics.

5. **Nomination of Directors —** The board of directors will continue to be responsible for identifying new candidates for the board including members to fill any vacancies on the board. It will consider candidates submitted by directors, officers, employees, shareholders and others and may retain search firms for the purposes of identifying suitable candidates who meet the level of personal and professional integrity and ability it deems appropriate for directors of the Corporation.

6. **Compensation —** The entire board of directors will continue to review the compensation of directors and officers including the granting of stock options. Compensation will be determined with reference, in part, to compensation of officers and directors in similar industries performing similar functions.

7. **Other Board Committees —** Currently it is the intention of the board to establish a Corporate Governance Committee along with its existing Audit Committee but has no intention at this time to establish other standing committees of the board.

8. **Assessments —** The Corporate Governance Committee will establish procedures for satisfying itself that the board, its committees, and its individual directors are performing effectively.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This Compensation Discussion and Analysis provides information about the Corporation's executive compensation objectives and processes and discusses compensation decisions relating to its named executive officers Mr. James Garcelon, Chief Executive Officer and Mr. Jeff Lowe, Chief Financial Officer ("**Named Executive Officers**") listed in the Summary Compensation Table that follows. During the period ended September 30, 2010 the following individuals were Named Executive Officers (as determined by applicable securities legislation) of the Corporation:

- James Garcelon Chief Executive Officer; and
- Jeff Lowe, Chief Financial Officer.

The Corporation does not employ or retain any other individuals who would qualify as a "Named Executive Officer" because no executive officer or employee of the Corporation receives total compensation (including without limitation salary and bonus) in excess of $150,000.

The Board of Directors is responsible for the compensation program for the Corporation's Named Executive Officers.

Compensation Objectives and Principles

The Corporation has no revenues from operations and often operates with limited financial resources. As a result, to ensure that funds are available to develop its business plan, the Board of Directors has to consider not only the financial situation of the Corporation at the time of the determination of executive compensation, but also the estimated financial condition of the Corporation in the future.

Since the preservation of cash is an important goal of the Corporation, an important element of the compensation awarded to the Named Executive Officers is the granting of stock options, which do not require cash disbursement by the Corporation. The granting of stock options also helps to align the interests of the Named Executive Officers with the interests of the Corporation. The other two elements of the compensation the Corporation awards to its Named Executive Officers are: (i) base cash consulting fees; and (ii) cash bonus payments for achievement of stated milestones or benchmarks. The Corporation does not provide its Named Executive Officers with perquisites or personal benefits that are not otherwise available to all employees.

Compensation Processes and Goals

The deliberations with respect to compensation are conducted in a special session from which management is absent. These deliberations are intended to advance the key objectives of the compensation program for the Corporation's Named Executive Officers. At the request of the Board of Directors, the Named Executive Officers may, from time to time, provide advice with respect to the compensation program for the Corporation's Named Executive Officers.

The Corporation relies on its Board of Directors, through discussion without any formal objectives, targets, criteria or analysis, in determining the compensation of its Named Executive Officers. The Board of Directors is responsible for determining all forms of compensation, including the provision of long-term incentives through the granting of stock options to the Named Executive Officers of the Corporation, and to others, including, without limitation, to the Corporation's directors to ensure such arrangements reflect the responsibilities and risks associated with each such officer's position. The Board of Directors incorporates the following goals when it makes its compensation decisions with respect to the Corporation's Named Executive Officers : (i) the recruiting and retaining of executives who are critical both to the success of the Corporation and to the enhancement of shareholder value; (ii) the provision of fair and competitive compensation; (iii) the balancing of the interests of management with the interests of the Corporation's shareholders; (iv) the rewarding of performance, both on an individual basis and with respect to the operations of the Corporation as a whole; and (v) the preservation of available financial resources.

Narrative Discussion

The Corporation currently does not have any written agreements in place pertaining to the provision of services of any directors or officers and NEOs to date. No compensation has been paid to any director, officer or NEO of the Corporation as of the date hereof other than the sum of $2,500 per month to the CFO. The Corporation entered into a consulting agreement with its CFO effective September 1, 2010 that can be terminated by either party on 30 days notice. The monthly fee was determined based on negotiations between the parties in line with market rates for the services provided.

Effective December 1, 2010 the Corporation entered into a service agreement with a company whose principal is a director of the Corporation. The contact is for $3,500 per month and covers provision of office space, administrative services and corporate secretarial services to the Corporation.

Summary Compensation Table

The following table contains information about the compensation paid to, earned by and payable to, the Corporation's Chief Executive Officer, James Garcelon and the Chief Financial Officer, Jeff Lowe for the period from incorporation to December 31, 2010. The Corporation does not have any other "Named Executive Officers" given that no other executive officer received total salary and bonus in excess of $150,000. Specific aspects of compensation payable to the Named Executive Officers of the Corporation are dealt with in further detail in subsequent tables.

Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Share-Based Awards ($)	Option-Based Awards ($)	Non-Equity Incentive Plan Compensation ($)		Pension Value ($)	All Other Compen-sation ($)	Total Compen-sation ($)
					Annual Incentive Plans	Long-Term Incentive Plans			
James Garcelon President and CEO	2010	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Jeff Lowe, CFO	2010	10,000	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Incentive Plan Awards

The Corporation does not have any incentive plan awards as on the date hereof and it has not granted any such awards to the directors, officers, employees or consultants.

Pension Plan Benefits

The Corporation does not have a defined benefit plan, defined contribution plan or deferred compensation plan.

Termination and Change of Control Benefits

The Corporation has no agreements with the Named Executive Officers.

Securities Authorized For Issuance Under Equity Compensation Plans

The Corporation has established the Stock Option Plan to provide incentive compensation to the Corporation's directors, officers, employees and consultants. For particulars of the terms of the Stock Option Plan please see the heading “Stock Option Plan”.

As of the date of this Prospectus no options have been granted. The Stock Option Plan provides that the Corporation may issue options to acquire Common Shares equal to up to 10% of the issued and outstanding Common Shares of the Corporation.

The Corporation has not granted any long-term incentive plans or stock appreciation rights as of the date of this Prospectus.

Compensation of Directors

Other than as disclosed, the only arrangement that the Corporation has pursuant to which it compensates directors for their services in their capacity as directors, or for committee participation, will be pursuant to the issuance of incentive stock options and reimbursement of out-of-pocket expenses. From time to time, directors may be retained to provide specific services as consultant or expert to the Corporation and will be compensated on a normal commercial basis for such services. The Corporation has not granted any incentive options to its directors as of the date hereof.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS AND RELATED PARTY TRANSACTIONS

No director or officer or any associate or affiliate has had any interest in a material transaction of the Corporation other than the services contract entered into with Grove Capital. Grove Capital is a related party of the Corporation in which two directors have an interest.

