

**WINSTON RESOURCES INC.**  
208 Queens Quay West, Suite 2506, Toronto, Ontario, M5J 2Y5

**INFORMATION CIRCULAR  
GENERAL PROXY INFORMATION**

**PURPOSE OF SOLICITATION**

**THIS INFORMATION CIRCULAR (THE "INFORMATION CIRCULAR") IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY THE MANAGEMENT OF WINSTON RESOURCES INC. ("WINSTON" OR THE "CORPORATION") FOR USE AT THE SPECIAL MEETING OF SHAREHOLDERS ("SHAREHOLDERS") OF WINSTON (THE "MEETING") TO BE HELD ON THURSDAY, APRIL 15, 2013 AT 10:00 AM TORONTO TIME, AT THE ALBANY CLUB, 91 KING STREET EAST, TORONTO, ONTARIO, M5C 1G3 AND AT ANY ADJOURNMENT THEREOF FOR THE PURPOSES SET OUT IN THE ACCOMPANYING NOTICE OF MEETING (THE "NOTICE OF MEETING").** Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone by directors or officers of Winston. Arrangements will also be made with brokerage houses and other custodians, nominees, and fiduciaries to forward proxy solicitation material to the beneficial owners of the common shares of the Corporation (the "Common Shares") pursuant to the requirements of National Instrument 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer. The cost of any such solicitation will be borne by Winston.

**VOTING OF PROXIES**

All Common Shares represented at the Meeting by properly executed proxies will be voted and where a choice with respect to any matter to be acted upon has been specified in the instrument of proxy, the Common Shares represented by the proxy will be voted in accordance with such specifications. **IN THE ABSENCE OF ANY SUCH SPECIFICATIONS, THE MANAGEMENT DESIGNEES OF WINSTON, IF NAMED AS PROXY, WILL VOTE IN FAVOUR OF ALL THE MATTERS SET OUT HEREIN.**

**THE ENCLOSED INSTRUMENT OF PROXY CONFERS DISCRETIONARY AUTHORITY UPON THE MANAGEMENT DESIGNEES OF WINSTON, OR OTHER PERSONS NAMED AS PROXY, WITH RESPECT TO AMENDMENTS TO OR VARIATIONS OF MATTERS IDENTIFIED IN THE NOTICE OF MEETING AND ANY OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING. AT THE DATE OF THIS INFORMATION CIRCULAR, WINSTON IS NOT AWARE OF ANY AMENDMENTS TO, OR VARIATIONS OF, OR OTHER MATTERS WHICH MAY COME BEFORE THE MEETING. IN THE EVENT THAT OTHER MATTERS COME BEFORE THE MEETING, THE MANAGEMENT DESIGNEES OF WINSTON INTEND TO VOTE IN ACCORDANCE WITH THE DISCRETION OF SUCH MANAGEMENT DESIGNEES.**

**Pursuant to Notice and Access regulations shareholders can access the meeting materials on the Corporation's website at [www.WinstonResourcesInc.com/filings/](http://www.WinstonResourcesInc.com/filings/) and on [www.SEDAR.com](http://www.SEDAR.com) under the Corporation's profile. Please review the materials before voting. Shareholders who have requested Full Sets of printed materials will receive Full Sets and other Shareholders will receive Notices only. Requests by Shareholders requiring Full Sets mailed to them should be received at least 5 business days in advance of the proxy deposit date and time as set out in the proxy or voting instruction form in order to receive the meeting materials in advance of such date and the meeting date. Disclosure of the items to be voted can be found in the Information Circular section titled "Particulars of Matters To Be Acted Upon". To get further information on Notice and Access or request a Full Set of meeting materials to be mailed please call toll free 1-800-340-3085.**

Proxies, to be valid, must be deposited at the proxy department of the Registrar and Transfer Agent of Winston, Capital Transfer Agency Inc. , located at 121 Richmond Street West, Suite 401, Toronto, Ontario

M5H 2K1, or faxed to (416) 350-5008 not less than 48 hours, excluding Saturdays, Sundays and holidays, preceding the Meeting or any adjournment of the Meeting.

#### APPOINTMENT OF PROXY

**A SHAREHOLDER HAS THE RIGHT TO DESIGNATE A PERSON (WHO NEED NOT BE A SHAREHOLDER OF WINSTON) OTHER THAN DANIEL WETTREICH AND MARK WETTREICH, THE MANAGEMENT DESIGNEES OF WINSTON, TO ATTEND AND ACT FOR HIM OR HER AT THE MEETING.** Such right may be exercised by inserting in the blank space provided, the name of the person to be designated and deleting therefrom the names of the management designees or by completing another proper instrument of proxy and, in either case, depositing the instrument of proxy with the registrar and transfer agent of Winston, Capital Transfer Agency Inc., at their proxy department located at 121 Richmond Street West, Suite 401, Toronto, Ontario M5H 2K1, or faxed to (416) 350-5008 at any time, not less than 48 hours, excluding Saturdays, Sundays and holidays, preceding the Meeting or any adjournment of the Meeting.

