This Prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. ***No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.***

*The securities may not be sold until a receipt for the Prospectus is obtained from the securities regulatory authorities. The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws, and except pursuant to an exemption from registration under the U.S. Securities Act and applicable state securities laws, may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. Person (as that term is defined in Regulation S under the U.S. Securities Act). This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States.*

PROSPECTUS

May 13, 2011

Initial Public Offering

KARIANA RESOURCES INC.

1075 West Georgia Street, Suite 1980
Vancouver, BC, V6E 3C9
Telephone: 604 688 9588

Minimum Distribution
3,000,000 Common Shares at a price of $0.20 per Common Share
$600,000

KARIANA RESOURCES INC. (the "**Company**" or "**Kariana**") hereby offers for sale, through its agent, Canaccord Genuity Corp. (the "**Agent**"), on a commercially reasonable efforts basis to the public in the Provinces of British Columbia, Alberta and Ontario 3,000,000 common shares of the Company (the "**Shares**") at a price of $0.20 per Share for total gross proceeds of $600,000 (the "**Offering**") . The completion of the Offering will take place on a day (the "**Closing Day**") as agreed to by the Company and the Agent.

	No. of Shares	Price to Public(1)	Agent's Commission(2)	Net Proceeds to the Company(3)
Per Share	1	$0.20	N/A	$0.20
Total Offering(3)	3,000,000	$600,000	N/A	$600,000

Notes:

(1) The price of the Shares has been determined by the Company in negotiation with the Agent in compliance with the applicable policies of the Canadian National Stock Exchange (the "**Exchange**").

(2) The Agent will receive a commission (the "**Agent's Commission**") of 10% of the gross proceeds of the Offering, payable in Shares, at a deemed price of $0.20 per Share (the "**Agent's Shares**"), and non-transferable share purchase warrants (the "**Agent's Warrants**") equal in number to 10% of the aggregate number of Shares sold under this Offering. Each Agent's Warrant will entitle the Agent to purchase one Share at the price of $0.20 per Share, for a period of 24 months from the Closing Day. The Agent will also receive a corporate finance fee (the "**Corporate Finance Fee**") in the amount of $30,000 and 50,000 Shares, at a deemed price of $0.20 per Share ("**Corporate Finance Fee Shares**") upon closing. National Instrument 41-101 *General Prospectus Requirements* adopted by the Canadian Securities Administrators ("**NI 41-101**") restricts the number of securities issued to an Agent as compensation which may be qualified under a prospectus ("**Qualified Compensation Securities**"), to a maximum of 10% of Shares sold pursuant to the Offering. For the purposes of this Offering, any combination of the following, totalling 300,000 securities, are Qualified Compensation Securities and are qualified for distribution by this Prospectus: (a) up to 300,000 Agent's Shares; (b) up to 300,000 Agent's Warrants; and (c) up to 50,000 Corporate Finance Fee Shares. Those securities that the Agent is entitled to receive exceeding 10% of the Offering will not be Qualified Compensation Securities, will not be qualified for distribution under this Prospectus and will be subject to a hold period in accordance with applicable securities laws.

(3) Before deduction of the balance of the expenses of the Offering estimated to be $95,969 and assuming completion of the Offering in full. See "*Use of Proceeds*".

There is currently no market through which the Shares may be sold and purchasers may not be able to resell securities purchased under this prospectus. This may affect the pricing of the Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Shares, and the extent of issuer regulation. See "*Risk Factors*".

The Exchange has conditionally approved the listing of the Shares being offered under this prospectus on the Exchange. The listing is subject to the Company fulfilling all of the listing requirements of the Exchange including prescribed distribution and financial requirements.

As at the date of this prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

The Agent conditionally offers the Shares qualified hereunder, on a "commercially reasonable efforts" basis, subject to prior sale, if, as and when issued by the Company and accepted by the Agent in accordance with the conditions contained in the Agency Agreement referred to under "*Plan of Distribution*". The closing of the Offering is subject to the Company obtaining subscriptions for the full amount of the Offering. If the Offering is not completed within 90 days of the issuance of a receipt for the final prospectus, or within 90 days of the date of a receipt for an amendment to the final prospectus provided that no more than 180 days have passed since the date of receipt for the final prospectus, the distribution must cease unless an amendment is filed and receipted.

The offering price of the Shares offered for sale hereunder was determined by negotiation between the Company and the Agent in compliance with the applicable policies of the Exchange.

AN INVESTMENT IN SHARES SHOULD BE CONSIDERED SPECULATIVE DUE TO THE NATURE OF THE BUSINESS OF THE COMPANY, ITS PRESENT STAGE OF DEVELOPMENT AND OTHER RISK FACTORS. INVESTORS SHOULD NOT INVEST ANY FUNDS IN THIS OFFERING UNLESS THEY CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT. INVESTORS MUST BE WILLING TO RELY ON THE ABILITY, EXPERTISE, JUDGMENT AND DISCRETION OF THE MANAGEMENT OF THE COMPANY. SEE "RISK FACTORS".

The following table sets out securities issuable to the Agent:

Agent's Position[1]	**Maximum size or number of securities available**	**Exercise period or acquisition date**	**Exercise price or average acquisition price**
Over-allotment Option	N/A	N/A	N/A
Agent's Shares	300,000 Shares	On the Closing Day	$0.20
Agent's Warrants	300,000 Warrants	24 months from the Closing Day	$0.20
Corporate Finance Fee Shares	50,000 Shares	On the Closing Day	$0.20
Any other option granted by the Company or insider of the Company to Agent	N/A	N/A	N/A
Total securities under option issuable to the Agent	650,000 Securities	On the Closing Day (for the Agent's Shares and the Corporate Finance Shares) and 24 months from the Closing Day (for the Agent's Warrants)	$0.20
Other compensation securities issuable to the	N/A	N/A	N/A

Agent's Position(1)	Maximum size or number of securities available	Exercise period or acquisition date	Exercise price or average acquisition price
Agent			

Notes:

(1) In addition to the 3,000,000 Shares offered hereunder, this prospectus also qualifies the Qualified Compensation Securities.

Two of the persons providing a certificate under part 5 of National Instrument 41-101 General Prospectus Requirements or other securities legislation reside outside of Canada. Although the individuals, Christian Klingebiel and Bastian Stein, have appointed Baron Global Financial Canada Ltd. of 1075 West Georgia Street, Suite 1980, Vancouver, BC, V6E 3C9 as their agent for service of process in British Columbia, it may not be possible for investors to enforce judgments obtained in Canada against Mr. Klingebiel and Mr. Stein.

Unless otherwise noted, all currency amounts in this prospectus are stated in Canadian dollars.

Certain legal matters relating to the Offering have been reviewed on behalf of the Company by McMillan LLP of Vancouver, British Columbia, and on behalf of the Agent by Miller Thomson LLP, of Vancouver, British Columbia.

NO PERSON IS AUTHORIZED BY THE COMPANY OR THE AGENT TO PROVIDE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE ISSUE AND SALE OF THE SECURITIES OFFERED PURSUANT TO THIS PROSPECTUS.

AGENT:

Canaccord Genuity Corp.
2200-609 Granville Street,
Vancouver, BC, V7Y 1H2
Telephone: 604 643 7300
Facsimile: 604 643 7606

TABLE OF CONTENTS

GLOSSARY OF GENERAL TERMS **1**

GLOSSARY OF GEOLOGICAL TERMS **4**

CONVERSION 6

SUMMARY OF PROSPECTUS **8**

THE COMPANY 8
PRINCIPAL PROPERTY 8
THE OFFERING 8
AGENT'S COMPENSATION 8
RISK FACTORS 9
DIRECTORS AND OFFICERS 9
SUMMARY OF FINANCIAL INFORMATION 9

CAUTION REGARDING FORWARD-LOOKING STATEMENTS **10**

CORPORATE STRUCTURE **11**

NAME, ADDRESS AND INCORPORATION 11
INTERCORPORATE RELATIONSHIPS 11

DESCRIPTION OF THE BUSINESS **11**

DESCRIPTION AND HISTORY 11
OPTION TO ACQUIRE SOUTH BAIRD PROPERTY 11
DESCRIPTION OF SOUTH BAIRD PROPERTY AND SUMMARY OF TECHNICAL REPORT 12
Property, Location and Ownership *12*
Accessibility, Climate, Local Resources, Infrastructure and Physiography *14*
History of Work *15*
Geological Setting *17*
Property Geology *20*
Deposit Types and Geological Models *23*
Mineralization *30*
Exploration *30*
Drilling *30*
Sampling Method and Approach *30*
Preparation, Analyses and Security *30*
Quality Control *31*
Data Verification *32*
Adjacent Properties *32*
Mineral Processing and Metallurgical Testing *33*
Mineral Resource and Mineral Reserve Estimates *33*
Interpretation and Conclusions *33*
Recommendations *33*
Budget: Recommended Field Surveys *34*

USE OF PROCEEDS **34**

PROCEEDS 34
FUNDS AVAILABLE 35
PRINCIPAL PURPOSES 35
STATED BUSINESS OBJECTIVES AND MILESTONES 35

DIVIDENDS OR DISTRIBUTIONS **35**

SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS.....36

FINANCIAL INFORMATION 36
MANAGEMENT'S DISCUSSION AND ANALYSIS....................36
Overall Performance....................36
Selected Results....................36
Results of Operations....................37
Liquidity and Capital Resources....................37
Off Balance Sheet Transactions....................38
Critical Accounting Estimates....................38
Financial Instruments....................38
International Financial Reporting Standards....................38
Other MD&A Requirements....................40

DESCRIPTION OF SECURITIES DISTRIBUTED....................40

SHARES....................40
MODIFICATION OF TERMS....................41

CONSOLIDATED CAPITALIZATION....................41

OPTIONS TO PURCHASE SECURITIES....................41

SUMMARY OF STOCK OPTION PLAN....................41
STOCK OPTIONS....................41

PRIOR SALES....................42

ESCROWED SECURITIES AND SECURITIES SUBJECT TO RESALE RESTRICTIONS....................42

ESCROWED SECURITIES....................42
SHARES SUBJECT TO RESALE RESTRICTIONS....................44

PRINCIPAL SECURITYHOLDERS....................44

DIRECTORS AND EXECUTIVE OFFICERS....................44

NAME, OCCUPATION AND SECURITY HOLDING....................44
CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS....................45
Corporate Cease Trade Orders and Bankruptcies....................45
Penalties or Sanctions....................46
Personal Bankruptcies....................46
CONFLICTS OF INTEREST....................46
MANAGEMENT OF THE COMPANY....................46
Herrick Lau, Chief Executive Officer and Director....................46
Denise Lok, Chief Financial Officer and Corporate Secretary....................48
Lawrence Dick, Director....................48
Christian Klingebiel, Director....................50
Bastian Stein, Director....................50
David Velisek, Director....................50

EXECUTIVE COMPENSATION....................51

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS....................51

AUDIT COMMITTEE....................52

COMPOSITION OF THE AUDIT COMMITTEE....................52
Relevant Education and Experience....................52
Audit Committee Oversight....................52
Reliance on Certain Exemptions....................53

Pre-Approval Policies and Procedures......53
External Auditor Service Fees (By Category)......53
Venture Issuers Exemption......54

CORPORATE GOVERNANCE......**54**

PLAN OF DISTRIBUTION......**56**

THE OFFERING......56
AGENCY AGREEMENT......56
LISTING OF COMMON SHARES......57

RISK FACTORS......**57**

Additional Financing......58
Management......58
Nature of Mineral Exploration and Mining......58
Mineral Deposits and Production Costs; Metal Prices......58
Exploration and Development Risks......59
Dependence on Key Individuals......59
Conflicts of Interest......59
Permits and Licenses......59
Environmental Factors......60
Unknown Environmental Risks for Past Activities......60
Competition......60
Political Regulatory Risks......60
Other Regulatory Requirements......60
Limited Business History......61
No Assurance of Title to Property......61
Insurance......61
Substantial number of authorized but unissued shares......61
Dividends......61
Dilution......61
Resale of Shares......62
Potential Adverse Tax Consequences......62

PROMOTERS......**62**

LEGAL PROCEEDINGS AND REGULATORY ACTIONS......**62**

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS......**62**

RELATIONSHIP BETWEEN THE COMPANY AND THE AGENT......**63**

AUDITORS, TRANSFER AGENTS AND REGISTRARS......**63**

MATERIAL CONTRACTS......**63**

EXPERTS......**63**

ELIGIBILITY FOR INVESTMENT AND TAX CONSEQUENCES......**64**

INTERESTS OF EXPERTS......**64**

OTHER MATERIAL FACTS......**64**

RIGHTS OF WITHDRAWAL AND RESCISSION......**65**

LIST OF EXEMPTIONS....................65

FINANCIAL STATEMENTS....................65

SCHEDULE A....................A-1
FINANCIAL STATEMENTS....................F-1
CERTIFICATE OF THE COMPANY....................C-1
CERTIFICATE OF THE PROMOTER....................C-2
CERTIFICATE OF THE AGENT....................C-3

GLOSSARY OF GENERAL TERMS

The following is a glossary of certain general terms used in this prospectus:

Agency Agreement	The agency agreement dated May 13, 2011 between the Company and the Agent.
Agent	Canaccord Genuity Corp.
Agent's Commission	The commission payable to the Agent upon closing of the Offering pursuant to the Agency Agreement, comprising 10% of the gross proceeds of the Offering, payable in Shares and non-transferable share purchase warrants equal in number to 10% of the aggregate number of Shares sold under this Offering.
Agent's Shares	The Shares to be issued to the Agent comprising part of the Agent's Commission, being 10% of the gross proceeds of the Offering.
Agent's Warrants	The non-transferable share purchase warrants to be granted to the Agent comprising part of the Agent's Commission for the purchase of 300,000 Shares, being 10% of the aggregate number of Shares sold pursuant to the Offering. Each Agent's Warrant will entitle the Agent to purchase one Share at the price of $0.20 per Share, for a period of 24 months from the Closing Day.
Board	The Company's board of directors.
Closing Day	The date on which the Offering is completed.
Company	Kariana Resources Inc.
Corporate Finance Fee	The fee of $30,000 in cash and 50,000 Shares to the Agent pursuant to the Agency Agreement.
Corporate Finance Fee Shares	The 50,000 Shares to be issued to the Agent as part of the Corporate Finance Fee.
Escrow Agent	Olympia Trust Company.
Escrow Agreement	The escrow agreement dated May 10, 2011 among the Company, the Escrow Agent and certain shareholders of the Company.
Exchange	The Canadian National Stock Exchange, also referred to as the CNSX.
Final Receipt	The written confirmation of the acceptance for filing of the final prospectus received from the British Columbia Securities Commission.
Listing Date	The date of listing of the Shares on the Exchange.
Net Smelter Returns	The net amount of money received by the Company from the sale of ore, or ore concentrates of other products from South Baird Property to a smelter or other ore buyer after deduction of the total of the following: (a) smelter and refining charge; (b) government imposed production and ad valorem taxes (excluding taxes on incomes); (c) ore treatment charges, penalties and any and all charges made by the purchaser of ore or concentrates;

(d) any and all transportation and insurance costs which may be incurred in connection with the transportation of ore or concentrates; and

(e) all umpire charges which the purchaser may be required to pay.

NI 41-101 National Instrument 41-101 *General Prospectus Requirements* adopted by the Canadian Securities Administrators.

NI 43-101 National Instrument 43-101 *Standards of Disclosure for Mineral Properties* adopted by the Canadian Securities Administrators.

NI 45-102 National Instrument 45-102 *Resale of Securities* adopted by the Canadian Securities Administrators.

NP 46-201 National Policy 46-201 *Escrow for Initial Public Offerings* adopted by the Canadian Securities Administrators.

Offering The offering under this prospectus of 3,000,000 Shares, in accordance with the terms of the Agency Agreement.

Option Agreement Means the agreement dated September 21, 2010 between Rubicon Minerals Corporation (controlled by Perry Vern English) and the Company whereby Rubicon Minerals Corporation granted an exclusive option to the Company to acquire an undivided 100% interest in and to the South Baird Property. See *"Description of Business – Option to Acquire South Baird Property"*.

Optionor Means Rubicon Minerals Corporation (controlled by Perry Vern English), a company incorporated pursuant to the laws of Manitoba and the optionor under the Option Agreement.

Plan Means the Company's stock option plan.

Principal Has the meaning given under *"Escrowed Securities and Securities Subject to Resale Restrictions"*.

Qualified Compensation Securities The maximum number of securities issued to the Agent which may be qualified under a prospectus, being 10% of Shares sold pursuant to the Offering.

Royalty or NSR The royalty payable by the Company to Perry Vern English pursuant to the Option Agreement, equal to 2% of Net Smelter Returns. See *"Description of Business – Option to Acquire South Baird Property"*.

Securities Commissions The securities regulatory authorities in each of the Selling Provinces.

Selling Provinces The Provinces of British Columbia, Alberta and Ontario, in which this prospectus has been filed and in which Shares will be offered for sale.

Shares The common shares of the Company.

South Baird Property The mineral property forming the subject of the Technical Report.

Stock Options The incentive stock options to purchase up to 600,000 Shares that are expected to be granted to directors and officers of the Company contemporaneously with the closing of the Offering. See *"Options to Purchase Securities"*.

Technical Report	The report dated October 30, 2010 prepared by Garry Smith, P. Geo, entitled “Technical Report on the South Baird Property”, prepared in accordance with NI 43-101.
TSXV	Means the TSX Venture Exchange.
TSE	Means the Toronto Stock Exchange.

GLOSSARY OF GEOLOGICAL TERMS

The following is a glossary of certain technical terms used in this prospectus:

Ag	The chemical abbreviation for silver.
anomalous	Adjective describing a sample, location or area at which either the concentration of an element or a geophysical measurement is significantly different from (generally higher than) the average background concentrations in an area. Though it may not constitute mineralization, an anomalous sample or area may be used as a guide to the possible location of mineralization.
arsenopyrite	A tin-white or steel-gray orthorhombic mineral. It occurs in crystalline rocks and especially in lead and silver veins; it is the principal ore of arsenic.
assay	Quantitative test of minerals and ore by chemical and/or fire techniques.
Au	The chemical abbreviation for gold.
batholith	A large, generally discordant plutonic mass that has more than 40 square miles (100 km^2) of surface exposure and no known floor. Its formation is believed by most investigators to involve magmatic processes.
biotite	A common rock-forming mineral of the mica group.
chalcopyrite	Constitutes the most important ore of copper.
Cretaceous	A geological period between 66 and 135 million years ago and which identifies the formation date of strata (see Mesozoic).
Cu	The chemical abbreviation for copper.
foliation	A planar arrangement of textural or structural features in any type of rock; especially the planar structure that results from flattening of the constituent grains of a metamorphic rock. The layered structure produced in the ice of a glacier by plastic deformation.
gneiss	A foliated rock formed by regional metamorphism, in which bands or lenticles of granular minerals alternate with bands or lenticles of minerals with flaky or elongate prismatic habit.
grade	The amount of valuable mineralization in each ton of ore, expressed as ounces per ton or grams per tonne (g/t), parts per billion (ppb) or parts per million (ppm) for precious metal and as a percentage by weight (%) or ppm for other metals.
granodiorite	A group of coarse-grained plutonic rocks intermediate in composition between quartz diorite and quartz monzonite, containing quartz, oligoclase or andesine, and potassium feldspar, with biotite, hornblende, or, more rarely, pyroxene, as the mafic components; also, any member of that group; the approximate intrusive equivalent of rhyodacite.
igneous	A rock or mineral that solidified from molten or partly molten material.
intrusion	A body of igneous rock that invades or is emplaced in other rock.
intrusive	A rock formed by the process of emplacement of magma in pre-existing rock.

Jurassic	The second period of the Mesozoic era (after the Triassic and before the Cretaceous), thought to have covered the span of time between 190 and 135 million years ago.
lamprophyre	A group of rocks in which dark minerals occur both as phenocrysts and in the groundmass and light minerals occur in the groundmass.
lithology	The description of rocks, especially in hand specimen and in outcrop, on the basis of such characteristics as color, mineralogic composition and grain size.
lode	A mineral deposit consisting of a zone of veins, veinlets or disseminations.
mafic	Said of an igneous rock composed chiefly of dark, ferromagnesian minerals; also said of those minerals. It is the complement of felsic.
magma	Naturally occurring molten or melted rock material, generated within the earth and capable of intrusion and extrusion and from which igneous rocks are thought to have been derived through solidification and related processes.
Mesozoic	The era of geological time ranging from 225 to 66 million years ago; includes the Triassic, Jurassic and Cretaceous periods.
metamorphism	The mineralogical, chemical, and structural adjustment of solid rocks to physical and chemical conditions imposed at depth below the surface zones of weathering and cementation, which differ from the conditions under which the rocks originated.
Mo	The chemical abbreviation for molybdenum.
molybdenite	The principal ore mineral of molybdenum.
monzonite	A group of plutonic rocks intermediate in composition between syenite and diorite, containing approximately equal amounts of alkali feldspar and plagioclase, little or no quartz, and commonly augite as the main mafic mineral.
muscovite	A common mineral in gneisses and schists, in granites and pegmatites, and in many sedimentary rocks, especially sandstones.
ore	The naturally occurring material from which a mineral or minerals of economic value can be extracted at a reasonable profit.
oligoclase	A mineral common in igneous rocks of intermediate to high silica content.
outcrop	An exposure on the surface of the underlying rock.
Paleozoic	An era of geologic time, from the end of the Precambrian to the beginning of the Mesozoic, or from about 570 to about 225 million years ago.
Pb	The chemical abbreviation for lead.
pegmatite	An exceptionally coarse-grained igneous rock, with interlocking crystals, usually found as irregular dikes, lenses, or veins, especially at the margins of batholiths. Pegmatite represents the last and most hydrous portion of a magma to crystallize and hence contain high concentrations of minerals commonly present only in trace amounts in granitic rocks.

phenocryst One of the relatively large and ordinarily conspicuous crystals of the earliest generation in a porphyritic igneous rock.

ppb Parts per billion.

ppm Parts per million.

Precambrian All geologic time, and its corresponding rocks, before the beginning of Paleozoic; it is equivalent to about 90% of geologic time.

pyrite Pyrite has a brilliant metallic luster and an absence of cleavage, and has been mistaken for gold (which is softer and heavier). Pyrite is the most widespread and abundant of the sulphide minerals and occurs in all kinds of rocks. It is an important ore of sulfur, less so of iron, and is burned in making sulfur dioxide and sulphuric acid; it is rarely mined for its own value, but it is sometimes mined for associated gold, copper and other metals.

pyrrhotite A mineral which is darker and softer than pyrite; it can be associated with pentlandite which may contain as much as 5% nickel.

scheelite A principal ore mineral of tungsten.

sedimentary Rock formed of sediment, as conglomerate, sandstone and shale, formed of fragments of other rock transported from their sources and deposited in water; rocks formed by precipitation from solution as rock salt or gypsum or non-organic secretions of organisms, e.g., most limestone.

sericite A fine-grained sheet-like silicate mineral often formed by hydrothermal alteration.

skarn A type of hydrothermal alteration that overprints carbonates and other calcareous rocks; commonly contains garnet and pyroxene-bearing valueless mineral assemblages, and may be associated with Cu, Mo, Zn, Pb and/or Au mineralization.

stockwork A dense, intersecting network of veins and veinlets. These are often quartz-rich and may contain Cu, Mo, Au or other types of mineralization.

strata A tabular or sheet-like body of sedimentary rock.

ultramafic Said of an igneous rock composed chiefly of mafic minerals.

vein An epigenetic mineral filling of a fault or other fracture, in tabular or sheetlike form, often with associated replacement of the host rock.

VMS Volcanogenic massive sulphide.

Zn The chemical abbreviation for zinc.

Conversion

The following table sets forth certain standard conversions from Standard Imperial units to the International System of units (or metric units).

To Convert From	To	Multiply By
Feet	Metres	0.305
Metres	Feet	3.281

To Convert From	To	Multiply By
Miles	Kilometres	1.609
Kilometres	Miles	0.621
Acres	Hectares	0.405
Grams	Ounces (troy)	0.032
Ounces (troy)	Grams	31.103
Tonnes	Short tons	1.102
Grams per tonne	Ounces (troy) per ton	0.029

SUMMARY OF PROSPECTUS

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus. Unless otherwise noted, all currency amounts are stated in Canadian dollars.

The Company

The Company was incorporated on September 14, 2010 under the name Kariana Resources Inc. pursuant to the *Business Corporations Act* (British Columbia). The Company is engaged in the business of evaluating, acquiring and exploring natural resource properties. See "*Description of the Business*".

