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

The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933 or the securities laws of any state of the United States, and may not be offered or sold, directly or indirectly or delivered in the United States or to or for the account of a U.S. person unless registered under the 1933 Act. The Securities and Exchange Commission has not approved the securities, nor have any states' securities regulatory authorities passed upon or endorsed the merits of this offering or the adequacy or accuracy of these offering documents. The securities are subject to restrictions on transferability and resale and may not be transferred or resold in the United States or to a U.S. person unless they are registered under the 1933 Act and applicable States' securities laws or unless an exemption from such registration is available. Any representation to the contrary is unlawful.

Initial Public Offering **February 27, 2012**

PROSPECTUS

ZADAR VENTURES LTD.

609 – 475 Howe Street
Vancouver, B.C. V6C 2B3
Phone Number: (604) 682-1643

2,200,000 COMMON SHARES AT A PRICE OF $0.25 PER SHARE

Zadar Ventures Ltd. (the "Company") hereby offers, through its agent, Wolverton Securities Ltd. (the "Agent") on a commercially reasonable efforts basis (the "Offering") for sale to purchasers resident in the Provinces of British Columbia, Alberta and Ontario (the "Selling Provinces") an aggregate of 2,200,000 Common Shares of the Company (the "Offered Shares") at a price of $0.25 per Offered Share. "Common Shares" means common shares without par value in the capital of the Company.

	Price to the Public	Agent's Commission(1)	Proceeds to the Company(2)
Per Offered Share	$0.25	$0.0175(3)	$0.2325
Total	$550,000	$38,500	$511,500

(1) Pursuant to the terms of an agency agreement (the "Agency Agreement") between the Agent and the Company dated February 27, 2012 , the Agent will receive a marketing commission (the "Commission") of 7% of the gross proceeds of the Offering payable in cash or Common Shares (the "Commission Shares") or any combination thereof at the election of the Agent on the closing of the Offering. The Agent will also be paid a fee of $25,000 plus applicable taxes (the "Corporate Finance Fee"), of which $10,000 plus applicable taxes has been advanced as a non-refundable due diligence fee, with the remaining $15,000 to be paid in cash, Common Shares (the "Corporate Finance Shares") or any combination thereof, at the election of the Agent, on the closing of the Offering. HST on the balance of the Corporate Finance Fee will be paid in cash. As additional compensation, the Company will also grant to the Agent an option (the "Agent's Option") to acquire Common Shares in an amount equal to 8% of the number of Offered Shares and Additional Shares (as defined herein) sold under the Offering, at an exercise price of $0.25 per Common Share for a period of 36 months from the date of listing of the Common Shares on the TSX Venture Exchange (the "Exchange"). This Prospectus qualifies for distribution the Commission Shares, the Corporate Finance Shares, and the Agent's Option to the extent the same are "Qualified Compensation Securities", as herein defined. The Agent will also be reimbursed for its expenses resulting from the Offering. The Agent has received a retainer of $21,500 for such expenses. See "Plan of Distribution".

(2) Before deduction of the balance of the costs of the Offering, estimated at $35,000, assuming the balance of the Corporate Finance Fee is paid in cash.

(3) Assumes the Agent will receive the entire Commission in cash.

(4) The Company has granted to the Agent an option (the "Option") exercisable, in whole or in part, until the closing of the Offering, to solicit and accept subscriptions for up to 15% of the Offered Shares (330,000 Common Shares) (the "Additional Shares"). If the Option is exercised in full, the total price to the public, the Commission (assuming the Commission is fully paid in cash) and proceeds to the Company (before payment of the balance of the Corporate Finance Fee and costs associated with the Offering) would be $632,500, $44,275 and $588,225 respectively. The Option and Additional Shares are also qualified under this Prospectus. See "Plan of Distribution".

National Instrument 41-101 – *General Prospectus Requirements* restricts the number of securities being issued to the Agent as compensation that may be qualified under a prospectus ("Qualified Compensation Securities"), to a maximum of 10% of the Offered Shares. In the case of this Offering, assuming the Option has not been exercised, the number of Qualified Compensation Securities will be limited to 220,000. For the purposes of this Offering, any combination of the Commission Shares, the Corporate Finance Shares, and the Common Shares issuable pursuant to the Agent's Option which exceed 10% of the Offered Shares sold, will not be Qualified Compensation Securities, will not be qualified for distribution under this Prospectus and will be subject to a four month hold period in accordance with applicable securities laws. See "Plan of Distribution."

The completion of this Offering is subject to a minimum subscription of 2,200,000 Offered Shares. All funds received from subscriptions for Offered Shares will be held by the Agent in trust. The distribution under this Prospectus will cease on the 90th day after the issuance of the receipt for the final Prospectus. In the event that the minimum subscription is not attained by the date that is 90 days from the issuance of a receipt for the final Prospectus, all funds raised hereunder will be refunded to investors without interest or deduction.

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

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

An investment in the securities offered hereunder by the Company should be considered speculative due to the nature of the business of the Company, its present stage of development, and other risk factors. Investors should not invest any funds in this Offering unless they can afford to lose their entire investment. Investors must be willing to rely on the ability, expertise, judgment and discretion of the management. See "Risk Factors".

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

The price of the Offered Shares and the terms of this Offering have been determined by negotiation between the Company and the Agent.

The Exchange has conditionally accepted the listing of the Company's Common Shares on the Exchange. Listing will be subject to the Company fulfilling all the listing requirements of the Exchange.

The Company is neither a "connected issuer" nor a "related issuer" of the Agent as defined in National Instrument 33-105 – *Underwriting Conflicts*.

Agent's Position	**Maximum size or number of securities available**	**Exercise period or Acquisition date**	**Exercise price or average acquisition price**
Option [6]	330,000 Common Shares	On closing of the Offering	$0.25
Agent's Option [5]	176,000 Common Shares[1]	36 months from the date of listing of the Common Shares on the Exchange	$0.25
Agent's Commission Shares[5]	154,000 Common Shares[2]	On closing of the Offering	$0.25
Agent's Corporate Finance Shares[5]	60,000 Common Shares[3]	On closing of the Offering	$0.25
Total securities Issuable to Agent[4]	390,000 Common Shares	N/A	$0.25

[1] Assuming the Agent does not exercise the Option. Should the Agent exercise the Option in full, the Agent's option will entitle the Agent to purchase up to a total of 202,400 Common Shares.

[2] Assuming the Agent elects to receive the Commission in Common Shares and that the Agent has not exercised the Option. Should the Agent exercise the Option in full, the Agent shall be entitled to be issued a total of 177,100 Commission Shares.

[3] Assuming the Agent elects to receive the balance of the Corporate Finance Fee in Common Shares.

[4] Assuming the Agent does not exercise the Option. If the Option is exercised in full, the total securities issuable to the Agent will be 439,500 Common Shares.

[5] This prospectus qualifies the grant of these securities to the extent that they are Qualified Compensation Securities. See "Plan of Distribution".

[6] The Company has granted to the Agent an option (the "Option") exercisable in whole or in part, until the closing of the Offering, to solicit and accept subscriptions for up to 330,000 Additional Shares. The Option and Additional Shares are also qualified under this Prospectus.

Wolverton Securities Ltd., as Agent, conditionally offers the Offered Shares on a commercially reasonable efforts basis subject to prior sale if, as and when issued by the Company and accepted by the Agent in accordance with the conditions contained in the Agency Agreement referred tounder "Plan of Distribution" of this Offering, subject to the approval of certain legal matters on behalf of the Company by Thomas, Rondeau LLP and on behalf of the Agent by Getz Prince Wells LLP. No person is authorized to provide any information or make any representation in connection with the Offering other than as contained in this Prospectus.

WOLVERTON SECURITIES LTD.
17th Floor – 777 Dunsmuir Street
Vancouver, B.C. V7Y 1J5
(604) 622-1000

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CAUTION REGARDING FORWARD-LOOKING STATEMENTS

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

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

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

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

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

Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this Prospectus are expressly qualified by this cautionary statement. Except as required under applicable securities laws, the Company does not undertake any obligation to publicly update or revise any forward-looking statements.

The forward-looking information contained in this Prospectus are based on a number of assumptions that may prove to be incorrect, including, but not limited to, assumptions about general business and economic conditions, changes in financial markets generally, the

Company's ability to attract and retain skilled staff, and the Company's planned exploration expenditure and capital expenditure program. Although the Company has attempted to identify material factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not assume the obligation to update forward-looking statements, except as required by applicable law.

SUMMARY

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

<u>Offering</u>**:**	2,200,000 Offered Shares at a price of $0.25 per Offered Share. In addition, on completion of the Offering, the Company will grant to the Agent the Agent's Option to purchase such number of Common Shares as is equal to 8% of the Offered Shares sold under the Offering at a price of $0.25 per share for a period of 36 months from the date of listing of the Common Shares on the Exchange. The Company has granted to the Agent an option (the "Option") exercisable, in whole or in part, until the closing of the Offering to solicit and accept subscriptions for up to 330,000 Additional Shares. If the Option is exercised in full, the total price to the public, the Commission (assuming the Commission is fully paid in cash) and proceeds to the Company would be $632,500, $44,275 and $588,225 respectively. The Option and the Additional Shares are also qualified under this Prospectus. See "Plan of Distribution". The Agent will receive the Commission constituting 7% of the gross proceeds of the Offering payable in cash or Commission Shares or any combination thereof at the election of the Agent on the closing of the Offering. The Agent will also be paid the Corporate Finance Fee of $25,000 plus applicable tax, of which $10,000 plus applicable taxes has been advanced as a non-refundable due diligence fee, with the remaining $15,000 plus HST to be paid in cash, Corporate Finance Shares or any combination thereof, at the election of the Agent, on the closing of the Offering. HST is payable in cash. See "Plan of Distribution".
<u>Business</u>**:**	The Company is a natural resource company engaged in the acquisition and exploration of mining properties. The Company's main emphasis is on the exploration for uranium in southern Alberta where the Company has the option to acquire up to a 75% interest in the Whiskey Gap Property which consists of 3 metallic mineral permits (the "Whiskey Gap Property" or the "Property"). See "Business of the Company – The Whiskey Gap Property".
<u>Directors & Officers:</u>	The directors and officers of the Company are as follows:

Mark Tommasi	President, Chief Executive Officer, Director
Geoffrey R. Watson	Chief Financial Officer, Secretary
Peter Wilson	Director
John Roozendaal	Director

See "Directors and Executive Officers".

Use of Proceeds: The net proceeds to be received by the Company from the Offering after deduction of the Commission (assuming the Commission will be paid in cash), plus the Company's working capital of approximately $13,950 as at January 31, 2012 will result in available funds of approximately $525,450, which is proposed to be used as follows:

To pay the balance of the costs of the Offering	$ 35,000[1]
To fund the work program on the Whiskey Gap Property [2]	262,500
To make a property payment under the Option Agreement [2]	25,000
Administrative Expenses for 12 months following the closing of the Offering[3]	100,830
Unallocated working capital	102,120
TOTAL	$525,450

[1] Includes the balance of audit fees, filing fees with the regulatory authorities and securities commissions, the balance of the Corporate Finance Fee (assuming the balance of the Corporate Finance Fee is paid in cash) and the Agent's expenses (less costs already paid of $11,500) and incidental Offering costs.

[2] See "Business of the Company – Whiskey Gap Property" for details of the proposed budget of Phase 1 and the terms of the Option Agreement.

[3] Includes management fees of $30,000, office costs of $32,630 as well as Transfer Agent fees of $5,000, professional fees of $25,000 and estimated other administration costs of $8,200, including bank charges, licenses and preparation of reports and news releases. See "Management's Discussion and Analysis" and "Executive Compensation".

See "Use of Proceeds".

Objectives: Following the completion of the Offering, the Company intends to carry out the program recommended in the Report as defined herein. The recommended program consists of drilling, analysis, radiometric logging, rent, meals and equipment, at an estimated cost of $262,500. See "Use of Proceeds".

The program is expected to commence upon completion of this Offering, receipt of regulatory approval to carry out the proposed exploration program and satisfactory weather conditions. The program is estimated to be completed within three to four months after commencement. Exploration results will be announced immediately after receiving any results.

Risk Factors: An investment in the securities offered hereunder should be considered highly speculative due to the nature of the Company's business; being that it has only one mineral property under option, which is without any known body of ore and with limited amounts of recent exploration having been completed. The Company has no history of operations, success, revenue or earnings. An investment in the Company's securities is suitable only for those knowledgeable and sophisticated investors who are willing to risk a loss of their entire investment. Investors should consult with their professional advisors to assess an investment in the Company's securities.

The Company's activities are subject to the risks normally encountered in the mineral resource exploration and development business. The following risk factors should be considered in connection with an investment in the Company: liquidity concerns and future financing requirements; dilution; no history of operations, revenues, earnings or dividends; exploration and development risks; substantial capital expenditure requirements; operating hazards and risks; mineral prices; environmental and other regulatory factors; competition; title matters; political and economic changes; uninsurable risks; quarterly operating result fluctuations; and industry regulation. See "Risk Factors".

Financial Information: The following table sets forth selected financial information for the Company, summarized from its unaudited financial statements for the three month period ended October 31, 2011 and audited financial statements for the years ended July 31, 2011 and July 31, 2010 and for the period from incorporation on August 6, 2008 to July 31, 2009. This summary financial information should be read in conjunction with the financial statements and notes thereto and "Management's Discussion and Analysis". See "Management's Discussion and Analysis".

	3 months ended October 31, 2011 $ (Unaudited)	**Year ended July 31, 2011 $ (Audited)**	**Year ended July 31, 2010 $ (Audited)**	**August 6, 2008 (date of incor-poration) to July 31, 2009 $ (Audited)**
Revenue	Nil	Nil	Nil	Nil
General and Administrative Expenses	55,755	83,443	11,910	71
Net Income (Loss)	(55,755)	(58,443)	(11,910)	(71)
Basic and diluted loss per share	(0.01)	(0.01)	(0.09)	(71.00)
Total Assets	257,958	261,925	115,982	29
Total Liabilities	77,637	60,849	84,464	100
Share Capital	354,000	294,000	11,000	1
Shareholders' Equity (deficiency)	180,321	201,076	31,518	(71)

CORPORATE STRUCTURE

Name, Address and Incorporation

Zadar Ventures Ltd. was incorporated on August 6, 2008 under the *Business Corporations Act* of British Columbia.

The head office of the Company is Suite 609 – 475 Howe Street, Vancouver, BC V6C 2B3 and the registered and records office of the Company is Suite 300 – 576 Seymour Street, Vancouver, BC V6B 3K1.

Intercorporate Relationship

The Company has no subsidiaries.

BUSINESS OF THE COMPANY

GENERAL DEVELOPMENT

The Company is engaged in the business of mineral exploration. It acquires, explores, and develops mineral resource properties. The Company's immediate goal is to undertake follow-up exploration for uranium in the Province of Alberta. It commenced operations in April, 2010 with exploration activities in Alberta.

THE WHISKEY GAP PROPERTY

The Company entered into an Option Agreement dated April 29, 2010 as amended on May 30, 2011 and September 30, 2011 with 1177129 Alberta Limited (the "Optionor"). The Optionor is a wholly owned subsidiary of International Ranger Corp. Jason Walsh, who is the President and Director of the Optionor, is also a Director of International Ranger Corp. and a shareholder and former Chief Financial Officer and Secretary of the Company.

The Option Agreement provides that in order for the Company to earn a 60% interest in the Property (as hereinafter defined), the Company must pay the Optionor:

a) $12,500.00 (which has been paid) and issue and allot to the Optionor 100,000 shares of the Company (which have been issued);

b) on or before the first anniversary of the execution of the Agreement, it must pay the Optionor a further $12,500.00 (which has been paid) and issue and allot to the Optionor a further 200,000 shares (which have been issued);

c) on or before the second anniversary of the execution of the Agreement, it must pay the Optionor a further $25,000.00 and issue and allot to the Optionor a further 300,000 shares;

d) on or before the third anniversary of the execution of the Agreement, it must pay the Optionor a further $50,000.00 and issue and allot to the Optionor a further 500,000 shares;

e) on or before September 30, 2010, the Company shall expend not less than $100,000.00 on Exploration Expenditures on the Property; (incurred)

f) on or before June 30, 2012, the Company shall expend not less than a further $100,000.00 on Exploration Expenditures on the Property;

g) on or before September 30, 2012, the Company shall expend not less than a further $250,000.00 on Exploration Expenditures on the Property;

The Company has a further option to acquire an additional 15% interest in the Property by issuing the Optionor an additional 1,000,000 shares and expending an additional $500,000.00 for Exploration Expenditures on or before September 30, 2013.

The Company will be the operator of the exploration work on the Property. It has a right to enter the Property. After earning a 60% interest in the Property by expending a total of not less than $450,000 in Exploration Expenditures, paying $100,000 and issuing 1,100,000 shares, the Company may elect to enter into a joint venture. If the Company elects to earn a further 15% interest, it must issue the additional shares and expend an additional $500,000 for Exploration Expenditures on or before September 30, 2013. If this occurs, it may then elect to enter into a joint venture. Each of the parties to the Option Agreement have a right of first refusal to purchase the party's interest if the other party intends to dispose of its interest. Either party may transfer its interest in the Property and the Option Agreement, provided that such transferring party's obligations under the Option Agreement will continue unless released in writing by the other party, and provided that any transferee of such interest enter into a written agreement with the other party whereby it agrees to take on the obligations of the transferring party under the Option Agreement. The Company may terminate the Option Agreement upon five days' written notice to the Optionor, provided that the Company is not in default of the Option Agreement at the time the notice is given. The Optionor may terminate the Option Agreement if the Company has failed to make any payments or failed to do anything on or before the last day provided for such payment or performance, but only if it has given the Company written notice of such failure and the Company has not, within sixty days of the delivery of such notice, cured the failure by appropriate payment or performance.

Surface access agreements have been signed with 2 land owners on June 1, 2010, for an area of 258 hectares (one square mile surrounding hole 06-22), granting the Company unrestricted surface access and the right to drill an unlimited number of holes for a period of one year. The agreements may be extended for an additional 2 years, at the Company's option, by paying the owners an aggregate annual fee of $10,375 per year of extension, to a maximum of two additional years (the agreements were extended).

Metallic mineral production in Alberta is subject to a provincial royalty amounting to one percent gross mine mouth revenue until payout and the greater of one percent gross mine mouth revenue and 12 % net revenue, after payout.

The information in this Prospectus with respect to the Property is derived from a technical report on the Property (the "Report") dated January 11, 2012 and entitled "Zadar Ventures: Whiskey Gap Project, Alberta Canada", written by Glenn S. Hartley, P.Geol. B.Sc., Diploma (Exploration Technology), Consultant Geologist (the "Author"), who was retained by the Company to prepare a technical report compliant with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101"). Mr. Hartley is a "Qualified Person" and considered "independent" as both those terms are defined in NI 43-101. The full text of the Report is available for review at the office of the Company at 609 – 475 Howe Street, Vancouver, B.C., and may also be accessed by the reader of this Prospectus on the SEDAR website at www.sedar.com.

Summary

Scope of this Report

The Report is prepared on behalf of Zadar Ventures Ltd. who commissioned Glenn S. Hartley P. Geol. to provide an independent technical report on the Whiskey Gap Property. The purpose of this Report is to document technical information gathered during the early stages of exploration on the Property, including a summary of exploration, current geological interpretation and recommendations for future work. The Report was prepared to support a listing on the TSX Venture Exchange and an associated equity financing.

Location

The Whiskey Gap Property is situated immediately north of the Canada US border in southern Alberta, (49 2'16" N ,113 0' 28" W). The lands are west of the Delbonita Port of Entry, along paved Alberta Highway 501 and approximately 25 kilometres south east of the town of Cardston, Alberta.

Access to the Whiskey Gap Property is by paved Alberta Highway from the city of Lethbridge or town of Cardston. Internal access through the property is by well maintained all weather county grid road system.

Ownership

The project lands, consisting of three exploration permits totalling 18,263.3 hectares, were acquired by International Ranger Corp., through a 100% purchase of a private company (1177129 Alberta Limited), for $30,000 and the issuance of one million International Ranger Corp. shares in early 2005.

History

In 2005, at the request of International Ranger Corp., the Author conducted a radon in water survey of domestic well waters on the permits in August 2005 and the Property was optioned to North American Gem Inc. of Vancouver October 5, 2005. North American Gem Inc. subsequently conducted a program of NQ Diamond Drilling totalling 1342.6 metres (4004 ft) in

12 holes, and a program of Reverse Circulation Drilling totalling 2927.6 metres (9605 ft) in 30 holes in early 2006. Geo Minerals Ltd. of Vancouver drilled 5 reverse circulation holes on the property in March 2008.

Work conducted on the permits by the Author and the Alberta Geological Survey in 2007 have outlined strong radon and uranium in water values, comparable to uranium producing areas near Corpus Christi Texas.

Geology and Mineralization

The geology of the area is characterized by poorly exposed bedrock of Tertiary and Upper Cretaceous sandstones and shale, belonging to the Willow Creek and St. Mary River formations, of southern Alberta.

Rocks of similar age and character are host to a family of worldwide deposits, commonly referred to as sandstone hosted uranium deposits in the United States.

Sandstone uranium deposits are low grade, but currently produce 28% of the worlds supply. Uranium deposits of this type, may be recovered by insitu leach methods, cut-off grades can be as low as of 100 ppm. It is common practice for ISL projects to use a grade times thickness ("GT") contour method. This method is based on the product of mineralization grade and true thickness, indicated for each major intercept within the mineralized horizons.

During formation of these deposits, uranium mineralization is released by the weathering of felsic source rocks, and transported by oxidizing ground water, as soluble U+6 ions. The uranium ions are deposited in the aquifer at sites where conditions become strongly reducing. Reducing conditions are commonly created by the presence of organic carbon, and pyrite, but may also be caused by small quantities of methane gas in the aquifer.

The oxidation reduction front causes uranium minerals and other heavy metals, for example, copper, molybdenum, and arsenic, to precipitate in pore spaces and along grain boundaries, if present, in the solution. Radon gas, dissolved in ground water or present as soil gas, is produced by radioactive decay of the uranium deposit, and has successfully been used to worldwide to indicate exploration targets.

Research by the Alberta Geological Survey (Matveeva, 2009) indicates that uranium occurs within common rock forming minerals of the St. Mary River formation, thus potential uranium source rocks exist in the area. Most of the drill holes, on the Whiskey Gap Property intersected strongly oxidized zones. Strongly reducing conditions with associated radioactivity were encountered in two exploration holes. The reducing zones, encountered in holes DDH 05-02, and DH 06-20 were associated anomalous radioactivity and significant uranium mineralization (to 136 ppm U)

The reduced zones, containing organic carbon and pyrite, had associated heavy metal enrichment. Heavy metals included: Arsenic, Copper, Molybdenum, Antimony, Selenium, and Barium. The maximum values of heavy metals occurring in the radioactive zones were: Arsenic

593 ppm, Copper 62 ppm, Antimony 18 ppm, Selenium 12 ppm Barium 3740 ppm and Molybdenum 79 ppm.

Uranium mineralization, in all instances, occurred within an "envelope" of associated heavy metals. The best uranium assay returned from all drill programs was 136 ppm over a 30 centimetre core interval occurring within a 2.4 metre zone of heavy metal enrichment in DDH 05-02

A strong Oxidation Reduction boundary was intersected in Reverse Circulation Hole 06-20. Chip assay results indicated an 8 metre zone of anomalous heavy metal enrichment with weak uranium values to a maximum of 30 ppm.

Sample recovery for the Reverse Circulation program was very poor due to extremely wet conditions and the area proximal to DH 06-20 should be re investigated using a diamond drill.

Conclusions and Recommendations

The Author believes that exploration by International Ranger Corp. and North American Gem Inc., as well as work conducted by the Alberta Geological Survey and others, supports the analogy that sandstone uranium deposits similar to those in production, could exist on the Whiskey Gap Property lands. A potentially interesting uranium concentration of 136 ppm was intersected in DDH 05-02. Sediment hosted uranium deposits generally range from 0.05% U_30_8 (439 ppm) to 0.4% U_30_8.

Uranium mineralization up to 0.9% U_30_8 occurs within rare fossil debris within the Willow Creek section west of the Whiskey Gap Property (Firestone Ventures). This occurrence, confirms that processes capable of uranium transport and deposition, responsible for the formation of sandstone uranium deposits are active in the Project area.

Tertiary and upper Cretaceous formations, in much of the area tested by drilling, lack significant accumulations of reducing materials necessary for the concentrating uranium from solution and capable of stabilizing it from further transport.

