EXPLOREX CAPITAL LTD.

214 - 1118 Homer Street
Vancouver, B.C. V6B 6L5

Filing Statement

Dated as of May 29, 2012

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

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GLOSSARY OF TERMS

The following is a glossary of certain defined terms used frequently throughout this filing statement. Terms and abbreviations used in the financial statements of the Corporation are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

"$" means Canadian dollars, unless otherwise indicated.

“Affiliate” A company is an “Affiliate” of another company if:

(a) one of them is the subsidiary of the other, or

(b) each of them is controlled by the same person.

A company is “controlled” by a person if:

(a) voting securities of the company are held, other than by way of security only, by or for the benefit of that person, and

(b) the voting securities, if voted, entitle the person to elect a majority of the directors of the company.

A person beneficially owns securities that are beneficially owned by:

(a) a company controlled by that person, or

(b) an Affiliate of that person or an Affiliate of any company controlled by that person.

“Associate” When used to indicate a relationship with a person or company, means

(a) an issuer of which the person or company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer;

(b) any partner of the person or company,

(c) any trust or estate in which the person or company has a substantial beneficial interest or in respect of which a person or company serves as trustee or in a similar capacity,

(d) in the case of a person, a relative of that person, including

(i) that person’s spouse or child, or

(ii) any relative of the person or of his spouse who has the same residence as that person.

but

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

"Auditor"	the Corporation's auditor, Davidson & Company LLP.
"Author"	Rudolf R. Stea, Ph.D., P.Geo., the Qualified Person, who prepared the Technical Report
"BCBCA"	the Business Corporations Act (British Columbia), including the regulations promulgated thereunder, as amended
"Board"	the board of directors of the Corporation and the board of directors of the Resulting Issuer, as applicable.
"Business Day"	any day other than a Saturday, Sunday or a day on which banking institutions in Vancouver, British Columbia are authorized or obligated by law to close.
"CEO"	Chief Executive Officer of the Issuer or Resulting Issuer, as applicable.
"CFO"	Chief Financial Officer of the Issuer or Resulting Issuer, as applicable.
"Closing"	the closing of the Transaction.
"Closing Date"	the date of Closing designated by the Corporation and the Optionor, which is within two (2) Business Days after the date the Final Exchange Bulletin is issued by the Exchange or on a later date as the Issuer and the Optionor may mutually agree upon.
"Commissions"	The British Columbia Securities Commission, Alberta Securities Commission, and the Yukon Securities Commission, collectively
"Common Shares"	The common shares without par value of the Corporation.
"company"	Unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.
"Completion of the Qualifying Transaction"	means the date the Final Exchange Bulletin is issued by the Exchange.
"Control Person"	Any person or company that holds or is one of a combination of persons or companies that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.
"CPC"	means a corporation: (a) that has been incorporated or organized in a jurisdiction in Canada; (b) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities regulatory authorities in compliance with the CPC Policy; and (c) in regard to which the Completion of the Qualifying Transaction has not yet occurred

“CPC Policy”	Exchange Policy 2.4 Capital Pool Companies in the Exchange Corporate Finance Manual
“Corporation”	Explorex Capital Ltd.
“Crown”	means Her Majesty in right of the Province of New Brunswick.
“Crown Lands”	means all or any part of the lands vested in the Crown that are under the administration and control of the Minister and includes any water upon or under the surface of such lands.
“Engagement Letter”	The engagement letter between the Corporation and Agent dated May 10, 2006 in connection with the Financing.
“Escrow Agent”	Equity Financial Trust Company
“Escrow Agreement”	the escrow agreement, dated June 29, 2011 entered into between the Corporation, Equity Financial Trust Company and the certain shareholders of the Corporation
"Exchange"	The TSX Venture Exchange Inc.
“Explorex Shareholders”	The shareholders of the Corporation.
“Final Exchange Bulletin”	The Exchange Bulletin which is issued following closing of the Transaction and the submission of all required documentation and that evidences the final Exchange acceptance of the Transaction.
“Financing”	A non-brokered private placement of the Corporation to raise gross proceeds of \$283,500 by the offer and sale of up to 1,417,500 Units at a price of \$0.20 per Unit to be completed concurrently with the completion of the Transaction.
“Incentive Stock Options”	means the options to purchase Common Shares granted to the directors and officers of the Corporation on August 8, 2011, being the date on which the Common Shares were first listed on the Exchange, and which options may be exercised at a price of \$0.10 per Common Share for a period of five years beginning on such a date.
"Insider"	If used in relation to a company, means: (a) a director or senior officer of the company; (b) a director or senior officer of the company that is an Insider or subsidiary of the company; (c) a person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the company; or the company itself if it holds any of its own securities.
“IPO”	means the initial public offering of the Corporation as completed on August 3 2011
“IPO Agent”	means Canaccord Genuity Corp., the agent which assisted the Corporation with respect to the sale of Common Shares in the IPO pursuant to the terms of the

	IPO Agency Agreement
"IPO Agency Agreement"	means the agency agreement dated June 29, 2011 between the Corporation and the IPO Agent
"IPO Agent's Options"	means the non-transferable options granted to the IPO Agent pursuant to the IPO Agency Agreement exercisable at a price of $0.10 per Common Share
"issuer"	a company which: (a) has a security outstanding; (b) is issuing a security; or (c) proposes to issue a security.
"Majority of the Minority Approval"	The approval of the Transaction by the majority of the Explorex Shareholders, other than: (a) Non Arm's Length Parties to the Corporation; (b) Non Arm's Length Parties to the Transaction; and (c) in the case of a Related Party Transaction: (i) if the CPC holds its own shares, the CPC, and (ii) a Person acting jointly or in concert with a Person referred to in paragraph (a) or (b) in respect of the transaction at a properly constituted meeting of the common shareholders of the CPC.
"Member"	has the meaning given to it in Exchange Policy 1.1 - Interpretation.
"Named Executive Officer" or "NEO"	means each of the following individuals: (a) the CEO; (b) the 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, as determined in accordance with subsection 1.3(6) of Form 51-102F6 Statement of Executive Compensation, 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
"NI 43-101"	National Instrument 43-101 Standards of Disclosure for Mineral Projects, as amended from time to time.
"Non Arm's Length Party"	In relation to a company, a promoter, officer, director, other Insider or Control Person of that company and any Associates or Affiliates of any of such persons. In relation to an individual, means any Associate of the individual or any company of which the individual is a promoter, officer, director, Insider or Control Person.

"Non Arm's Length Parties to the Transaction" the Vendor(s), and includes, in relation to Significant Assets, the Non Arm's Length Parties of the Vendor(s), and all other parties to or associated with the Transaction and Associates or Affiliates of all such other parties.

"Non Arm's Length Transaction" A proposed Transaction where the same party or parties or their respective Associates or Affiliates are Control Persons in relation to the CPC and the Significant Assets which are the subject of the proposed Transaction

"NSR" A 2% net smelter return royalty payable jointly to Frank Ross and Ole Kristiansen with respect to the Porcupine Property.

"Option" An option granted to the Corporation by the Vendor pursuant to the Option Agreement wherein the Corporation may acquire the beneficial and legal interest to 85% of Porcupine Property, subject to the NSR.

"Option Agreement" An option agreement between the Corporation and the Optionor dated for reference November 28, 2011 pursuant to which the Optionor granted the Option to the Corporation.

"Optionor" Greenlight Resources Inc., a public company traded on the Exchange.

"Option Period" the period from the date of the Option Agreement up to and including the earlier of the date of the exercise of the Option and the date of termination of the Option.

"Person" means a company or individual.

"Principals" The principal shareholders of the Corporation, being William E.A. Wishart.

"Principal"

(a) a Person who acted as a Promoter of the Corporation within two years or their respective Associates or Affiliates, before the IPO prospectus or Final Exchange Bulletin;

(b) a director or senior officer of the Corporation or any of its material operating subsidiaries at the time of the IPO prospectus or Final Exchange Bulletin;

(c) a "20% holder" – a Person that holds securities carrying more than 20% of the voting rights attached to the Corporation's outstanding securities immediately before and immediately after the Corporation's IPO or immediately after the Final Exchange Bulletin for non IPO transactions;

(d) a "10% holder" – a Person that:

(i) holds securities carrying more than 10% of the voting rights attached to the Corporation's outstanding securities immediately before and immediately after the Corporation's IPO or immediately after the Final Exchange Bulletin for non IPO transactions; and

(ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the Corporation or any of its material operating subsidiaries.

In calculating these percentages, include securities that may be issued to the holder under outstanding convertible securities in both the holder's securities and the total securities outstanding.

A Company, trust, partnership or other entity more than 50% held by one or more Principals will be treated as a Principal. (In calculating this percentage, include securities of the entity that may be issued to the Principals under outstanding convertible securities in both the Principals' securities of the entity and the total securities of the entity outstanding.) Any securities of the Company that this entity holds will be subject to escrow requirements.

A Principal's spouse and their relatives that live at the same address as the Principal will also be treated as Principals and any securities of the Corporation they hold will be subject to escrow requirements.

"Principal Regulator" the British Columbia Securities Commission.

"Principal Securityholder" means a Person who beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation

"Promoter" has the meaning specified in section 1(1) of the Securities Act (British Columbia).

"Pro Group"

(a) Subject to subparagraphs (b), (c) and (d) "Pro Group" shall include, either individually or as a group:

(i) the Member;

(ii) employees of the Member;

(iii) partners, officers and directors of the Member;

(iv) Affiliates of the Member; and

(v) Associates of any parties referred to in subparagraphs (i) through (iv).

(b) The Exchange may, in its discretion, include a Person or party in the Pro Group for the purposes of a particular calculation where the Exchange determines that the Person is not acting at arm's length to the Member;

(c) The Exchange may, in its discretion, exclude a Person from the Pro Group for the purposes of a particular calculation where the Exchange determines that the Person is acting at arm's length to the Member;

(d) The Exchange may deem a Person who would otherwise be included in the Pro Group pursuant to subparagraph (a) to be excluded from the Pro Group where the Exchange determines that:

(i) the Person is an Affiliate or Associate of the Member acting at arm's length to the Member;

(ii) the Associate or Affiliate has a separate corporate and reporting structure;

(iii) there are sufficient controls on information flowing between the Member and the Associate or Affiliate; and

(iv) the Member maintains a list of such excluded Persons.

“Porcupine Property”	A mineral property comprised of 86 mining claims totaling approximately 1,897 hectares and located in Northumberland County in the province of New Brunswick, Canada.
“Qualified Person”	has the meaning given to it in NI 43-101.
"Related Party Transaction”	has the meaning ascribed to that term under Appendix 5B of the Exchange Policy Manual as incorporated by reference Multi-lateral Instrument 61-101, and includes a related party transaction that is determined by the Exchange, to be a Related Party Transaction. The Exchange may deem a transaction to be a Related Party Transaction where the transaction involves Non Arms Length Parties, or other circumstances exist which may compromise the independence of the Corporation with respect to the transaction.
"Resulting Issuer"	The issuer that was formerly a capital pool company that exists after giving effect to the Transaction upon issuance of the Final Exchange Bulletin.
“Resulting Issuer Shares”	common shares without par value in the capital of the Resulting Issuer
“Resulting Issuer Warrants”	means common share purchase warrants in the capital of the Resulting Issuer.
“Rule D”	Rule D under the TSX Venture Exchange Rule Book
“Significant Assets”	One or more assets or businesses which, when purchased, optioned or otherwise acquired by the CPC, together with any other concurrent transactions would result in the CPC meeting the initial listing requirements of the Exchange.
“SEDAR”	System for Electronic Document Analysis and Retrieval
“Sponsor”	has the meaning specified in Exchange Policy 2.2 - Sponsorship and Sponsorship Requirements.
“Stock Option Plan”	The stock option plan of the Corporation adopted on January 13, 2011.
“Technical Report”	The Technical Report for the Porcupine Property dated December 5, 2011, prepared by Rudolf R. Stea, Ph.D., P.Geo. in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects.*
“Transaction”	The Transaction which, if and when accepted by the Exchange and completed in accordance with the policies of the Exchange, is a transaction whereby a capital pool company acquires, for consideration other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means, one or more businesses which, when purchased, optioned or otherwise acquired by the capital pool company, together with any other concurrent transactions, would result in the capital pool company meeting the minimum listing requirements of the Exchange.
“Transfer Agent”	the Corporation’s transfer agent and registrar, Equity Financial Trust Company, at its office in Vancouver, British Columbia.
“Units”	The units of the Resulting Issuer to be issued on the Financing, where each Unit consists of one Common Share and one Warrant.

"Vendor"	One or all of the beneficial owners of the Significant Assets.
"Warrants"	The non-transferable share purchase warrants of the Resulting Issuer to be issued in connection with the Financing, where each Warrant is exercisable to acquire one Common Share at a price of $0.30 for a period of one year from the closing of the Financing.

FORWARD-LOOKING STATEMENTS

Except for statements of historical fact, this Filing Statement contains certain forward-looking statements and forward-looking information within the meaning of applicable securities law. Such forward-looking statements and information include, but are not limited to, statements or information with respect to: the completion of the Transaction; the exploration and development of the Resulting Issuer's mineral properties; the Resulting Issuer's future business and strategies; requirements for additional capital and future financing; estimation of mineral resources; and estimated future working capital, funds available, and uses of funds, and future capital expenditures, exploration expenditures and other expense for specific operations. Forward-looking information also includes information contained in pro forma financial statements.

Forward-looking information is frequently characterized by words such as "plan", "project"; "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. With respect to forward-looking statements and information contained herein, we have made numerous assumptions including, among other things, our ability to satisfy the conditions in accordance with the Amalgamation Agreement and the assumptions made in connection with the preparation of the Resulting Issuer's pro forma financial statements. Although our management believes that the assumptions made and the expectations represented by such statement or information are reasonable, there can be no assurance that a forward-looking statement or information referenced herein will prove to be accurate. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices for metals, the conclusions of detailed feasibility and technical analyses, lower than expected grades and quantities of mineralization and resources, mining rates and recovery rates and the lack of availability of necessary capital, which may not be available to the Resulting Issuer on terms acceptable to it or at all, changes in and the effect of government policies with respect to mineral exploration and exploitation, the ability to obtain required permits, potential environmental issues and liabilities associated with exploration and development and mining activities, delays in exploration and development projects and the possibility of adverse developments in the financial markets generally. The Resulting Issuer will also be subject to the specific risks inherent in the mining business as well as general economic and business conditions. The Corporation undertakes no obligation to update forward-looking statements and information if circumstances or management's estimates should change except as required by law. The reader is cautioned not to place undue reliance on forward-looking statements and information. More detailed information about potential factors that could affect financial results is included in the documents that may be filed from time to time with the Canadian securities regulatory authorities by the Corporation or the Resulting Issuer.

For a more detailed discussion of certain of these risk factors, see "Part IV - Description of the Risk Factors associated with the Transaction".

SUMMARY OF FILING STATEMENT

The following is a summary of information relating to the Corporation, Significant Assets and Resulting Issuer (assuming completion of the Transaction) and should be read together with the more detailed information and financial data and statements contained elsewhere in this Filing Statement. Capitalized terms used in this summary will have the meaning provided in the Glossary or elsewhere in this Filing Statement.

This Filing Statement is being prepared and filed in accordance with the CPC Policy in connection with the Proposed Transaction.

Summary of Transaction	Pursuant to the Option Agreement, the Optionor has agreed to grant the Corporation the Option wherein the Corporation may acquire 85% of legal and beneficial interest in the Porcupine Property, subject to the NSR. To exercise the Option, thereby earning a 85% interest in and to the Property, the Issuer is required to: a) pay to the Optionor $25,000 deposit upon execution of the Option Agreement (already paid), which deposit shall be refundable upon written request by the Corporation unless the Option Agreement and the transaction contemplated thereunder have not been accepted for filing by the TSX Venture Exchange on or before March 31, 2012 and issuing to the Optionor 150,000 common shares within 5 business days of the issuance of the Final Exchange Bulletin; b) pay the Optionor $30,000, issue to the Optionor 150,000 common shares and incurring $250,000 of exploration expenditures on the Porcupine Property on or before the first anniversary of the Final Exchange Bulletin; c) pay the Optionor $50,000, issue to the Optionor 250,000 common shares and incurring $300,000 of exploration expenditures on the Porcupine Property on or before the second anniversary of the Final Exchange Bulletin; d) pay the Optionor $75,000, issue to the Optionor 300,000 common shares and incurring $450,000 of exploration expenditures on the Porcupine Property on or before the third anniversary of the Final Exchange Bulletin; and e) obtain a positive National Instrument 43-101 compliant feasibility study concluding that mining of the Porcupine Property would be economically viable. The Corporation is categorized as a "capital pool company" under the rules and policies of the Exchange. The Transaction is an arm's length transaction and will represent the Corporation's Transaction under the policies of the Exchange. Concurrent with the closing of the Transaction, the Corporation plans to complete the Financing. Upon completion of the Transaction including the Financing, the current shareholders of the Corporation will own approximately 82.62% of the Resulting Issuer's outstanding Common Shares. See "The Transaction".

<table>
<tr><td>Interests of Others</td><td>Except as disclosed herein, no Insider, promoter or Control Person of the Corporation or their respective Associates and Affiliates (before giving effect to the Transaction) have any interest in the Vendor or the Porcupine Property.</td></tr>
<tr><td>Arm’s Length Transaction</td><td>The Transaction is not a Non Arm’s Length Transaction.</td></tr>
<tr><td>Funds Available</td><td>Management of the Corporation anticipates that based on estimated working capital as at May 15, 2012, that the Resulting Issuer will have Available Funds after closing the Transaction and the Financing of approximately $574,920. The principal purposes of the Available Funds will be to fund, among other things, the recommended work program on the Porcupine Property, to fund Transaction costs associated with the Porcupine Property, administrative costs and for general working capital purposes and to pay for the regulatory and legal costs to complete the Transaction. See “Part III - Information Concerning the Resulting Issuer — Available Funds and Principal Purposes”.:
<table>
<tr><td colspan="2">Calculation of Funds Available</td></tr>
<tr><td>Working capital position of the Corporation as at May 15, 2012</td><td>$307,770</td></tr>
<tr><td>Gross Proceeds from Financing</td><td>$283,500</td></tr>
<tr><td>Less: Estimated balance of legal and accounting expenses and regulatory fees relating to the Transaction and Financing</td><td>($16,350)</td></tr>
<tr><td>Total</td><td>$574,920</td></tr>
<tr><td colspan="2">Use of Funds Available</td></tr>
<tr><td>Porcupine Property recommended work program</td><td>$260,000</td></tr>
<tr><td>Option Agreement, amount payable within 12 months</td><td>$30,000</td></tr>
<tr><td>Estimated administrative costs for the next 12 months</td><td>$183,104</td></tr>
<tr><td>Unallocated Working capital</td><td>$101,816</td></tr>
<tr><td>Total</td><td>$574,920</td></tr>
</table></td></tr>
<tr><td>Selected Pro Forma Financial Information</td><td>Included with this Filing Statement are the audited financial statements of the Corporation as at March 31, 2011, for the period from incorporation on January 6, 2011 to March 31, 2011; and unaudited financial statements for the three and nine month periods ended December 31, 2011.
The Corporation’s working capital and total assets as at December 31, 2011, and March 31, 2011 were as follows:
<table>
<tr><td></td><td>December 31, 2011 (Unaudited)</td><td>March 31, 2011 (Audited)</td></tr>
<tr><td>Working capital</td><td>$342,390</td><td>$157,524</td></tr>
<tr><td>Total assets</td><td>$436,559</td><td>$204,080</td></tr>
</table></td></tr>
</table>

Public Market	The Common Shares of the Corporation are currently listed on the Exchange under the symbol EX.P. On November 28, 2011, the date immediately preceding the announcement of the Transaction, the closing trading price of the Corporation's shares was $0.25. The common shares have been halted from trading since the date of the announcement.
Sponsorship / Agent for the Transaction	Pursuant to Exchange Policy 2.2 – *Sponsorship and Sponsorship Requirements*, sponsorship is generally required in conjunction with a Qualifying Transaction. The Corporation has applied for an exemption of the sponsorship requirement on the basis that: (a) the Resulting Issuer will not be a Foreign Issuer (as defined in Exchange Policy 2.2); (b) the Board and management of the Resulting Issuer meet a high standard and collectively possess appropriate experience, qualifications and history that indicate positive records with junior companies, as evidenced by the growth of such companies, the ability to raise financing, positive corporate governance and regulatory histories, and appropriate technical and other experience with public companies in Canada or the United States; and (c) the Resulting Issuer will be a mining issuer, satisfying the Initial Listing Requirements for a Tier 2 Issuer and will have a current Technical Report on the Porcupine Property.
Conflicts of Interest	As of the date of this Filing Statement, neither the management of the Corporation is aware of any material conflicts of interest arising out of the Proposed Transaction. See "Part III ¬Information Concerning the Resulting Issuer - Directors, Officers " for a discussion of the potential conflicts of interest that may arise with respect to the proposed directors and officers of the Resulting Issuer in the future.
Interests of Experts	No person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Filing Statement or prepared or certified a report or valuation described or included in this Filing Statement currently holds, directly or indirectly, more than 1 % of the Common Shares, or holds any property of the Corporation or of an Associate or Affiliate of the Corporation and no such person is expected to be elected, appointed or employed as director, senior officer or employee of the Corporation or of an Associate or Affiliate of the Resulting Issuer and no such person is a promoter of the Corporation or of an Associate or Affiliate of the Corporation.
Risk Factors	An investment in the Resulting Issuer is speculative and involves a high degree of risk due to the nature of Corporation's business and the present stage of exploration and development of the Porcupine Property. Prospective investors should carefully consider the following risk factors along with the other matters set out herein: • Changes in the market price of metals, which in the past has fluctuated widely, will significantly affect the potential of the Porcupine Property. • There can be no assurance that the Resulting Issuer's exploration programs will result in the establishment of mineral reserves or the expansion of such reserves with new mineral reserves. • There can be no assurance that the Resulting Issuer will successfully establish mining operations or become profitable. • The figures for the Vendor's mineral deposits are estimates based on interpretation

	and assumptions. • The Resulting Issuer will require various permits in order to conduct its anticipated future operations and delays or a failure to obtain such permits, or a failure to comply with the terms of any such permits that the Resulting Issuer obtains, could have a material adverse impact on the Resulting Issuer. • The Vendor's permits, licences and mineral rights to the Porcupine Property may be subject to challenges by First Nation groups based on the duty of the Federal Government to consult. • The Porcupine Property is subject to significant governmental regulations. • The Resulting Issuer's activities will be subject to environmental laws and regulations that may increase its costs of doing business and restrict its operations. • Mining is inherently dangerous and subject to conditions or events beyond the Resulting Issuer's control, which could have a material adverse effect on the business of the Resulting Issuer. • The Resulting Issuer will require external financing to conduct further exploration on and development of its mineral resource properties. • Increased competition could adversely affect the Resulting Issuer's ability to attract necessary capital funding or acquire suitable prospects for mineral exploration in the future. • Title to the Porcupine Property cannot be guaranteed and may be subject to prior unregistered agreements, transfers or claims and other defects. • The Corporation has a history of losses and expects the Resulting Issuer to incur losses for the foreseeable future. • The Resulting Issuer may experience difficulty attracting and retaining qualified management and personnel to meet the needs of its anticipated growth, and the failure to manage its growth effectively could have a material adverse effect on its business and financial condition. • There can be no assurance that an active trading market in the Resulting Issuer's securities will be established and sustained. • Certain of the Resulting Issuer's directors are also directors, officers or shareholders of other companies that are engaged in the business of acquiring, developing and exploiting natural resource properties. See "Part IV - Description of the Risk Factors associated with the Transaction" below for a more detailed description of the risk factors associated with the Transaction.
Conditional Listing Approval	The Exchange has conditionally accepted the Transaction subject to Explorex Capital Ltd fulfilling all of the requirements of the Exchange.

PART I
INFORMATION CONCERNING THE CORPORATION

CORPORATE STRUCTURE

Name and Incorporation

The full corporate name of the Corporation is "Explorex Capital Ltd." The Corporation's head office is located at 214 – 1118 Homer St., Vancouver, BC V6B 6L5 and its registered office is located at Suite 300 – 576 Seymour Street, Vancouver, British Columbia, V6B 3K1. The Corporation does not have any subsidiaries.

The Corporation was incorporated under the *Business Corporations Act* (British Columbia) on January 6, 2011.

GENERAL DEVELOPMENT OF THE BUSINESS

History

The Corporation is a "capital pool company" as that term is defined by the policies of the Exchange. The principal business of the Corporation is to identify and evaluate opportunities for the Transaction of an interest in assets or businesses and once identified and evaluated, to negotiate a Transaction or participation subject to receipt of shareholder approval and acceptance by the Exchange. Until the completion of the Transaction, the Corporation will not have a business, business operations or any material assets other than seed capital.

On August 3, 2011, the Corporation completed the CPC IPO and began trading on the Exchange under the symbol "EX.P" as a CPC on August 8, 2011. On November 28, 2011, the Corporation entered into the Option with the Vendor with the purpose of completing the Transaction.

Financing

Concurrent with the Transaction, the Corporation is undertaking a financing of up to1,417,500 Units at a price of $0.20 per Unit for gross proceeds of up to $283,500. Each Unit will be comprised of one Share and one Warrant. Each Warrant being will entitle the holder thereof to acquire one Common Share for a period of 1 year after the closing of the Financing at an exercise price of $0.30 per share.

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

The Corporation intends to use the proceeds of the Offering to fund the acquisition of the Porcupine Property and to meet its obligations under the Agreement.

SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Information from Incorporation to December 31, 2011

Since its incorporation, the Corporation has incurred costs in carrying out its initial public offering, in seeking, evaluating and negotiating potential qualifying transactions, and in meeting the disclosure obligations imposed upon it as a reporting issuer listed for trading on the Exchange.

The Corporation is classified as a "capital pool company" as defined in the policies of the Exchange. The Corporation was listed on the Exchange on August 8, 2011 and was required to complete a "qualifying transaction" pursuant to the policies of the Exchange within 24 months of listing.

The following table sets forth selected financial information since incorporation. Such information is derived from the Corporation's financial statements and should be read in conjunction with such financial statements (see Exhibit "A" – Auditors' Consent and Audited Financial Statements of Explorex Capital Ltd.).

As at December 31, 2011:

Expenses	**For the nine-month period ended December 31, 2011 (Unaudited) $**	**From incorporation (January 6, 2011) to March 31, 2011 (Audited) $**
Bank charges	109	Nil
General office expenses	1,425	52
Professional fees	33,195	13,315
Share-based compensation	18,656	Nil
Rent	7,500	Nil
Transfer agent and filing fees	2,165	Nil
Travel	4,266	4,726

From incorporation on January 6, 2011 to December 31, 2011, the Corporation had deferred mineral property acquisition costs of Nil.

Management's Discussion and Analysis

Overall Performance

The Corporation was incorporated under the Business Corporations Act (British Columbia) on January 6, 2011 and is classified as a Capital Pool Company as defined in the Exchange Policy 2.4. The principal business of the Corporation is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition of or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities

Highlights for the quarter ended December 31, 2011

The Corporation announced that it entered into an option agreement with the Optionor whereby the Corporation is granted the option to acquire up to a 85% interest in and to several mineral claims comprising property for exploration of rare earth element soil anomalies and mineralization known as the Porcupine Property totalling approximately 1,897 hectares located in New Brunswick, Canada. Within the preceding 36 months, over $100,000 of Approved Expenditures as defined in Policy 1.1 of the TSX Venture Exchange have been incurred on the Porcupine Property and the Transaction is intended to be the Corporation's "qualifying transaction". To date, the Corporation has been a capital pool company with the business of identifying a qualifying transaction. Under the terms of the agreement, in order to exercise the option to acquire an initial 70% interest, the Corporation will be required to make, over a three year period, total cash payments of $180,000, issue a total of 850,000 common shares of the Corporation and incur exploration expenditures of $1,000,000. Upon completion of the Transaction, which includes regulatory approval, the Corporation expects that it will be classified as a Tier 2 mining issuer under the policies of the Exchange.