Principal Property

Pursuant to the Option Agreement, the Company has the right to acquire an undivided 100% interest in the South Baird Property, an exploration property situated in the Townships of Baird and Heyson in the District of Red Lake Mining in the Province of Ontario. See "*Description of the Business – Description of Property and Summary of Technical Report*".

The Offering

Offering: 3,000,000 Shares at a price of $0.20 per Share. See *"Plan of Distribution"*.

This prospectus also qualifies the grant of the Qualified Compensation Securities. See *"Plan of Distribution"* and *"Risk Factors"*.

Gross Proceeds: $600,000

Available Funds: The gross proceeds to be derived from the sale of the securities offered hereunder, before deduction of the Corporate Finance Fee and the expenses of the Offering, will be $600,000, which when added to the Company's working capital as at April 30, 2011 of approximately $340,056, will total $940,056. See "*Use of Proceeds*".

The available funds will be allocated as follows:

Purpose for which funds are raised	Amount
2011 Exploration Program	$299,850
First anniversary cash payment under the Option Agreement during the next 12 months	$15,000
Administrative expenses of the Company for a period of 12 months	$120,000
Balance of estimated expenses of the Offering (including legal, audit, printing, and listing fees)	$95,969
Corporate Finance Fee	$30,000
Unallocated working capital to fund ongoing operations, activities related to seeking additional mineral properties and for general working capital purposes	$379,237
Total Available Funds:	**$940,056**

See "*Description of the Business - Description of Property and Summary of Technical Report*" and "*Use of Proceeds*".

Agent's Compensation

The Company will, at the closing of the Offering (i) pay to the Agent 10% of the aggregate gross proceeds of the Offering in Agent's Shares (at a deemed price of $0.20 per Share), (ii) issue to the Agent Agent's Warrants equal in number to 10% of the number of Shares sold under the Offering, each such Agent's Warrant entitling the holder to purchase one Share at the price of $0.20 per Share for a period of 24 months from the Closing Day, and (iii) pay to the Agent the Corporate Finance Fee of $30,000 and issue 50,000 Corporate Finance Fee Shares (at a deemed price of $0.20 per Share). The Company has paid a deposit of $15,000 to the Agent to be applied towards the estimated legal and ancillary costs of the Agent in connection with the Offering.

Risk Factors

The success of the Company's business is subject to a number of factors, including risks normally encountered in the mining industry such as operating hazards and risks, exploration risks, increasing environmental regulation, competition with companies having greater resources, lack of operating cash flow, foreign currency fluctuations and other factors.

The South Baird Property is the Company's sole property and is in the exploration phase. If the exploration programs to be carried out do not justify further exploration work, the Company may take the decision to abandon its entire interest in the South Baird Property and write off the exploration expenses incurred. The South Baird Property is not known to contain, and the Company does not provide any assurances that the South Baird Property does contain, a body of commercial ore, and the Company's planned work programs will be exploratory in nature.

The price of base and precious metals has fluctuated widely and therefore the economic viability of the South Baird Property cannot be accurately predicted.

See "*Risk Factors*" for greater detail of these and other risk factors.

Directors and Officers

Herrick Lau	Chief Executive Officer and Director
Denise Lok	Chief Financial Officer and Corporate Secretary
Lawrence Dick	Director
Christian Klingebiel	Director
Bastian Stein	Director
David Velisek	Director

See "*Directors and Executive Officers*".

Summary of Financial Information

Prior to the Offering, the Company raised $415,000 from the sale of Shares for cash in a series of seed capital financings. Please see "*Prior Sales*". As reflected in the audited balance sheet as at December 31, 2010, the Company had expended a total of $46,357 in mineral properties as at that date, all of which was paid in connection with the acquisition and exploration of the South Baird Property.

During the period from incorporation on September 14, 2010 to December 31, 2010, the Company reported a net loss of $7,716 ($0.002 basic and diluted loss per Share). Expenses during this period include legal fees of $7,500 (including fees for the incorporation and organization of the Company, in connection with the raising of seed capital, and in connection with the acquisition of the Company's interest in the South Baird Property), and bank charges and printing cost of $216. As at December 31, 2010, the Company had total assets of $422,284. The assets were comprised of cash of $360,732, HST receivable of $195, deferred financing costs of $15,000, a mineral interest of $44,500 and deferred exploration expenditures of $1,857.

The audited financial statements for the period from the date of incorporation September 14, 2010 to December 31, 2010 on which the financial information in this prospectus is based, together with the auditors' report thereon, are attached hereto and form a part hereof. See "*Financial Statements*".

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this prospectus constitute forward-looking statements. The use of any of the words "**anticipate**", "**continue**", "**estimate**", "**expect**", "**may**", "**will**", "**project**", "**should**", "**believe**" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in, or incorporated by reference into, this Prospectus should not be unduly relied upon. These statements are current only as of the date of this prospectus or as of the date specified in the documents incorporated by reference into this prospectus, as the case may be.

In particular, this prospectus contains forward-looking statements pertaining to the following:

- proposed expenditures under "Use of Proceeds";
- capital expenditure programs;
- projections of market prices and costs;
- expectations regarding the ability to raise capital; and
- treatment under governmental regulatory regimes.

Actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this prospectus:

- liabilities inherent in our operations;
- uncertainties associated with estimated market demand and sector activity levels;
- competition for, among other things, capital, acquisitions and skilled personnel;
- fluctuations in foreign exchange or interest rates and stock market volatility; and
- the other factors discussed under "*Risk Factors*".

Statements relating to "**reserves**" or "**resources**" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the resources and reserves described can be profitably produced in the future. Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this Prospectus are expressly qualified by this cautionary statement. Except as required under applicable securities laws, the Company does not undertake any obligation to publicly update or revise any forward-looking statements.

The forward-looking information contained in this Prospectus are based on a number of assumptions that may prove to be incorrect, including, but not limited to, assumptions about general business and economic conditions, changes in financial markets generally, our ability to attract and retain skilled staff, and the Company's planned exploration expenditure and capital expenditure program. Although the Company has attempted to identify material 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 in this Prospectus are made as of the date of this Prospectus. 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. The Company does not assume the obligations to update forward-looking statements, except as required by applicable law.

CORPORATE STRUCTURE

Name, Address and Incorporation

Kariana Resources Inc. was incorporated on September 14, 2010 under the *Business Corporations Act* (British Columbia). The head office of the Company is located at 1075 West Georgia Street, Suite 1980, Vancouver, BC, V6E 3C9. The Company's registered and records office is located at 1055 West Georgia Street, Suite 1500, Vancouver, BC V6E 4N7.

The Company is not currently a reporting issuer in any jurisdiction and the Shares are not listed or posted for trading on any stock exchange.

Intercorporate Relationships

The Company has no subsidiaries.

DESCRIPTION OF THE BUSINESS

Description and History

The Company commenced operations in 2010. The Company is engaged in the acquisition, exploration and, if warranted, development of natural resource properties of merit. The Company holds an option to acquire an undivided 100% interest in the South Baird Property pursuant to the Option Agreement. Following completion of the Offering, the Company plans to conduct an exploration program on the South Baird Property.

Option to Acquire South Baird Property

On September 21, 2010, the Company entered into the Option Agreement. To date, the Company has made payments to the Optionor totalling $12,000 pursuant to the Option Agreement.

The following table lists the cash payment, Share issuance and exploration expenditure requirements to be fulfilled by the Company under the Option Agreement in order to acquire the South Baird Property:

Date	Cash	Shares
Year 1		
• on signing of Option Agreement	$12,000 (Paid)	Nil
• within 30 days of completion of the Offering	Nil	100,000
Year 2		
• September 21, 2011	$15,000	Nil
Year 3		
• September 21, 2012	$20,000	Nil
Year 4		
• September 21, 2013	$30,000	Nil

Date	Cash	Shares
Year 5		
• September 21, 2014	$35,000	Nil

Within 30 business days after the commencement of commercial production, the Company is required to pay the Royalty to the Optionor. The Company can purchase 50% of the Royalty (equivalent to 1% of the initial 2% Net Smelter Returns) from the Optionor at any time for $1,000,000 upon or prior to the commencement of commercial production.

During the period from incorporation on September 14, 2010 to December 31, 2010, the Company expended a total of $1,857 in deferred exploration expenses.

The Company entered into a finder's fee agreement dated November 25, 2010 in connection with the acquisition of the South Baird Property. The Company paid a finder's fee in cash of $25,000 and issued 75,000 Shares on December 23, 2010.

Description of South Baird Property and Summary of Technical Report

The South Baird Property is the subject of the Technical Report, which has been filed with the Securities Commissions and is available for review under the Company's profile on the SEDAR database at www.sedar.com. The Technical Report reviews the South Baird Property's geology and historical work, and recommends an initial exploration program in respect of the South Baird Property to be undertaken by the Company. The author of the Technical Report is an independent Qualified Person as defined under NI 43-101.

A copy of the Technical Report may be inspected during the distribution of the Shares being offered under this prospectus at the registered office of the Company during normal business hours, and for 30 days thereafter.

The following disclosure relating to the South Baird Property has been substantially excerpted from the Technical Report and all sources referenced in this section refer to sources more particularly described in the "References" section of the Technical Report.

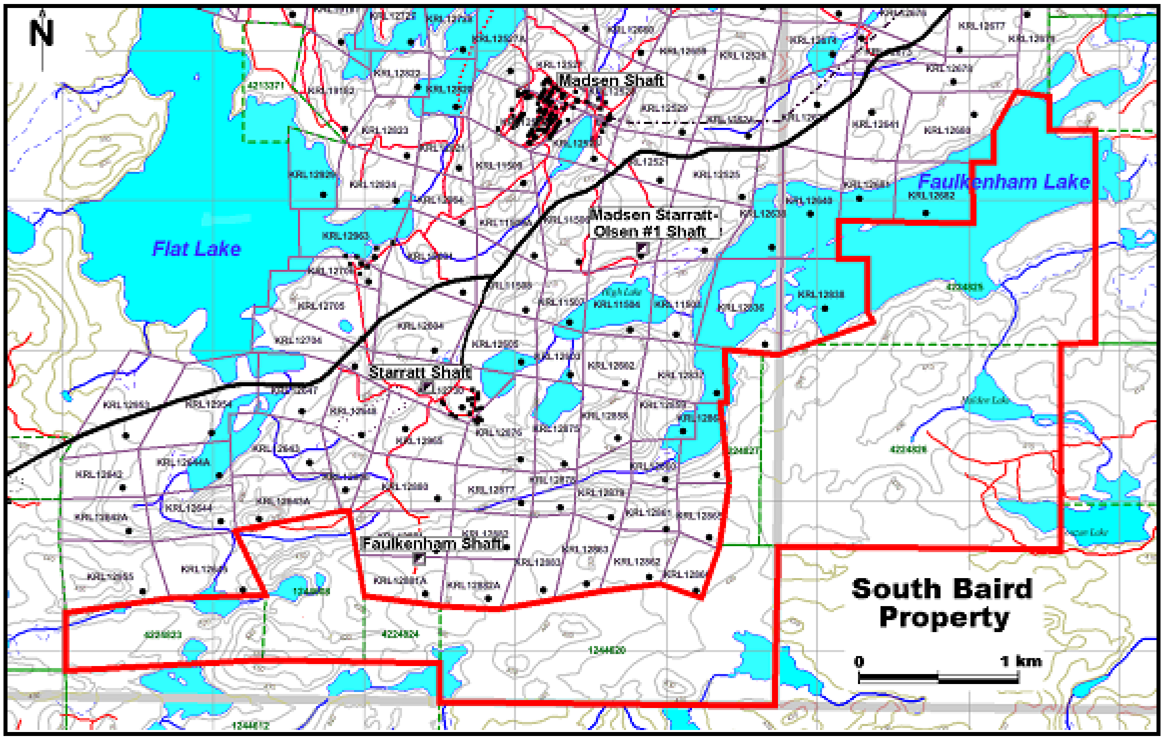
Property, Location and Ownership

The South Baird Property (Figure 1) consists of 7 staked and unpatented mineral claims, totalling 2,120 acres on 53 claim units in Baird and Heyson Townships, Red Lake Mining Division, Red Lake, Ontario (Table 1). Neither these claims nor the property boundary have been surveyed and are presented in this report as they appear on the Ontario Ministry of Northern Development and Mines (MNDM) Mining Claims Information (MCI) Web Site.

The property is located in the Red Lake Greenstone belt, some 8 kilometres west of the town of Red Lake. The Baird Township claim sheet is G-3739 and Heyson Township claim sheet is G-3736. The N.T.S. designators are 52K1 3NW and 52N04SW.

The location of the property is shown in Figure 1.

Figure 1: South Baird Property



The seven staked mineral claims are in good standing until July 25, 2011 at which time $15,200 in work assessment credits will be required to be filed. (Table 1)

Table 1: Staked Mineral Claims

Township	Claim	Units	Acres	Recorded	Due Date	Required	Applied	Reserve	Bank
BAIRD	1244608	4	160	2002-Jul-29	2012-Jul-29	$1,600	$12,800	$106,646	$0
BAIRD	1244620	11	440	2002-Jul-15	2012-Jul-15	$4,400	$35,200	$8,019	$0
BAIRD	4224823	4	160	2008-Jul-25	2011-Jul-25	$1,600	$0	$0	$0
BAIRD	4224824	2	80	2008-Jul-25	2011-Jul-25	$800	$0	$0	$0
HEYSON	4224825	12	480	2008-Jul-25	2011-Jul-25	$4,800	$0	$0	$0
HEYSON	4224826	16	640	2008-Jul-25	2011-Jul-25	$6,400	$0	$0	$0
BAIRD	4224827	4	160	2008-Jul-25	2011-Jul-25	$1,600	$0	$0	$0

The north-western portion of the property can be accessed via a bush road to the west from the old Starratt townsite. A secondary bush road branches to the south-west from Starratt through the northern portion of 1244508. Another branch also trends to the south to the Faulkenham Shaft site, but this is no longer passable due to ditches and swampy sections. Access to the eastern portion of the property is from Faulkenham Lake only.

There are no known environmental liabilities or public hazards associated with the property, and work permits are not required at this time in the Province of Ontario, to perform the work recommended by the Technical Report.

Kariana can acquire a 100% interest in the South Baird Property by maintaining the claims in good standing by applying the requisite assessment work for the duration of the Option Agreement. The first year's work expenditure commitment requires performing a minimum of $21,200 in assessment qualifiable expenses on the property, most on or before July 25, 2011. Kariana is also required to make $112,000 in cash payments over 4 years as noted below. The Optionor will retain a 2% net smelter return royalty (NSR) as noted below.

An Option Agreement provided by the Company and dated September 21, 2010 names PERRY VERN ENGLISH for RUBICON MINERALS CORP. of PO Box 414, Souris, Manitoba R0K 2C0 as the "**Optionor**" and the Company as the "**Optionee**".

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Red Lake is located in northwestern Ontario, 140 kilometres north-northeast of Kenora. The Municipality of Red Lake is serviced by Highway 105, which runs 273 kilometres north from the Trans Canada Highway 17 at Vermillion Bay, Ontario and by scheduled airline and bus service from Kenora, Winnipeg and Thunder Bay. There is a population approaching 5,000 made up of six distinct communities: Red Lake, Balmertown, Cochenour, Madsen, McKenzie Island and Starratt Olsen. Basic exploration services and supplies are available in Red Lake.

The South Baird Property is located in Baird and Heyson Townships, Red Lake Mining Division, approximately eight km west of Red Lake, Ontario. The property can partially be reached via a bush road from the old Starrat Mine and workings, at the west end of the Starratt townsite (Figure 2).

Figure 2

The topography and vegetation of the property consist generally of low, rolling hills less than 50 metres high with occasional steep ridges and valleys covered by black spruce, jackpine, birch and poplar, with several small lakes and minor swamps. The area is covered by glacial till with outcrop common along the prominent ridges (Figure 2).

Northwestern Ontario has a continental climate consisting of warm to hot summers ranging from 20°C to 40°C and cold winters ranging from –15°C to –40°C with frequent snowfalls and moderate to heavy snowfall. Ice conditions necessary for the safe movement of drilling equipment are usually available during late January to late March.

There is no known mineral deposit of economic significance on the South Baird Property. However, the author believes that the property has, should they be required, a sufficiency of surface rights for mining operations, availability and sources of power, water, mining personnel, potential tailings storage areas, potential waste disposal areas, heap leach pad areas and potential processing plant sites.

History of Work

Public work assessment records indicate that a number of companies have explored portions of the South Baird Property dating back to the 1940's. There is no known production from the property, nor any known mineral resources or reserves.

1945: Rogard Mines explored the eastern extension of the New Faulkenham Mine vein structure. Values up to 0.42 opt gold were reported from samples in a series of east to south-east trending quartz veins on claim 1244620.

1951: Childs Red Lake Gold Mines drilled 9 holes totalling 280 metres on claim 1244608 to test the projected west extension of the New Faulkenham Mine vein structure. Pyrrhotite and minor pyrite were noted but no assays were reported.

1963: Dickenson Mines Ltd. drilled 1 hole on what is now claim 1244608 to test the projected west extension of the New Faulkenham Mine vein structure. No assays were reported.

1976: Selco Mining conducted ground magnetic and electromagnetic surveys on claim 1244620. A strongly conductive and magnetic horizon was identified and tested by two drill holes totalling 184 metres. At the contact between mafic volcanics to the north, and felsic tuffs to the south, Hole 220-1-1 assayed 2.1% copper, 0.08 opt gold, 0.09 opt silver, and 0.01% zinc over 3.5 metres. Similar but lower value mineralization of 1.9% copper and 0.03 opt gold over 1.9 metres was encountered in Hole 220-1-2.

1989: Grid Data North conducted an airborne magnetic and VLF-EM survey and identified several geophysical anomalies.

1997: Canadian Mining International Ltd conducted linecutting and magnetometer plus VLF electromagnetic surveys over the central part of the South Baird Property and identified a number of geophysical anomalies.

1999-2001: Ansil Resources Ltd. conducted limited prospecting and a single line of MMI soil geochemistry. Two holes were drilled on claim 1244608 to test the projected west extension of the New Faulkenham Mine Structure. No assays were reported.

2003-2006: Interpretation of Solitaire Minerals (United Bolero Development Corp.) March 2004 Gravity Survey suggested that a number of NW striking faults could be responsible for the termination of gold mineralization of the Starratt-Olsen and Faulkenham Mine trends. It was further postulated that these faults could also be mineralized. 10 drill holes totalling 1,093 metres tested the Faulkenham Mine trend (8 holes) and the VMS copper target (2 holes) previously intersected by the 1976 Selco drilling.

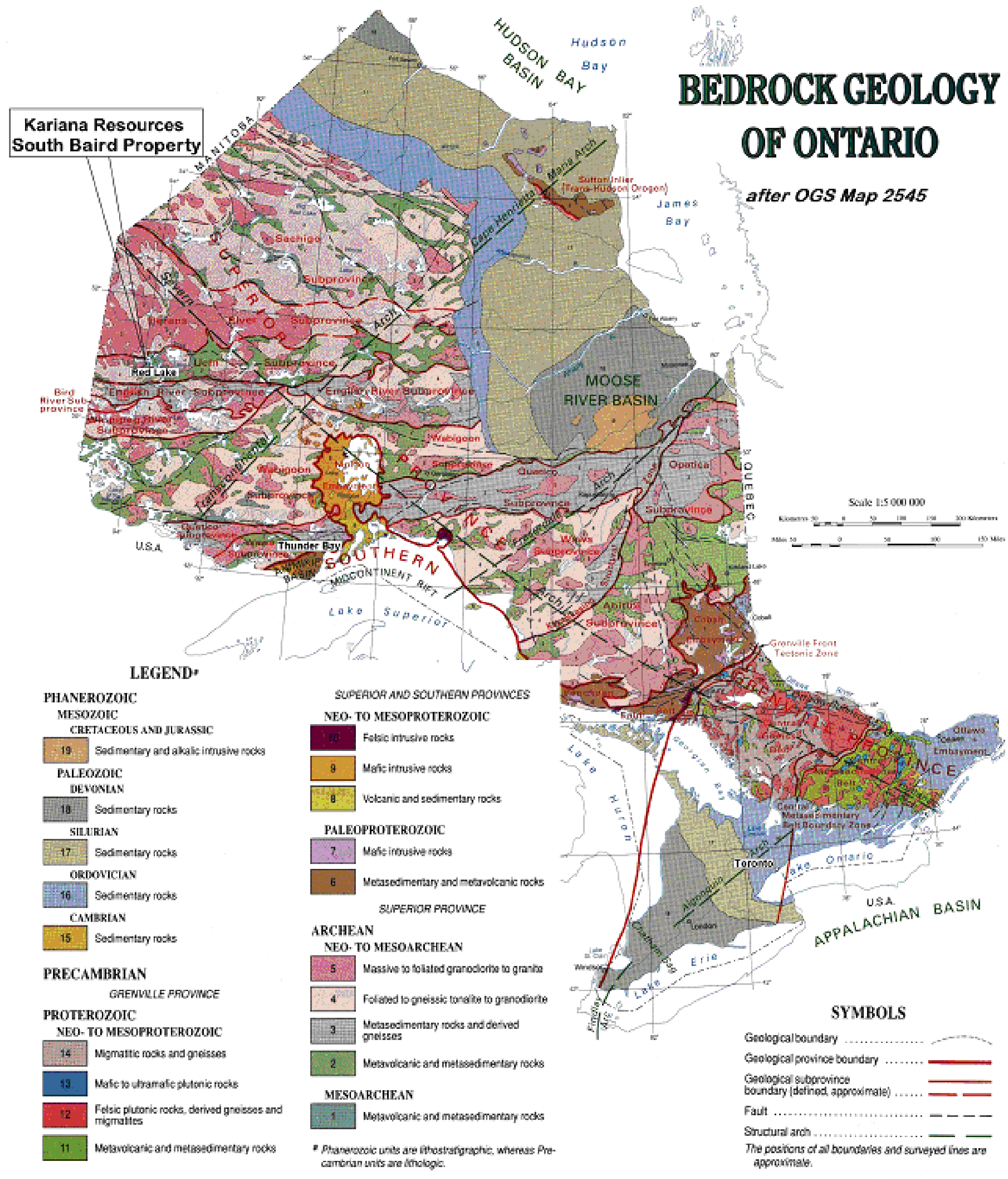
SB-06-03, the northern-most hole into the Faulkenham Mine trend, intersected 6 metres of 0.3 grams gold at 43 metres depth and 2.5 metres of 0.5 grams gold at 80.5 metres depth. These results imply that the trend is not terminated, or significantly off-set, as the Gravity survey had previously postulated.

SB-06-09 and -10 targeted the Selco VMS target. SB-06-09 intersected 10.32 metres of 0.3% copper and 0.3 grams gold (including 1.4% copper and 1.4 grams gold over 1.52 metres) at a depth of 36 metres. SB-06-10 intersected 1.5 metres of 0.4% copper and 0.3 grams gold at a depth of 78.7 metres.

2008-2010: Glory Gold Ltd. conducted a limited rock sampling program across the property from June 24 to July 12, 2010. No outcroppings of the postulated westward extension of the Madsen Mine Trend, nor the Selco drill intersected VMS zone were located, nor was there any core found on the property. No significantly mineralized rocks were reported. Type rocks were collected for general background litho-geochemistry data and for assessment purposes.