The general lack of reductants in the Tertiary Willow Creek formation may contribute to the formation of large Sandstone uranium deposits where reducing conditions do occur. It is suggested that any further work on the project be directed toward the location and definition strongly reducing conditions within the stratigraphic sequence.

Since commencement of exploration in on the Property, 51 exploration holes have been drilled for a total of 5098.3 metres. Two drill intersections from previous exploration programs are deemed to be extremely significant. Both drill holes intersected reducing conditions, with associated radioactivity, and heavy metal enrichment, in the Willow Creek Formation, that is comprised of about 1200 ft of in part volcanically derived shale and sandstones of non marine origin.

Undertake some regional work on this would include drilling three to four drill holes on the property somewhere 2-10 kilometres apart ensuring that one drill hole is in the proximity of 5000 picocuries per litre radon sample taken by the Alberta Geological Survey. The drill program is designed to test the anomalies of the 5000 picocuries per litre radon sample. Any subsequent program should first relocate the original sample locations drill 1 kilometre south and 1 kilometre north of the anomaly location on each area of interest.

Drilling	**CAD $**
Drilling & Assays (800 m)	$100,000.00
Logistics/Vehicles/Camp	$ 35,000.00
Personnel & Consultants	$ 35,000.00
Assay/radiometric logging	$ 25,000.00
Reclamation	$ 15,000.00
Contingency 25%	$ 52,500.00
Total Phase	**$262,500.00**

INTRODUCTION

Terms of Reference

The Report is prepared on behalf of Zadar Ventures Ltd. (the "Company") of 609-475 Howe Street, Vancouver, B.C., who commissioned the Author to provide an independent technical report on the Whiskey Gap Property. The Report was prepared to support an Initial Prospectus Offering for Zadar Ventures Ltd. listing on the Exchange and an associated equity financing.

This Report was prepared using the industry accepted Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") "Best Practices and Reporting Guidelines" for disclosing mineral exploration information, the Canadian Securities Administrators revised regulations in NI 43-101 (Standards of Disclosure For Mineral Projects).

This Report was prepared as a National Instrument 43-101 Technical Report, in accordance with Form 43-101F1, for Zadar Ventures Ltd., by Hartley and Associates (the "Author"). The quality of information, conclusions contained herein is consistent with the level of effort involved in the Author's services, based on: i) information available at the time of preparation; ii) data supplied by outside sources; and iii) the assumptions, conditions, and qualifications set forth in this report. This Report is intended to be used by the Company subject to the terms and conditions of its contract with the Author. That contract permits the Company to file this report as a Technical Report with Canadian Securities Regulatory Authorities pursuant to provincial securities legislation. Except for the purposes legislated under provincial securities law, any other use of this Report by any third parties at that party's sole risk.

The Author has no reason to doubt the reliability of the information provided by Zadar Ventures Ltd.

Purpose of the Report

The purpose of the Report is to provide the available scientific and technical information on the Whiskey Gap Property including a summary of historical exploration results and current geological interpretations and possible recommendations for future work where warranted.

Sources of Information

Principal sources of data and information used in preparing the Report are available from International Ranger Corp., North American Gem Inc. and the Alberta Geological Survey. See reference section of the Report.

Site Visits

The Author has personally supervised all exploration conducted by International Ranger Corp. and North American Gem Inc. on the Whiskey Gap Property since 2005 further, as a Consulting Geologist. The Author has complied and authored all previous geological reports and data on the project. The Author's last visit to the property was on May 11, 2010.

In preparing this Report, the Author relied on personal knowledge and experience as well as the geological reports and maps, miscellaneous technical papers listed in the References section of this Report. Only data believed to be accurate was included in the assessment and this Report is based on information known to the Author as of the report date.

Units and Abbreviations

All measurements and units used in the Report are metric unless otherwise noted, with the following abbreviations: tonnes (t), million tonnes (Mt), metre (m), millimetres (mm), kilometre (km), hectare (ha), gram (g), kilogram (kg), gram per tonne (g/t), parts per billion (ppb), becquerals per litre (Bq/l) Picocuries per litre (pc/l), parts per million (ppm) degree centigrade (°C), and percent (%). Units of currency are expressed in Canadian dollars unless stated otherwise.

RELIANCE ON OTHER EXPERTS

The results and opinions expressed in this report are based on historical geological and technical data listed in the References section of the Report and augmented by the Author's observations made during field examinations. While the Author has exercised all reasonable diligence in checking the data in the preparation of the Report and believes the information to be reliable, the Author has relied on reports published by the Alberta Geological Survey ("AGS") and on data analysis provided by the Saskatchewan Research Council ("SRC").

All diamond drill cores were geologically described and sampled by the project manager Lester Vanhill, under the supervision of the Author.

Radiometric logs were provided by Electro Log Services of Calgary. Logging tools were calibrated regularly, logging depths accurately determined and all sampling intervals of drill core were determined, using, radiometric log information. Cores were split using a diamond saw and shipped to the Saskatchewan Research Council for chemical analysis. Cuttings from the reverse circulation holes were collected on 1 to 5 foot intervals, split and shipped to the SRC using the radiometric logs to determine the sampled interval and relative level of radioactivity

Ownership information/tenure data on the Whiskey Gap Property has been obtained from the Alberta government's Metallic and Industrial Minerals website. The data on the site is assumed to be correct.

The Author reserves the right, but is not obliged, to revise the Report and conclusions if additional information becomes known to the Author subsequent to the date of the Report. As of the date of this Report, the Author is not aware of any material fact or material change with respect to the subject matter of this technical report that is not presented herein, or which the omission to disclose could make this report misleading.

Property Description and Location

Property Location

The Whiskey Gap Property is situated immediately north of the Canada US border in southern Alberta, (49° 2'16" N, 113° 0' 28" W), Township1, Range 22 and 23, west of the 4th meridian. The property is located 30 km east of Cardston along Highway 501.

The Property lies immediately north of and along the Alberta Montana border. Access to and thorough the Property is by paved Alberta highways 501 and 62, gravelled grid roads traverse the property lands and service the local farming community.

As of the date of this Report, the Author is not aware of any material fact or material change with respect to the subject matter of the Report that is not presented herein, or which the omission to disclosure could make this report misleading.

Land Tenure

The Whiskey Gap Property consists of 3 metallic mineral permits, numbered 093-9305050704, 093-9305050703, and 093-9306031154 granted by the Province of Alberta currently registered to 1177129 Alberta Ltd. The Property contains 71 full sections comprising an area of 18,248.8 hectares. The Property is in good standing until, May 9, 2013. The permits may be renewed for a further two year period by an exploration expenditure of 10 dollars per hectare before May 9, 2013.

Table 1. Permit Number and Area

Permit No.	Registered Owner	Area ha
93-9305050704	1177129 ALBERTA LTD.	8,200.8
93-9305050703	1177129 ALBERTA LTD.	8,768
93-9306031154	1177129 ALBERTA LTD.	1,280
	Total	**18,248.8**

Free hold mineral rights control the following lands within the permits: east ½ section 3, section 8, west ½ 24,section 25 south ½ section 26,NW1/4 section 26 of permit 0939305050703 and section 8 and south ½ section 26 and NE ¼ section 26 of permit 093 9305050704 (Figure 2).

Agreements, Royalties and Environmental liabilities

The Whiskey Gap Property is held under an option agreement, dated April 29th, 2010 as amended May 30, 2011, between Zadar ("optionee") and 1177129 Alberta Limited ("optionor"). 1177129 Alberta Limited is a 100% owned subsidiary of International Ranger Corp. Under the terms of the agreement the Company has the right to earn up to 75% interest in the Whiskey Gap Property by the issuance of 2.1 million shares and the payment of $100,000, to the optionor. The Company must also accrue an exploration expenditure of $950,000 on the Property by September 30, 2013.

Surface access agreements have been signed with 2 land owners, for an area of 258 hectares (one square mile) surrounding hole NWG0622, granting the Company unrestricted surface access and the right to drill and unlimited number of holes for a period of one year. The agreements may be extended for an additional 2 years, at the Company's option, by paying the owners an annual fee of $2500.00 per 160 acres, per year of extension.

Metallic mineral production in Alberta is subject to the following Provincial Royalty. One percent gross mine mouth revenue until payout and the greater of one percent gross mine mouth revenue and 12% net revenue, after payout.

The Company is not aware of any significant risk factors that may affect access, title or the ability to work the Property. The Company is not aware of any environmental issues concerning this property. The proposed drilling area has been investigated for buried hazards such as pipelines and buried cables and all areas of potential concern have been identified.

Permits and site access

Permits to conduct shallow drilling operations are required from the Department of Sustainable Resource Development (SRD) of the Alberta Government.

Alberta Governmental approval to conduct diamond drilling was received June 1, 2010 permits number MME 100002,

Accessibility, Climate, Local Resources Infrastructure and Physiography

Accessibility

Access to and thorough the property is by paved Alberta highways #501 and #62, 30 km west of Lethbridge, gravelled grid roads traverse the property lands and service the local farming community.

Topography and Climate

The permits are flat to gently rolling farm and ranch land. Topography varies from 1270 to 1408 metres. Drainage is mature, and bedrock exposures are poor excepting along major drainage and in occasional road cuts. Climate is typical of the Alberta plains, subject to seasonal temperatures of -40°C in winter to 30°C in summer.

Drilling operations have historically been successfully conducted throughout the winter months, summer operations are subject to intermittent rain that limits field access over bentonite rich soils. The area generally receives little precipitation during the summer months.

Infrastructure

The Property area is serviced by paved highways #501 and #62, gravelled grid roads traverse the permits and provide excellent access to and through the property. A variety of farm equipment, including trucks and heavy tractors are available on a rental basis from local farmers in the region. Rental construction equipment, fuel, hardware, and supplies are readily available in the commercial centers of Cardston (30 km to the west along Highway 501) and Lethbridge. The region is the site of historical coal mining operations near Lethbridge, and oil production occurs near Delbonita, on the eastern limit of the Property.

The method of recovery of uranium from shallow sandstone hosted deposits, by insitu leaching, has successfully operated for many years in Wyoming. The environmental foot print and visual surface facilities are similar those commonly employed in oil and gas recovery.

It is not anticipated that extensive land disturbance by open pit mining techniques would be associated or required for uranium recovery at the Whiskey Gap site.

History

Prior to International Ranger Corp.'s acquisition of the property in 2005, there is no publically available data on historical uranium mineral exploration on the permits. The permit area has no known uranium reserves or mineral production history, although small amounts of coal have been recovered for domestic use by local farmers. Since, 2005 the Author has personally supervised all exploration programs conducted by International Ranger Corp. and North American Gem Inc., Geo Minerals Ltd, and Zadar Ventures Ltd. on the Whiskey Gap Property, as a consulting geologist.

International Ranger

In 2005 permits were acquired by International Ranger Corp. ("Ranger"), through the purchase of a private company, for $30,000 and the issuance of 1 million shares of Ranger's stock. In August 2005, the Author was contracted by Ranger to conduct a water survey of domestic water sources in the permit area.

Regional evaluation for sandstone hosted uranium deposits can be accomplished by systematic sampling of domestic water sources, if the distribution of wells is relatively uniform. Waters are analyzed for uranium, radon gas, a product of the uranium decay series and sulphate content, a measure of the presence of reducing conditions of the aquifer.

In August 2005 Ranger conducted sampling of domestic wells on the property. A summary inspection of the data shows that eight of 26 samples returned values greater than 1000 picocuries/litre (pc/l) or about 37 becquerals/litre (Bq/l). Two of those samples exceeded 2000 picocuries/litre (88 Bq/litre) and one sample exceeded 5000 picocuries/litre (185 Bq/litre). See Table 2 below.

If the very low and high radon values are removed from the data set, the mean values become 27 Bq/l and 687 pc/l.

Uranium values averaged 11 ppb and 880 picocuries per litre radon for entire survey, strong uranium and radon in water anomalies, to a maximum value were 30 ppb U and 5000 picocuries per litre were defined.

Table 2. 2005 Whiskey Gap Well Sample data

Sample No.	BQ/L	Picocuries/litre	Uranium ppb	Sulphate ppm
85	8.6	232.46	9	20
86	88	2378.64	17	48
87	24	648.72	1.5	49
88	30	810.9	6.8	38
89	14	378.42	4.7	210
90	1	27.03	2.3	270
91	42	1135.26	7.1	100
92	20	540.6	2.2	100
93	4.4	118.93	<0.1	570
94	16	432.48	10	32
95	13	351.39	3.1	70
96	44	1189.32	4.7	28
97	2.6	70.28	<0.1	45
98	5.6	151.37	1.9	190
99	30	810.9	27	40
100	25	675.75	7.1	84
101	25	675.75	4.9	20
102	47	1270.41	5.4	17
103	23	621.69	16	23
104	16	432.48	24	73
105	67	1811.01	30	250
106	12	324.36	15	150
107	185	5000.55	3.4	56
108	40	1081.2	5.1	79

Sample No.	BQ/L	Picocuries/litre	Uranium ppb	Sulphate ppm
109	22	594.66	3.3	44
110	42	1135.26	6.9	36

Radon Data

Radon is a naturally occurring, colorless, odourless, radioactive gas produced by the radioactive decay of the element radium, as part of the uranium decay series. Radon 222 decays very quickly thus its presence and distribution in ground water is a function of the, rate of ground water movement and porosity of the aquifer.

A common exploration technique is sampling untreated well waters, and measuring the amount of dissolved radon gas in a fixed volume of water.

Radon gas has a very short half life (3.8 days) thus high radon content of domestic well waters, may indicate that a sandstone uranium ore body may be in close proximity

Uranium in Water

Water collected on the property averaged 11 ppb uranium and the data set contained values from 2.2 to 30 ppb, these very high concentrations suggest that the processes of uranium transportation and deposition by reduction are active in the Willow Creek formation.

This must also be regarded as an extremely positive indication of the potential, for the occurrence of uranium mineralization, as a sandstone hosted deposit, within the Willow Creek formation.

Uranium values in waters exceeding 4 ppb are considered to be of exploration interest, in American sandstone hosted uranium deposits. Only 5 of 26 samples contained less that 4 ppb U from the Whiskey Gap Property.

Sulphate in Water

Sulphate concentration represents the relative conditions of oxidation and reduction, present in the aquifer. Uranium ions are transported in water as U+6 under oxidizing conditions and precipitated as U+4 under reducing conditions.

The boundary between oxidation and reduction contains the best grade of uranium mineralization.

On the property data sulphate ranges from 17 to 570 ppm (Table 2), indicating that some ground water in the permits is much more reducing than others. High values of sulphate were observed to correspond to low values of uranium in water, indicating uranium precipitation under reducing conditions.

North American Gem Inc.

The Whiskey Gap Property was optioned to North American Gem Inc. of Vancouver in October 2005. The Author was retained by North American Gem Inc. to conduct a diamond drilling to test targets in Area One (See Figure 7 and Figure 8 of the Report). An initial program of 1342.6 metres of NQ diamond drilling in 12 holes and 2775.3 metres of reverse circulation drilling, in 28 holes, was completed in March 2006. All holes were radiometrically logged, and lithologically described. Radioactive zones as defined by the radiometric logs were sampled and sent the Saskatchewan Research Council for analysis. The best uranium result was 136 ppm U in DDH NWG 05-02.

2005 Drilling

In 2005 North American Gem Inc. conducted diamond drill program consisting 1342.6 metres in 12 vertical NQ core drill holes and 228.7 metres or reverse circulation in 3 drill holes. Table 3 and Figure 8 of the Report. All diamond drilling was conducted in Area 1 to test the area proximal to high radon in water discovered by International Ranger Corp.

On reaching total depth, drilling operations were suspended; the hole was radiometrically logged by Electro Log Services of Calgary. The gamma probe was calibrated then lowered inside the drill rods. Dual trace gamma logs were recorded while pulling out of the hole. The drill string was pulled following completion of gamma logging.

Diamond Drill Hole and Reverse Circulation Drill holes locations and Depths

Table 3. 2005 Diamond drill hole and Reverse Circulation drill holes locations and depths

Hole #	Type of Drilling	Easting	Northing	Depth (m)	dip	zone	Elevation (m)
NWG 05-01	DDH	354070.3	5438156	137.2	90	12	1392.72
NWG 05-02	DDH	353793.6	5437876	149.4	90	12	1404.15
NWG 05-03	DDH	353455	5438201	147.9	90	12	1387.63
NWG 05-04	DDH	353718.5	5437804	105.2	90	12	1408.37
NWG 05-05	DDH	353833.8	5437948	99.4	90	12	1402.78
NWG 05-06	DDH	353856.2	5437800	99.4	90	12	1408.87
NWG 05-07	DDH	353765	5437914	99.4	90	12	1403.96
NWG 05-08	DDH	353760.6	5437845	100	90	12	1406.56
NWG 05-09	DDH	354212.7	5438289	105.5	90	12	1401.11
NWG 05-10	DDH	354067.3	5438292	99.6	90	12	1405.25
NWG 05-11	DDH	354494.7	5438569	99.7	90	12	1402.06
NWG 05-12	DDH	354506	5437879	100	90	12	1379.82
NAG-WW1	RC	354274.3	5437393	103.7	90	12	1409.13
NAG-WW2	RC	355589.9	5437964	48.8	90	12	1401.1
NAG-WW3	RC	352618.1	5438966	76.2	90	12	1328.22

DDH= Diamond Drill Hole. RC= Reverse Circulation Drill Hole

Hole NWG-05-02

In the 2005 drilling campaign drill hole NWG05-02 contained the strongest radioactivity (to 640 API units). The data below is for the interval 83.0 to 87.2 metres depth in NWG 05-02.

A 30.4 cm sample returned 132 ppm uranium, the 6 metre thick radioactive zone was also enriched in arsenic to 127 ppm over 1.21 metres, copper to 31 ppm over a width of 2.43 metres antimony to 10 ppm, and selenium to 3.4ppm over 60.8 cm, barium was over 91.2 cm to a maximum of 3050 ppm, and molybdenum to 109 ppm over 30.4cm.

The lithological descriptions indicted that the radioactivity occurs within a package of intercalated mudstones and sandstones with the strongest values along a micaceous sandstone, carbonaceous mudstone contact. The grey to black mudstone contains gastropods, and is clearly reducing environment. The geological section is oxidized both above and below radioactive intersection.

Table 4. Selected Assay values from the radioactive zone in NWG05-02 from 83.0 to 87.256 m deep.

Sample Number	Depth Form M	Depth T0 M	As ppm	Cu ppm	Sb ppm	Se ppm	Ba ppm	Mo ppm	U, ppm
NWG-0502-9	83	83.304	1.2	6.3	2.9	0.2	303	1	6
NWG-0502-10	83.304	83.608	1.3	5	6.5	<0.2	383	1	7
NWG-0502-11	83.608	83.912	2.3	5.6	0.8	0.8	1700	1	7
NWG-0502-12	83.912	84.216	4.2	8.9	3.5	2.8	3050	2	13
NWG-0502-13	84.216	84.52	24.7	31.1	<0.2	3.4	1210	6	136
NWG-0502-14	84.52	84.824	127	21.8	10	1.3	853	19	38
NWG-0502-15	84.824	85.128	56.8	14.4	5.4	<0.2	525	109	21
NWG-0502-16	85.128	85.432	17.7	17.5	<0.2	1.4	619	2	13
NWG-0502-17	85.432	85.736	6.8	26	<0.2	1.1	591	1	8
NWG-0502-18	85.736	86.04	2.7	28.1	<0.2	0.6	521	1	15
NWG-0502-19	86.04	86.344	2.5	27.6	1.1	0.5	436	1	14
NWG-0502-20	86.344	86.648	2.7	22.2	<0.2	0.4	418	1	18
NWG-0502-21	86.648	86.952	2.8	13.1	0.3	0.2	485	1	14
NWG-0502-22	86.952	87.256	3	5.3	0.4	0.2	577	1	14

Samples for assay were selected of the basis the down hole gamma response recorded in the drill logs. The sample interval for the diamond drill program was one foot (30.4 cm). The selected interval was cut with a diamond saw and placed in numbered plastic sample bags for shipment to the Saskatchewan Research Council, for wet chemical analysis.

Core samples for drill hole NWG 05-02 begin at 81 metres and were taken at 30.4 cm (1 foot) intervals, and were numbered NWG 05-02-1 through NWG 05-02-29.

<u>Reverse Circulation Drilling 2006 (Area 1)</u>

In 2006 North American Gem Inc. undertook a 2775.3 metres of reverse circulation drilling, in 25 holes. All holes were radiometrically logged, and lithologically described. Radioactive zones as defined by the radiometric logs, were sampled and sent the Saskatchewan Research Council for analysis.

Hole NWG-06-20

In the reverse circulation drill hole NWG-06-20 a mineralized package of weak uranium mineralization, heavy metals, and pyrite occur in the presence of organic trash (thin coals) over a combined stratigraphic thickness of 8.5 metres from a depth of 60.0 to 68.5 metres.

This hole contained 2 radioactive zones separated by approximately 1.8 metres, both zones significant enrichment of arsenic, to a maximum of 593 ppm, copper to a maximum of 37ppm, molybdenum to a maximum of 5.6 ppm, antimony to a maximum of 9.6 ppm and uranium to a maximum of 20 ppm.

The presence of strongly reducing conditions, radioactivity, pyrite, and associated heavy metals within the Willow Creek sequence, is highly encouraging.

The area around drill hole NWG05-02 was subsequently investigated by 5 reverse circulation holes at 10 metre offsets. Although the follow up holes contained radioactive intersections, assay values were all lower than drill hole NWG05-02.

Table 5. 2006 Reverse Circulation Holes

Hole #	**Type**	**Depth (m)**	**Easting**	**Northing**	**Zone**	**Dip**	**Elevation (m)**
NWG-0601	RC	103.7	353800	5437883	12	90	1404
NWG-0602	RC	103.7	353786	5437869	12	90	1404
NWG-0603	RC	103.7	353778	5437876	12	90	1404
NWG-0604	RC	103.7	353786	5437883	12	90	1404
NWG-0605	RC	103.7	353800	5437869	12	90	1404
NWG-0606	RC	103.7	353793	5437861	12	90	1404
NWG-0607	RC	103.7	353778	5437861	12	90	1405
NWG-0608	RC	103.7	353771	5437854	12	90	1405
NWG-0609	RC	103.7	353786	5437854	12	90	1405
NWG-0610	RC	103.7	353711	5437869	12	90	1405
NWG-0611	RC	149.4	348959	5435068	12	90	1268
NWG-0612	RC	88.4	348959	5435066	12	90	1268
NWG-0613	RC	123.5	348937	5434887	12	90	1267
NWG-0614	RC	105.2	348922	5434699	12	90	1266
NWG-0615	RC	105.2	348990	5434696	12	90	1268
NWG-0616	RC	103.7	348896	5434695	12	90	1265
NWG-0617	RC	109.8	354475	5438133	12	90	1401
NWG-0618	RC	103.7	354525	5438306	12	90	1407
NWG-0619	RC	97.6	354805	5437775	12	90	1407
NWG-0620	RC	79.3	348914	5434697	12	90	1266
NWG-0621	RC	103.7	348928	5434800	12	90	1271
NWG-0622	RC	103.7	354775	5437780	12	90	1402
NWG-0623	RC	146.3	349881	5435732	12	90	1287
NWG-0624	RC	103.7	350136	5435752	12	90	1295
NWG-0625	RC	103.7	350118	5435554	12	90	1298

Alberta Geological Survey

In summer 2006, Alberta Geological Survey conducted water sampling in the region. As a result Olsen and Anderson generated a paper titled "Preliminary water well sampling to assess the uranium potential of the Whiskey Gap area of Southern Alberta (NTS 082/2,3)" was generated.

The water sampling program consisted of collection of 20 water samples from 19 sites distributed about the Milk River Ridge–Whiskey Gap area. The water samples collected by the Alberta Geological Survey were analyzed at the Saskatchewan Research Council for radon, uranium and a suite of 24 other elements.

The results indicated from Olsen and Anderson indicated that a second well not previously sampled containing greater than 5000 picocuries per litre radon. The water well was centrally located in the current property and was spatially related to anomalies previously identified by International Ranger Corp. reconnaissance exploration program

Olsen and Anderson concluded in their 2007 paper

> *"Future exploration in the Milk River Ridge–Whiskey Gap region should consider an exploratory drilling methodology or pattern similar to that used successfully in several sandstone-type uranium districts in the U.S.A. This methodology comprises*
>
> *(1) An initial wide-spaced drill pattern (holes from 2 to 10 km apart);*
> *(2) Followed by more closed spaced drilling (holes from a few hundred m to 1–2 km apart); and*
> *(3) Finally, closed-spaced drilling (holes tens of m to a few hundred m apart) in selected areas intended to find and define uraniferous zones.*
>
> *Finally, regardless whether important concentrations of uranium exist at surface, in the subcrop or in the subsurface at the Milk River Ridge–Whiskey Gap area in southern Alberta, the hydrogeological setting, consisting of a westerly, downward-flowing tongue of groundwater beneath the Milk River Ridge, may explain the locally anomalous uranium, radon and other elements in groundwater along the flanks of the Milk River Ridge, and the reason that the Blood Reserve Formation is oxidized in this area."*

Geo Minerals Ltd.