Indebtedness of Directors and Officers

Directors and Officers of the Corporation neither owe nor are owed any funds to or by the Corporation.

DIVIDEND RECORD AND POLICY

To date the Corporation has not paid dividends on its Common Shares. The intention of the Corporation is to use available capital for exploration and property acquisition and accordingly the Corporation has no present intention to pay dividends on its Common Shares.

ESCROWED SECURITIES

In accordance with the Canadian Securities Administrators National Policy 46-201 entitled "Escrow for Initial Public Offerings" (the "**Policy**") and pursuant to an agreement (the "**Escrow Agreement**") dated April 11, 2011 among Nicole Coates, Stephen Coates, Julie Dickson, James Garcelon and Gerry Gravina (collectively, the "**Principals**"), the Corporation and Capital Transfer Agency Inc. (the "**Trustee**"), a total of 8,261,000 Common Shares, and 6,000,000 share purchase warrants to acquire Common Shares at $0.05 per share will be deposited into escrow with the Trustee as escrow agent upon completion of the Dividend (the "**Escrowed Securities**"). Pursuant to the Escrow Agreement, the following table discloses securities of the Corporation which will be held in escrow:

Name	**No. of Common Shares**	**No. of Warrants**
Nicole Coates	400,000 (1.4% of class)	nil
Stephen Coates	2,461,000[(1)] (8.4% of class)	2,000,000 (25% of class)
Julie Dickson	400,000 (1.4% of class)	nil
James Garcelon	4,000,000 (14.02% of class)	4,000,000 (50% of class)
Gerry Gravina	1,000,000 (3.5% of class)	nil
• Total	8,261,000 (26.16%)	6,000,000 (75% of class)

(1) Includes 61,000 Common Shares to be distributed to Mr. Coates on the completion of the Dividend and 400,000 Common Shares held by two trusts of which Mr. Coates is one of the trustees. Each of the trusts are parties to the Escrow Agreement.

Under the Policy, the Corporation may be an “emerging issuer”. An emerging issuer is an issuer that does not meet the “established issuer” criteria (including an issuer listed on The Toronto Stock Exchange in its non-exempt category and an issuer that meets Tier 1 listing requirements of the TSX Venture). Based on the Corporation being an emerging issuer, the Escrowed Securities will be subject to a three year escrow. Ten percent of each Principal’s Escrowed Securities will be released on issuance of a receipt for prospectus with the balance being released in equal tranches at six month intervals from the date of the initial release date, with 15% of the Escrowed Securities released in each tranche.

If the Corporation is initially an “emerging issuer”, and, within 18 months of the date of the initial release, the Corporation meets the established issuer criteria, as set out in the Policy, that number of Escrowed Securities that would to that date have been eligible for release from escrow if the Corporation had been an established issuer on the date of the initial release will be immediately released from escrow. After 18 months from the date of the initial release, if the Corporation meets the established issuer criteria, all the Escrowed Securities will be immediately released from escrow.

The Escrowed Securities cannot generally be transferred or otherwise dealt with while in escrow. Permitted transfers or dealings within escrow include: (i) transfers to continuing or, upon their appointment, incoming directors and senior officers of the Corporation or of a material operating subsidiary, with approval of the Corporation’s board of directors; (ii) transfers to a person or company that, before the transfer, holds more than 20% of the Common Shares; (iii) transfers to a person or company that, after the transfer, hold more than 10% of the Common Shares and has the right to elect or appoint one or more directors or senior officers of the Corporation or any of its material operating subsidiaries; (iv) transfers to an RRSP or similar trustee plan provided that the only beneficiaries are the transferor or the transferor’s spouse, children or parents; (v) transfers upon bankruptcy to the trustee in bankruptcy; and (vi) pledges to a financial institution as collateral for a *bona fide* loan, provided that upon a realization the securities remain subject to escrow. Tenders of Escrowed Securities to a take-over bid would be permitted provided that, if the holder of the Escrowed Securities is a principal of the successor issuer upon completion of the take-over bid, securities received in exchange for tendered Escrowed Securities are substituted in escrow on the basis of the successor issuer’s escrow classification.

Any amendments to the Escrow Agreement require the approval of all securities regulators having jurisdiction.

MATERIAL CONTRACTS AND AGREEMENTS

In addition to the Escrow Agreement referred to under the heading “Escrowed Securities”, there are no other material contracts other than the agreement dated June 28, 2010 pursuant to which the Corporation acquired the Stephens Lake Property from Exploratus.

RISK FACTORS

Competition for Mineral Deposits

The mineral exploration and mining industry is competitive in all phases of exploration, development and production. The Corporation competes with a number of other entities and individuals in the exploration of, search for and the acquisition of attractive mineral properties. As a result of this competition, much of which is with enteritis with greater financial resources than the Corporation, the Corporation may not be able to obtain funding for its exploration projects, obtain and maintain the necessary resources to carry out such exploration or acquire attractive properties in the future on terms it considers acceptable. The Corporation competes with other resource companies, many of whom have greater financial resources and/or more advanced properties that are better able to attract equity investment and other capital. The ability of the Corporation to acquire attractive mineral properties in the future depends not only on its success in exploring and developing the Properties but also on its ability to select, acquire and bring into production or otherwise deal with suitable properties or prospects for exploration, mining and development. Factors beyond the control of the Corporation may affect the marketability of any minerals mined or discovered by the Corporation.

Resource Exploration and Development Involves a High Degree Of Risk

Resource exploration is a speculative business and involves a high degree of risk. There is no known body of commercial ore on the Property. There is no certainty that any expenditure made by the Corporation in the exploration of the Property or otherwise will result in discoveries of commercial quantities of minerals. The marketability of natural resources which may be acquired or discovered by the Corporation will be affected by numerous factors beyond the control of the Corporation. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Corporation not receiving any or an adequate return on invested capital.

Exploration on the Property may not commence within the time frames anticipated, if at all, and there can be no assurance that any exploration on the Property will ultimately meet forecasts or targets.