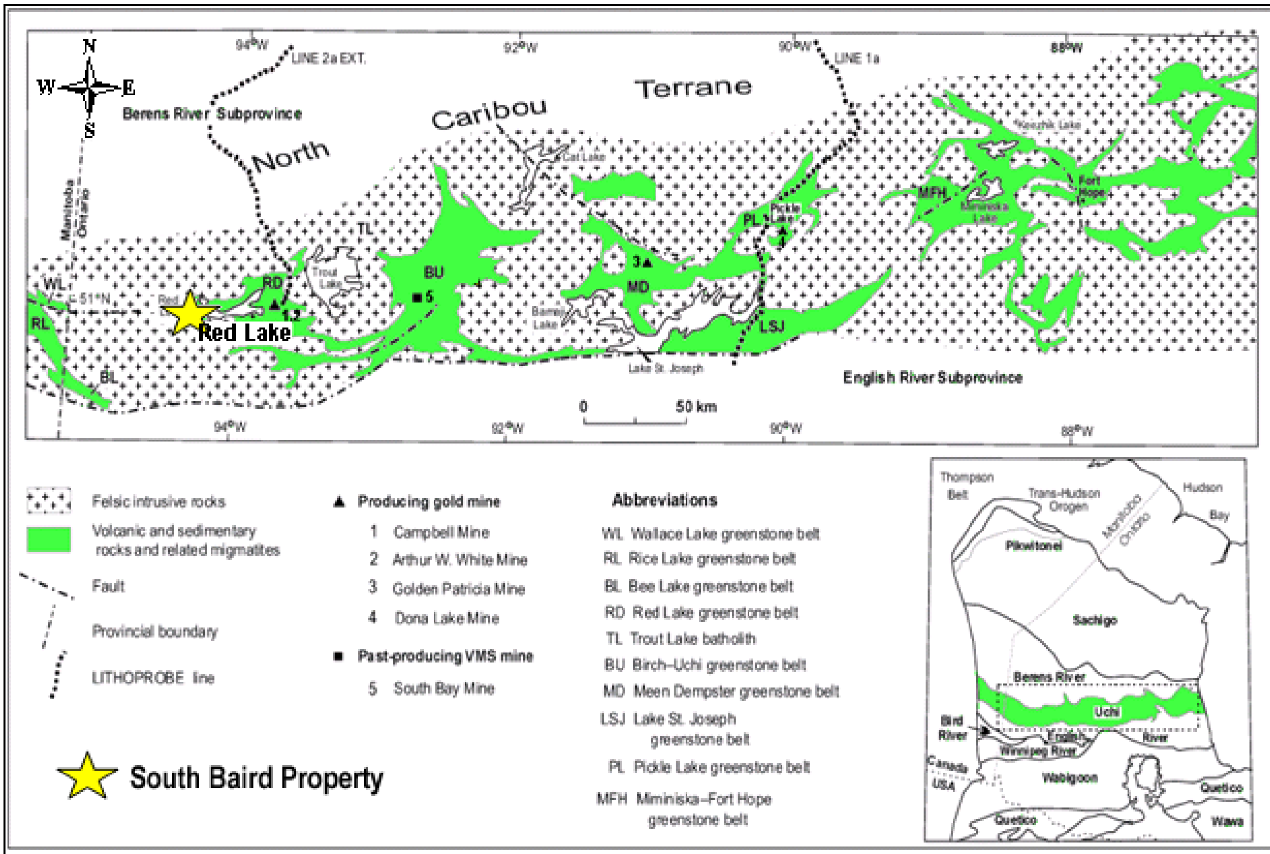
Geological Setting

Figure 3: Bedrock Geology of Ontario



The Northwestern Superior Province (Figure 3) includes the Uchi Subprovince (Figure 4), which is made up of a number of assemblages. These assemblages are in turn made up of local belts. The three belts of the Birch-Uchi portion of the Uchi Subprovince were historically considered to be three successive volcanic cycles (Thurston 1985). Recent structural, geochemical, and geochronological research suggests that the assemblages may have been juxtaposed tectonically (Williams et a1. 1991). The Uchi Subprovince is bounded to the north by the Berens River and Sachigo Subprovinces and to the south by the English River Subprovince.

Figure 4



Greenstone belts and granitic batholiths of the Uchi Subprovince from Stott and Corfu (1991).

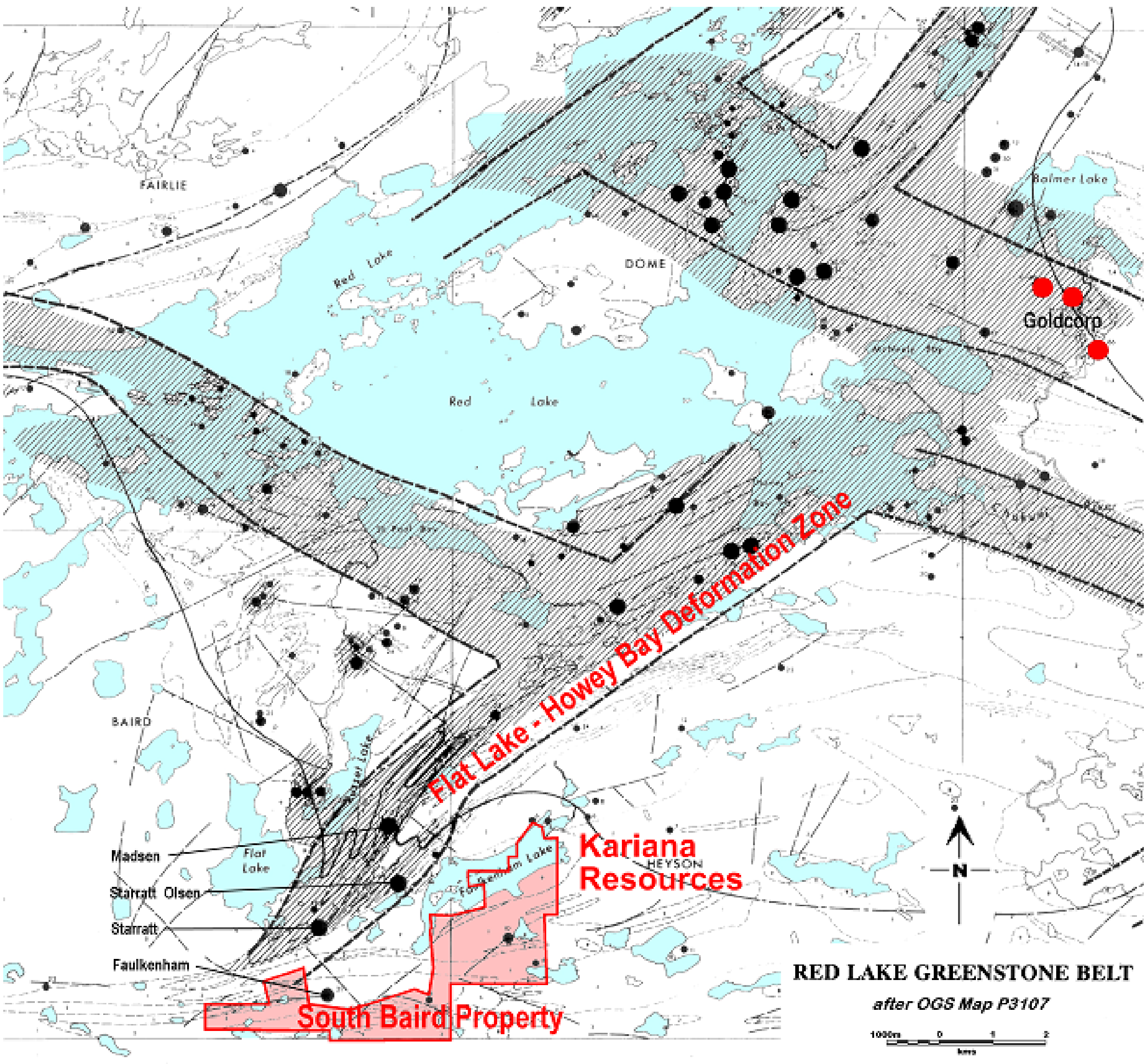
The Red Lake Greenstone Belt (RD in Figure 4) is characterized by thick sequences of Balmer assemblage basaltic flows with a minor komatiitic component overlain by Confederation assemblage mafic to felsic volcanic cycles of predominantly calc-alkaline affinity. The Confederation assemblage is dominated by basaltic to dacitic and rhyolitic bimodal volcanism.

The supracrustal rocks in the Red Lake Greenstone Belt range in age from 2992 Ma in the Balmer assemblage to 2739 Ma in the Confederation assemblage. Late granitic to dioritic intrusives, such as the Killala-Baird Batholith and the Dome Stock, have been dated at 2704 to 2718 Ma, respectively. Dioritic dikes that cut the ore zones in the Austin and McVeigh 'tuffs' have been dated at 2699 Ma which provides a minimum age for the gold mineralization in the area (Corfu and Andrews, 1987).

M. Sanborn-Barrie et al., (2000) describes the Red Lake Belt as a 300 Ma of episodic volcanism, sedimentation, deformation and mineralization. The Balmer assemblage, host to current and past-producing gold mines, consists of tholeiitic and komatiitic lava flows intercalated with 2.98-2.96 Ga felsic volcanic, clastic, and chemical sedimentary rocks. The Confederation assemblage rests unconformably on the Balmer, and consists of basal conglomerate, 2.74

Ga FIII-type rhyolite and tholeiitic basalt with volcanogenic-massive-sulphide (VMS)-style alteration-mineralization, and younger 2.73 Ga calc-alkaline pyroclastic rocks. Polyphase deformation involved pre-Confederation tilting and at least two episodes of post-Confederation deformation folds and fabrics of low to moderate finite strain.

Figure 5: Red Lake Greenstone Belt



All of the significant gold deposits in the Red Lake camp lie within conspicuous zones of strain -deformation. (Colvine et al., 1988) (Figure 5). The Red Lake Greenstone Belt hosts the Flat Lake-Howey Bay Deformation Zone, the Cochenour-Gullrock Lake Deformation Zone, the East Bay Deformation Zone and the Pipestone Bay-St. Pauls Bay Deformation Zone. The deformation zones are characterized by both ductile and brittle deformation with carbonate and quartz-carbonate alteration.

Adjoining the South Baird property, to the north, is the Claude Resources Madsen Property which includes approximately ten kilometres of favourable stratigraphy along the Flat Lake – Howey Bay Deformation Zone trend that hosts three past producing mines: the Madsen, Starratt-Olsen and Buffalo.

Pirie (1981) classifies gold deposits in the camp into three main categories: mafic-¬hosted (Campbell, Dickenson), felsic intrusive-hosted (Cochenour, Mackenzie) and stratabound (Madsen, Starrat-Olsen). In the vicinity of the Madsen mine, the lithologies can be regionally grouped into two major sequences (Durocher, 1983): a lower Balmer tholeiitic-komatiitic sequence and an upper Confederation calc-alkaline sequence.

In 1998, Claude Resources Incorporated acquired Madsen Gold Corp. with lands located immediately north of the South Baird property. Their property produced 2.6 million ounces of gold before being closed in 1976. Prior to Placer Dome terminating their JV with Claude Resources on the Madsen Mine JV project, drilling by Placer Dome discovered significant new gold mineralization approximately 300 metres wide and 1,000 metres in strike. Gold intercepts were reported from folded quartz-iron¬ carbonate-tourmaline veins and from carbonate veinlets and coliform quartz veins hosted in metabasalts.

Placer Dome’s exploration model targeted high-grade gold-bearing quartz structures associated with a mafic-ultramafic contact. B. Dube, et al., (2000) describe the gold mineralization at the Madsen Mine as follows: Madsen is a disseminated stratabound gold deposit of replacement style located at the deformed unconformity between the Balmer and Confederation assemblages. The deposit comprises two main ore horizons (Austin and McVeigh), hosted by altered mafic volcaniclastic rocks and by (massive and pillowed) basalt flows of the Balmer assemblage metamorphosed at amphibolite grade. A banded-laminated inner core of alteration hosts the ore and is surrounded by an aluminum-rich outer alteration. D1 is characterized by a bedding-parallel foliation and D2, the main phase, is characterized by an S2 foliation, local sinistral shearing, and F2 folds. The alteration and mineralization have been deformed by the D2 structures. The deposit is early or Pre-D2 and was formed between 2744 +/- 1 Ma, the age of a quartz-feldspar porphyry, and 2699 +/-4, the age of a post-ore dyke. Madsen shares some features analogous with higher temperature (400 to 600oC) gold deposit, as well as gold skarn hosted by mafic rocks.

Property Geology

The Confederation assemblage in Heyson and Baird townships consists of generally east-northeast-striking, steeply south-dipping, southeast-facing stratigraphy. The dominant fabric is an east-striking, steeply-dipping penetrative foliation. Deformation is relatively weak with large areas of relatively undeformed rocks transected by narrow, east-striking shear zones. East-trending, moderately west-plunging F2 folds with an associated east-striking axial planar foliation are situated in the area northeast of Killoran Lake.

The lowermost portion of the Confederation assemblage is exposed in outcrops at Madsen; at Faulkenham, Snib and Killoran lakes; and immediately south of the highway 105/125 intersection. It is dominated by a succession of tholeiitic felsic metavolcanic rocks consisting of massive and lobe-hyaloclastite rhyolite flows; fine felsic tuff; abundant quartz-feldspar crystal tuff with euhedral to broken crystal shards, pumice and lithic clasts; and coarse tuff breccia and pyroclastic breccia. The felsic metavolcanic rocks are interlayered with thinly bedded wacke and siltstone and massive, tholeiitic, pillowed and amygdaloidal mafic metavolcanic flows. A possible conglomerate is situated within the Confederation assemblage about 25 metres above the Confederation-Balmer assemblage boundary. The conglomerate is clast-supported and strongly garnetiferous with abundant, subrounded to subangular, felsic and mafic metavolcanic clasts; felsic clasts containing abundant andalusite; and some siltstone clasts. The conglomerate is overlain and underlain by a pumice-bearing, felsic, quartz-feldspar crystal tuff.

The South Baird Property is predominantly underlain by rocks of the Confederation assemblage. Stratigraphy strikes westerly and dips sub-vertically. Supracrustal rocks include a sequence of felsic to intermediate volcanic flows, sills and dikes, and mafic volcanic flows (Figure 6).

These supracrustal rocks have been intruded, to the south, and along the eastern property margin by a variety of narrow, conformable felsic to intermediate sills and dykes (with a possible mafic-ultramafic plug along the eastern margin (Selco, 1976)).

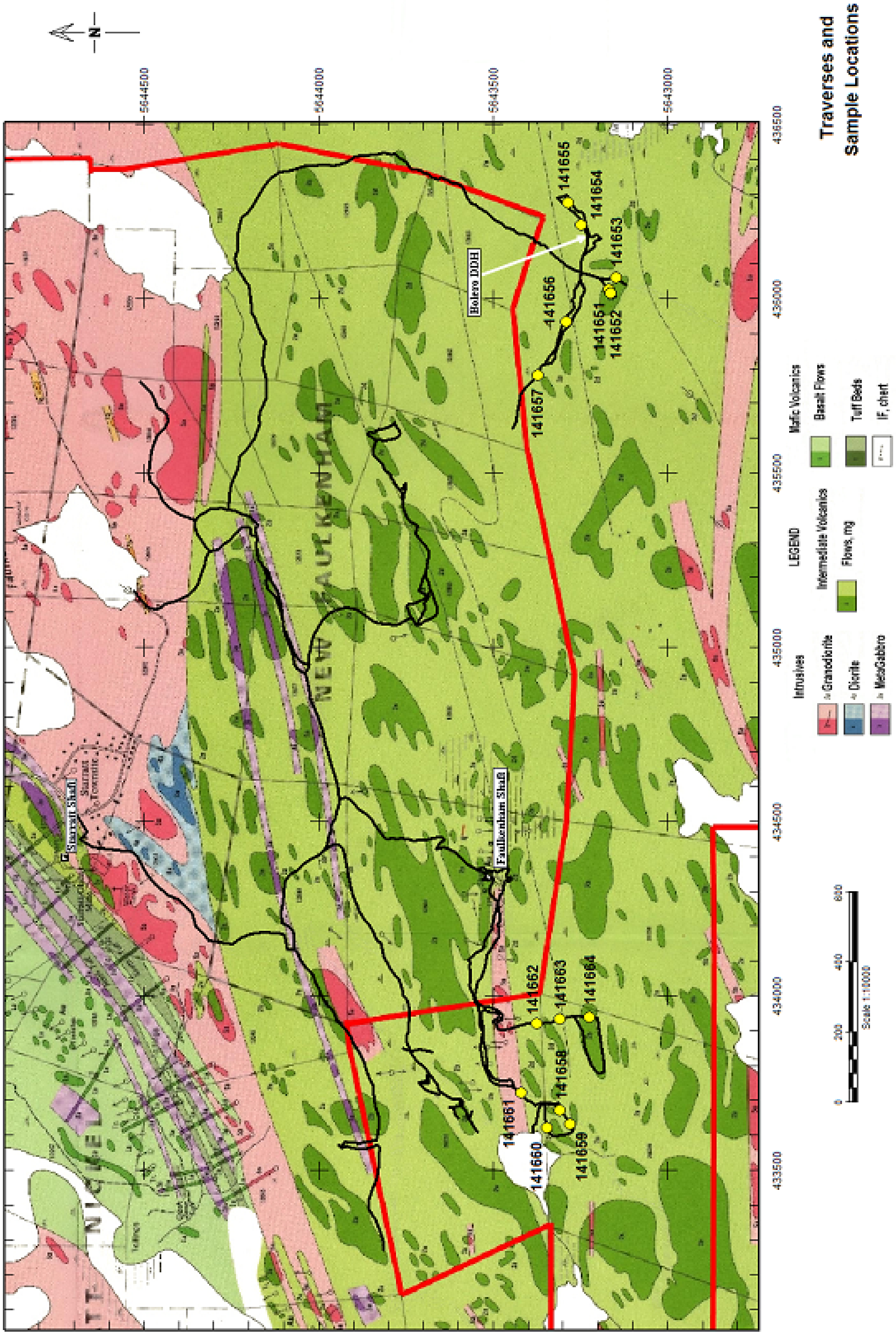
A major NE trending deformation zone known as the Flat Lake – Howey Bay Deformation Zone, or Madsen Mine Trend, has been traced to the northern boundary of the property. This structure hosts the Madsen Mine (2.45 million ounces of gold production) and the past producing Starrat-Olsen Mine (163, 990 ounces).

The New Faulkenham Mine (abandoned) is located 350 metres east of Claim 1244608. It was sunk in to a depth of 700 feet during 1944-5. Gold mineralization is hosted by chalcopyrite, sphalerite and galena bearing quartz veining in sheared intermediate to felsic volcanics, and granite or granodiorite intrusives.

Historic work assessment records suggest that the interpreted westward strike extension of the New Faulkenham Mine Structure onto the South Baird Property has been previously drill tested at shallow depths only by Ansil Resources with two holes totalling 184 metres in 1999; Childs Red Lake Gold Mines with 9 holes totalling 280 metres in 1965; and Dickenson Mines Ltd. with 1 hole in 1963.

The interpreted eastern extension of the New Faulkenham Mine Structure onto the property was explored by Rogard Mines in 1945, who reported gold values up to 0.42 opt in grabs from a series of south-east trending quartz veins on claim 1244620. They also reported an “Iron Dike” just east of the Baird/Heyson Township Line. This appears to be coincident with a strong electromagnetic response (Selco) at the intersection of the interpreted eastern extension of the New Faulkenham Mine Structure, with a possible eastward striking volcanogenic massive sulphide (VMS) horizon bearing copper, gold and minor zinc.

Figure 6: Traverses and Sample Locations



Selco Mining drilled 2 holes totalling 193 metres in 1976 to test the VMS horizon with coincident magnetics. Hole 220-1-1 assayed 2.1% copper, 0.08 opt gold, 0.09 opt silver, and 0.01% zinc over 3.5 metres. Similar but lower value mineralization of 1.9% copper and 0.03 opt gold over 1.9 metres was encountered in Hole 220-1-2.

Solitaire Minerals - United Bolero Development Corp. also drill tested the Faulkenham Mine trend with 8 holes and the VMS copper target with 2 holes. SB-06-03, the northern-most hole into the Faulkenham Mine Trend, intersected 6 metres of 0.3 grams gold at 43 metres depth and 2.5 metres of 0.5 grams gold at 80.5 metres depth implying that the trend is not terminated, or significantly off-set, as the Gravity survey had previously postulated. SB-06-09 and -10 intersected the Selco VMS target. SB-06-09 intersected 10.32 metres of 0.3% copper and 0.3 grams gold (including 1.4% copper and 1.4 grams gold over 1.52 metres) at a depth of 36 metres. SB-06-10 intersected 1.5 metres of 0.4% copper and 0.3 grams gold at a depth of 78.7 metres.

Deposit Types and Geological Models

There are two main mineral targets known on the property: gold and VMS-style base metals. Ontario Geological Survey (OGS) personnel have generated mineral potential models oriented towards the geological environment found in Ontario. These mineral deposit models are mainly intended for use in mineral potential evaluations to classify the mineral deposits within a given area and assist in identifying which deposit types have the potential to occur in a given area.

In addition to these OGS models, recent publications (Dubé et al., 2001) have also stated the importance of carbonate veining, potassic metasomatism and polyphase deformation in the genesis of highly auriferous, silicic replacement orebodies at the High Grade Zone of the Red Lake Mine. This model is also being applied to select areas within the Red Lake, Birch-Uchi and Confederation greenstone belts.

Lode Gold in Quartz Veins

This type may also be known as Mother Lode veins, greenstone gold, Archean lode gold, mesothermal gold-quartz veins, shear-hosted lode gold, low-sulphide gold-quartz veins, or just lode gold.

Archean-aged examples of lode gold deposits are: Hollinger, Dome, McIntyre and Pamour (Timmins camp); Lake Shore (Kirkland Lake camp); Campbell, Madsen (Red Lake camp); Kerr-Addison (Larder Lake camp) in Ontario, Canada); and Lamaque and Sigma (Val d’Or camp) in Quebec, Canada; Granny Smith, Kalgoorlie and Golden Mile in Western Australia; Kolar in Karnataka, India and Blanket-Vubachikwe in Zimbabwe, Africa.

Gold-bearing quartz veins and veinlets, with minor sulphides, are typically localized along major regional faults and related splays are hosted in granite-greenstone belts - mafic, ultramafic (komatiitic) and felsic volcanics, intermediate and felsic intrusive rocks, and greywacke and shale. Wallrock alteration includes elevated silica, pyrite or arsenopyrite, and sericite or muscovite within a broader carbonate alteration halo. The veins usually have sharp contacts with wallrocks and exhibit a variety of textures, including massive, ribboned or banded, and stockworks with anastamosing gashes and dilations.

The Deposits form tabular fissure veins in more competent host lithologies, or veinlets and stringer stockworks in less competent lithologies. A system of en-echelon veins with lower grade bulk-tonnage styles often develop marginal to the veins.

Ore mineralogy can include native gold, pyrite, arsenopyrite, galena, sphalerite, chalcopyrite, pyrrhotite, telluride, scheelite, bismuth, cosalite, tetrahedrite, stibnite, molybdenite, gersdorffite, bismuthimite, or tetradymite. Gangue mineralogy can include quartz, carbonates (ferroan-dolomite, ankerite ferroan-magnesite, calcite, siderite), albite, mariposite (fuchsite), sericite, muscovite, chlorite, tourmaline, or graphite.

Alteration mineralogy is typically silicification, pyritization and potassium metasomatism within a metre adjacent to veins. Broader zones of carbonate alteration, with or without ferroan dolomite veinlets, extend up to tens of metres from the veins. The exploration geochemical suite includes elevated values of Au, Ag, As, Sb, K, Li, Bi, W, Te and B ± (Cd, Cu, Pb, Zn and Hg) in rock and soil, Au in stream sediments.

A magnetic geophysical response might show faults as indicated by linear magnetic features. Associated target areas of alteration, however, would likely be indicated by negative magnetic anomalies due to destruction of magnetite from carbonate alteration.

These deposits are a major source of the world's gold production and account for approximately one quarter of Canada's output. They are the most prolific gold source after the ores of the Witwatersrand Basin.

The original interest in the Madsen area arose from the discovery of visible gold in a quartz vein 750 metres south-east of the present Madsen head frame at High Lake. This style of mineralization is also known as lode gold. The No. 1 Lode Vein is predominantly barren white quartz with tourmaline, minor pyrite and chalcopyrite, and visible gold.

Gold in Quartz-carbonate Veins

The Madsen property to the north of the South Baird property also hosts the recently discovered high-grade, nuggety gold in quartz-carbonate veins referred to as the No. 8 Zone. This environment hosts visible gold in quartz carbonate alteration veining within mafic-ultramafic rocks and is the current focus of exploration on the Madsen Mine property.

The No. 8 Zone is a high grade quartz-carbonate vein, hosted by talc schists that are interpreted to be altered ultramafic rocks. In terms of mineralogy, alteration and host lithologies, the No. 8 Zone is identical to the 'snowbank' veins of the Campbell Mine (Penczak and Mason, 1997). In the Campbell Mine, the snowbank veins are large banded carbonate-quartz veins formed in dilatant zones along warped fault surfaces. A similar structural model has been postulated for the No. 8 Zone.

Stratabound Replacement Gold

Most of the mining at Madsen, however, was done in the Austin and south Austin zones, with lesser production from the McVeigh zone. These zones have been described as tuffs and account for 98% of past production. The following descriptions relate to the alteration and mineralization associated with the Austin and McVeigh tuffs. During Madsen's thirty-eight year operating history, production totalled 7,593,906 tonnes at a grade of 9.91 grams per tonne.