Highlights subsequent to the quarter ended December 31, 2011

No significant events occurred subsequent to the quarter.

Results of operations for the nine months ended December 31, 2011

The following table sets forth consolidated information for the nine months ended December 31, 2011.

For the nine months ended December 31,		2011
Financial results:		
Net (loss) for the period	$	(16,786)
Basic and diluted gain (loss) per share		-
Balance sheet data:		
Cash and cash equivalents		357,077
Total assets		436,559
Shareholders' equity		414,333
Cash flow data:		
Common share proceeds (gross)		-

The table below sets forth selected results of operations for the Corporation's most recently completed quarters since incorporation.

		Quarter Ended					
		December 31 2011	September 30 2011		June 30 2011		March 31 2011
Net loss	$	(16,786)	(47,021)	$	(3,424)	$	(18,093)
Basic and diluted loss per share		-	-		-		-
Total assets		436,559	439,444		205,709		204,080
Working capital		342,390	394,235		164,100		157,524

Quarter ended December 31, 2011 compared to quarter ended June 30, 2011

For the three-month period ended December 31, 2011, the Corporation recorded a net loss of $16,786 compared to $47,021 in the previous quarter. The decreased loss in the current quarter compared to previous quarter is primarily due to a decrease in stock-based compensation during the current quarter which was $nil compared to approximately $19,000 in the previous quarter.

The Corporation's working capital of $342,390 is less than the previous quarter by $51,845 due to general and administrative expenses incurred in the current quarter.

Summary of previous quarterly results

September 30, 2011

For the three-month period ended September 30, 2011, the Corporation recorded a net loss of $47,021 compared to $3,424 in the previous quarter. The increased loss in the current quarter compared to previous quarter is primarily due to increases in professional and transfer agent expenses incurred during the current quarter related to initial public offering fees and stock- based compensation expense.

The Corporation's working capital of $394,235 is much higher in the current period due to the Corporation completing its initial public offering raising gross proceeds of $300,000.

June 30, 2011

For the three-month period ended June 30, 2011, the Corporation recorded a net loss of $3,424 compared to $18,093 in the previous quarter. The increased loss in the current quarter compared to previous quarter is primarily due to increases in legal expenses incurred during the previous quarter related incorporation and initial public offering fees.

The Corporation's working capital of $164,100 is relatively unchanged due to the Corporation being in its initial public offering stage and currently has no projects or business.

March 31, 2011

The Corporation incurred a consolidated net loss for the quarter of $18,093 which is the first quarter since the Corporation's incorporation. Expenses incurred during this quarter are related to the costs of incorporation.

Exploration Projects

The Corporation currently has no exploration projects.

Liquidity and Capital Resources

The following table summarizes the Corporation's cash on hand, working capital and cash flow.

		As at December 31, 2011		From incorp on Jan 6, 2011 to March 31, 2011
Cash and equivalents	$	357,077	$	165,678
Working capital		342,390		157,524

		Period ended December 31, 2011	From incorp on Jan 6, 2011 to March 31, 2011
Cash used in operating activities		(4,939)	(14,886)
Cash used in investing activities		(35,060)	-
Cash provided by financing activities		-	180,564
Change in cash	$	(39,999)	165,678

The Corporation is dependent on the sale of treasury shares to finance its exploration activities, property acquisition payments and general and administrative costs.

Share Capital

The Corporation has authorized share capital of an unlimited number of common shares of which 7,450,000 shares were issued and outstanding at the end of December 31, 2011.

The Corporation has 4,500,000 shares remaining in escrow at December 31, 2011.

As at December 31, 2011, there were 550,000 options outstanding with an exercise price of $0.10 per share, 250,000 of which were held by directors and officers of the Corporation and the remaining 300,000 were held by the IPO Agent.

Related Parties

As at December 31, 2011, $2,019 was payable to a company controlled by a director of the Corporation and $2,707 was due to a director of the Corporation. These amounts represent expense reimbursements to related parties and these transactions were in the normal course of operations.

Management did not receive any compensation during the period from incorporation on January 6, 2011 to December 31, 2011.

During the quarter, the Corporation paid or accrued rent of $4,500 to a company controlled by a director.

Financial Instruments

The Corporation's main financial risk exposures and its risk management policies are as follows:

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Corporation believes it has no significant credit risk.

Interest Rate Risk

The Corporation has cash balances and no interest-bearing debt. As of December 31, 2011, the Corporation held an interest bearing GIC term deposit with a variable rate of 1.05% (1.95 below prime), 364 day term maturing August 3, 2012 and cashable at any time.

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet the obligations associated with its financial liabilities. All of the Corporation's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The Corporation's approach to managing liquidity risk is to ensure that bit will have sufficient liquidity to meet liabilities when due.

Fair Value

The recorded value of the Corporation's financial assets and liabilities, except for amounts due to related parties, approximate their fair values due to their demand nature and their short term maturity.

Capital Risk Management

The Corporation manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through a suitable debt and equity balance appropriate for an entity of the Corporation's size and status. The capital structure of the Corporation consists of equity attributable to common shareholders, comprised of issued capital, share-based payment reserve and deficit.

Use of Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities 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 relate to the determination of environment obligations and impairment of mineral properties and stock –based compensation. Actual results may differ from these estimates. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

Risk and Uncertainties

The Corporation's operations and results are subject to a number of different risks at any given time. These factors , include but are not limited to disclosure regarding exploration , additional financing, project delay, titles to properties, price fluctuations and share price volatility, operating hazards , insurable risk and limitations of insurance, management , foreign country and regulatory requirements, currency fluctuations and environmental regulation risk.

(a) the state of the capital markets, which will affect the ability of the Corporation to finance mineral property acquisitions and expand its contemplated exploration programs;

(b) the prevailing market prices for base metals and precious metals;

(c) the consolidation and potential abandonment of the Corporation's property as exploration results provide further information relating to the underlying value of the property;

(d) the ability of the Corporation to identify and successfully acquire additional mineral properties in which the Corporation may acquire an interest whether by option, joint venture or otherwise, in addition to or as an alternative to the property.

Other Risk Factors

Additional Financing

The Corporation has limited financial resources and provides no assurance that it will obtain additional funding for future acquisitions and development of projects or to fulfill its obligations under applicable agreements. The Corporation provides no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Corporation's Porcupine Property with the possible dilution or loss of such interests. Further, revenues, financings and profits, if any, will depend upon various factors, including the success, if any, of exploration programs and general market conditions for natural resources. The Corporation provides no assurance that it can operate profitably or that it will successfully implement its plans for its further exploration and development of the Porcupine Property.

Permits and Licenses

The Corporation will require licenses and permits from various governmental and non-governmental authorities for its operations. The Corporation has obtained, or plans to obtain all necessary licenses and permits required carrying on the activities 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. The Corporation provides no assurance that it will obtain all necessary licenses and permits required to carry out exploration, development and mining operations.

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 Corporation's ability to undertake exploration and development activities in respect of the Porcupine Property in the manner currently contemplated, as well as its ability to continue to explore, develop and operate the Porcupine Property. The possibility that future governments may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

Currency Risk

Currency fluctuations may affect the cash flow which the Corporation may realize from its operations, since most mineral commodities are sold in a world market in United States dollars. The Corporation's costs are incurred primarily in Canadian dollars. At present, the Company does not have any assets or liabilities in a foreign currency.

Dependence on Key Individuals

The Corporation is dependent on a relatively small number of key personnel, the loss of any one of whom could have an adverse effect on the Corporation. In addition, the Corporation will be highly dependent upon contractors and third parties in the performance of its exploration and development activities. The Corporation provides no guarantee that such contractors and third parties will be available to carry out such activities on behalf of the Corporation or be available upon commercially acceptable terms.

Competitive Factors in the Precious and Base Metals Markets

Most mineral resources including precious and base metals are essentially commodities markets in which we would expect to be a small producer with an insignificant impact upon world production. As a result, production, if any, would be readily sold and would likely have no impact on world market prices. In recent months due to the significant downturn in the world economies has driven the commodities prices much lower which has made raising capital more difficult more competitive than past years.

Overall the upward trend in the price of gold (approximately US$1,200 an ounce) in the last year with a more consistent price above US$1200 in 2011 has been a benefit to gold exploration companies. As these higher gold prices and the difference between the Canadian dollar and US dollar spread will help the Corporation in raising capital. Base metal prices have been improving in the past few months will help the company as it also has some historic base metal mines.

Internal Control over Financial Reporting

The CEO and the CFO of the Corporation, together with the Corporation's management, are responsible for the information disclosed in this MD&A and in the Corporation's other external disclosure documents. For the period ended December 31, 2011, the CEO and the CFO have designed, or caused to be designed under their supervision, the Corporation's disclosure controls and procedures to provide reasonable assurance that material information relating to the Corporation and its consolidated subsidiaries has been disclosed in accordance with regulatory requirements and good business practices and that the Corporation's disclosure controls and procedures will enable the Corporation to meet its ongoing disclosure requirements. The CEO and CFO have evaluated the effectiveness of the Corporation's disclosure controls and procedures and have concluded that the design and operation of the Corporation's disclosure controls and procedures were effective as of December 31, 2011 and that the Corporation has the appropriate disclosure controls and procedures to ensure that information used internally by management and disclosed externally is, in all material respects, complete and reliable.

The CEO and the CFO are also responsible for the design of the internal controls over financial reporting within the Corporation in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards ("IFRS").

During the design and evaluation of the Corporation's internal controls over financial reporting, management identified certain non-material deficiencies, a number of which have been addressed or are in the process of being addressed in order to enhance the Corporation's processes and controls. The Corporation employs entity level and compensating controls to mitigate any deficiencies that may exist in its process controls. Management intends to continue to further enhance the Corporation's internal controls over financial reporting.

The Corporation's management, including its CEO and CFO, believe that any disclosure controls and procedures and internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Corporation have been prevented or detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override to the future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected. There have been no changes in the Corporation's internal controls over financial reporting during the period ended December 31, 2011 that have materially affected, or are reasonably likely to materially affect, the Corporation's internal controls over financial reporting.

Critical Accounting Estimates

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

<u>Critical accounting estimates and assumptions</u>

The Corporation makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Critical judgements in applying the Corporation's accounting policies

The following is the critical judgement, apart from those involving estimations that management have made in the process of applying the Corporation's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

Exploration and evaluation assets

When there are events or changes in the circumstances which indicate the carrying amount of the exploration and evaluation assets may not be recoverable, the Corporation will take into consideration of the recoverable amounts of the relevant cash generating unit. After taking into account the current economic environment, the management reviews the developing projects and exploration plans and confirms that there is no indicator for impairment on the exploration and evaluation assets of the Corporation at the reporting dates.

Cautionary Statement on Forward-Looking Information

The MD&A provided in this Filing Statement, which contains certain forward-looking statements, is intended to provide readers with a reasonable basis for assessing the financial performance of the Corporation. All statements, other than statements of historical fact, are forward-looking statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Corporation, are inherently subject to significant business, economic and competitive uncertainties and contingencies.

Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, fluctuations in the currency markets such as Canadian dollar, fluctuations in the prices of commodities, changes in government legislation, taxation, controls, regulations and political or economic developments in Canada, the United States, or other countries in which the Corporation carries or may carry on business in the future, risks associated with mining or development activities, the speculative nature of exploration and development, including the risk of obtaining necessary licenses and permits, and quantities or grades of reserves. Many of these uncertainties and contingencies can affect the Corporation's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Corporation.

Readers are cautioned that forward-looking statements are not guarantees of future performance. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those acknowledged in such statements. Specific reference is made to the Corporation's IPO on file with Canadian provincial securities regulatory authorities for a discussion of some of the factors underlying forward-looking statements. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by applicable laws.

DESCRIPTION OF THE SECURITIES

Common Shares

The Corporation is authorized to issue an unlimited number of Common Shares without par value of which, as at the date hereof, 7,450,000 Common Shares are issued and outstanding as fully paid and non-assessable. No additional capital has or will be paid with respect to the issued and outstanding Common Shares.

The holders of Common Shares are entitled to dividends, if, as and when declared by the board of directors, to one vote in respect of each Common Share held at meetings of the shareholders of the Corporation and, upon dissolution, to share equally in such assets of the Corporation as are distributable to the holders of Common Shares. All Common Shares to be outstanding after completion of the Transaction will be fully paid and non-assessable.

There are no pre-emptive rights or conversion rights attached to the Common Shares. There are also no redemption or purchase for cancellation or surrender provisions, sinking or purchase fund provisions, or any provisions as to modification, amendment or variation of any such rights or provisions attached to the Common Shares.

STOCK OPTION PLAN

Stock Option Plan

The Corporation has adopted an incentive stock option plan (previously defined as the "Incentive Stock Option") which provides that the board of directors of the Corporation may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, and technical consultants to the Corporation, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares. The Incentive Stock Options will be exercisable for a period of up to 5 years from the date of grant. The number of Common Shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding Common Shares. The exercise price of Incentive Stock Options is set by the board of directors of the Corporation at the time of grant in accordance with the policies of the Exchange. Pursuant to the Corporation's adopted incentive stock options plan, options granted to employees or consultants conducting investor relations activities must vest in stages over 12 months with no more than ¼ of the options vesting in any three month period. The Incentive Stock Options may be exercised the greater of 12 months after the Completion of the Transaction and 90 days following cessation of the optionee's position with the Corporation, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

The Exchange's policies require that where the Corporation decreases the exercise price of options previously granted to the Corporation's Insiders, the Insiders to whom common shares may be issued under the Stock Option Plan and their associates must abstain from voting on the approval of the amendments.

PRIOR SALES

Since the date of incorporation of the Corporation, 7,450,002 Common Shares have been issued as follows:

Date Issued	Number of Common Shares	Issue Price Per Common Share
January 6, 2011	2(1)	$0.01
January 13, 2011	4,250,000	$0.05
May 2, 2011	200,000	$0.05
August 3, 2011	3,000,000(3)	$0.10
TOTAL:	**7,450,002(2)**	

Note:

(1) 1 Common Share was issued to the incorporator on January 6, 2011 and returned to treasury on the same date. 1 Common Share was issued to William E. A. Wishart on January 6, 2011 and returned to treasury on January 13, 2011.

(2) 4,500,000 of the 7,450,002 Common Shares issued prior to the date hereon are subject to escrow. See "Escrowed Securities". 500,000 of the 4,500,000 Common Shares subject to escrow are held by 719639 B.C. Ltd, a company wholly owned by Chris Anderson, the President and a director of the Optionor.

(3) These Common Shares were issued upon completion of the IPO on August 3, 2011.

IPO Agent's Options

In consideration of the services provided by the IPO Agent in connection with the Corporation's IPO, which was completed on August 3, 2011, the Corporation granted the IPO Agent the IPO Agent's Options which entitle the IPO Agent to acquire 300,000 Common Shares at an exercise price of $0.10 per Common Share until 24 months from date the Corporation's shares were listed on the Exchange. As of the date of this Filing Statement, none of the IPO Agent's Options have been exercised.

Stock Exchange Price

The following table lists the high and low prices for the Corporation's common shares as well as the volume traded on a monthly basis for each month of the current quarter and the immediately preceding quarter and on a quarterly basis for the seven previous quarters.

Period	Average High	Average Low	Total Volume
Month ended April 30, 2012	$0.250	$0.250	0
Month ended March 31, 2012	$0.250	$0.250	0
Month ended February 29, 2012	$0.250	$0.250	0
Month ended January 31, 2012	$0.250	$0.250	0
Month ended December 31, 2011	$0.250	$0.250	0
Month ended November 30, 2011	$0.209	$0.201	170,000
Month ended October 31, 2011	$0.17	$0.15	250,000
Month ended September 30, 2011	$0.20	$0.16	125,000
Month ended August 31, 2011	$0.105	$0.105	10,000

The price range and volume indicated is from August 8, 2011 (the date of listing of the Common Shares on the Exchange) to April 30, 2012.

EXECUTIVE COMPENSATION

Except as set out below or otherwise disclosed in this Filing Statement, prior to Completion of a Qualifying Transaction, no payment of any kind has been made, or will be made, directly to indirectly, by the Corporation to a Non Arm's Length Party to the Corporation or a Non Arm's Length Party to the Qualifying Transaction, or to any person engaged in investor relations activities in respect of the securities of the Corporation or any Resulting Issuer by any means, including:

a. remuneration, which includes but is not limited to:
   i. salaries;
   ii. consulting fees;
   iii. management contract fees or directors' fees;
   iv. finder's fees;
   v. loans, advances, bonuses; and

b. deposits and similar payments.

However, the Corporation may reimburse Non Arm's Length Parties for the Corporation's reasonable allocation of rent, secretarial services and other general administrative expenses, at fair market value ("Permitted Reimbursement"). There have been no such reimbursements since incorporation. No reimbursement may be made for any payment made to lease or buy a vehicle.

The directors and officers of the Corporation may also be granted stock options. See "Options to Purchase Securities".

Following Completion of the Qualifying Transaction, it is anticipated that the Corporation shall pay compensation to its directors and officers. However, no payment other than the Permitted Reimbursements, will be made by the Corporation or by any party on behalf of the Corporation, after Completion of the Qualifying Transaction, if the payment relates to services rendered or obligations incurred prior to or in connection with the Qualifying Transaction.

ARM'S LENGTH TRANSACTIONS

The proposed Transaction is not a Non-Arm's Length Qualifying Transaction.

LEGAL PROCEEDINGS

There are no material pending legal proceedings to which the Corporation is or is likely to be a party or of which any of its properties are or are likely to be the subject.

AUDITOR, TRANSFER AGENT AND REGISTRAR

Auditor

The auditor of the Corporation is Davidson & Company, Chartered Accountants,1200 - 609 Granville Street, P.O. Box 10372, Pacific Centre, Vancouver, British Columbia V7Y 1G6.

Transfer Agent and Registrar

The transfer agent and registrar for the Corporation is Equity Transfer & Trust Company, at its Vancouver office located at Suite 1620 - 1185 West Georgia Street, Vancouver, British Columbia V6E 4E6.

MATERIAL CONTRACTS

The Transaction Agreements and the Engagement Letter are the only material contracts of the Corporation currently in effect. See "The Transaction".

The Corporation has not entered into any material contracts and will not enter into any material contracts prior to the Closing, other than the following:

(i) IPO Agency Agreement dated for reference June 29, 2011 between the Corporation and the IPO Agent;

(ii) Escrow Agreement dated June 29, 2011 between the Corporation, Equity Financial Trust Company and the shareholders referred to under "Escrowed Securities";

(iii) Stock Option Agreements dated January 13, 2011, between the Corporation and each of Messrs. Wishart and Zdebiak, dated May 2, 2011, between the Corporation and Mr. Schellenberg, and dated the date of the closing of the QT, between the Corporation and each of Bev Funston and Elisa Righele; and

(iv) the Option Agreement dated for reference November 28, 2011 among the Corporation and the Optionor (see "Information Concerning the Significant Assets – the Option Agreement").

Copies of these agreements may be inspected during regular business hours at the at the registered office of the Corporation located at the offices Fang and Associates, solicitors of the Corporation, located at 300 - 576 Seymour Street, Vancouver, British Columbia, V6B 3KI, until 30 days after the closing of the Transaction.

PART II
INFORMATION CONCERNING THE SIGNIFICANT ASSETS

THE OPTION AGREEMENT

Under the terms of the Option Agreement, the Optionor have agreed to grant to the Corporation the Option to acquire 85% undivided right, title and interest in and to the Porcupine Property, subject to the NSR. Upon Completion of the Transaction, the Corporation expects that it will be classified as a Tier 2 mining issuer under the policies of the Exchange and will proceed to carry on business in the mining exploration sector.

To keep the Option in good standing and to exercise the Option, thereby earning a 85% interest in and to the Property, the Issuer is required to:

(i) pay to the Optionor:

a. a $25,000 deposit upon execution of the Option Agreement (already paid), which deposit shall be refundable upon written request by the Corporation unless the Option Agreement and the transaction contemplated thereunder have not been accepted for filing by the TSX Venture Exchange on or before March 31, 2012;

b. a further CDN$30,000 on or before the first anniversary of the issuance of the Final Exchange Bulletin following;

c. a further CDN$50,000 on or before the second anniversary of the Final Exchange Bulletin; and

d. a further CDN$75,000 on or before the third anniversary of the Final Exchange Bulletin.

(ii) incur exploration expenditures, as follows:

a. $250,000 on or before the first anniversary of the Final Exchange Bulletin;

b. a further $300,000 on or before the second anniversary of the Final Exchange Bulletin; and

c. a further $450,000 on or before the third anniversary of the Final Exchange Bulletin.

(iii) allot and issue Payment Shares to the Optionor, as fully-paid and non-assessable, as follows:

a. 150,000 Common Shares within 5 business days of the Final Exchange Bulletin;

b. a further 150,000 Common Shares on or before the first anniversary of the Final Exchange Bulletin;

c. a further 250,000 Common Shares on or the second anniversary of the Final Exchange Bulletin; and

d. a further 300,000 Common Shares on or before the third anniversary of the Final Exchange Bulletin.

The Payment Shares will be issued to the Optionor at a deemed price of $0.20 per Payment Share.

During the Option Period, the Corporation will have the exclusive right to manage and operate all work programs carried out on the Porcupine Property in its sole discretion and will also be responsible for maintaining the Porcupine Property in good standing. The Optionor will have the right to access the Porcupine Property and all data, reports and other information generated by the Corporation with respect to the Porcupine Property during the Option Period.

Upon satisfaction of the payments, share issuances and work commitments above, and notice of the exercise of the Option given by the Corporation to the Optionor, the Corporation will be deemed to be have a 70% undivided interest in the Porcupine Property, subject to the NSR, which interest will be transferred to the Corporation, free and clear of all encumbrances. Upon earning a 70% legal and beneficial right, title and interest in and to the Property, subject to the NSR, the Corporation shall have a further option to earn a 15% legal and beneficial right, title and interest in and to the Porcupine Property, by giving written notice to the Optionor on or before 60 days from the date that the Corporation has earned its 70% interest. In the event that such written notice has not been provided within the said 60 days, the Corporation shall be deemed not to be proceeding with the further earn-in of the additional 15% interest, subject to the NSR. If the Corporation provides such written to proceed then upon completion of exploration work to achieve "bankable feasibility" on or before September 30, 2018, the Corporation shall have acquired a further 15% interest of the legal and beneficial right, title and interest in and to the Porcupine Property free and clear of all encumbrances, which the Corporation shall be entitled to register against title to the Property. Until the completion of such registration, the Optionor shall be deemed to hold title thereto in trust for the benefit of the parties in accordance with the provisions of the Option Agreement. "Bankable feasibility" which consists of the following documentation for a fully permitted project to commence development of the Porcupine Property to commercial production: (a) a comprehensive engineering and economic feasibility study prepared in compliance with the requirements of NI 43-101 by an independent mining engineering consultant, based on the mineral reserves of the Porcupine Property, indicating that the Porcupine Property or any portion thereof may be placed into commercial production, and setting forth the preferred mining method, and all capital and operating costs, including price sensitivity analysis, in a form acceptable to a third party bank or institution in the business of financing mine production; (b) an environmental approval issued by the New Brunswick Minister of Environment for the placing of the Porcupine Property into commercial production; (c) an industrial approval issued by the New Brunswick Minister of Environment for the proposed mining operations on the Porcupine Property; and (d) a mining lease issued by the New Brunswick Minister of Natural Resources for the extraction of minerals from the Porcupine Property.

If the Corporation has exercised the Option and has earned a 70% interest in the Porcupine Property, then upon the later of the following dates: (i) that date when the Corporation has completed the exploration work necessary to achieve "bankable feasibility" on or before September 30, 2018 and the Corporation has earned an 85% interest in the Property (the "85%/15% Joint Venture") or (ii) October 1, 2018, if the Corporation has not completed the exploration work necessary to achieve "bankable feasibility" (the 70%/30% Joint Venture), each of the parties shall be deemed on such date (the "Participation Date") to be participants to a joint venture (each a "Participant"), where under the 85%/15% Joint Venture, the Corporation and the Optionor shall respectively hold an 85% and 15% interest in the joint venture and under the under the 70%/30% joint venture, the Corporation and the Optionor shall respectively hold an 70% and 30% interest in the joint venture. "Joint Venture" shall hereinafter refer to the joint venture that is formed, either the 85%/15% Joint Venture or the 70%/30% Joint Venture, as the case may be.

Technical Report for Porcupine Property

The Corporation commissioned the Technical Report on the Porcupine Property in order to review the geology, mineralization and previous work and to make recommendations for further work to advance the project. The Technical Report was prepared in accordance with National Instrument 43-101 by Rudolf R. Stea, Ph.D., P.Geo., who is a “qualified person” as defined in that Instrument. A copy of the Technical Report can be reviewed under the Corporation’s profile on SEDAR at www.sedar.com. The disclosure below has been taken directly from the Technical Report.

Property Description and Location

The Porcupine Property is located in Northumberland County, about one mile west of the confluence of the North Branch Little SW Miramichi and the main Little Southwest Miramichi Rivers (NTS map sheet 21 J 16) about 14 km NW of the village of McGraw Brook, New Brunswick (Figures 1, 2). The claims are bounded by geographic co-coordinates (NW- LONG -66. 324945º LAT 46.926717º; SE-LONG -66.262724 º LAT46.878410

The Porcupine Property are claims held under New Brunswick Department of Natural Resources mineral rights license numbers 4510, 4742 and 5491. The area under license 4510 comprises 816.2 hectares and a total of 37 claims. This portion of the Porcupine Property is termed “Porcupine North”. The area under license 4742 comprises 617.9 hectares and a total of 28 claims (Figure 2; Table 1) and is called “Porcupine”. The area under license 5491 comprises 463 hectares and a total of 21 claims and is called “Porcupine East”.

As defined under the *Mining Act* of New Brunswick most minerals are owned by the crown except ordinary stone, building stone, aggregates (both crushed and granular), peat, peat moss or ordinary soil, oil or natural gas. Crown-owned minerals are property separate from the soil; that is, a landowner owns the surface rights but does not own minerals unless some minerals were granted with the land and each conveyance since the granting has preserved the ownership of those minerals. Prospectors (persons or companies who hold prospecting licences), holders of claims and holders of mining leases have the right to prospect, explore, mine and produce those minerals, whether they are on Crown-owned or privately-owned lands. They also have the right of access to the minerals; however, are liable for any damage caused.

Mineral rights in New Brunswick are acquired and located by means of a map staking system. Exploration licenses are renewed annually with the requirement to conduct work upon the ground held and to report the results. The minimum amount of work that must be carried out in the evaluation of the mineral potential of a claim ("assessment work") is between $100 and $250 per year during the first 4 years of the license increasing to $300 per year for years 5 to 10 to a maximum of $800 per claim after year 26 and beyond.

The Porcupine Property is entirely within Crown Lands. Prior to commencing work that would cause actual damage to or interference with the use and enjoyment of Crown Lands; a completed notice of planned work on crown land must be submitted on behalf of the Department of Natural Resources for the work to proceed. If work is to be done on a Crown Land lease, the consent of the lessee is required. In this case the land is not under a prior land lease arrangement. A lease or a right to occupy as issued under the

Crown Lands and Forests Act is required before erecting any permanent camp, building or other structure on Crown Lands. The Optionor had acquired all the necessary Crown Land work permits along with the exploration licenses to conduct exploration on the Porcupine Property.