Additional Funds for Future Exploration and Development, Dilution

As a mineral exploration company, the Corporation does not generate cash flow from its activities and it must rely primarily on issuances of its securities or the borrowing of funds to finance its operations. The exploration and development of the Property and any future acquisitions will require substantial funds beyond those it has and there is no assurance that such additional funds will be available to the Corporation on commercially reasonable terms or in sufficient amounts to allow the Corporation to continue to pursue its objectives. The inability of the Corporation to raise further funds, whether through additional equity issuances or by other means, could result in delays or the indefinite postponement of planned exploration, development or production activities or, in certain circumstances, the loss of some or all of its property interests or cessation of all exploration, development and mining activities. The occurrence of any of these events could have a material adverse effect upon the Corporation and the value of its securities. If additional financing is raised by the issuance of additional Shares from the treasury of Corporation, holders of Common Shares previously issued by Corporation will suffer immediate dilution and Corporation may experience a change of control.

Lag Time Between Discovery and Production of Mineral Resources

The Corporation is unable to predict the amount of time which may elapse between the date when any new mineral resource may be discovered and the date when production, if any, will commence from any such discovery.

Infrastructure Requirements

Exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. Unusual or infrequent weather phenomena, terrorism, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Corporation's operations, financial condition and results of operations.

Title To The Corporation's Properties or Interests May Be Disputed

Title to and the area of resource concessions may be disputed. There is no guarantee of title to the Property or any other property acquired in the future. The properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. Title may be based upon interpretation of laws, which laws may be ambiguous, inconsistently applied and subject to reinterpretation or change. The Corporation has not definitively surveyed the boundaries of any of the Property and consequently the boundaries of the properties may be disputed. The Corporation may be unable to operate the Property as permitted or to enforce its rights with respect to the Property. The Corporation may not be able to register rights and interests it acquires against title to the Property. An inability to register such rights and interests may limit or severely restrict the Corporation's ability to enforce such acquired rights and interests against third parties or may render certain agreements entered into by the Corporation invalid, unenforceable, uneconomic, unsatisfied or ambiguous, the effect of which may cause financial results yielded to differ materially from those anticipated.

Aboriginal Land Claims and Aboriginal Rights

The Property may in the future be the subject of aboriginal peoples' land claims or aboriginal rights claims. The legal basis of an aboriginal land claim and aboriginal rights is a matter of considerable legal complexity and the impact of the assertion of such a claim, or the possible effect of a settlement of such claim upon the Corporation cannot be predicted with any degree of certainty at this time. In addition, no assurance can be given that any recognition of aboriginal rights or claims whether by way of a negotiated settlement or by judicial pronouncement (or through the grant of an injunction prohibiting mineral exploration or mining activity pending resolution of any such claim) would not delay or even prevent the Corporation's exploration, development or mining activities.

Risks Associated With The Corporation's Activities May Not Be Insurable

The Corporation's business is subject to a number of risks and hazards and no assurance can be given that insurance to cover the risks to which the Corporation's activities will be subject will be available at all or at commercially reasonable premiums. The Corporation expects to maintain insurance within ranges of coverage which it believes to be consistent with industry practice for companies of a similar stage of development. The Corporation expects to carry liability insurance with respect to its mineral exploration operations, but is not currently covered by any form of political risk insurance or any form of environmental liability insurance, since insurance against political risks and environmental risks (including liability for pollution) or other hazards resulting from exploration and development activities is prohibitively expensive. The payment of any such liabilities would reduce the funds available to the Corporation. If the Corporation is unable to fully fund the cost of remedying an environmental problem, it might be required to suspend operations or enter into costly interim compliance measures pending completion of a permanent remedy.

The Corporation Has No History Of Operations, Earnings Or Dividends

The Corporation was incorporated on may 31, 2010 and has no history of earnings or of a return on investment, and there is no assurance that it will generate earnings, operate profitably or provide a return on investment in the future. The Corporation has no plans to pay dividends. The future dividend policy of the Corporation will be determined by the Board.

Fluctuation Of Mineral Prices May Adversely Affect The Corporation's Financial Results

The Corporation's revenues, if any, are expected to be in large part derived from the extraction and sale of base and precious metals. The price of those commodities has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Corporation's control including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors on the price of base and precious metals, and therefore the economic viability of any of the Corporation's exploration projects, cannot accurately be predicted.

Statutory And Regulatory Compliance Is Complex and May Result In Delay Or Curtailment of The Corporation's Operations

The current and future operations of the Corporation and any parties which may carry out exploration, development and mining activities on properties (including the Property) in which the Corporation holds an interest ("**Partners**"), will be governed by laws and regulations governing mineral concession acquisition, prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in exploration activities often experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. The Corporation will apply for all necessary permits for the exploration work it intends to conduct, however such permits are, as a practical matter, subject to the discretion of government authorities and there can be no assurance that the Corporation will be successful in obtaining or maintaining such permits. Further, there can be no assurance that all permits which the Corporation or its Partners may require for future exploration or development will be obtainable on reasonable terms or on a timely basis, or that such laws and regulations would not have an adverse effect on any project which the Corporation may undertake or in which it has an interest. Failure to comply with applicable laws, regulations and permits may result in enforcement actions thereunder, including the forfeiture of claims, orders issued by regulatory or judicial authorities requiring operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or costly remedial actions. The Corporation may be required to compensate those suffering loss or damage by reason of its mineral exploration activities and may have civil or criminal fines or penalties imposed for violations of such laws, regulations and permits. The Corporation is not currently covered by any form of environmental liability insurance. See "Risks Associated With The Corporation's Activities May Not Be Insurable", above. Existing and possible future laws, regulations and permits governing operations and activities of exploration companies, or more stringent implementation thereof, including but not limited to changes in the laws or future laws of Canada, could have a material adverse impact on the Corporation and cause increases in capital expenditures or require abandonment or delays in exploration, development and operation of mineral properties (including the Properties) in which the Corporation has an interest.

The Corporation Depends on Key Management and Employees

Recruiting and retaining qualified personnel is critical to the Corporation's success. The number of persons skilled in acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As the Corporation's business activity grows, the Corporation will require additional key financial, administrative and mining personnel as well as additional operations staff. There can be no assurance that the Corporation will be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increase. If the Corporation is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on the Corporation's future cash flows, earnings, results of operations and financial condition.

Shortages of Supplies

The Corporation may be adversely affected by shortages of critical supplies or equipment required to operate the business of the Corporation. Any shortage of critical supplies or equipment will affect the timeliness of the development of the Corporation and its business.

Estimates of Mineral Resources

There are numerous uncertainties inherent in estimating ore reserves and mineral resources. The accuracy of any reserve or resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Fluctuations in precious or base metal prices, results of drilling, metallurgical testing, and production and the evaluation of mine plans subsequent to the date of any estimate may require revision of such estimate. The volume and grade of reserves mined and processed and recovery rates may not be the same as anticipated. In addition, there can be no assurance that precious or base metal recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. Any material reductions in estimates of ore reserves and mineral resources could eventually have a material adverse effect on the Corporation's results of operations and financial condition.