Horwood (1940) described the tuff mineralization as follows:

> *"Ore Bodies - the orebodies are lenses of sheared tuff with sulphide mineralisation. They occur in the tuff band between porphyry dikes on the southeast or hanging-wall side and a talc schist and diorite on the northwest side. Their position appears to be related to rolls or changes in strike of the northwest contact of the quartz porphyry dike. The lenses are arranged at irregular intervals along a strike of N 31° E along or close to the contact of the porphyry dikes. They have an average dip of 70° SE.'*
>
> *'Ore Structures – The force that produced the shear zones in the tuff is believed to have originated with the intrusion of the Faulkenham Lake granite stock. It acted as a thrust which produced a movement to the northeast on the southeast side of the zone, and in addition developed shear zones in the tuff formation on the northwest side of the porphyry dikes. These zones are unusual in that, although their long axis in plan is approximately parallel to the porphyry contact, the actual shearing in the zones is at an angle of 15 or 20 degrees. This unusual arrangement is identical with that at the Hasaga No.2 mine'*
>
> *'The actual orebodies are lenticular masses of mineralized tuff, which plunge at an average angle of 75° E and are arranged in zones with a plunge of 48° E.'*
>
> *'Mineralisation – Two types of mineralisation occur in the tuff formation. The first is an early barren type in which the principal metallic mineral is pyrite. The second…is the later gold-*

> *bearing type. The barren type was produced first. Much of the later shearing action occurred along or close to these relatively massive bodies to provide open spaces for the later mineralisation.*
>
> *The orebodies are irregular zones with variable amounts of shearing and alteration and variable quantities of pyrite, pyrrhotite, arsenopyrite, sphalerite, chalcopyrite, magnetite and gold. Small quartz stringers, commonly with a little visible gold, cut through the sulphide bodies in places.*
>
> *The various sulphides in the ore generally occur as fine to medium sized grains disseminated throughout the mineralized zones. Pyrite is predominant in all the orebodies. Pyrrhotite, arsenopyrite or sphalerite may be the second most abundant sulphide."*

The following excerpts from McIntosh (1948) describe the nature of the porphyry bodies and their relationship with ore bodies:

> *"The rock known as 'sheared feldspar porphyry' is probably the same age as the tuff in which it occurs and is not strictly a porphyry. It is a fine-grained, light grey micaceous, schistose rock. It contains no phenocrysts. It is very thinly banded in places, contains garnets here and there, and is usually sparsely mineralized with fine magnetite and pyrite. …Examination in thin sections shows it to be composed chiefly of recrystallized quartz with lesser amounts of muscovite, chlorite and feldspar."*
>
> *On the 1,100-foot level in the Austin zone, "Considerable widths of fairly high grade ore occur on the offsets of the sheared feldspar porphyry contact. The greatest widths are obtained between the end of the sheared feldspar porphyry masses and the roll in the quartz porphyry contact."*

Recent studies in the Red Lake camp by Dube (2000) describe the Madsen deposit as a stratabound replacement-style disseminated gold deposit. The mineralized 'tuffs' contain ore lenses characterized by two alteration facies, an outer aluminous/calc-silicate and an inner potassic. These facies correspond to Durocher's (1983) strong sodium depletion and potassic enrichment zones.

Gold values are typically associated with the inner potassic alteration zone. Both the Austin and McVeigh ore zones are composite mineralized structures with internal lenses of higher grade material surrounded by discontinuous lower grade mineralization. The Austin (and south Austin) ore zones host internal lenses that are variously assigned the titles footwall, main and hanging-wall to denote their location within the system. Individual ore lenses average a few metres in width and are characterized by a banded, laminated or convoluted aspect. In general, grade increases with increased sulphide content. Pyrite is the dominant sulphide species with subordinate pyrrhotite. Chalcopyrite and arsenopyrite occur in trace amounts. The sulphide content of the ore zones averages 8 10%, with local bands containing up to 30%. Crosscutting veinlets with elevated arsenopyrite commonly return very high assay values over narrow widths.

Work by Ferguson (1965) indicates that most of the gold occurs in the native state as minute inclusions within silicates and as coatings on sulphide minerals. The key signature is Au, Ag, As +/- Cu, Zn and Sb with a gold to silver ratio of 6:1.

The Austin and South Austin zones have an average strike length of 1000 metres including intermittent low grade to barren zones. The zones vary from 1-30 metres in width, have a shallow plunge to the south-east, and a vertical continuity to at least 1200 metres in depth. The McVeigh zone is still being explored.

VMS

The Confederation assemblage underlies the Property and, in the eastern portion of the Belt, hosts the only significant VMS mine and mineral deposits in the area, the abandoned South Bay Mine and Tribute's recent Garnet Lake discovery.

Base-metal massive sulphide deposits are hosted by various volcanic and/or sedimentary rock types. These have been divided into volcanic-associated (VMS), Cyprus-type, Besshi-type, and sedimentary exhalite (Sedex) deposit types. These main types are based upon differences in the host rocks, depositional environments, tectonic settings and some deposit characteristics. They also share many aspects in common and may represent a spectrum of deposit types from VMS to Cyprus-type to Besshi-type to Sedex, from volcanic-dominated to sedimentary-dominated host environments.

Volcanic-Associated Massive Sulphide (Cu-Zn; Zn-Pb-Cu)

Copper-, zinc- and lead-bearing, stratabound to stratiform lenses of massive sulphide in submarine volcanic rocks of typically intermediate to felsic composition. Noranda-type: Cu-Zn; Mattabi-type: Zn-Cu-(Ag); Kuroko-type: Zn-Pb-Cu.

Geological Environment

At the district scale, submarine volcanic assemblages have tholeiitic and/or calc-alkalic affinities. Various associations include bimodal mafic-felsic and intermediate-felsic volcanic successions, and komatiite-tholeiite assemblages with felsic volcanic centres. Intermediate to felsic volcanic rocks are the principal hosts. Subvolcanic intrusions of mafic to felsic composition are common and may be essential features. There are common occurrence of volcaniclastic and epiclastic sedimentary units in the sequence and thin exhalite horizons.

Exhalitive deposition occurs on or beneath the sea floor from high temperature hydrothermal fluids related to the cooling of an evolved magma pile and subvolcanic porphyritic intrusions. Heated seawater is the principal source of the hydrothermal fluids and fluid flow is controlled by fault/fracture systems. There is a common general association with submarine calderas.

At the deposit scale, common rock types may include intermediate to felsic flows; fine to coarse, intermediate to felsic pyroclastic rocks; subvolcanic, equigranular and porphyritic intrusions; subordinate mafic flows and flow breccias; volcanic-derived clastic sedimentary rocks and debris flows; exhalites; and geologic features such as felsic domes.

Archean VMS deposits have been subdivided into two general types:

(1) Noranda-type: Volcanic section includes both mafic-intermediate and felsic rocks, although the mafic to intermediate rocks are more abundant; rock types are dominated by mafic to intermediate pillow lavas, hyaloclastites, massive amygdaloidal flows and flow breccia; felsic rocks occur as lava flows or domes and as hyaloclastites; local bedded volcaniclastic units; exhalites; generally a lack of only a minor amount of primary pyroclastic rocks and subaerial rocks.

(2) Mattabi-type: Volcanic section is dominated by felsic volcanic rocks; abundant fragmental rocks; dominant felsic tuff, massive and bedded pyroclastic flows, hyaloclastite, debris flows, and dome and flow breccia; also mafic to intermediate tuff and flow breccia; pillow lava and breccia may or may not be present; lava domes and welded tuff are commonly present; high amygdule content in flows; presence of both submarine and subaerial volcanic rocks is common.

A common local setting may consist of a quartz-feldspar porphyry dome surrounded and overlain by rhyolitic pyroclastic rocks and/or flows. The pyroclastic rocks may contain essential clasts of only rhyolite or they may be of variable composition, possibly displaying zoning from a rhyolitic base to dacite to andesite at the top of individual units.

Mineralization consists of sulphide lenses located stratigraphically above the dome, but below or stratigraphically equivalent to an overlying, finely-bedded tuff to exhalite horizon. Exhalite units may include chert, carbonate, sulphide and oxide facies iron formation, graphitic argillite, barite and a Mn-enriched horizon. Chert exhalites are usually associated with felsic volcanism. Barite is generally only present in Phanerozoic deposits. Mn-enriched exhalites are usually associated with mafic volcanic-dominated footwall environments.

Host Rock Textures

Dome units display massive to ghost-like fragments overlain by a breccia carapace of similar material. Felsic flows have massive to autobreccia textures, commonly with interflow units of tuff, breccia or felsic hyaloclastite. Flow breccia displays textures indicative of in-situ steam fracturing. Pyroclastic rock units consist mainly of coarse fragments indicative of a vent to proximal facies environment; poorly graded and bedded; some may represent debris flows shed from syn-volcanic fault scarps. Fragments commonly display altered rims, usually indicative of a hot emplacement. Fragment shapes are generally angular to subangular with rare amoeboid shapes. Exhalite horizons commonly display laminations or fine bedding.

Tectonic Setting

Modern analogues for bimodal mafic-felsic and intermediate-felsic volcanic successions may include rifted island arc and back arc environments, e.g. Sturgeon Lake; and off-axis oceanic rift, back arc or rifted arc settings for komatiite-tholeiite assemblages with felsic volcanic centres, e.g. Kidd Creek.

May be associated with synvolcanic normal faults which may be difficult to identify. The faults may be indicated by abrupt thickness and facies changes in the volcanic units.

Associated Deposit Types

The VMS deposit type may represent one of a spectrum of massive sulphide deposit types with Cyprus-type, Besshi-type and sedimentary exhalitive-type deposits.

Deposit Description

Stratabound and typically stratiform massive zone of pyrite - sphalerite - chalcopyrite - pyrrhotite +/- galena +/- bornite +/-barite +/- magnetite +/- sulphosalts +/- cassiterite. An underlying, discordant, subvertical, stringer-stockwork zone composed mainly of chalcopyrite, pyrite, pyrrhotite +/- magnetite. Concentric zonation of minerals upwards from the stringer zone from Cu-rich to Zn+Pb-rich.

Stratabound sulphides are generally fine-grained if not highly metamorphosed; massive, rubbly, brecciated, layered or laminated, slumped or re-deposited. The underlying discordant zone occurs as stockwork, stringers, disseminations or sulphide-silicate breccia.

Footwall alteration occurs in two forms:

(1) subvertical, discordant, pipe-like alteration mineralogy beneath the deposits may include silica, chlorite, sericite, siderite, chloritoid and clay. Occurs on a local scale; on the order of tens to hundreds of metres. Alteration zonation; Noranda-type: silica (centre) to Mg-chlorite to sericite; Kuroko-type: silica to sericite to chlorite. Mattabi-type: siderite+/-ankerite, Fe-chlorite, +/- andalusite, quartz and sericite; a subtle zonation is present as a compositional change in the carbonate mineralogy.

(2) widespread, semiconcordant alteration which may occur on the scale of kilometres beneath and lateral to the deposits;

Mattabi-type: 2 varieties

(a) sericite-quartz-calcite or dolomite; or

(b) iron-rich chlorite, iron-bearing carbonate and chloritoid.

Noranda-type:

(a) silicification and spilitization (epidote + quartz +/- albite, tremolite-actinolite and Mg-chlorite).

In high grade metamorphic rocks many of the minerals in (1) and (2) will be replaced by cordierite, anthophyllite, biotite, sericite, talc, kyanite, garnet, staurolite, andalusite, sillimanite, and gahnite.

Geological Ore Controls\Guides

Mineralization commonly occurs near, or at the top of, volcanic or volcano-sedimentary sequences; usually near the centre of intermediate to felsic volcanism, sometimes in systems marked by resurgent volcanism - calderas; favourable stratigraphic horizons; clustering of deposits; synvolcanic fault/fracture zones; proximal (up to kilometres away) to subvolcanic intrusions; pyritic, siliceous exhalites may mark the mineralized units; sulphide clasts and matrix in the volcanic breccias (mill rock) proximal to some deposits; and the transport of deposits may occur laterally for distances of hundreds of metres to a few kilometres.

Geochemical Signature

Weathering may produce pyritic, or pyrrhotitic gossans with anomalous base metals and Au and Ag values.

Regional Scale: rhyolites having high abundances of rare earth elements (REE) and high field strength (HFS) elements, yielding relatively flat, chondrite-normalized REE profiles with pronounced negative Eu anomalies (FIII rhyolites); related icelandites (andesites with > 16.5% A1203 and high P205). VMS deposits can also be associated with FII rhyolites which display some enrichment in light REEs and a weak or no negative Eu anomaly. In some cases the FII and FIII units are intercalated.

Local Scale: metres to several hundreds of metres - generally an enrichment in MgO, FeO, C02 and Zn; depletion in Na20; and variable K20.

- Noranda-type pipe-like alteration: +Mg, +Fe, +K, -Na, -Si, -Mn, and -Ca; Si-rich core.
- Mattabi-type pipe-like alteration: +Fe, +C02, +K, +Al, +Mn, -Ca, -Na, -Si and -Mg.
- Noranda-type semiconcordant alteration: +Na, +Ca, +Si, -Fe, -Mg, and -Mn.
- Mattabi-type semiconcordant alteration: +Fe, +CO_2, +K, +Mn, -Na, -Ca, -Mg, and -Si.

Geophysical Signature

Massive sulphides should produce an airborne and ground electromagnetic (EM) anomaly; although some do not (e.g. Winston Lake), especially the sphalerite-rich deposits. Magnetite and pyrrhotite in some deposits would produce an airborne and ground magnetic (mag) anomaly. Ground gravity and induced polarization (IP) surveys may locate massive and disseminated sulphides. They may also be useful in locating sphalerite-pyrite bodies. Offsets in magnetic patterns, linear EM anomalies, and linear resistivity lows may mark synvolcanic faults.

Examples of VMS Deposits

Horne Mine, Quebec; Kidd Creek Mine, Ontario; Geco Mine, Ontario; Bathurst 12 Mine, New Brunswick; Mattabi Mine, Ontario; Montauban Mine and New Calumet Deposit, Grenville Province, Quebec; and Buchans Mine, Newfoundland.

Exploration Vectoring

A. Regional Vectoring (scale of kilometres)

(1) Geological Criteria

Greenstone belts; volcanic terranes;

Calc-alkalic and/or tholeiitic volcanic assemblages;

Submarine bimodal mafic-felsic or intermediate-felsic volcanic sequences;

or komatiite-tholeiite volcanic sequences with isolated felsic centres;

Intermediate to felsic volcanic +/- sedimentary host sequence;

Regional association with intermediate to felsic volcanic calderas; localized volcanic centres; especially marked by coarse pyroclastic breccia, domes and flows;

Noranda-type: flow-dominated environment;

Mattabi-type: pyroclastic-dominated environment;

Regional "synvolcanic" faults, intersections, and lineaments;

Favourable stratigraphic horizon; clustering of deposits; generally at the break between two sequences;

Subvolcanic intrusions; mafic to felsic; especially quartz-feldspar porphyry;

Regional semiconcordant alteration mineralogy (refer above).

(2) Geochemical Criteria

Lithogeochemical anomalies associated with the semiconcordant alteration (refer above);

FIII rhyolites and related icelandites;

FII rhyolites (refer above).

(3) Geophysical Criteria

Airborne electromagnetic +/- magnetic anomaly; preferably coincident and isolated for sulphide deposits (may not always occur) ;

Airborne EM and mag to detect associated synvolcanic faults (Geophysical Signature).

B. Local Vectoring (scale of tens to hundreds of metres, additional to above)

(1) Geological Criteria

Intermediate to felsic volcanic host sequence;

Volcanic centres - characterized by intermediate to felsic coarse pyroclastics and/or flows; domes; and subvolcanic intrusions;

Associated rocks may include mafic to intermediate flows and pyroclastics, and volcanic-derived, clastic sedimentary rocks and debris flows;

Exhalite(s) - marks a break in the stratigraphic sequence; period of quiescence (refer above);

Subvertical alteration pipe - alteration mineralogy (refer above); zonations;

"Mill rock" - coarse pyroclastic breccia with some sulphide clasts and sulphide in the matrix.

(2) Geochemical Criteria

Lithogeochemical anomalies associated with the alteration pipe;

may include enrichment in MgO, FeO, C02 and Zn;

depletion in Na20; and variable K20 (refer above);

Geochemical (Cu, Zn, Pb, Au, Ag) anomaly in the exhalites;

Cu +/- Zn +/- Pb rock, soil and stream sediment anomalies.

(3) Geophysical Criteria

Ground and/or borehole geophysical anomalies - EM, mag, IP, and gravity; preferably coincident; to detect the sulphide deposits (refer above to Geophysical Signature);

Ground mag, EM and resistivity surveys to detect synvolcanic faults (refer above).

Mineralization

The author performed a property visit on October 27, 2010, during which the north-western portion of the property was traversed. The outcrop exposures most encountered during the traverse were massive volcanic flows. On June 28, 2010 the remaining portion of the property was traversed from the east.

The postulated Madsen Mine Trend and the Selco VMS drill intersected zone have not been found in surface outcrop. As such, no mineralized zones were encountered during the property visits, and no samples were taken for analysis. These sub-surface zones have been described elsewhere in the report.

Reference to historically documented mineralization is presented in the Property Geology section.

Exploration

Kariana has not performed any exploration on the South Baird Property to date.

Drilling

Kariana has not performed any diamond drilling to date.

Sampling Method and Approach

Reports by previous workers were, for the most part, filed prior to the introduction of NI 43-101 and Best Practice Guidelines. As such, there was little discussion of "sample quality" or "recovery factors", etc. The previous work indicates the presence of anomalous gold and copper mineralization on the property, but would not suggest any specific volume or tonnage of any deposit.

During June and July of 2010, the author collected fourteen (14) representative rock samples listed in the chart below. See locations on Map (Figure 6). These samples are believed to be of good quality and representative of the rock types observed.

Sample	**Lithology**
141651-53	massive felsic flows and feldspar porphyry
141659,62,63	intermediate to felsic lithic tuff
141654,56	intermediate lithic tuff
141655	intermediate pillowed flows
141657,58,60,61,64	massive mafic flows

The assay analysis for these samples are presented in Appendix 2. No values of economic significance were reported. The analysis is for general base-line geological importance only.

Preparation, Analyses and Security

The assessment program conducted by the author for the previous optionee in June-July, 2010 comprised of locating and traversing all trails on the property and determining the suitability for MMI in prospective areas. Fourteen rock samples were also taken to determine baseline values for gold, platinum, paladium and multi-element alteration.

One of the main targets on the property is the Confederation Assemblage VMS copper-gold mineralization identified by Selco (1976) and United Bolero (2006) on claim 1244620. A single drill hole from the Bolero drill program was located in a marshy area running with water. No suitable soil medium could be located in the immediate area of the located drill hole, or along strike, to support a MMI soil survey.

Fourteen rock grab samples were collected as type samples from outcrops located along the traverses. All samples were taken and "**bagged**" according to "**Best Practice**" procedures by the senior geotech. Sample shipping bags were sealed and delivered to a bonded transport company, for shipment to Accurassay Lab in Thunder Bay. The author believes that the security measures taken to ensure the validity and integrity of samples taken, are to the highest industry standards.

Upon arrival at the lab, the rock samples are entered into Accurassay Laboratories Local Information System (LIMS). The samples are dried, if necessary and then jaw crushed to -8mesh, riffle split, a 250 to 400 gram cut is taken and pulverized to 90%-150 mesh, and then matted to ensure homogeneity.

Silica sand is used to clean out the pulverizing dishes between each sample to prevent cross contamination. The homogeneous sample is then fired in the fire assay lab. The sample is mixed with a lead based flux and fused for an appropriate length of time. The fusing process results is a lead button, which is then placed in a cupelling furnace where all of the lead is absorbed by the cupel and a silver bead, which contains any gold, platinum and palladium, is left in the cupel. The cupel is removed from the furnace and allowed to cool. Once the cupel has cooled sufficiently, the silver bead is placed in an appropriately labeled small test tube and digested using a 1:3 ration of nitric acid to hydrochloric acid. The samples are bulked up with 1.0 mls of distilled deionized water and 1.0 mls of 1% digested lanthanum solution. The total volume is 3.0 mls. The samples cool and are vortexed. The contents are allowed to settle. Once the samples have settled they are analyzed for gold, platinum and palladium using atomic absorption spectroscopy. The atomic absorption spectroscopy unit is calibrated for each element using the appropriate ISO 9002 certified standards in an air-acetylene flame. The results for the atomic absorption are checked by the technician and then forwarded to data entry by means of electronic transfer and a certificate is produced. The Laboratory Manager checks the data and validates it if it is error free. The results are then forwarded to the client by fax, email, floppy or zip disk, or by hardcopy in the mail. Note, this method may be altered according to the client's demands. All changes in the method will be discussed with the client and approved by the laboratory manager.

Base metal samples are prepped in the same way as precious metals but are digested using a multi acid digest (HNO3, HF, HCl). The samples are bulked up with 2.0 mls of hydrochloric acid and brought to a final volume of 10.0 mls with distilled deionized water. The samples are vortexed and allowed to settle. Once the samples have settled they are analyzed for copper, nickel and cobalt using atomic absorption spectroscopy.

Quality Control

Accurassay Laboratories employs an internal quality control system that tracks certified reference materials and in-house quality assurance standards. Accurassay Laboratories uses a combination of reference materials, including reference materials purchased from CANMET, standards created in-house by the laboratory, and certified calibration standards. Should any of the standards not fall within an acceptable range, reassays will be performed with a new certified reference material. The number of reassays depends on how far the certified reference material falls outside it's acceptable range.

Additionally, Accurassay Laboratories verifies the accuracy of any measuring or dispensing device (i.e scales, dispensers, pipettes, etc.) on a daily basis and are corrected as required. They are certified by the appropriate ISO standards association for their procedures. The lab prepared their own quality control measures and employed check assay and other check analytical and testing procedures according to their respective ISO standards. No corrective actions were deemed by the author to be necessary.

The author is, therefore, of the opinion that the sampling, sample preparation, security and analytical procedures are of the highest quality and adequacy.

Data Verification

There are no known surface outcroppings of significant mineralization known to exist on the property and none was found during the property visits. All significant mineralization reported to date is from historic sub-surface drilling intersects. No core was found on the property during the property visits. The author cannot verify the accuracy or validity of that historic information.

All data presented in this report has come from personal site visits and sampling as presented on Map (Figure 6), the public assessment files at the Red Lake District Geologist's Office, the Ministry of Northern Development and Mines Web Site, company websites, or government reports. The author can verify that this information has been presented accurately and as it exists in those sources.

Adjacent Properties

The earliest records of gold in the Red Lake area date back to 1897 with the work of R.J. Gilbert for the North Western Ontario Development Company (Parrott, 1995). The first significant gold discovery was made by a prospector, L. B. Howey, in 1925. The gold-bearing veins he discovered were developed into the Howey Mine, Red Lake's first producer.

Early prospecting uncovered several gold showings in the area. Initially, the work focused on a mineralized quartz vein that intrudes felsic volcanics on claim KRL 11505 near High Lake. The Starratt-Olsen No. 1 Shaft, 1 kilometre to the north of the South Baird property, was sunk to a depth of 575 feet. and four levels were developed. In 1936, Austin McVeigh discovered the gold-bearing Austin Zone and drilling later that year confirmed its potential.

The Madsen Mine property, adjacent and to the north of the South Baird property, is situated in the western part of the Red Lake gold camp. The first claims in the Madsen area were staked in 1927 but no work is recorded from this period. Marius Madsen staked part of the property in 1934 and Madsen Red Lake Gold Mines was incorporated in 1935.

Underground development at the Madsen Mine No. 2 Shaft commenced in 1937 when a 3-compartment shaft was sunk to 535 feet. (163 metres). The shaft eventually reached a depth of 4,175 feet. (1,275 metres) with 24 underground levels. The mill began operating in August 1938 and operated continuously until 1974. Production commenced at 272 tonnes per day, increasing to 726 tonnes by 1949. Production averaged 363 tonnes per day at a grade of 8.38 grams per tonne (g/t) during the last five years of operation.

Total recorded production from the Madsen Mine No 2 shaft during the period 1938-74 was 2,416,609 ounces of gold from 8,371,631 tons at an average recovered grade of 0.289 opt gold (7,593,906 tonnes at an average recovered grade of 9.91 grams per tonne).

Red Lake Buffalo Resources acquired the Madsen property from the Rowland Estate in 1991 and became Madsen Gold Corp. Surface exploration on the Madsen claim group initially focused on the main Austin and parallel McVeigh 'tuff' horizons close to the No. 2 shaft.

Drill programs in 1973 and 1974 evaluated the potential in the No. 1 shaft area, the andesite-talc schist contact at the south end of Russet Lake and the Austin 'tuff' extension between Slobodzian and Derlak Lakes.