Figure 1 Location of the Porcupine Property, central New Brunswick

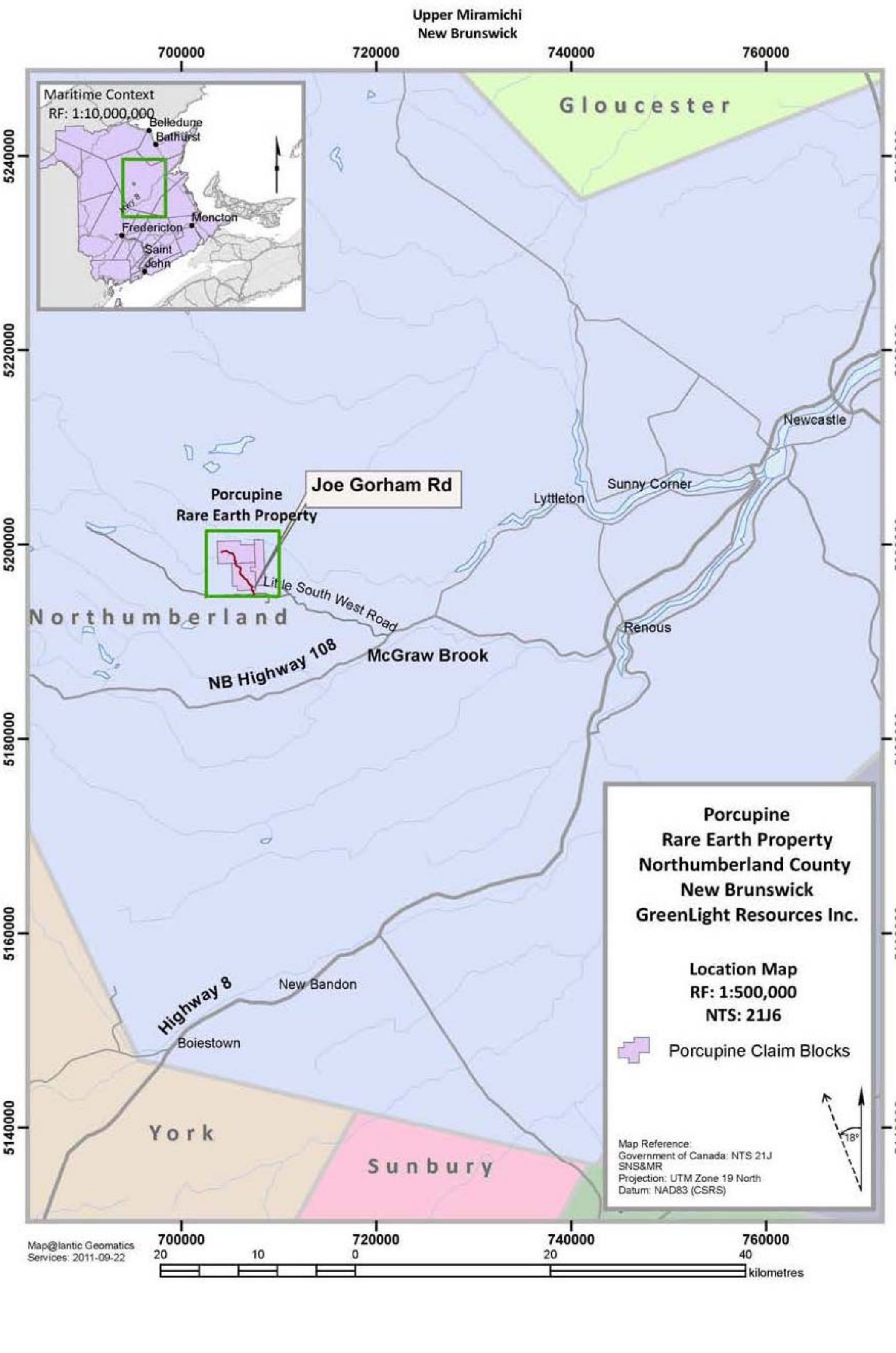


Figure 2 - Map of the Porcupine Property, exploration licenses, and grid locations for 2011 exploration work done by the Optionor, GreenLight Resources Ltd

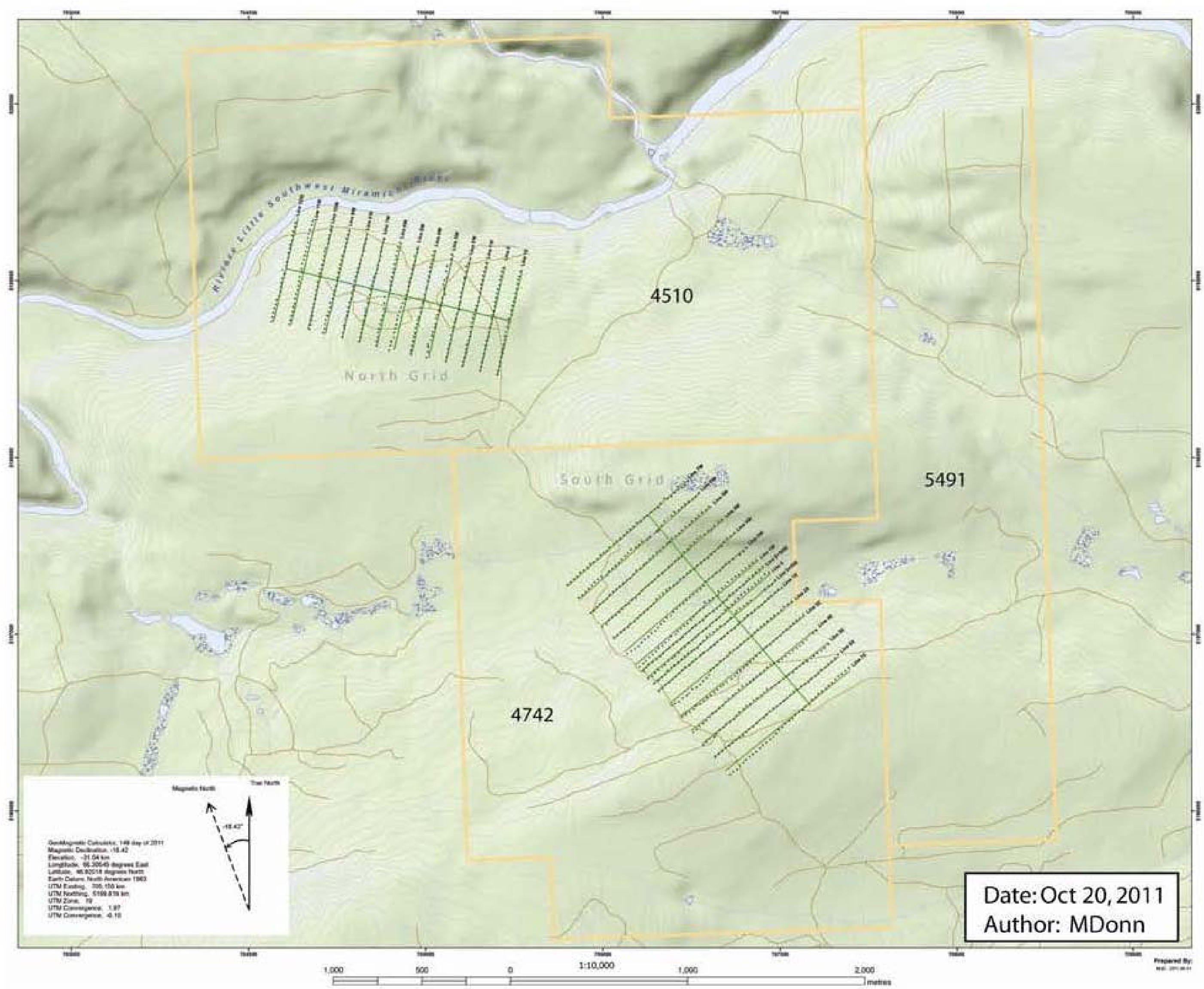


Table 1. Mineral License and claim data Porcupine Property

Minerals Rights Number 4742
Porcupine

Unit Id	Expiry Date
1721013M	2012-10-25
1721013N	2012-10-25
1721013O	2012-10-25
1721013P	2012-10-25
1721014A	2012-10-25
1721014B	2012-10-25
1721014C	2012-10-25
1721014D	2012-10-25
1721014E	2012-10-25
1721014F	2012-10-25
1721014G	2012-10-25
1721014H	2012-10-25
1721014I	2012-10-25
1721014J	2012-10-25
1721014K	2012-10-25
1721014L	2012-10-25
1721014M	2012-10-25
1721014N	2012-10-25
1721014O	2012-10-25
1721015A	2012-10-25
1721015B	2012-10-25
1721015C	2012-10-25
1721015D	2012-10-25
1721024A	2012-10-25
1721024H	2012-10-25
1721024I	2012-10-25
1721024P	2012-10-25
1721025A	2012-10-25

Mineral Rights Number 5491
Porcupine East

Unit Id	Expiry Date
1721004C	2012-11-26
1721004D	2012-11-26
1721004E	2012-11-26
1721004F	2012-11-26
1721004K	2012-11-26
1721004L	2012-11-26
1721004M	2012-11-26
1721004N	2012-11-26
1721005C	2012-11-26
1721005D	2012-11-26
1721005E	2012-11-26
1721005F	2012-11-26
1721005K	2012-11-26
1721005L	2012-11-26
1721005M	2012-11-26
1721005N	2012-11-26
1721006C	2012-11-26
1721006D	2012-11-26
1721006E	2012-11-26
1721006F	2012-11-26
1721014P	2012-11-26

Mineral Rights Number 4510
Porcupine North

Unit Id	Expiry Date
1721015E	2012-11-08
1721015F	2012-11-08
1721015G	2012-11-08
1721015H	2012-11-08
1721015I	2012-11-08
1721015J	2012-11-08
1721015K	2012-11-08
1721015L	2012-11-08
1721015M	2012-11-08
1721015N	2012-11-08
1721015O	2012-11-08
1721015P	2012-11-08
1721016A	2012-11-08
1721016B	2012-11-08
1721016C	2012-11-08
1721016D	2012-11-08
1721016E	2012-11-08
1721025E	2012-11-08
1721025F	2012-11-08
1721025G	2012-11-08
1721025H	2012-11-08
1721025I	2012-11-08
1721025J	2012-11-08
1721025K	2012-11-08
1721025L	2012-11-08
1721025M	2012-11-08
1721025N	2012-11-08
1721025O	2012-11-08
1721025P	2012-11-08
1721026A	2012-11-08
1721026B	2012-11-08
1721026C	2012-11-08
1721026D	2012-11-08
1721026E	2012-11-08
1721026F	2012-11-08
1721026G	2012-11-08
1721026H	2012-11-08

A potential environmental liability is harm to the lucrative sports and commercial salmon fishery in the Miramichi River system. The Porcupine Property slopes towards the Little Southwest Miramichi River which hosts a summer fishing camp leased on Crown land. Care will have to be taken during drilling and trenching programs to minimize silt run-off into this river system which has the potential of damaging fish spawning grounds. Standard conditions for mineral exploration required by the New Brunswick Department of Natural Resources stipulate buffers around watercourses for drilling and trenching and the creation of settling ponds and silt barriers. These procedures are summarized on their website (*www.gnb.ca/0078/minerals/Mineral_Rights_StandardRequirements-e.aspx*).

A prospector, a holder of a claim, a holder of a mining lease or an operator of a mine is liable for any actual damage to or interference with the use and enjoyment of property caused by him/her or anyone acting on his/her behalf. Crown land mining and exploration permits can be revoked if environmental damages are incurred.

A summary of potential environmental liabilities for the Porcupine Property are as follows, largely a consequence of proximity to a major watercourse.

- Proximity to the Southwest Miramichi River-siltation runoff.
- Possibility of acid runoff related to sulphide bearing strata if stripping and bulk testing commence.

According to the Option Agreement, the Optionor is a 100% owner of the Porcupine Property excepting a 2% smelter royalty payable to Frank Ross and Ole Kristiansen. There is an additional $100,000 dollars owed by the Optionor to the previous owners. The Option Agreement grants the Corporation an 85% legal and beneficial interest in and to the Porcupine Property. The Corporation agreed to maintain the Porcupine Property in good standing according to the *Mining Act* and provide a series of payments starting with $25,000 on the date of the agreement, $30,000 before the first anniversary, followed by $50,000 and $75,000 on the subsequent anniversary dates. Along with cash payments, 850,000 shares of the Corporation will be issued to the Optionor over the first three years of the Option Agreement. The Option Agreement stipulates that work on the Porcupine Property by the Corporation shall be carried out with a minimum value of $250,000 in the first year, $300,000 in the second year and a further $450,000 in the third year for a total of $1,000,000.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Accessibility

The Porcupine Property can be accessed by truck via the Little Southwest River road which runs northwestward from the Plaster Rock-Renous Highway (#108) from a point just east of the village of McGraw Brook. The LSR Road leads to the intersection with the Joe Gorham Road which runs through the central portion of the claim group (Figure 1). Many overgrown trails are depicted on topographic maps of the claim area which are no longer suitable for truck access, but new logging roads have been constructed in the past 5 years and these are readily accessible by 4 wheel drive trucks (Figure 2). The NB power grid can be accessed from McGraw Brook, 14 km southeast of the property on the Plaster Rock highway.

The Porcupine Property is approximately 95 km and a one hour drive east along the Plaster Rock-Renous Highway (#108) from the town of Miramichi, population ~ 18,000, the largest town in northeastern New Brunswick. The port of Bathurst and the Brunswick lead smelter in Belledune are an additional ~90 km north from Miramichi along highway (#8).

New Brunswick lies in the Appalachian physiographic region of Canada (Bostock, 1970) consisting largely of flat topped rolling uplands and highlands and adjacent lowlands. The highlands and uplands form a semicircle about the vast New Brunswick Lowland or Maritime Plain underlain by easily eroded Carboniferous rocks.

The Maritime Plain is for the most part, below 120 m in elevation, while the surrounding uplands range between 150 and 820m. Mount Carleton in the Northern Miramichi Highlands sub region is New Brunswick's highest peak at an elevation of 820 m (Fahmy et al., 2010).

The Porcupine Property is part of the Miramichi Highlands peneplain on the transition between the Miramichi Highlands and the Maritime Plain. It is covered by stands of spruce, fir and pine trees interspersed with many recent and decades old cut areas. The local drainage is northward into the Little Southwest Miramichi, from this tributary river eastward into the Miramichi River. Several large eastward-trending hills, likely rock-cored drumlins, are prominent landscape features on the property attaining elevations of over 300m. These hills are oriented along the major trend of glacial flow in the region. The topography slopes moderately to steeply away from these hills to the Little Southwest Miramichi River. Many swamps and "seeps" are located along these slopes where groundwater is issuing from permeable layers in the rock or at the rock/soil interface. Enclosed basins are common which are ideal for processing mining waste and tailings storage (Figure 2). Another important factor for future mining is the isolated nature of the property, with no permanent residents within 10 km.

Central New Brunswick is in a transition zone between continental and maritime climates. The further inland the lesser the impact of the oceans moderating effect. The interior of New Brunswick typically experiences temperatures of 25°C and greater during the summer. The afternoon temperatures along the Gulf of St. Lawrence often reach 24°C and there have been occasions in the province when the temperature extremes have risen above 37.8°C. Average wintertime temperatures drop considerably from south to north. Interior New Brunswick, where elevations rise above 600 m has very cold winters with an average temperature in January of -12.2°C. New Brunswick has mean annual precipitation ranging from around 1000 mm in the northwest, with the heaviest precipitation normally occurring during the late autumn and early winter months. Two hundred and fifty to 300cm of snow generally fall on the northwestern half, starting in late November early December and extending until mid-April. The field (snow free) season generally extends from June to November and this time is suitable for prospecting, bedrock mapping and geochemical surveys. Drilling can be conducted during winter months with access to the sites enabled by ploughing logging roads for trucks and drill rigs. Skid or track mounted drill rigs can be easily moved to prepared winter drill pads.

North-East New Brunswick has a long and illustrious mining heritage and mining personnel and support are available locally. A mineral deposit has yet to be outlined on the Porcupine Property, so detailed discussion of mining scale and construction and mineral processing is premature.

History

Since the 1960's a number of companies and prospectors have worked the Porcupine Property including Rio Tinto, Noranda Exploration, TexasGulf, Kerr Addison, Brunswick Mining and Smelting, BHP Minerals, Eastmain Resources, and Asarco Exploration Ltd. Ownership changes and assessment reports submitted for the Porcupine Property are summarized in Table 2 below:

Table 2. Summary of historical data sources for the Porcupine Property

Year	Owner/Operator	Property	Author	Assmt File no.	Dhole	Geochem samples	Geophysics	Summary
1961	Rio Tinto	Porcupine N	Watson I, M	470328	0	487	IP	Area of Cu-Pb-Zn mineralized float occurrences outlined by soil geochemistry..
1966	Rio Tinto	Porcupine N	Seigel, H.O	470329	3	?	IP	Zone of high conductivity near float boulders basal till sampling- drilling encounters mineralized zones but no assays
1974	TexasGulf	Porcupine N	Mann, R.F	470331	3		IP, Mag	Three drill holes selected in up-ice direction from float train..no mineralization reported no assays!
1976	Kerr Addison	Porcupine N	Constable, D. W	470449		176	Em, VLF,	SE trending linear belt of Zn anomalies, parallel to VLF EM conductors
1979	Asarco	Porcupine N	Nichol, E. B.	472469			Em, VLF, Mag	weak east-west conductors across region not considered signficant
1981	Brunswick Mining	Porcupine N	MacKenzie, C. M	472684			HEM, IP, Mag, Gr	SE-NW trends mag anomaly in felsic volcanics... IP anomalies west of granite..
1981	Brunswick Mining	Porcupine	MacKenzie, C. M	472725		2617	HEM,Mag	weak base metal anomalies in soils and geophysical surveys Porcupine- 2
1991	Smith M	Porcupine N	Baldwin, A. M	474089	2			two drill holes near trench and east--intersected volcanic sequence base metal mineralized zones assays only for Au, Ag.
1996	BHP minerals	Porcupine N-S	Williamson, T. C	474724		652		property wide geochemical survey-cu/pb/zn over volcanics and area of min float. ANOMALIES IN REE-La
1998	Eastmain resources	Porcupine	Kendle, F. R.,	475112		34		review of geology ..resampling of anomalous areas BHP verification of results
2004	Ross F	Porcupine N	Ross F	475977		50		soil survey over anomalous zone repeated zn anomalies more prominent. assayed mineralized boulders.
2006	Ross F	Porcupine N	Ross F	476122		186		confirm historical soil cu pb zn anomalies REE anomalies in Porcupine south Ce La
2006	Kristiansen, O	Porcupine	Kristiansen, O	476288		100		Porcupine area - grid soils off logginf road-weak anomalies Cu Pb Zn co anomaly rock sample 163 ppb gold
2007	Ross F	Porcupine N	Ross F	476316		87		Porcupine area - soil detailed soils- confirmed cu/pb/zn anomalies soils Y anomaly coincident p-6-366
2008	Ross F	Porcupine N	Ross F	476488	2			drill holes near mineralized boulder intersect disseminates sulphides
2008	Kristiansen, O	Porcupine	Kristiansen, O	476752		94		Analyses for full suite of REES significant anomalies found.

In 1961 Rio Tinto acquired 24 claims from George Tozer, a prospector, who discovered a float boulder with high grade Cu-Pb-Zn mineralization. Rio proceeded to cut a grid and conducted geological, geochemical and IP surveys over the Porcupine Property (Watson, 1961; Seigel, 1966). They also reported a boulder from the Porcupine Property grading 0.24% Cu, 10.15% Pb, 7.6% Zn and 1.9 oz/t Ag as well as the locations of many other mineralized float boulders (not assayed). The company conducted a B-horizon soil geochemical survey over the region and outlined an irregular but extensive area of elevated-anomalous copper, lead and zinc levels around an area defined by mineralized float occurrences. An IP survey run during the same exploration program revealed a long NW-SE striking linear trend of moderately enhanced chargeability. This anomalous IP response was to be repeated in subsequent geophysical surveys up to the present day. On the property Rio Tinto geologists mapped a sequence of quartzites, arkoses; schistose and gneissic metamorphic equivalents, and noted that outcrop was scarce (Watson, 1961). Three short drill holes (RT-1, RT-2 and RT-3; Figure 3) were spotted along the NW-SE trending IP conductor but from the assessment work compiled the source of the float mineralization was not discovered. Although disseminated sulphide mineralization was encountered in the drill holes assays were either not conducted or not reported on the core. All three drill holes encountered a succession of sericitized and chloritic arkoses, quartzites and schists.

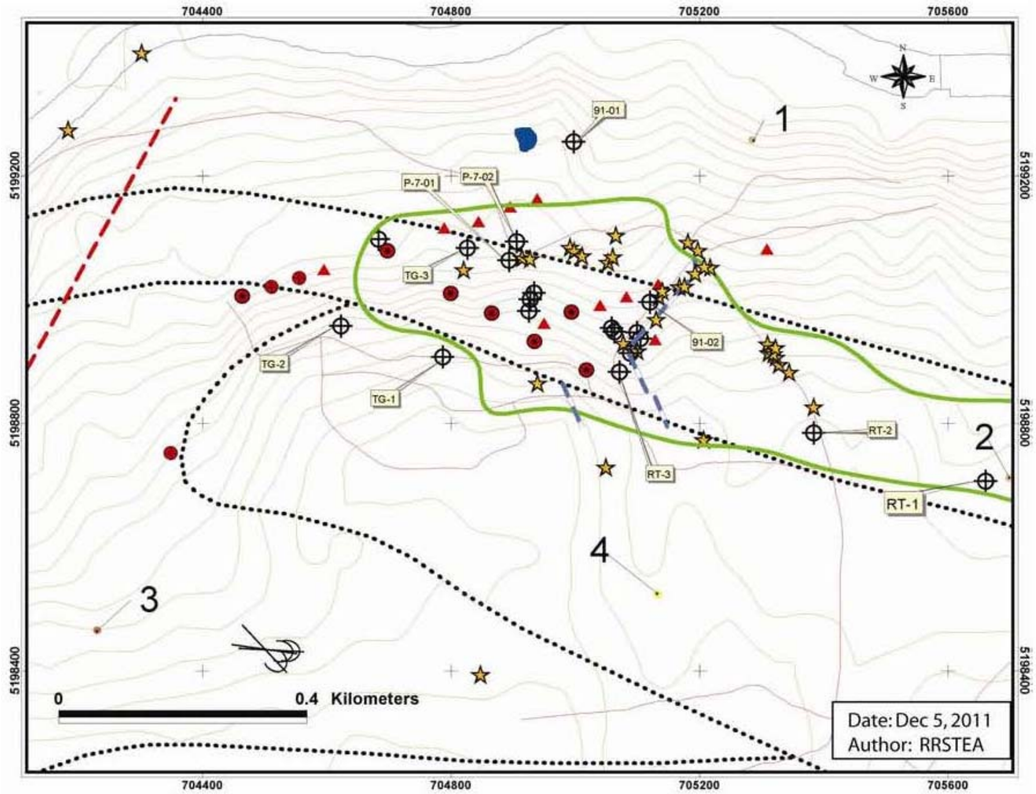
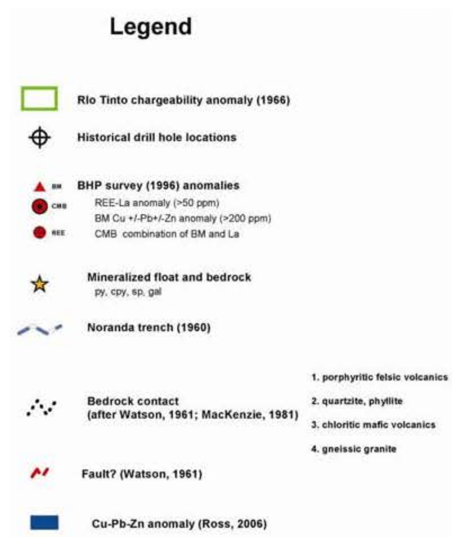


Figure 3 - Compilation of geology, drill hole locations, geochemistry and geophysics from assessment work on the North Grid area (Table 2).



Noranda picked up the ground in 1965 and conducted a major trenching operation and packsack drilling program in the vicinity of the mineralized float but, unfortunately, details of these surveys are not in the public domain. The Noranda trench remains to this day and is a landmark in the study area. Rio Tinto reacquired the ground in 1966 and conducted a deep overburden drilling program. Details of this program are sketchy but using a portable drill till samples were obtained near the bedrock/till interface on grid lines in the vicinity of the mineralized float (Seigel, 1966). Their results show highly anomalous glacial till samples near the Noranda trench and westward from the trench in an up-glacier direction.

In 1974 TexasGulf staked the ground and worked on a zone slightly west of the known showing, conducting IP and ground magnetic surveys in an attempt to establish the source of the mineralized boulders (Mann, 1974). Three short vertical drill holes were collared in this area (TG-1, TG-2 and TG-33) up-ice of the field of mineralized boulders. In all three holes a succession of quartzites and sandstones were encountered. As in the Rio Tinto drilling disseminated sulphide mineralization was reported but assays were either not conducted or not reported on the core. A weak SE-trending IP anomaly was outlined on the south half of the grid, on strike with the IP anomaly outlined by Rio Tinto in 1966.

In the 1980's Bathurst Mining and Smelting Inc conducted more extensive geological, geophysical and geochemical surveys across the area now encompassed by the Porcupine Property (MacKenzie, 1981 a, b). In the most detailed bedrock mapping to date Mackenzie defined a hitherto unknown gneissic granite body within the property, and noted several areas of Cu-Pb-Zn mineralization in volcanic and metasedimentary bedrock north along the Miramichi River and west of the known mineralized float area. Mackenzie (1981a, p. 4) also made the following observation:

> **"Sulphide mineralization was noted in angular float at several locations along the road, in trenches, and north of the base line. The mineralization varied from trace to stringer type mineralization consisting of disseminated pyrite, chalcopyrite, bornite and sphalerite. The host rock for this mineralization appears to be light grey-green, fine grained felsic tuff or felsic epiclastic volcanic sediment exhibiting chloritic (slightly sericitic) alteration"**

This observation is important because it relates the known float mineralization to bedrock mapped regionally. Many of these volcanic float occurrences are found over granite and metasediments so there may well be undiscovered sources in felsic volcanic rocks in an up glacier or westward direction.

Bathurst Mining and Smelting Inc. also defined two anomalous ground magnetic trends with responses varying from 15 to 120 gammas above background and three anomalous IP zones labeled A, B, and C. Zone A is an extensive NW-SE trending linear conductor that is in part coeval with a conductor defined by the previous work. The also defined a positive residual gravity anomaly of 0.45 mgals outlined north of the gneissic granite with flanking a weak I. P. and HEM anomalies. Zones B and C are anomalous IP zones west and east of previous geochemical and geophysical surveys. Based on the linear nature of magnetic and IP anomalies a NW-SE trending fault was postulated (Mackenzie, 1981a).

Baldwin (1991) reported on two drill holes collared across the major geophysical and geochemical targets defined by previous surveys. He described bimodal volcanic and metasedimentary sequences in the cores and also described stringer Cu-Pb- Zn sulphide mineralization but inexplicably did not report or conduct any base metal assays. Silver and gold assays were done and produced background to slightly elevated results. Baldwin (1991) however, did define a mineralization/exploration model based on an analogue of the disseminated/stringer sulphide mineralization in the Porcupine Property with the Bathurst Mining Camp. He concluded (1991, p. 8) that "the entire section is favorable for the occurrence of Bathurst-type massive volcanic hosted sulfide mineralization (VHMS)."