Market Perception

Market perception of junior exploration, development and mining companies may shift such that these companies are viewed less favourably. This factor could impact the value of potential investors' holdings and the Corporation's ability to raise further funds by issue of additional securities or debt.

Environmental Factors

All phases of the Corporation's operations are subject to environmental regulation in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Corporation's operations. The Corporation's operations are subject to environmental regulations promulgated by various government agencies from time to time. Violation of existing or future environmental rules may result in various fines and penalties.

In addition to the foregoing, exploration and mining operations involve a potential risk of releases to soil, surface water and groundwater of metals, chemicals, fuels, liquids having acidic properties and other contaminants. In recent years, regulatory requirements and improved technology have significantly reduced those risks. However, those risks have not been eliminated, and the risk of environmental contamination from present and past exploration or mining activities exists for mining companies. The Corporation may be liable for environmental contamination and natural resource damages relating to the properties (including the Property) that they currently own or operate or at which environmental contamination occurred while or before they owned or operated the properties (including the Property). However, no assurance can be given that potential liabilities for such contamination or damages caused by past activities at the properties of the Corporation do not exist. To the best of the Corporation's knowledge, the Corporation is not currently in violation of any environmental laws, rules or regulations.

The Corporation's Shares, if Listed on a Stock Exchange, May Experience Price Volatility

Securities markets have a high level of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Factors unrelated to the financial performance or prospects of the Corporation include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. The Corporation's Share price (if the Shares are listed on a stock exchange) financial condition and results of operations are all also likely to be significantly affected by short term changes in speculative prices. There can be no assurance that continual fluctuations in metal prices will not occur. As a result of any of these factors, the market price of the Shares at any given point in time may not accurately reflect the Corporation's long-term value.

Substantial Number of Authorized but Unissued Shares

The Corporation is authorized to issue an unlimited number of Shares which may be issued by the Board without further action or approval of the Shareholders. While the Board is required to fulfill its fiduciary obligations in connection with the issuance of such Shares, the Shares may be issued in transactions with which not all Shareholders agree, and the issuance of such Shares will cause dilution to the ownership interests of the Shareholders.

Conflicts of Interest

Certain directors and officers of the Corporation are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. The directors of the Corporation are required by law to act honestly and in good faith with a view to the best interests of the Corporation and to disclose any interest which they may have in any project or opportunity of the Corporation. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter in accordance with the CBCA.

LEGAL PROCEEDINGS

There are no legal proceedings involving the Corporation or its assets as of the date of this Prospectus which management of the Corporation believes to be material to the Corporation, nor are any such proceedings known by the Corporation to be contemplated.

AUDITOR, LEGAL COUNSEL AND REGISTRAR AND TRANSFER AGENT

The Auditor of the Corporation is Jim M. Smith, Chartered Accountant Inc. of 240 Main St., Box 580, Winkler, Manitoba, R6W 4A7.

The primary legal counsel for the Corporation is Gardiner Roberts LLP, Suite 3100, 40 King Street West, Toronto, Ontario M5H 3Y2.

The registrar and transfer agent for the Common Shares is Capital Transfer Agency Inc., through its head office at 105 Adelaide Street West, Suite 105, M5H 1P9, with phone number 416-350-5007.

CONFLICTS OF INTEREST

There are potential conflicts of interest to which the directors, officers and promoters of the Corporation may be subject, from time to time, with respect to the operations of the Corporation. Certain of the Directors do, and other of the Directors may, serve as directors and/or officers of other companies or have significant shareholdings in other companies. Certain of the Directors do, and other of the Directors may, be engaged to provide professional services to other Companies whose interests may be contrary to that of Telferscot. Situations may arise where the directors, officers and promoters of the Corporation will be engaged in direct competition with the Corporation. Any conflicts of interest will be subject to and governed by the laws applicable to directors' and officers' conflicts of interest.

EXPERTS

The following persons or companies whose profession or business gives authority to a statement made by the person or company are named in the prospectus as having prepared or certified a part of that document or a report of valuation described in the prospectus:

1. Daniel A. Beauchamp, an independent consulting geologist and "Qualified Person" as defined in National Instrument 43-101 Standards of Disclosure for Mineral Projects, is the author responsible for the preparation of the Independent Report.

2. The audited financial statements of the Corporation included with this prospectus have been subject to audit by Jim M. Smith, Chartered Accountant Inc. and his audit report is included herein.

Based on information provided by the relevant persons in 1 and 2 above, none of such persons or companies has received or will receive the following direct or indirect interests in the property of the Corporation or has any beneficial ownership, direct or indirect, of securities of the Corporation.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in several Canadian provinces provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages where the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of his or her territory. The purchaser should refer to any applicable provisions of the securities legislation of his or her province or territory for the particulars of these rights or consult with a legal advisor.

EXEMPTIONS FROM CERTAIN DISCLOSURE REQUIREMENTS

The Corporation has obtained relief from Section 32.2 of Form 41-101F1, as prescribed by National Instrument 41-101 in respect of carve out financial statements of Exploratus with respect to the Stephens Lake Property. The Issuer acquired the Stephens Lake Property from Exploratus on June 28, 2010. The Stephens Lake Property might be considered the primary business of the Corporation pursuant to Section 32.1(b) of Form 41-101F1 which would require the Corporation to provide three years of carve out financial statements of Exploratus with respect to the Stephens Lake Property. The Corporation has obtained relief from the requirement to include audited carve our financial statements for Exploratus with respect to the Stephens Lake Property for the years ended March 31, 2010, 2009 and 2008 on the basis that:

(a) Exploratus has not conducted any exploration on the Stephens Lake Property since its acquisition and no exploration expenditures have been incurred and therefore there would be no exploration expenditures or capitalized exploration assets presented in such financial statements;

(b) There are no liabilities, contingent liabilities or asset retirement obligations that would have been recorded or disclosed on the balance sheet or in the notes to the financial statements for the three years of carve out financial statements of Exploratus with respect to the Stephens Lake Property;

(c) There are no liabilities, contingent liabilities or asset retirement obligations that are recorded or disclosed on the balance sheet or in the notes to the financial statements of Exploratus for the periods ended March 31, 2008, March 31, 2009 and March 31, 2010 in respect of the Stephens Lake Property; and

(d) The Corporation has conducted satisfactory due diligence to determine that there are no liabilities present on the Stephens Lake Property including confirmation by the Corporation that there are no liens or encumbrances registered against the Stephens Lake Property.