Immediately following its acquisition of Madsen Gold Corp., Claude Resources proceeded to strip several of the higher priority vein-type target areas, including the DeVilliers, No. 1 Shaft, Creek and the Central Iron Carbonate Alteration zones. Since April 1998, Claude/Madsen Gold Corp have also drilled 230 surface and underground holes totalling in excess of 21,000 metres into the Austin and McVeigh zones.

Claude has subsequently dewatered the mine to the 12–Level and conducted trial mining on the Austin zone. The McVeigh zone has been accessed from a new ramp and limited trial mining has been conducted.

The above information was largely sourced from the Claude Resources public web-site. The author has not personally verified the information, and the reader is also cautioned that the mineralization described above is not necessarily indicative of the mineralization on the South Baird property.

Mineral Processing and Metallurgical Testing

Not applicable.

Mineral Resource and Mineral Reserve Estimates

Not applicable.

Interpretation and Conclusions

No exploration work has been conducted by Kariana. As reported by previous workers, no mineralization could be located in surface outcrop by the author. Fourteen rock samples were collected for general geological purposes and these did not show any economic or alteration values of significance.

The historic work undertaken on the South Baird Property by previous workers has confirmed the presence of potentially significant gold, silver and copper mineralization associated within favourable geological settings.

The western portion of the property is well positioned along the postulated westward strike extension of the Madsen Mine Trend which hosts a number of economic gold mines. Previous workers have confirmed that the New Faulkenham Mine Structure Trend also strikes onto the property and is known to host gold mineralization.

The presence of copper-gold sulphide mineralization in a possible stratigraphic volcanogenic massive sulphide (VMS) setting has been confirmed in shallow drilling by Selco and United Bolero. There is a Confederation Assemblage, VMS style target for both precious and base metals in the central portion of the property.

The author therefore concludes that priority exploration targets can be identified as:

(1) Confederation Assemblage VMS copper-gold mineralization identified by Selco (1976) and United Bolero (2006) on claim 1244620 is postulated to represent a stratigraphic volcanogenic massive sulphide mineralization horizon. An intrusive unit, called a diorite, a gabbro or a hornblendite, along the eastern property boundary is believed by some workers to represent a synvolcanic intrusive related to the VMS mineralization. This VMS horizon has only been tested by a few shallow drill holes over a short strike length.

(2) The westward strike extension of the Madsen Mine Trend (Flat Lake – Howey Bay Deformation Zone) is projected to cross the north-west portion of the property on claim 1244608. Only one fence of shallow drill holes have tested this target.

(3) Gold-bearing quartz veins reported by Rogard Red Lake Mines (1946) on claim 1244620 were not located during the property visit. These gold veins may be related to the eastern extension of the New Faulkenham Mine Structure and this target has not been previously drill tested.

Recommendations

It is recommended that cut line grids be located over the three target areas noted above, to facilitate multi-element soil geochemistry surveys like MMI-M; the multi-element mobile metal ion method. However, the VMS copper-gold target is prone to very wet conditions during heavy rains and spring melting snow run-off. Dry surface conditions should be sought to optimize the MMI response.

The combination of responses for the primary target minerals gold, copper and zinc when used in combination with the responses for the alteration signatures noted in the conceptual exploration models under “Deposit Types and Geological Models” above, could greatly assist in potential vectoring and specifically drill-hole targeting.

Prospecting should follow-up any significant soil geochemistry anomalies in order to locate any possible mineralized outcrop. 1,000 meters of diamond drilling is recommended for initial testing of areas where there is little or no surface outcroppings.

Budget: Recommended Field Surveys

Table 2

Item	**Description**	**Estimated Cost per Unit**	**Estimated Total Cost per Item**
Linecutting	14 kms	$1,000	$14,000
MMI	490 samples	$40	$19,600
Prospecting	25 samples	$25	$625
Mobilization / Demobilization	1 mobilization / demobilization	$5,000	$5,000
Senior Geotech	25 man days	$400	$10,000
Geotech	25 man days	$350	$8,750
Senior Geologist	10 man days	$750	$7,500
Accommodation	25 man days	$180	$4,500
Truck	30 days	$100	$3,000
ATV	25 days	$75	$1,875
Diamond Drilling	1,000 metres	$225	$225,000
			$299,850

These recommendations require that the soil geochemistry field surveys, and prospecting of any positive results, be done in advance of considering any significant drilling program in order to better facilitate drill targeting over the three known historic zones. Advancing to the significant drilling phase is contingent upon positive results from the soil geochemistry field surveys. The nature of the terrain, type of soil, or possible marshy conditions in the target areas is not expected to hinder the usefulness of the surveys.

USE OF PROCEEDS

Proceeds

The estimated gross proceeds to be derived from the Offering, before deduction of the expenses of the Offering, will be $600,000.

	No. of Shares	**Price to Public**	**Agent's Commission**(1)	**Net Proceeds to Company**(2)
Per Share	1	$0.20	N/A	$0.20
Total Offering	3,000,000	$600,000	N/A	$600,000

Notes:

(1) The Agent will receive a commission (the "**Agent's Commission**") of 10% of the gross proceeds of the Offering, payable in Shares, at a deemed price of $0.20 per Share (the "**Agent's Shares**"), and non-transferable share purchase warrants (the "**Agent's Warrants**") equal in number to 10% of the aggregate number of Shares sold under this Offering. Each Agent's Warrant will entitle the Agent to purchase one Share at the price of $0.20 per Share, for a period of 24 months from the Closing Day. The Agent will also receive a corporate finance fee in the amount of $30,000 and 50,000 Shares, at a deemed price of $0.20 per Share ("**Corporate Finance Fee Shares**") upon closing. NI 41 101 restricts the number of securities issued to an Agent as compensation which may be qualified under a prospectus ("Qualified Compensation Securities"), to a maximum of 10% of Shares sold pursuant to the Offering. For the purposes of this Offering, any combination of the following, totalling 300,000 securities, are Qualified Compensation Securities and are qualified for distribution by this Prospectus: (a) up to 300,000 Agent's Shares; (b) up to 300,000 Agent's Warrants; and (c) up to 50,000 Corporate Finance Fee Shares. Those securities that the Agent is entitled to receive exceeding 10% of the Offering will not be Qualified Compensation Securities, will not be qualified for distribution under this Prospectus and will be subject to a hold period in accordance with applicable securities laws. See "*Plan of Distribution*".

(2) Before deduction of the balance of the expenses of the Offering estimated to be $95,969 and assuming completion of the Offering in full. See "*Use of Proceeds*".

Funds Available

The Company will receive gross proceeds from the Offering of $600,000 which will be combined with its working capital as at April 30, 2011 of approximately $340,056, for a total of $940,056 in available funds.

Principal Purposes

The available funds will be allocated as follows:

Purpose for which Funds are Raised	Amount
2011 Exploration Program	$299,850
First anniversary cash payment under the Option Agreement during the next 12 months	$15,000
Administrative expenses of the Company for a period of 12 months	$120,000
Balance of estimated expenses of the Offering (including legal, audit, printing, and listing fees)	$95,969
Corporate Finance Fee	$30,000
Unallocated working capital to fund ongoing operations, activities related to seeking additional mineral properties and for general working capital purposes	$379,237
Total Available Funds:	**$940,056**

The general and administration expenses for the 12-month period following the completion of the Offering are as follows:

Expense Item	12-Month Estimate
Legal and accounting	60,000
Office General	10,000
Travel	20,000
Transfer Agent and Filing Fees	30,000
Total:	**$120,000**

Upon completion of the Offering, the Company's working capital will be sufficient to fund its exploration program and to meet its administrative and operating costs for 12 months. The Company intends to spend the funds available to it as stated in this prospectus. There may be circumstances, however, where, for sound business reasons, a reallocation of funds may be necessary.

Stated Business Objectives and Milestones

The business objectives the Company expects to achieve using the available funds are to: (i) complete the Offering; (ii) obtain a listing of the Shares on the Exchange; and (iii) complete the work program recommended in the Technical Report.

The Company's business objectives of completing the Offering and listing on the Exchange will occur on the Closing Day and the Listing Date respectively. The remaining cost of completing these objectives is estimated at $125,969. The Company's business objective of completing the 2011 recommended work program on the South Baird Property will occur within approximately eight months following the Listing Date. The cost of this objective is estimated at $299,850.

DIVIDENDS OR DISTRIBUTIONS

The Company has not paid dividends since its incorporation. While there are no restrictions precluding the Company from paying dividends, it has no source of cash flow, and anticipates using all available cash resources toward its stated business objectives. As such the Company does not anticipate the payment of dividends in the foreseeable future. At present, the Company's policy is to retain earnings, if any, to finance its business operations. The payment of dividends in the future will depend upon, among other factors, the Company's earnings, capital requirements and operating financial conditions.

SELECTED FINANCIAL INFORMATION AND 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 and the notes thereto, appearing elsewhere in this prospectus, as well as the disclosure contained throughout this prospectus. The Company's financial statements have been prepared in accordance with generally accepted accounting principles in Canada.

Financial Information

The following is a summary of certain selected financial information which is qualified by the more detailed information appearing in the financial statements included in this prospectus.

	Year ended December 31, 2010
Revenues	Nil
Net (loss)	($7,716)
Net (loss) per share (undiluted and fully diluted)	($0.002)
Total assets	$422,284
Long term debt	Nil
Total liabilities	$7,500
Shareholders' equity	$414,784

Management's Discussion and Analysis

Overall Performance

The Company was incorporated on September 14, 2010. The Company is engaged in the acquisition, exploration and, if warranted, development of natural resource properties of merit. The Company holds an option to acquire an undivided 100% interest in and to an exploration property situated in Ontario, namely the South Baird Property. Following completion of the Offering, the Company plans to conduct an exploration program on the South Baird Property. See "*Description of the Business – Description of Property and Summary of Technical Report*".

The Company has no earnings and therefore finances these exploration activities by the sale of Shares. The key determinants of the Company's operating results are the following:

(a) the state of capital markets, which affects the ability of the Company to finance its exploration activities; and

(b) the write-down and abandonment of mineral properties should exploration results provide further information that does not support the underlying value of such properties.

During the period from incorporation on September 14, 2010 to December 31, 2010, the Company expended a total of $46,357 on the South Baird Property. This amount was made up of acquisition costs of $44,500 and deferred exploration expenditure of $1,857.

Selected Results

The following table provides a summary of certain financial information of the Company:

Statement of Operations and Deficit Data	From the Date of Incorporation (September 14, 2010) to December 31, 2010
Revenue	Nil
Total expenses	(7,716)
Interest income	Nil
Net loss	(7,716)
Basic and diluted net loss per share	(0.002)
Weighted average number of shares outstanding	4,810,870

Balance Sheet Data	As at December 31, 2010
Current assets	360,927
Current liabilities	7,500
Working capital	353,427
Total assets	422,284
Shareholders' equity	414,784

During the period from incorporation on September 14, 2010 to December 31, 2010, the Company reported a net loss of $7,716 ($0.002 basic and diluted loss per Share). Expenses during this period include legal fees of $7,500 (including fees for the incorporation and organization of the Company, in connection with the raising of seed capital, and in connection with the acquisition of the Company's interest in the South Baird Property), and bank charges and printing cost of $216. As at December 31, 2010, the Company had total assets of $422,284. The assets were comprised of cash of $360,732, HST receivable of $195, deferred financing costs of $15,000, a mineral interest of $44,500 and deferred exploration expenditures $1,857.

Results of Operations

The Company incurred a net loss of $7,716 from the date of incorporation on September 14, 2010 to December 31, 2010. During this period, there were no operating revenues as the Company was still in the acquisition and exploration stage. The Company's current exploration focus is on the South Baird Property. Costs incurred during the above noted period were primarily related to business development, and the mineral interest of the South Baird Property. The mineral interest on the South Baird Property included the acquisition cost of $44,500 and a geological consulting fee of $1,857. The Company does not currently have the required financial resources to complete a significant exploration and development program on the South Baird Property beyond the exploration program recommended in the Technical Report.

Liquidity and Capital Resources

As at December 31, 2010, the Company had an accumulated deficit of $7,716. The Company expects to incur losses for at least the next 24 months. There can be no assurance that the Company will ever make a profit. To achieve profitability, the Company must advance the South Baird Property through further exploration in order to bring the South Baird Property to a stage where the Company can attract the participation of a major resource company, which has the expertise and financial capability to take the South Baird Property to commercial production. There are no assurances that the Company can attract the participation of a major resource company or that the South Baird Property will be put into commercial production.

As at December 31, 2010, the working capital of the Company was $353,427. Additional financing will be required to fund the cost of continued acquisitions and exploration development of the South Baird Property as well as to meet its ongoing day-to-day operating requirements. There are currently no long-term debts, capital lease obligations, operating leases or purchase obligations.

Except as otherwise disclosed in this prospectus, there are currently no other identified sources of new capital. Additionally, the Company currently has no established credit lines with any chartered banks or other financial institutions. The Company expects to rely upon equity financing as its primary source of funding. There are no assurances that the Company will be able to negotiate equity financings on terms acceptable to management of the Company or at all.

Off Balance Sheet Transactions

There are currently no off balance sheet arrangements which could have a material effect on current or future results of operations, or the financial condition of the Company.

Critical Accounting Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results could differ from these estimates.

Financial Instruments

The Company's financial instruments are exposed to a number of financial and market risks, including credit, liquidity, interest rate and currency risks. The Company may, or may not, establish from time to time active policies to manage these risks. The Company does not currently have in place any active hedging or derivative trading policies to manage these risks since the Company's management does not believe that the current size, scale and pattern of its operations would warrant such hedging activities.

Credit risk

The Company's limits in its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure (see Note 5 of the financial statements included in this prospectus).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

Currency risk

The Company is not exposed to currency risk.

International Financial Reporting Standards

The following pronouncement recently issued by the Canadian Institute of Chartered Accountants ("**CICA**") will likely impact the Company's future accounting policies:

In February 2008, the Canadian Accounting Standards Board announced 2011 as the changeover date for publicly listed companies to use International Financial Reporting Standards ("**IFRS**"), replacing Canada's own generally accepted accounting principles. The specific implementation is set for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The conversion to IFRS will impact the Company's accounting policies, information technology and data systems, internal control over financial reporting, and disclosure controls and procedures. The Company is currently evaluating the future impact of IFRS on its financial statements and will continue to invest in training, financial information systems and additional resources to ensure a timely conversion.

In January 2009, the CICA issued Section 1582 “Business Combinations” to replace Section 1581. Prospective application of the standard is effective January 1, 2011, with early adoption permitted. This new standard effectively harmonizes the business combinations standard under Canadian generally accepted accounting principles with IFRS. The new standard revises guidance on the determination of the carrying amount of the assets acquired and liabilities assumed, goodwill and accounting for non-controlling interests at the time of a business combination. This standard will impact the Company's financial statements if the Company enters into business acquisitions in the future.

The CICA concurrently issued Section 1601 “Consolidated Financial Statements” and Section 1602 “Non-Controlling Interests” which replace Section 1600 “Consolidated Financial Statements.” Section 1601 provides revised guidance on the preparation of consolidated financial statements and Section 1602 addresses accounting for non-controlling interests in consolidated financial statements subsequent to a business combination. These standards are effective January 1, 2011, unless they are early adopted at the same time as Section 1582 “Business Combinations”. The adoption of these standards is not expected to have any material impact on the Company's financial statements except when the Company enters into business acquisitions in the future.

The Company’s first consolidated financial statements presented in accordance with IFRS will be for the three month period ended March 31, 2011, which includes presentation of its comparative results for fiscal 2010 under IFRS. In order to prepare for the changeover to IFRS, the Company has developed an IFRS conversion plan comprised of three phases:

Phase Description and Status

1. Initial Scoping & Planning:

This stage includes consideration of the impacts of IFRS on the Company’s consolidated financial statements, internal control over financial reporting, information systems and business activities such as foreign operations, compensation metrics, personnel and training requirements. Based on Management’s review of IFRS and current Company processes, minimal impact is expected on information systems and compensation metrics.

2. Evaluation & Impact Assessment

This phase involves detailed review of IFRS relevant to the Company and identification of all differences between existing Canadian GAAP and IFRS that may or will result in accounting and/or disclosure differences in the Company’s consolidated financial statements, along with quantification of impact on key line items and disclosures. The assessment to date is that the Company has not identified any differences between its existing accounting policies under Canadian GAAP to those it expects to apply in its first IFRS financial statements. The International Accounting Standards Board (“IASB”) continues to amend and add to current IFRS standards with several projects underway. The Company’s transition plan includes monitoring actual and anticipated changes to IFRS and related rules and regulations and assessing the impacts of these changes on the Company and its financial statements, including expected dates of when such impacts are effective.

The Company has identified the accounting choice under IFRS 6 Exploration for and Evaluation of Mineral Resources. Under IFRS 6 there are two options for the recognition and measurement of exploration and evaluation expenditures. The first option is to expense exploration and evaluation expenditures. The second option is to capitalize mineral property exploration costs until such time as the project to which they relate is put into commercial production, sold, abandoned or the recovery of costs is determined to be unlikely. The Company is currently capitalizing mineral property exploration costs and plans to continue to do so under IFRS 6, thus there will be no impact on the Company’s financial statements once IFRS is implemented.

3. Implementation

This phase will embed the required changes for conversion to IFRS into the underlying financial disclosure and reporting process and business processes. This will include finalization and approval of accounting policy changes, collection of financial information necessary to prepare IFRS compliant consolidated financial statements, implementation of additional internal controls, and preparation and approval of completed IFRS consolidated financial statements.

Other MD&A Requirements

The Company is primarily engaged in the business of evaluating, acquiring and developing natural resource properties in British Columbia. As at December 31, 2010, the Company had one mineral property, namely the South Baird Property, with a carrying value of $46,357 on its balance sheet. The following table illustrates the breakdown of this amount:

Acquisition costs incurred	$ 44,500
Deferred exploration costs	$ 1,857
Total mineral interest	**$ 46,357**

Disclosure of Outstanding Share Data

As at the date of this prospectus, the Company has one class of share capital, being common shares without par value, of which 8,075,000 are issued and outstanding. The Company has no securities convertible to or exercisable to acquire Shares. See "*Description of Securities Distributed*".

The Company intends to grant stock options for the purchase of a total of 600,000 Shares to directors and officers contemporaneously with the completion of the Offering. The Company will also be granting the Agent's Warrants in accordance with the Agency Agreement. See "*Options to Purchase Securities*".

Additional Disclosure for Junior Issuers

The proceeds raised under this prospectus are expected to fund the operations of the Company for the next 12 months following the completion of the Offering. See "*Use of Proceeds – Principal Purposes*" for detailed information concerning the General and Administration expenses for the 12-month period following the completion of the Offering. The following is a breakdown of the estimated amount of other material capital expenditures during the 12-month period following the completion of the Offering:

Expense Item	12-Month Estimate
Exploration program (as recommended in the Technical Report)	$299,850
Total:	**$299,850**

DESCRIPTION OF SECURITIES DISTRIBUTED

Shares

The authorized capital of the Company consists of an unlimited number of Shares without par value of which 8,075,000 Shares are outstanding as of the date of this prospectus. The Offering is for 3,000,000 Shares at a price of $0.20 per Share. The holders of the Shares are entitled to vote at all meetings of shareholders of the Company, to receive dividends if, as and when declared by the directors and, subject to the rights of holders of any shares ranking in priority to or on a parity with the Shares, to participate rateably in any distribution of property or assets upon the liquidation, winding-up or other dissolution of the Company. The Shares are not subject to any future call or assessments and do not have any pre-emptive rights or redemption rights.

Modification of Terms

The rights attached to the Shares of the Company may only be modified in accordance with the Company's articles and the *Business Corporations Act* (British Columbia).

CONSOLIDATED CAPITALIZATION

The following table sets out the share and loan capital of the Company. The table should be read in conjunction with the financial statements appearing elsewhere in this prospectus:

Designation of Security	Authorized Amount	Amount Outstanding as of December 31, 2010(1)	Amount Outstanding at Date of the Prospectus(1)	Amount Outstanding After Giving Effect to the Offering(1)
Common Shares	Unlimited	8,075,000 Shares ($422,500)	8,075,000 Shares ($422,500)	11,425,000 Shares(2) ($1,092,500)
Incentive Stock Options	Nil(3)	Nil	Nil	600,000(4)
Agent's Warrants	300,000	Nil	Nil	300,000(5)
Long Term Debt	N/A	Nil	Nil	Nil

Notes:

(1) Before deduction of share issuance costs.

(2) This number includes the sale of 3,000,000 Shares under the Offering, the 300,000 Agent's Shares and the 50,000 Corporate Finance Fee Shares and assumes completion of the Offering in full. This number does not include the 100,000 Shares to be issued to the Optionor pursuant to the terms of the Option Agreement. See "*Plan of Distribution*".

(3) Pursuant to the Plan, the number of Shares reserved for issuance will be a maximum of 10% of the issued and outstanding share capital of the Company. See "*Option to Purchase Securities*".

(4) Effective as of the Listing Date, 600,000 stock options under the Plan will be granted to officers and directors of the Company.

(5) As additional consideration for the sale of Shares pursuant to this prospectus, the Agent will receive 300,000 Agent's Warrants.

OPTIONS TO PURCHASE SECURITIES

Summary of Stock Option Plan

Incentive stock options are governed by the Company's stock option plan (the "**Plan**"). The purpose of the Plan is to offer to directors, officers, employees and consultants of the Company and its affiliates the opportunity to acquire a proprietary interest in the Company, thereby providing an incentive to such persons to promote the best interests of the Company and to provide the Company with the ability to attract qualified persons as directors, officers and employees.

The Plan is administered by the Board. Options issued pursuant to the Plan will have an exercise price determined by the Board provided that the exercise price shall not be less than the price permitted by the Exchange in accordance with the policies of the Exchange.

Subject to the particular provisions of option agreements, options granted under the Plan are non-transferable and expire the earlier of 10 years from the date of grant or 30 days from the date the optionee ceases to be an officer, director, employee or consultant of the Company, except in the event of death of an optionee, in which case options held by the estate of such optionee will expire one year from the date of the optionee's death.

Stock Options

The Company will not have any outstanding stock options prior to the completion of the Offering. It is expected that on or about the Closing Day, the following stock options of the Company will be issued:

Category of Optionee	Number of	Number of	Purchase price	Expiry Date

	Optionees	Options	of Options	
Directors and Executive Officers	2	200,000	$0.20	Ten years after the Closing Day
Directors who are not Executive Officers	4	400,000	$0.20	Ten years after the Closing Day
Employees	Nil	N/A	N/A	N/A
Consultants	Nil	N/A	N/A	N/A
Total	**6**	**600,000**	-	-

PRIOR SALES

The following is a summary of the Shares sold for cash or issued for non cash consideration by the Company from its incorporation to the date of this prospectus:

Date Issued	Number of Shares	Price per Share
September 14, 2010	1(1)	$1.00
September 30, 2010	(1)(1)	($1.00)
September 30, 2010	1,500,000	$0.01
November 8, 2010	5,000,000	$0.05
December 3, 2010	1,500,000	$0.10
December 23, 2010	75,000	$0.10
Total	**8,075,000**	-

Note:

(1) The incorporator's Share was cancelled and returned to treasury on September 30, 2010.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO RESALE RESTRICTIONS

Escrowed Securities

In accordance with NP 46-201, all common shares of an "emerging issuer" (as such term is defined in NP 46-201) which are owned or controlled by its Principals (as such term is defined below) will be escrowed at the time of the issuer's initial public offering, unless the shares held by the Principal or issuable to the Principal upon conversion of convertible securities held by the Principal, represent less than 1% of the total issued and outstanding shares of the issuer after giving effect to the initial public offering. Upon completion of the Offering, the Company will be classified as an emerging issuer.

The following table sets forth the Shares held in escrow as at the date hereof pursuant to the terms of an escrow agreement (the "**Escrow Agreement**") dated May 10, 2011 among the Company, the Escrow Agent and certain shareholders of the Company:

Name	Number of Shares	Percentage of Shares Owned Before Offering	Percentage Owned After Offering Undiluted(1)	Percentage Owned After Offering Fully Diluted(2)
Lawrence Dick	500,000	6.19%	4.38%	4.83%
Christian Klingebiel	1,416,500	17.54%	12.40%	12.21%
Herrick Lau	250,000	3.10%	2.19%	2.82%
Bastian Stein	750,000	9.29%	6.56%	6.84%

Name	Number of Shares	Percentage of Shares Owned Before Offering	Percentage Owned After Offering Undiluted(1)	Percentage Owned After Offering Fully Diluted(2)
Total	**2,916,500**	**36.12%**	**25.53%**	**26.70%**

Notes:

(1) Excluding any Shares issuable upon the exercise of any of the Stock Options, Agent's Warrants or under the Option Agreement.