In the mid 1990's a regional geochemical survey was completed on the Porcupine claim groups by BHP (Williamson, 1998). A total of 652 soil, stream sediment and seep sediment samples were collected on magnetic east west grid lines spaced 200m apart. The samples were sieved to <80 mesh and analyzed by Acme Analytical (Vancouver) using standard ICP techniques. The claim areas show some very strongly anomalous samples (especially seep sediment samples) with values as high as 7175 ppm Cu, 3894 ppm Zn, 18360 ppm Pb. These anomalies coincide with the mineralized float area located by earlier workers but new areas to the southeast and south were also found. Williamson (1998) reported background levels for Cu, Pb and Zn (mean values for all samples) as 29 ppm, 84 ppm and 85 ppm respectively. The Author arbitrarily used levels of 200 ppm for Cu and Pb and 300 ppm for Zn as cut-off values for anomalous samples.

False anomalies are possible in soil and stream sediment samples from seeps, due to the leaching of metal ions from disseminated non-economic mineralization up-slope and precipitation of these cations at these slope breaks due to changing Eh-pH conditions (Levinson, 1974). The BHP anomalies are to some extent verified by anomalies in standard B-horizon soil samples adjacent to seeps, but the magnitude of the soil anomalies are often diminished in the B Horizon. Not mentioned in the BHP report were significant rare earth element (La) anomalies that in many cases were associated with base metal anomalies. The highest La value obtained was 1145 ppm approximately 40 times the natural abundance in the earth's crust. This sample was obtained in a groundwater seep, so these values may be enhanced through some form of ion complex mobilization and reprecipitation in the secondary environment. Indeed, research has shown enhancement of REE levels in organic soils compared with podzols and other soil catenas (Lijun, 1998). Nonetheless, anomalous La-REE levels were also obtained in adjacent standard soil samples. These La anomalies led subsequent workers to do further analyses of REE s in soils with encouraging results.

In 1998 Eastmain Resources (Kendle, 1998) reviewed some of the previous data and conducted its own 13 sample geochemical survey verifying previous survey results.

In the new millennium prospectors Frank Ross and Ole Kristiansen conducted detailed soil surveys (517 samples from 2000-2008) and prospecting on the Porcupine Property over several years and drilled two additional short holes with assay results. They essentially verified the main historical anomaly area first defined in the 1960's by Rio Tinto but could not verify highly anomalous seep samples reported by Eastmain Resources Ltd. (Kendle, 1998). Mineralized float boulders were found in the vicinity of the Noranda trench but no bedrock source was found. In the Ross-Kristiansen surveys soil samples were extracted using Aqua Regia and analyzed by ICP for 34 elements at Activation Labs Ltd.

Soil surveys in 2004 -2006 were conducted over the main historical anomaly and an area to the northeast and south. A new base metal anomaly was defined by several soil samples northeast of the main anomaly area on Porcupine 1 (Figure 3). A single line of samples in Porcupine south produced anomalous Ce and La assays (258 ppm; 79 ppm).

Ross (2008) drilled two short holes (P-07-0 1 and P-07-02) close to what he considered to be a mineralized bedrock outcrop located on the trail through the main target area in the north Porcupine. He used a small homemade drill with EW size rods. Ross describes difficult ground conditions and poor core recovery as a reason for the decision to analyze drill core cuttings. At the top of Hole P-07-01 chloritic schist was encountered and within that unit a silicified section was intersected with elevated Cu Pb and Zn values assaying 400, 650 and 3130 ppm respectively and also with a maximum value of 408 ppm W. Drill hole P-07-01 bottomed in silicified feldspar crystal-lithic tuff containing minor disseminated sulphides and a zone assaying 329 ppm (9 oz per ton) Ag. Drill hole P-07-02 encountered quartzite, then schist and bottomed in granite containing very fine grained sulfides. Elevated levels of Cu, Pb and Zn were found in drill hole P-07-02 cuttings along with W anomalies.

A suite of samples obtained on the Porcupine south grid property by O. Kristiansen (2008) was assayed for a full suite of REE elements by Activation Labs Inc. in Ancaster Ontario using AR-Mass Spec and INAA (Neutron Activation). One sample (P-8-10) produced a highly anomalous TREE (total sum of REE levels) value of 1978 ppm. Kristiansen (2008) noted that the sample was taken from a swampy area unlike many other background samples which were obtained from regular b-horizon soils. Mixing of sample media can produce a much higher variability in geochemical results and unfortunately has been done in all previous surveys. Follow up work on the same area produced similar anomalous REE levels in soils numbers but Kristiansen (2008) admits to sampling only the organic A-horizon in follow up sampling. Studies have shown the REES can be concentrated preferentially in organic soils (Lijun, 1998).

The Optionor optioned the Porcupine Property from Frank Ross and Ole Kristiansen in 2010 and conducted exploration on the Porcupine Property in 2010-2011 (described more fully in Exploration). The following expenditures were incurred by the Optionor during that period.

FS Date	Financials	Amount	Cumulative
28-Feb-11	2010 Year End	$ 18,500	$ 18,500
31-May-11	2011 Q1	$ 25,360	$ 44,810
31-Aug-11	2011 Q2	$ 93,005	$ 137,815

Geology Setting and Mineralization

New Brunswick forms part of the northern Appalachians and comprises three of the five tectonostratigraphic zones recognized in this orogen (Williams, 1979). These are, from south to north, respectively, the Avalon, Gander and Dunnage zones, which are mainly defined on the basis of their pre-Silurian geology. The Gander and Dunnage zones are commonly combined into the Central Mobile Belt (CMB) and are generally thought to represent the vestiges of a Lower Palaeozoic west facing passive margin and an oceanic (Iapetus) or back-arc basin (Williams 1979; Rogers et al., 2007).

The Miramichi Highlands is the principal area where Cambro-Ordovician rocks of the Gander and Dunnage zones are exposed in New Brunswick. In the northern part of the province these rocks have been separated into four groups: 1) Miramichi Group, 2) Tetagouche Group, 3) Fournier Group and 4) Balmoral Groups. The Miramichi Group dominates the area around the Porcupine Property and comprises a monotonous sequence of quartz wacke and pelite of unknown thickness. Pelite becomes more abundant and graphitic towards the stratigraphic top. The Miramichi Group is Arenigian in age and older (Smith and Fyffe, 2006) and comprises the Gander Zone in northern New Brunswick. The Tetagouche Group conformably (locally disconformably) overlies the Miramichi Group, and consists mainly of a suite of Middle Ordovician felsic and mafic volcanic rocks. It is the Tetagouche Group that hosts most of the massive sulphide deposits of the Bathurst Mining Camp.

The bedrock geology and mineralization of the Porcupine Property is poorly understood. Regional government bedrock mapping has been cursory and somewhat contradictory. For example (Anderson, 1969) mapped the Little SW Miramichi River section within the Porcupine Property as metasedimentary rocks whereas Irrinki’s open file map (1977) shows the section as comprised of felsic volcanic rocks, foliated granite and metasedimentary rocks. The most recent regional compilation (Smith and Fyffe, 2006) shows that the area is underlain by the Ordovician Malcolm Brook porphyry, an intrusive body. Industry mapping on the Property, although thorough, has been conducted close to the showing and has failed to establish any regional correlations. The importance of a regional outlook is to establish whether the volcanic rocks in whole or in part could belong to the Ordovician volcanic rocks that host the Bathurst Mining Camp massive sulphide deposits. Complex deformation, with thrusting and transpressive faulting has affected the rocks of the Miramichi Highlands so it is conceivable that the property could represent a faulted outlier of Tetagouche Group rocks.

Industry mapping (Watson, 1961; MacKenzie, 1981a) has established that four main lithological units comprise the property area.

1. Porphyritic (quartz-feldspar) felsic volcanics
2. Highly contorted quartzite and phyllite (metasediments)
3. Gneissic (foliated) granite
4. Mafic metavolcanics

Structure within the metasediments is complex and poorly understood. The sequence appears to be dipping shallowly to the southwest in the southern and eastern parts of the Property but sections along the Little SW Miamichi River are highly deformed and indicate faulting in the western part of the Property (Watson, 196; Mackenzie, 1981a). This inferred fault appears to coincide with REE anomalies in the most recent surveys by the Optionor. A granite intrusion has been mapped by MacKenzie (1981a) based on a few outcrops, but TexasGulf drill cores (TG-1; TG-2) within his inferred granite area revealed feldspathic quartzites.

All rocks have undergone regional greenschist metamorphism. Sulphide mineralization was noted in angular float and outcrop at many locations along the main access road, in the Noranda trenches and along the Little Southwest Mirimachi River (Watson, 1961; MacKenzie, 1981; Ross, 2006). The mineralization varies from trace amounts to stringer type consisting of disseminated pyrite, chalcopyrite, bornite and sphalerite. One type of host rock for this mineralization in the Porcupine Property appears to be light grey-green, fine grained felsic tuff or felsic epiclastic volcanic sediment exhibiting chloritic (sericitic) alteration (MacKenzie, 1981a).

Baldwin (1991) suggested that the styles of mineralization of the boulders and outcrop and geology at the Porcupine Property have some affinities to VHMS deposits. VHMS deposits are a type of metal sulfide ore deposit, mainly Cu- Zn-Pb which are associated with and created by volcanic-associated hydrothermal events in submarine environments. They are predominantly layered accumulations of sulfide minerals that precipitate from hydrothermal fluids on or below the seafloor in a wide range of ancient and modern geological settings. In modern oceans they are synonymous with sulfurous plumes called black smokers. These deposits occur within environments dominated by volcanic or volcanic-derived (e.g., volcano-sedimentary) rocks, and the deposits are contemporary and coincident with the formation of associated volcanic rocks. As a class, they represent a significant source of the world's Cu, Zn, Pb, Au, and Ag ores. Most of the area is buried under a thick cover of glacial drift and with only a few drill holes little is known about the property geology. Petrogenetic interpretation of base metal mineralization must await location of the source of mineralized boulders and more robust geological data with a description of the type, character and distribution of the mineralization.

It is clear from the nature of rocks present on the Porcupine Property and the types of mineralization present that a volcanic hosted massive sulphide (VHMS) mineralization model is one possible scenario that should be followed up in further exploration. VHMS deposits are a type of metal sulfide ore deposit, mainly Cu- Zn-Pb which are associated with and created by volcanic-associated hydrothermal events in submarine environments. They are predominantly layered accumulations of sulfide minerals that precipitate from hydrothermal fluids on or below the seafloor in a wide range of ancient and modern geological settings. In modern oceans they are synonymous with sulfurous plumes called black smokers. These deposits occur within environments dominated by volcanic or volcanic-derived (e.g., volcano-sedimentary) rocks, and the deposits are contemporary and coincident with the formation of associated volcanic rocks. As a class, they represent a significant source of the world's Cu, Zn, Pb, Au, and Ag ores.

Bathurst Mining Camp

The Miramichi Highlands of NE New Brunswick host the Bathurst Mining Camp comprising a roughly circular area of approximately 70 km diameter with45 volcanic-sediment hosted massive sulphide deposits and 100 occurrences, including the super-giant Brunswick No. 12 deposit with a geological resource of 230 Mt grading 7.66 wt. % Zn, 3.01 wt. % Pb, 0.46 wt. % Cu, and 91 g/t Ag (Goodfellow, 2007). The Porcupine Property is partially encompassed within this broad suite of volcanic rocks and sulphide occurrences **but the mineralization described in the Bathurst Mining Camp is not necessarily indicative of the mineralization on the Porcupine Property.**

Bathurst Mining Camp deposits formed in a sediment-covered back-arc continental rift, referred to as the Tetagouche-Exploits backarc basin, during periods when the basin was stratified with a lower anoxic water-column. The basin was subsequently intensely deformed and metamorphosed during multiple collisional events related to east-dipping subduction of the basin. Felsic magmatism not only supplied heat to the hydrothermal system but also fluids enriched in several metals, including Sn, In, Au, As, and Sb (Goodfellow and McCutcheon, 2003). The vent complexes that host the massive sulphides are typically deformed and locally offset by low- angle faults. A chloritic phyllite with variable amounts of disseminated pyrite-pyrrhotite- chalcopyrite (>0.5 %Cu) typifies the footwall of the Halfmile Lake deposit whereas the footwall of the Brunswick-type generally consists of chlorite and/or sericite-chlorite schists that locally contain minor amounts of volcanic (dark) quartz. Pyrite, pyrrhotite, magnetite and apatite are locally important accessory minerals. Chloritic and sericitic alteration zones are widespread within individual deposits (1–5 km laterally and hundreds of meters vertically; Goodfellow, 2007).

Most deposits in the Bathurst Mining Camp are characterized by coincident, circular to oval positive magnetic and apparent conductivity anomalies of variable intensity. This is particularly true in the northwest part of the Camp where the host rocks are dominated by weakly magnetic and poorly conductive felsic volcanic rocks. The magnetic response reflects magnetite and pyrrhotite that are concentrated in most massive sulfide deposits in the Camp. The magnetite occurs in vent complexes where it forms a magnetite-pyrite assemblage (Goodfellow and McCutcheon, 2003).

A classic VHMS model includes a “feeder” zone of mineralized quartz stockwork veins and stringer mineralization surrounded by regional alteration haloes (Galley et al., 2007). The salient features of the proposed mineralization model are presented in Figure 9 of the Technical Report. In the Bathurst Camp these feeder zone includes Fe-chlorite-quartz-sulphide±sericite± talc mineral assemblages commonly associated with the core of stockwork vein mineralization, which becomes increasingly quartz- and sulphide-rich towards the lower contact of the massive sulphide lens. The core zone is cloaked in a wider zone of Fe-Mg- chlorite-sericite, including phengite, in the part of this zone that encompasses the immediate hanging wall to the massive sulphide lens. Petrographic and whole rock geochemical data are required to establish if mineralization on the Porcupine Property conforms to the Bathurst Camp VHMS model or some other hydrothermal system.

Exploration

The Corporation has yet to complete any exploration on the Porcupine Property. The following discussion pertains to the Optionor's exploration programs.

The Corporation and the Optionor's interest in the property was triggered by the presence of strong rare earth element anomalies in soils collected on the adjoining property to the south (License 4742) by BHP (Williamson, 1996) and Kristiansen (2009). In the BHP survey several samples with values >1000 ppm La occurred both as isolated highs and in conjunction with the known base metal anomalies. These anomalous zones occur along the northern contact between the gneissic granite and silicified wacke/meta-argillite sequence. The 2011 exploration effort by the Optionor was focused on verifying BHP (1996) La and Kristianson (2009) REE soil anomalies by carrying out a soil geochemistry survey specifically for rare earth elements but with a multi-element package including base metals.

Exploration Methods

The exploration program at Porcupine was primarily focused on establishing a soil sampling grid to cover the area of historic soil geochemical anomalies and conducting boulder and outcrop prospecting. Seventeen ~1km long flagged grid lines were cut across the Joe Gorham Road on the Porcupine South Property (4742) in a NE-SW direction spaced about 100m apart except for closely spaced lines across REE anomalies in the Kristianson (2009) survey. Only 8 of these lines were used in the IP survey. On the Porcupine North Property (4510) 13 0.5-0.6 km long lines spaced 100m apart were cut across the main historical anomaly area running NNW-SSE.

Nine hundred and eighty soil samples were taken along these cut lines at 25m intervals. The "B" zone soil was found to be well developed across the grid area and all samples were taken from this horizon. To the Author's knowledge QA/QC procedures were instituted by Activation Labs (described later) and not as an integral part of the initial sampling design.

The grid was prospected by a two man crew. Twelve mineralized rock (float boulder) samples were obtained from prospecting along grid lines in the south (Gorham Road) and north Properties (in the vicinity of the Noranda trench). These mineralized or apparently mineralized rock samples were visually described in the field then sent to Activation Labs for assay.

In 2011 the Optionor undertook induced polarization/resistivity (IP) surveys over the north and south grid areas. A total of 15.4 line km of IP were conducted; 7.8 km on the north and 7.6 km on the south grid. Induced polarization is the capacitance effect, or chargeability, exhibited by electrically conductive materials. Measurement of IP and resistivity is done by pulsing an electric current into the earth at two second intervals through metal electrodes. Disseminated, conductive minerals in the ground will discharge the stored electrical energy during the pause cycle. The decay rate of the discharge is measured in milliseconds by the IP receiver. Resistivity geophysical surveys measure variations in the electrical resistivity of the ground, with a low frequency current applied across the outer electrodes and the voltage measured across the inner electrodes. The voltage is converted into a resistivity value in ohms/meter representing average ground resistivity between the electrodes.

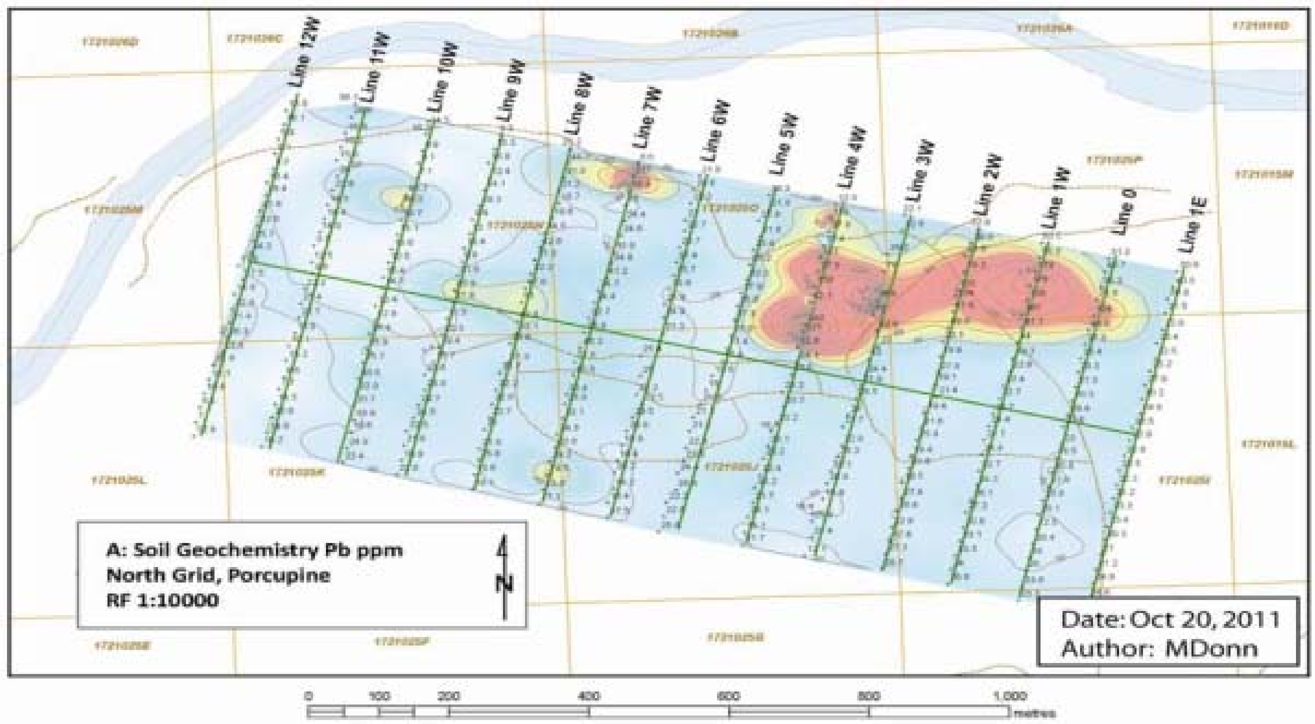
Eastern Geophysics Ltd (NS-NFDL) was contracted by the Optionor to complete the work. The survey was conducted using a "moving setup" with five person crew moving continually along grid lines at an electrode (a) spacing of 25m for "n" (depth) of 1 to 6. The IP system used for this survey was the ELREC IP-6 receiver, the Phoenix IPT-1 transmitter and the Phoenix MG-2, 2.5 KVA motor generator.

Exploration Results

Prospecting by the Optionor in 2011 produced a number of mineralized boulders mainly in the vicinity of the main historical anomaly in region of the Porcupine Property known as "Porcupine North". Several samples with disseminated visible chalcopyrite, and galena had concomitant anomalous base metal content (e.g. Cu- 1.56%; Pb-7.34%; Zn- 4.94% and Ag-73 g/t). Cu-Pb-Zn and Ag mineralization is hosted by a variety of rock types including mafic tuffs, metasediments and sheared granite. These rock type designations are based on visual identification alone and therefore given the difficulty in establishing petrography and origin of foliated granitoid and volcanic rocks a more rigorous approach is required. Ross (2008) described a mineralized outcrop in the historical anomaly area of Porcupine North but the Author and Don Black (Exploration Manager of the Optionor; pers. comm., 2011) could not verify the location of this mineralized outcrop in field visits. The source of these anomalous boulders is still uncertain, but given the variety of mineralized rock types and soil/geophysical anomalies a large area of subcropping mineralization is implicated (see Table 6 of the Technical Report).

A basic statistical summary for all elements of the 2011 geochemical survey is given in the Technical Report. Cu values in the soil data sets produce a mean value of 16 ppm and standard deviation of 16 ppm with a maximum value of 191 ppm. Zn has a mean value of 76 ppm and standard deviation of 66 ppm with a maximum value of 764 ppm. Pb has a mean value of 30 ppm, a standard deviation of 28 ppm and a maximum value of 378 ppm. Ag has a mean value of 0.23 with a standard deviation of 0.20 ppm and a maximum value of 5.4 ppm. These base metal levels are somewhat lower than in previous surveys (eg. Williamson, 1996) where trace element levels in organic soils and seep samples appear to be considerably enhanced. The lower mean and maximum base metal values between the Optionor's 2011 survey and historical work described earlier can be attributed in part to differences in analytical technology but mostly are a result of consistent sampling of the B soil horizon and avoiding mixing of organic A-horizon soils and seeps with B-Horizon soils as was done in earlier surveys (D. Black, pers. comm., 2011).

Figure 4. Pb and Zn geochemical contours, Porcupine North grid. (Pb ppm) Colour Key Blue 10-40 Green 40-40 Yellow 50-80 Red 80-800 (B) (Zn ppm) Blue 50-100 Green 100-150 Yellow 150-200 Red 200->1000



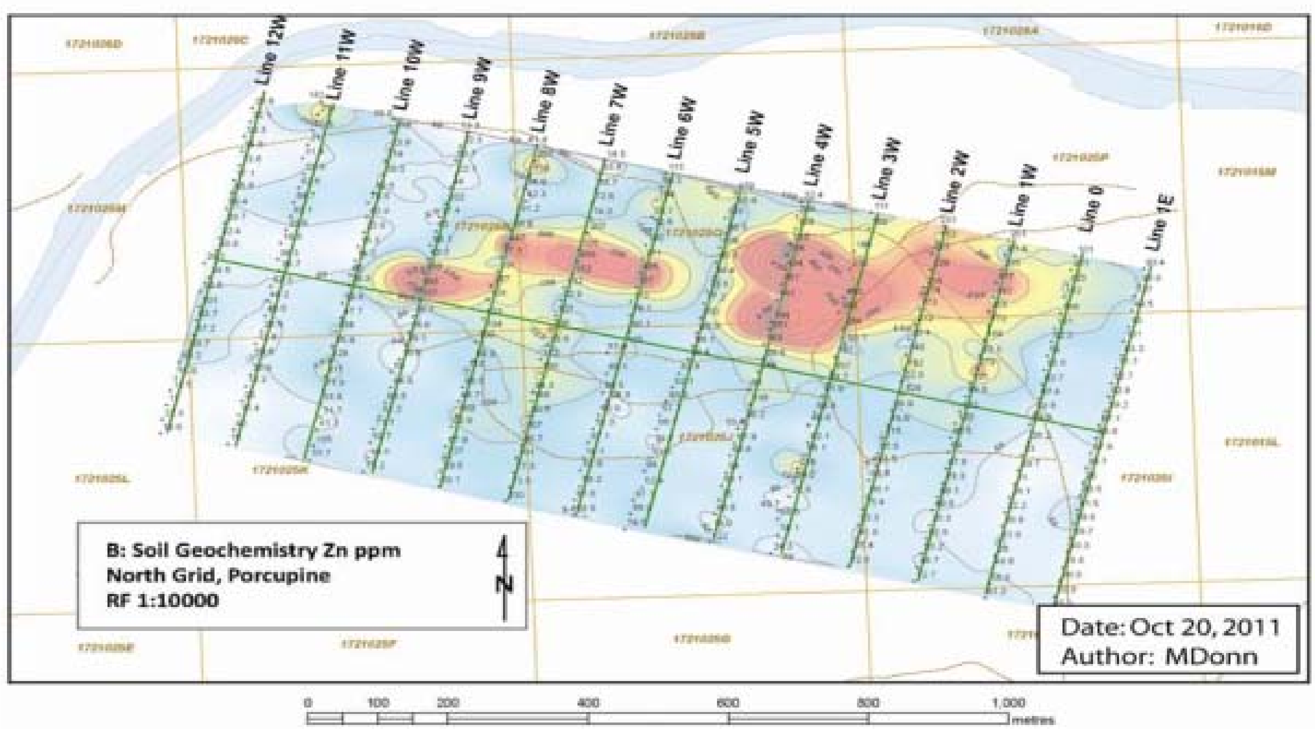
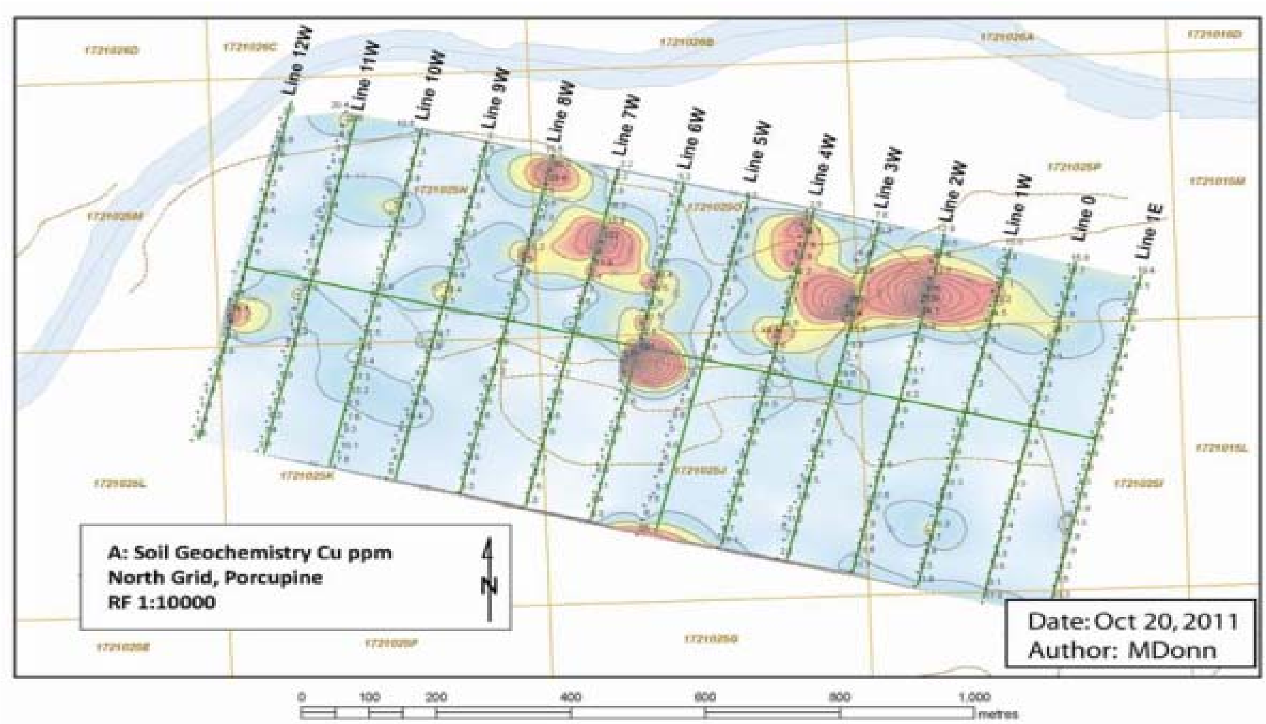
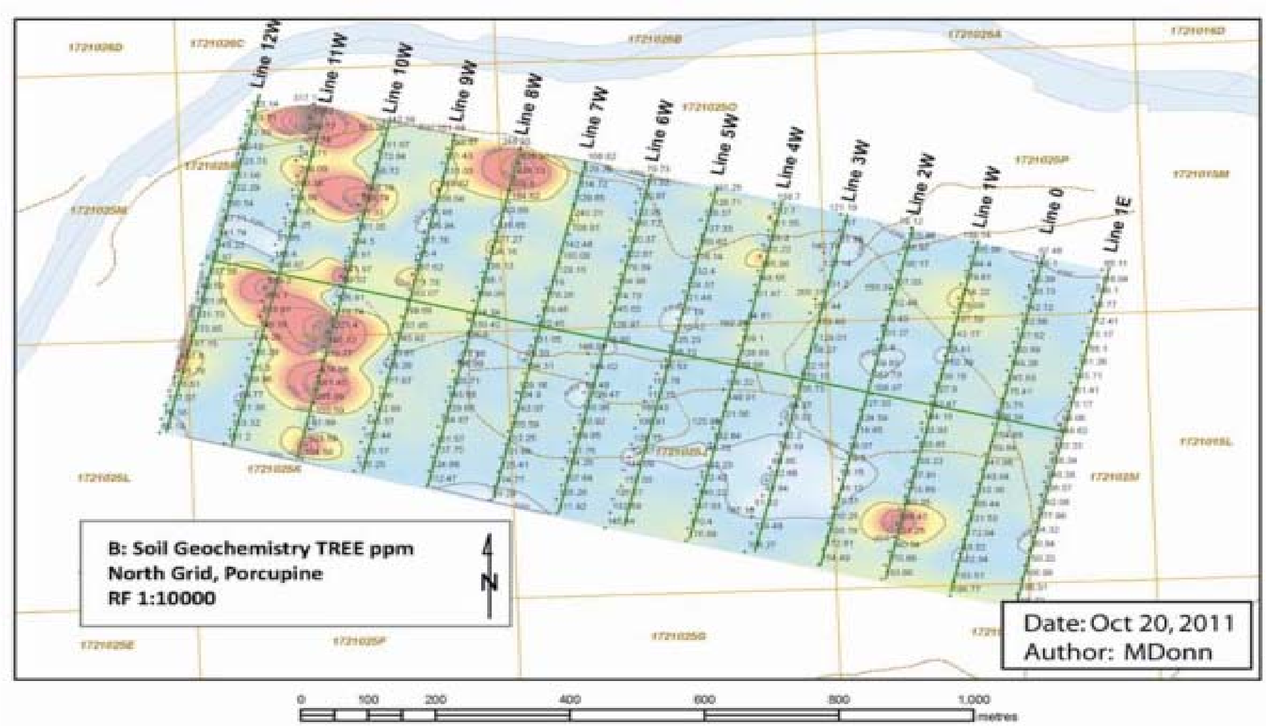


Figure 5. Cu and TREE geochemical contours, Porcupine North grid. (Cu ppm) Colour Key Blue 5-20 Green 20-25 Yellow 25-30 Red 30->150 (B) (TREE ppm) Blue 50-100 Green 100-150 Yellow 150-300 Red 300->1000





The main feature to emerge from the soil sampling survey performed by the Optionor on the Porcupine section of the Porcupine Property are strong, coincident east-west trending Cu, Pb, Zn and Ag soil anomalies lying between L0 and L9W on the north side of the grid base line (Figures 4a, b; 5a). The Zn anomaly is the most coherent with a strike length of ~ 1km and width of ~200m. The Cu anomaly (Figure 5a) is coincident with Pb and Zn anomalies up to line 4W. At this point a series of Cu peaks appear aligned in a NW-SE trend which may indicate a linear fault or shear zone control. The eastward anomaly trends are roughly parallel to strike (Figure 3), but also parallel to ice flow directions (eastward).