As the carve out financial statements would be nil statements, no additional information would be provided to shareholders of the corporation by including such statements. The Corporation has been advised by staff of the Ontario Securities Commission that the issuance of a receipt for the final prospectus will evidence the granting of this relief.

FINANCIAL STATEMENTS

Audited financial statements for the Company for the period from incorporation to December 31, 2010 are included in this prospectus as **Appendix "A"**.

Jim M. Smith
chartered accountant inc.

(204) 452-7931
Winnipeg, MB
(Wednesdays)

Telephone: 204-325-8033
Fax: 204-325-5357
Toll Free: 1-888-783-4040
jsmithca@mts.net
Winkler, MB

AUDITOR'S CONSENT

I have read the prospectus of Telferscot Resources Inc. (the Corporation) dated April 11, 2011. I have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

I consent to the inclusion in the above-mentioned prospectus of my report to the shareholders of the Corporation on the balance sheet of the Corporation as at December 31, 2010 and the statements of operations and deficit and cash flows for the period then ended. My report is dated March 17, 2011.

Jim Smith

CHARTERED ACCOUNTANT INC.

Winnipeg, MB
April 11, 2011

APPENDIX "A"

FINANCIAL STATEMENTS

TELFERSCOT RESOURCES INC.
(An Exploration Stage Company)

Financial Statements

Seven Month Period Ended December 31, 2010

TELFERSCOT RESOURCES INC.
(An Exploration Stage Company)

Index to Financial Statements

Seven Month Period Ended December 31, 2010

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Telferscot Resources Inc.

I have audited the accompanying financial statements of Telferscot Resources Inc., which comprise the balance sheet as at December 31, 2010, and the statements of operations and deficit and cash flows for the seven month period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

(continues)

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Independent Auditor's Report to the Shareholders of Telferscot Resources Inc. *(continued)*

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Telferscot Resources Inc. as at December 31, 2010, and its financial performance and its cash flows for the period then ended in accordance with Canadian generally accepted accounting principles.

Emphasis of Matter

Without qualifying my opinion, I draw attention to note 1 in the financial statements which indicates that the Company incurred a net loss of $68,183 for the seven month period ended December 31, 2010 and, as of that date, has no source of operating cash flow. These conditions along with other matters as set forth in note 1 indicate the existence of a material uncertainty that may cast doubt about the Company's ability to continue as a going concern.

Winnipeg, Manitoba
March 17, 2011

CHARTERED ACCOUNTANT

TELFERSCOT RESOURCES INC.
(An Exploration Stage Company)

Balance Sheet

December 31, 2010

		2010
ASSETS		
CURRENT		
Cash	$	204,604
Cash in trust *(Note 3)*		637,446
Sales tax receivable		7,429
		849,479
RESOURCE PROPERTY *(Note 4)*		32,223
	$	881,702
LIABILITIES		
CURRENT		
Accounts payable	$	22,419
Prepaid share subscriptions *(Note 3)*		98,466
		120,885
SHAREHOLDERS' EQUITY		
Share capital *(Note 5a)*		813,000
Contributed surplus *(Note 5d)*		16,000
Deficit		(68,183)
		760,817
	$	881,702

APPROVED BY THE BOARD

"Stephen Coates"
_____________________ *Director*

"Gerry Gravina"
_____________________ *Director*

See notes to financial statements

Jim M. Smith Chartered Accountant Inc.

TELFERSCOT RESOURCES INC.
(An Exploration Stage Company)

Statement of Operations and Deficit

Seven Month Period Ended December 31, 2010

EXPLORATION EXPENSES		
General *(Note 2f)*	$	18,273
ADMINISTRATIVE EXPENSES		
Audit		11,950
Consulting		10,000
Legal		22,679
Management support and rent *(Note 7)*		3,500
Office and miscellaneous		1,781
		49,910
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD		(68,183)
RETAINED EARNINGS - BEGINNING OF PERIOD		-
DEFICIT - END OF PERIOD	$	(68,183)
Basic and diluted loss per common share	$	(0.005)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		12,139,000

See notes to financial statements

TELFERSCOT RESOURCES INC.
(An Exploration Stage Company)

Statement of Cash Flows

Seven Month Period Ended December 31, 2010

OPERATING ACTIVITIES		
Loss and comprehensive loss for the period	$	(68,183)
Changes in non-cash working capital:		
Increase in accounts payable		22,419
Increase in sales tax recoverable		(7,429)
Increase in prepaid share subscriptions		98,466
		113,456
Cash flow from operating activities		45,273
INVESTING ACTIVITY		
Investment in resource property		(2,223)
FINANCING ACTIVITY		
Issuance of share capital and warrants		799,000
INCREASE IN CASH FLOW		842,050
Cash - beginning of period		-
CASH - END OF PERIOD	$	842,050
CASH CONSISTS OF:		
Cash	$	204,604
Cash in trust		637,446
	$	842,050

1. NATURE OF OPERATIONS AND GOING CONCERN ASSUMPTION

The Company is incorporated under the Canada Business Corporations Act and is engaged in the acquisition and exploration of resource properties. The Company has yet to determine whether its resource property contains mineral reserves that are economically recoverable.

The recoverability of the amount shown for the Company's resource property is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete development of the property, and future profitable production or proceeds from the disposition thereof.

These financial statements have been prepared using Canadian generally accepted accounting principals applicable to a going concern. Accordingly they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements. Such adjustments could be material.

As at December 31, 2010 the Company has no source of operating cash flow and has an accumulated deficit of $68,183. Operations for the period have been funded from the issue of share capital. Net loss for the seven month period was $68,183.

The Company's ability to continue operations is dependent on its ability to obtain additional financing. Although there are no assurances that management's plan will be realized, management believes the Company will be able to secure the necessary financing to continue operations into the future.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Accounting principles and currency

These financial statements have been prepared using accounting policies in compliance with Canadian generally accepted accounting principals (GAAP). Figures are expressed in Canadian dollars, as it is the primary financial currency in which transactions are undertaken.

b) Accounting estimates

The preparation of financial statements in accordance with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

(continues)

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

c) Financial instruments

All financial instruments are required to be measured at fair value on initial recognition, except for certain related party transactions. Measurement in subsequent periods depends on whether the financial instrument has been classified as held-for-trading, available for sale, held to maturity, loans and receivables, or other liabilities. Transactions to purchase or sell financial assets are recorded on the settlement date.