In December 2007 Geo Minerals Ltd. of Vancouver optioned the Whiskey Gap Property. Geo Minerals Ltd. undertook a drill program consisting of 381 metres in 5 reverse circulation drill holes. The program focused in the area near the AGS radon anomaly and approximately four kilometres east of the favourable zone previously identified by North American Gem Inc. drill hole NWG-06-20.

In February 2008 Geo Minerals Ltd. of Vancouver, prior to drilling, swept the area using commercial line locators from Lethbridge to identify buried cable and pipelines and none were found.

All holes then drilled during the 2008 program were vertical to a depth of 76.2 metres, and radiometrically logged by Go Gamma Wireline Services of Edmonton to define the radioactive zones, as an aid to guide sampling for assay. The lithologies in all holes were strongly oxidized, and contained only weak radioactivity. No significant uranium values were encountered.

2008 Reverse Circulation Drill hole Locations

Hole #	Type	Depth (m)	Easting	Northing	Zone
WG RCDH-08-1	RC	76.2	351687	5433150	12
WG RCDH-08-2	RC	76.2	351563	5433297	12
WG RCDH-08-3	RC	76.2	351418	5433451	12
WG RCDH-08-4	RC	76.2	350746	5433672	12
WG RCDH-08-5	RC	76.2	351474	5433378	12

Anomalous radioactivity was encountered in 2 of 5 exploration holes. Thickness of the zones varied from less than 1 metre to 2 metres. Weak heavy metal enrichment of 22 ppm arsenic and 8 ppm molybdenum occurred in association with the radioactive zones of the 2008 drill program. No economic grades of uranium mineralization were encountered. The highest assay of the 2008 program was 30 ppm U recovered over a five metre interval from drill hole WG RCDH-08-4. Sample recovery and quality was an issue with the Geo Minerals Ltd. program.

Geological Setting and Mineralization

Regional Geology

Southern Alberta is underlain by a clastic package of Cretaceous and Tertiary rocks of the Alberta foreland basin. This package thickens from an erosional edge of zero in central Saskatchewan to a maximum of 4000 m in the southern foothills of Alberta.

The provenance of Upper Cretaceous sandstones of southern Alberta is believed to be the now eroded volcanics of the Omineca crystalline terrain of central British Columbia.

Although the geologic sequence is dominated by sedimentary rocks, past volcanic activity in the region occurred as the Crowsnest Volcanic Suite, at the base of the Willow Creek formation, and the Sweet Grass potassic intrusives immediately to the south east in Montana.

Property Geology

The geology of the area is characterized by poorly exposed bedrock subcrops of upper Cretaceous sandstones and shale (Bear Paw, Blood Reserve, St Mary River, and Willow Creek Formations). The Bear Paw is the oldest and stratigraphically lowest formation and the Willow Creek is the youngest and stratigraphically highest formation. The Palaeocene Del Bonita gravels lie in the eastern half of Permit 0939305050703.

The Willow Creek Formation

This formation overlies the Knee Hills Tuff zone and is comprised of about 1200 ft of volcanically derived shale and sandstones. The Willow creek formation can easily be identified by alternating red and white, haematitic and strongly oxidized sandstones of non marine origin.

The St. Mary River Formation

The St. Mary river formation is a fluvial sandstone sequence that overlies the marine Bear Paw shale deposited as the Bear Paw Sea regressed eastward across Saskatchewan and parts of Manitoba. The formation consists of approximately 1500 feet of fluvially derived greenish sands and siltstones; the Formation is overlain by the volcanic Knee Hills Tuff zone.

The Blood Reserve Formation

This formation is comprised of grey to green thick bedded feldspathic sandstones deposited as a shore line complex both marine and non-marine in origin.

Deposit Types

Sandstone deposits constitute about 18% of world uranium resources. Ore bodies of this type are commonly low to medium grade (0.05 - 4% U_3O_8) and individual ore bodies are small to medium in size (ranging up to a maximum of 50,000 t U_3O_8).

The United States has large resources in sandstone deposits in the Western Cordillera region, and most of its uranium production has been from these deposits. The Powder River Basin in Wyoming, the Colorado Plateau and the Gulf Coast Plain in south Texas are major sandstone uranium provinces.

The Smith Ranch uranium mine located in the Powder River Basin is the newest and largest uranium production centre in the United States, and today is producing at a rate of 580 t U (1.5 million lbs U_3O_8) per year.

On a worldwide basis sandstone uranium deposits require uranium-bearing source rocks, commonly granitic basement or felsic volcanics, which are exposed to weathering. Physical and chemical breakdown of the common rock forming mineral, feldspar results in the liberation of trace amounts of uranium as the U+6 ion that is soluble in oxidizing ground water. Uranium ions remain in solution until the waters become reduced by contact with organic carbon, pyrite or hydrocarbons, causing precipitation of uranium as the insoluble form, U+4.

The variability of potential source rocks, weathering, transport and reducing conditions generate uranium deposits in a wide range of environments. Ranger's exploration concept is that the Tertiary and Cretaceous sediments in Southern Alberta were formed under conditions analogous to sediments that host economically viable uranium deposits.

Exploration

In 2010 the Author was contracted by the Company to undertake a diamond drill program of 600 metres in 4 NQ drill holes.

Diamond Drilling

The 2010 drill program consisted of 4 NQ core holes. WG-10-01 was a 1 metre offset of the NWG 06-20 drill hole. Drillhole NWG 06-20 hole was a reverse circulation hole undertaken by North American Gem Inc. which encountered significant radioactivity and interesting uranium and trace element numbers.

Drill hole WG-10-01 hole confirmed the anomalous radioactivity and the presence of anomalous, arsenic, copper, molybdenum, and lead typically associated with a reducing environment (see table 8 for select values). WG-10-02 was drilled 200 metres east, assays showed interesting uranium with low trace elements. WG-10-03 was drilled 200m south of NWG 06-20 hole location and WG-10-04 was drilled 200 metres east of the WG-10-03 location.

The goal for the 2010 program was to establish that anomalous radioactivity existed near the NWG 06-20 reverse circulation hole, and obtain some high quality assay information for the mineralized zone and to extend or cut off the directions of the subsurface geochemical cells associated with sandstone mineralization.

All cores were split using a diamond saw and one half retained the other half sent for assay. Standard Quality procedures were done by the SRC and lab standards were run every 20 samples the high numbers were rerun for confirmation.

The Author is unable to comment on the true widths of the mineralization at this point in the exploration process, because they are not known.

2010 Diamond Drill Holes Locations

Hole #	type	Depth (m)	Easting	Dip	Northing	zone
WG-10-01	DDH	150	348915	-90	5434684	12
WG-10-02	DDH	150	349115	-90	5434687	12
WG-10-03	DDH	150	348909	-90	5434364	12
WG-10-04	DDH	150	349140	-90	5434347	12

The Author is currently unaware of any drilling, sampling or recovery factors that could materially impact the accuracy and reliability of the results.

2010 Selected Assays

Drill Hole	Depth from (m)	Depth to (m)	As PPM	Co PPM	Cu PPM	Mo PPM	Pb PPM	U PPM	Mo ppm-T	U PPM D
WG-10-01	37.49	37.80	<1	9	21	<1	13	9	3	11
WG-10-01	37.80	38.10	<1	4	18	<1	23	13	3	15

Drill Hole	Depth from (m)	Depth to (m)	As PPM	Co PPM	Cu PPM	Mo PPM	Pb PPM	U PPM	Mo ppm-T	U PPM D
WG-10-01	38.10	38.40	<1	3	5	<1	24	20	1	29
WG-10-01	38.40	38.71	<1	3	2	<1	16	4	3	9
WG-10-01	38.71	39.01	1	2	2	<1	14	2	4	2
WG-10-01	39.01	39.32	1	5	6	<1	11	1	4	<2
WG-10-01	39.32	60.96	2	8	17	<1	10	3	3	4
WG-10-01	60.96	61.26	325	8	26	7	15	22	15	23
WG-10-01	61.26	61.57	169	7	22	8	10	25	16	27
WG-10-01	61.57	61.87	28	7	22	3	10	15	8	17
WG-10-01	61.87	62.18	52	8	26	5	13	12	12	13
WG-10-01	62.18	62.48	51	7	23	6	11	14	16	16
WG-10-01	62.48	62.79	8	6	16	1	12	3	5	4
WG-10-01	62.79	63.09	5	5	10	2	6	4	7	6
WG-10-01	63.09	63.40	33	4	9	4	5	6	11	7
WG-10-01	63.40	63.70	2	4	8	2	6	4	8	5
WG-10-01	63.70	66.45	2	4	8	2	6	3	7	4
WG-10-01	66.45	66.75	12	10	29	1	19	2	4	3
WG-10-01	66.75	67.06	6	6	12	1	10	4	4	5
WG-10-01	67.06	67.36	7	6	16	3	7	5	9	7
WG-10-01	67.36	67.67	2	6	17	2	8	4	8	6
WG-10-01	67.67	42.37	2	6	18	1	9	3	7	4
WG-10-02	42.37	42.67	1	12	12	<1	6	6	5	7
WG-10-02	42.67	42.98	<1	10	8	1	9	7	7	9
WG-10-02	42.98	43.28	1	20	12	1	8	8	7	10
WG-10-02	43.28	43.59	1	9	14	<1	12	10	3	12
WG-10-02	43.59	43.89	1	2	7	<1	18	23	3	64
WG-10-02	43.89	44.20	<1	2	5	<1	19	31	3	32
WG-10-02	44.20	44.50	1	11	4	<1	18	25	2	27
WG-10-02	44.50	44.81	1	4	5	<1	33	60	1	68

Drill hole	Depth from (m)	Depth to (m)	As PPM	Co PPM	Pb PPM	U PPM	Mo ppm-T	U PPM D
WG-10-02	44.81	45.11	<1	2	12	2	3	3
WG-10-02	45.11	45.42	<1	2	7	1	5	<2
WG-10-02	45.42	45.72	2	4	4	1	5	<2
WG-10-02	45.72	57.00	2	4	3	1	4	<2
WG-10-02	57.00	57.30	<1	4	5	2	5	<2
WG-10-02	57.30	57.61	<1	4	6	3	6	4
WG-10-02	57.61	57.61	<1	3	14	5	4	6
WG-10-02	57.61	57.61	<1	3	6	3	6	3
WG-10-02	57.91	58.22	<1	2	9	9	10	12
WG-10-02	58.22	58.52	<1	3	6	8	12	12
WG-10-02	58.52	58.83	1	6	11	9	7	11
WG-10-02	58.83	59.13	3	7	12	4	3	6
WG-10-02	59.13	39.62	2	6	8	1	3	5
WG-10-03	39.62	39.93	<1	2	16	8	3	17
WG-10-03	39.93	40.23	<1	4	18	2	2	8
WG-10-03	40.23	40.54	<1	3	14	<1	2	4
WG-10-03	40.54	40.84	2	6	7	<1	2	5
WG-10-03	40.84	35.97	4	7	9	1	2	5
WG-10-04	35.97	36.27	<1	3	19	13	3	25
WG-10-04	36.27	36.58	<1	2	17	2	3	11
WG-10-04	36.58	37.19	1	3	16	1	3	8
WG-10-04	37.19	50.29	1	3	14	<1	3	4
WG-10-04	50.29	50.60	<1	7	24	7	3	11
WG-10-04	50.60	64.31	<1	2	11	3	2	7

Drill hole	Depth from (m)	Depth to (m)	As PPM	Co PPM	Pb PPM	U PPM	Mo ppm-T	U PPM D
WG-10-04	64.31	64.62	16	13	17	5	4	10
WG-10-04	64.62	64.62	1	6	10	5	10	4
WG-10-04	64.62	64.62	4	7	12	3	7	4
WG-10-04	68.58	78.64	2	5	10	1	3	5
WG-10-04	78.64	78.64	<1	4	9	<1	2	3
WG-10-04	78.64	78.64	1	4	10	<1	2	3

Sample Preparation, Analysis & Security

Samples were either shipped in secure containers, under chain of custody protocol, to the Saskatchewan Research Council (SRC) facility in Saskatoon (an ISO/IES 17025:2005 accredited Laboratory) by commercial carrier of delivered directly by geological site personnel. SRC Geoanalytical Laboratories have been providing high quality analytical service to exploration and mining industry since 1972. SRC is a Treasury Board crown corporation owned by the province of Saskatchewan.

On arrival at the SRC laboratory, all samples are received and sorted into their matrix types and received radioactivity levels. The samples are then dried overnight at 80ºC in their original bags and then jaw crushed until ≥60% of the material is <2 mm size. A 100 g sub sample is split using a riffle splitter, which is then ground (either puck and ring grinding mill or an agate grind) until ≥90% is minus 106 µm. The grinding mills are cleaned between sample using steel wool and compressed air or in the case of clay rich samples, silica sand is used. The pulp is transferred to a labelled plastic snap top vial. The samples are tested using validated procedures by trained personnel. All samples are digested prior to analysis by ICP (Induced Coupled Plasma) and fluorimetry. All samples are subjected to multi-suite assay analysis which includes U, Ni, Co, As, Pb by total and partial digestions.

Total digestions are performed on an aliquot of sample pulp. The aliquot is digested to dryness on a hotplate in a Teflon™ beaker using a mixture of concentrated HF: HNO_3: $HClO_4$. The residue is dissolved in dilute HNO_3 (SRC, 2007). Partial digestions are performed in an aliquot of sample pulp. The aliquot is digested in a mixture of concentrated HNO_3: HCl in a hot water bath then diluted to 15 ml with de-ionized water. Fluorimetry is used on low uranium samples (<100 ppm) as a comparison for ICP uranium results. Uranium is determined on the partial digestion. An aliquot of digestion solution is pipetted into a 90% Pt 10% Rh dish and evaporated. A NaF/LiK pellet is placed on the dish and fused on a special propane rotary burner and then cooled to room temperature.

It is the Author's opinion that sampling and security practice, both in the field and laboratory, meets all professional standards and requirements.

Diamond drilling

Core samples were placed in wooden core boxes and the lids secured with screws at the drill site. Boxed cores were removed from the drill location at the end of the drill shift or as required through the day by the site geologist. Cores were placed in locked storage until drilling and logging operations were complete.

QA/QC procedures for the gamma logging probe consist of:

1) Re-log of the radioactive portion of the drill hole and
2) Calibration before commencement of logging operation using a portable source.

On completion of the drill hole, cores were laid out in the core shack, the lithology described and sampling of radioactive intervals was done using a small diamond saw. One half of the core was returned to the core box and the other to a numbered plastic bag for lab analysis. No blanks or duplicate samples for assay were inserted in the field. The SRC lab procedures included running a known standard for quality control every 20 samples and a duplicate analysis of the highest values obtained from each sample shipment.

Packages containing samples for assay were checked for safe levels of radiation and shipped in secure containers to the Saskatchewan Research Council for chemical analysis. It is the Author's opinion that sampling and security practice, both in the field and laboratory, meets all professional standards and requirements.

Reverse Circulation Drilling

Drill cuttings were generally returned wet due to the high water table in the project area. Reverse circulation samples were recovered as chips from a slurry containing approximately 30% solids, passing over a 2 mm screen. No measure of percent recovery was possible under the circumstances.

Drill cuttings were dewatered on a 2 millimetre screen, the lithology noted, and placed in pre labelled plastic sample bags at 1 foot (30.4cm) or 5 foot (1.52m) intervals by the driller's helper or field geologist. Freezing conditions on site were problematic with these samples. Samples were collected from the drill site and transported to secure storage by the project supervisor.

Reverse circulation samples were collected, placed in plastic bags and described at the drill. Samples from radioactive zones identified from the radiometric logs were shipped to the SKC in Saskatoon.

Samples were selected for assay on the basis of their proximity to radioactive zones identified during borehole logging.

Packages containing samples for assay were checked for safe levels of radiation and shipped in secure containers to the Saskatchewan Research Council, an accredited laboratory for chemical analysis.

It is the Author's opinion that sampling and security practice, both in the field and laboratory, meets all professional standards and requirements.

The Author personally supervised all previous exploration programs from 2005 until 2010, compiled all reports and has a data base of all original assay data as received, from the SRC Geoanalytical Laboratories, an accredited laboratory.

Drill cores were placed in wooded boxes, the lids secured with screws at the drill site. Core boxes were transported from the drill and placed in secure storage at the core shack by geological personnel, who then described and sampled the core and shipped samples to the SRC Geoanalytical Laboratories in Saskatoon.

Reverse circulation samples were collected placed in plastic bags and described at the drill. Samples from radioactive zones identified from the radiometric logs were shipped to the SRC Geoanalytical Laboratories.

It is the Author's opinion that sampling and security practice, both in the field and laboratory, meets all professional standards and requirements.

No mineralogical studies have been conducted to identify specific uranium minerals from the property. Drill cores and percussion chip samples have been assayed for uranium and other elements, using ICP total and partial digestions. In the uranium analysis, both total and partial digestion results are similar, suggesting that uranium exists in a leachable state possibly as coffinite. Coffinite is a hydrous uranium silicate mineral.

Within sandstone hosted uranium deposits in the United States, the minerals pitchblende and coffinite associated with vanadium minerals and pyrite are the principal ore minerals in unoxidized rocks.

Ore minerals are often disseminated throughout the sandstone in irregular masses roughly concordant with bedding and generally coincide with carbonaceous zones, or as crescent shaped bodies on the leading edge of an oxidation reduction front.

Mineral Process & Metallurgical Testing

Zadar Ventures Ltd. has not undertaken any metallurgical testing on the Whiskey Gap Property.

Mineral Resource & Mineral Reserves Estimates

The Whiskey Gap Property is an exploration property and hence there are no resources or reserves defined on the property that comply with the CIM Standards on Mineral Resources and Reserves Definitions and Guidelines.

Adjacent Properties

The following information was obtained from the Alberta Energy web site, concerning adjacent mineral properties at: http://www.energy.alberta.ca/OurBusiness/1072.asp

At the time of this writing there are active mineral exploration permit holdings that adjoin the Whiskey Gap Property on its western side. These are held by Firestone Ventures of Edmonton. Additionally, EnCana Petroleum owns title to freehold mineral rights to the west and north of the Whiskey Gap Property.

No exploration potential has been identified on these interior freehold lands.

Other Relevant Data and Information

There are no examples of sandstone hosted uranium deposits known to exist in Canada. These deposits worldwide contain substantially lower grades than unconformity related uranium deposits of the Athabasca area in northern Saskatchewan, thus may have been overlooked by the Canadian Exploration Industry.

However a paper generated by Matveeva is 2010 of the Energy Resource Conversation Board of Alberta (ERCB/AGS Open File Report 2009-12) entitled "Sandstone-Hosted Uranium in Southern Alberta: 2007 and 2008 Study Results" has indicated that there might be potential to encounter uranium mineralization in sandstone.

Interpretation and Conclusions

The Whiskey Gap permits are underlain by Cretaceous to Tertiary sandstone and shale in part fluvially derived containing volcanic tuff now altered to bentonite. Uranium ions are released from felsic rocks during weathering.

Uranium ions are transported under oxidizing near surface conditions and deposited when subsurface water is reduced by the presence of organic carbon in the aquifer.

Uranium mineralization up to 7640 ppm U (0.901% U_3O_8) was previously documented within the Willow Creek formation, occurring within fossil bone fragments.

Exploration by North American Gem Inc. and others, confirms that processes, capable of uranium transport and deposition of sandstone uranium deposits, are active in the Whiskey Gap area. The sedimentary sequence contains a small but significant organic component that may have accumulated uranium ions, transported by oxidized ground water movement.

Uranium ions in domestic well waters and radon gas produced by radioactive decay exist at strongly anomalous levels at several locations on the property.

It has been shown in a study of the five major producing sandstone uranium regions of the United States that the metal ions like molybdenum, arsenic, selenium and copper, travel in solution with uranium and are precipitated under reducing conditions proximal to the site of the uranium deposit.

At Whiskey Gap, drilling yielded two radioactive intersections that contained uranium associated with anomalous values of arsenic molybdenum selenium and copper. The most significant intersection was in drill hole NWG 06-20; in this hole organic carbon, radioactivity, weak uranium, and anomalous heavy metals to a maximum of 583 ppm arsenic were encountered over a total zone thickness of 8 metres.

It should be noted that radioactivity, as measured on the log did not equate to the uranium assay from the lab, sample quality was poor due to very wet conditions, for the reverse circulation program.

It should also be noted that high uranium and radon values in water also occur proximal to NWG 0620. It must be concluded that the area near NWG 06-20 should be further investigated by a series of diamond drill holes.

The Author is of the opinion that the present study has met its original objectives and provides the basis for listing on the TSX Venture Exchange.

The Author is unaware of any significant risks or uncertainties that could reasonably be expected to affect the reliability or confidence in the exploration information in the Report.

Recommendations

Since commencement of exploration in on the property, 51 exploration holes have been drilled for a total of 5098.3 metres. Two drill intersections from previous exploration programs are deemed to be extremely significant. Both drill holes intersected reducing conditions, with associated radioactivity, and heavy metal enrichment, in the Willow Creek Formation, that is comprised of about 1200 ft of in part volcanically derived shale and sandstones of non marine origin.

The following drilling program is recommended to further explore the Whiskey Gap Property. Drilling costs for the project, are subject to availability, and timing, and as such, are estimates only, no firm drill contracts have been negotiated at this time.

Undertake some regional work on this would include drilling three to four drill holes on the property somewhere 2-10 kilometres apart ensuring that one drill hole is in the proximity of 5000 picocuries per litre radon sample taken by the Alberta Geological Survey. The drill program is designed to test the anomalies of the 5000 picocuries per litre radon sample. Any subsequent program should first relocate the original sample locations drill 1 kilometre south and 1 kilometre north of the anomaly location on each area of interest.

Drilling	**CAD $**
Drilling & Assays (800 m)	$100,000.00
Logistics/Vehicles/Camp	$ 35,000.00
Personnel & Consultants	$ 35,000.00
Assay/radiometric logging	$ 25,000.00
Reclamation	$ 15,000.00

Contingency 25%	$ 52,500.00
Total Phase	**$262,500.00**

There is no surface or underground plant or equipment on the Property.

THERE IS NO KNOWN BODY OF COMMERCIAL ORE ON THIS PROPERTY AND THE PROPOSED PROGRAM IS AN EXPLORATORY SEARCH FOR ORE. SEE "RISK FACTORS".

USE OF PROCEEDS

Proceeds and Funds Available

The Company will have the following funds available for its future use:

	Funds Available[1]
Gross Proceeds of Offering	$550,000
Less: the Commission[2]	(38,500)
Net Proceeds of Offering	511,500
Working Capital as at January 31, 2012	13,950
Total	$525,450

[1] Assumes that the Agent does not exercise the Option.
[2] Assumes the Agent receives the entire Commission in cash.

Principal Purposes

The Company intends to use the net available funds as follows:

To pay the balance of the costs of the Offering	$ 35,000[1]
To fund proposed budget on the Whiskey Gap Property[2]	262,500
To make a Property payment[2]	25,000
Administrative Expenses for 12 months following the closing of the Offering [3/4]	100,830
Unallocated working capital	102,120
Total	$525,450

[1] Includes the balance of audit fees, filing fees with the regulatory authorities and securities commissions, the balance of the Corporate Finance Fee (assuming the balance of the Corporate Finance Fee is paid in cash) and the Agent's expenses (less costs already paid of $11,500) and incidental Offering costs.

[2] See "Business of the Company – The Whiskey Gap Property" for details of the proposed budget.

[3] Includes management fees of $30,000, office costs of $32,630, Transfer Agent Fees of $5,000, professional fees of $25,000 and other estimated administration costs of $8,200, including bank charges, licenses and preparation of reports and news releases. See "Management's Discussion and Analysis" and "Executive Compensation".

[4] See "Executive Compensation – Termination of Employment, Changes in Responsibility and Employment Contracts".

The Company will spend the funds available on the completion of this Offering to carry out its proposed exploration program as set out in "Business of the Company". There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. The Company will only redirect the funds to other properties on the basis of a written recommendation from an independent professional geologist or engineer. The Company's working capital plus allocation for administration expenses available to fund ongoing operations will be sufficient to meet its administration costs for 12 months.