Anomaly contour plots show abrupt (westward) up-ice cutoffs and attenuated eastward trending down-ice tails characteristic of glacial dispersal fans (Shilts, 1976; Miller, 1984). The distinctive glacial dispersal morphology can be used as a model to site trenches for follow-up work. The most likely source of the anomalies, if glacially dispersed, would be some distance up-ice of the major peaks and along strike of the contoured anomaly. The distance up-ice of the source to the first peaks depends largely on till thickness. Soils developed on a thin till (<1m) will generally reflect the composition of immediately underlying bedrock. As the glacial dispersal model suggests, dispersed soil anomalies in thicker overburden can be displaced tens to hundreds of meters from their bedrock source. The thickness of glacial drift in the area is known from drill holes to vary from <1m to 5m in thickness.

Niobium and tantalum levels may indicate the presence of evolved granitic rocks important in a REE exploration model. In the northern grid area niobium values show a marked increase in levels from <1 to 20 ppm on Lines 2 and 3W over the mapped granite area but not of a magnitude to suggest the abundance of tantalite minerals. Ta levels are uniformly low throughout the study area.

The Optionor's chargeability plots for the north grid area show a high conductivity zone seemingly confined to the metasedimentary (schist/quartzite) horizon that historical drilling has shown to be characterized by disseminated sulphide mineralization. These data are a confirmation of historical geophysical surveys which have demonstrated a NW-SE linear conductivity trend along the metasedimentary unit or possible fault (MacKenzie, 1981a). What is different from previous surveys is a bulls-eye chargeability anomaly over the mapped gneissic granite. This anomaly may be in fact situated over metasedimentary rocks given the uncertainty of contacts and Texas Gulf drillhole data (Figure 3) which indicate metasedimentary rocks at this location. The north grid resistivity plots shows a roughly circular anomaly in the southern portions of Lines 6W to Line 8W that may correspond to the actual subcropping granite body.

Base metal values in the region known as "Porcupine South" of the Porcupine Property were generally of background levels with some sporadic, slightly anomalous peaks. The anomalies did not produce a coherent pattern of coincident anomalies as in the north grid areas and are therefore considered insignificant from an exploration point of view.

The Lanthanide series of elements traditionally have been divided into two groups: the light rare earth elements (LREEs- La, Ce, Pr, Nd, Eu), and the heavy rare earth elements (HREEs –Gd, Tb, Dy, Ho, Er, Tm, Yb, Lu). Although Yttrium (Y) is the lightest REE, it is usually grouped with the HREEs to which it is chemically and physically similar. The values of rare earth elements are often summed as total (TREE) element levels or the sum of light and heavy rare earth elements. The similarity of chemical properties of the Lanthanide series of elements makes this sum simplification feasible. LREE values in the soil data sets produce a mean summed value of 155 ppm and standard deviation of 112 ppm with a maximum value of 1263 ppm. HREE have a mean summed value of 10 ppm and standard deviation of 6 ppm with a maximum value of 99 ppm. These values are significant anomalies roughly 10 time crustal abundances of 132.28 (LREE) and 35.9 (HREE) (Taylor and McClennan, 1985) and are similar to those values obtained in previous work (Ross, 2008; Table 5 in the Technical Report). Pertinent questions for further mineral exploration based on these geochemical data are:

1. Are these anomalous REE levels due largely to mineralized resistant REE-bearing minerals in the soil (monazite? allanite? apatite?)

2. Are REE element levels in soils enhanced from background levels in bedrock by precipitation or adsorption of rare earth elements on clays or Fe\Mn hydroxides (i. e. “false” anomalies).

The mobility of REE’s in the secondary environment is considered to be low (Levinson, 1974), and lithophile elements like REE’s are often contained in resistant silicate and oxide minerals. These factors would tend to suggest that hypothesis 1 is more likely, an advantageous exploration scenario. If these elements are present as resistant minerals then it is also likely that they could be at higher levels than measured in the soils as the analytical method employed does not fully digest these minerals. A total lithium borate fusion digestion is preferred for rare earth minerals.

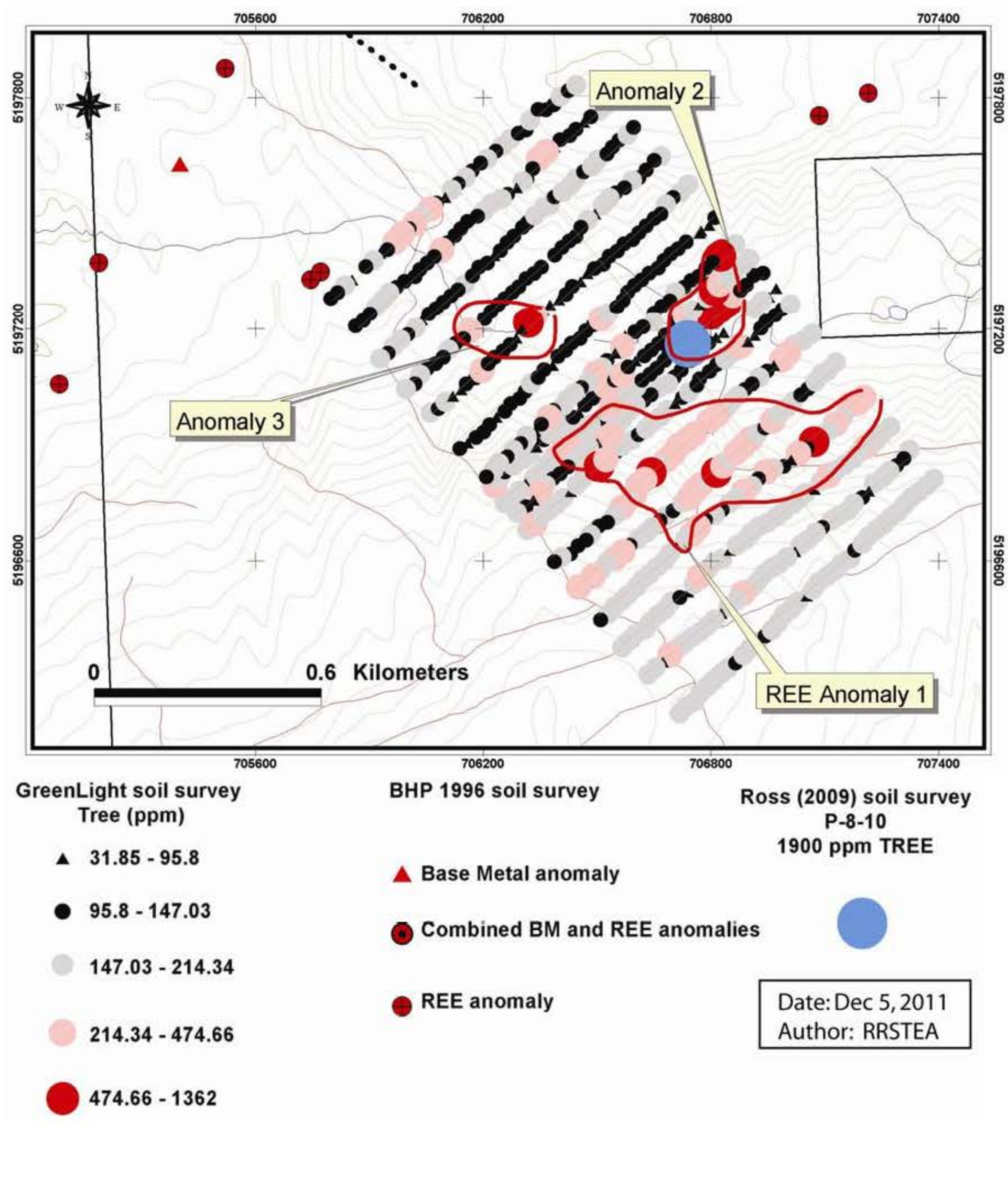
La anomalies recorded during the BHP soil geochemical survey (Williamson, 1996) were associated with base metal anomalies in the historical anomaly area and also clustered in an area to the west of the north grid as standalone anomalies (Figure 3). The Optionor’s soil survey produced REE anomalies in the western portion of the grid area in the same region as the BHP La anomalies (Figure 5b) but did not reproduce any of the La anomalies that were coincident with base metal elevated and anomalous levels in the main historical area. TREE values of up to >1300 ppm were found along L11W on the northern grid and another cluster of TREE highs occurs at the northern ends of Lines 8W and 9W with TREE values up to 675 ppm. These somewhat spotty highs have a roughly northward trend but are surrounded by background samples. REE anomalies do not appear to be associated directly with the granite as presently mapped, but are found in a north trending zone between two resistivity highs that could represent a fault. A fault in the western part of the north grid was indeed suspected by Watson (1961) based on geological mapping of strata along the Little SW Miramichi River (Figure 3).

On the southern grid TREE anomalies form two distinct areas. They form an east-west trending coherent anomalous area on the till-covered slopes of the southern part of the grid (Anomaly 1; Figure 6) with TREE values up >800 ppm. This westward trending attenuated anomaly appears to have an aspect of glacial dispersal, parallel to eastward ice flow trends. Two other anomalies (Anomalies 2, 3; Figure 6) are found in low ground coincident with the Kristiansen (2009) organic soil anomaly P-8-10 and also many La anomalies found during the BHP (1996) surveys (Figure 6). The Author suspects that in some fashion these anomalies may be related to groundwater seepage, but the lack of mobility of REE in the secondary environment would tend to negate this hypothesis (Levinson, 1964).

In the southern grid a strong resistivity contrast is found between Lines 3 and 4 W and parallel to the lines. It is strongly suggestive of a granite/metasediment contact and granite appears to outcrop along the Gorham Road within this anomalous resistivity area. TREE anomalies are parallel to but downslope of the resistivity contact. A chargeability high is found on the NE corner of the southern grid but doesn’t correspond with significant base metal or TREE anomalies.

The Optionor’s soil geochemical survey shows that REE anomalies are spatially distinct from base metal anomalies across the property in spite of some correspondence indicated by the BHP geochemical surveys in 1996 (Figure 3). Cu-Pb-Zn mineralized rock samples taken by the Optionor in 2011 show only slightly elevated REE levels. So if the REE soil anomalies are not caused by some form of hydromorphic redistribution of REE's then two possible mineralization environments may be present in the Porcupine Property. Cu-Pb-Zn-Ag mineralized boulders and disseminated sulphides in bimodal volcanic and metasedimentary rocks of the north grid area suggest a VHMS system. Superimposed on this system may be a later intrusion-related mineralizing event responsible for the REE anomalies. Faulting on the property may have localized hydrothermal fluids and exocontact alteration may also be contributing to silicification and sericitization of rocks. Little is known about the geology of the Porcupine Property and the relationship of soil anomalies to bedrock, so hypotheses on REE mineralization must be considered speculative at best.

Figure 6. TREE levels in the southern grid area of the Porcupine Property compared to historical data



The Author decided that for such a large data set it is necessary and useful from a mineral exploration point of view to synthesize the relationships between trace elements using correlation procedures and principal component analysis. Principle component analysis (‘PCA”) is a method of ordination that reduces multivariate data to a smaller number of variables by creating linear combinations of the original variables (Gotelli and Ellison, 2004). These methods are used for data exploration and pattern generation. With the Optionor’s geochemical data set it is necessary to understand which elements vary in concert giving clues to the origin of multielement anomalies. Minitab ™ statistical software was used to create a PCA of the element data set using a correlation matrix and also used to obtain summary statistics of the data (Table 8 of the Technical Report). R (freeware) statistical software was used to complete a Spearman Rank correlation matrix of the data.

Figure 17 of the Technical Report shows the results of the PCA analysis. Several significant element groupings in the data are apparent. REE are grouped with U, Ti, Be, and Mg. The base metals form another group with Fe and Cr. Nb and Ta exhibit a strong coherence. These element groupings suggest primary bedrock control of element associations rather than redistribution processes in the secondary environment. The combination of Be and U with REE suggests a granite association whereas the base metals Fe and Ag are clearly chalcophile and related to sulphide mineralization. The U-REE element correlation is exceptionally strong as indicated by Spearman Rank Correlation coefficients of >0.7. The north-trending REE anomaly pattern on the west part of the north grid also has concomitant elevated U levels

Drilling

Historical drilling was discussed under “History”, above. The Optionor, the most recent owner of the Porcupine Property did not conduct diamond drilling. The Corporation has yet to complete any drilling completed on the Porcupine Property.

Sampling Preparation, Analysis and Security

Soil and rock samples taken in 2011 by the Optionor were securely sealed in the field and taken by staff to a secure storage shed in the field camp. Staff of the Optionor transported the samples by truck to Activation Laboratories Ltd. sample preparation lab in Fredericton, NB. After processing in this facility rock and soil powders were sent to Activation Laboratories Ltd. in Ancaster, Ontario for analysis of a suite of 60 trace elements (Ultratrace 6 method). Activation Laboratories Ltd is an independent accredited laboratory with no affiliation to the Optionor or the Corporation.

Soil samples were first dried and screened to -80 mesh (fine-sand+silt+clay fraction) and were sent to Activation Laboratories Ltd. in Ancaster, Ontario for analysis of a suite of 60 trace elements (Ultratrace 6 method). Then a 0.25 g aliquot of powdered sample is digested with HF and then $HClO_4$ -HNO_3, heated to 260°C and then diluted with dilute aqua regia. It is important to note that this leach is only partial for magnetite, chromite, barite, spinels, zircon and massive sulphides. The solutions are read on a Varian 735ES ICP. Rare earth resistate minerals such as monazite and allanite are also not fully digested by this procedure.

Rock samples were reduced to a fine powder using a series of jaw crushers and ball mills then analysed using the Ultratrace 6 technique described earlier.

Activation Labs is accredited to international quality standards through the International Organization for Standardization /International Electrotechnical Commission (ISO/IEC) 17025 (ISO/IEC 17025 includes ISO 9001 and ISO 9002 specifications) with CAN-P- 1758 (Forensics), CAN-P-1579 (Mineral Analysis) and CAN-P-1585 (Environmental) for specific registered tests by the SCC. The accreditation program includes ongoing audits which verify the QA system and all applicable registered test methods. The lab is also accredited by the National Environmental Laboratory Accreditation Conference (NELAC) program and Health Canada (www.actlabs.com).

Activation Labs employed a series of certified reference samples for quality assurance and control (QA/QC) of analytical results along with duplicate testing of samples (analytical duplicates) and repeat analyses of blank standards. A portion of this QA/QC data is summarized in Table 7 of the Technical Report.

Activation Labs QA/QC procedures are adequate but further procedures should have been instituted at the field stage by the Optionor to ensure the best quality data. These procedures include duplicate sampling of field sites to assess field geochemical variability and where applicable insertion of blind blank and reference samples in twenty sample batches. The geochemical survey stations and data were documented in field notes but standardized field sheets are preferable which describe the surveys, the materials and depths sampled, and the conditions that may affect the geochemical results. These data can be easily merged with the analytical results for a complete geological synthesis. The occurrence of seeps or swamps near or on sampling sites, for instance, are important field conditions to be documented as historical data shows that seeps are often sites with anomalous element concentrations. Staff of the optionor avoided sampling these swamps and sampled B-Horizon soils exclusively (Don Black, pers. comm., 2011). Standard field geochemical QA/QC procedures should be instituted by the Corporation in any subsequent exploration work.

Historical soil geochemical data (~4500 samples) and geophysical data are voluminous and substantial data has also been collected by the present license holder (the Optionor) (~1000 samples). All these varied historical data sources were compiled and interpreted by the Author and the cross-checking of historical and the Optionor's 2011 results confirms the presence of the main Cu-Pb-Zn anomaly near the Noranda trenches in the Porcupine North grid area as well as REE soil anomalies in the western part of the northern property and in the southern part of the Porcupine Property. A field visit during the fall and sampling of surface float boulders by the Author confirmed the presence of mineralized boulders throughout the Porcupine Property as described in historical literature. It is the opinion of the Author that the abundance and strong correlation of historical and recent geochemical and geophysical data provides adequate verification of results.

Mineral Resources and Mineral Reserves

There are no current mineral resources or reserves on the Porcupine Property as defined by NI43-101 sections 1.2 or 1.3.

Exploration and Development

The Author recommends a two phase approach to further exploration on the property. A clear imperative for understanding mineralization environments on the Porcupine Property is a program of bedrock mapping and sampling. The last detailed bedrock mapping was conducted by MacKenzie (1981a) and he noted sulphide mineralization in volcanic rocks along the Little Southwest Miramichi River that were never fully documented or assayed. This river section may be a key for understanding the structure and alteration of rocks in the area, vital for establishing whether these rocks are of the right age or nature to host VHMS deposits. Rock samples should be assayed for a full suite of elements and also thin-sectioned for petrographic analysis.

As a follow up on the soil anomalies and geophysical targets a program of trenching and sampling is suggested. The maximum drift thickness on the north grid area from drill hole data appears to be 5m which is within the range of a large excavator. The Author recommends a 12 trench program on the northern grid with trench locations situated on the up-ice cut-offs and within the anomalous fans of the major base metal and REE anomalies, as well as across the chargeability conductors. The trenches vary from 50-150m in length, but don't have to be dug as a single large unit, rather best done as a series of 10m trenches separated by 20m spacing. The key is to profile sample till to bedrock and map and sample the underlying bedrock. Likewise on the south grid a program of 5 trenches can help define the 3 dimensional extents of the REE anomalies in that area. Discoveries made in the trenching program can also guide the placement of further trenches. The key to this phase of exploration is to establish bedrock targets for various Cu-Pb-Zn soil anomalies and specifically mineralogical evidence for REE anomalies in surface tills or bedrock. All till samples should be large volume (10-15 kg) to allow for separation of a heavy mineral concentrate for chemical analysis and pebble fractions for lithological analyses. REE minerals are generally present in resistant mineral phases such as monazite or allanite and should be found in the heavy concentrates. A portion of the large till sample should be retained for standard silt+clay fraction (<63 µ; matrix) analysis in case the REE's are present in finer fractions or adsorbed onto clay minerals and/iron/manganese hydroxides.

The soil geochemical surveys should be extended to define the extent of the known REE anomalies north, west and south on the north grid area and east of Lines 2 and 3 on the south grid (Figure 2). Further IP surveys may be warranted to cover areas to the south and west of the northern grid over previous conductors (Zone "C") mapped by MacKenzie (1981a).

It is assumed that exploration over the rest of the property, not covered by any previous surveys will be required. The best method for an initial reconnaissance survey is a grid of till samples (1 per 500 sq metres) whereby a till sample crew and a prospector work together to obtain till samples for geochemical analyses and search for mineralized float. Till samples would be preferred to soils in a reconnaissance survey because till represents a first derivative of bedrock and comprises a larger target area of eroded and dispersed rock (Shilts, 1976).

When Phase 1 work complete and analyses are in hand then the major portion Phase 2 diamond drilling should begin. The number, depth and orientation of the drillholes will depend on how many significant bedrock targets are defined by the bedrock and float mapping, trenching and sampling surveys together with the historical and collected geophysical data. Because of the voluminous work done over the historical anomaly area several drill holes could be spotted during the Phase 1 summer season work within the north grid. Target areas could be the location of proposed trench 3 across the concomitant chargeability and Cu-Pb-Zn soil anomaly horizon and the location of Ross (2008) drill holes where interesting base metal and W results were obtained. It is recommended, however, that drilling should be put off until mapping and trenching can better define bedrock targets and structure.

A cost estimate of a summer field mapping and sampling program (Phase 1) and 20 diamond drill hole program (Phase 2) is presented in the table below. The total cost (~1,000,000) dollars) is of course dependent on results and the company can obviously scale up or down the surveys as it sees fit.

Phase One

Work	Description	Amount	Rate	Total
Till sampling/prospecting	crews for recon till sampling prospecting	4 weeks	$1300 per d	$ 36,400
Bedrock and surficial mapping	Consultant	3 weeks	$600 per d	$ 12,600
Trenching	Excavator	1000m	$700 per d	$ 22,000
Trail cutting/line	Prepare roads for access line cutting	10 km		$ 20,000
Assay/analyses prep	multi element ICP			$ 10,000
Geophysical surveys	south and west of north grid IP/R			$ 100,000
Soil surveys	crews for detal soil grid	3 weeks	$700 per d	$ 14,700
Rentals truck (2)		3 months	$25 per d	$ 6,000
Food/lodging				$ 9,000
	Subtotal			**$ 230,700**
Inclusive of applicable taxes and contingency				**$260,000**

Phase Two

Diamond Drilling	Contingent on targets 20 holes 300m	6,000	$125/m	$ 750,000
Mob/demob				$ 10,000
Core prep/assay				$ 10,000
	Subtotal			**$ 770,000**
	Total			**$1,030,000**

PART III
INFORMATION CONCERNING THE RESULTING ISSUER

CORPORATE STRUCTURE

The name of the Resulting Issuer will be "Explorex Resources Inc.", its jurisdiction of incorporation will remain the same immediately following the completion of the Transaction. The Corporation will effect a name change from its current name to "Explorex Resources Inc." in conjunction with the issuance of the Final Exchange Bulletin. The head office and registered office of the Resulting Issuer will remain Suite 214 - 1118 Homer Street, Vancouver, British Columbia, V6B 6L5.

Intercorporate Relationships

Following completion of the Transaction, the Resulting Issuer will continue to have no subsidiaries.

NARRATIVE DESCRIPTION OF THE BUSINESS

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

Following completion of the Transaction, the Resulting Issuer intends to conduct the recommended Phase I exploration program for the Property as set out in the Technical Report. See "Information Concerning the Significant Assets Technical Report Conclusions and Recommendations" for additional information. The Resulting Issuer may also complete additional property acquisitions.

Stated Business Objectives

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

(a) complete the Phase I recommended work program on the Porcupine Property pursuant to the Technical Report;

(b) satisfy its obligations under the Option Agreement to keep the Option in good standing; and

(c) acquire and evaluate additional complementary mineral properties to expand the Resulting Issuer's portfolio.

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

(a) determine if an economic mineral deposit exists on the Porcupine Property;

(b) find one or more economic mineral deposits and bring them to commercial production; and

(c) deliver a return on capitalization to shareholders.

Milestones

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

Milestone	Date	Cost
Option Agreement Final Exchange Bulletin		
Issue 150,000 Resulting Issuer Shares to the Optionor	Within 5 days of following the issuance of the Final Exchange Bulletin	N/A

Option Agreement First Anniversary Commitments		
Issue 150,000 Resulting Issuer Shares to the Optionor	On or before First Anniversary of Final Exchange Bulletin	N/A
Exploration Work on Property	On or before First Anniversary of Final Exchange Bulletin	$250,000
Pay $30,000 to the Optionor	On or before First Anniversary of Final Exchange Bulletin	$30,000
Option Agreement Second Anniversary Commitments		
Issue 250,000 Resulting Issuer Shares to the Optionor	On or before Second Anniversary of Final Exchange Bulletin	N/A
Exploration Work on Property	On or before Second Anniversary of Final Exchange Bulletin	$300,000
Pay $50,000 to the Optionor	On or before Second Anniversary of Final Exchange Bulletin	$50,000
Option Agreement Third Anniversary Commitments		
Issue 300,000 Resulting Issuer Shares to the Optionor	On or before Third Anniversary of Final Exchange Bulletin	N/A
Exploration Work on Property	On or before Third Anniversary of Final Exchange Bulletin	$450,000
Pay $75,000 to the Optionor	On or before Third Anniversary of Final Exchange Bulletin	$75,000

Exploration and Development

The Resulting Issuer intends to begin the Phase I work program as recommended in the Technical Report as soon as possible following Completion of the Qualifying Transaction. See "Information Concerning Significant Assets – Technical Report – Conclusions and Recommendations" for more information.

DESCRIPTION OF THE SECURITIES

The authorized capital of the Resulting Issuer will consist of an unlimited number of Resulting Issuer Shares without par value. Following completion of the Transaction and the Financing, 9,017,500 Resulting Issuer Shares will be issued and outstanding, assuming 1,417,500 Resulting Issuer Shares are issued in connection with the Financing.