(2) Assuming that the Agent's Warrants (entitling the Agent to purchase up to 300,000 Shares) and the Stock Options (entitling the option holders to purchase up to a total of 600,000 Shares) have been fully exercised and the Shares to be issued under the Option Agreement (100,000 Shares) have been issued – which would result in the issued and outstanding Shares of the Company being increased to 12,425,000 Shares after the Offering. This also assumes that these individuals do not purchase Shares under the Offering.

The Shares subject to the Escrow Agreement will be released according to the following schedule:

On the Listing Date	1/10 of the escrow securities
6 months after the Listing Date	1/6 of the remaining escrow securities
12 months after the Listing Date	1/5 of the remaining escrow securities
18 months after the Listing Date	1/4 of the remaining escrow securities
24 months after the Listing Date	1/3 of the remaining escrow securities
30 months after the Listing Date	1/2 of the remaining escrow securities
36 months after the Listing Date	The remaining escrow securities

Assuming there are no changes to the escrow securities initially deposited and no additional escrow securities are deposited, this will result in a 10% release on the listing date (as defined by NP 46-201), with the remaining escrow securities being released in 15% tranches every 6 months thereafter.

The automatic time release provisions under NP 46-201 pertaining to "established issuers" provide that 25% of each Principal's escrowed securities are released on the listing date, with an additional 25% being released in equal tranches at six month intervals over 18 months. If, within 18 months of the listing date, the Company meets the "established issuer" criteria, as set out in NP 46-201, the escrow securities will be eligible for accelerated release according to the criteria for established issuers. In such a scenario that number of escrow securities that would have been eligible for release from escrow if the Company had been an "established issuer" on the listing date will be immediately released from escrow. The remaining escrow securities would be released in accordance with the time release provisions for established issuers, with all escrow securities being released 18 months from the Listing Date.

Pursuant to the terms of the Escrow Agreement, the securities of the Company held in escrow may be transferred within escrow to an individual who is a director or senior officer of the Company or of a material operating subsidiary of the Company, subject to the approval of the Company's board of directors, or to a person or company that before the proposed transfer holds more than 20% of the voting rights attached to the Company's outstanding securities, or to a person or company that after the proposed transfer will hold more than 10% of the voting rights attached to the Company's outstanding securities and that has the right to elect or appoint one or more directors or senior officers of the Company or any of its material operating subsidiaries. Pursuant to the terms of the Escrow Agreement, upon the bankruptcy of a holder of escrowed securities, the securities held in escrow may be transferred within escrow to the trustee in bankruptcy or other person legally entitled to such securities. Upon the death of a holder of escrowed securities, all securities of the deceased holder will be released from escrow to the deceased holder's legal representative.

For the purposes of NP 46-201 "**Principals**" include all persons or companies that, on the completion of the initial public offering, fall into one of the following categories:

(a) directors and senior officers of the Company or a material operating subsidiary of the Company, at the time of the initial public offering;

(b) promoters of the Company during the two years preceding the initial public offering;

(c) those who own and/or control, directly or indirectly, more than 10% of the Company's voting securities (on a fully diluted basis) immediately before and immediately after completion of the initial public offering and if they also have elected or appointed or have the right to elect or appoint a director or senior officer of the Company or of a material operating subsidiary of the Company;

(d) those who own and/or control more than 20% of the Company's voting securities (on a fully diluted basis) immediately before and immediately after completion of the initial public offering; and

(e) the spouse(s) and relative(s) that live at the same address as any of the above.

Shares Subject to Resale Restrictions

The Securities issued to the Agent that are not Qualified Compensation Securities and any securities issued thereunder will be subject to a restricted period expiring four months and a day from the Listing Date. The 100,000 Shares to be issued to the Optionor under the Option Agreement will also be subject to a restricted period expiring four months and a day from the date of issuance. Pursuant to the terms of the Option Agreement the Company is required to issue such Shares to the Optionor on or before 20 days from the Listing Date.

PRINCIPAL SECURITYHOLDERS

As at the date of this prospectus, there are no persons or companies who have or are known by the Company to have (a) direct or indirect beneficial ownership of, (b) control or direction over, or (c) a combination of direct or indirect beneficial ownership of and control or direction over, voting securities that will constitute more than 10% of the issued share capital of the Company prior to and after the Offering other than as follows:

Name and Municipality of Residence of Shareholder	Type of Ownership	Number of Shares	Percentage of Shares Owned Before Offering	Percentage Owned After Offering Undiluted(1)	Percentage Owned After Offering Fully Diluted(2)
David Eaton(3), Vancouver, BC, Canada	Direct & Indirect	1,075,000	13.31%	9.41%	8.65%
Christian Klingebiel, Zurich, Switzerland	Direct	1,416,500	17.54%	12.40%	12.21%
Total		**2,491,500**	**30.85%**	**21.81%**	**20.86%**

Notes:

(1) Excluding any Shares issuable upon the exercise of any of the Stock Options, Agent's Warrants or under the Option Agreement.

(2) Assuming that the Agent's Warrants (entitling the Agent to purchase up to 300,000 Shares) and the Stock Options (entitling the option holders to purchase up to a total of 600,000 Shares) have been fully exercised and the Shares to be issued under the Option Agreement (100,000 Shares) have been issued – which would result in the issued and outstanding Shares of the Company being increased to 12,425,000 Shares after the Offering. This also assumes that these individuals do not purchase Shares under the Offering.

(3) David Eaton indirectly holds 75,000 Shares, which were issued to Transmax Investing (a company controlled by David Eaton) pursuant to a finder's fee agreement between the Company and Tranxmax Investing dated November 25, 2010.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Security Holding

The following are the full names, municipality of residence, positions with the Company and principal occupations within the preceding five years, the dates of their appointment or election and their holdings of Shares (including those over which they exercise control) of all of the directors and executive officers of the Company:

Name and Municipality of Residence	Current Position with Company[(1)]	Principal Occupation for the Past Five Years	No. of Shares Owned Prior to the Offering[(2)]
Herrick Lau Vancouver, British Columbia	Chief Executive Officer and Director	Managing Director of Baron Global Financial Canada from August 2007 to present; Vice President, Corporate Finance of Global Maxfin Capital Inc. from March 2007 to August 2007; Vice President, Corporate Finance of Graydon Elliott Capital Corporation from December 2003 to February 2007.	250,000 (3.10%)
Denise Lok Vancouver, British Columbia	Chief Financial Officer and Corporate Secretary	Manager, Corporate Finance at Baron Global Financial Canada from May 2009 to present; Senior Associate of PricewaterhouseCoopers from October 2005 to February 2009.	25,000 (0.31%)
Lawrence Dick Vancouver, British Columbia	Director	Professional Geologist; CEO, President and Director of Confederation Minerals Ltd. From November 2006 to present.	500,000 (6.19%)
Christian Klingebiel Zurich, Switzerland	Director	Founder and CEO of Milestone Media AG from June 2007 to present; Managing director of wallstreet:online AG from April 2005 to May 2007.	1,416,500 (17.54%)
Bastian Stein Zurich, Switzerland	Director	Director of BS&C AG from June 2007 to present; Owner of wallstreet:online AG from December 2001 to June 2007.	750,000 (9.29%)
David Velisek Vancouver, British Columbia	Director	Manager, Corporate Development at Baron Global Financial Canada from 2009 to present; Equities Trader and Investment Advisor at Bolder Investment Partners, Ltd. from 2006 to 2008; Proprietary Equities Trader at Bright Trading from 2003 to 2006.	Nil (Nil%)

Notes:

(1) Each director’s term expires on the earlier of the Company’s next annual general meeting, or his resignation.

(2) Based on 8,075,000 Shares currently issued and outstanding.

The Company has only one Board committee, being its audit committee, which presently consists of Lawrence Dick (Chairman), Herrick Lau and David Velisek.

As of the date hereof, the directors and executive officers of the Company as a group beneficially own, directly or indirectly, or exercise control or direction over 2,941,500 Shares which represents 36.43% of the currently issued and outstanding Shares (on an undiluted basis) and will represent 25.75% of the issued and outstanding Shares upon completion of the Offering (on an undiluted basis).

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Corporate Cease Trade Orders and Bankruptcies

Other than as described below, none of the directors, officers or promoters of the Company are, or within the past ten years prior to the date hereof have been, a director, officer, or promoter of any other issuer that, while that person was acting in that capacity:

(a) 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

(b) 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, arrangements or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the person.

Penalties or Sanctions

None of the directors, officers or promoters of the Company has, within the ten years prior to the date hereof, been subject to any penalties or sanctions imposed by a court or securities regulatory authority relating to the trading in securities, promotion or management of a publicly traded issuer, or theft or fraud, or been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered to a reasonable investor making an investment decision.

Personal Bankruptcies

None of the directors, officers or promoters of the Company has, within the ten years prior to the date hereof, been declared bankrupt or made a voluntary assignment into bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangements, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Conflicts of Interest

Certain directors and officers of the Company are and may continue to be involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors. Situations may arise in connection with potential acquisitions and investments where the other interests of these directors and officers may conflict with the interests of the Company. As required by law, each of the directors of the Company is required to act honestly, in good faith and in the best interests of the Company. Any conflicts which arise shall be disclosed by the directors and officers in accordance with the *Business Corporations Act* (British Columbia) and they will govern themselves in respect thereof to the best of their ability with the obligations imposed on them by law.

Management of the Company

The following additional biographical information is provided for each director or member of management of the Company:

Herrick Lau, Chief Executive Officer and Director

Herrick Lau, age 44, has been a director of the Company since its incorporation on September 14, 2010 and has been the Chief Executive Officer of the Company since February 4, 2010. He is currently the Managing Director of Baron Global Financial Canada Ltd. Mr. Lau previously held similar positions in Global Maxfin Capital Inc. and Graydon Elliott Capital Corp. He is also currently the Chief Financial Officer and a director of Copper One Inc. (TSXV: CUO), the Chief Financial Officer and a director of Jayden Resources Inc. (TSX: JDN), the Chief Financial Officer and a director of Galliard Resources Ltd. (CNSX: GRS), a director of United Mining Group. (TSX: UMG), and a director of ICN Resources Ltd. (TSXV: ICN).

Mr. Lau obtained his masters degree in Economics from Simon Fraser University and has over 10 years of experience in investment research and corporate finance. Mr. Lau is also a charter holder of the Chartered Financial Analyst designation.

Mr. Lau is not a party to any employment, non-competition or confidentiality agreement with the Company. It is expected that Mr. Lau will devote approximately 20% of his time to the business of the Company to effectively fulfill his duties as an officer and director.

The table below summarizes Mr. Lau's professional experience:

Company	Market	Principal Business	Affiliated with Company	Position Held	Term From	Term To	Still in Business
Baron Global Financial Canada Ltd.	N/A	Financial Advisory	No	Managing Director	August 2007	Present	Yes
Copper One Inc.	TSXV	Mineral Exploration	No	Chief Financial Officer	January 2008	Present	Yes
				Director	June 2008	Present	
ERA Carbon Offsets Ltd.	TSXV	Climate change mitigation, ecosystem restoration products and services to support the "carbon offset" and "climate neutral" industries	No	Chief Financial Officer	November 2008	July 2010	Yes
Evolving Gold Corp.	TSXV, OTCBB, Frankfurt	Mineral Exploration	No	Interim CFO	April 2008	June 2008	Yes
Galliard Resources Ltd.	CNSX	Junior Mineral Exploration	No	Chief Financial Officer & Director	October 2009	Present	Yes
Global Maxfin Capital Inc.	N/A	Investment Dealer and Brokerage	No	Vice President, Corporate Finance	March 2007	August 2007	Yes
Graydon Elliott Capital Corporation	N/A	Investment Dealer and Brokerage	No	Vice President, Corporate Finance	December 2003	Feb. 2007	No
ICN Resources Ltd.	TSXV	Junior Mineral Exploration	No	Director	September 2009	Present	Yes
Jayden Resources Inc.	TSX	Mineral Exploration	No	Chief Financial Officer and Director	December 2008	Present	Yes
Lincoln Mining Corporation	TSXV	Mineral Exploration	No	Chief Financial Officer	August 2009	August 2009	Yes
Mindoro Resources Ltd.	TSXV	Junior Mineral Exploration	No	Chief Financial Officer	August 2009	September 2010	Yes
Panoramic Mirrors Inc.	TSXV (now trading on TSX under	Marketing of Automotive Parts	No	Chief Financial Officer	May 2003	Nov. 2003	Yes, under new business

Company	Market	Principal Business	Affiliated with Company	Position Held	Term From	Term To	Still in Business
	the name GLG Life Tech Corporation)						
Sunshine Agri-Tech Inc.	TSXV	Manufacturing, Processing, Packaging, and Distributing Livestock Bio-feed	No	Chief Financial Officer and Director	October 2009	July 2010	Yes
United Mining Group, Inc.	TSX	Mineral Exploration	No	Chief Financial Officer	November 2007	May 2010	Yes
				Director	May 2010	Present	

Denise Lok, Chief Financial Officer and Corporate Secretary

Denise Lok, age 27, has been the Chief Financial Officer and Corporate Secretary of the Company since its incorporation on September 14, 2010. She is currently the Chief Financial Officer and Corporate Secretary of ICN Resources Ltd. (TSXV: ICN) and the Chief Financial Officer of Otterburn Ventures Inc. (CNSX: OTB). She is also currently employed with Baron Global Financial Canada Ltd. as Manager, Corporate Finance.

Ms. Lok is a Chartered Accountant and holds a Bachelor of Commerce degree in Accounting and Transportation Logistics from the University of British Columbia.

Ms. Lok is not a party to any employment, non-competition or confidentiality agreement with the Company. It is expected that Ms. Lok will devote approximately 30% of her time to the business of the Company to effectively fulfill her duties as an officer.

The table below summarizes Ms. Lok's professional experience:

Company	Market	Principal Business	Affiliated with Company	Position Held	Term From	Term To	Still in Business
Baron Global Financial Canada Ltd.	N/A	Financial Advisory	No	Manager, Corporate Finance	May 2009	Present	Yes
ICN Resources Ltd.	TSXV	Junior Mineral Exploration	No	Chief Financial Officer & Corporate Secretary	August 2010	Present	Yes
Otterburn Ventures Inc.	CNSX	Junior Mineral Exploration	No	Chief Financial Officer	May 2010	Present	Yes
PricewaterhouseCoopers	N/A	Audit & Assurance	No	Senior Associate	October 2005	February 2009	Yes

Lawrence Dick, Director

Lawrence Dick, age 59, has been a director of the Company since its incorporation on September 14, 2010. He is currently the CEO, president and director of Confederation Minerals Ltd (TSXV: CMF), a director of Golden Fame Resources Corp. (TSXV: GFA), a director of Copper One Inc. (TSXV: CUO), a director of El Condor Minerals Inc.

(TSXV: LCO), a director of Timmins Gold Corp (TSXV: TMM), and a director of United Mining Group (TSX: UMG). Dr. Dick received his Ph.D. in Economic Geology from Queen's University.

Dr. Dick is not a party to any employment, non-competition or confidentiality agreement with the Company. It is expected that Mr. Dick will devote approximately 20% of his time to the business of the Company to effectively fulfill his duties as an officer and director.

The table below summarizes Dr. Dick's professional experience:

					Term		
Company	**Market**	**Principal Business**	**Affiliated with Company**	**Position Held**	**From**	**To**	**Still in Business**
Confederation Minerals Ltd.	TSXV	Mining	No	CEO, President & Director	November 2006	Present	Yes
Continuum Resources Ltd.	TSXV	Mineral Exploration	No	President & CEO	February 2002	May 2007	No
Copper One Inc.	TSXV	Mineral Exploration	No	Director	January 2008	Present	Yes
Evolving Gold Corp.	TSXV	Mineral Exploration	No	Director	June 2003	August 2008	Yes
				President	June 2003	April 2008	
General Mineral Corp. (currently Sprott Resources Corp.)	TSX	Mineral Exploration	No	Executive VP & Director	June 1996	September 2007	No
Golden Fame Resources Corp.	TSXV	Capital Pool Company	No	Director	January 2008	Present	Yes
Great Bear Resources Ltd.	CNSX	Uranium Exploration	No	Director	January 2008	April 2010	Yes
Jayden Resources Inc.	TSXV	Mineral Exploration	No	President & CEO	July 2009	May 2010	Yes
				Director	September 2008	May 2010	
El Condor Minerals Inc.	TSXV	Mining Exploration	No	Director	July 2010	Present	Yes
Sunshine Agri-Tech Inc.	TSXV	Manufacturing, Processing, Packaging, and Distributing Livestock Bio-feed	No	Director	October 2009	July 2010	Yes
Timmins Gold Corp.	TSXV	Gold Mining	No	Director	September 2005	Present	Yes
United Mining Group	TSX	Mineral Exploration	No	Director	November 2007	Present	Yes

Company	Market	Principal Business	Affiliated with Company	Position Held	Term From	Term To	Still in Business
Fulcrum Resources Inc (Formerly Vital Resources Corp.)	CNSX	Oil and Gas Exploration	No	Director	May 2004	June 2007	Yes

Christian Klingebiel, Director

Christian Klingebiel, age 42, has been a director of the Company since its incorporation. He has been involved in the capital markets for 6 years. He is founder and CEO of Milestone Media AG, a Swiss-based investor relations firm. Mr. Klingebiel previously acted as a managing director of wallstreet:online AG, Germany financial website, and as Head of Communications for Volkswagen AG .

Mr. Klingebiel is not a party to any employment, non-competition or confidentiality agreement with the Company. It is expected that Mr. Klingebiel will devote approximately 20% of his time to the business of the Company to effectively fulfill his duties as an officer and director.

The table below summarizes Mr. Klingebiel's professional experience with respect to listed companies:

Company	Market	Principal Business	Affiliated with Company	Position Held	Term From	Term To	Still in Business
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Bastian Stein, Director

Bastian Stein, age 33, has been a director of the Company since its incorporation on September 14, 2010. He is the founder and the executive board member of BS&C AG (Switzerland) which is a Company for public and investor relations. During his self-employed tenure at wallstreet:online AG (FSX:WSO) in investor relations consulting, he was responsible for the company's growth. He has more than 15 years experience in equity trading.

Mr. Stein is not a party to any employment, non-competition or confidentiality agreement with the Company. It is expected that Mr. Stein will devote approximately 20% of his time to the business of the Company to effectively fulfill her duties as a director.

The table below summarizes Mr. Stein's professional experience with respect to listed companies:

Company	Market	Principal Business	Affiliated with Company	Position Held	Term From	Term To	Still in Business
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

David Velisek, Director

David Velisek, age 38, has been a director of the Company since its incorporation on September 14. He has been involved in the capital markets for 10 years in investor relations, as a trader of equities, options and futures as well as an investment advisor. He is currently employed with Baron Global Financial Canada Ltd. as Manager, Corporate Development.

Mr. Velisek is not a party to any employment, non-competition or confidentiality agreement with the Company. It is expected that he will devote 30% of his time to the business of the Company to effectively fulfill his duties as a director.

The table below summarizes Mr. Velisek's professional experience:

Company	Market	Principal Business	Affiliated with Company	Position Held	Term From	Term To	Still in Business
Baron Global Financial Canada Ltd.	N/A	Financial Advisory	No	Manager, Corporate Development	2009	Present	Yes
Bolder Investment Partners, Ltd.	N/A	Brokerage Firm	No	Equities Trader and Investment Advisor	2006	2008	Yes
Bright Trading	N/A	Brokerage Firm	No	Proprietary Equities Trader	2003	2006	Yes
Galliard Resources Ltd.	CNSX	Junior Mineral Exploration	No	Director	October 2009	Present	Yes

EXECUTIVE COMPENSATION

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

(a) a chief executive officer ("**CEO**");

(b) a chief financial officer ("**CFO**");

(c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000, for that financial year; and

(d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year.

The Company had two Named Executive Officers during the financial year ended December 31, 2010; they are Clive Massey (former Chief Executive Officer) and Denise Lok (current Chief Financial Officer and Corporate Secretary).

The Board has the responsibility to administer the compensation policies related to the Named Executive Officers and directors of the Company, including option-based awards. Since its incorporation on September 14, 2010, the Company has not paid, awarded, granted, given or otherwise provided any compensation to its Named Executive Officers or directors. Aside from the Stock Options that will be granted to directors, officers and a consultant of the Company contemporaneously with the closing of the Offering (see "*Options to Purchase Securities*"), the type and amount of future compensation to be paid to Named Executive Officers and directors has not been determined.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Since incorporation on September 14, 2010 to the date of this prospectus, none of the directors and executive officers of the Company or each of their respective associates or affiliates is or has been indebted to the Company (other than routine indebtedness) at any time for any reason whatsoever, including the purchase of securities of the Company.

AUDIT COMMITTEE

Pursuant to the *Business Corporations Act* (British Columbia), the Company is required to have an audit committee comprised of at least three directors, the majority of whom must not be officers or employees of the Company or an affiliate of the Company. The Company must, pursuant to National Instrument 52-110 Audit Committees ("**NI 52-110**"), have a written charter which sets out the duties and responsibilities of its audit committee. The text of the Company's audit committee charter is attached as Schedule A to this prospectus.

Composition of the Audit Committee

The following are the members of the audit committee:

Lawrence Dick (Chairman)	Independent	Financially literate[(1)]
Herrick Lau	Non-independent	Financially literate[(1)]
David Velisek	Independent	Financially literate[(1)]

Note:
(1) As defined in NI 52-110.

Relevant Education and Experience

In addition to each member's general business experience, the education and experience of each audit committee member that is relevant to the performance of his/her responsibilities as a committee member is as follows:

Herrick Lau is currently the Managing Director of Baron Global Financial Canada Ltd. Mr. Lau previously held similar positions in Global Maxfin Capital Inc. and Graydon Elliott Capital Corp. He is also currently the Chief Financial Officer and a director of Copper One Inc. (TSXV: CUO), the Chief Financial Officer and a director of Jayden Resources Inc. (TSX: JDN), the Chief Financial Officer and a director of Galliard Resources Ltd. (CNSX: GRS), a director of United Mining Group. (TSX: UMG), and a director of ICN Resources Ltd. (TSXV: ICN).

Mr. Lau obtained his masters degree in Economics from Simon Fraser University and has over 10 years of experience in investment research and corporate finance. Mr. Lau is also a charter holder of the Chartered Financial Analyst designation.

Mr. Lau is an executive officer of the Company, and accordingly, he is considered to be "non-independent".

Lawrence Dick is currently the CEO, president and director of Confederation Minerals Ltd (TSXV: CMF), a director of Golden Fame Resources Corp. (TSXV: GFA), a director of Copper One Inc. (TSXV: CUO), a director of El Condor Minerals Inc. (TSXV: LCO), a director of Timmins Gold Corp (TSXV: TMM), and a director of United Mining Group (TSX: UMG).

Dr. Dick received his Ph.D. in Economic Geology from Queen's University.

David Velisek has been involved in the capital markets for 10 years in investor relations, as a trader of equities, options and futures as well as an Investment Advisor. He is currently employed with Baron Global Financial Canada Ltd. as Manager, Corporate Development. Mr. Velisek obtained financial experience through his years of analyzing financial statements and performance measurement ratios during his years as an investment advisor.

Audit Committee Oversight

At no time since the commencement of the Company's most recent completed financial year was a recommendation of the audit committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The audit committee has not adopted specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Company's external auditors in each of the last two financial years for audit fees are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees(1)	Tax Fees(2)	All Other Fees(3)
2010	$10,000(4)	$ Nil	$ 2,000	Nil
2009	N/A	N/A	N/A	N/A

Notes:

(1) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "**Audit Fees**".

(2) Fees charged for tax compliance, tax advice and tax planning services.

(3) Fees for services other than disclosed in any other column.

(4) This is an estimated figure.

Venture Issuers Exemption

The Company is relying upon the exemption in section 6.1 of NI 52 110 which exempts "**venture issuers**" from the requirements of Part 5 (Reporting Obligations) of NI 52 110.

CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. National Policy 58-201 Corporate Governance Guidelines establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices and feels that the Company's corporate governance practices are appropriate and effective for the Company given its current size.

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**") which are summarized below.

<u>A. Board of Directors</u>

The Board is currently composed of Herrick Lau, Lawrence Dick, Christian Klingebiel, Bastian Stein and David Velisek.