Financial assets and financial liabilities classified as held-for-trading are subsequently measured at fair value with gains and losses recognized in net earnings. Financial assets classified as held-to-maturity, loans and receivables, and other liabilities are subsequently measured at their amortized cost, using the effective interest method. Available-for-sale financial assets are subsequently measured at fair value with unrealized gains and losses recognized in other comprehensive income until the financial asset is derecognized. Investments in equity instruments are classified as available-for-sale if they do not have a quoted market price in an active market and are measured at cost.

Net gains and losses arising from changes in fair value of loans and receivables, held-to-maturity investments, and other liabilities are recognized in net income upon derecognition or impairment. The Company does not reclassify a financial instrument into or out of the held-for-trading category while it is held or issued, except in rare circumstances.

Derivative instruments are recorded at fair value including those derivatives that are embedded in a financial instrument or other contract but are not closely related to the host financial instrument or contract, respectively. Changes in the fair values of derivative instruments are recognized in net earnings, except for derivatives that are designated as cash flow hedges, in which case the fair value change for the effective portion of such hedging relationships are recognized in other comprehensive income. The Company presently does not have any derivative financial instruments.

The Company has designated its accounts payable as other liabilities, which are reflected on the balance sheet at fair value given the short time period until payment. Cash has been designated as held-for-trading, and is reflected on the balance sheet at fair value.

Transaction costs are expensed as incurred for financial instruments classified or designated as held-for-trading. For other financial instruments, transaction costs are added to the related financial asset or liability on initial recognition and are measured at amortized cost using the effective interest method. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability.

The Company assesses impairment of all its financial assets, except those classified as held-for-trading. Management considers whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. Impairment is measured as the difference between the asset's carrying value and its fair value. Impairment is included in current earnings.

(continues)

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

d) Fair value

The fair value of a financial instrument is the amount of consideration that could be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no obligation to act. In certain circumstances, however, the initial fair value may be based on other observable current market transactions in the same instrument, without modification or on a valuation technique using market based inputs.

Fair value measurements recognized in the balance sheet are categorized using a fair value hierarchy that reflects the significance of inputs used in determining the fair values:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobserved inputs) (Level 3).

Each type of fair value is categorized based on the lowest level input that is significant to the fair value measurement in its entirety.

e) Resource properties

i) Acquisition costs relating to resource properties, including the costs of staking the properties, are capitalized. If the properties are brought into production, the costs are amortized over the estimated life of the ore body to which they relate. If the properties are abandoned or sold or management determines that a property has no economic value the costs are written off in the year the determination is made. The amount shown for the Company's resource property represents historical costs to date and does not necessarily reflect present or future values.

ii) Impairment

The Company's resource property is reviewed for indications of impairment at each balance sheet date. If indication of impairment exists, the property's recoverable amount is estimated. As of December 31, 2010 no indications of impairment existed for the Company's resource property.

f) Exploration expenses

Exploration expenses - general include all exploration costs not directly related to the acquisition of resource properties and are expensed in the year incurred until a property reaches the development stage. Once a property reaches the development stage, subsequent exploration costs and the costs to develop the property are capitalized.

(continues)

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

g) Earnings (loss) per share

Basic earnings (loss) per share is calculated using the weighted average number of shares outstanding. The basic weighted average number of shares outstanding during the period was 12,139,000.

Diluted average earnings per share is calculated using the weighted average number of shares that would have been outstanding during the period had all dilutive potential common shares been issued at the beginning of the period or when the underlying options were granted if later. The diluted weighted number of shares outstanding during the period was 18,316,000. In periods when a loss is incurred the calculation of diluted average earnings per share is anti-dilutive and therefore not disclosed.

h) Income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method of tax allocation, future income tax assets and liabilities are determined based on differences between the financial statement carrying values and their respective income tax basis (temporary differences). Future income tax assets and liabilities are measured using the tax rates expected to be in effect when the temporary differences are likely to reverse. The effect on future income tax assets and liabilities of a change in tax rates is included in operations in the period in which the change is enacted or substantially assured. The amount of future income tax assets recognized is limited to the amount of the benefit that is more likely than not to be realized.

i) Share capital

Proceeds from the issue of Units comprised of common shares and warrants are allocated between the common shares and warrants on a pro-rata basis based upon relative fair values. The fair value of common shares is based on the issue price and the fair value of warrants is determined using the Black-Scholes option pricing model.

j) Future changes to significant accounting policies

The CICA Accounting Standards Board has adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards for public companies will be required to converge with International Financial Reporting Standards (IFRS) for fiscal years beginning on or after January 1, 2011 with comparative figures presented on the same basis.

The Company is currently in the process of evaluating the potential impact of IFRS on its financial statements. This will be an ongoing process as the International Accounting Standards Board and the AcSB issue new standards and recommendations. The Company's financial performance and financial position as disclosed in the Company's current GAAP financial statements may be significantly different when presented in accordance with IFRS.

3. CASH IN TRUST

The amount shown as cash in trust represents proceeds from the sale of share subscriptions and prepaid share subscriptions. As of December 31, 2010 the funds were being held by a law firm that provides services to the Company. All of the funds were released to the Company in February, 2011.

4. RESOURCE PROPERTY

Stephens Lake	$	32,223

The Stephens Lake property consists of an exploration license which covers approximately 13,000 hectares at and just north of Stephens Lake, near Gillam, Manitoba. The property was acquired from Exploratus Ltd. in exchange for 2,500,000 common shares valued at 1.2¢ per share ($30,000). Professional fees incurred to transfer the license have been included in the cost of the property. The property is subject to a 0.5% net smelter returns royalty.

At the time of the acquisition, a director of Telferscot was also a director of Exploratus Ltd. In the opinion of management, the transaction occurred at fair value and it has been recorded at the exchange amount.

5. SHARE CAPITAL

a) Authorized:

Unlimited Common voting shares

	No. of shares		Amount
Issued and outstanding:			
Opening balance	-	$	-
Issued for cash - private placements	19,390,000		**799,000**
Value allocated to warrants	-		**(16,000)**
Issued for other consideration (note 4)	2,500,000		**30,000**
Ending balance	21,890,000	$	**813,000**

b) The Company completed a share split on December 17, 2010 which resulted in the issuance of two common shares for every previously issued pre-split share. During the period ended December 31, 2010 the following placements occurred. All references to common shares represent the post-share split shares of the Company.

The Company issued 8,000,000 units at a price of $0.01 per unit. The units were each comprised of one common share of the Company and one warrant to purchase a common share of the Company, exercisable at $0.05 until January 15, 2015.