The holders of Resulting Issuer Shares are entitled to dividends, if, as and when declared by the board of directors, to one vote in respect of each Common Share held at meetings of the shareholders of the Corporation and, upon dissolution, to share equally in such assets of the Corporation as are distributable to the holders of Resulting Issuer Shares. All Resulting Issuer Shares to be outstanding after completion of this Financing will be fully paid and non-assessable.

There are no pre-emptive rights or conversion rights attached to the Resulting Issuer Shares. There are also no redemption or purchase for cancellation or surrender provisions, sinking or purchase fund provisions, or any provisions as to modification, amendment or variation of any such rights or provisions attached to the Resulting Issuer Shares.

Warrants

Pursuant to the Financing, the Corporation may issue up to 1,417,500 Warrants. Each Warrant being exercisable into one Resulting Issuer Share at a price of $0.30 per Resulting Issuer Share for a period of one year after the closing of the Financing.

Resulting Issuer Stock Options

Following completion of the Transaction, 350,000 Incentive Stock Options and 300,000 Agent's Options will be outstanding. Of the Incentive Stock Options, 250,000 may be exercised at a price of $0.10 per Resulting Issuer Share until August 8, 2016, and the remaining 100,000 may be exercised at a price of $0.20 per Resulting Issuer Share until five years after the completion of the QT. The 300,000 Agent's Options may be exercised at a price of $0.10 per Resulting Issuer Share until August 8, 2013.

PRO FORMA CONSOLIDATED CAPITALIZATION

Designation of Security	Amount authorized or to be authorized	Amount outstanding as of September 30, 2011[(1)(2)]	Amount outstanding after giving effect to the Transaction and the Financing[(1)(2)]
Common Shares	Unlimited	7,450,000	9,017,500
IPO Agent's Options[(4)]	300,000	300,000	300,000
Incentive Stock Options[(4)]	901,750[(3)]	250,000	350,000
Warrants[(4)]	1,417,500	Nil	1,417,500

(1) On an undiluted basis. Does not include approximately 1,417,500 Warrants to be issued in connection with the Financing. See "The Transaction" and "Options to Purchase Securities".

(2) 4,500,000 Common Shares held in escrow. "Information Concerning Resulting Issuer – Escrowed Securities".

(3) Until the Completion of the Qualifying Transaction, the number of Common Shares reserved for issuance pursuant to the Stock Option Plan will not exceed 745,000. It is expected that following Completion of the Qualifying Transaction, the maximum number of Resulting Issuer Shares reserved for issuance under the Stock Option Plan will be increased to 10% of the number of issued and outstanding Resulting Issuer Shares. It is expected that upon Completion of the Qualifying Transaction and Private Placement there will be 9,017,500 Resulting Issuer Shares issued and outstanding.

(4) The IPO Agent's Options are exercisable at a price of $0.10 per Common Share until August 8, 2013. 250,000 of the Incentive Stock Options are exercisable at a price of $0.10 per Common Share until August 8, 2016. The Warrants are exercisable at a price of $0.30 per Resulting Issuer Share for a period of 1 year after the closing of the Financing.

Fully Diluted Share Capital

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

	Common Shares After Giving Effect to the Transaction and Financing[(1)]	Percentage of Common Shares After Giving Effect to the Transaction and Financing[(1)]
Current Issued and Outstanding	7,450,000	67.21%
Issued on Transaction	150,000[(2)]	1.35%
Issued pursuant to the Financing	1,417,500	12.79%
Reserved for issuance pursuant to the Warrants issued under the Financing	1,417,500	12.79%
Reserved for issuance pursuant to the IPO Agent's Options	300,000	2.71%
Reserved for Issuance pursuant to Incentive Stock Options	350,000	3.16%
	11,085,000	**100**

(1) Assumes 1,417,500 Units are issued pursuant to the Financing.

(2) 150,000 Common Shares to be issued pursuant to the Transaction within the first 12 months after the issuance of the Final Exchange Bulletin and not including a further 550,000 Common Shares that may be issued pursuant to the Option Agreement.

FUNDS AVAILABLE AND PRINCIPAL PURPOSES

The Corporation had unaudited working capital of approximately $307,770 as at May 15, 2012. Based on this working capital position, and assuming completion of the Transaction and the Financing, the estimated funds available to the Resulting Issuer (on an unaudited basis) will be as follows:

Calculation of Funds Available

Working capital position of the Corporation as at May 15, 2012	$307,770
Gross Proceeds from the Financing	$283,500
Less: Estimated balance of legal and accounting expenses and regulatory fees relating to the Transaction and Financing	($16,350)
Total	**$574,920**

Dividends

The Resulting Issuer intends to retain any future earnings to finance its business and operations and any future growth. Therefore, the Resulting Issuer does not anticipate paying any cash dividends in the foreseeable future.

Principal Purposes of Funds

The following table sets out the principal purposes, using approximate amounts, for which the Resulting Issuer currently intends to use the estimated funds available to the Resulting Issuer upon Completion of the Qualifying Transaction in the 12 months following the completion of the Transaction. The table does not include any proceeds that may be available to the Resulting Issuer through the exercise of the Warrants, IPO Agent's Options or Incentive Stock Options. See "Stated Business Objectives" for more information.

Use of Funds Available

Porcupine Property recommended work program	$260,000
Option Agreement, amount payable within 12 months	$30,000
Estimated administrative costs for the next 12 months	$183,104
Unallocated working capital	$101,816
Total	**$574,920**

PRINCIPAL SECURITYHOLDERS

To the knowledge of the Resulting Issuer's directors and senior officers, upon completion of the Transaction and the Financing, the following persons will beneficially own, directly or indirectly, or exercise control or direction over, common shares of the Resulting Issuer carrying more than 10% of all voting rights.

Name and Municipality of Residence	Number of Common Shares to be owned after the Transaction and Financing(1)	Percentage of Common Shares after the Transaction and Financing(2)(3)
William E. A. Wishart *Vancouver, British Columbia*	1,400,000	15.53%

(1) These shares will be owned both beneficially and of record.
(2) Assumes that 1,417,500 Resulting Issuer Shares are issued pursuant to the Financing.
(3) 13.53% on a fully-diluted basis, assuming 1,417,500 Warrants are issued on the Financing.

DIRECTORS AND OFFICERS

The following table indicates the proposed directors and officers of the Resulting Issuer:

Name, Municipality of Residence and Position with the Resulting Issuer	Principal Occupation For Past Five Years	Involved with Corporation Since	Number and Percentage of Common Shares owned on completion of the Transaction and Financing(1)(2)(3)
William E. A. Wishart(3) *Vancouver, B.C.* Director and President, CEO	President (June 2000 to Nov 2010), Director (June 2000 to Dec 2010), and Chairman (Nov 2010 to Dec 2010) of First Star Resources Inc.	January 2011	1,400,000 15.53%
Paul M. Zdebiak (3) *Vancouver, B.C.* Director	Director (Dec 2002 to Mar 2011) of Eaglecrest Explorations Ltd.	January 2011	700,000 7.76%
Gary Schellenberg(3) *Richmond, B.C.* Director	Director (May 2011 to present) of International Lithium Corp; Director (Aug 1990 to present) of TNR Gold Corp; President and Director (Mar 2003 to present) of New World Resources Corp; Director (Jan 2009 to Feb 2011) of Sunridge Energy Corp; Director (Nov 2006 to Nov 2008) of Jaxon Minerals Inc; President and Director (Feb 2004 to Aug 2008) of Colorado Goldfields Inc;	April 2011	300,000 3..33%
Bev Funston *North Vancouver, B.C.* CFO	Director and Corporate Secretary of Ansell Capital Corp. since July 2006. Director and Corporate Secretary of Parallel Resources Ltd. since April 2007. Director and Corporate Secretary of Galaxy Capital Corp. since December 2009. Corporate Secretary of Carmax	December 2011	80,000 0.89%

Name, Municipality of Residence and Position with the Resulting Issuer	Principal Occupation For Past Five Years	Involved with Corporation Since	Number and Percentage of Common Shares owned on completion of the Transaction and Financing(1)(2)(3)
	Mining Corp since May 2010. Corporate Secretary of Titan Uranium Inc. since April 2011. Corporate Secretary of Uranium Power Corp. from June 2003 to July 2009. Director of Cue Resources Ltd. from July 2007 to July 2008. Corporate Secretary of Fury Explorations Ltd. from June 2003 to July 2007.		
Elisa Righele *Richmond, B.C.* Corporate Secretary	Music Teacher (since April 2010); Administrative Assistant of Corporation (since Jan 2011); Office Manager of First Star Resources Inc. (May 2004 to Dec 2010); Legal Secretary (from Feb 2001 to Dec 2008).	December 2011	0 0.00%

(1) Assumes 1,417,500 Resulting Issuer Shares and 1,417,500 Warrants are issued pursuant to the Financing.
(2) On a fully-diluted basis, assuming 1,417,500 Warrants are issued on the Financing, Mr. Wishart, Mr. Zdebiak, and Mr. Schellenberg would own 1,500,000 Common Shares, 800,000 Common Shares and 350,000 Common Shares, respectively, or 13.53%, 7.22% and 3.16%, respectively of the outstanding Common Shares.
(3) Expected to be members of the Resulting Issuer's Audit Committee.

At the closing of the Transaction, the directors and officers of the Resulting Issuer as a group will beneficially own, directly or indirectly, an aggregate of 2,480,000 Resulting Issuer Shares, representing 27.50% of the issued and outstanding Common Shares (2,830,000 Resulting Issuer Shares or 25.53% on a fully-diluted basis).

Management

The following is a brief description of key members of the anticipated management of the Resulting Issuer.

William E. A. Wishart, age 54, of Vancouver, British Columbia, will remain the President, Chief Executive Officer, and a director of the Resulting Issuer. It is anticipated that Mr. Wishart will resign as Chief Financial Officer and Corporate Secretary of the Corporation effective the date of the closing of the QT. Mr. Wishart graduated from Langara College in April of 1977 and completed the Canadian Securities Course with honours in 1985. Mr. Wishart will be responsible for carrying out the strategic plans and policies as established by the board of directors and oversee the day to day operations of the Resulting Issuer. Mr. Wishart will devote approximately 100% of his business time to the business and affairs of the Resulting Issuer. Mr. Wishart was a director of First Star Resources Inc. from June 2000 to December 2010 and during that period served as president until November 2010 and thereafter as Chairman until

December 2010. First Star Resources Inc. carries on the business of mineral exploration. Mr. Wishart has not entered into a non-competition or non-disclosure agreement with the Corporation, nor is it anticipated that Mr. Wishart will enter into a non-competition or non-disclosure agreement with the Resulting Issuer.

Paul M. Zdebiak, age 57, of Vancouver, British Columbia, will remain a director of the Resulting Issuer. Mr. Zdebiak obtained his Finance and Investment Diploma and Arts & Science Diploma from Vancouver Community College in May of 1980. Mr. Zdebiak will devote approximately 10% of his business time to the business and affairs of the Resulting Issuer. His responsibilities with the Resulting Issuer will be to contribute to the Resulting Issuer as an independent director. Mr. Zdebiak was a director of Eaglecrest Explorations Ltd. from December 2002 to March 2011. Mr. Zdebiak has not entered into a non-competition or non-disclosure agreement with the Corporation, nor is it anticipated that Mr. Zdebiak will enter into a non-competition or non-disclosure agreement with the Resulting Issuer.

Gary Schellenberg, age 53, of Vancouver, British Columbia, will remain a director of the Resulting Issuer. Mr. Schellenberg obtained his B.Sc. (Geology) degree from the University of British Columbia in April of 1981. Mr. Schellenberg will devote approximately 10% of his business time to the business and affairs of the Resulting Issuer. His responsibilities with the Resulting Issuer will be to contribute to the Resulting Issuer as an independent director. Mr. Schellenberg is currently president of Coast Mountain Geological Ltd. beginning in April 1987. He is also the president of TNR Gold Corp. since August 1990. Mr. Schellenberg is also a director of International Lithium Corp. since May 2011. Mr. Schellenberg has not entered into a non-competition or non-disclosure agreement with the Corporation, nor is it anticipated that Mr. Schellenberg will enter into a non-competition or non-disclosure agreement with the Resulting Issuer.

Bev Funston, age 55, of North Vancouver, it is anticipated that Ms. Funston will be appointed as the Chief Financial Officer of the Resulting Issuer effective the date of the closing of the QT. Ms. Funston will be responsible for managing corporate financial risks, financial planning, preparation of the financial statements and record-keeping of the Resulting Issuer. Ms. Funston will devote approximately 10% of her business time to the business and affairs of the Resulting Issuer. Ms. Funston is also a director and corporate secretary of Ansell Capital Corp since July 2006. She has been a director and corporate secretary of Parallel Resources Ltd. since April 2007, a director and corporate secretary of Galaxy Capital Corp. since December 2009, the corporate secretary of Carmax Mining Corp. since May 2010, and the corporate secretary of Titan Uranium Inc. since April 2011. Ms. Funston was the corporate secretary of Uranium Power Corp. from June 2003 to July 2009, a director of Cue Resources Ltd. from July 2007 to July 2008, and the corporate secretary of Fury Explorations Ltd. from June 2003 to July 2007 Ms. Funston has not entered into a non-competition or non-disclosure agreement with the Resulting Issuer, nor is it anticipated that Ms. Funston will enter into a non-competition or non-disclosure agreement with the Resulting Issuer.

Promoter Consideration

William E.A. Wishart may be considered the promoter of the Corporation and the Resulting Issuer as he took the initiative in founding and organizing the Corporation. Mr. Wishart has not received, nor is he expected to receive anything of value, including money, property, contracts, options or rights of any kind, directly or indirectly, from the Resulting Issuer or a subsidiary of the Resulting Issuer, except as disclosed below or elsewhere in this Filing Statement.

Upon Completion of the Transaction, Mr. Wishart will hold 1,400,000 Resulting Issuer Shares, which shares will represent approximately 15.53% of the then issued and outstanding shares of the Resulting Issuer assuming the completion of the Financing. In addition, Mr. Wishart will hold 100,000 Options. See "Part III - Information Concerning the Resulting Issuer - Escrowed Securities.

Corporate Cease Trade Orders and Bankruptcies

No director, officer, Insider or Promoter of the Resulting Issuer or a shareholder of the Resulting Issuer holding a sufficient number of securities to affect materially the control of the Resulting Issuer is, or within ten years before the date of the prospectus, has been, a director, officer, Insider or Promoter of any other issuer that, while that person was acting in that capacity, was the subject of a cease trade or similar order, or an order that denied such issuer access to any statutory exemptions for a period of more than 30 consecutive days or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

No director, officer, Insider or Promoter of the Resulting Issuer, or a shareholder of the Resulting Issuer holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would likely be considered important to a reasonable investor in making an investment decision.

Individual Bankruptcies

No director, officer, Insider or Promoter of the Resulting Issuer, or a shareholder of the Resulting Issuer holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or a personal holding company of any such persons has, within the 10 years before the date of this Filing Statement, as applicable, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or has been subject to or has instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold such person’s assets.

Conflicts of Interest

There are potential conflicts of interest to which the directors, officers, Insiders and Promoters of the Resulting Issuer will be subject in connection with the operations of the Resulting Issuer. Some of the directors and officers have been and will continue to be engaged in the identification and evaluation of assets and businesses, with a view to potential Transaction of interests in businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers will be in direct competition with the Resulting Issuer. Conflicts, if any, will be subject to the procedures and remedies as provided under the Business Corporations Act (British Columbia), the Exchange, and applicable securities laws, regulations and policies.

Other Reporting Issuer Experience

The following table sets out the directors, officers and Promoter of the Corporation that are, or have been within the last five years, directors, officers or promoters of other Companies that are or were reporting issuers in any Canadian jurisdiction:

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	From	To
William E.A. Wishart	First Star Resources Inc. *British Columbia and Alberta*	TSX Venture Exchange	Director President Chairman	June 2000 June 2000 Nov 2010	Dec 2010 Nov 2010 Dec 2010
Paul M. Zdebiak	Eaglecrest Explorations Ltd. *British Columbia*	TSX Venture Exchange	Director	Dec 2002	Mar 2011
Gary Schellenberg	Sunridge Energy Corp. *British Columbia and Alberta*	TSX Venture Exchange	Director	Jan 2009	Feb 2011
	Colorado Goldfields Inc. *British Columbia*	OTC.BB	Director and President	Feb 2004	Aug 2008
	Jaxon Minerals Inc. *British Columbia and Alberta*	TSX Venture Exchange	Director	Nov 2006	Nov 2008
	New World Resources Corp *British Columbia and Alberta*	TSX Venture Exchange	Director and President	Mar 2003	Present
	TNR Gold Corp *British Columbia and Alberta*	TSX Venture Exchange	Director	Aug 1990	Present

Name	**Name and Jurisdiction of Reporting Issuer**	**Name of Trading Market**	**Position**	**From**	**To**
Bev Funston	Ansell Capital Corp. *British Columbia and Alberta*	TSX Venture Exchange	Director and Corporate Secretary	July 2006	Present
	Parallel Resources Ltd. *British Columbia and Alberta*	TSX Venture Exchange	Director and Corporate Secretary	April 2007	Present
	Galaxy Capital Corp. *British Columbia and Alberta*	TSX Venture Exchange	Director and Corporate Secretary	December 2009	Present
	Carmax Mining Corp. *British Columbia and Alberta*	TSX Venture Exchange	Corporate Secretary	May 2010	Present
	Titan Uranium Inc. *British Columbia, Alberta, Saskatchewan, and Ontario*	TSX Venture Exchange	Corporate Secretary	April 2011	Present
	Uranium Power Corp. *British Columbia*	TSX Venture Exchange	Corporate Secretary	June 2003	July 2009
	Cue Resources Ltd. *British Columbia and Alberta*	TSX Venture Exchange	Director	July 2007	July 2008
	Fury Explorations Ltd. *Ceased Reporting.*	TSX Venture Exchange	Corporate Secretary	June 2003	July 2007
Elisa Righele	N/A				

EXECUTIVE COMPENSATION

The information below contains disclosure of anticipated compensation, to the extent known, for the three most highly compensated executive officers, for the 12 month period after giving effect to the Transaction:

Compensation Discussion and Analysis

It is expected that the Resulting Issuer will provide compensation to its officers and directors upon Completion of the Qualifying Transaction. The Resulting Issuer expects that the compensation for its NEOs and directors will be comprised of stock options and the reimbursement of expenses. The Resulting Issuer does not expect to have any employment or consulting agreements with any NEOs upon Completion of the Qualifying Transaction. The Resulting Issuer may enter into employment or consulting agreements with any NEOs in the future. The Resulting Issuer does not expect to have any agreements with any NEOs for bonus payment or for the payment of a fee in the event of the resignation or termination of a NEO or a change of control of the Resulting Issuer. The amount and form of compensation will be determined by the board of directors of the Resulting Issuer. It is expected that the board of directors will review compensation policies of similar exploration stage companies when making such determinations. At this time, the board of directors has not established any benchmark or performance goals that the proposed NEOs must achieve in order to maintain their respective positions as NEOs with the Resulting Issuer. However, the proposed NEOs are expected to carry out their duties in an effective and efficient way and to advance the exploration and development goals of the Resulting Issuer. If the board of directors determines that these duties are not being met, the board of directors has the ability to replace such NEOs in its discretion.

Option Based Awards

Effective on the date the Corporation's Shares commenced trading on the Exchange being August 8, 2011, the Corporation granted a total of 250,000 Stock Options collectively to William E.A. Wishart, Paul M. Zdebiak, and Gary D.A. Schellenberg. These Options were issued pursuant to the Corporation's stock option plan (the "Plan") which was adopted by the Board effective January 13, 2011, subject to Exchange approval which approval was granted at the time of listing. Effective as of the completion of the Transaction, the Corporation will grant an additional 50,000 Options to each of its Chief Financial Officer and its Corporation Secretary. The Resulting Issuer will have 350,000 Stock Options to purchase Resulting Issuer Shares outstanding after Completion of the Qualifying Transaction.

Pursuant to the Plan, the Board may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, and technical consultants to the Resulting Issuer, non-transferable Stock Options to purchase Resulting Issuer Shares, provided that the number of Resulting Issuer Shares reserved for issuance will not exceed 10% of the issued and outstanding Resulting Issuer Shares exercisable for a period of up to 10 years from the date of grant. Until the Completion of the Qualifying Transaction, the number of Shares reserved for issuance pursuant to the Plan will not exceed 350,000 Common Shares. The number of Shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding Shares and the number of Shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding Shares. See "Information Concerning the Resulting Issuer – Option to Purchase Securities" for more information.

The Resulting Issuer may decide to grant option-based awards to its directors or officers during the 12 month period following Completion of the Qualifying Transaction. Details of such grants will be announced by the Resulting Issuer in the event such a determination is made.

Summary Compensation Table

The following table provides a summary of the anticipated compensation for each of the Resulting Issuer's NEOs for the 12 month period after giving effect to the Transaction:

Name and Proposed Principal Position	Proposed Salary ($)	Proposed Share-based Awards[1] ($)	Proposed Option-based awards[1] ($)	Non-equity incentive plan compensation ($)	Proposed Pension value ($)	Proposed All Other Compensation ($)	Proposed Total compensation ($)
William E.A. Wishart,[2] CEO	$72,000	Nil	$15,000[4]	Nil	Nil	Nil	$87,000
Bev Funston,[3] CFO	Nil	Nil	50,000	Nil	Nil	Nil	Nil

Notes:

(1) “Share-based Awards” means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock. “Option-based Awards” means an award under an equity incentive plan of option, including, for greater certainty, share option, share appreciation rights, and similar instruments that have option-like features. “Non-equity Incentive Plan Compensation” includes all compensation under an incentive plan or portion of an incentive plan that is not an equity incentive plan.

(2) William E.A. Wishart is anticipated to retain his position as a President and CEO, and a director of the Resulting Issuer upon Completion of the Qualifying Transaction.

(3) Bev Funston is anticipated to retain her position as Chief Financial Officer of the Resulting Issuer upon Completion of the Qualifying Transaction.

(4) These Resulting Issuer Stock Options were outstanding as at the date of this Filing Statement. The Company does not anticipate granting Resulting Issuer Stock Options upon Completion of the Qualifying Transaction. Calculated by subtracting the exercise price from the market price, multiplied by the number of options held. The last trading price of the Company’s shares before the stock was halted was $0.25 per share. The Resulting Issuer may decide to grant option-based awards to its directors or officers during the 12 month period following Completion of the Qualifying Transaction. Details of such grants will be announced by the Resulting Issuer in the event such a determination is made.

Incentive Plan Awards

An “incentive plan” is any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period. An “incentive plan award” means compensation awarded, earned, paid, or payable under an incentive plan.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth all option and share-based awards that have been granted or are proposed to be granted to NEOs and that are expected to be outstanding upon Completion of the Qualifying Transaction:

	Option-based Awards				Share-based Awards	
Name	**Number of securities underlying unexercised option (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money option ($)**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**
William E.A. Wishart,(1) CEO	100,000	$0.10	August 18, 2016	$15,000(3)	Nil	Nil
Bev Funston,(2) CFO	50,000	$0.20	5 years from the Completion of the Qualifying Transaction	Nil	Nil	Nil

Notes:

(1) William E.A. Wishart was appointed as a President, CEO, CFO, Corporate Secretary and a director of the Corporation on January 6, 2011. It is expected that upon Completion of the Qualifying Transaction, Mr. Wishart will be the President and CEO and a director of the Resulting Issuer.

(2) It is expected that upon Completion of the Qualifying Transaction, Ms. Funston will be the CFO of the Resulting Issuer.

(3) Calculated by subtracting the exercise price from the market price, multiplied by the number of options held. The last trading price of the Company's shares before the stock was halted was $0.25 per share.

Incentive Plan Awards – Value Vested or Earned During the Year

The value vested or earned for all incentive plan awards during the 12 months following Completion of the Qualifying Transaction will depend on a number of factors, including the market price of the Resulting Issuer Shares.

Narrative Discussion

Refer to the sections titled "Compensation Discussion and Analysis" and "Option Based Awards", above, for a description of all plan based awards and their significant terms. A copy of the Plan is available under the Issuer's profile on SEDAR at www.sedar.com. The Resulting Issuer does not expect to grant any Stock Options upon Completion of the Qualifying Transaction. The Resulting Issuer may decide to grant option-based awards to its directors or officers during the 12 month period following Completion of the Qualifying Transaction. Details of such grants will be announced by the Resulting Issuer in the event such a determination is made.

Pension Plan Benefits

The Resulting Issuer does not plan to have a pension plan, defined benefit plan, defined contribution plan or deferred compensation plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

Termination and Change of Control Benefits

It is not anticipated that there will be any employment contracts between the Resulting Issuer and Named Executive Officers in the 12 months following completion of the Transaction. It is however anticipated that the Resulting Issuer will enter into a contract with Sunquest Investment Corp., a private company wholly-owned by William E.A. Wishart, a director of the Corporation, to act as an independent contractor in performing management services for the Resulting Issuer for the consideration of $6,000 per month. Such a contract is expected to contain a termination notice clause of six months written notice by the Resulting Issuer, or payment in lieu thereof.

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

Directors Compensation

Name	Fees ($)	Share-based awards ($)	Option-based awards(1) ($)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Total compensation ($)
Paul M. Zdebiak(2)	Nil	Nil	$15,000(3)	Nil	Nil	Nil	$15,000
Gary Schellenberg(2)	Nil	Nil	$7,500(3)	Nil	Nil	Nil	$7,500

Notes:

(1) The Resulting Issuer does not intend to grant any Stock Options in connection with the Completion of the Qualifying Transaction. The Resulting Issuer may determine to issue option to directors or officers during the 12 month period following Completion of the Qualifying Transaction. Details of such grants will be announced by the Resulting Issuer in the event such a determination is made.

(2) Subsequent to the financial year ended March 31, 2011, on August 18, 2011: (a) 100,000 Stock Options were granted to Mr. Zdebiak; and (b) 50,000 Stock Options were granted to Mr. Schellenberg. Each Stock Option entitles the holder to purchase one Resulting Issuer Share at the exercise price of $0.10 per Resulting Issuer Share until expiry on August 18, 2016. Any Resulting Issuer Shares issuable upon exercise of the Stock Options prior to the Completion of the Qualifying Transaction will be held in escrow in accordance with the terms of the CPC Escrow Agreement.

(3) These Resulting Issuer Stock Options were outstanding as at the date of this Filing Statement. The Company does not anticipate granting Resulting Issuer Stock Options upon Completion of the Qualifying Transaction. Calculated by subtracting the exercise price from the market price, multiplied by the number of options held. The last trading price of the Company's shares before the stock was halted was $0.25 per share. The Resulting Issuer may decide to grant option-based awards to its directors or officers during the 12 month period following Completion of the Qualifying Transaction. Details of such grants will be announced by the Resulting Issuer in the event such a determination is made.

Narrative Discussion

The Resulting Issuer does not expect to have any arrangements, standard or otherwise, pursuant to which non-NEO directors are compensated by the Resulting Issuer for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultants or experts. The Resulting Issuer expects to continue to compensate directors primarily through the grant of Stock Options and reimbursement of expenses incurred by such persons acting as directors of the Resulting Issuer.

Outstanding Share-Based Awards and Option-Based Awards for Directors

The following table sets forth all option and share-based awards that have been granted or are proposed to be granted to directors, other than NEOs, and that are expected to be outstanding upon Completion of the Qualifying Transaction.

	Option-based Awards				**Share-based Awards**	
Name	**Number of securities underlying unexercised option (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money option ($)**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**
Paul M. Zdebiak(1)	100,000	$0.10	August 18, 2016	$15,000(3)	Nil	Nil
Gary Schellenberg(2)	50,000	$0.10	August 18, 2016	$7,500(3)	Nil	Nil

Notes:

(1) Paul M. Zdebiak has been a director of the Corporation since January 6, 2011.

(2) Gary Schellenberg has been a director of the Corporation since April 18, 2011.