Business Objectives and Milestones

Following the completion of the Offering, the Company intends to carry out the program recommended in the Report. The recommended program consists of drilling, assay, radiometric, logging, rent, meals and equipment at an estimated cost of $262,500. See "Use of Proceeds".

The exploration program is expected to commence upon completion of this Offering, receipt of regulatory approval to carry out the proposed exploration program and satisfactory weather conditions. The program is estimated to be completed within three to four months after commencement.

DIVIDENDS OR DISTRIBUTIONS

The Company has not, since its incorporation on August 6, 2008, paid any dividends on any of the Common Shares. The Company has no present intention to pay dividends. The future dividend policy will be determined by the Board of Directors on the basis of earnings, financial requirements and other relevant factors.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overall Performance

From August 6, 2008, the date of incorporation, to July 31, 2010, the Company's primary focus was identifying an appropriate property for which it could raise funds and sign and enter into a property agreement. During the year ended July 31, 2011, the Company's primary focus has been to raise funds from the sale of its Common Shares, to acquire and explore the Property and to prepare for a listing on the Exchange.

The effective date of this management discussion is February 9, 2012.

Selected Annual and Interim Information

The following table sets forth selected financial information for the Company, summarized from its unaudited financial statements for the three month period ended October 31, 2011 and its audited financial statements for the years ended July 31, 2011 and July 31, 2010 and for the period from the Company's incorporation on August 6, 2008 to July 31, 2009. The following should be read in conjunction with the said financial statements and related notes that are included elsewhere in this Prospectus.

	3 months ended October 31, 2011 $ (Unaudited)	**Year ended July 31, 2011 $ (Audited)**	**Year ended July 31, 2010 $ (Audited)**	**August 6, 2008 (date of Incorporation) to July 31, 2009 $ (Audited)**
Revenue	Nil	Nil	Nil	Nil
General & Administrative Expenses	55,755	83,443	11,910	71
Net Income (Loss)	(55,755)	(58,443)	(11,910)	(71)
Basic and diluted loss per share	(0.01)	(0.01)	(0.09)	(71.00)
Total Assets	257,958	261,925	115,982	29
Total Liabilities	77,637	60,849	84,464	100
Share Capital	354,000	294,000	11,000	1
Shareholders' Equity (deficit)	180,321	201,076	31,518	(71)

Results of Operations

For the three months ended October 31, 2011 compared to the three months ended October 31, 2010.

During the three months ended October 31, 2011, the Company generated no revenue. The Company incurred a net loss of $55,755 for the three months ended October 31, 2011, compared to a net loss of $12,227 for the three months ended October 31, 2010. General and administrative expenses for the three months ended October 31, 2011 consisted mainly of management fees of $7,500 (2010 - $7,500), accounting and audit fees of $7,260 (2010 - $Nil), legal fees of $10,000 (2010 - $Nil), listing and filing fees of $22,474 (2010 - $Nil), bank charges and interest of $46 (2010 - $319) and office and sundry expenses of $8,475 (2010 - $4,408). Professional fees in the period were higher than in 2010 due to legal and audit costs associated with the Company's proposed initial public offering. Listing and filing fees were also higher than in 2010 as a result of the Company's proposed initial public offering. Office administrative expenses were also higher than in 2010 as a result of the Company entering into the 2011 Management Contract. See "Executive Compensation - Termination of Employment, Changes in Responsibility and Employment Contracts".

For the year ended July 31, 2011 compared to the year ended July 31, 2010.

During the year ended July 31, 2011, the Company generated no revenue. The Company incurred a net loss of $58,443 for the year ended July 31, 2011, compared to a net loss of $11,910 for the year ended July 31, 2010. General and administrative expenses for the year ended July 31, 2011 consisted mainly of management fees of $30,000 (2010 - $5,000), report expenses of $4,000 (2010 - $4,000), accounting fees of $21,300 (2010 - $Nil), legal fees of $982 (2010-$Nil), bank charges and interest of $468 (2010 - $110) and office and administrative expenses of $26,693 (2010 - $2,800). Professional fees in the period were higher than in 2010 due to legal and audit costs associated with the Company's proposed initial public offering. Management fees and office administrative expenses were also higher than in 2010 as a result of the Company entering into the Management Contract, the 2011 Management Contract and the payment of $1,000/month to 622738 B.C. Ltd., a company wholly owned by Mark Tommasi, the President and CEO of the Company. See "Executive Compensation".

For the year ended July 31, 2010 compared to the period from incorporation to July 31, 2009.

The Company incurred a net loss of $11,910 for the year ended July 31, 2010, compared to a net loss of $71 for the period ended July 31, 2009. Significant expenditures during the year ended July 31, 2010 included management fees and administrative expenses totalling $7,800, report expenses of $4,000, and bank charges and interest of $110.

Summary of Quarterly Results

As at the date of this Prospectus, the Company is not a reporting issuer. Accordingly, the Company was not required to, and did not prepare quarterly statements for any period prior to the date of this Prospectus.

Liquidity and Capital Resources

As at July 31, 2011, the Company had working capital of $17,020. As at July 31, 2010, the Company had a working capital deficit of $69,303. Working capital as at July 31, 2011 was higher than as at July 31, 2010 as a result of the Company raising capital. To date, the Company has relied entirely upon the sale of Common Shares to generate working capital for exploration activities and to fund the administration expenses of the Company. Since the Company does not expect to generate any revenues in the near future, it will continue to rely primarily upon the sale of Common Shares to raise capital. There can be no assurance that financing will be available to the Company when required.

The Company has financed its operations primarily through the proceeds of the sale of its Common Shares. The Company incurred a total of $42,000 for mineral property acquisition costs and $120,056 in exploration expenditures on the Property from incorporation to July 31, 2011. The initial retainer of $22,000 paid to the Agent has been recorded as a deferred financing cost.

Current liabilities as at July 31, 2011 consisted of accounts payable and accrued liabilities of $60,849. Current liabilities as at July 31, 2010 totalled $84,464 of which $60,100 was due to related parties for advances from directors and officers. During the year ended July 31, 2011, the Company repaid the advances.

At present, there are no known demands, commitments, events or uncertainties that would aversely affect the trends and expected fluctuations in the Company's liquidity. Upon completion of the Offering, it is expected that the Company will have available funds of $525,450. The Company believes that this amount will be adequate to meet its business objectives and projected working capital and other cash requirements for at least 12 months following completion of the Offering. However, there can be no assurance that these funds will be sufficient and the Company may have to evaluate additional means of financing, including additional debt or equity financings. See "Risk Factors".

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

During the year ended July 31, 2011 the Company incurred an aggregate of $30,000 (2010-$5,000) for management fees of which $12,000 was payable to 622738 B.C. Ltd., a company wholly owned by Mark Tommasi, the President and director of the Company and $18,000 was payable to Bua Group Holdings Ltd. pursuant to the Management Contract and 2011 Management Contract. Office administration fees of $26,135 (2010-$2,800) were paid or accrued to Bua Group Holdings Ltd. pursuant to the Management Contract and 2011 Management Contract.

During the year ended July 31, 2011, the Company advanced $2,400 to Bua Capital Management Ltd., as an unsecured, non-interest bearing loan due on demand.

As at July 31, 2011, accounts payable included amounts owed to Bua Group Holdings Ltd. ($21,641) and 622738 B.C. Ltd. ($14,000).

During the three month period ended October 31, 2011 the Company accrued an aggregate of $7,500 (2010-$7,500) for management fees of which $3,000 was payable to 622738 B.C. Ltd., a company wholly owned by Mark Tommasi, the President and director of the Company, $1,500 was payable to Bua Group Holdings Ltd. pursuant to the 2011 Management Contract, and $3,000 was payable to Bua Capital Management Ltd. pursuant to the Walsh Contract. Office administration fees of $8,475 (2010-$4,200) were paid or accrued to Bua Group Holdings Ltd. pursuant to the 2011 Management Contract.

As of October 31, 2011, the Company has advanced $2,400 to Bua Capital Management Ltd., as an unsecured, non-interest bearing loan due on demand.

As at October 31, 2011, accounts payable included amounts owed to Bua Group Holdings Ltd. ($23,321), 622738 B.C. Ltd. ($17,000) and Bua Capital Management Ltd. ($3,360).

Jason Walsh, the former CFO and Secretary of the Company, is a director of Bua Group Holdings Ltd. Geoffrey R. Watson, the CFO and Secretary of the Company, is a shareholder of Bua Group Holdings Ltd. Jason Walsh is also a director and shareholder of Bua Capital Management Ltd. The terms of the Management Contract, 2011 Management Contract and Walsh Contract are described under the heading "Executive Compensation – Termination of Employment, Changes in Responsibility and Employment Contracts".

Fourth Quarter

The Company was not required to, and did not, prepare quarterly statements for any period prior to the date of this Prospectus.

Critical Accounting Estimates

Mineral Properties and Exploration Costs

The Company records its interests in mineral properties and exploration cost at cost. All direct costs are capitalized until the properties to which they relate are placed into production, sold or abandoned. These costs will be amortized on the unit of production basis over the proven reserves of the related property following commencement of production. Proceeds received, as a result of the sale of a mineral property, will be applied first against the book value of the property, and any excess will be set off against deferred exploration costs.

The mineral properties and exploration costs are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. When there is evidence of impairment, the net carrying amount of the asset will be written down to its net recoverable amount which is the estimated undiscounted future net cash flows expected to result from the asset and its eventual disposition. The loss on impairment written off is not reversed even if circumstances change and the net recoverable amount subsequently increases.

The amounts shown as mineral properties and deferred exploration costs represent unamortized costs to date and do not necessarily reflect present or future values.

Financial Instruments and Other Instruments

The Company's financial instruments include cash, due from related parties, accounts payable and accrued liabilities and amounts due to related parties. In management's opinion, the Company is not exposed to significant interest rate, currency exchange rate, liquidity or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values because of their current nature. The Company is not exposed to derivative financial instruments.

The Company classifies financial assets and liabilities as held-for-trading, available-for-sale, held-to maturity, loans and receivables or other financial liabilities depending on their nature. Financial assets and financial liabilities are recognized at fair value on their initial recognition, except for those arising from certain related party transactions which are accounted for at the transferor's carrying amount or exchange amount in accordance with the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3840 – Related Party Transactions.

The Company classified its cash as held-for-trading and its accounts payable and accrued liabilities and due to related parties as other financial liabilities.

Outstanding Securities

The Company has one class of voting securities, being Common Shares without par value. As at the date of this Prospectus, 6,805,000 shares are issued and outstanding. As at the date of this Prospectus, the Company has no securities convertible into, or exercisable or exchangeable, for Common Shares, except for 2,495,000 Warrants issued to some seed shareholders, exercisable at a price of $0.10 per share up to October 10, 2013 and 600,000 options granted to companies owned by the directors and officers of the Company, exercisable at $0.25 per Common Share for a period of five years from the date of listing of the Common Shares on the Exchange.

Administration

During the first year after completion of this Offering, the Company estimates that the aggregate monthly cost of administration will be approximately $8,400 and the total aggregate annual cost will be approximately $100,830. These annual costs are comprised of management fees ($30,000), office costs ($32,630), transfer agent fees ($5,000), professional fees ($25,000) and other costs (travel, government fees, office and miscellaneous costs of $8,200).

International Financial Reporting Standards ("IFRS")

IFRS 1, First-time Adoption of IFRS

IFRS 1 provides entities adopting IFRS for the first time with a number of optional exemptions and mandatory exceptions, in certain areas, to the general requirement for full retrospective applications of IFRS. The purpose of the exemptions is to provide relief to companies and simplify the conversion process by not requiring them to recreate information that may not exist or may not have been collected at the inception of the transaction. The Company has analyzed the various exemptions available and is working towards implementing those most appropriate in the Company's circumstances.

The interim condensed financial statements for the three months ended October 31, 2011 have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting and IFRS 1. The Company has consistently applied the same accounting policies in the opening IFRS balance sheet as at August 1, 2010 and throughout all periods presented, as if these policies had always been in effect. Note 8 to the interim financial statements discloses the impact of the transition to IFRS on the Company's reported statement of financial position, comprehensive loss and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Company's financial statements for the year ended July 31, 2011.

Mineral Properties, Exploration and Development Costs

IFRS currently allows exploration and evaluation expenses to be either capitalized or expensed. The Company has maintained its policy of capitalizing exploration and evaluation expenses.

Impairment of Mineral Properties

Canadian GAAP provides for a 2 step test with no impairment being required if the undiscounted future expected cash flows relating to an asset are higher than the carrying value of that asset. Under IFRS, the undiscounted cash flows are not considered and an impairment is recorded when the recoverable amount (defined as the higher of ‘value in use’ and `fair value less costs to sell’) is below the asset’s carrying value.

The Company will be required to adopt the discounted future cash flow approach with respect to impairment analysis of its mineral properties. Impairment under this approach may generate a greater likelihood of write-downs in future periods.

Write-down to net realizable value can be reversed under IFRS if the conditions of impairment ceased to exist. This difference in approach between Canadian GAAP and IFRS could result in potentially significant volatility in earnings.

Assets Retirement Obligations

IFRS defines asset retirements obligations (“ARO”) as legal or constructive obligations. Under IFRS, ARO is calculated using a current pre-tax discount rate (which reflects current market assessment of the time value of money and the risk specific to the liability) and is revised every reporting period to reflect changes in assumptions or discount rates. Under Canadian GAAP, ARO is calculated using a current credit-adjusted, risk-free rate for upward revisions and the original credit-adjusted, risk-free rate for downward revisions. The original liability is not adjusted for changes in current discount rate. The change in calculation of ARO and the discounting process is not expected to impact the Company at transition as there are no material ARO’s.

Stock Based Compensation

Under IFRS, each installment is to be treated as a separate share option grant with graded-vesting features, forfeitures are to be estimated at time of grant and revised if actual forfeitures are likely to differ from previous estimates and options granted to parties other than employees are measured on the date the goods or services received. The concept of employees and other providing similar services under IFRS is a broader concept under IFRS. The Company’s current policy is consistent with IFRS.

The Company continues to monitor IFRS standards development as issued by the International Accounting Standard Board and the regulators which may affect the timing, nature and disclosure of the Company’s adoption of IFRS.

DESCRIPTION OF SECURITIES DISTRIBUTED

The Company is authorized to issue 100,000,000 Common Shares without par value, of which as of the date hereof there are 6,805,000 Common Shares outstanding, which are issued as fully paid and non-assessable shares. There are 2,495,000 share purchase Warrants, exercisable at a price of $0.10 per Common Share until October 10, 2013 and 600,000 stock options exercisable at a price of $0.25 per share for a period of five years after listing the Common Shares. The holders of the Common Shares are entitled to share pro rata in any dividends if, as and when declared by the Directors. The holders of the Common Shares are entitled to receive notice of and attend all meetings of the shareholders of the Company and are entitled to one vote in respect of each Common Share held at such meetings. In the event of liquidation, dissolution or winding-up of the Company, the holders of Common shares are entitled to share rateably the remaining assets of the Company. There are no special rights or restrictions of any nature attached to any of the Common Shares, all of which rank equally as to all benefits which might accrue to the holders of the Common Shares.

CAPITALIZATION

The following table summarizes the Company's capitalization and should be read in conjunction with the financial statements appearing elsewhere in this Prospectus:

Designation of Security	**Amount Authorized**	**Amount Outstanding at October 31, 2011**	**Amount Outstanding at the Date of this Prospectus**	**Amount to be Outstanding upon Completion of the Offering[1]/[2]**
Common Shares	100,000,000	6,650,000	6,805,000	9,005,000 [1]/[2]
Warrants	N/A	2,650,000	2,495,000	2,495,000
Loans	N/A	Nil	Nil	Nil
Options [3]	N/A	600,000	600,000	600,000
Agent's Option	N/A	Nil	Nil	176,000

[1] This figure assumes that the Agent does not exercise the Option and the Agent did not elect to receive the balance of the Corporate Finance Fee and Commission in Common Shares.

[2] If the Option and the Agent's Option are exercised in full and the Agent does not elect to receive the balance of the Corporate Finance Fee and Commission in Common Shares, the amount outstanding upon completion of the Offering will be 9,537,400 Common Shares. If the Agent elects to receive the Corporate Finance Fee and Commission in Common Shares, the amount outstanding will be 9,774,500 Common Shares.

[3] See "Options to Purchase Securities".

OPTIONS TO PURCHASE SECURITIES

Incentive Stock Options

As at the date of this Prospectus, the Company has granted the following options (the "Incentive Stock Options") to purchase Common Shares:

Category	Aggregate Options Granted	Exercise Price	Market Value of Securities Underlying Options on the Date of Grant ($/Security)[1]	Expiry Date
Options held by all executive officers of the Company (held by two private companies, one wholly owned by Mark Tommasi and one partially owned by Geoffrey R. Watson)	300,000	$0.25	N/A	Five years after the listing of the Common Shares on the Exchange
Options held by all directors of the Company who are not also executive officers (held by two private companies, one wholly owned by Peter Wilson and one wholly owned by John Roozendaal)	300,000	$0.25	N/A	Five years after the listing of the Common Shares on the Exchange

[1] As the Common Shares were not listed on the Exchange at the date of grant, the market value of the securities underlying the options on the date of grant is not available. The exercise price is the price per Offered Share.

Stock Option Plan

The Board of Directors of the Company has adopted an incentive stock option plan (the "Stock Option Plan") which reserves for issuance a maximum of 10% of the Company's issued and outstanding share capital at the time of a grant of options under the Stock Option Plan. The Stock Option Plan will be administered by the Board of Directors and provides for grants of options to directors, executive officers, employees, consultants, management company employees or their permitted assigns (collectively the "Optionees") of the Company at the discretion of the Board.

The term of any options granted under the Stock Option Plan will be fixed by the Board of Directors and may not exceed ten years. The exercise price of options granted under the Stock Option Plan will be determined by the Board of Directors, and if the Common Shares are listed on the Exchange, the exercise price must not be lower than the last closing sales price for such Common Shares as quoted on the Exchange for the market trading day immediately prior to the date of grant of the option, less any discount permitted by the Exchange.

Any options granted pursuant to the Stock Option Plan will terminate upon the earliest of:

(i) the expiration date of the option;

(ii) the end of the period of time permitted for exercise of the option (such period of time to not be in excess of six months), to be terminated by the Board at the time of the grant of an option, after the Optionee ceases to be an Optionee for any reason other than death, disability or employment with cause;

(iii) the 30th day after the Optionee who is engaged in investor relations activities for the Company ceases to be employed to provide such activities;

(iv) the date on which an Optionee is terminated for cause;

(v) the first anniversary of the date on which an Optionee ceases to be an employee or consultant on account of disability; and

(vi) the first anniversary of the date of death of an Optionee.

The Stock Option Plan also provides for adjustments to outstanding options in the event of any merger, consolidation, amalgamation, recapitalization, reclassification, split, reverse split or combination of shares. The Board of Directors may, at its discretion at the time of any grant, impose a schedule over which period of time the option will vest and become exercisable by the Optionee.

Subject to the approval of any stock exchange on which the Company's securities are listed, the Board may terminate, suspend or amend the terms of the Stock Option Plan, provided that the Board may not do any of the following without obtaining, within 12 months either before or after the Board's adoption of a resolution authorizing such action, shareholder approval, and, where required, disinterested shareholder approval, or by the written consent of the holders of a majority of the securities of the Company entitled to vote:

(a) increase the aggregate number of common shares which may be issued under the Stock Option Plan;

(b) materially modify the requirements as to the eligibility for participation in the Stock Option Plan which would have the potential of broadening or increasing Insider participation;

(c) add any form of financial assistance or any amendment to a financial assistance provision which is more favourable to participants under the Stock Option Plan;

(d) add a cashless exercise feature, payable in cash or securities, which does not provide for a full deduction of the number of underlying securities from the Stock Option Plan reserve; and

(e) materially increase the benefits accruing to participants under the Stock Option Plan.

However, the Board may amend the terms of the Stock Option Plan to comply with the requirements of any applicable regulatory authority without obtaining shareholder approval, including:

(f) amendments to the Stock Option Plan of a housekeeping nature;

(g) a change to the vesting provisions of a security or the Stock Option Plan; and

(h) a change to the termination provisions of a security or the Stock Option Plan which does not entail an extension beyond the original expiry date.

PRIOR SALES

For the 12-month period before the date of this Prospectus, the Company issued the following Common Shares:

Date	Number of Common Shares	Issue Price per Share
April 29, 2011	200,000	0.065
October 21, 2011 (1)	350,000	0.10
January 31, 2012 (2)	155,000	0.10
	705,000	

(1) These shares were issued pursuant to the exercise of 350,000 Warrants. The Warrants were issued on October 10, 2010 as part of a Unit Offering where each Unit was sold for $0.065 per Unit. Each Unit was comprised of one share and one share purchase Warrant to purchase an additional share for $0.10 per share up to October 10, 2013.

(2) These shares were issued pursuant to the exercise of 155,000 Warrants. The Warrants were issued on October 10, 2010 as part of a Unit Offering where each Unit was sold for $0.065 per Unit. Each Unit was comprised of one share and one share purchase Warrant to purchase an additional share for $0.10 per share up to October 10, 2013.

See also “Capitalization” and “Options to Purchase Securities”.

ESCROWED SECURITIES

The following table sets forth details of the securities of the Company to be held in escrow as of the date of the Prospectus.

Designation of Class	**Number of Shares / Warrants Held in Escrow[1]/[2]**	**Percentage of Class upon Completion of Offering[3]**
Common Shares	2,780,500	30.88%
Warrants	180,500	7.23%[4]

[1] Common Shares held in escrow (the “Escrowed Shares”) pursuant to an escrow agreement (the Escrow Agreement”) dated October 14, 2010 among the Company, Computershare Investor Services Inc. and certain shareholders of the Company.

[2] Pursuant to the Escrow Agreement, 10% of the Escrowed Shares and Warrants will be released from escrow on the date the Common Shares are listed on the Exchange, and 15% every six months thereafter, subject to acceleration provisions provided for in National Policy – 46-201 – *Escrow for Initial Public Offerings*.

[3] Assumes that the Agent does not exercise the Option and receives the entire Corporate Finance Fee and Commission in cash.

[4] Percentage of outstanding Warrants.

The Escrow Agreement restricts the sale, assignment, hypothecation and transfer of all Escrowed Shares except as set out in Part 5 of the Escrow Agreement. The Escrow Agreement permits a transfer of escrowed shares to directors, senior officers or other principals of the Company as defined therein. In the event of the bankruptcy or death of a holder of Escrowed Shares, the Escrow Agent, may transmit such holders' escrowed shares to the trustee in bankruptcy, executor, administrator or such other person as is legally entitled to become the registered owner of the escrowed shares. Escrowed Shares transferred upon death will be released from escrow to the applicable legal representative. The Escrow Agreement allows the holders to transfer Escrowed Shares to other parties upon a realization of pledged, mortgaged or charged escrow shares or into the escrow holders' Registered Retirement Savings Plans, Registered Retirement Income Funds or similar registered plans, subject to the Escrow Agent receiving satisfactory supporting documentation in accordance with the Escrow Agreement.

RESALE RESTRICTONS ON THE SEED SHARES

Seed capital shares (all shares issued prior to the Initial Public Offering which are not subject to the Escrow Agreement) are subject to the Exchange's Seed Share Resale Restrictions as outlined in the policies of the Exchange (Policy 5.4, paragraph 10). The certificates for these shares are legended to prohibit sales of these securities prior to the expiry of the relevant hold period. There are 3,869,500 seed capital shares and 2,469,500 Warrants which were not escrowed. These shares and Warrants will be subject to resale restrictions for four months from the closing of the Offering with 20% of these shares released each month, with the first release on closing of this Offering. These resale restrictions are in addition to statutory hold periods.

Those shares which are issued to the Agent as compensation which exceed the number of Qualified Compensation Securities will be subject to a four month hold period in accordance with applicable securities laws.