The Company issued 6,000,000 common shares at a price of $0.03 per share.

The Company issued 5,390,000 common shares at a price of $0.10 per share. Of these shares, 65,000 ($6,500) were not fully paid at December 31, 2010. In addition as of period end, the Company had received funds totalling $104,966 for shares issued subsequent to December 31, 2010. This amount less the $6,500 is shown as prepaid share subscriptions on the balance sheet.

The Company issued 2,500,000 common shares at a value of $30,000 to acquire the mineral exploration license for Stephens Lake (note 4).

(continues)

5. SHARE CAPITAL *(continued)*

c) Warrants

The following table summarizes activity related to warrants.

	Number of warrants	Average exercise price
Balance beginning of period	-	$ -
Issued	8,000,000	0.05
Balance end of period	8,000,000	$ 0.05

Each warrant entitles the holder to purchase one common share. All the warrants expire January 15, 2015.

Fair value for the warrants has been calculated as of July 19, 2010 using the Black-Scholes option-pricing model with the following assumptions.

Risk free rate	3.5%
Expected volatility	67%
Expected life	1640 days
Dividend yield	0%
Number of warrants issued	8,000,000
Fair value per warrant	$ 0.002
Aggregate fair value of warrants	$ 16,000

d) Contributed surplus

Balance beginning of period	$ -
Value allocated to warrants issued in private placements	16,000
Balance end of period	$ 16,000

e) Stock option plan

The Company's shareholders have approved a stock option plan, the purposes of which are to encourage common share ownership in the Company for directors, officers, consultants and employees, to provide additional incentive for superior performance by such individuals and to enable the Company to attract and retain valued directors, officers and employees.

To date no stock options have been granted by the Company.

6. INCOME TAXES

The provision for income tax reflects an effective tax rate which differs from the combined Canadian and provincial corporate tax rates for the following reasons.

Loss for the period	$	**(68,183)**
Combined statutory tax rate		**30.0%**
Income tax expense (recovery) based upon statutory rate	$	**(20,455)**
Less: decrease in recovery resulting from Canadian exploration expense incurred		**5,482**
Less: decrease in recovery resulting from Company being unable to carry back loss and uncertainty that it will generate taxable income in the future (valuation allowance)		**14,973**
Estimated income tax expense (recovery)	$	**-**
Combined statutory rate		**30.0 %**
Tax effect of increase in Canadian exploration expense		**(9.8)**
Tax effect of increase in valuation allowance		**(20.2)**
Average effective tax rate		**- %**

The Company has a non-capital loss carry forward of $49,910 available to reduce future income tax payable. The Company has unused Canadian exploration expenses of $18,273 carried forward to future years. No future income tax benefit relating to these expenses has been included in the financial statements.

7. COMMITMENT

The Company has entered into a contract for management services and office lease costs and is committed to a monthly payment of $3,500 plus applicable taxes for a minimum of six months until May 31, 2011. The contract is with a company that has a similar management group.

8. RISK MANAGEMENT AND FAIR VALUES

Risk management

Consistent with other small entities, management's risk management policies are informal and are typically performed as a part of the overall management of the Company's operations. Management is aware of risks related to the Company's objectives without the use of a formal process but through direct personal involvement with consultants and other parties. Management's close involvement in operations identifies risks and variations from expectations leading to changes in risk management activities and requirements and actions. Management has not entered into hedging transactions to manage risk.

(continues)

8. RISK MANAGEMENT AND FAIR VALUES *(continued)*

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial commitments as they become due. The Company's main source of liquidity is the issuance of capital. The Company ensures that there is sufficient working capital to meet its ongoing current obligations.

The following are the estimated maturities of the Company's financial liabilities from continuing operations:

	Total	2010
Accounts payable	$ 22,419	$ 22,419

Market risk

Market risk is the risk that changes in market prices will have an effect on future cash flows associated with financial instruments. Market risk includes interest rate risk and other price risk.

Interest rate risk

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments, known as interest rate cash flow risk, or on the fair value of other financial instruments, known as interest rate price risk.

Other price risk

Other price risk is the risk that changes in market prices, including commodity or equity prices, will have an effect on future cash flows associated with financial instruments. Fluctuations in commodity prices may influence financial markets and may indirectly affect the Company's ability to raise capital to fund exploration.

Credit risk

Credit risk arises from the possibility that debtors may be unable to fulfill their commitments. For a financial asset, this is typically the gross carrying amount, net of any amounts offset and any impairment losses. As of period end the Company had no trade accounts receivable.

Fair values

The Company's financial instruments included in the balance sheet consist of cash, cash held in trust, accounts receivable - share capital and accounts payable. The fair values of these items approximate their recorded values as of period end due to their short term nature.

Fair value is an estimate of the amount at which items might be exchanged in an arm's length transaction between knowledgeable willing parties who are under no compulsion to act. Fair value should not be interpreted as an amount that could be realized in immediate settlement of the instruments. The estimate of fair value at period end may not represent fair values at any other date. The determination of fair value is also affected by the use of judgment and by uncertainty.

9. MANAGING CAPITAL

The Company's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern and
- to ensure that there are adequate capital resources to sustain operations and fund planned exploration.

The Company's capital of $760,817 consists of share capital, contributed surplus and deficit.

The Company's ability to raise new capital for exploration is the primary controlling factor on the Company's capital and its use. Raising capital almost invariably entails the issuance of new shares, and the Company's ability to do so is, in part, a function of both prices for metals and the International and Canadian capital markets for small cap mineral exploration companies. Negative exploration results can also materially impact the Company's ability to raise new capital.

Consistent with other small businesses, the Company monitors capital from time-to-time using a variety of measures, depending on the circumstances. The monitoring procedures are informal and are typically performed as a part of the overall management of the entity's operations. Management is aware of risks related to these objectives without the use of a formal process but through direct personal involvement with consultants advising the Company and outside parties.

10. COMPARATIVE FIGURES

The Company was incorporated May 31, 2010 and commenced operations during the period; accordingly no comparative figures are available.

11. SUBSEQUENT EVENT

Subsequent to period end the Company issued additional share capital as follows.

Issue date	Number of common shares	Price per share	Aggregate proceeds
January 13, 2011	2,625,000	$ 0.10	$ 262,500
January 14, 2011	700,000	0.10	70,000
January 25, 2011	3,310,000	0.10	331,000
Total	6,635,000		$ 663,500

APPENDIX B

TELFERSCOT RESOURCES INC.