(3) Calculated by subtracting the exercise price from the market price, multiplied by the number of options held. The last trading price of the Company's shares before the stock was halted was $0.25 per share.

Incentive Plan Awards – Value Vested or Earned During the Year

The value vested or earned for all incentive plan awards during the 12 months following Completion of the Qualifying Transaction will depend on a number of factors, including the market price of the Resulting Issuer Shares.

Narrative Discussion

Refer to the sections titled "Compensation Discussion and Analysis" and "Option Based Awards", above, for a description of all plan based awards and their significant terms. A copy of the Plan is available under the Issuer's profile on SEDAR at www.sedar.com. The Resulting Issuer does not expect to grant any Stock Options upon Completion of the Qualifying Transaction. The Resulting Issuer may decide to grant option-based awards to its directors or officers during the 12 month period following Completion of the Qualifying Transaction. Details of such grants will be announced by the Resulting Issuer in the event such a determination is made.

Pension Plan Benefits

The Resulting Issuer does not plan to have a pension plan, defined benefit plan, defined contribution plan or deferred compensation plan that provides for payments or benefits to the directors at, following, or in connection with retirement.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

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

INVESTOR RELATIONS ARRANGEMENTS

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

OPTIONS TO PURCHASE SECURITIES

Options to Purchase Securities

The following table sets forth all incentive stock options of the Resulting Issuer both previously granted and to be granted in connection with the completion of the Transaction as of the date of closing and that are expected to be outstanding upon Completion of the Qualifying Transaction:

Persons who have received options (as a group)	Designation and Number of Common Shares Under Option	Purchase Price of Securities Under Option	Expiration Date	Market Value of Securities Under Option on the Date of Grant
Directors and Officers and Proposed Officers of the Resulting Issuer or its Subsidiaries (5 persons)	350,000	250,000 @ $0.10 100,000 @ $0.20	August 8, 2016 5 years from the Completion of the Qualifying Transaction	N/A
Employees of the Resulting Issuer (0 persons)	Nil	Nil	N/A	N/A
Consultants of the Resulting Issuer (0	Nil	Nil	N/A	N/A

Persons who have received options (as a group)	Designation and Number of Common Shares Under Option	Purchase Price of Securities Under Option	Expiration Date	Market Value of Securities Under Option on the Date of Grant
persons)				
IPO Agent	300,000	$0.10	August 8, 2013	N/A
Total	**650,000**			

IPO Agent's Options

Following completion of the Transaction, there will remain 300,000 IPO Agent's Options outstanding. The IPO Agent's Options entitle the IPO Agent to acquire 300,000 Resulting Issuer Shares at an exercise price of $0.10 per Resulting Issuer Share until August 8, 2013.

Warrants

Pursuant to the Financing, the Corporation may issue up to 1,417,500 Warrants. Each Warrant being exercisable into one Resulting Issuer Share at a price of $0.30 per Resulting Issuer Share for a period of 1 year after the closing of the Financing.

Stock Option Plan

The existing Stock Option Plan of the Corporation will be the stock option plan of the Resulting Issuer. See "Information Concerning the Corporation – Stock Option Plan".

ESCROWED SECURITIES

Escrowed Securities

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

		Prior to Giving Effect to the Transaction and Financing		After Giving Effect to the Transaction and Financing(3)	
Name and Municipality of Residence of Securityholder	**Designation of Class**	**Number of securities held in escrow**	**Percentage of class**	**Number of securities to be held in escrow**	**Percentage of class**
William E. A. Wishart *North Vancouver, British Columbia*	Common Shares	1,400,000	18.79%	1,400,000	15.53%

Paul M. Zdebiak *Vancouver, British Columbia.*	Common Shares	700,000	9.40%	700,000	7.76%
Gary Schellenberg *Richmond, British Columbia*	Common Shares	300,000	4.03%	300,000	3.33%
Bev Funston *North Vancouver, British Columbia*	Common Shares	60,000	0.81%	60,000	0.67%
Krystle Funston *North Vancouver, British Columbia*	Common Shares	20,000	0.27%	20,000	0.22%
719639 B.C. Ltd.(1) *North Vancouver, British Columbia*	Common Shares	500,000	6.71%	500,000	5.54%
Libusa Obroucka *North Vancouver, British Columbia*	Common Shares	600,000	8.05%	600,000	6.65%
873540 B.C. Ltd.(2) *North Vancouver, British Columbia*	Common Shares	200,000	2.68%	200,000	2.22%
Patrick Forseille *Vancouver, British Columbia*	Common Shares	500,000	6.71%	500,000	5.54%
Kim Hudson *Vancouver, British Columbia*	Common Shares	250,000	3.36%	250,000	2.77%
Helen Trieman *Vancouver, British Columbia*	Common Shares	50,000	0.67%	50,000	0.55%

(1) 719639 B.C. Ltd. is wholly-owned by Chris Anderson, President and a director of the Optionor
(2) 873540 B.C. Ltd. is wholly-owned by Shelly Jensen
(3) Assumes 1,417,500 Resulting Issuer Shares are issued pursuant to the Financing

The CPC Escrowed Shares are held in escrow with the Transfer Agent, under the Escrow Agreement. The Transfer Agent is the escrow agent for the purposes of the CPC Escrow Agreement. There are 4,500,000 CPC Escrow Shares currently in escrow. In addition, any Common Shares acquired on exercise of stock options prior to the Completion of the Transaction, must also be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued. At the time of completion of the QT, it is expected that each of the persons listed in the table above will hold Resulting Issuer Shares subject to escrow in the amount listed beside such person's name.

The CPC Escrow Shares are currently subject to the release schedule set out in Schedule B(1) to the Exchange's Form 2F – *CPC Escrow Agreement* Pursuant to Schedule B(1) of Form 2F,, 10% of the CPC

Escrowed Shares are to be released from escrow upon the date of issuance of the Final Exchange Bulletin following the closing of the Transaction and the submission of all required documentation (the "Initial Release") and an additional 15% will be released on the dates that are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release. If the Resulting Issuer meets the Exchange's Tier 1 minimum listing requirements either at the time the Final Exchange Bulletin is issued or subsequently, the release of the CPC Escrowed Shares will be accelerated over an 18 month period with 25% of the escrowed securities being releasable at the time of the Final Exchange Bulletin, and 25% of the escrowed securities being releasable every 6 months thereafter. An accelerated escrow release will not commence until the Resulting Issuer has made application to the Exchange for listing as a Tier 1 issuer and the Exchange has issued a bulletin that announces the acceptance for listing of the Resulting Issuer on Tier 1 of the Exchange. The Exchange's prior consent must be obtained before a transfer within escrow of CPC Escrowed Shares. Generally, the Exchange will only permit a transfer within escrow to be made to incoming Principals in connection with a proposed Transaction. If a Final Exchange Bulletin is not issued, the CPC Escrowed Shares will not be released.

AUDITOR, TRANSFER AGENT AND REGISTRAR

Auditor

The auditor of the Resulting Issuer will remain Davidson & Company, Chartered Accountants, 1200 – 609 Granville Street, P.O. Box 10372, Pacific Centre, Vancouver, British Columbia V7Y 1G6.

Transfer Agent and Registrar

The transfer agent and registrar for the Resulting Issuer will remain Equity Transfer & Trust Company, at its Vancouver office located at Suite 1620 - 1185 West Georgia Street, Vancouver, British Columbia V6E 4E6.

It is anticipated that the Transfer Agent will be appointed to act as the escrow agent for the Resulting Issuer Shares to be held in escrow.

PART IV
GENERAL MATTERS

SPONSORSHIP AND AGENT RELATIONSHIP

Sponsor

A general policy of the Exchange requires that a sponsor be retained to prepare a sponsor report in compliance with Exchange Policy 2.2. The Corporation intends to rely on an exemption from sponsorship contained in subsection 3.4(a)(i) of the Exchange's Policy 2.2 Sponsorship and Sponsorship Requirements. As such, no sponsor has been engaged by the Corporation in connection with the Proposed Transaction.

Relationships

The Financing is a non-brokered private placement.

EXPERTS

Opinions

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

(1) Davidson & Co., LLP, auditors of the Corporation; and

(2) Rudolf R. Stea, Ph.D., P.Geo., geologist that prepared the Technical Report.

Interests of Experts

Except as disclosed herein, no person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Filing Statement or prepared or certified a report or valuation described or included in this Filing Statement currently holds, directly or indirectly, more than 1 % of the Common Shares, or holds any property of the Corporation or of an Associate or Affiliate of the Corporation and no such person is expected to be elected, appointed or employed as director, senior officer or employee of the Corporation or of an Associate or Affiliate of the Resulting Issuer and no such person is a promoter of the Corporation or an Associate or Affiliate of the Corporation.

As of the date of this filing statement, Davidson & Co., LLP has reported that they are independent in accordance with the rules of professional conduct of the Institute of Chartered Accountants of British Columbia.

OTHER MATERIAL FACTS

There are no other material facts in respect of the Resulting Issuer which are not disclosed elsewhere in this Filing Statement.

BOARD APPROVAL

The Board of Directors of the Corporation has approved the contents and the delivery of this Filing Statement.

DESCRIPTION OF THE RISK FACTORS ASSOCIATED WITH THE TRANSACTION

The Resulting Issuer's current business will be the Resulting Issuer's business upon the completion of the Transaction. An investment in the Resulting Issuer is speculative and involves a high degree of risk due to the nature of the Resulting Issuer's business and the present stage of exploration and development of its mineral properties. The following risk factors, as well as risks not currently known to the Resulting Issuer and the Corporation, could materially adversely affect the Resulting Issuer's future business, operations and financial condition and could cause them to differ materially from the estimates described in forward-looking statements contained herein. Prospective investors should carefully consider the following risk factors along with the other matters set out herein:

Changes in the market price of metals, which in the past has fluctuated widely, will significantly affect the potential of the Porcupine Property.

The potential of the Porcupine Property to be economically mined is significantly affected by changes in the market price of metals. The market price of metals is volatile and is impacted by numerous factors beyond the Resulting Issuer's control, including:

- expectations with respect to the rate of inflation;
- the relative strength of the U.S. dollar and certain other currencies;
- interest rates;
- global or regional political or economic conditions;
- supply and demand for jewelry and industrial products containing metals; and
- sales by central banks and other holders, speculators and producers of gold and other metals in response to any of the above factors.

A decrease in the market price of metals could make it difficult or impossible to finance the exploration or development of the Porcupine Property or cause the Resulting Issuer to determine that it is impractical to commence or continue exploration of the Porcupine Property or development efforts if any, which would have a material adverse effect on the Resulting Issuer's results of operations. There can be no assurance that the market price of metals will not decrease.

There can be no assurance that the Resulting Issuer's exploration programs will result in the establishment of mineral reserves or the expansion of such reserves with new mineral reserves.

The Resulting Issuer's future growth and profitability will depend, in part, on its ability to identify and expand its mineral reserves through additional exploration of the Porcupine Property and on the costs and results of continued exploration and development programs. Mining exploration is highly speculative in nature, involves many risks and frequently is not productive. Most exploration projects do not result in the discovery of commercially mineable ore deposits and no assurance can be given that any anticipated level of recovery of mineral reserves will be realized or that any identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be legally and economically exploited. There can be no assurance that the Resulting Issuer's exploration efforts at the Porcupine Property will be successful. Success in identifying and increasing reserves is the result of a number of factors, including the quality of a company's management, its level of geological and technical expertise, the quality of land available for exploration, metal prices and other factors. The Resulting Issuer's strategy is to seek to expand its identified resources through additional drilling, to define better the location and grade of known mineralization and to locate areas of additional mineralization or extensions of known mineralization. However, feasibility studies will be necessary to determine whether mineral resources qualify as commercially mineable (or viable) ore bodies. If any additional mineralization is discovered at the Porcupine Property, it may take several years in the initial phases of drilling until the evaluation of such mineralization is possible, during which time the economic feasibility of the deposit may change. Substantial expenditures will be required at the Porcupine Property to:

- establish mineral reserves through drilling and metallurgical and other testing techniques and evaluation of the economic and legal feasibility of mining operations;

- determine metal content and the optimal metallurgical recovery processes to extract the metals from the ore;
- determine the optimal development approach for a mine; and
- construct mining and processing facilities.

As a result of these uncertainties, no assurance can be given that the Resulting Issuer's exploration programs at the Porcupine Property will result in the establishment or expansion of mineral reserves.

There can be no assurance that the Resulting Issuer will successfully establish mining operations or become profitable.

The Resulting Issuer's has no history of production. The Porcupine Property is in the exploration stage and the Resulting Issuer has not defined or delineated any proven or probable reserves at the Porcupine Property. The Porcupine Property is not currently under development. The future development of the Porcupine Property will require additional financing, the design, construction and operation of mines, a processing plant and related infrastructure. As a result, the Resulting Issuer will be subject to all of the risks associated with establishing new mining operations and business enterprises including:

- the timing and cost, which will be considerable, of the construction of mining and processing facilities;
- the availability and costs of skilled labour, power, water, transportation and mining equipment;
- the availability and cost of appropriate smelting and/or refining arrangements;
- the need to obtain necessary environmental and other governmental approvals and permits, and the timing of those approvals and permits; and
- the availability of funds to finance construction and development activities.

The costs, timing and complexities of mine construction and development are increased by the remote location of the Porcupine Property. It is common in new mining operations to experience unexpected problems and delays during construction, development, and mine start-up. In addition, delays in the commencement of mineral production often occur and, once commenced, the production of a mine may not meet expectations or the estimates set forth in feasibility or other studies. Accordingly, there are no assurances that the Resulting Issuer will successfully establish mining operations or become profitable.

The figures for the Resulting Issuer's mineral deposits are estimates based on interpretation and assumptions.

The mineralization figures presented in this Filing Statement are based upon estimates made by geologists. These estimates are imprecise and depend upon interpretation of geologic formations, grade and metallurgical characteristics, and upon statistical inferences drawn from drilling and sampling analysis, any or all of which may prove to be unreliable, Material changes in mineral resources or mineral reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project. Estimates can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. There can be no assurance that:

- the estimates made by geologists upon which the mineralization figures presented in this Filing Statement are based will be accurate;
- mineral resource or other mineralization figures will be accurate; or
- this mineralization could be mined or processed profitably.

The Resulting Issuer has not defined or delineated any mineral reserves on the Porcupine Property and mineralization estimates for the Porcupine Property may require adjustments or downward revisions based upon further exploration or development work. It is possible that the Resulting Issuer may encounter unusual or unexpected geologic formations or other geological or grade problems, unanticipated changes in metallurgical characteristics and gold recovery and unanticipated ground or earth conditions. If mining operations are commenced, the grade of mineralization ultimately mined, if any, may differ from that indicated by drilling results. Estimates of mineral recovery rates used in mineral reserve and mineral resource estimates are uncertain and there can be no assurance that mineral recovery rates in small scale tests will be duplicated in large scale tests under on-site conditions or in production scale.

The Resulting Issuer has not established the presence of any proven and probable mineral reserves at the Porcupine Property. There can be no assurance that subsequent testing or future studies will establish mineral reserves on the Porcupine Property. The failure to establish proven and probable mineral reserves would severely restrict the Resulting Issuer's ability to successfully implement its strategies for long-term growth.

The Resulting Issuer requires various permits in order to conduct its current and anticipated future operations and delays or a failure to obtain such permits, or a failure to comply with the terms of any such permits that the Resulting Issuer has obtained, could have a material adverse impact on the Resulting Issuer.

Exploration and development of, and production from, any deposit at the Porcupine Property require permits from various Canadian federal, territorial and local government authorities. There can be no assurance that any required permits will be obtained in a timely manner, or at all or that they will be obtained on reasonable terms. Delays or failure to obtain, expiry of or a failure to comply with the terms of such permits could prohibit development of the Porcupine Property and have a material adverse impact on the Resulting Issuer.

The Resulting Issuer's permits, licences and mineral rights to the Porcupine Property may be subject to challenges by First Nation based on the duty of the Federal Government to consult.

In 2005, the Supreme Court of Canada determined that there is a duty on the government to consult with and, where appropriate, accommodate where government decisions have the potential to adverse effect treaty rights of First Nations. The Court found that third parties are not responsible for consultation or accommodation of aboriginal interests and that this responsibility lies with government. If the Federal Government fails to consult with First Nations before issuing any permits, licences, mineral claims, mineral leases, mineral licences or surface rights (collectively, "permits") to the Resulting Issuer, there may be valid challenges to any such permits which could affect the development of the Porcupine Property.

The Resulting Issuer is subject to significant governmental regulations.

The Resulting Issuer's operations and exploration and development activities in Canada are subject to extensive federal, territorial and local laws and regulations governing various matters, including:

- environmental protection;
- management and use of toxic substances and explosives;
- management of natural resources;
- exploration, development of mines, production and post-closure reclamation;
- taxation and mining royalties;
- regulations concerning business dealings with native groups;
- labour standards and occupational health and safety, including mine safety; and
- historic and cultural preservation.

Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations or requiring corrective measures, installation of additional equipment or remedial actions, any of which could result in the Resulting Issuer incurring significant expenditures. The Resulting Issuer may also be required to compensate private parties suffering loss or damage by reason of a breach of such laws, regulations or permitting requirements. It is also possible that future laws and regulations, or a more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspensions of the Resulting Issuer's operations and delays in the development of the Porcupine Property.

The Resulting Issuer's activities are subject to environmental laws and regulations that may increase its costs of doing business and restrict its operations.

All of the Resulting Issuer's exploration and production activities are in Canada and subject to regulation by governmental agencies under various environmental laws. These laws address emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species and reclamation of lands disturbed by mining operations. Compliance with environmental laws and regulations may require significant capital outlays on behalf of the Resulting Issuer and may cause material changes or delays in the Resulting Issuer's intended activities. There can be no assurance that future changes in environmental regulations will not adversely affect the Resulting Issuer's business, and it is possible that future changes in these laws or regulations could have a significant adverse impact on some portion of the Resulting Issuer's business, causing the Resulting Issuer to re-evaluate those activities at that time.

Mining is inherently dangerous and subject to conditions or events beyond the Resulting Issuer's control, which could have a material adverse effect on the business of the Resulting Issuer.

The business of mining is subject to a number of risks and hazards including environmental hazards, industrial accidents, labour disputes, cave-ins, pit wall failures, flooding, fires, rock bursts, explosions, power outages, periodic interruptions due to inclement or hazardous weather conditions, and other acts of

God or unfavourable operating conditions. Such risks could result in damage to, or destruction of, mineral properties or processing facilities, personal injury or death, loss of key employees, environmental damage, delays in mining, increased production costs, monetary losses and possible legal liability.

Where considered practical to do so, the Resulting Issuer maintains insurance against risks in the operation of its business in amounts which it believes to be reasonable. Such insurance, however, contains exclusions and limitations on coverage. There can be no assurance that such insurance will continue to be available, will be available at economically acceptable premiums or will be adequate to cover any resulting liability. In some cases, coverage is not available or considered too expensive relative to the perceived risk. The Resulting Issuer may suffer a material adverse effect on its business if it incurs losses related to any significant events that are not covered sufficiently or at all by its insurance policies.

The Resulting Issuer will require external financing to conduct further exploration on and development of its mineral resource properties.

Although the Corporation and the Resulting Issuer currently believe the Resulting Issuer will have sufficient financial resources to undertake its presently planned exploration program on the Porcupine Property assuming completion of the Financing, further exploration on and development of the Porcupine Property will require additional capital. Accordingly, the continuing exploration and development of the Porcupine Property will depend upon the Resulting Issuer's ability to obtain financing on reasonable terms. There is no assurance the Resulting Issuer will be successful in obtaining the required financing. The failure to obtain such financing could have a material adverse effect on the Resulting Issuer's results of operations and financial condition.

Increased competition could adversely affect the Resulting Issuer's ability to attract necessary capital funding or acquire suitable prospects for mineral exploration in the future.

The mining industry is intensely competitive. The Resulting Issuer will compete with other mining companies, many of which have greater financial resources for the acquisition of mineral claims, permits and concessions as well as for the recruitment and retention of qualified employees. As a result, the Resulting Issuer may be unable to acquire attractive mining properties on terms it considers acceptable. Increased competition could adversely affect the Resulting Issuer's ability to attract necessary capital funding or acquire suitable properties or prospects for mineral exploration in the future.

Title to the Resulting Issuer's mineral properties cannot be guaranteed and may be subject to prior unregistered agreements, transfers or claims and other defects.

The Resulting Issuer cannot guarantee that title to its properties will not be challenged. Title insurance is generally not available for mineral properties and the Resulting Issuer's ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be severely constrained. While the Resulting Issuer has investigated title to all of its mineral claims and, to the best of its knowledge, title to all such mineral properties is in good standing, the mineral properties may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects. A successful challenge to the precise area and location of these claims could result in the Resulting Issuer being unable to operate on its properties as permitted or being unable to enforce its rights with respect to its properties.

The Corporation has a history of losses and expects the Resulting Issuer to incur losses for the

foreseeable future.

The Corporation has incurred losses and the Resulting Issuer may continue to incur losses for the foreseeable future. Further exploration and development of the Porcupine Property will require the commitment of substantial financial resources. It may be several years before the Resulting Issuer will generate any revenues from operations, if at all. There can be no assurance that the Resulting Issuer will realize revenue or achieve profitability.

The Resulting Issuer may experience difficulty attracting and retaining qualified management and personnel to meet the needs of its anticipated growth, and the failure to manage its growth effectively could have a material adverse effect on its business and financial condition.

The Resulting Issuer will be dependent on the services of key executives including the Chief Executive Officer and Chief Financial Officer and other highly skilled and experienced executives and personnel focused on managing its interests, the advancement of the Porcupine Property, as well as the identification of new opportunities for growth and funding. Due to the Resulting Issuer's small size, the loss of these persons or the Resulting Issuer's inability to attract and retain additional highly skilled employees required for the development of its activities may have a material adverse effect on the its business or future operations.

There can be no assurance that an active trading market in the Resulting Issuer's securities will be established and sustained.

The market price for the Resulting Issuer's securities could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of the Resulting Issuer's peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the securities of the Resulting Issuer. The stock market has from time to time experienced extreme price and volume fluctuations, particularly in the mining sector, which have often been unrelated to the operating performance of particular companies.

Certain of the Resulting Issuer's directors are also directors, officers or shareholders of other companies that are engaged in the business of acquiring, developing and exploiting natural resource properties.

Such associations may give rise to conflicts of interest from time to time. Such a conflict poses the risk that the Resulting Issuer may enter into a transaction on terms which place the Resulting Issuer in a worse position than if no conflict existed. The directors are required by law to act honestly and in good faith with a view to the best interest of the Resulting Issuer and to disclose any interest which they may have in any project or opportunity of the Resulting Issuer. However, each director has a similar obligations to other companies for which such director serves as an officer or director.

If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his or her interest and abstain from voting on such matter, in determining whether or not the Resulting Issuer will participate in any project or opportunity, the board of directors will primarily consider the degree of risk to which the Resulting Issuer may be exposed and its financial position at that time.

CERTIFICATION OF CORPORATION

The foregoing constitutes full, true, and plain disclosure of all material facts relating to the securities of Explorex Capital Ltd. assuming completion of the Transaction.

DATED May 29, 2012.

EXPLOREX CAPITAL LTD

"William E.A. Wishart"
William E.A. Wishart
Chief Executive Officer, Chief Financial Officer, Secretary and Director

On behalf of the Board of Directors

"Paul M. Zdebiak"
Paul M. Zdebiak
Director

"Gary Schellenberg"
Gary Schellenberg
Director

ACKNOWLEDGMENT – PERSONAL INFORMATION

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

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

(a) the disclosure of Personal Information by the undersigned to the Exchange (as defined in Appendix 6B) pursuant to Exchange Form 3B1/3B2; and

(b) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6B or as otherwise identified by the Exchange, from time to time.

Dated: May 29, 2012

Explorex Capital Ltd.

"William E.A. Wishart"
William E.A. Wishart

AUDITOR'S CONSENT

We have read the filing statement of Explorex Capital Ltd. (the "Company") dated May 29, 2012 relating to the proposed acquisition of the Porcupine property. 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 filing statement of our report to the directors of the Company on the statement of financial position of the Company as at March 31, 2011 and the statement of loss and comprehensive loss, statements of changes in equity and statements of cash flows for the three and six month periods ended March 31, 2011 Our report is dated June 29, 2011.

Davidson & Company LLP

Chartered Accountants

Vancouver, Canada

May 29, 2012

EXHIBIT “A”

Auditors’ Consent and Audited Financial Statements of Explorex Capital Ltd. as at March 31, 2011 for the period from incorporation on January 6, 2011 to March 31, 2011; and unaudited financial statements for the three and nine month periods ended December 31, 2011

EXPLOREX CAPITAL LTD.

FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

MARCH 31, 2011

EXPLOREX CAPITAL LTD.
STATEMENT OF FINANCIAL POSITION
EXPRESSED IN CANADIAN DOLLARS
AS AT MARCH 31, 2011

ASSETS	
Current	
Cash	$ 165,678
Prepaid expenses	1,519
	167,197
Non-current	
Deferred financing costs (Note 10)	36,883
	$ 204,080
LIABILITIES AND SHAREHOLDERS' EQUITY	
Current	
Accounts payable and accrued liabilities	$ 4,947
Due to related parties (Note 7)	4,726
	9,673
Shareholders' equity	
Share capital (Note 4)	212,500
Deficit	(18,093)
	194,407
	$ 204,080

Nature of operations (Note 2)

Subsequent events (Note 10)

Approved and authorized by the Board on June 29, 2011:

"William E.A. Wishart"
William E.A. Wishart, CEO & Director

"Paul M. Zdebiak"
Paul M. Zdebiak, Director

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

EXPLOREX CAPITAL LTD.
STATEMENT OF COMPREHENSIVE LOSS
EXPRESSED IN CANADIAN DOLLARS
FOR THE PERIOD FROM INCORPORATION ON JANUARY 6, 2011 TO MARCH 31, 2011

EXPENSES		
Accounting and audit	$	5,600
General office expenses		52
Legal		7,715
Travel		4,726
Loss and comprehensive loss for the period	$	(18,093)
Basic and diluted loss per common share	$	-
Weighted average number of common shares outstanding		-

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

EXPLOREX CAPITAL LTD.
STATEMENT OF CHANGES IN EQUITY
EXPRESSED IN CANADIAN DOLLARS
FOR THE PERIOD FROM INCORPORATION ON JANUARY 6, 2011 TO MARCH 31, 2011

	Number of Shares	Share capital	Equity reserve	Deficit	Total
Balance at January 6, 2011	-	$ -	$ -	$ -	$ -
Shares issued for cash	4,250,000	212,500	-	-	212,500
Comprehensive loss for the period	-	-	-	(18,093)	(18,093)
Balance at March 31, 2011	4,250,000	$ 212,500	$ -	$ (18,093)	$ 194,407

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

EXPLOREX CAPITAL LTD.
STATEMENT OF CASH FLOWS
EXPRESSED IN CANADIAN DOLLARS
FOR THE PERIOD FROM INCORPORATION ON JANUARY 6, 2011 TO MARCH 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$	(18,093)
Changes in non-cash working capital items:		
Increase in prepaid expenses		(1,519)
Increase in due to related party		4,726
Net cash used in operating activities		(14,886)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of shares for cash		212,500
Deferred financing costs		(31,936)
Net cash provided by financing activities		180,564
Change in cash for the period		165,678
Cash, beginning of period		-
Cash, end of period	$	165,678
Cash paid during the period for interest	$	-
Cash paid during the period for income taxes	$	-

Supplemental disclosure with respect to cash flows (Note 8)

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

1. INCORPORATION

The Company was incorporated under the Business Corporations Act (British Columbia) on January 6, 2011 and is classified as a Capital Pool Company as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition of or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities.