PRINCIPAL SECURITYHOLDERS

As of the date of this Prospectus, the only persons known by the Company to own, control, directly or indirectly, or exercise control, or direction over voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Company are as follows:

Name and Municipality of Residence	Number of Shares beneficially owned and of record	Percentage of Shares Outstanding Prior to Offering	Percentage of Shares Outstanding after Offering
Peter Wilson Vancouver, B.C.	1,030,500[2/3/6]	15.14%	11.44%[1]
Mark Tommasi Vancouver, B.C.	750,000[2/4]	11.02%	8.33%[1]

Name and Municipality of Residence	Number of Shares beneficially owned and of record	Percentage of Shares Outstanding Prior to Offering	Percentage of Shares Outstanding after Offering
John Roozendaal North Vancouver, B.C.	750,000[2/5]	11.02%	8.33%[1]

[1] Following the completion of the Offering, the share capital of the Company, assuming the Agent has not exercised the Option, the Agent did not elect to receive the balance of the Corporate Finance Fee and Commission in Common Shares, will be 9,005,000 Common Shares. The shareholdings of Messrs. Tommasi and Roozendaal and their holding companies (assuming no Common Shares are purchased by them pursuant to the Offering, assuming no exercise of their stock options) will be 8.33% each. Those of Mr. Wilson's will be 11.44%. Following the completion of the Offering, the fully-diluted share capital of the Company, assuming the Agent has exercised the Option, that the directors and officers have exercised their stock options, that outstanding Warrants have been exercised and that the Agent elects to receive the balance of the Corporate Finance Fee and Commission in Common Shares, will be 12,869,500 Common Shares. In such event, the shareholdings of each of Messrs. Tommasi and Roozendaal and their holding companies (assuming the exercise of stock options and Warrants and assuming no Common Shares are purchased by them pursuant to the Offering) on a fully-diluted basis will be 6.99% each. Those of Peter Wilson's will be 9.41%.

[2] Including Common Shares held by their holding companies.

[3] Mr. Wilson's wholly owned company, Sterling Grant Capital Inc., has 530,500 shares.

[4] Mr. Tommasi's wholly owned company, 622738 B.C. Ltd., has 250,000 shares.

[5] Mr. Roozendaal's wholly owned company, 667981 B.C. Ltd., has 250,000 shares.

[6] Mr. Wilson's wholly owned company, Sterling Grant Capital Inc., holds 180,500 Warrants. These Warrants comprise 7.23% of the outstanding Warrants.

FULLY DILUTED SHARE CAPITAL

The following table sets out the number of and percentage of the securities of the Company proposed to be outstanding on a fully diluted basis (assuming exercise of the Option) and assuming that the Agent elects to receive the balance of the Corporate Finance Fee and the Commission entirely in Common Shares after giving effect to the Offering.

	No. of Shares	Percentage of Total
Issued and outstanding as at the date of the Prospectus	6,805,000	52.88%
Offered Shares	2,200,000	17.09%
Reserved for issuance upon exercise of Stock Options	600,000	4.66%
Reserved for issuance upon exercise of the Agent's Option	202,400	1.57%
Additional Shares	330,000	2.56%
Commission Shares	177,100	1.38%
Corporate Finance Shares	60,000	0.47%
Reserved for issuance upon the exercise of the outstanding Warrants	2,495,000	19.39%
Total shares outstanding on a fully diluted basis	12,869,500	100%

DIRECTORS AND EXECUTIVE OFFICERS

Each director of the Company holds office until the next annual general meeting of the shareholders of the Company or until his successor is duly elected or appointed, unless his office is earlier vacated in accordance with the articles of the Company or he becomes disqualified to act as a director. As at the date of the Prospectus, the number and percentage of the Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, by all of the directors and executive officers of the Company is 2,530,500 or 37.19%. Upon completion of the Offering, assuming the Agent has not exercised the Agent's Option or the Option, the Agent has elected to receive the balance of the Corporate Finance Fee and the Commission in cash, and the directors and officers have not exercised their Incentive Stock Options or purchased any Common Shares under the Offering, the number and percentage of the Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, by all of the directors and executive officers of the Company will be 2,530,500 or 28.10%.

Mr. Wilson's wholly owned company, Sterling Grant Capital Inc., holds 180,500 Warrants. These Warrants comprise 7.23% of the outstanding Warrants.

The names, province and country of residence, positions and offices, and principal occupations of each of the directors and executive officers of the Company are as follows:

Name, Province and Country of Residence	Office Held	Principal Occupation for past Five Years
Mark Tommasi [1/2/3] B.C., Canada	President and Director since April 9, 2010 and CEO since June 22, 2010	Director of New Shoshoni Ventures Ltd. since January, 2003
John Roozendaal [1/2] Manitoba, Canada	Director since April 9, 2010	President of VMS Ventures Ltd. since March, 2000 and President of Harvest Gold Corp. since December, 2005
Peter Wilson [2] B.C., Canada	Director since April 9, 2010	President and CEO of Sterling Grant Capital Inc. since May, 1998
Geoffrey R. Watson [3/4] B.C., Canada	CFO and Secretary since December 31, 2011	Mortgage specialist from June 2009 to September 2010; corporate communications with Natcore Technologies Inc. from June 2009 to December 2009; broker/trader with Bolder Investment Partners Ltd. from May 2006 to October 2008;

[1] Member of the Nominating and Corporate Governance Committee.

[2] Member of the Audit and Finance Committee.

[3] Member of the Disclosure Committee.

[4] Geoffrey R. Watson replaced Jason Walsh as CFO and Secretary on December 31, 2011 upon Mr. Walsh's resignation.

MANAGEMENT

Set forth below is a description of the background of the directors and officers of the Company, including a description of each individual's principal occupation(s) within the past five years.

Mark Tommasi – Age 39 – President, Chief Executive Officer and Director

Mr. Tommasi is responsible for the day-to-day management of the Company.

Mr. Tommasi is currently a director and the Chief Financial Officer of New Shoshoni Ventures Ltd. (an exploration company) (since January 2003); a director of Electra Gold Ltd. since June 2009 and the Chief Financial Officer of Electra Gold Ltd. since May 30, 2011; and a director of International Samuel Exploration Corp. (since November 2009); all public companies listed on the Exchange. He is a director of Clean Seed Capital Group Ltd. (since February 2010). He is the sole owner of 622738 B.C. Ltd., a private British Columbia investment company.

He is not an employee or contractor to the Company.

He will spend approximately 25% of his working time on the Company's business. He has not entered into a non-competition or non-disclosure agreement with the Company. See "Executive Compensation".

John Roozendaal – Age 43 – Director

Mr. Roozendaal is an independent director. He is a self-employed businessman and geologist.

Mr. Roozendaal is the President and a director of VMS Ventures Inc. (a company listed on the Exchange since March, 2000), the President and a director of Harvest Gold Corp. (a company which is listed on the Exchange) since December, 2005, a director of Thelon Capital Ltd. (a company which is listed on the Exchange) since October, 2005, a director of North American Nickel Inc. since April 2010 and a director of Scout Exploration Inc. (a company whose shares trade on the Over-the-Counter Bulletin Board) since December, 2007. Mr. Roozendaal has a Bachelor of Science Degree (Geology) from Brandon University (1996). Mr. Roozendaal has approximately 15 years experience as a geologist.

He is not an employee or contractor to the Company.

He will spend approximately 10% of his working time on the Company's business. He has not entered into a non competition or non disclosure agreement with the Company.

Peter Wilson – Age 44 – Director

Mr. Wilson is an independent director. He is the President and CEO of Sterling Grant Capital Inc. (an investment company) since May, 1998.

He is not an employee or contractor to the Company.

Mr. Wilson was a director of Gold Star Resources Corp., now named Simba Energy Inc. (an Exchange listed company) from August to September 2009, and President (April 2007 to November 2009) and Director (from March 2008 to November 2009) of Hana Mining Ltd., (an Exchange listed company). He is a director of HLD Land Development Limited Partnership (a CNSX listed entity) since October 2010. He is presently a director, President and CEO of Morgan Creek Energy Corp. since September, 2008 and a Director and officer of Mainland Resources Inc. since December, 2009. Both Morgan Creek Energy Corp. and Mainland Resources Inc. are traded on the Over-the-Counter Bulletin Board.

He will spend approximately 10% of his working time on the Company's business. He has not entered into a non-competition or non-disclosure agreement with the Company.

Geoffrey R. Watson – Age 48 – Chief Financial Officer and Secretary

Mr. Watson is responsible for the accounting and financial affairs of the Company.

Geoffrey R. Watson has been involved in various aspects of the securities industry. He has previously been a trader/broker with Bolder Investment Partners and Northern Securities. From January 2003 to May 2006 Mr. Watson was a self employed print broker. He held the position of corporate communications at Natcore Technologies Inc. from June to December 2009. Since November 2010 Mr. Watson has been a director of Thelon Capital Ltd., a company listed on the TSX Venture Exchange. From June 2009 to September 2010 Mr. Watson was a mortgage specialist with Mortgage Centre (Mortgage Evolution).

Mr. Watson is not an employee of the Company.

He will spend approximately 25% of his working time on the Company's business. He has not entered into a non-competition or non-disclosure agreement with the Company.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

Corporate Cease Trade Order

As at the date of this Prospectus, no director or executive officer of the Company is, or within the ten years prior to the date of this Prospectus has been, a director, chief executive officer or chief financial officer of any company (including the Company), that while that person was acting in that capacity,

(a) was the subject to

  (i) a cease trade order (including any management cease trade order which applied to directors or executive officers of a company, whether or not the person is named in the order); or

  (ii) an order similar to a cease trade order; or

(iii) an order that denied the relevant company access to any exemption under securities legislation;

that was in effect for a period of more than 30 consecutive days (an "Order"); or

(b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer, save and except

(i) Peter Wilson was a director of Mainland Resources Inc. which was cease traded by the B.C. Securities Commission on November 18, 2009 for failure to file annual financial statements and corporate disclosure concerns regarding annual oil and gas disclosure records. The cease trade order was revoked on January 29, 2010;

(ii) John Roozendaal is a director of Scout Exploration, Inc. which was cease traded by the B.C. Securities Commission on July 6, 2006 for failure to file financials. This was revoked. Scout Exploration Inc. was cease traded on February 24, 2009. The order was revoked on February 25, 2009. It was cease traded on February 5, 2010. The order is still in effect.

Bankruptcy

As at the date of this Prospectus, other than as disclosed below, no director or executive officer of the Company, or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company is, or within the ten years prior to the date of this Prospectus has,

(a) been a director, executive officer of any company (including the Company), that while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, 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; or

(b) become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Geoffrey R. Watson, the CFO and Secretary of the Company, filed for bankruptcy on May 12, 2009 and was discharged on February 13, 2010.

Penalties and Sanctions

No director, executive officer, or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company has been subject to

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

The directors and officers of the Company will not be devoting all of their time to the affairs of the Company. In particular, Mark Tommasi, the Chief Executive Officer of the Company, will only be devoting 25% of his time to the affairs of the Company. The directors and officers of the Company are directors and officers of other companies, some of which are in the same business as the Company. The directors and officers of the Company are required by law to act in the best interests of the Company. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to the Company may result in a breach of their obligations to the other companies, and in certain circumstances this could expose the Company to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligation to act in the best interests of the Company. Such conflicting legal obligations may expose the Company to liability to others and impair its ability to achieve its business objectives.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Company's executive compensation program is based on similar type and size companies. The Company's compensation program is comparable to the compensation program of newly organized companies which are in the process of initial public distributions and subsequent development such as Discovery Ventures Inc. and Orofino Minerals Inc. Both individual and corporate performance are also taken into account, on a subjective basis at the discretion of the Company's Board of Directors, when determining executive compensation.

Compensation Objectives and Principles

As the Company is in the exploration and development phase with no significant revenue from operations, the Company operates with limited financial resources and controls costs to ensure that funds are available to complete scheduled programs. As a result, the Board of Directors has to consider not only the financial situation of the Company at the time of the determination of executive compensation, but also the estimated financial situation of the Company in the mid- and long-term. An important element of executive compensation is that of stock options which does not require cash disbursement by the Company.

Compensation Process

The Company will rely solely on its Board of Directors, through discussion without any formal objectives, criteria or analysis, in determining the compensation of its executive officers. The Board of Directors is responsible for determining all forms of compensation, including long-term incentives in the form of stock options to be granted to the Company's Named Executive Officers, and to its directors, and for reviewing the recommendations respecting compensation for any other officers of the Company from time to time, to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining the compensation of its officers, the Board considers: i) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value; ii) providing fair and competitive compensation; iii) balancing the interests of management and the Company's shareholders; iv) rewarding performance, both on an individual basis and with respect to operations in general; and v) available financial resources.

Incentive Stock Options

Long-term incentives in the form of options to purchase Common Shares are intended to align the interests of the Company's directors and its executive officers with those of its shareholders, to provide a long term incentive that rewards these individuals for their contribution to the creation of shareholder value, and to reduce the cash compensation the Company would otherwise have to pay. The Company's Stock Option Plan is administered by the Board of Directors. In establishing the number of the incentive stock options to be granted, reference is made to the number of stock options granted to officers of other publicly traded companies that, similar to the Company, are involved in the mining industry, as well as those of publicly traded Canadian companies of a comparable size to that of the Company in respect of assets. The Board of Directors will also consider previous grants of options and the overall number of options that are outstanding relative to the number of outstanding Common Shares in determining whether to make any new grants of options and the size and terms of any such grants, as well as the level of effort, time, responsibility, ability, experience and level of commitment of the executive officer in determining the level of incentive stock option compensation.

Summary Compensation Table

Mark Tommasi has served as President since April 9, 2010 and Chief Executive Officer of the Company since June 22, 2010 and Jason Walsh served as Secretary since April 9, 2010 and Chief Financial Officer since June 22, 2010 (the "Named Executive Officers"). Subsequent to the year ended July 31, 2011, Jason Walsh resigned as the CFO and Secretary of the Company. No other executive officer of the Company was paid more than $150,000 in compensation during the last completed financial year. The following summary compensation table provides a summary of the compensation awarded to, earned by, paid to or payable to the Named Executive

Officers during years ended July 31, 2011 and July 31, 2010 and for the period from the Company's incorporation on August 6, 2008 to July 31, 2009.

Summary Compensation Table

Name and Principal Postion	Fiscal Year ended July 31	Salary ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)		Pension value ($)	All other compensation ($)	Total compensation ($)
					Annual incentive plans	Long-term incentive plans			
Mark Tommasi[1] *President, Chief Executive Officer*	2011	12,000	Nil	Nil[4]	Nil	Nil	Nil	Nil	12,000
	2010	2,000[1]	Nil	Nil	Nil	Nil	Nil	Nil	2,000
	2009[2]	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Jason Walsh[3] *former Chief Financial Officer, Secretary*[5]	2011	Nil[3]	Nil	Nil	Nil	Nil	Nil	Nil[3]	Nil
	2010	Nil[3]	Nil	Nil	Nil	Nil	Nil	Nil[3]	Nil
	2009[2]	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

[1] Commencing June 1, 2010, 622738 B.C. Ltd., a private company wholly owned by Mr. Tommasi, has been compensated by the Company at $1,000 per month for services provided by Mr. Tommasi as President and CEO. This monthly payment is being accrued until completion of the Offering.

[2] Period from the Company's incorporation on August 6, 2008 to July 31, 2009.

[3] Mr. Walsh is an officer of Bua Group Holdings Ltd. (the "Contractor", as defined herein), a private company that has had a contract for services agreement with the Company for management of the Company since June 1, 2010 (see "Termination of Employment, Changes in Responsibility and Employment Contracts" below for a description of this contract for services agreement). Mr. Walsh has advised the Company that he receives no part of the monthly fee that the Company pays to the Contractor pursuant to the contract for services agreement. Further, Mr. Walsh has advised the Company that he receives no part of the fees for external management services that the Contractor receives from entities other than the Company.

[4] The options granted to 622738 B.C. Ltd. do not vest until the date of listing of the Common Shares on the Exchange and, therefore, no cost has been recorded.

[5] Mr. Walsh resigned as Chief Financial Officer and Secretary of the Company on December 31, 2011.

Effective September 1, 2011, Mr. Walsh was compensated for his services to the Company in his capacity as Chief Financial Officer for a fee of $1,500 per month pursuant to the terms of a contract for services agreement (the "Walsh Contract" as defined herein) among the Company, Mr. Walsh and Bua Capital Management Ltd. ("Bua Capital Management"), a private company partially owned by Mr. Walsh. A description of the Walsh Contract is included under the heading "Termination of Employment, Changes in Responsibility and Employment Contracts" below. Upon the resignation of Mr. Walsh as the CFO of the Company on December 31, 2011, the Walsh Contract was terminated.

Incentive Stock Options and Stock Appreciation Rights

No incentive stock options or other share-based awards were granted to the Named Executive Officers during the year ended July 31, 2010 or during the period from the Company's incorporation to July 31, 2009.

On October 14, 2010, Mark Tommasi's wholly owned company, 622738 B.C. Ltd. and Bua Capital Management (the private company partially owned by Jason Walsh) were each granted options to purchase 150,000 Common Share at a price of $0.25 per share for a period of five years from listing of the Company's Common Shares on the Exchange. As there was no market for the Common Shares on the date of grant, the option exercise price is the Offering price per Offered Share. As Bua Capital Management was not at the time of grant eligible to be granted options pursuant to the terms of the Company's Stock Option Plan, the options to purchase 150,000 Common Shares granted to Bua Capital Management on October 14, 2010, were subsequently cancelled. On September 1, 2011, the Company entered into the Walsh Contract with Jason Walsh and Bua Capital Management, as a result of which Bua Capital Management became eligible for grants of options under the Company's Stock Option Plan and, effective September 1, 2011, the Company's Board of directors granted to Bua Capital Management options to purchase 150,000 Common Shares at a price of $0.25 per share for a period of five years from listing of the Company's Common Shares on the Exchange. As at the date of this Prospectus, the options granted to Bua Capital Management have been cancelled. Subsequent to the year ended July 31, 2011, 150,000 stock options were granted to Bua Group Holdings Ltd. to purchase Common Shares of the Company at a price of $0.25 per share for a period of five years from listing of the Company's Common Shares on the Exchange.

No incentive stock options were exercised by or on behalf of the Named Executive Officers during the year ended July 31, 2011 and there was no value in favour of the Named Executive Officers earned as a result of vesting of options, as the options that have been granted will not vest and become exercisable until the date of listing of the Common Shares on the Exchange.

Termination of Employment, Changes in Responsibility and Employment Contracts

The Walsh Contract

Effective September 1, 2011, the Company entered into a Contract for Services agreement (the "Walsh Contract") with Jason Walsh, the Company's Chief Financial Officer, and Bua Capital Management Ltd. ("Bua Capital Management"), a private company partially owned by Jason Walsh, pursuant to which Mr. Walsh agreed to, indirectly through Bua Capital Management, render services to the Company customarily provided by a Chief Financial Officer, in consideration of a fee of $1,500 per month. The Walsh Contract is for a term of five years. Both Bua Capital Management and the Company have the right to terminate the Walsh Contract by written notice to the other party. However, in the event a notice of termination is given before the 15th day of the month, Mr. Walsh shall provide his services if requested by the Company until the last day of the month in which notice is given; and if the notice is given after the 15th

day of the month, Mr. Walsh shall provide his services for a minimum of ten business days immediately following the date of notice of termination. As of the date of this prospectus, the Walsh Contract has been terminated.

The Management Contract

As at the financial year ended July 31, 2010, a Contract for Services Agreement (the "Management Contract") made effective June 1, 2010, was in place between the Company and Bua Group Holdings Ltd. (the "Contractor"), a private company of which Jason Walsh, the former Chief Financial Officer and Secretary of the Company, is an officer but not a shareholder. Geoffrey R. Watson, the current Chief Financial Officer and Secretary of the Company, is a shareholder of the Contractor.

Pursuant to the terms of the Management Contract, the Contractor agreed to perform various administrative and managerial functions as Manager for the Company, including causing the Company to pay all bills and accounts punctually, to keep proper books of accounts and records, and providing other managerial assistance as the Company may request from time to time, for a services fee of $1,500 per month, such fees to be accrued until completion of the Company's initial public distribution under the Offering (see "Use of Proceeds – Principal Purposes").

In addition and pursuant to the terms of the Management Contract, the Company agreed to pay the Contractor $1,400 per month for office expenses, which included office rent, telephone, cable and other office equipment connectivity fees, human resources services, legal and accounting services, among others. The Management Contract was for a period of one year to June 1, 2011, unless terminated earlier in accordance with the terms of the Management Contract. The management Contract expired in accordance with its terms on June 1, 2011, and was replaced by a Contract for Services (the "2011 Management Contract") dated June 1, 2011, between the Company and the Contractor. The 2011 Management Contract contained the same terms and conditions as the prior Management Contract except that the 2011 Management Contract was for a term of five years.

Effective September 1, 2011, the 2011 Management Contract was amended by written agreement between the parties such that:

(a) the $1,500 per month services fee was eliminated;

(b) the monthly fee to cover office expenses was increased from $1,400 per month to $3,045.45 (inclusive of HST); and

(c) a term was added to the 2011 Management Contract to provide that the monthly fee to cover office expenses may fluctuate from time to time to such other amount (based on variable expenses) as shall be approved in writing by the Company for each such fluctuation.

Both the Contractor and the Company have the right to terminate the 2011 Management Contract, as amended, by written notice to the other party. However, in the event a notice of termination is given before the 15th day of the month, the Contractor shall provide its services if requested by the Company until the last day of the month in which notice is given; and if the notice is given after the 15th day of the month, the Contractor shall provide its services for a minimum of ten business days immediately following the date of notice of termination. As of the date of this prospectus, the 2011 Management Contract remains in full force and effect.

The 2011 Management Contract was further amended by written agreement dated January 1, 2012 between the parties to include a fee of $1,500 per month for the provision of managerial services and to confirm certain unwritten terms of the Management Contract and 2011 Management Contract; namely that the parties may agree from time to time to change the monthly fee payable pursuant to the Management Contract and 2011 Management Contract for office expenses to reflect variable expenses incurred by the Contractor.

As at July 31, 2011, the Company has accrued an aggregate of $14,000 due to 622738 B.C. Ltd., Mr. Tommasi's wholly owned company, for fees and accrued an aggregate of $21,000 to the Contractor for management services pursuant to the terms of the Management Contract and 2011 Management Contract. During the year ended July 31, 2011, the Company also paid or accrued office administration fees of $26,135 to the Contractor pursuant to the terms of the Management Contract and 2011 Management Contract.

Compensation of Directors

The Company does not pay its directors a fee for acting as such. They are, however, entitled to be reimbursed for reasonable expenditures incurred in performing their duties as directors. The Company may, from time to time, grant to the directors options to purchase Common Shares.

During the Company's most recently completed financial year ended July 31, 2011, neither John Roozendaal or Peter Wilson received fees from the Company for their services as directors or otherwise. Compensation to Mark Tommasi (through his wholly owned company, 662738 B.C. Ltd.), in his capacity as President and Chief Executive Officer of the Company, is disclosed above at "Executive Compensation – Summary Compensation Table".

On October 14, 2010, Messrs. Roozendaal and Wilson were, through private companies, each granted options to purchase 150,000 Common Shares at a price of $0.25 per share for a period of five years from listing of the Company's Common Shares on the Exchange. As there was no market for the Common Shares on the date of grant, the option exercise price is the Offering price per Offered Share.

Name	Date of Grant	Number of Common Shares under Option	Exercise price	Expiry date
Sterling Grant Capital Inc.[1]	October 14, 2010	150,000	$0.25	Five years after the listing of the Common Shares on the Exchange

Name	Date of Grant	Number of Common Shares under Option	Exercise price	Expiry date
667981 B.C. Ltd. [2]	October 14, 2010	150,000	$0.25	Five years after the listing of the Common Shares on the Exchange

[1] Beneficially owned by Peter Wilson
[2] Beneficially owned by John Roozendaal

No incentive stock options were exercised by or on behalf of the non-executive directors during the year ended July 31, 2011, and there was no value in favour of Messrs. Roozendaal or Wilson earned as a result of vesting of options, as the options that have been granted will not vest and become exercisable until the date of listing of the Common Shares on the Exchange. Subsequent to July 31, 2011, the Company granted to Bua Group Holdings Ltd., a company of which Geoffrey R. Watson, the Chief Financial Officer and Secretary of the Company, is a shareholder, an option to purchase 150,000 Common Shares at a price of $0.25 per share for a period of five years from the listing of the Company's Common Shares on the Exchange.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND OTHER MANAGEMENT

No director, executive officer, employee, promoter or former director, executive officer, employee or promoter of the Company nor any associate of such person has been indebted to the Company at any time for other than "routine indebtedness", as that term is defined by applicable securities law; nor was any indebtedness to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the company.

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

AUDIT AND FINANCE COMMITTEE

The purpose of the Audit and Finance Committee is to assist the Board in its oversight of the quality and integrity of the accounting, auditing, reporting practices, systems of internal accounting and financial controls, the annual independent audit of the Company's financial statements, and the legal compliance and ethics programs of the Company as established by management.

Audit and Finance Committee's Charter

The charter of the Audit and Finance Committee is attached hereto as Schedule A.