NI 58-101 suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as "**independent**" directors. An "**independent**" director is a director who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act with a view to the best interests of the company, other than interests and relationships arising from shareholding. In addition, where a company has a significant shareholder, NI 58-101 suggests that a board of directors should include a number of directors who do not have interests in either the company or the significant shareholder. Of the proposed director nominees, Lawrence Dick, Christian Klingebiel, Bastian Stein and David Velisek are considered by the Board to be "**independent**" within the meaning of NI 58-101. Herrick Lau is an executive officer of the Company, and accordingly, he is considered to be "**non-independent**".

The Board meets for a formal board meeting on an as needed basis to review and discuss the Company's business activities, and to consider and if thought fit, to approve matters presented to the Board for approval, and to provide guidance to management. In addition, management informally provides updates to the Board at least once per quarter between formal meetings. In general, management consults with the Board when deemed appropriate to keep it informed regarding the Company's affairs.

The Board facilitates the exercise of independent supervision over management through these various meetings. At present, the Board does not have any formal committees other than its audit committee. When necessary, the Board will strike a special committee of independent directors to deal with matters requiring independence. The composition of the Board is such that the independent directors have significant experience in business affairs and, as a result, these directors are able to provide significant and valuable independent supervision over management.

In the event of a conflict of interest at a meeting of the Board, the conflicted director will in accordance with corporate law and in accordance with his fiduciary obligations as a director of the Company, disclose the nature and extent of his interest to the meeting and abstain from voting on or against the approval of such participation.

B. Directorships

The following directors of the Company hold directorships in other reporting issuers as set out below:

Name of Director	**Name of Other Reporting Issuer**
Lawrence Dick	Golden Fame Resources Corp.
	Confederation Minerals Ltd.
	Copper One Inc.
	El Condor Minerals Inc
	Timmins Gold Corp.
	United Mining Group Inc.
Christian Klingebiel	N/A
Herrick Lau	Copper One Inc.
	Galliard Resources Ltd.
	ICN Resources Ltd.
	Jayden Resources Inc.
	United Mining Group Inc.
Bastian Stein	N/A
David Velisek	Galliard Resources Ltd.

C. Orientation and Continuing Education

At present, the Company does not provide a formal orientation and education program for new directors. Prior to joining the Board, potential board members are encouraged to meet with management and inform themselves regarding management and the Company's affairs. After joining the Board, management and the board chair provide orientation both at the outset and on an ongoing basis. The Company currently has no specific policy regarding continuing education for directors, and requests for education are encouraged, and dealt with on an ad hoc basis.

D. Ethical Business Conduct

The Board does not currently have a written code of ethics, but views good corporate governance as an integral component to the success of the Company. The Company's audit committee has established a "**whistleblower**" policy to encourage employees to raise concerns about business conduct.

E. Nomination of Directors

The Board does not have a nominating committee. Once a decision has been made to add or replace a director, the task of identifying new candidates will fall on the Board and management. If a candidate looks promising, the Board and management will conduct due diligence on the candidate and interview the candidate and if the results are satisfactory, the candidate is invited to join the Board.

F. Compensation

The Board has the responsibility for determining and administering the compensation policies of the Company's executive officers and does so with reference to the Company's financial situation. The Board has the responsibility for determining the compensation of the directors who currently are not compensated in their capacity as directors but are eligible to receive stock options.

G. Other Board Committees

The Company has no committees other than the audit committee. See "*Audit Committee*" above. The Board has determined that additional committees are not necessary at this stage of the Company's development.

H. Assessments

At present, the Board does not have a formal process for assessing the effectiveness of the board, its audit committee and whether individual directors are performing effectively. These matters are dealt with on a case by case basis at the Board's level. The Board is of the view that the Company's shareholders are the most important assessors of Board performance and that they provide the most effective, objective assessment of the Board's performance.

PLAN OF DISTRIBUTION

The Offering

The Exchange has conditionally approved the listing of the Shares, including the Shares issued under the Offering, the Agent's Shares, the Corporate Finance Fee Shares, any Shares which may be issued upon exercise of the Agent's Warrants and the Stock Options, and the Shares to be issued pursuant to the Option Agreement, on the Exchange. Listing will be subject to the Company fulfilling all listing requirements of the Exchange.

Completion of the Offering is subject to the sale of 3,000,000 Shares. The Offering will be made in accordance with the rules and policies of the Exchange and on a day determined by the Agent and the Company, with the consent of the Exchange. If the Offering is not completed in full within 90 days of the issuance of a receipt for the final prospectus, or within 90 days of the date of a receipt for an amendment to the prospectus provided that no more than 180 days have passed since the date of receipt for the final prospectus, (during which time subscriptions received shall be held in trust by the Agent), the distribution must cease and the Agent must return the subscription funds to the subscribers without any deductions.

Agency Agreement

Pursuant to the Agency Agreement, the Company has appointed the Agent to act as its agent to conduct the Offering in the Selling Provinces, on a commercially reasonable efforts basis. The Agent may enter into selling arrangements with other investment dealers at no additional cost to the Company. The Agent will receive:

(a) 10% of the gross proceeds of the Offering payable in Shares;

(b) the Agent's Warrants to acquire Shares in an amount equal to 10% of the total number of Shares sold pursuant to the Offering, exercisable at a price of $0.20 per share for a period of 24 months from the Closing Day.

(c) a Corporate Finance Fee of $30,000 and 50,000 Corporate Finance Fee Shares; and

(d) the Agent's expenses. A retainer of $15,000 has been paid toward such expenses.

NI 41 101 restricts the number of securities issued to an Agent as compensation which may be qualified under a prospectus ("Qualified Compensation Securities"), to a maximum of 10% of Shares sold pursuant to the Offering. For the purposes of this Offering, any combination of the following, totalling 300,000 securities, are Qualified Compensation Securities and are qualified for distribution by this Prospectus: (a) up to 300,000 Agent's Shares; (b) up to 300,000 Agent's Warrants; and (c) up to 50,000 Corporate Finance Fee Shares. Those securities that the Agent is entitled to receive exceeding 10% of the Offering will not be Qualified Compensation Securities, will not be qualified for distribution under this Prospectus and will be subject to a hold period in accordance with applicable securities laws.

The Agent has agreed to assist with the Offering on a commercially reasonable efforts basis, but is not obligated to purchase any of the Shares for its own account. The total subscription must be completed within 90 days of the date a receipt for the final prospectus is issued, or within 90 days of the date of a receipt for an amendment to the prospectus provided that no more than 180 days have passed since the date of receipt for the final prospectus. If the Offering is not completed within 90 days or 180 days, as applicable, of the issuance of a receipt for the final prospectus, or such other time as may be consented to by the Agent and persons or companies who subscribed within that period, all subscription monies will be returned to subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent.

The Agency Agreement provides that the Company shall grant the Agent a right of first refusal to act as agent with respect to all future brokered financings for a period for 12 months from the date on which the Offering completes. Upon receipt of any proposed financing the Company shall provide the Agent notice in writing of the terms of proposed transaction. The Agent shall have 5 days to accept the mandate on the terms set out in the notice. Should the Agent choose not to participate in the proposed transaction, the right shall be waived for that particular financing only.

Subscriptions will be received for the Shares offered hereby subject to rejection or acceptance by the Company in whole or in part, and the right is reserved to close the subscription books at any time. Upon rejection of a subscription, or in the event that the Offering does not complete within the term of the Agency Agreement or the time required by the rules of the Securities Commissions, the subscription price and the subscription will be returned to the subscriber forthwith without interest or deduction. Certificates representing the Shares acquired hereunder will be delivered on the Closing Date unless the Agent elects for delivery in book entry form through CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee. If delivered in book entry form, purchasers of Shares will receive only a customer confirmation from the registered dealer that is a CDS participant and from or through which the Shares were purchased.

There are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder or any other person or company in connection with the Offering other than the payments to be made to the Agent in accordance with the terms of the Agency Agreement.

The directors, officers and other insiders of the Company may purchase Shares under the Offering.

The price of the Shares offered under this prospectus was determined by negotiation between the Company and the Agent in accordance with the policies of the Exchange and bears no relationship to earnings, book value or other valuation criteria.

Listing of Common Shares

The Exchange has conditionally approved the listing of the Shares, including the Shares issued under the Offering, the Agent's Shares, the Corporate Finance Fee Shares, any Shares which may be issued upon exercise of the Agent's Warrants and the Stock Options, and the Shares to be issued pursuant to the Option Agreement, on the Exchange. Listing will be subject to the Company fulfilling all of the requirements of the Exchange.

As at the date of this prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities on The Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange of The Plus Markets operated by The Plus Markets Group PLC. See "*Risk Factors*".

RISK FACTORS

AN INVESTMENT IN A NATURAL RESOURCE ISSUER INVOLVES A SIGNIFICANT DEGREE OF RISK. THE DEGREE OF RISK INCREASES SUBSTANTIALLY WHERE THE ISSUER'S PROPERTIES ARE IN THE EXPLORATION, AS OPPOSED TO THE DEVELOPMENT STAGE. The Company's exploration activities are subject to the risks normally encountered by companies which develop and mine base and precious metals. The Company's sole property, the South Baird Property, is in the exploration stage. A number of factors, including metal prices, the further discovery of ore reserves and the grade of newly discovered ore are beyond the Company's control.

The securities being offered for sale are suitable only for those purchasers who are willing to rely upon the ability, judgment and integrity of the management and directors of the Company and who can afford a total loss of their investment. The securities offered hereby are considered speculative due to the nature of the Company's business and the present stage of its development. A prospective investor should consider carefully the following factors:

Additional Financing

The Company has no source of operating cash flow to fund all of its exploration and development projects and will require additional financing to continue its operations. There can be no assurance that such financing will be available at all or on favourable terms. Failure to obtain such additional financing could result in delay or indefinite postponement of the Company's exploration and development programs, resulting in the possible dilution or loss of mineral property interests. Any such financing will dilute the ownership interest of the Company's shareholders at the time of the financing, and may dilute the value of their shareholdings.

Management

The Company is a relatively new company and has no proven history of performance or earnings and its ability to develop into a viable business enterprise is largely dependent upon its management and the quality of its properties (currently consisting solely of the South Baird Property).

Nature of Mineral Exploration and Mining

There is no known mineral resource on the South Baird Property. Development of a property will occur only if satisfactory exploration results are obtained. Mineral exploration and development involves a high degree of risk and few properties which are explored are ultimately developed into producing mines. There is, therefore, no assurance that the Company's mineral exploration and development activities will result in any discoveries of bodies of commercial ore. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors out of the Company's control.

Substantial expenditures are required to establish reserves through drilling and, if warranted, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations, or at all, or that the funds required for development can be obtained on a timely basis. Mineral exploration is subject to a high degree of risk, which even a combination of experience, knowledge, and careful evaluation may not be able to overcome.

Mineral Deposits and Production Costs; Metal Prices

The economics of developing mineral deposits are affected by many factors including variations in the grade of ore mined, the cost of operations, and fluctuations in the sales price of products. The value of the Company's mineral property is heavily influenced by metal prices. Metal prices can and do change by substantial amounts over short periods of time, and are affected by numerous factors beyond the control of the Company, including changes in the level of supply and demand, international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production arising from improved mining and production methods and new discoveries. There can be no assurance that the prices of mineral products will be sufficient to ensure that the Company's property can be mined profitably. Depending on the price received for minerals produced, the Company may determine that it is impractical to commence or continue commercial production.

The grade of any ore ultimately mined from a mineral deposit may differ from that predicted from drilling results. Production volumes and costs can be affected by such factors as the proximity and capacity of processing facilities, permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. Short-term factors relating to ore reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on the results of operations. Moreover, there can be no assurance that any gold or other minerals recovered in small-scale laboratory tests will be achieved under production scale conditions or at all. Although precautions to minimize risks will be taken, processing operations are subject to hazards such as equipment failure or failure of tailings impoundment facilities, which may result in environmental pollution and consequent liability.

Exploration and Development Risks

Mineral exploration and mining involve considerable financial and technical risk. Substantial expenditures are usually required to establish ore reserves, to evaluate metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to assure that the current exploration program planned by the Company will result in profitable commercial mining operations, as few properties that are explored are ultimately developed into producing mines. Unusual or unexpected geological formations, unstable ground conditions that could result in cave-ins or landslides, floods, environmental pollution, power outages or fuel shortages, labour disruptions, fires, explosions, personal injuries and the inability to obtain suitable or adequate machinery, equipment or labour are risks associated with the conduct of exploration programs and the operation of mines.

Dependence on Key Individuals

The Company is dependent on a relatively small number of key personnel, the loss of any one of whom could have an adverse effect on the Company. The Company does not maintain key-person insurance on the life of any of its personnel. In addition, while certain of the Company's officers and directors have experience in the exploration of mineral producing properties, the Company will remain highly dependent upon contractors and third parties in the performance of its exploration and development activities. There can be no guarantee that such contractors and third parties will be available to carry out such activities on behalf of the Company or be available upon commercially acceptable terms.

Conflicts of Interest

Some of the directors and officers of the Company are directors and officers of other companies, some of which are in the same business as the Company. Some of the Company's directors and officers will continue to pursue the acquisition, exploration and, if warranted, the development of mineral resource properties on their own behalf and on behalf of other companies, and situations may arise where they will be in direct competition with the Company. The Company's directors and officers are required by law to act in the best interests of the Company. They may have the same obligations to the other companies in respect of which they act as directors and officers. Discharge of their obligations to the Company may result in a breach of their obligations to the other companies, and in certain circumstances this could expose the Company to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligation to act in the best interests of the Company. Such conflicting legal obligations may expose the Company to liability to others and impair its ability to achieve its business objectives.

Permits and Licenses

The operations of the Company will require licenses and permits from various governmental and non-governmental authorities. The Company has obtained, or will obtain, all necessary licenses and permits required to carry on with activities that it is currently conducting or which it proposes to conduct under applicable laws and regulations. However, such licenses and permits are subject to change in regulations and in various operating circumstances. There can be no assurance that the Company will be able to obtain all necessary licenses and permits required to carry out exploration, development and mining operations at its proposed projects.

Environmental Factors

All phases of the Company's operations are subject to environmental regulation in the various 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 Company's operations. Environmental hazards may exist on the South Baird Property which are unknown to the Company at present which have been caused by previous or existing owners or operators of the properties.

Unknown Environmental Risks for Past Activities

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. Companies may be liable for environmental contamination and natural resource damages relating to properties that they currently own or operate or at which environmental contamination occurred while or before they owned or operated the properties. However, no assurance can be given that potential liabilities for such contamination or damages caused by past activities at the South Baird Property do not exist.

Competition

The mineral exploration and mining business is competitive in all of its phases. The Company competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than the Company, in the search for and the acquisition of attractive mineral properties. The ability of the Company to acquire properties in the future will depend not only on its ability to develop the South Baird Property but also on its ability to select and acquire suitable properties or prospects for mineral exploration. There is no assurance that the Company will continue to be able to compete successfully with its competition in acquiring such properties or prospects.

Political Regulatory Risks

Any changes in government policy may result in changes to laws affecting ownership of assets, mining policies, monetary policies, taxation, rates of exchange, environmental regulations, labour relations, repatriation of income and return of capital. This may affect both the Company's ability to undertake exploration and development activities in respect of present and future properties in the manner currently contemplated, as well as its ability to continue to explore, develop and operate the South Baird Property The possibility that future governments may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

Other Regulatory Requirements

The operations of the Company are subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. The Company believes it is in substantial compliance with all material laws and regulations that currently apply to its activities. There can be no assurance, however, that all permits which the Company may require for construction of mining facilities and conduct of mining operations, particularly environmental permits, will be obtainable on reasonable terms or that compliance with such laws and regulations would not have an adverse effect on the profitability of any mining project that the Company might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

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

Limited Business History

The Company has only been recently incorporated on September 14, 2010. The Company has no history of operating earnings. The likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. The Company has limited financial resources and there is no assurance that additional funding will be available to it for further operations or to fulfill its obligations under applicable agreements. There is no assurance that the Company can generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

No Assurance of Title to Property

The Company has not conducted surveys of the claims in which it holds interests and therefore, the precise area and location of such claims may be in doubt. There is no assurance that the interests of the Company in the South Baird Property may not be challenged or impugned. The South Baird Property may be subject to prior unregistered agreements of transfer or aboriginal land claims, and title may be affected by undetected defects. Further, the Company does not own the South Baird Property and only has a right to earn an interest therein pursuant to the Option Agreement. If the Company does not fulfill its obligations contemplated by the Option Agreement, it will lose its interest in the South Baird Property.

Insurance

The Company does not have comprehensive general liability insurance to adequately protect itself against certain risks commonly associated with mineral exploration. Even with insurance, the Company will remain at risk and will be potentially subject to liability for hazards which it cannot insure against or which it may elect not to insure against because of premium costs or other reasons. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Company.

Substantial number of authorized but unissued shares

The Company has an unlimited number of common shares which may be issued by the Board without further action or approval of the Company's 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 Company's shareholders.

Dividends

The Company has not, since the date of its incorporation, declared or paid any dividends on its Shares and does not currently intend to pay dividends. Earnings, if any, will be retained to finance further growth and development of the business of the Company.

Dilution

Assuming completion of the Offering, an investor will suffer an immediate dilution to its investment of 52.19% or $0.1044 per Share calculated on the basis of there being 11,425,000 Shares issued and outstanding following completion of the Offering. Dilution has been computed on the basis of total gross proceeds to be raised by this prospectus and from sales of securities prior to filing this prospectus, without deduction of commissions or related expenses incurred by the Company.

Resale of Shares

The continued operation of the Company will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues will be generated or that other financing can be obtained. If the Company is unable to generate such revenues or obtain such additional financing, any investment in the Company may be lost. In such event, the probability of resale of the Shares purchased under this prospectus would be diminished.

Potential Adverse Tax Consequences

If the Company does not make an election to be deemed to have been a "public corporation" for purposes of the Tax Act in the manner contemplated under "Eligibility for Investment and Tax Consequences", adverse tax consequences may arise with respect to any Shares held in the Plans.

AS A RESULT OF THESE RISK FACTORS, THE OFFERING IS SUITABLE ONLY FOR THOSE PURCHASERS WHO ARE WILLING TO RELY ON THE MANAGEMENT OF THE COMPANY AND WHO CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT IN THE OFFERED SECURITIES.

PROMOTERS

Under the definition of "**promoter**" contained in section 1 of the Securities Act (British Columbia), David Velisek can be considered the promoter of the Company in that he took the initiative in founding and organizing the Company.

The promoter has received nothing of value from the Company, and has no entitlement to receive any such value except as set forth elsewhere in this prospectus, specifically:

- It is contemplated that David Velisek will be granted 100,000 stock options on or about the Closing Day. See "*Options to Purchase Securities*".

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no legal proceedings or regulatory actions outstanding, threatened or pending, as of the date hereof, by or against the Company or which the Company is a party or to which the South Baird Property is subject, nor to the Company's knowledge are any such legal proceedings contemplated which could become material to a purchaser of securities of the Company.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

For the purposes of this prospectus, "**informed person**" means:

(a) any director or executive officer of the Company;

(b) a person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of the Shares; and

(c) any associate or affiliate of any of the foregoing persons.

No informed person has any material interest, direct or indirect, in any material transaction since within the three years prior to the date hereof.

RELATIONSHIP BETWEEN THE COMPANY AND THE AGENT

The Company is not a "related issuer" or a "connected issuer" of or to the Agent (as such terms are defined in National Instrument 33-105 *Underwriting Conflicts*).

AUDITORS, TRANSFER AGENTS AND REGISTRARS

The auditors of the Company are Davidson & Company LLP, Chartered Accountants of 1200 – 609 Granville Street, Vancouver, BC, V7Y 1G5.

The registrar and transfer agent for the Company is Olympia Trust Company of 1003 – 750 West Pender Street, Vancouver, BC, V6C 2T8.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of the Company's business, the only material contracts entered into by the Company since its incorporation are as follows:

1. Agency Agreement. See "*Plan of Distribution*".

2. Escrow Agreement. See "*Escrowed Securities*".

3. Option Agreement. See "*Description of Business – Option to Acquire South Baird Property*" and "*Description of Business – Description of Property and Summary of Technical Report*".

4. Transfer Agency and Registrarship Agreement between the Company and Olympia Trust Company dated May 4, 2011.

Copies of the foregoing contracts may be inspected at 1075 West Georgia Street, Suite 1980, Vancouver, British Columbia, during normal business hours while primary distribution of the Shares offered hereunder is in progress.

EXPERTS

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

1. Garry Smith, P. Geo., an independent geologist and "Qualified Person" as defined in NI 43-101 is the author responsible for the preparation of the Technical Report.

2. The audited financial statements of the Company included in this prospectus have been included in reliance upon the report of Davidson & Company LLP, Chartered Accountants, also included in this prospectus, and upon the authority of such firm as experts in accounting and auditing.

ELIGIBILITY FOR INVESTMENT AND TAX CONSEQUENCES

In the opinion of McMillan LLP, counsel to the Company, based on the current provisions of the Income Tax Act (Canada) (the "Tax Act"), the regulations thereunder and the proposals to amend the Tax Act and the regulations publicly announced by the Minister of Finance prior to the date hereof, if, as and when the Shares are listed on a "designated stock exchange" for purposes of the Tax Act (which currently includes the Exchange), the Shares would, at such time, be "qualified investments" under the Tax Act and the regulations thereunder for trusts governed by registered retirement savings plans ("RRSP"), registered retirement income funds ("RRIF"), registered education savings plans, deferred profit sharing plans, registered disability savings plans, and tax-free savings accounts (collectively, the "Plans"). The listed status of the Shares as of a particular time cannot be guaranteed. The Shares will also be "qualified investments" for such Plans at a time when the Company is a "public corporation" for purposes of the Tax Act, and for this purpose, the Company has advised counsel that the Company will file an election, in its tax return for its first taxation year, to be deemed to have been a public corporation from the beginning of that year and will provide a covenant in the Agency Agreement to this effect.

Notwithstanding the foregoing, if the Shares are "prohibited investments" for the purposes of a tax-free savings account ("TFSA"), the holder of such TFSA will be subject to a penalty tax as set out in the Tax Act. If certain proposals contained in the March 22, 2011 Federal Budget are enacted as proposed, similar rules will apply to annuitants under RRSPs or RRIFs. Shares will generally be prohibited investments if the holder or the annuitant (as the case may be) does not deal at arm's length with the Company for the purposes of the Tax Act or has a "significant interest" (within the meaning of the Tax Act) in the Company or a corporation, partnership or trust with which the Company does not deal at arm's length for the purposes of the Tax Act. Prospective purchasers should consult their own tax advisors in this regard.

Prospective investors should be aware that the purchase of Shares has tax consequences, which are not described in this prospectus. Accordingly, prospective investors are advised to consult their own tax advisors with respect to the tax aspects of investing in Shares.

INTERESTS OF EXPERTS

Certain legal matters relating to the Offering and the issuance of the Shares will be passed upon by McMillan LLP, on behalf of the Company, and by Miller Thomson LLP, on behalf of the Agent. As of the date hereof, the partners and associates of McMillan LLP, as a group, own directly or indirectly, 0% of the Shares and the partners and associates of Miller Thomson LLP, as a group, own directly or indirectly, 0% of the Shares.

The auditor of the Company, Davidson & Company LLP, Chartered Accountants audited the December 31, 2010 financial statements and is independent within the meaning of the Rules of Professional conduct on the Institute of Chartered Accountants of British Columbia and as of the date of this prospectus, does not own or have any registered or beneficial interests, direct or indirect, in any securities or other property of the Company.

Garry Smith, P. Geo is the author responsible for the preparation of the Technical Report. Mr. Smith, as of the date hereof, does not own, directly or indirectly, any of the Shares and is an "independent person" within the meaning of NI 43-101.

OTHER MATERIAL FACTS

There are no further facts or particulars in respect of the securities being distributed pursuant to this prospectus that are not already disclosed herein that are necessary to be disclosed for this prospectus to contain full, true and plain disclosure of all material facts relating to such securities.

RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain Provinces of Canada 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, the securities legislation further provides a purchaser with remedies for rescission or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's Province for the particulars of these rights or consult with a legal advisor.

LIST OF EXEMPTIONS

The Company has not applied for or received any exemption from NI 41-101 regarding this prospectus or the distribution of its securities under this prospectus.

FINANCIAL STATEMENTS

Attached to and forming part of this prospectus are the audited financial statements of the Company for the period from its incorporation on September 14, 2010 to December 31, 2010, together with the auditor's report thereon.