The head office of the Company is located at 214 – 1118 Homer Street, Vancouver, British Columbia, V6B 6L5. The registered office of the Company is located at Suite 300 – 576 Seymour Street, Vancouver, British Columbia, V6B 3K1. The Company does not have any subsidiaries.

2. NATURE OF OPERATIONS

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an interest in properties, assets or businesses. Such an acquisition will be subject to regulatory approval and may be subject to shareholder approval. In order to continue as a going concern and meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of presentation

These financial statements have been prepared in accordance with IFRS which include International Accounting Standards and Interpretations ("IFRIC") adopted by the International Accounting Standards Board ("IASB").

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

b) Use of estimates

The preparation of these financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates. Significant areas requiring the use of management estimates relate to the valuation of deferred income tax amounts.

c) Deferred financing costs

Costs directly identifiable with the raising of capital will be charged against the related capital stock. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related capital stock or charged to operations if the shares are not issued.

d) Stock-based compensation

The Company uses the fair value based method for measuring compensation costs.

e) Comprehensive income/loss

Comprehensive income/loss is the change in the Company's shareholders' equity that results from transactions and other events from other than the Company's shareholders and includes items that would not normally be included in net earnings, such as unrealized gains and losses on available-for-sale investments. Certain gains and losses are presented in other "comprehensive income" until it is considered appropriate to recognize into net earnings.

f) Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

The 4,250,000 common shares outstanding as of March 31, 2011 are contingently cancelable and have been excluded from the weighted average number of shares outstanding.

g) Financial instruments

Financial assets

Financial assets are classified into one of four categories:

a) Fair value through profit or loss ("FVTPL");

b) Held-to-Maturity ("HTM");

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

g) Financial instruments (cont'd…)

c) Loans and receivables; and

d) Available for sale ("AFS").

Financial assets at fair value through profit or loss ("FVTPL")

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

Held to maturity ("HTM")

These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized costs using the effective interest method. If there is objective evidence that the asset is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of operations and comprehensive loss.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted on an active market. Such assets are initially recognized at fair value plus any direct attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Available for sale ("AFS")

Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of comprehensive loss.

The Company has classified its financial assets as follows:

a) Cash is classified as FVTPL.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

g) Financial instruments (cont'd…)

Financial liabilities

Financial liabilities are classified into one of two categories:

a) Fair value through profit or loss; and

b) Other financial liabilities

Fair value through profit or loss

This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive loss.

Other financial liabilities

This category includes accounts payable and accrued liabilities, all of which are recognized at amortized cost. The Company classified its financial liabilities which consisted of accounts payable and accrued liabilities and due to related parties as other financial liabilities.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted.

For all financial assets objective evidence of impairment could include:

a) significant financial difficulty of the issuer or counterparty; or

b) default or delinquency in interest or principal payments; or

c) it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

g) Financial instruments (cont'd…)

Impairment of financial assets (cont'd…)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

h) Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences do not result in deferred tax assets or liabilities: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against that excess.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

i) Standards issued but not yet effective

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

i) Standards issued but not yet effective (cont'd…)

IFRS 7 Financial instruments: disclosures

IFRS 7 has been amended to require additional disclosures with regards to the transfer of financial assets, especially if there is a disproportionate amount of transfer transactions that take place around the end of a reporting period. This standard is effective for annual periods beginning on or after July 1, 2011.

IFRS 9 Financial instruments: classification and measurement

This standard is the first part of a new standard on classification and measurement of financial assets that will partially replace International Accounting Standard ("IAS") 39 Financial instruments: recognition and measurement. This standard is effective for years beginning on or after January 1, 2013.

The Company expects no impact from the adoption of the amendments on its financial position or performance.

4. SHARE CAPITAL

a) Authorized share capital:

As at March 31, 2011, the authorized share capital of the Company was an unlimited number of common shares without par value. All issued shares are fully paid.

b) Issued share capital:

The Company issued 4,250,000 seed common shares at a price of $0.05 per share for total proceeds of $212,500. The 4,250,000 common shares will be held in escrow and released pro-rata to the shareholders as to 10% of the escrow shares upon issuance of a Final Exchange Bulletin by the TSX-V and as to the remainder in six equal tranches of 15% every six months thereafter for a period of 36 months. These escrow shares may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities. If a Final Exchange Bulletin is not issued the shares will not be released from escrow and if the Company is delisted, the shares will be cancelled.

Stock option plan

The Company has a stock option plan (the "Stock Option Plan") under which it can grant options to directors, officers, employees, and consultants for up to 10% of the issued and outstanding common shares.

Any common shares acquired pursuant to the exercise of options prior to the completion of the qualifying transaction must be deposited in escrow and will be subject to escrow until the final exchange bulletin is issued. The exercise price of each option is based on the market price of the Company's stock at the date of grant. The options can be granted for a term of five years and vest as determined by the board of directors.

As at and during the period ended March 31, 2011, no options were granted or outstanding.

5. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity. As at March 31, 2011, the Company's shareholders' equity was $194,407. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The capital for expansion was mostly from proceeds from the issuance of common shares. The net proceeds raised will only be sufficient to identify and evaluate a limited number of assets and businesses for the process of identifying and completing a Qualifying Transaction. Additional funds may be required to finance the Company's Qualifying Transaction.

6. FINANCIAL INSTRUMENTS AND RISK

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The fair value of cash is based on level 1 inputs of the fair value hierarchy.

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

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2011, the Company had a cash balance of $165,678 to settle current liabilities of $9,673.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

6. FINANCIAL INSTRUMENTS AND RISK (cont'd…)

Market risk (cont'd…)

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. As of March 31, 2011, the Company has no interest bearing term deposits.

(b) Foreign currency risk

The Company does not have assets or liabilities in a foreign currency.

(c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

7. RELATED PARTY TRANSACTIONS

As at March 31, 2011, $2,019 was payable to a company controlled by a director of the Company and $2,707 was due to a director of the Company. These amounts represent expense reimbursements to related parties and these transactions were in the normal course of operations.

Management did not receive any compensation during the period from incorporation on January 6, 2011 to March 31, 2011. The directors and officers currently own 51.76% of the issued and outstanding common shares.

8. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The Company's significant non-cash transaction during the period from incorporation on January 6, 2011 to March 31, 2011 is as follows:

a) Included in deferred financing costs is $4,947 which relates to accounts payable and accrued liabilities.

EXPRESSED IN CANADIAN DOLLARS

9. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

Loss for the period	$	(18,093)
Expected income tax-recovery	$	(5,066)
Unrecognized benefit of non-capital losses		5,066
Total income tax recovery	$	-

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

Deferred income tax assets:		
Non-capital loss carry forwards	$	5,000
Valuation allowance		(5,000)
Net deferred income tax assets	$	-

The Company has available for deduction against future taxable income non-capital losses of approximately $18,000. These losses, if not utilized, will expire in 2031. Future tax benefits which may arise as a result of these non-capital losses have not been recognized in these financial statements and have been offset by a valuation allowance due to the uncertainty of their realization.

10. SUBSEQUENT EVENTS

(i) The Company intends to file a prospectus with the securities regulatory authorities in British Columbia and Alberta and the Yukon Territory with the TSX-V, offering 3,000,000 common shares at $0.10 per share as an initial public offering ("IPO"). Pursuant to an engagement letter between the Company and Canaccord Genuity Corp. (the "Agent"), the Agent will receive a cash commission equal to 10% of the gross proceeds, be paid an administration fee of $10,000, and be reimbursed for its reasonable expenses and legal fees plus disbursements and taxes, estimated at $10,000, and be issued Agent's options to acquire up to 300,000 common shares at $0.10 per share exercisable for a period of 24 months from the date the common shares of the Company are listed on the TSX-V. The transaction is subject to regulatory approval.

As of March 31, 2011, the Company has paid a $10,000 retainer to the Agent and incurred $26,883 in other costs related to the IPO, which were recorded as deferred financing costs. Those costs will be reclassified to share issuance costs at the completion of the IPO or charged to operations if the IPO is not completed.

(ii) The Company intends to grant, at the closing of its offering, 250,000 stock options to directors and officers. Each option is exercisable into one common share of the Company at a price of $0.10 per share for five years from the date of grant.

(iii) The Company issued 200,000 common shares at a price of $0.05 per common share for gross proceeds of $10,000.

EXPLOREX CAPITAL LTD.

CONDENSED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(Unaudited)

DECEMBER 31, 2011

EXPLOREX CAPITAL LTD.

CONDENSED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

EXPRESSED IN CANADIAN DOLLARS

AS AT DECEMBER 31, 2011

	December 31, 2011	March 31, 2011
ASSETS		
Current		
Cash	$ 357,077	$ 165,678
Amounts receivable	6,020	-
Prepaid expense	1,519	1,519
	364,616	167,197
Non-current		
Exploration and Evaluation Assets (Note 4)	35,060	-
Deferred financing costs (Note 9)	36,883	36,883
	$ 436,559	$ 204,080
LIABILITES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 17,500	$ 4,947
Due to related parties (Note 8)	4,726	4,726
	22,226	9,673
Shareholders' equity		
Share capital (Note 5)	465,270	212,500
Share-based payment reserve (Note 5)	34,386	-
Deficit	(85,323)	(18,093)
	414,333	194,407
	$ 436,559	$ 204,080

Nature of operations (Note 2)

Approved and authorized by the Board on February 24, 2012:

"William E.A. Wishart"
William E.A. Wishart, CEO & Director

"Paul M. Zdebiak"
Paul M. Zdebiak, Director

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

EXPLOREX CAPITAL LTD.

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE LOSS (UNAUDITED)

EXPRESSED IN CANADIAN DOLLARS

FOR THE PERIOD ENDED DECEMBER 31, 2011

	Three months ended December 31, 2011	Nine months ended December 31, 2011
EXPENSES		
Bank charges	30	109
General office expenses	199	1,425
Professional fees	21,593	33,195
Rent	4,500	7,500
Stock-based compensation	-	18,656
Transfer agent and filing fees	(9,450)	2,165
Travel	-	4,266
Loss before other items	(16,872)	(67,316)
Interest income	86	86
Loss and comprehensive loss for the period	(16,786)	(67,230)
Basic and diluted loss per common share	(0.00)	(0.01)
Weighted average number of common shares outstanding	7,450,000	6,008,545

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

EXPLOREX CAPITAL LTD.

CONSENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

EXPRESSED IN CANADIAN DOLLARS

FOR THE QUARTER ENDED DECEMBER 31, 2011

	Three months ended December 31, 2011	Nine months ended December 31, 2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (16,786)	$ (67,230)
Items not affecting cash		
Share-based compensation	-	18,656
Changes in non-cash working capital items		
Increase in receivables	(2,053)	(6,020)
Decrease in accounts payables	13,900	12,553
	(4,939)	(42,041)
INVESTING ACTIVITIES		
Exploration and evaluation	(35,060)	(35,060)
	(35,060)	(35,060)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of shares for cash	-	310,000
Share issuance costs	-	(41,500)
	-	268,500
Change in cash for the period	(39,999)	191,399
Cash position, begining of period	397,076	165,678
Cash, end of period	$ 357,077	$ 357,077
Cash paid during the period for interest	-	-
Cash paid during the period for income taxes	-	-

Supplemental disclosure with respect to cash flows (Note 8).

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

EXPLOREX CAPITAL LTD.

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

EXPRESSED IN CANADIAN DOLLARS

FOR THE PERIOD OF INCORPORATION ON JANUARY 6 TO DECEMBER 31, 2011

	Number of Shares	Share capital	Equity reserve	Deficit	Total
Balance at January 6, 2011	-	$ -	$ -	$ -	$ -
Shares issued for cash	4,250,000	212,500	-	-	212,500
Comprehensive loss for the period	-	-		(18,093)	(18,093)
Balance at March 31, 2011	4,250,000	$ 212,500	$ -	$ (18,093)	$ 194,407
Shares issued for cash	3,200,000	310,000	-	-	310,000
Share issuance costs	-	(57,230)	15,730	-	(41,500)
Stock-based compensation	-	-	18,656	-	18,656
Comprehensive loss for the period	-	-		(67,230)	(67,230)
Balance at December 31, 2011	7,450,000	465,270	34,386	(85,323)	414,333

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

1. INCORPORATION

The Company was incorporated under the Business Corporations Act (British Columbia) on January 6, 2011 and is classified as a Capital Pool Company as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition of or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities.

The head office of the Company is located at 214 – 1118 Homer Street, Vancouver, British Columbia, V6B 6L5. The registered office of the Company is located at Suite 300 – 576 Seymour Street, Vancouver, British Columbia, V6B 3K1. The Company does not have any subsidiaries.

2. NATURE OF OPERATIONS

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an interest in properties, assets or businesses. Such an acquisition will be subject to regulatory approval and may be subject to shareholder approval. In order to continue as a going concern and meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of presentation

These condensed interim financial statements have been prepared in accordance with IFRS which include International Accounting Standards (IAS 34) and Interpretations ("IFRIC") adopted by the International Accounting Standards Board ("IASB").

These condensed interim financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow disclosure. Certain disclosures that are required to be included in annual financial statements prepared in accordance with IFRS are not included in these interim financial statements. These condensed interim financial statements should be read in conjunction with the most recent annual financial statements for the period from January 6, 2011 to March 31, 2011. These condensed interim financial statements follow the same accounting policies and methods of their application as the most recent annual financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

b) Use of estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amount of expenses during the period. Significant areas requiring the use of management estimates relate to the determination of environment obligations and impairment of mineral properties and deferred cost. Actual results may differ from these estimates. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

c) Deferred financing costs

Costs directly identifiable with the raising of capital will be charged against the related capital stock. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related capital stock or charged to operations if the shares are not issued.

d) Stock-based compensation

The Company uses the fair value based method for measuring compensation costs. The Company grants stock options to buy common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to capital stock. When vested options are forfeited or are not exercised at the expiry date the amount previously recognized in share-base compensation is transferred to accumulated losses (deficit).

e) Comprehensive income/loss

Comprehensive income/loss is the change in the Company's shareholders' equity that results from transactions and other events from other than the Company's shareholders and includes items that would not normally be included in net earnings, such as unrealized gains and losses on available-for-sale investments. Certain gains and losses are presented in other "comprehensive income" until it is considered appropriate to recognize into net earnings.

f) Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

g) Financial instruments

Financial assets

Financial assets are classified into one of four categories:

a) Fair value through profit or loss (“FVTPL”);

b) Held-to-Maturity (“HTM”);

c) Loans and receivables; and

d) Available for sale (“AFS”).

Financial assets at fair value through profit or loss (“FVTPL”)

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

Held to maturity (“HTM”)

These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company’s management has the positive intention and ability to hold to maturity. These assets are measured at amortized costs using the effective interest method. If there is objective evidence that the asset is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of operations and comprehensive loss.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted on an active market. Such assets are initially recognized at fair value plus any direct attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Available for sale (“AFS”)

Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of comprehensive loss.

The Company has classified its financial assets as follows:

a) Cash is classified as FVTPL.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

g) Financial instruments (cont'd…)

Financial liabilities

Financial liabilities are classified into one of two categories:

a) Fair value through profit or loss; and

b) Other financial liabilities

Fair value through profit or loss

This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive loss.

Other financial liabilities

This category includes accounts payable and accrued liabilities, all of which are recognized at amortized cost. The Company classified its financial liabilities which consisted of accounts payable and accrued liabilities and due to related parties as other financial liabilities.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted.

For all financial assets objective evidence of impairment could include:

a) significant financial difficulty of the issuer or counterparty; or

b) default or delinquency in interest or principal payments; or

c) it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

g) Financial instruments (cont'd…)

Impairment of financial assets (cont'd…)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

h) Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences do not result in deferred tax assets or liabilities: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered. The deferred tax asset is not recorded.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

i) Standards issued but not yet effective

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

i) Standards issued but not yet effective (cont'd…)

IFRS 7 Financial instruments: disclosures

IFRS 7 has been amended to require additional disclosures with regards to the transfer of financial assets, especially if there is a disproportionate amount of transfer transactions that take place around the end of a reporting period. This standard is effective for annual periods beginning on or after July 1, 2011.

IFRS 9 Financial Instruments

In November 2009, the IASB published IFRS 9, "Financial Instruments", which covers the classification and measurement of financial assets as part of its project to replace IAS 39, "Financial Instruments: Recognition and Measurement." In October 2010, the requirements for classifying and measuring financial liabilities were added to IFRS 9. Under this guidance, entities have the option to recognize financial liabilities at fair value through earnings. If this option is elected, entitles would be required to reverse the portion of the fair value change due to their own credit risk out of earnings and recognize the change in other comprehensive income. IFRS 9 is effective on January 1, 2013. Early adoption is permitted and the standard is required to be applied retrospectively.

IFRS 10 Consolidated Financial Statements

IFRS 10, "Consolidated Financial Statements", requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12, "Consolidation - Special Purpose Entities", and parts of IAS 27, "Consolidated and Separate Financial Statements". The standard is effective for annual periods beginning on or after January 1, 2013. Entities early adopting this standard must also adopt the other standards included in the 'suite of five' standards on consolidation, joint arrangements and disclosures: IFRS 11, "Joint Arrangements", IFRS 12, "Disclosure of Interests in Other Entities", IAS 27 (2011), "Separate Financial Statements" and IAS 28 (2011), "Investments in Associates and Joint Ventures".

IFRS 11 Joint Arrangements

IFRS 11, "Joint Arrangements", requires a venturer to classify its interest in a joint arrangement as a joint venture or a joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation, the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, "Interests in Joint Ventures", and SIC-13, "Jointly Controlled Entities - Non-monetary Contributions by Venturers". The standard is effective for annual periods beginning on or after January 1, 2013. Entities early adopting this standard must also adopt the other standards included in the 'suite of five' standards on consolidation, joint arrangements and disclosures: IFRS 10, "Consolidated Financial Statements", IFRS 12, "Disclosure of Interests in Other Entities", IAS 27 (2011), "Separate Financial Statements" and IAS 28 (2011), "Investments in Associates and Joint Ventures".

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

i) Standards issued but not yet effective (cont'd…)

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12, "Disclosure of Interests in Other Entities", establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities. The standard is effective for annual periods beginning on or after January 1, 2013. Entities early adopting this standard must also adopt the other standards included in the 'suite of five' standards on consolidation, joint arrangements and disclosures: IFRS 10, "Consolidated Financial Statements", IFRS 11, "Joint Arrangements", IAS 27 (2011), "Separate Financial Statements" and IAS 28 (2011), "Investments in Associates and Joint Ventures".

IFRS 13 Fair Value Measurement

IFRS 13, "Fair Value Measurement", is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

IAS 1 Presentation of Financial Statements

In June 2011, the IASB issued amendments to IAS 1, "Presentation of Financial Statements" to: (a) require companies to group together items within other comprehensive income ("OCI") that may be reclassified to the statement of [income / loss {OR} operations]; and (b) require tax associated with items presented before tax to be shown separately for each of the two groups of OCI items (without changing the option to present items of OCI either before tax or net of tax). The amendments also reaffirm existing requirements that items in OCI and income or loss should be presented as either a single statement or two separate statements. The amended standard is effective for annual periods beginning on or after July 1, 2012.

IAS 12 Income Taxes

The IASB issued amendments to IAS 12, "Income Taxes" to introduce an exception to the general measurement requirements in respect of investment properties measured at fair value. The measurement of deferred tax assets and liabilities, in this limited circumstance, is based on a rebuttable presumption that the carrying amount of the investment property will be recovered entirely through sale. The presumption can be rebutted only if the investment property is depreciable and held within a business model whose objective is to consume substantially all of the asset's economic benefits over the life of the asset. The amended standard is effective for annual periods beginning on or after January 1, 2012.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

i) Standards issued but not yet effective (cont'd…)

IAS 19 Employee Benefits (Amended in 2011)

IAS 19 (2011), "Employee Benefits", amends IAS 19, "Employee Benefits" with revised requirements for pensions and other postretirement benefits, termination benefits and other changes. The key amendments include:

- Requiring the recognition of changes in the net defined benefit liability (asset) including immediate recognition of defined benefit cost, disaggregation of defined benefit cost into components, recognition of remeasurements in other comprehensive income, plan amendments, curtailments and settlements (eliminating the 'corridor approach' permitted by the existing IAS 19);
- Introducing enhanced disclosures about defined benefit plans;
- Modifying accounting for termination benefits, including distinguishing benefits provided in exchange for service and benefits provided in exchange for the termination of employment and affect the recognition and measurement of termination benefits;
- Clarifying various miscellaneous issues, including the classification of employee benefits, current estimates of mortality rates, tax and administration costs and risk-sharing and conditional indexation features; and
- Incorporating other matters submitted to the IFRS Interpretations Committee.

The amended standard is effective for annual periods beginning on or after January 1, 2013.

The Company expects no impact from the adoption of the amendments on its financial position or performance.

j) Exploration and Evaluation Assets

Exploration cost are capitalized on an individual prospect basis until such time as an economic ore body is defined or the prospect is abandoned. No exploration costs are capitalized until the legal right to explore the property has been obtained. When it is determined that such costs will be recouped through successful development of and exploitation, the capitalized expenditure is depreciated over the expected productive life of the asset. Costs for a producing asset are amortized on a unit-of-production method based on the estimated life of the ore reserves, while costs for the prospects abandoned are written off.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

j) Exploration and Evaluation Assets (cont'd…)

Impairment review for exploration and evaluation assets is carried out on a project by project basis, with each project representing a single cash generating unit. At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that these assets are impaired. An impairment review is undertaken when indicators of impairment arise but typically when one or more of the of the following circumstances apply:

- Unexpected geological occurrences are identified that render the resource uneconomic;
- Title to the asset is compromised;
- Fluctuations in the metal prices render the project uneconomic;
- Variation in the currency of operations; and
- Threat to political stability in the country of operation.

From time to time, the Company may acquire of dispose of exploration and evaluation assets pursuant to the terms of option agreements. Due to the fact that these options are exercisable. entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as exploration and evaluation assets or recoveries when the payments are made or received.

The recoverability of the amounts capitalized for the undeveloped exploration and evaluation assets is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to farm out its exploration and evaluation assets, the ability to obtain the necessary financing to complete their development and future profitable production or proceeds from their disposition thereof.

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its exploration and evaluation assets are in good standing.

4. EXPLORATON AND EVALUATION ASSETS

On November 28, 2011, the Company entered into an option agreement with Greenlight Resources Inc. ("Greenlight") to acquire up to an 85% interest in several mineral claims comprising property for exploration of rare earth element soil anomalies and mineralization known as the Porcupine property totaling 1,897 hectares located in Northumberland County in the province of New Brunswick, Canada. Under the terms of the agreement, in order to exercise the option to acquire an initial 70% interest, the Company will be required to make, over a three year period, total cash payments of $180,000, issue a total of 850,000 common shares of the Company and incur exploration expenditures of $1,000,000. Upon completion of the Transaction, which includes regulatory approval, the Company expects that it will be classified as a Tier 2 mining issuer under the policies of the TSX-V.

Costs capitalized to date consist of $25,000 paid to Greenlight on the execution of the agreement and $10,060 in geological costs relating to a 43-101 report on the Porcupine property.

5. SHARE CAPITAL

a) Authorized share capital:

As at December 31, 2011, the authorized share capital of the Company was an unlimited number of common shares without par value. All issued shares are fully paid.

b) Issued share capital:

The Company issued a total of 4,450,000 seed common shares at a price of $0.05 per share for total proceeds of $222,500, of which 200,000 seed common shares were issued subsequent to March 31, 2011 for total proceeds of $10,000. The 4,450,000 common shares will be held in escrow and released pro-rata to the shareholders as to 10% of the escrow shares upon issuance of a Final Exchange Bulletin by the TSX-V and as to the remainder in six equal tranches of 15% every six months thereafter for a period of 36 months. These escrow shares may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities. If a Final Exchange Bulletin is not issued the shares will not be released from escrow and if the Company is delisted, the shares will be cancelled.

On August 3, 2011, the Company issued 3,000,000 common shares from its initial public offering at $0.10 per share for gross proceeds of $300,000. In connection with the Offering, the Corporation granted to Canaccord Genuity Corp., the agent of the Offering, an option to acquire an aggregate of 300,000 Common Shares (Agent's Options) at an exercise price of $0.10 per share until August 8, 2013. The agent's options were granted with a value of $15,730. In consideration for acting as agent for the Offering, the agent also received an administration fee of $11,500 and a cash commission of $30,000.

c) The Company has 4,450,000 shares remaining in escrow at December 31, 2011.

Stock option plan

The Company has a stock option plan (the "Stock Option Plan") under which it can grant options to directors, officers, employees, and consultants for up to 10% of the issued and outstanding common shares.

Any common shares acquired pursuant to the exercise of options prior to the completion of the qualifying transaction must be deposited in escrow and will be subject to escrow until the final exchange bulletin is issued. The exercise price of each option is based on the market price of the Company's stock at the date of grant. The options can be granted for a term of five years and vest as determined by the board of directors.

As at and during the period ended December 31, 2011, the following options were granted or outstanding.

EXPRESSED IN CANADIAN DOLLARS

5. SHARE CAPITAL (cont'd…)

	Number of Options		Weighted Average Exercise Price
Outstanding, March 31, 2011	-		-
Granted	300,000		0.10
Forfeiture	(50,000)		-
Expired	-		-
Exercised	-		-
Outstanding, December 31, 2011	250,000	$	0.10
Options Exercisable, December 31, 2011	250,000	$	0.10

Number of options	Exercise Price	Number of Options Exercisable	Expiry Date
250,000	$ 0.10	250,000	August 8, 2016

As at and during the period ended December 31, 2011, the following Agent's options were outstanding:.

Number of options	Exercise Price	Number of Options Exercisable	Expiry Date
300,000	$ 0.10	300,000	August 8, 2013

The following weighted-average assumptions were used for the Black-Scholes valuation of the stock options and agent's options granted during the period:

	DECEMBER 31, 2011
Risk-free interest rate	1.12%
Expected life of option	3.36 years
Annualized volatility	100%
Dividend rate	0.00%

The weighted average fair value of the stock options and agent's options granted during the period was $0.06

6. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity. As at December 31, 2011, the Company's shareholders' equity was $414,333. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The capital for expansion was mostly from proceeds from the issuance of common shares. The net proceeds raised will only be sufficient to identify and evaluate a limited number of assets and businesses for the process of identifying and completing a Qualifying Transaction. Additional funds may be required to finance the Company's Qualifying Transaction.

7. FINANCIAL INSTRUMENTS AND RISK

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The fair value of cash is based on level 1 inputs of the fair value hierarchy.

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

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

7. FINANCIAL INSTRUMENTS AND RISK (cont'd…)

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2011, the Company had a cash balance of $357,077 to settle current liabilities of $22,226.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. As of December 31, 2011, the Company held an interest bearing GIC term deposit with a variable rate of 1.05% (1.95 below prime), 364 day term maturing August 3, 2012 and cashable at any time.

(b) Foreign currency risk

The Company does not have assets or liabilities in a foreign currency.

(c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

8. RELATED PARTY TRANSACTIONS

As at December 31, 2011, $2,019 was payable to a company controlled by a director of the Company and $2,707 was due to a director of the Company. These amounts represent expense reimbursements to related parties and these transactions were in the normal course of operations.

Management did not receive any compensation during the period from incorporation on January 6, 2011 to December 31, 2011. The directors and officers currently own 32.22% of the issued and outstanding common shares.

During the quarter, the Company paid or accrued rent of $4,500 to a company controlled by a director.

9. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The Company’s significant non-cash transaction during the period from April 1, 2011 to December 31, 2011 is comprised of the Compnay granting 300,000 agent's options which entitle the agent to purchase an additional 300,000 common shares. The fair value of the agent’s options of $15,730 was allocated to share issuance costs and contributed surplus.

10. SEGMENTAL ANAYSIS

The Company operates in one business segment and all its operations are in Canada.