Audit and Finance Committee Members

The Audit and Finance Committee of the Company consists of Mark Tommasi, John Roozendaal and Peter Wilson. Messrs. Wilson and Roozendaal are considered "independent" as that term is defined in applicable securities legislation, and all three of the Audit Committee members have the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. Mr. Tommasi, by reason of his office as Chief Executive Officer of the Company is not considered to be independent pursuant to applicable securities legislation.

Relevant Education and Experience

All of the Audit and Finance Committee members are businessmen with experience in financial matters; each has an understanding of accounting principles used to prepare financial statements and varied experience as to general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavor. Please see "Management".

Mr. Tommasi is the Chief Financial Officer of Electra Gold Ltd. and New Shoshoni Ventures Ltd., both of which are public companies, and is on the Audit Committee of both companies.

Mr. Roozendaal serves as President of Harvest Gold Corp. and VMS Ventures Inc., both of which are public companies, and as such, is responsible for reviewing the financial statements of both companies.

Mr. Wilson is the Chief Executive Officer of Morgan Creek Energy Corp., a public company and as such, was responsible for reviewing financial statements of that company.

Pre-Approved Policies and Procedures for Non-Audit Services

The Company's Audit and Finance Committee Charter provides that the Audit and Finance Committee review and pre-approve any non-audit services to be provided to the Company.

Pre-Approved Policies and Procedures for Non-Audit Services

The Company's Audit and Finance Committee Charter provides that the Audit and Finance Committee review and pre-approve any non-audit services to be provided to the Company.

External Auditor Fees

Aggregate audit fees, audit related fees, tax fees, and all other fees billed by the Company's external auditor, MacKay LLP, Chartered Accountants, in the years ended July 31, 2011 and 2010, are as follows:

	Year ended July 31, 2011	Year ended July 31, 2010
Audit fees	8,000 (1)	Nil
Audit related fees	Nil	Nil
Tax related fees	Nil	Nil

	Year ended July 31, 2011	Year ended July 31, 2010
All other fees	Nil	Nil

(1) Accrual for audit fees

Reliance on Exemption

As the Company is a “Venture Issuer” pursuant to relevant securities legislation, the Company is relying on the exemption in Section 6.1 of National Instrument 52-110 - *Audit Committees* (“NI 52-110”) from the reporting requirements of Part 3 and Part 5 of NI 52-110.

Reliance on Certain Exemption

At no time since the commencement of the Company’s most recently completed financial year ended July 31, 2011 has the Company relied on:

- the exemption in Section 2.4 of NI 52-110 – *Audit Committee (De Minimis Non-audit Services)*, or

- an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

CORPORATE GOVERNANCE

The following is a summary of the Company’s approach to corporate governance.

Board of Directors

The Board of Directors of the Company facilitates its exercise of independent supervision over management by ensuring sufficient representation by directors independent of management. The Board, at present, is composed of three directors, two of whom, Peter Wilson and John Roozendaal, are considered to be independent. In determining whether a director is independent, the Board considers, for example, whether the director has a relationship which could, or could be perceived to, interfere with the director's ability to objectively assess the performance of management. On this basis, Mark Tommasi, by reason of his office as Chief Executive Officer is not considered to be an independent director.

The Board is satisfied as to the extent of independence of its members. The Board is satisfied that it is not constrained in its access to information, in its deliberations, or in its ability to satisfy the mandate established by law to supervise the business and affairs of the Company and that there are sufficient systems and procedures in place to allow the Board to have a reasonable degree of independence from day-to-day management.

Other Directorships

Certain of the Company's current directors and officers are also directors and officers of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

Name	Reporting Issuer (or equivalent in a foreign jurisdiction)
Mark Tommasi	New Shoshoni Ventures Ltd. Electra Gold Ltd. International Samuel Exploration Corp. Clean Seed Capital Group Ltd.
Peter Wilson	Morgan Creek Energy Corp. Mainland Resources Inc. HLD Land Development Limited Partnership
John Roozendaal	North American Nickel Inc. VMS Ventures Inc. Thelon Capital Ltd. Scout Exploration Inc. Harvest Gold Corp.
Geoffrey R. Watson	Thelon Capital Ltd.

Orientation and Continuing Education

The Company has not yet developed an official orientation or training program for new directors. Notwithstanding the foregoing, all of the Company's directors are familiar with the mining industry and, as such, orientation has not, to date, been required. Nevertheless, new directors are provided, through discussions and meetings with other directors, officers, and employees, with a thorough description of the Company's business, properties, assets, operations and strategic plans and objectives. Orientation activities will be tailored to the particular needs and experience of each director and the overall needs of the Board.

Ethical Business Conduct

The Board of Directors conducts itself with high business and moral standards and follows all applicable legal and financial requirements. In that regard, the Board has adopted a written Code of Ethics (the "Code") for its directors, officers, employees and consultants. The Code adopted by the Board of Directors of the Company has been filed with regulators, in accordance with applicable legislation, and is available for viewing through the Internet at the Canadian System for Document Analysis and Retrieval (SEDAR) at www.sedar.com. The Code establishes practices regarding compliance with the law and internal policies and guidelines, a Whistleblower Policy which details complaint procedures for financial concerns, disclosure obligations, and internal financial control. Each employee, officer, director, and material consultant is provided with a copy of the Code and certify, among others, that he or she has understood the Code and that he or she will continue to comply with the terms of the Code.

Further, the Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director's participation in decisions of the Board in which the director has an interest, are sufficient to ensure that the Board operates independently of management and in the best interests of the Company and its shareholders.

Nomination of Directors

The Board of Directors has appointed a Nominating and Corporate Governance Committee (the "Corporate Governance Committee"), consisting of Mark Tommasi and John Roozendaal. The Corporate Governance Committee will consider the size of the Board of Directors each year when it considers the number of directors to recommend to the Board of Directors for director nominees. The criteria for selecting new directors shall reflect the requirements of the listing standards of the Exchange (or such other exchange or self-regulatory organization on which the Company's shares are listed for trading) with respect to independence and the following factors:

(a) the appropriate size of the Company's Board;

(b) the needs of the Company with respect to the particular talents and experience of its directors;

(c) personal and professional integrity of the candidate;

(d) level of education and/or business experience;

(e) broad-based business acumen;

(f) the level of understanding of the Company's business and the industry in which it operates and other industries relevant to the Company's business;

(g) the ability and willingness to commit adequate time to Board and committee matters;

(h) the fit of the individual's skills and personality with those of other directors and potential directors in building a Board that is effective, collegial and responsive to the needs of the Company;

(i) the ability to think strategically and a willingness to share ideas; and

(j) diversity of experiences, expertise and background.

Compensation

The Board of Directors is responsible for determining all forms of compensation to be granted to the Chief Executive Officer of the Company and the other officers, directors and/or employees of the Company (see "Executive Compensation – Termination of Employment, Change in Responsibilities and Employment Contracts").

Committees of the Board of Directors

The Board has only three committees: the Audit and Finance Committee, Disclosure Committee and the Nominating and Corporate Governance Committee.

The Disclosure Committee's function is to ensure that information required to be disclosed by the Company in reports that it files or submits under applicable securities legislation is recorded, processed, summarized and reported within the time periods specified in the applicable rules and forms.

Assessments

The Board does not formally review the contributions of individual directors; however, it believes that its current size facilitates informal discussion and evaluation of members' contributions within that framework.

PLAN OF DISTRIBUTION

The Company entered into an agency agreement (the "Agency Agreement") dated February 27 with the Agent, pursuant to which the Agent has agreed to offer for sale on a commercially reasonable efforts basis, 2,200,000 Offered Shares at a price of $0.25 per Offered Share in the Provinces of British Columbia, Alberta and Ontario.

The distribution under this Prospectus will cease on the 90th day after the issuance of the receipt for the final Prospectus. In the event that the Offering is not fully subscribed, the subscription funds will be refunded to the subscribers in full, without deduction or interest, unless the subscribers have otherwise instructed the Agent.

The Exchange has conditionally accepted the listing of the Company's Common Shares on the Exchange. Listing will be subject to the Corporation fulfilling all the listing requirements of the Exchange.

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

The Agent will receive a Commission of 7% of the gross proceeds of the Offering, payable in cash or Commission Shares, or any combination thereof, at the election of the Agent on the closing of the Offering. The Agent will also be paid the Corporate Finance Fee of $25,000 plus applicable taxes, of which $10,000 plus applicable taxes has been advanced as a non-refundable due diligence fee, with the remaining $15,000 plus HST to be paid in cash, Corporate Finance Shares or any combination thereof, at the election of the Agent, on the closing of the Offering.

The Agent has been granted the Agent's Option, entitling the Agent to acquire Common Shares equal to 8% of the number of Offered Shares and Additional Shares sold under the Offering at an exercise price of $0.25 per Common Share, for a period of 36 months from the date of listing of the Common Shares on the Exchange. This Prospectus qualifies the grant of the Agent's Option and the issuance of the Commission Shares and the Corporate Finance Shares, to the extent the same are "Qualified Compensation Securities".

The Agent will also be reimbursed for reasonable expenses in relation to the Offering. The Agent has received a retainer of $11,500 for such expenses.

The Company has granted to the Agent the Option exercisable, in whole or in part, until the closing of the Offering, to solicit and accept subscriptions for up to 15% (the "Additional Shares") of the Offered Shares (330,000 Common Shares). If the Option is exercised in full, the total price to the public, the Commission (assuming the Commission is fully paid in cash) and proceeds to the Company would be $632,500, $44,275 and $588,225 respectively. The Option and Additional Shares are also qualified under this Prospectus.

National Instrument 41-101 – *General Prospectus Requirements* restricts the number of securities being issued to an Agent as compensation which may be qualified under a prospectus ("Qualified Compensation Securities"), to a maximum of 10% of the Offered Shares. In the case of this Offering assuming the Option has not been exercised, the number of Qualified Compensation Securities will be limited to 220,000. For the purposes of this Offering, any combination of the Commission Shares, the Corporate Finance Shares, and the Common Shares issuable pursuant to the Agent's Option which exceed 10% of the Offered Shares sold, will not be Qualified Compensation Securities, will not be qualified for distribution under this Prospectus and will be subject to a four month hold period in accordance with applicable securities laws.

The Agent reserves the right to offer selling group participation, in the normal course of the brokerage business to selling groups of other licensed dealers, brokers or investment dealers, who may or may not be offered part of the Commission or Agent's Option derived from this Offering.

The obligations of the Agent under Agency Agreement may be terminated prior to closing of the Offering at the Agent's discretion on the basis of its assessment of the state of the financial markets and may also be terminated at any time upon the occurrence of certain stated events.

Other than as disclosed in this Prospectus, there are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder or any other person or Company in connection with the Offering.

The directors, officers and other insiders of the Company may purchase Common Shares from this Offering. The price of the Offered Shares and the terms of this Offering have been determined by negotiations between the Company and the Agent.

RISK FACTORS

The securities offered by this Prospectus must be considered speculative, generally because of the nature of the Company's business. In particular:

Exploration Stage Company

The Company is engaged in the business of acquiring and exploring mineral properties in the hope of locating economic deposits of minerals. The Property is in the exploration stage and is without a known deposit of commercial ore. Exploration for minerals is a speculative venture necessarily involving substantial risk. The program proposed by the Company is an exploratory search for ore. There is no certainty that the expenditures to be made by the Company in the acquisition and exploration of the interests described herein will result in discoveries of commercial quantities of ore. The Property does not contain any known body of commercial ore and the development will occur only if satisfactory exploration results are obtained.

Development of the Property will only follow upon obtaining satisfactory exploration results. There can be no assurance that the Company's existing or future exploration programs will result in the discovery of commercially viable deposits. Further, there can be no assurance that even if an economic deposit of minerals is located, that it can be commercially mined. The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

The Company has limited experience in placing resource properties into production, and its ability to do so will be dependent upon using the services of appropriately experienced personnel or entering into agreements with other major resource companies that can provide such expertise. There can be no assurance that the Company will have available to it the necessary expertise when and if the Company places its resource properties into production.

Limited Business History

The Company has only recently commenced operations and has no operating earnings. The likelihood of success of the Company must be considered in light of the problems, expenses and difficulties, complications and delays frequently encountered in connection with the establishment of any business. The Company has limited financial resources and there is no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfil its obligations under applicable agreement. There can be no assurance that the Company 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 property interest of the Company with the possible dilution or loss of such interest. 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. There is no assurance that the Company can operate profitably or that it will successfully implement its plans.

No Established Market

There is currently no market for the securities offered by the Company and there can be no assurance that an active market will develop or be sustained after the Offering. The lack of an active public market could have a material adverse effect on the price of the Company's Common Shares. The price of the Common Shares and the Commission was established by negotiation between the Company and the Agent, and may not be indicative of fair market value or future market prices. The market price of a publicly-traded stock is affected by many variables not directly related to the corporate performance of the Company, including the market in which it is traded, the strength of the economy generally, the availability of the attractiveness of alternative investments, and the breadth of the public market for the stock. The effect of these and other factors on the market price of the Common Shares of the Company on the Exchange in the future cannot be predicted.

Operating Loss

The Company operates at a loss and there is no assurance that the Company will ever be profitable.

Mineral Exploration and Development

Resource exploration and development is a speculative business and involves a high degree of risk. The marketability of natural resources which may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. There is no assurance that, even if commercial quantities of mineral resources are discovered, a profitable market will exist for the sale of the same. There can be no assurance that mineral prices will be such that the Property can be mined at a profit. Factors beyond the control of the Company may affect the marketability of any minerals discovered. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. Currency fluctuations may affect the cash flow which the Company may realize from its operations since most mineral commodities are sold in a world market in US dollars. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

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

The Property includes mineral claims which have not been surveyed, and therefore, the precise location of the mineral claims may be in doubt.

Property Interests

The Company does not own all of the mineral rights pertaining to the Property. Rather, it holds an option to acquire up to 75% of the mineral rights. There is no guarantee the Company will be able to raise sufficient funding in the future to explore and develop the Property so as to maintain its interests therein. If the Company loses or abandons its interest in the Property, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the Exchange. There is also no guarantee that the Exchange will approve the acquisition of any additional properties by the Company, whether by way of option or otherwise, should the Company wish to acquire any additional properties.

Uncertainty of Estimates

There is a degree of uncertainty attributable to the calculation of reserves, resources and corresponding grades being dedicated to future production. Until reserves or resources are actually mined and processed, the quantity of reserves or resources and grades must be considered as estimates only. In addition, the quantity of reserves or resources may vary depending on metal prices. Any material change in the quantity of reserves, resource grade or stripping ratio may affect the economic viability of the Property. In addition, there can be no assurance that mineral recoveries in small scale laboratory tests will be duplicated in large tests under on-site conditions or during production.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. The value of the Common Shares distributed hereunder will be affected by such volatility.

Title of Property

While the Company has obtained the usual industry standard title report with respect to its Property, this should not be construed as a guarantee of title. The Property may be subject to prior unregistered agreements or transfers or alternative native claims and title may be affected by undetected defects.

Dependence on Management

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

Competition

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

Environmental Risks and Other Regulatory Requirements

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

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

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

Uninsured or Uninsurable Risks

Mining, like many other extractive natural resource industries, is subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products occurring as a result of mineral exploration and production. Environmental liability may result from mining activities conducted by others prior to the Company's ownership of its properties. To the extent the Company is subject to uninsured environmental liabilities, the payment of such liabilities would reduce funds otherwise available to the Company and could have a material adverse effect on the Company. Should the Company be unable to fund fully the cost of remedying an environmental problem, the Company might be required to suspend operations or enter into interim compliance measures.

Mining operations generally involve a high degree of risk. Hazards such as unusual or unexpected formations and other conditions are involved. The Company may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material adverse effect on the Company's financial position.

The Company does not have insurance to adequately protect itself against certain risks associated with mineral exploration. Even if it were to obtain insurance, the Company will remain at risk and will be potentially subject to liability for hazards which it cannot insure against or which it may elect not to insure against because of premium cost or other reasons.

Infrastructure

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

Factors Beyond the Company's Control

Location of mineral deposits depends upon a number of factors, not the least of which is the technical skill of the exploration personnel involved. The exploration and development of mineral properties and the marketability of any minerals contained in such properties will also be affected by numerous factors beyond the control of the Company. These factors include availability of adequate transportation and refining facilities and the imposition of new or amendments to existing taxes and royalties. The effect of these factors cannot be accurately predicted.

The Company is involved in uranium exploration, which is a highly speculative business and involves substantial risks, even when conducted on properties in regions known to host significant quantities of uranium.

There is intense competition to acquire and maintain exploration rights to uranium exploration properties. In this regard, the Company competes with other companies, many of which possess greater technical and financial resources than itself. Even if it acquires desirable properties, there can be no assurances that the Company will be able to successfully defend and maintain its mineral rights, or execute its budgeted exploration programs on its proposed schedules and within its cost estimates, whether due to weather conditions in the areas where it operates, changes in environmental regulations and other permitting restrictions, or other factors related to exploring in areas that typically lack infrastructure and where essential supplies and services may not be readily available.

Ultimately, even if uranium deposits are discovered by the Company, the economic benefits from the development of any potential projects may be affected by industry, government or regulatory factors beyond the capacity of the Company to anticipate and control.

While the Company will take all necessary precautions to prevent discharges of pollutants into the ground, water and the environment and even though the Company maintains appropriate liability insurance and property damage insurance in connection with its business, the Company may become subject to liability for hazards that cannot be insured against or against which the Company may choose not to insure because of high premium costs or for other reasons. Insurance against environmental risks is not generally available to the Company or to other companies in the mining industry. Should such liabilities arise, they could result in a decline in value of the securities of the Company.

The uranium industry, in common with many others, has been adversely impacted by the global credit crisis and resultant economic slowdown. These problems are making it difficult for companies in the junior mining sector to obtain financing. It is not known how long such conditions will persist.

None of the properties in which the Company has an interest contain mineral reserves at the present time. Ultimately, the economics of potential projects may be affected by many factors beyond the capacity of the Company to anticipate and control, such as the ability to market uranium under profitable conditions, government regulations relating to health, safety and the environment, the scale and scope of royalties and taxes on production.

The affects of global warming on Canada are expected to be significant, especially so in the northern latitudes. This, in association with existing weather risks, may influence exploration costs. For example, to the extent an increased portion of materials for exploration must be moved using air transport because ice roads are unreliable, costs will be significantly higher.

Commodity Prices

The price of the Company's securities, its financial results and exploration, development and mining activities have previously been, or may in the future be, significantly adversely affected by declines in the price of precious or base minerals. Precious or base minerals prices fluctuate widely and are affected by numerous factors beyond the Company's control such as the sale or purchase of precious or base metals by various dealers, central banks and financial institutions, interest rates, exchange rates, inflation or deflation, currency exchange fluctuation, global and regional supply and demand; production and consumption patterns. The price of precious or base metals has fluctuated widely in recent years, and future serious price declines could cause continued development of the Company's properties to be impracticable.

Further, reserve calculations and life-of-mine plans using significantly precious or base minerals prices could result in material write-downs of the Company's investment in mining properties and increased amortization, reclamation and closure charges.

In addition to adversely affecting reserve estimates and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.
The effect of these factors cannot be predicted.

Conflicts of Interest

Directors of the Company will not be devoting all of their time to the affairs of the Company. Certain of the directors of the Company serve as directors of other companies or have significant shareholdings in other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a Board of Directors meeting, a director who has such a conflict will abstain from voting for or against the approval of such a participation or such terms. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with the laws of the Province of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time. See "Conflict of Interest" above.

Dilution

The Offered Shares will be subject to a dilution of $0.147 per share (58.8%), calculated based on total gross proceeds to be raised by this prospectus and from the sales of securities prior to filing this prospectus, without deduction of commissions or related expenses incurred by the Company.

Uncertainty of Use of Proceeds

Although the Company has set out its intended use of proceeds from this Offering, the same are estimates only and subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such proceeds.

Stress in the Global Economy

Reduction in credit, combined with reduced economic activity and the fluctuations in the United States dollar, may adversely affect businesses and industries that purchase commodities, affecting commodity prices in more significant and unpredictable ways than the normal risks associated with commodity prices. The availability of services such as drilling contractors and geological service companies and/or the terms on which these services are provided may be adversely affected by the economic impact on the service providers. The adverse effects on the capital markets generally make the raising of capital by equity or debt financing much more difficult and the Company is dependent upon the capital markets to raise financing. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on the Company's business, operating results and financial condition.

Liquidity Concerns and Additional Funding Requirements

The purpose of the present Offering is to raise funds to carry out further exploration on the Company's Property with the ultimate objective of establishing ore reserves of commercial tonnage and grade. If the Company's exploration program is successful, additional funds will be required for the development of an economic ore body and to place it in commercial production (see "Whiskey Gap Property – Recommendations"). The only source of future funds presently available to the Company is through the sale of equity capital. The only alternative for the financing of further exploration would be the offering by the Company of an interest in its Property to be earned by another party or parties carrying out further exploration or development thereof, which is not presently contemplated. There is no assurance that such sources of financing will be available on acceptable terms, if at all.

PROMOTERS

The promoters of the Company are Mark Tommasi, the president, chief executive officer and a director of the Company, John Roozendaal, a director of the Company, Peter Wilson, a director of the Company, and Jason Walsh, the former Chief Financial Officer and Secretary of the Company. See "Directors and Executive Officers", "Management", "Executive Compensation" and "Cease Trade Orders, Bankruptcies, Penalties or Sanctions".

The following table provides (i) the number and percentage of each class of voting securities of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised by, and (ii) the number of options granted to each of Messrs. Tommasi, Roozendaal, Wilson and Walsh:

Name	Number of Voting Securities[1]	Percentage of Voting Securities[6]	Number of Options
Mark Tommasi	750,000[2]	11.02%	150,000
John Roozendaal	750,000[3]	11.02%	150,000
Peter Wilson	1,030,500[4]	15.14%	150,000
Jason Walsh	250,000[5]	3.67%	Nil

1. These shares are subject to escrow restrictions. See "Escrowed Securities".
2. All of the options and 250,000 of these shares are held by 622738 B.C. Ltd., a company wholly owned by Mark Tommasi. See "Executive Compensation".
3. All of the options and 250,000 of these shares are held by 667981 B.C. Ltd., a company wholly owned by John Roozendaal.
4. All of the options and 530,500 of these shares are held by Sterling Grant Capital Inc., a company wholly owned by Peter Wilson. Sterling Grant Capital Inc. also holds 180,500 warrants. The Warrants comprise 7.23% of the outstanding Warrants.
5. These shares are held by Bua Capital Management Ltd., a company partially owned by Jason Walsh.
6. Percentages are calculated prior to giving effect to the Offering.

In addition, Jason Walsh, a shareholder and the former Chief Financial Officer and Secretary of the Company, is the President and a director of 1177129 Alberta Limited, the Optionor of the Whiskey Gap Property as well as a director of International Ranger Corp. 1177129 Alberta Limited is a wholly owned subsidiary of International Ranger Corp. As of the date of this prospectus, the Company has issued an aggregate 300,000 Common Shares to 1177129 Alberta Limited pursuant to the terms of the Whiskey Gap Property Option Agreement and, in accordance with the terms of the Option Agreement, 1177129 Alberta Ltd. may receive up to an additional 1,800,000 Common Shares. See "The Business of the Company – The Whiskey Gap Property".

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is not a party to any legal proceedings or regulatory actions nor does the Company contemplate any such proceedings or regulatory actions.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed in this Prospectus, no director, executive officer, or person or company that beneficially owns directly or indirectly, or over which control or direction is exercised, more than 10% of the outstanding voting securities, or an associate or affiliate of any of those persons or companies, has or has had any material interest, directly or indirectly, in any transaction or in any proposed transaction which has materially affected or is reasonably expected to materially affect the Company, since the inception of the Company save and except as set out in "Business of the Company – The Whiskey Gap Property".

RELATIONSHIP BETWEEN THE COMPANY AND THE AGENT

The Company is neither a "connected issuer" or a "related issuer" of the Agent as defined in National Instrument 33-105 – *Underwriting Conflicts*. Employees of the Agent hold 500,000 Common Shares and 500,000 Warrants in the aggregate.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

The Registrar and Transfer Agent for the Company is Computershare Investor Services Inc., 3rd Floor – 510 Burrard Street, Vancouver, B.C.

The Auditor for the Company is MacKay LLP, Chartered Accountants, of 1100 – 1177 West Hastings Street, Vancouver, B.C. V6E 4T5.

MATERIAL CONTRACTS

There are no material contracts entered into by the Company and currently in effect other than as disclosed in this Prospectus as follows:

1. The Agency Agreement dated February 27, 2012 between the Company and Wolverton Securities Ltd. See "Plan of Distribution".