DAVIDSON & COMPANY LLP — Chartered Accountants — A Partnership of Incorporated Professionals

AUDITORS' CONSENT

We have read the prospectus of Kariana Resources Inc. (the "Company") dated May 13, 2011 relating to its initial public offering of 3,000,000 common shares at a price of $0.20 per common share. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above mentioned prospectus of our report to the directors of the Company on the balance sheet of the Company as at December 31, 2010 and the statements of operations, shareholders' equity and cash flows for period from September 14, 2010 (inception) to December 31, 2010. Our report is dated March 18, 2011 (except as to Note 8 which is as of May 13, 2011).

"DAVIDSON & COMPANY LLP"

Vancouver, Canada — Chartered Accountants

May 13, 2011

NEXIA INTERNATIONAL

1200 - 609 Granville Street, P.O. Box 10372, Pacific Centre, Vancouver, B.C., Canada V7Y 1G6
Telephone (604) 687-0947 Fax (604) 687-6172

KARIANA RESOURCES INC.
(An Exploration Stage Enterprise)

FINANCIAL STATEMENTS
(Expressed in Canadian dollars)

DECEMBER 31, 2010

DAVIDSON & COMPANY LLP Chartered Accountants A Partnership of Incorporated Professionals

INDEPENDENT AUDITORS' REPORT

To the Directors of
Kariana Resources Inc.

We have audited the accompanying financial statements of Kariana Resources Inc., which comprise the balance sheet as at December 31, 2010 and the statements of operations, shareholders' equity and cash flows for the period from September 14, 2010 (inception) to December 31, 2010, 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 auditors' 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Kariana Resources Inc. as at December 31, 2010 and the results of its operations and its cash flows for the period from September 14, 2010 (inception) to December 31, 2010 in accordance with Canadian generally accepted accounting principles.

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Emphasis of matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that the Company incurred a loss of $7,716 during the period ended December 31, 2010 and has a deficit of $7,716. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, British Columbia

Chartered Accountants

March 18, 2011
(except as to Note 8 which
is as of May 13, 2011)

KARIANA RESOURCES INC.
(An Exploration Stage Enterprise)
(Expressed in Canadian Dollars, unless stated otherwise)
Notes to Financial Statements

For the Period from September 14, 2010 (Inception) To December 31, 2010

KARIANA RESOURCES INC.
(An Exploration Stage Enterprise)
(Expressed in Canadian Dollars, unless stated otherwise)
BALANCE SHEET

AS AT DECEMBER 31, 2010

ASSETS		
Current Assets		
Cash	$	360,732
Receivable		195
Total Current Assets		360,927
Deferred Financing Costs (Note 8)		15,000
Mineral Property Interest (Note 3)		44,500
Deferred Exploration Expenditures (Note 3)		1,857
TOTAL ASSETS	$	422,284
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts Payable and Accrued Liabilities	$	7,500
Total Current Liabilities		7,500
Shareholders' Equity		
Share Capital (Note 4)		422,500
Deficit		(7,716)
Total Shareholders' Equity		414,784
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$	422,284

Nature of Operations and Going Concern (Note 1)
Subsequent Events (Note 8)

On behalf of the Board

"Herrick Lau" Director   *"David Velisek"* Director

Herrick Lau   David Velisek

The accompanying notes are an integral part of these financial statements

KARIANA RESOURCES INC.
(An Exploration Stage Enterprise)
(Expressed in Canadian Dollars, unless stated otherwise)
Notes to Financial Statements

For the Period from September 14, 2010 (Inception) To December 31, 2010

KARIANA RESOURCES INC.

(An Exploration Stage Enterprise)

(Expressed in Canadian Dollars, unless stated otherwise)

STATEMENT OF OPERATIONS

FOR THE PERIOD FROM SEPTEMBER 14, 2010 (INCEPTION) TO DECEMBER 31, 2010

EXPENSES		
Legal Fees		7,500
Office and General		216
Loss and comprehensive loss for the period		(7,716)
Retained earnings (deficit), beginning of period		-
Deficit, end of period	$	(7,716)
Basic and diluted loss per share	$	0.002
Weighted average number of common shares outstanding – basic and diluted		4,810,870

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

KARIANA RESOURCES INC.

(An Exploration Stage Enterprise)

(Expressed in Canadian Dollars, unless stated otherwise)

STATEMENT OF SHAREHOLDERS' EQUITY

	Number of Shares	Common Shares $	Contributed Surplus $	Deficit $	Shareholders' Equity $
Balance – September 14, 2010	-	-	-	-	-
Share issued upon incorporation	1	1	-	-	1
Repurchase of share and cancelled, September 30, 2010	(1)	(1)	-	-	(1)
Non-brokered private placement, September 30, 2010	1,500,000	15,000	-	-	15,000
Non-brokered private placement, November 8, 2010	5,000,000	250,000	-	-	250,000
Non-brokered private placement, December 3, 2010	1,500,000	150,000	-	-	150,000
Finder's shares	75,000	7,500	-	-	7,500
Loss for the period	-	-	-	(7,716)	(7,716)
Balance – December 31, 2010	8,075,000	422,500	-	(7,716)	414,784

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

KARIANA RESOURCES INC.
(An Exploration Stage Enterprise)
(Expressed in Canadian Dollars, unless stated otherwise)
Notes to Financial Statements

For the Period from September 14, 2010 (Inception) To December 31, 2010

KARIANA RESOURCES INC.

(An Exploration Stage Enterprise)

(Expressed in Canadian Dollars, unless stated otherwise)

STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM SEPTEMBER 14, 2010 (INCEPTION) TO DECEMBER 31, 2010

CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$	(7,716)
Changes in non-cash working capital		
Increase in receivable		(195)
Increase in accounts payable and accrued liabilities		7,500
Net cash flows used in operating activities		(411)
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of mineral property interest		(37,000)
Deferred exploration expenditures		(1,857)
Net cash flows used in investing activities		(38,857)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan proceeds received		25,000
Loan repayment		(25,000)
Deferred financing costs		(15,000)
Issuance of common shares		415,000
Net cash flows from financing activities		400,000
Increase in cash		360,732
CASH, BEGINNING OF PERIOD		-
CASH, END OF PERIOD	$	360,732

The significant non-cash transaction for the period presented consisted of issuing 25,000 common shares with a value of $7,500 as a finders fee on a mineral property.

The accompanying notes are an integral part of these financial statements

KARIANA RESOURCES INC.
(An Exploration Stage Enterprise)
(Expressed in Canadian Dollars, unless stated otherwise)
Notes to Financial Statements

For the Period from September 14, 2010 (Inception) To December 31, 2010

1. NATURE OF OPERATIONS AND GOING CONCERN

Kariana Resources Inc. (the "Company") was incorporated on September 14, 2010 pursuant to the provision of the *Business Corporations Act* (British Columbia). The Company is engaged primarily in the business of evaluating, acquiring and exploring natural resource properties.

The Company is in the process of filing a prospectus for an initial public offering ("IPO") (Note 8)

The amounts shown as mineral interest and deferred exploration expenditures represent net costs to date, less any amounts amortized and/or written off, and do not necessarily represent present or future values. The recoverability of these amounts and any additional amounts required to place these properties into commercial production are dependent upon certain factors. These factors include the existence of ore deposits sufficient for commercial production and the Company's ability to obtain the required additional financing necessary to develop its mineral properties.

The Company has working capital as at December 31, 2010 of $353,427 and an accumulated deficit of $7,716. These financial statements have been prepared under the assumptions of a going-concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company's ability to continue as a going concern is dependent upon obtaining additional financing to meet its operating and exploration expenditures in the future.

Failure to arrange adequate financing on acceptable terms and/or achieve profitability may have an adverse effect on the financial position, results of operations, cash flows and prospects of the Company. Accordingly, these financial statements do not give effect to adjustments to assets or liabilities that would be necessary should the Company be unable to continue as a going concern.

2. SUMMARY OF ACCOUNTING POLICIES

The financial statements of the Company have been prepared by management in accordance with Canadian generally accepted accounting principles. The financial statements have, in management's opinion, been properly prepared using careful judgment with reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

Estimates and measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of commitments and contingencies at the date of the financial statements and the reported amount of revenues and expenses during the period.

Significant areas requiring the use of management estimates include assumptions and estimates relating to the impairment of long-lived assets, stock-based compensation, asset retirement obligations, valuation allowances for future income tax assets, and future income tax liabilities.

Cash and cash equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents. There were no cash equivalents at December 31, 2010.

2. SUMMARY OF ACCOUNTING POLICIES (cont'd…)

Asset retirement obligations

An asset retirement obligation is a legal obligation associated with the retirement of tangible long lived assets that the Company is required to settle. This would include obligations related to future removal of property and equipment, and site restoration costs. The Company recognizes the fair value of a liability for an asset retirement obligation in the year in which it is incurred when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability. The Company currently does not have any significant asset retirement obligations.

Impairment of long-lived assets

The Company follows the recommendations of the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3063, "Impairment of Long-Lived Assets" as well as EIC 174, "Mining Exploration Costs" of the Emerging Issues Committee. The Company periodically reviews and evaluates the carrying value of its mineral properties for impairment when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Management considers assets to be impaired if the carrying value exceeds the estimated undiscounted future projected cash flows expected to be generated from the use of the asset and its eventual disposition. Where estimates of future net cash flows are not available and where other conditions suggest impairment, management assess if carrying value can be recovered by considering alternative methods of determining fair value. When it is determined that a mineral property is impaired it is written down to its estimated fair value.

Mineral property interests

All costs related to the acquisition, exploration and development of mineral interest, less option payments received, are capitalized by property. If economically recoverable reserves are developed, capitalized costs of the related interest are reclassified as mining assets and amortized using the unit of production method. When an interest is abandoned, all related costs are written off to operations. If, after management review, it is determined that the carrying amount of a mineral interest is impaired, that interest is written down to its estimated net realizable value. A mineral interest is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. If the Company transfers its right, title and interest in an interest to a third party, a disposition is recorded. The proceeds less the accumulated costs related to the acquisition, exploration and development of the interest is recognized as a gain or loss.

The amount shown for mineral interest does not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

From time to time, the Company may acquire or dispose of mineral interests pursuant to the terms of option agreements. Options are exercisable entirely at the discretion of optionee, and accordingly, are recorded as mineral interest costs or resources when the payments are made or received.

2. SUMMARY OF ACCOUNTING POLICIES (cont'd…)

Future income taxes

The Company follows the liability method of income tax allocation. Under this method, current income taxes are recognized for the estimated income taxes payable for the current year. Future income tax assets and liabilities are recognized for temporary differences between the tax and accounting bases of assets and liabilities as well as for the benefit of losses available to be carried forward to future years for tax purposes that are likely to be realized. To the extent that the Company does not consider it more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

Earnings (loss) per share

The Company uses the treasury stock method of reporting earnings and other per share amounts. Basic earnings per share are computed by dividing earnings from operations by the weighted average number of common shares outstanding for the period. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. The treasury stock method is used to determine the dilutive effect of stock options and other dilutive instruments. Under the treasury stock method, only dilutive instruments where the market price exceeds the exercise price impact the diluted calculations.

Comprehensive income

Section 1530 of the CICA Handbook establishes standards for reporting and presenting comprehensive income, which is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income comprises items recognized in comprehensive income, but excluded from net income calculated in accordance with Canadian GAAP.

Stock-based compensation

The stock option plan allows Company employees (including directors and senior executives) and consultants to acquire shares of the Company. The fair value of options granted is recognized as stock-based compensation expense with a corresponding increase in equity.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in contributed surplus. No expense is recognized for awards that do not ultimately vest.

At the time when the share options are exercised, the amount previously recognized in contributed surplus is transferred to share capital.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

KARIANA RESOURCES INC.
(An Exploration Stage Enterprise)
(Expressed in Canadian Dollars, unless stated otherwise)
Notes to Financial Statements

For the Period from September 14, 2010 (Inception) To December 31, 2010

2. SUMMARY OF ACCOUNTING POLICIES (cont'd…)

Stock-based compensation (cont'd…)

In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Financial instruments

The Company's financial instruments consist of cash, receivable and accounts payable. The Company has classified its cash as held for trading, which is measured at fair value. Receivables are classified as loans and receivables and accounts payable are classified as other financial liabilities, all of which are recorded at amortized cost. The carrying value of receivables and accounts payable and accrued liabilities approximate their fair value due to their short term nature. Cash is measured at fair value using level 1 fair value inputs.

Recently issued accounting pronouncements not yet adopted

The following pronouncement recently issued by the Canadian Institute of Chartered Accountants will likely impact the Company's future accounting policies:

In February 2008, the Canadian Accounting Standards Board announced 2011 as the changeover date for publicly listed companies to use International Financial Reporting Standards ("IFRS"), replacing Canada's own generally accepted accounting principles. The specific implementation is set for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require restatement for comparative purposes of amounts reported by the Company for the period ended December 31, 2010.

In January 2009, the CICA issued Section 1582 "Business Combinations" to replace Section 1581. Prospective application of the standard is effective January 1, 2011, with early adoption permitted. This new standard effectively harmonizes the business combinations standard under Canadian generally accepted accounting principles with IFRS. The new standard revises guidance on the determination of the carrying amount of the assets acquired and liabilities assumed, goodwill and accounting for non-controlling interests at the time of a business combination. This standard will impact the Company's financial statements if the Company enters into business acquisitions in the future.

The CICA concurrently issued Section 1601 "Consolidated Financial Statements" and Section 1602 "Non-Controlling Interests" which replace Section 1600 "Consolidated Financial Statements." Section 1601 provides revised guidance on the preparation of consolidated financial statements and Section 1602 addresses accounting for non-controlling interests in consolidated financial statements subsequent to a business combination. These standards are effective January 1, 2011, unless they are early adopted at the same time as Section 1582 "Business Combinations". The adoption of these standards is not expected to have any material impact on the Company's financial statements except when the Company enters into business acquisitions in the future.

KARIANA RESOURCES INC.
(An Exploration Stage Enterprise)
(Expressed in Canadian Dollars, unless stated otherwise)
Notes to Financial Statements

For the Period from September 14, 2010 (Inception) To December 31, 2010

3. MINERAL PROPERTY INTEREST

South Baird Property	Additions during the period and balance as at December 31, 2010 $
Acquisition Costs	12,000
Finder's Fee	32,500
Mineral Property Interest	44,500
Exploration Costs	
Geological consulting	1,857
	46,357

On September 21, 2010, the Company signed an option agreement (the "Option Agreement") with Perry Vern English, for and on behalf of Rubicon Minerals Corporation (the "Optionor") to acquire an undivided 100% interest in the South Baird Property (the "South Baird Property"), subject to a 2% net smelter return ("NSR") to the Optionor, with an option buyout of 50% of the NSR for $1,000,000 upon or prior to the commencement of commercial production. The South Baird Property is located in the District of Red Lake Mining in the province of Ontario.

As at December 31, 2010, the Company has the following future requirements to fulfill its obligation under the Option Agreement:

Date	Shares	Cash Payments
Paid on September 21, 2010	-	$12,000 (Paid)
Issue within 30 days of completion of IPO	100,000	-
September 21, 2011	-	$15,000
September 21, 2012		$20,000
September 21, 2013	-	$30,000
September 21, 2014	-	$35,000
Total	**100,000**	**$112,000**

The Company entered into a finder's fee agreement dated November 25, 2010 in connection with the acquisition of the South Baird Property. The Company paid finder's fee in cash of $25,000 and issued 75,000 common shares on December 23, 2010.

4. SHARE CAPITAL

a) Authorized:

Unlimited number of common voting shares without nominal or par value

4. SHARE CAPITAL (cont'd…)

b) Issued share capital:

i) Upon incorporation on September 14, 2010, the Company issued one common share at $1.00 per share which was subsequently repurchased and cancelled on September 30, 2010.

ii) On September 30, 2010, the Company issued 1,500,000 common shares at $0.01 per share for gross cash proceeds of $15,000

iii) On November 8, 2010, the Company issued 5,000,000 common shares at $0.05 per share for gross cash proceeds of $250,000

iv) On December 3, 2010, the Company issued 1,500,000 common shares at $0.10 per share for gross cash proceeds of $150,000

v) On December 23, 2010, the Company issued 75,000 common shares at a value of $0.10 per share, for a total value of $7,500, pursuant to a finders fee agreement (Note 3).

c) Stock options

The Company has a stock option plan whereby the Company is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Vesting and the term of an option is determined at the discretion of the Board of Directors of the Company.

No stock options have yet been granted under the plan.

d) Escrow shares

Included in issued share capital are 2,916,500 shares subject to escrow restrictions which will be released from escrow in tranches over 36 months from its listing. (Note 8)

5. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its operations and business development. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company has not generated any revenues and cash flows since its inception; therefore, the Company is dependent on external financing to fund its future intended business plan. The capital structure of the Company currently consists of common shares. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements. Management reviews its capital management approach on a regular basis. The Company is not subject to externally imposed capital requirements.

KARIANA RESOURCES INC.
(An Exploration Stage Enterprise)
(Expressed in Canadian Dollars, unless stated otherwise)
Notes to Financial Statements

For the Period from September 14, 2010 (Inception) To December 31, 2010

5. CAPITAL MANAGEMENT (cont'd…)

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

6. FINANCIAL INSTRUMENTS

The Company's financial instruments are exposed to a number of financial and market risks, including credit, liquidity, interest rate and currency risks. The Company may, or may not, establish from time to time active policies to manage these risks. The Company does not currently have in place any active hedging or derivative trading policies to manage these risks since the Company's management does not believe that the current size, scale and pattern of its operations would warrant such hedging activities.

Credit risk

The Company's limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure (Note 5).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

Currency risk

The Company is not exposed to currency risk.

7. FUTURE INCOME TAXES

The recovery of income taxes differs from the amounts obtained by applying statutory rates to the loss before provision for income taxes due to the following:

	Period Ended December 31, 2010 $
Combined federal and provincial statutory tax rate	28.5%
Loss for the period before income taxes	(7,716)
Expected income tax recovery	2,200
Unrecognized tax losses	(2,200)
Tax expense	-

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

KARIANA RESOURCES INC.
(An Exploration Stage Enterprise)
(Expressed in Canadian Dollars, unless stated otherwise)
Notes to Financial Statements

For the Period from September 14, 2010 (Inception) To December 31, 2010

7. FUTURE INCOME TAXES (cont'd…)

	December 31, 2010 **$**
Future income tax assets:	
Non-capital loss carry-forwards	2,045
Valuation allowance	(2,045)
Net future income tax assets	**-**

As at December 31, 2010, the Company has non-capital losses of approximately $7,700 available to reduce income otherwise taxable in future years expiring in 2030.

The potential tax benefits related to the loss carry forwards and other temporary differences, the application of which may be restricted, have not been recognized in these consolidated financial statements as management does not consider it likely that such assets will be realized in the carry forward period.

8. SUBSEQUENT EVENTS

In December 2010, the Company entered into a corporate financing agreement with Canaccord Genuity Corp. ("Canaccord"), under which Canaccord would assist the Company in completing its IPO of 3,000,000 shares for proceeds of $600,000 and listing on the Canadian National Stock Exchange. As return for the agent services, Canaccord will be entitled to receive a 10% commission of the gross proceeds raised from the IPO payable in shares at a price of $0.20 per share. Canaccord will also be granted warrants entitling Canaccord to purchase 10% of the aggregate number of common shares issued exercisable for 24 months at $0.20 per share. Furthermore, Canaccord will receive a corporate finance fee of $30,000 in cash and 50,000 shares plus reimbursement of expenses and fees in connection with the offering.

As at December 31, 2010, the Company had paid Canaccord $15,000 in connection with the IPO. These costs have been recorded as deferred financing costs and will be charged to share capital on completion of the IPO.

On completion of the listing and IPO, the Company intends to grant 600,000 stock options to officers and directors exercisable at $.20 per share for a period of ten years.

SCHEDULE A - AUDIT COMMITTEE CHARTER

1. MISSION

Senior management, as overseen by the board of directors, has primary responsibility for the Company's financial reporting, accounting systems and internal controls. The audit committee is a standing committee of the board of directors established to assist the board of directors in fulfilling its responsibilities in this regard.

2. RESPONSIBILITIES

The audit committee shall:

(a) Financial Information

(i) review the annual financial statements and related matters and recommend their approval to the board of directors, after discussing matters such as the selection of accounting policies, major accounting judgements, accruals and estimates with management;

(ii) review the annual information form, if applicable;

(iii) be responsible for reviewing the results of the external audit, including:

A. the auditor's engagement letter;

B. the reasonableness of the estimated audit fees;

C. the scope of the audit, including materiality, locations to be visited, audit reports required, areas of audit risk, timetable, deadlines and coordination with internal audit;

D. the post-audit management letter together with management's response;

E. the form of the audit report;

F. any other related audit engagements (e.g. audit of the company pension plan);

G. non-audit services performed by the auditor;

H. assessing the auditor's performance;

I. recommending the auditor for appointment by the board or directors; and

J. meeting with the auditors to discuss pertinent matters, including the quality of accounting personnel;

(iv) ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements (except for disclosure required to be reviewed by the audit committee), and must periodically assess the adequacy of those procedures;

(v) establish procedures for:

A. the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and

B. the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;

(vi) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company;

(b) Interim Financial Statements

(vii) obtain reasonable assurance on the process for preparing reliable quarterly interim financial statements from discussions with management and, where appropriate, reports from the external and internal auditors;

(viii) review and approve the interim financial statements of the Company and management's discussion and analysis related thereto when the same is not undertaken by the board of directors;

(ix) obtain reasonable assurance from management about the process for ensuring the reliability of other public disclosure documents that contain audited and unaudited financial information;

(c) Accounting System and Internal Controls

(x) obtain reasonable assurance from discussions with and/or reports from management, and reports from external and internal auditors that the Company's accounting systems are reliable and that the prescribed internal controls are operating effectively;

(xi) direct the auditors' examinations to particular areas;

(xii) request the auditors to undertake special examinations (e.g., review compliance with conflict of interest policies);

(xiii) review control weaknesses identified by the external and internal auditors, together with management's response;

(xiv) review the appointments of the chief financial officer and key financial executives;

(xv) review accounting and financial human resources and succession planning within the company.

(d) Reporting

(xvi) report to the board of directors following each meeting on the major discussions and decisions made by the audit committee; and

(xvii) review the audit committee's terms of reference periodically and propose recommended changes to the board of directors.

3. COMPOSITION AND REGULATIONS

(a) The audit committee shall be composed of at least three directors. The members and the chairperson of the audit committee shall be appointed by the board of directors for a one year term and may serve any number of consecutive terms.

(b) The chairperson of the audit committee shall, in consultation with management and the auditors, establish the agenda for the meetings and ensure that properly prepared agenda materials are circulated to members with sufficient time for study prior to the meeting.

(c) The audit committee shall have the power, authority and discretion delegated to it by the board of directors which shall not include the power to change the membership of or fill vacancies in the audit committee.

(d) The audit committee shall conform to the regulations which may from time to time be imposed upon it by the board of directors. The board of directors shall have the power at any time to revoke or override the authority given to or acts done by the audit committee except as to acts done before such revocation or act of overriding and to terminate the appointment or change the membership of the audit committee or fill vacancies in it as it shall see fit.

(e) The audit committee may meet and adjourn, as they think proper. A majority of the members of the audit committee shall constitute a quorum thereof. Questions arising shall be determined by a majority of votes of the members of the audit committee present, and in the case of an equality of votes, the chairperson shall not have a second or casting vote.

(f) A resolution approved in writing by all of the members of the audit committee shall be valid and effective as if it had been passed at a duly called meeting. Such resolution shall be filed with the minutes of the proceedings of the audit committee and shall be effective on the date stated thereon or on the latest date stated in any counterpart.

(g) The audit committee shall keep regular minutes of its meetings and record all material matters and shall cause such minutes to be recorded in the books kept for that purpose and shall distribute such minutes to the board of directors.

(h) The audit committee shall have unrestricted and unfettered access to all Company personnel and documents and shall be provided with the resources necessary to carry out its responsibilities.

CERTIFICATE OF THE COMPANY

Dated: May 13, 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 British Columbia, Alberta and Ontario.

/s/ "Herrick Lau"	*/s/ "Denise Lok"*
Herrick Lau	Denise Lok
Chief Executive Officer	Chief Financial Officer
/s/ "David Velisek"	*/s/ "Lawrence Dick"*
David Velisek	Lawrence Dick
Director	Director

CERTIFICATE OF THE PROMOTER

Dated: May 13, 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 British Columbia, Alberta and Ontario.

/s/ "David Velisek"
David Velisek
Promoter

CERTIFICATE OF THE AGENT

Dated: May 13, 2011

To the best of our knowledge, information and belief, 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 British Columbia, Alberta and Ontario.

CANACCORD GENUITY CORP.

/s/ "Frank Sullivan"

Name: Frank Sullivan

Position: Vice-President, Investment Banking