AUDIT COMMITTEE CHARTER

PURPOSE

The overall purpose of the Audit Committee (the "Committee") of the Board of Directors of Telferscot Resources Inc. (the "Corporation") will be to carry out the functions associated with an audit committee of an issuer of the size and nature of the Corporation (as defined below). The purpose of the Committee is to ensure that the Corporation's management has designed and implemented an effective system to review and report on the integrity of the consolidated financial statements, operational and financial risk management and internal controls of the Corporation. The Committee will also review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of material facts with respect to such matters. As part of this mandate, the Committee shall take all necessary steps to ensure compliance by the Corporation with all laws and regulatory policies, rules, regulations and instruments pertaining to audit and financial reporting that are applicable to the Corporation from time to time (the "Applicable Laws").

COMPOSITION, PROCEDURES AND ORGANIZATION

1. The Committee shall consist of not less than two members of the Board of Directors of the Corporation (the "Board"), of whom:

    (a) must meet any independence tests; and

    (b) must satisfy any financial literacy or other competency standards;

set out under Applicable Laws, except as may be allowed under any applicable exemptions provided for under Applicable Laws or any exemption orders obtained from applicable regulatory authorities.

2. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.

3. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair (the "Chairman") from amongst their number.

4. The Secretary of the Corporation shall be the secretary of the Committee, unless otherwise determined by the Committee.

5. The quorum for meetings shall be a majority of the members (the "Members") of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.

6. The Committee shall have access to such officers and employees of the Corporation and of the other consolidated subsidiaries of the Corporation, and to the Corporation's external auditors and to such information respecting the Corporation, as the Committee considers to be necessary or advisable in order to perform its duties and responsibilities.

7. Meetings of the Committee shall be conducted as follows:

(a) the Committee shall meet at least six times annually at such times and at such locations as may be requested by the Chairman. The Corporation's external auditors or any member of the Committee may request a meeting of the Committee;

(b) the Corporation's external auditors shall receive notice of and have the right to attend all meetings of the Committee; and

(c) the Chief Executive Officer and the Chief Financial Officer of the Corporation shall be invited to attend all meetings of the Committee, except executive sessions and private sessions with the external auditors. Other management representatives of the Corporation shall be invited to attend as necessary.

8. The internal auditors of the Corporation (if any) and the external auditors of the Corporation shall have a direct line of communication to the Committee through the Chairman. The Corporation shall require the external auditors of the Corporation to report directly to the Committee. The internal auditor (if any) shall report directly and solely to the Chairman of the Audit Committee.

DUTIES AND RESPONSIBILITIES

9. The overall duties and responsibilities of the Committee shall include:

(a) assisting the Board in the discharge of its responsibilities relating to the Corporation's accounting principles, reporting practices and internal controls and approving the Corporation's annual and quarterly consolidated financial statements;

(b) establishing and maintaining a direct line of communication with the Corporation's internal (if any) and external auditors and assessing their performance;

(c) ensuring that the management of the Corporation has designed, implemented and is maintaining an effective system of internal controls for the Corporation; and

(d) reporting regularly to the Board on the fulfilment of the duties and responsibilities of the Committee.

10. The duties and responsibilities of the Committee as they relate to the external auditors shall include:

(a) recommending to the Board a firm of external auditors to be engaged by the Corporation;

(b) reviewing and approving the fee, scope and timing of the audit and other related services rendered by the external auditors;

(c) overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management of the Corporation and the external auditor regarding financial reporting;

(d) reviewing the audit plan of the external auditors prior to the commencement of the audit;

(e) reviewing with the external auditors, upon completion of their audit:

(i) contents of their report;

(ii) scope and quality of the audit work performed;

(iii) adequacy of the Corporation's financial and auditing personnel;

(iv) co-operation received from the Corporation's personnel during the audit;

(v) internal resources used;

(vi) significant transactions outside of the normal business of the Corporation; and

(vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems.

(f) pre-approving all, non-audit services to be provided to the Corporation by the Corporation's external auditor in accordance with Applicable Laws.

11. The Committee shall hold meetings with the external auditors at least once a year without the presence of management of the Corporation prior the approval of the audited annual financial statements of the Corporation and at such other times as determined necessary or appropriate by the Committee.

12. The duties and responsibilities of the Committee as they relate to the Corporation's internal auditors (if any) shall include:

(a) periodically reviewing the internal audit function with respect to the organization, staffing and effectiveness of the internal audit department;

(b) reviewing and approving the internal audit plan; and

(c) reviewing significant internal audit findings and recommendations, and management's response thereto.

13. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Corporation are to:

(a) ensure adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and periodically assess the adequacy of those procedures;

(b) review the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;

(c) review compliance with any business conduct policy that the Corporation may put in place and periodically review this policy and recommend to the Board changes which the Committee may deem appropriate;

(d) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Corporation; and

(e) periodically review the Corporation's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.

14. The Committee is also charged with the responsibility to:

(a) review and approve the Corporation's financial statements (annual and interim) and MD&A (annual and interim) as well as the financial sections of prospectuses and other public reports requiring approval by the Board before such documents are publicly disclosed by the Corporation;

(b) review regulatory filings and decisions as they relate to the Corporation's consolidated financial statements;

(c) review the minutes of any audit committee meeting of associated companies, partnerships or trusts;

(d) review with management, the external auditors and if necessary with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material affect upon the financial position or operating results of the Corporation and the manner in which such matters have been disclosed in the consolidated financial statements;

(e) establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters;

(f) establish procedures for the confidential, anonymous submission by employees of the Corporation or any other consolidated subsidiary of the Corporation of concerns regarding questionable accounting or auditing matters,

(g) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation; and

(h) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board following each annual general meeting of shareholders.

15. The Committee has the authority:

(a) to engage independent counsel and other advisors as it determines necessary to carry out its duties; and

(b) to set and pay the compensation for any advisors employed by the Committee.

APPENDIX "C"

CERTIFICATE OF THE CORPORATION

Dated: April 11, 2011

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of Alberta, British Columbia, Manitoba and Ontario.

(signed) "James Garcelon", Chief Executive Officer

(signed) "Jeff Lowe", Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) "Stephen Coates", Director

(signed) "Gerry Gravina", Director

CERTIFICATE OF THE PROMOTER JAMES GARCELON

Dated: April 11, 2011

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of Alberta, British Columbia, Manitoba and Ontario.

(signed) "James Garcelon"

CERTIFICATE OF THE PROMOTER EXPLORATUS LTD.

Dated: April 11, 2011

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of Alberta, British Columbia, Manitoba and Ontario.

ON BEHALF OF EXPLORATUS LTD.

(signed) "S. Mark Francis", Chief Executive Officer