2. The Escrow Agreement dated October 14, 2010 between the Company, Computershare Investor Services Inc. and certain shareholders of the Company. See "Escrowed Securities".

3. The Option Agreement dated April 29, 2010 (as amended) between 1177129 Alberta Ltd. and the Company. See "Business of the Company".

4. Contract for Services dated June 1, 2011, as amended by an Amending Agreement dated September 1, 2011 and as amended January 1, 2012 between the Company and Bua Group Holdings Ltd. See "Executive Compensation".

5. Surface Agreement dated June 1, 2010 between the Company and Bra and Debbie Vey.

6. Surface Area Agreement dated June 1, 2010 between the Company and Mike Gruninger.

7. Transfer Agent Agreement with Computershare Investor Services Inc. dated July 1, 2010.

8. Stock Option Agreements with holding companies of directors and officers dated October 14, 2010.

9. Stock Option Agreement with Bua Group Holdings Ltd. dated December 31, 2011.

Material contracts may be inspected at the offices of Thomas, Rondeau LLP at Suite 300, 576 Seymour Street, Vancouver, British Columbia during normal business hours during the period of distribution of the securities being offered under this Prospectus and for a period of 30 days thereafter.

EXPERTS

Certain legal matters relating to the Offering will be passed upon by Thomas, Rondeau LLP, counsel to the Company, and by Getz Prince Wells LLP, counsel to the Agent. None of the partners or associates of Thomas, Rondeau LLP or Getz Prince Wells LLP own any Common Shares of the Company.

MacKay LLP, Chartered Accountants, have audited the Company's Financial Statements for the years ended July 31, 2011 and July 31, 2010 and the period from August 6, 2008 to July 31, 2009. MacKay LLP has confirmed they are independent in accordance with rules of professional conduct of the Institute of Chartered Accountants of British Columbia.

Glenn S. Hartley, P.Geol., B.Sc., Diploma (Exploration Technology), Consultant Geology, is the Company's "Qualified Person" as that term is defined in NI 43-101.

No person or company whose profession or business gives authority to a report, valuation, statement, or opinion and who is named as having prepared or certified a part of this Prospectus or as having prepared or certified a report or valuation described or included in this Prospectus holds or is to hold any beneficial or registered interest, direct or indirect, in any securities or property of the Company or any associate of the Company.

OTHER MATERIAL FACTS

There are no other material facts relating to the offering of securities under this Prospectus other than as disclosed herein.

LIST OF EXEMPTIONS

The Company applied for and received exemptive relief under Part 19 of National Instrument 41-101 General Prospectus Requirements from the requirement under section 2.3(1) of National Instrument 41-101 to file its prospectus 90 days from September 20, 2011, the date of receipt for its preliminary prospectus.

RIGHT OF WITHDRAWAL AND RESCISSION

Securities legislation in the provinces of British Columbia, Alberta and Ontario provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. The securities legislation further provides a purchaser with remedies for rescission or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

AUDITOR'S CONSENT

We have read the prospectus of Zadar Ventures Ltd. (the "Company") dated February 27, 2012 relating to the issue and sale of 2,200,000 common shares of the Company at $0.25 per common share. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above-mentioned prospectus of our report to the directors of the Company on the balance sheets of the Company as at July 31, 2011, 2010 and 2009, and the statements of operations, comprehensive loss and deficit, and cash flows for the periods ended July 31, 2011, 2010 and 2009. Our report is dated February 27, 2012**.**

Vancouver BC Canada	*"MacKay LLP"*
February 27, 2012	Chartered Accountants

Zadar Ventures Ltd.

(an Exploration Stage Enterprise)

Financial Statements

July 31, 2011, 2010 and 2009

Zadar Ventures Ltd.
(an Exploration Stage Enterprise)
Financial Statements

July 31, 2011, 2010 and 2009

CHARTERED
ACCOUNTANTS
MacKay LLP

1100 – 1177 West Hastings Street
Vancouver, BC V6E 4T5
Tel: (604) 687-4511
Fax: (604) 687-5805
Toll Free: 1-800-351-0426
www.mackay.ca

mackay.ca

Independent Auditor's Report

To the Shareholders of
Zadar Ventures Ltd.

We have audited the accompanying financial statements of Zadar Ventures Ltd., which comprise the balance sheets as at July 31, 2011, 2010, and 2009 and the statements of operations and deficit, and cash flows for the periods then ended, and a summary of significant accounting policies and other explanatory information.

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

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Zadar Ventures Ltd. as at July 31, 2011, 2010, and 2009 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Emphasis of matter
Without modifying our opinion, we draw attention to Note 1 to the financial statements which describes the material uncertainty that may cast significant doubt about the ability of Zadar Ventures Ltd. to continue as a going concern.

"MacKay LLP"

Chartered Accountants
Vancouver, British Columbia
February 27, 2012

Zadar Ventures Ltd.

(an Exploration Stage Enterprise)

Balance Sheets

As at July 31		**2011**		2010		2009
Assets						
Current						
Cash	**$**	**62,359**	$	11,418	$	29
Goods and services tax recoverable		**11,910**		3,743		-
Prepaid expenses		**1,200**		-		-
Due from related party (Note 7)		**2,400**		-		-
		77,869		15,161		29
Deferred financing costs (Note 8)		**22,000**		22,000		-
Mineral property costs (Note 3)		**162,056**		78,821		-
	$	**261,925**	$	115,982	$	29
Liabilities						
Current						
Accounts payable and accrued liabilities (Note 7)	**$**	**60,849**	$	24,364	$	-
Due to related parties (Note 7)		**-**		60,100		100
		60,849		84,464		100
Shareholders' Equity						
Share capital (Note 4)		**294,000**		11,000		1
Subscriptions received in advance		**-**		35,000		-
Subscriptions receivable		**(22,500)**		(2,501)		(1)
Deficit		**(70,424)**		(11,981)		(71)
		201,076		31,518		(71)
	$	**261,925**	$	115,982	$	29

Subsequent events (note 8)

On behalf of the board:

“Mark Tommasi”
___________________________, Director

“Peter Wilson”
___________________________, Director

Zadar Ventures Ltd.

(an Exploration Stage Enterprise)

Statements of Operations and Deficit

		Year Ended July 31 2011		Year Ended July 31 2010		Period from incorporation on August 6, 2008 to July 31 2009
Administrative expenses						
Accounting	**$**	**21,300**	$	-	$	-
Bank charges and interest		**468**		110		71
Legal		**982**		-		-
Management fees (note 7)		**30,000**		5,000		-
Office and administration (note 7)		**26,693**		2,800		-
Reports		**4,000**		4,000		-
		83,443		11,910		71
Loss before income taxes		**(83,443)**		(11,910)		(71)
Future income tax (recovery)		**(25,000)**		-		-
Net and comprehensive loss	**$**	**(58,443)**	$	(11,910)	$	(71)
Basic and diluted loss per share	**$**	**(0.01)**	$	(0.09)	$	(71.00)
Basic and diluted weighted average shares outstanding		**5,479,726**		132,055		1
Deficit, beginning of period	**$**	**(11,981)**	$	(71)	$	-
Net loss		**(58,443)**		(11,910)		(71)
Deficit, end of period	**$**	**(70,424)**	$	(11,981)	$	(71)

Zadar Ventures Ltd.

(an Exploration Stage Enterprise)

Statements of Cash Flows

	Year Ended July 31 2011	Year Ended July 31 2010	Period from incorporation on August 6, 2008 to July 31 2009
Cash flows from operating activities			
Net loss	$ (58,443)	$ (11,910)	$ (71)
Items not affecting cash			
Future income tax recovery	(25,000)	-	-
Changes in non-cash working capital			
Goods and services tax recoverable	(8,167)	(3,743)	-
Prepaid expenses	(1,200)	-	-
Accounts payable and accrued liabilities	42,882	9,059	-
	(49,928)	(6,594)	(71)
Cash flows from investing activities			
Mineral property costs	(76,632)	(62,516)	-
Cash flows from financing activities			
Proceeds from issuance of common stock	240,001	42,499	-
Deferred financing costs	-	(22,000)	-
Advances (to) from related parties	(62,500)	60,000	100
	177,501	80,499	100
Increase in cash	50,941	11,389	29
Cash at beginning of the period	11,418	29	-
Cash at end of the period	$ 62,359	$ 11,418	$ 29

Supplemental disclosure with respect to cash flows			
Interest paid	$ -	$ -	$ -
Income taxes paid	$ -	$ -	$ -
Non-cash investing and financing activities			
Shares issued for mineral property costs	$ 13,000	$ 1,000	$ -

1. Nature of operations

Zadar Ventures Ltd. ("Zadar" or the "Company") is incorporated under the Company Act of British Columbia and its principal activity is the exploration of mineral properties.

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles on a going concern basis, which presume the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Company's ability to continue as a going concern is dependent upon achieving profitable operations and upon obtaining additional financing. The outcome of these matters cannot be predicted at this time. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

The recoverability of amounts shown as mineral properties and deferred exploration costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete their development, and future profitable production or disposition thereof.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry norms for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property may be subject to unregistered prior agreements and noncompliance with regulatory requirements.

2. Significant accounting policies

(a) Mineral properties and exploration expenditures

Mineral properties consist of exploration and mining concessions, options and contracts. Acquisition and leasehold costs and exploration costs are capitalized and deferred until such time as the property is put into production or the properties are disposed of either through sale or abandonment. If put into production, the costs of acquisition and exploration will be written off over the life of the property, based on estimated economic reserves. Proceeds received from the sale of any interest in a property will first be credited against the carrying value of the property, with any excess included in operations for the period. If a property is abandoned, the property and deferred exploration costs will be written off to operations.

All deferred expenditures are reviewed by management, on a property by property basis, to consider whether there are any conditions that may indicate an impairment in value. When the carrying value exceeds the net recoverable amount as estimated by management, or the Company's ability to sell the property for an amount exceeding the deferred cost, a provision is made for the impairment in value. Recorded costs of mineral properties and deferred exploration expenditures are not intended to reflect present or future values of mineral properties.

2. Significant accounting policies *(continued)*

(b) Asset retirement obligations

The Company has adopted the standard for 'asset retirement obligations' as set out in the CICA Handbook section 3110. The standard requires the recognition and measurement of liabilities related to the legal obligation to abandon and reclaim property, plant and equipment upon acquisition, construction, development and/or normal use of the asset. The initial liability must be measured at fair value and subsequently adjusted for the accretion of discount and changes in the fair value. The asset retirement cost is capitalized as part of related long-lived asset and depleted into earnings over time.

(c) Loss per share

Basic loss per share is calculated by dividing the loss for the period by the weighted average number of shares outstanding. The Company uses the treasury stock method of calculating fully diluted loss per share amounts, whereby any proceeds from the exercise of stock options or other dilutive instruments are assumed to be used to purchase common shares at the average market price during the period. The assumed conversion of outstanding common share options and warrants has an anti-dilutive impact for the reported periods thus fully diluted loss per share is the same as basic loss per share.

(d) Financial instruments

Under Section 3251, Equity, Section 3855, Financial Instruments - Recognition and Measurement and Sections 3862 and 3863, Financial Instruments - Disclosure and Presentation, all financial instruments are classified into one of the following five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale assets or other financial liabilities. All financial instruments, including derivatives, are included on the balance sheet and are measured at fair market value upon inception with the exception of certain related party transactions. Subsequent measurement and recognition of change in the fair value of financial instruments depends on their initial classification. Held-for-trading financial instruments are measured at fair value and all gains and losses are included in operations in the period in which they arise. Available-for-sale financial assets are measured at fair value with revaluation gains and losses included in other comprehensive income until the asset is impaired or removed from the balance sheet. Loans and receivables, held-to-maturity investments and other financial liabilities are measured at amortized cost using the effective interest method. Gains and losses upon inception, de-recognition, impairment write-downs and foreign exchange translation adjustments are recognized immediately. Transaction costs related to financial instruments will be expensed in the period incurred.

The Company has designated its cash as held-for-trading, which is measured at fair value. Accounts payable and accrued liabilities and due to related parties are classified as other financial liabilities, which are measured at amortized cost.

2. Significant accounting policies *(continued)*

(e) Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. By their nature, the investment in mineral properties and deferred costs, asset retirement obligations and future income tax valuation allowances are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

(f) Income taxes

Income taxes are accounted for using the future income tax method. Under this method income taxes are recognized for the estimated income taxes payable for the current year and future income taxes are recognized for temporary differences between the tax and accounting bases of assets and liabilities and for the benefit of losses available to be carried forward for tax purposes that are more likely than not to be realized. Future income tax assets and liabilities are measured using tax rates expected to apply in the years in which the temporary differences are expected to be recovered or settled.

(g) Stock based compensation

The Company accounts for stock options granted to directors, officers, employees and nonemployees using the fair value method of accounting. Accordingly, the fair value of the options at the date of the grant is determined using the Black-Scholes option pricing model and stock-based compensation is accrued and charged to operations, with an offsetting credit to contributed surplus, on a straight-line basis over the vesting periods. The fair value of stock options granted to non-employees is remeasured at the earlier of each financial reporting or vesting date, and any adjustment is charged or credited to operations upon remeasurement. If and when the stock options are exercised, the applicable amounts of contributed surplus are transferred to share capital. The Company has not incorporated an estimated forfeiture rate for stock options that will not vest; rather the Company accounts for actual forfeitures as they occur.

(h) Flow through shares

All flow-through shares issued by the Company are accounted for in accordance with Emerging Issues Committee (“EIC”) Abstract 146. The Abstract recommends that upon renunciation to the shareholders, the Company will reduce share capital and record a temporary future income tax liability for the amount of the tax deduction renounced to shareholders. In instances where the Company has sufficient deductible temporary differences available to offset the renounced tax deductions, the realization of the deductible temporary differences will be credited to income in the period of renunciation.

2. Significant accounting policies *(continued)*

(i) Impairment of long-lived assets

The Company accounts for the impairment of mineral property assets in accordance with EIC Abstract 174 “Mining Exploration Costs”, which provides guidance on capitalization of exploration costs related to mineral properties. It also provides guidance for development and exploration stage entities that cannot estimate future cash flows from its properties in assessing whether impairment in such properties is required. EIC-174 also provides additional discussion on recognition for long lived assets.

(j) Valuation of warrants

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, was allocated to the attached warrants.

(k) International financial reporting standards (“IFRS”)

In 2006, the Canadian Accounting Standards Board (“AcSB”) published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada’s own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of August 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended July 31, 2011. While the Company has begun assessing the adoption of IFRS for 2012, the financial reporting impact of the transition to IFRS has not been estimated at this time.

3. Mineral property

The Company entered into an option agreement with 1177129 Alberta Ltd., (the "Optionor"), a company controlled by a company having an officer in common with Zadar, in April 2010, subsequently amended May 30, 2011, to acquire up to a 75% interest in certain mineral interests located in Alberta, known as the Whiskey Gap Project.

To earn a 60% interest, the Company at its option, must make total cash payments of $100,000 ($28,000 paid), issue 1,100,000 shares of the Company (300,000 shares issued), and incur exploration expenditures of $450,000 by various dates over a period ending on September 30, 2012.

To earn an additional 15% interest, the Company at its option must issue an additional 1,000,000 shares and incur an additional $500,000 in exploration expenditures on or before September 30, 2013.

Upon earning either a 60% or 75% interest, the Company and the Optionor will form a joint venture with standard dilution clauses.

Details of mineral property costs for the year ended July 31, 2011 are as follows:

	Acquisition Costs 2011	**Exploration Costs 2011**	**Total 2011**	Total 2010
Whisky Gap Project				
Acquisition costs - cash	$ 22,000	$ -	$ 22,000	$ 6,000
Acquisition costs - shares	13,000	-	13,000	1,000
Assaying	-	5,000	5,000	-
Drilling	-	1,217	1,217	49,085
Geophysics	-	-	-	4,800
Reports	-	12,100	12,100	-
Surface access	-	22,000	22,000	10,840
Geological consulting	-	3,600	3,600	6,450
Travel and living costs	-	4,318	4,318	646
Mineral property costs for the year	35,000	48,235	83,235	78,821
Balance, beginning of year	7,000	71,821	78,821	-
Balance, end of year	$ 42,000	$ 120,056	$ 162,056	$ 78,821

4. Share capital

a) Details of shares issued are as follows:

	Shares		Amount
Authorized:			
100,000,000 common shares without par value			
Issued and outstanding:			
Balance, July 31, 2009	1	$	1
Founder share cancelled	(1)		(1)
Issued for cash	1,000,000		10,000
Issued for property	100,000		1,000
Balance, July 31, 2010	1,100,000		11,000
Issued for cash	5,000,000		295,000
Issued for property	200,000		13,000
Tax benefit renounced on flow through shares	-		(25,000)
Balance, July 31, 2011	6,300,000	$	294,000

On May 10, 2010, the Company issued 100,000 shares of common stock valued at $1,000 pursuant to an option agreement (Note 3).

On June 21, 2010, the Company completed a private placement of 1,000,000 shares of common stock for gross proceeds of $10,000, to companies controlled by directors and officers of the Company.

On August 16, 2010, the Company completed a private placement of 2,000,000 flow-through common shares for aggregate proceeds of $100,000.

On October 10, 2010, the Company completed a private placement of 3,000,000 units for aggregate proceeds of $195,000, with each unit comprising one common share and one share purchase warrant, entitling the holder thereof to acquire one common share of the Company at a price of $0.10 until October 10, 2013.

On April 29, 2011, the Company issued 200,00 shares of common stock valued at $13,000 pursuant to an option agreement (Note 3).

4. Share capital *(continued)*

b) Share purchase options

The Company has an incentive stock option plan (the “Plan”), whereby the Company may grant stock options to directors, officers, employees or consultants. Under the Plan, options are exercisable up to a maximum of 10 years as determined by the Board of Directors and are required to have an exercise price no less than the closing market price of the Company's shares on the trading day immediately preceeding the day on which the Company announces the grant of options. The Plan provides for the issuance of up to 10% of the Company’s issued common shares at the date of the grant.

	Number of options	Weighted average exercise price $
Options outstanding at July 31, 2010	-	-
Granted	450,000	0.25
Options outstanding at July 31, 2011	450,000	0.25
Options exercisable at July 31, 2011	-	-

On October 14, 2010, the Company granted to employees, consultants, directors and officers of the Company options to purchase up to 600,000 common shares of the Company at an exercise price of $0.25 per share. The options are exercisable for a period of five years commencing on the date that the Company’s stock is listed on the TSX Venture Exchange.

The fair value of the stock options is estimated to be $15,750 using the Black-Scholes option pricing model, with the following assumptions:

Expected dividend yield	0.00%
Exected stock price volatility	100.00%
Risk-free interest rate	1.41%
Expected life of options	5 years

Option pricing models require the input of highly subjective assumptions, particularly the expected stock price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company’s stock options.

c) Warrants

At July 31, 2011 the Company had 3,000,000 warrants outstanding exercisable at $0.10 until October 10, 2013.

5. Financial instruments and risk management

Capital management

The Company manages its capital to ensure it will be able to continue as a going concern largely through equity financing. These stock issues depend on numerous factors including a positive mineral exploration environment, positive stock market conditions, a company's track record, and the experience of management. The capital structure of the Company consists of shareholder's equity and deficit. The Company is not exposed to externally imposed capital requirements.

Credit risk

Credit risk refers to the risk that another entity will default on its contractual obligations resulting in financial loss to the Company. The Company's only significant financial asset is cash which is on deposit at a high credit-worthy financial institution.

Market risk

Market risk includes currency risk, interest rate risk and price risk. The Company's activities expose it primarily to the financial risks of changes in the price of resources. The Company does not currently hold any financial instruments that mitigate this risk.

Liquidity risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations when they become due, or can only do so at excessive cost. The Company expects to satisfy obligations under accounts payable and accrued liabilities. Management intends to continue to finance its activities by raising funds by private equity investments. Even if it has succeeded in financing its activities in the past, management cannot comment on the success of its future fund raising and believes that liquidity risk is high.

6. Income taxes

July 31,		2011		2010		2009
Basic statutory income tax rate		27.33%		29.13%		30.21%
Income (loss) before income taxes	$	(83,443)	$	(11,910)	$	(71)
Expected income tax (recovery) expense	$	(22,805)	$	(3,469)	$	(21)
Effect of changes in tax rates		1,944		492		3
Change in valuation allowance		4,139		2,977		18
Net income tax (recovery) expense	$	(25,000)	$	-	$	-

July 31,		2011		2010		2009
Future income tax assets (liabilities)						
Non capital losses carried forward	$	23,856	$	2,995	$	18
Mineral property costs		(25,000)		-		-
Less valuation allowance		1,144		(2,995)		(18)
Future income tax asset (liability	$	-	$	-	$	-

As of July 31, 2011, the Company has accumulated non-capital losses for Canadian income tax purposes of approximately $95,000 that may be carried forward to reduce taxable income in future years. If not used, these losses will expire commencing in 2030.

As of July 31, 2011, the Company has incurred $62,000 of resource related expenditures that may be carried forward indefinitely and used to reduce prescribed taxable income in future years.

7. Related party transactions

Management fees of $30,000 (2010 - $5,000) and office and administration fees of $26,135 (2010 - $2,800) were paid or accrued to companies controlled by directors or officers of the Company for services provided during the year ended July 31, 2011. These amounts have been recorded at the exchange amount being the compensation agreed to by the parties.

Accounts payable and accrued liabilities as of July 31, 2011 include $35,641 (2010 - $8,293) owing to companies controlled by directors or officers of the Company for services rendered.

As of July 31, 2011, the Company has advanced $2,400 to a company controlled by an officer of the Company. The advance is unsecured, non-interest bearing and is due on demand.

Amounts due to related parties as of July 31, 2010 and 2009 comprise advances from directors and officers which were repaid by the Company during the year ended July 31, 2011.

8. Subsequent events

a) The Company is in the process of filing a prospectus with the British Columbia, Alberta and Ontario Securities Commissions offering 2,200,000 common shares of the Company at $0.25 per share as an initial public offering (the "Offering"). Pursuant to a letter of engagement agreement with Wolverton Securities Ltd. (the "Agent"), the Agent will receive a marketing commission of 7% of the gross proceeds of the Offering payable in cash or common shares or any combination thereof, be paid a corporate finance fee of $25,000 plus applicable taxes, of which $10,000 has been advanced as a non-refundable due diligence fee, with the remaining $15,000 to be paid in cash, common shares or any combination thereof, and be granted an option to acquire common shares in an amount equal to 8% of the number of shares sold under the Offering, at an exercise price of $0.25 per common share for a period of 36 months from the date of listing of the common shares on the TSX Venture Exchange. The Agent will also be reimbursed for its expenses resulting from the Offering. The Company has granted the Agent an additional option to solicit and accept subscriptions of up to 15% of the offered securities, being 330,000 common shares, commissions would be the same.

b) On September 1, 2011, the Company granted to employees, consultants, directors and officers of the Company options to purchase up to 150,000 common shares of the Company at an exercise price of $0.25 per share. The options are exercisable for a period of five years commencing on the date that the Company's stock is listed on the TSX Venture Exchange.

c) Subsequent to year end the Company has issued 505,000 common shares pursuant to exercise of warrants for aggregate proceeds of $50,500.

Zadar Ventures Ltd.

(an Exploration Stage Enterprise)

Interim Financial Statements

Three Months Ended October 31, 2011

Zadar Ventures Ltd.
(an Exploration Stage Enterprise)
Interim Financial Statements

Three Months Ended October 31, 2011

Zadar Ventures Ltd.

(an Exploration Stage Enterprise)

Interim Statements of Financial Position

(Unaudited – Prepared by Management)

	Note		**October 31 2011**		July 31 2011		August 1 2010
Assets							
Current							
Cash		**$**	**51,347**	$	62,359	$	11,418
Goods and services tax recoverable			**18,955**		11,910		3,743
Prepaid expenses			**1,200**		1,200		-
Due from related party	7		**2,400**		2,400		-
			73,902		77,869		15,161
Deferred financing costs	9		**22,000**		22,000		22,000
Mineral property costs	4		**162,056**		162,056		78,821
		$	**257,958**	$	261,925	$	115,982
Liabilities							
Current							
Accounts payable and accrued liabilities	7	**$**	**77,637**	$	60,849	$	24,364
Due to related parties	7		**-**		-		60,100
			77,637		60,849		84,464
Shareholders' Equity							
Share capital	5		**354,000**		319,000		11,000
Subscriptions received in advance			**-**		-		35,000
Subscriptions receivable			**(22,500)**		(22,500)		(2,501)
Deficit			**(151,179)**		(95,424)		(11,981)
			180,321		201,076		31,518
		$	**257,958**	$	261,925	$	115,982

Subsequent events (note 9)

On behalf of the board:

"Mark Tommasi"
___________________________, Director

"Peter Wilson"
___________________________, Director

Zadar Ventures Ltd.

(an Exploration Stage Enterprise)

Interim Statements of Operations and Deficit

(Unaudited – Prepared by Management)

	Three Months Ended October 31	
	2011	2010
Administrative expenses		
Accounting and audit	**$ 7,260**	$ -
Bank charges and interest	**46**	319
Legal	**10,000**	-
Listing and filing fees	**22,474**	-
Management fees	**7,500**	7,500
Office and sundry	**8,475**	4,408
	55,755	12,227
Net loss and comprehensive loss	**$ (55,755)**	$ (12,227)
Basic and diluted loss per share	**$ (0.01)**	$ (0.00)
Basic and diluted weighted average shares outstanding	**6,314,674**	3,336,957

Zadar Ventures Ltd.
(an Exploration Stage Enterprise)
Interim Statement of Changes in Equity
(Unaudited – Prepared by Management)

	Shares of common stock	Share capital	Subscriptions received in advance	Subscriptions receivable	Contributed surplus	Deficit	Total
August 1, 2010	**1,100,000**	**$ 11,000**	**$ 35,000**	**$ (2,501)**	**$ -**	**$ (11,981)**	**$ 31,518**
Issued for cash	5,000,000	295,000	(35,000)	(19,999)	-	-	240,001
Issued for property	200,000	13,000	-	-	-	-	13,000
Net loss	-	-	-	-	-	(83,443)	(83,443)
July 31, 2011	**6,300,000**	**319,000**	**-**	**(22,500)**	**-**	**(95,424)**	**201,076**
Issued for exercise of warrants	350,000	35,000	-	-	-	-	35,000
Net loss	-	-	-	-	-	(55,755)	(55,755)
October 31, 2011	**6,650,000**	**$ 354,000**	**$ -**	**$ (22,500)**	**$ -**	**$ (151,179)**	**$ 180,321**

Zadar Ventures Ltd.

(an Exploration Stage Enterprise)

Interim Statements of Cash Flows

(Unaudited – Prepared by Management)

	Three Months Ended October 31	
	2011	2010
Cash flows from operating activities		
Net loss	**$ (55,755)**	$ (12,227)
Changes in non-cash working capital		
Goods and services tax recoverable	**(7,045)**	(3,392)
Prepaid expenses	**-**	1,405
Accounts payable and accrued liabilities	**16,788**	(7,419)
	(46,012)	(21,633)
Cash flows from investing activities		
Mineral property costs	**-**	(73,683)
Cash flows from financing activities		
Proceeds from issuance of common stock	**35,000**	121,225
Proceeds from issuance of warrants	**-**	77,775
Repayment of advances from related parties	**-**	(47,500)
	35,000	151,500
(Decrease) Increase in cash	**(11,012)**	56,184
Cash at beginning of the period	**62,359**	11,418
Cash at end of the period	**$ 51,347**	$ 67,602
Supplemental disclosure with respect to cash flows		
Interest paid	**$ -**	$ -
Income taxes paid	**$ -**	$ -

1. Nature of operations

Zadar Ventures Ltd. ("Zadar" or the "Company") was incorporated on August 6, 2008 under the Business Corporations Act of British Columbia and its principal activity is the exploration of mineral properties.

2. Basis of Preparation and First Time Adoption of IFRS

We prepare our financial statements in accordance with Canadian generally accepted accounting principles as set out in the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook"). In 2010, the CICA Handbook was revised to incorporate International Financial Reporting Standards ("IFRS"), and require publicly accountable enterprises to apply such standards effective for years beginning on or after January 1, 2011. Accordingly, we have commenced reporting on this basis in the interim financial statements. In these financial statements, the term "Canadian GAAP" refers to Canadian GAAP before the adoption of IFRS.

The interim condensed financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting ("IAS 34") and IFRS 1, First-Time Adoption of International Financial Reporting Standards ("IFRS 1"). We have consistently applied the same accounting policies in our opening IFRS balance sheet as at August 1, 2010 and throughout all periods presented, as if these policies had always been in effect. Note 8 discloses the impact of the transition to IFRS on our reported statement of financial position, comprehensive loss and cash flows, including the nature and effect of significant changes in accounting policies from those used in our financial statements for the year ended July 31, 2011.

The policies applied in the interim financial statements are presented in Note 3 and are based on IFRS issued and outstanding as of February 9, 2012, the date the Board of Directors approved the financial statements. Any subsequent changes to IFRS that are given effect in our annual financial statements for the year ending July 31, 2012 could result in restatement of the interim financial statements, including the transition adjustments recognized on change-over to IFRS.

Going concern of operations

These interim financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since its inception and the ability of the Company to continue as going-concern depends on its ability to raise adequate financing and to develop profitable operations.

Management is actively targeting sources of additional financing. As the Company is in the exploration and evaluation stage, the Company has not identified a known body of commercial grade mineral on any of its properties. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company identifying a commercial mineral body, to finance its development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the property.

3. Significant Accounting Policies

(a) Significant Accounting Estimates and Judgments

The preparation of the interim consolidated financial statements, in conformity with IAS 34 and IFRS 1, requires estimates and assumptions that affect the amounts reported in the consolidated financial statements. Significant areas where judgment is applied include the carrying value and recoverability of mineral property costs, inputs used in accounting for share-based compensation and provisions for site restoration. Actual results could differ from our estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

(b) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits in banks and highly liquid investments with an original maturity of 90 days or less.

(c) Exploration costs

Pre-exploration costs or property investigation costs are expensed in the period in which they are incurred. Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation of mineral properties are capitalized by property. Costs not directly attributable to exploration and evaluation activities, including general and administrative overhead costs, are expensed in the period in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to income or loss.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as “mines under construction”. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

Ownership in mineral properties involves certain inherent risks due to the difficulties of determining and obtaining clear title to claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristics of many mineral properties. The Company has investigated ownership of its mineral properties and, to the best of its knowledge, ownership of its interests are in good standing.

3. Significant Accounting Policies *(continued)*

(d) Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At initial recognition, the Company classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired:

(i) Financial assets and liabilities at fair value through profit or loss: A financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short-term. The Company has classified cash in this category.

(ii) Available-for-sale investments: Available-for-sale investments are non-derivatives that are either designated in this category or not classified in any of the other categories. The Company does not hold any available-for-sale assets.

(iii) Held-to-Maturity investments: Held-to-maturity investments are non-derivatives that are designated in this category where the Company's intent is to hold the investment to maturity.

Held-to-maturity investments are initially measured at fair value including transaction costs, and subsequently carried at amortized cost. The Company does not hold any held-to-maturity assets.

(iv) Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's loans and receivables comprise amounts due from related parties, and are included in current assets due to their short-term nature. Loans and receivables are initially recognized at the amount expected to be received, less, when material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment.

(v) Financial liabilities at amortized cost: Financial instruments held by the Company and classified in this category include trade payables, accrued liabilities and due to related parties. Other financial liabilities are initially recognized at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, they are measured at amortized cost using the effective interest method.

(vi) Derivative financial instruments: Derivative instruments, including embedded derivatives, are recorded at fair value through profit or loss and accordingly are recorded on the balance sheet at fair value. Unrealized gains and losses on derivatives held for trading are recorded as part of other gains (losses) in earnings. Fair values for derivative instruments are determined using valuation techniques, using assumptions based on market conditions existing at the balance sheet date. Derivatives embedded in non-derivative contracts are recognized separately unless they are closely related to the host contract. The Company does not hold any derivative instruments.

3. Significant Accounting Policies *(continued)*

(e) Flow-through Shares

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the liability and the premium is recognized as other income.

(f) Share-based Compensation

The Company accounts for stock options granted to directors, officers, employees and nonemployees at fair value. Accordingly, the fair value of the options at the date of the grant is determined using the Black-Scholes option pricing model and stock-based compensation is accrued and charged to operations, with an offsetting credit to share-based payment reserve, over the vesting periods. The fair value of stock options granted to non-employees is re-measured at the earlier of each financial reporting or vesting date, and any adjustment is charged or credited to operations upon re-measurement.

The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

If and when the stock options are exercised, the applicable amounts of contributed surplus are transferred to share capital. Charges for options that are forfeited before vesting are reversed from Contributed Surplus.

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

(g) Loss per Share

Basic loss per share is calculated by dividing the loss for the period by the weighted average number of shares outstanding. The Company uses the treasury stock method of calculating fully diluted loss per share amounts, whereby any proceeds from the exercise of stock options or other dilutive instruments are assumed to be used to purchase common shares at the average market price during the period. The assumed conversion of outstanding common share options and warrants has an anti-dilutive impact for the reported periods thus fully diluted loss per share is the same as basic loss per share.

3. Significant Accounting Policies *(continued)*

(h) Income Taxes

Income tax comprises current and deferred tax. Income tax is recognized in the statement of loss except to the extent that it relates to items recognized directly in equity, in which case the income tax is also recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred income tax assets and liabilities are presented as non-current.

4. Mineral property

The Company entered into an option agreement with 1177129 Alberta Ltd., (the “Optionor”), a company controlled by a company having an officer in common with Zadar, in April 2010, subsequently amended May 30, 2011, to acquire up to a 75% interest in certain mineral interests located in Alberta, known as the Whiskey Gap Project.

To earn a 60% interest, the Company at its option, must make total cash payments of $100,000 ($28,000 paid), issue 1,100,000 shares of the Company (300,000 shares issued), and incur exploration expenditures of $450,000 by various dates over a period ending on September 30, 2012.

To earn an additional 15% interest, the Company at its option must issue an additional 1,000,000 shares and incur an additional $500,000 in exploration expenditures on or before September 30, 2013.

Upon earning either a 60% or 75% interest, the Company and the Optionor will form a joint venture with standard dilution clauses.

Details of mineral property costs for the period ended October 31, 2011 are as follows:

4. **Mineral property** (continued)

		Acquisition Costs		Exploration Costs		Total
Whisky Gap Project						
Acquisition costs - cash	$	-	$	-	$	-
Acquisition costs - shares		-		-		-
Assaying		-		-		-
Drilling		-		-		-
Geophysics		-		-		-
Reports		-		-		-
Surface access		-		-		-
Geological consulting		-		-		-
Travel and living costs		-		-		-
Mineral property costs for the period		-		-		-
Balance, beginning of period		42,000		120,056		162,056
Balance, end of period	$	42,000	$	120,056	$	162,056

5. **Capital**

(a) Authorized share capital

100,000,000 common shares without par value

(b) Share purchase options

The Company has an incentive stock option plan (the “Plan”), whereby the Company may grant stock options to directors, officers, employees or consultants. Under the Plan, options are exercisable up to a maximum of 10 years as determined by the Board of Directors and are required to have an exercise price no less than the closing market price of the Company's shares on the trading day immediately preceeding the day on which the Company announces the grant of options. The Plan provides for the issuance of up to 10% of the Company’s issued common shares at the date of the grant.

	Number of options	Weighted average exercise price $
Options outstanding at July 31, 2011	450,000	-
Granted	150,000	0.25
Options outstanding at October 31, 2011	600,000	0.25

5. Capital *(continued)*

(b) Share purchase options *(continued)*

On October 14, 2010, the Company granted to employees, consultants, directors and officers of the Company options to purchase up to 450,000 common shares of the Company at an exercise price of $0.25 per share. On September 1, 2011 the Company granted an additional 150,000 options with the same terms. The options are exercisable for a period of five years commencing on the date that the Company's stock is listed on the TSX Venture Exchange.

The fair value of the stock options was estimated to be $10,795 using the Black-Scholes option pricing model, with the following assumptions:

Expected dividend yield	0.00%
Exected stock price volatility	100.00%
Risk-free interest rate	1.41%
Expected life of options	5 years

Option pricing models require the input of highly subjective assumptions, particularly the expected stock price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

(c) Share purchase warrants

As of October 31, 2011, the Company has 2,650,000 share purchase warrants outstanding, which are exercisable at a price of $0.10 per share and which expire on October 10, 2013.

6. Financial instruments and risk management

Fair Values

The fair values of the Company's cash, due from related party, accounts payable and accrued liabilities are estimated to approximate their carrying values due to the immediate or short-term maturity of theses financial instruments.

Credit risk

Credit risk refers to the risk that another entity will default on its contractual obligations resulting in financial loss to the Company. The Company's only significant financial asset is cash which is on deposit at a high credit-worthy financial institution.

Market risk

Market risk includes currency risk, interest rate risk and price risk. The Company's activities expose it primarily to the financial risks of changes in the price of resources. The Company does not currently hold any financial instruments that mitigate this risk.

6. **Financial instruments and risk management** *(continued)*

Liquidity risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations when they become due, or can only do so at excessive cost. The Company expects to satisfy obligations under accounts payable and accrued liabilities. Management intends to continue to finance its activities by raising funds by private equity investments. Even if it has succeeded in financing its activities in the past, management cannot comment on the success of its future fund raising and believes that liquidity risk is high.

7. Related party transactions

During the three months ended October 31, 2011, management and administration fees of $7,500 (2010 - $7,500) and office administration fees of $8,475 (2010 - $4,200) were paid or accrued to companies controlled by directors or officers of the Company for services provided. These amounts have been recorded at the exchange amount being the compensation agreed to by the parties.

Accounts payable and accrued liabilities as of October 31, 2011 include $43,681 (July 31, 2011 – $35,641) owing to companies controlled by officers of the Company for services rendered.

As of October 31, 2011, the Company has advanced $2,400 to a company controlled by an officer of the Company. The advance is unsecured, non-interest bearing and is due on demand.

8. First Time Adoption of IFRS

Under IFRS 1 – First Time Adoption of International Financial Reporting Standards, the Company is required to reconcile equity, comprehensive income (loss) and cash flows for prior periods.

The change to comprehensive loss outlined below has resulted in the reclassifications of certain amounts in the statements of changes in equity and cash flows. However, as there has been no impact on total equity or on net cash flows, no reconciliation of the statements of changes in equity and of cash flows have been provided.

Reconciliation of Comprehensive Loss

		Year ended July 31 2011
Comprehensive loss under GAAP	**$**	**58,443**
Future income tax recovery - flow through shares		**25,000**
Comprehensive loss under IFRS	**$**	**83,443**

8. First Time Adoption of IFRS *(continued)*

Under Canadian GAAP, the proceeds from the issuance of flow-through shares were recognized in share capital less the tax effects of the renunciation. Under IFRS, upon issuance of flow-through shares, the Company records the value of the flow-through shares issued, less an estimated premium that the investor paid for the flow-through feature to be recognized as a liability. Any estimated premium would be recorded as other income and the related deferred tax recognized as a tax provision.

The Company determined that no premium existed for the flow-through feature upon issuance of the flow-through shares on August 16, 2010; therefore a future income tax recovery of $25,000 for the year ended July 31, 2011 has been reversed in its entirety. This results in an increase to comprehensive loss and deficit of $25,000 and a corresponding increase to share capital.

9. Subsequent Events

a) The Company is in the process of filing a prospectus with the British Columbia, Alberta and Ontario Securities Commissions offering 2,200,000 common shares of the Company at $0.25 per share as an initial public offering (the “Offering”). Pursuant to a letter of engagement agreement with Wolverton Securities Ltd. (the “Agent”), the Agent will receive a marketing commission of 7% of the gross proceeds of the Offering payable in cash or common shares or any combination thereof, be paid a corporate finance fee of $25,000 plus applicable taxes, of which $10,000 has been advanced as a non-refundable due diligence fee, with the remaining $15,000 to be paid in cash, common shares or any combination thereof, and be granted an option to acquire common shares in an amount equal to 8% of the number of shares sold under the Offering, at an exercise price of $0.25 per common share for a period of 36 months from the date of listing of the common shares on the TSX Venture Exchange. The Agent will also be reimbursed for its expenses resulting from the Offering. The Company has granted the Agent an additional option to solicit and accept subscriptions of up to 15% of the offered securities, being 330,000 common shares, commissions would be the same.

b) Subsequent to October 31, 2011 the Company has issued 155,000 common shares pursuant to exercise of warrants for aggregate proceeds of $15,500.

SCHEDULE A - AUDIT AND FINANCE COMMITTEE CHARTER

Organization

There shall be a committee of the board of directors (the "Board") of Zadar Ventures Ltd. ("Zadar") known as the Audit and Finance Committee (the "Committee"). This charter shall govern the operations of the Committee.

Membership and Qualifications

The membership of the Committee shall be appointed by the Board and shall consist of at least three directors, the majority of whom will be non-officers (the "Independent Directors").

Each independent member of the Committee shall be, while at all times a member of the Committee, free of any relationship that, in the opinion of the Board, would interfere with the member's individual exercise of independent judgment.

Each member of the Committee shall be, while at all times a member of the Committee, generally knowledgeable in financial and auditing matters, specifically possessing the ability to read and understand fundamental financial statements including Zadar's balance sheet, statement of operations and statement of cash flows.

The Board shall appoint one member of the Committee as chair. The chair shall be responsible for leadership of the Committee, including preparing the agenda, presiding over the meetings, making committee assignments and reporting to the Board. The chair will also maintain regular liaison with Zadar's Chief Executive Officer, Chief Financial Officer and lead independent audit partner.

Role

The Committee assists the Board in fulfilling its responsibility for oversight of the quality and integrity of the accounting, auditing, reporting practices, systems of internal accounting and financial controls, the annual independent audit of Zadar's financial statements, and the legal compliance and ethics programs of Zadar as established by management and the Board shall also perform any other related duties as directed by the Board. In fulfilling this role, the Committee is expected to maintain free and open communications with the independent auditor and management of Zadar and shall meet at least once each quarter.

While the Committee has the responsibilities and powers set forth below in this charter under the headings "Authority" and "Responsibilities and Processes", it is not the duty of the Committee to conduct audits or to determine that Zadar's financial statements are fairly presented and are in accordance with generally accepted accounting principles. Management is responsible for the preparation of financial statements in accordance with generally accepted accounting principles. It is the role of the independent auditor to audit the financial statements.

Authority

The Committee is granted the authority to investigate any matter brought to its attention, with full access to all books, records, facilities and personnel of Zadar. The Committee has the power to engage and determine funding for outside counsel or other experts or advisors as the Committee deems necessary for these purposes and as otherwise necessary or appropriate to carry out its duties. Zadar shall provide appropriate funding, as determined by the Committee, for payment of compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for Zadar and for any advisors employed by the Committee as well as for the payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out it duties.

Responsibilities and Processes

The Committee's primary responsibilities include:

- Overseeing Zadar's financial reporting process on behalf of the Board and reporting the results or findings of its oversight activities to the Board.

- Having sole authority to appoint, retain and oversee the work of Zadar's independent auditor and establishing the compensation to be paid to the independent auditor. Zadar's independent auditor shall report directly to the Committee.

- Establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls and/or auditing matters for the confidential, anonymous submission by Zadar's employees of concerns regarding questionable accounting or auditing matters.

- Pre-approving all audit services and permissible non-audit services as may be amended from time to time.

- Overseeing Zadar's system to monitor and manage risk, and legal and ethical compliance programs, including the establishment and administration (including the grant of any waiver from) a written code of ethics applicable to each of Zadar's principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions.

The Committee, in carrying out its responsibilities, believes its policies and procedures should remain flexible in order to react more effectively to changing conditions and circumstances. The Committee shall take the appropriate actions to set the overall corporate "tone" for quality financial reporting, sound business risk practices and ethical behaviour.

The following shall be the principal recurring processes of the Committee relating to its oversight responsibilities. These processes are set forth as a guide, with the understanding that the Committee may supplement them as appropriate and is not intended be a comprehensive list of all the actions that the Committee will take in discharging its duties. These processes are:

- Discussing with the independent auditor the objectivity and independence of the auditor and any relationships that may impact the auditor's objectivity or independence and receiving from the independent auditor disclosures regarding its independence and written affirmation that the independent auditor is in fact independent, and taking any action, or recommending that the Board take appropriate action to oversee the independence of the independent auditor.

- Overseeing the independent auditor relationship by discussing with the auditor the nature and scope of the audit process, receiving and reviewing audit reports, and providing the auditor full access to the Committee to report on any and all appropriate matters. The Committee has the sole authority to resolve disagreements, if any, between management and the independent auditor.

- Discussing with the independent auditor and Zadar's financial and accounting personnel, together and in separate sessions, the adequacy and effectiveness of the accounting and financial controls of Zadar and eliciting recommendations for the improvement of such internal control procedures or particular areas where new or more detailed controls or procedures may be desirable.

- Providing sufficient opportunity for the independent auditor to meet with the members of the Committee without members of management present. Among the items to be discussed in these meetings are the independent auditor's evaluation of Zadar's financial and accounting personnel and the cooperation that the independent auditor received during the course of the audit.

- Discussing with management their review of the adequacy of Zadar's disclosure controls and procedures, the effectiveness of such controls and procedures and any findings following such review.

- Reviewing Zadar's system to monitor, assess and manage risk and legal and ethical compliance program.

- Reviewing and discussing with management and the independent auditor prior to the filing of Zadar's annual report:

  1. Zadar's annual financial statements and related footnotes and other financial information, including the information in the "Management's Discussion and Analysis.

  2. The selection, application and effects of Zadar's critical accounting policies, practices and the reasonableness of significant judgements and estimates made by management.

  3. Alternative and preferred treatment of financial information under generally accepted accounting principles.

  4. All material arrangements, off-balance sheet transactions and relationship with any unconsolidated entities or any other persons which may have a material, current or future, effect on the financial condition of Zadar.

  5. Any material written communications between the independent auditor and management.

  6. The independent auditor's audit of the financial statements and its report thereon.

  7. Any significant finding and recommendations of the independent auditor and management's responses thereto.

  8. Any significant changes in the independent auditor's audit plan.

  9. Any serious difficulties or disputes with management encountered during the course of the audit.

  10. Any related significant findings and recommendations of the independent auditor together with management's responses thereto.

  11. Other matters related to the conduct of the audit, which are to be communicated to the Committee under generally accepted auditing standards.

- Preparing a report to be included in Zadar's Information Circular that states the Committee has:

  1. Analyzed and discussed the audited financial statements with management;

2. Discussed with the independent auditor the auditor's independence;

3. Considered the audit and non-audit services provided by the independent auditor, and the fees paid for such services; and

- The Committee shall review in advance all announcements of interim and annual financial results, as well as any periodic guidance to be publicly released by Zadar and discuss such announcements with management and the independent auditors.

- Reviewing and discussing with management and the independent auditor prior to the filing of Zadar's Quarterly Report:

  1. CFO's interim financial statements and related footnotes and other financial information, including the information in the "Management's Discussion and Analysis?

  2. The selection, application and effects of Zadar's critical accounting policies, practices and the reasonableness of significant judgments and estimates made by management.

  3. Alternative and preferred treatment of financial information under generally accepted accounting principles.

  4. All material arrangements, off-balance sheet transactions and relationship with any unconsolidated entities or any other persons which may have a material current or future effect on the financial condition of Zadar.

- Reviewing and either approving or disapproving all related party transactions.

- Submitting the minutes of all meetings of the Committee to, or discussing the matters discussed at each committee meeting with, the Board

- Reviewing and assessing the adequacy of this charter annually and recommend any proposed changes to the Board for its approval.

- The Chairman of the Committee, or another Committee member designated by the Chairman, is authorized to act on behalf of the Committee with respect to required Committee responsibilities which arise between regularly scheduled Committee meetings, with the independent auditors and management, as well as the pre-approval of non-audit services provided by the independent auditors, as necessary, as contemplated by the Committee's policies. Any such pre-filing discussions and pre-approvals shall be reported to the Committee at a subsequent meeting.

CERTIFICATE OF COMPANY

Dated: February 27, 2012

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

"*Mark Tommasi*"

MARK TOMMASI,
Chief Executive Officer

"*Geoffrey R. Watson*"

GEOFFREY R. WATSON,
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

"*Peter Wilson*"

PETER WILSON,
Director

"*John Roozendaal*"

JOHN ROOZENDAAL,
Director

CERTIFICATE OF PROMOTERS

Dated: February 27, 2012

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

"*Mark Tommasi*"	"*Peter Wilson*"
MARK TOMMASI Promoter	PETER WILSON Promoter
"*John Roozendaal*"	"*Jason Walsh*"
JOHN ROOZENDAAL Promoter	JASON WALSH Promoter

CERTIFICATE OF AGENT

Dated: February 27, 2012

To the best of our knowledge, information and belief, this Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of British Columbia, Alberta and Ontario.

WOLVERTON SECURITIES LTD.

"*Colman Wong*"

By: COLMAN WONG, Senior
Vice-President