#### REVOCAION OF PROXIES

A shareholder of Winston who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy. A shareholder of Winston may revoke a proxy by depositing an instrument in writing, executed by him or her or his or her attorney authorized in writing:

- (a) with the proxy department of Capital Transfer Agency Inc., located at 121 Richmond Street West, Suite 401, Toronto, Ontario M5H 2K1, or faxed to (416) 350-5008 at any time, not less than 48 hours, excluding Saturdays, Sundays and holidays, preceding the Meeting or any adjournment of the Meeting at which the proxy is to be used;
- (b) at the registered office of Winston, Suite 2506, 208 Queens Quay West, Toronto, Ontario, Canada, M5J 2Y5, at any time up to and including the last business day preceding the day of the Meeting at which the proxy is to be used; or
- (c) with the chairman of the Meeting on the day of the Meeting or any adjournment of the Meeting.

In addition, a proxy may be revoked by the shareholder of Winston personally attending the Meeting and voting his or her shares.

#### ADVICE TO BENEFICIAL HOLDERS OF COMMON SHARES ON VOTING COMMON SHARES

**The information set forth in this section is of significant importance to many Shareholders of Winston, as a substantial number of Shareholders do not hold Common Shares in their own name.** Shareholders who do not hold their shares in their own name (referred to in this Information Circular as “**Beneficial Shareholders**”) should note that only proxies deposited by Shareholders whose names appear on the records of Winston as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a shareholder by a broker, then, in almost all cases, those Common Shares will not be registered in the shareholder's name on the records of Winston. Such Common Shares will likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the majority of such shares are registered under the name of CDS & Co. (the nominee of The Canadian Depository for Securities Limited, which acts as depository for many Canadian brokerage firms). Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.**

Applicable regulatory rules require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary/broker has its own mailing

procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is identical to the form of proxy provided to registered Shareholders. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Services Inc. (“Broadridge”). Broadridge typically applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at a meeting. A Beneficial Shareholder receiving a proxy with a Broadridge sticker on it cannot use that proxy to vote Common Shares directly at the Meeting. The proxy must be returned to Broadridge well in advance of the Meeting in order to have the shares voted at such meeting.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting the Common Shares registered in the name of his or her broker (or an agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxy holder for the registered shareholder and vote the Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxy holder for the registered shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of such meeting.

#### APPROVAL OF MATTERS

As used herein, “special resolution” means a resolution approved by a minimum majority of 66 2/3% of the votes cast by Shareholders at the Meeting. Approval of matters to be placed before the Meeting is by a special resolution as required for the Arrangement Resolution and the Preferred Shares Resolution.

#### VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Winston is authorized to issue an unlimited number of Common Shares, without nominal or par value, of which as at the date hereof 66,079,484 Common Shares are issued and outstanding. The holders of Common Shares of record at the close of business on March 5, 2013 (the “Record Date”), are entitled to vote such Common Shares at the Meeting on the basis of one (1) vote for each Common Share held. The articles (the “Articles”) of Winston provide that one person present and representing in person and entitled to vote at the Meeting shall constitute a quorum for the transaction of business at the Meeting.

To the knowledge of the directors and senior officers of Winston, as at the date hereof, the only Persons who beneficially own, directly or indirectly, or exercise control or direction over, ten percent (10%) or more of the issued and outstanding Common Shares are the following:

Name and Municipality of Residence	Number of Common Shares Currently Owned <sup>(1)</sup>	Percentage of Outstanding Common Shares
Daniel Wettreich, Ontario <sup>(2)</sup>	25,150,000	38.06
Castle Resources Inc, Ontario <sup>(2)</sup>	18,000,000	27.24

(1) Based on public filings or information provided to Winston by the holder, shareholdings as of March 5, 2013

(2) Castle Resources Inc (“Castle”) has entered into a Voting Trust Agreement (“VTA”) with Daniel Wettreich as the Voting Trustee, whereby Castle has assigned all the voting rights on the 18,000,000 Winston shares owned by Castle to Mr Wettreich. The VTA will terminate upon the earliest to occur of (a) the completion of a distribution of the shares owned by Castle to the Castle shareholders or (b) June 22, 2014. Accordingly, by his exercise of control or direction of the shares owned by Castle, Mr Wettreich has voting control of 65.3% of the outstanding common shares

## PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the directors of Winston, the only matters to be dealt with at the Meeting are those matters set forth in the accompanying Notice of Meeting, and Shareholders will be asked to consider and, if thought fit, pass with or without variation, (1) a special resolution (the “**Arrangement Resolution**”) of the Shareholders, authorizing, confirming and approving an arrangement agreement (the “**Arrangement Agreement**”) dated February 15, 2013 among the Corporation, CNRP Mining Inc (“**CNRP**”) and GreenBank Capital Inc. (“**GreenBank**”) and a plan of arrangement (the “**Plan of Arrangement**”) pursuant to the British Columbia *Business Corporations Act* (the “**BCBCA**”), and a copy of the Arrangement Agreement (with the Plan of Arrangement attached thereto) is appended to this Information Circular as Schedule “D”, (2) a special resolution (the “**Preferred Shares Resolution**”) approving the creation of an unlimited number of Preferred Shares.

### (1) THE PLAN OF ARRANGEMENT

#### Purpose of the plan of Arrangement

The purpose of the Plan of Arrangement is to restructure the Corporation by transferring certain assets (as described below) to its wholly-owned subsidiary, GreenBank, and to distribute 100% of the common shares of GreenBank to the shareholders of the Corporation., and also to distribute approximately 15% of the common shares of its wholly-owned subsidiary CNRP to the shareholders of the Corporation. GreenBank and CNRP will thereby become reporting issuers in the Provinces of British Columbia, Alberta and Ontario. As a result of the foregoing, on the completion of the Plan of Arrangement three companies will exist, the Corporation, CNRP and GreenBank. The Plan of Arrangement is being proposed to facilitate the separation of the Corporation’s current business activities into its constituent parts to reflect the different activities that are intended to be pursued by the Corporation, CNRP and GreenBank.

#### Details of the plan of Arrangement

The Plan of Arrangement will occur by statutory arrangement under Division 5 of Part 9 of the British Columbia Business Corporation Act (the “**BCBCA**”) involving the Corporation and the wholly-owned subsidiaries of the Corporation, CNRP and GreenBank. The principle features of the Plan of Arrangement are summarized below, and the following is qualified in its entirety by reference to the full text of the Arrangement Agreement and the Plan of Arrangement, which are incorporated by reference into this Information Circular, and copies of which are attached hereto as Schedule “D”. These items may also be reviewed at [www.sedar.com](http://www.sedar.com) under the Corporation’s profile.

The Plan of Arrangement shall become effective under the BCBCA on the business day following the date of the Final Order (the “**Effective Date**”). Pursuant to the Arrangement Agreement, subject to the satisfaction or waiver of all conditions set out therein, on the Effective Date the following shall occur:

The Corporation shall transfer to Shareholders, on a pro rata basis, 2,064,982 common shares of CNRP as a dividend in kind (the “**CNRP Distribution Shares**”). The CNRP Distribution Shares will be distributed on the basis of 1 common share of CNRP for every 32 shares of the Corporation. Shareholders who own less than 32 shares will not receive any CNRP Distribution Shares pursuant to the dividend.

The Corporation expects that following the completion of the Plan of Arrangement, CNRP will continue to focus on pursuing the development of the Elmtree Gold Project in New Brunswick (“**Elmtree**”). Elmtree is located in the Bathurst Mining Camp approximately 25 km northwest of Bathurst, New Brunswick and comprises a total of 83 claims that cover a contiguous area of approximately 1,811 hectares. Elmtree has an indicated resource of 99,000 ounces of gold and an inferred resource of 195,000 ounces of gold. Until CNRP completes an evaluation and analysis of its intended development program of Elmtree it is unable to determine the costs and cash flow requirements and the expected financial performance of such a development program, but it anticipates that any additional capital required for exploration and development will be raised from the equity markets, subject to market conditions prevailing at the time. The Corporation believes that the ability of CNRP to raise its needed capital will be assisted by becoming a reporting issuer.

The Corporation shall complete the sale to GreenBank of an investment portfolio comprising 13,460,000 common shares of Zara Resources Inc (CNSX: ZRI) (“Zara”) and 12,250,000 common shares of GreenBank Mining Inc (CNSX: HM) (“GreenBank”) and GreenBank shall issue 25,710,000 common shares in the capital of GreenBank (the “GreenBank Distribution Shares”) which shall immediately be transferred to Shareholders, on a pro rata basis, as a dividend in kind. The Distribution Shares will be distributed on the basis of 1 common share of GreenBank for every 2.57 shares of the Corporation. Shareholders who own less than 3 shares will not receive any GreenBank Distribution Shares pursuant to the dividend.

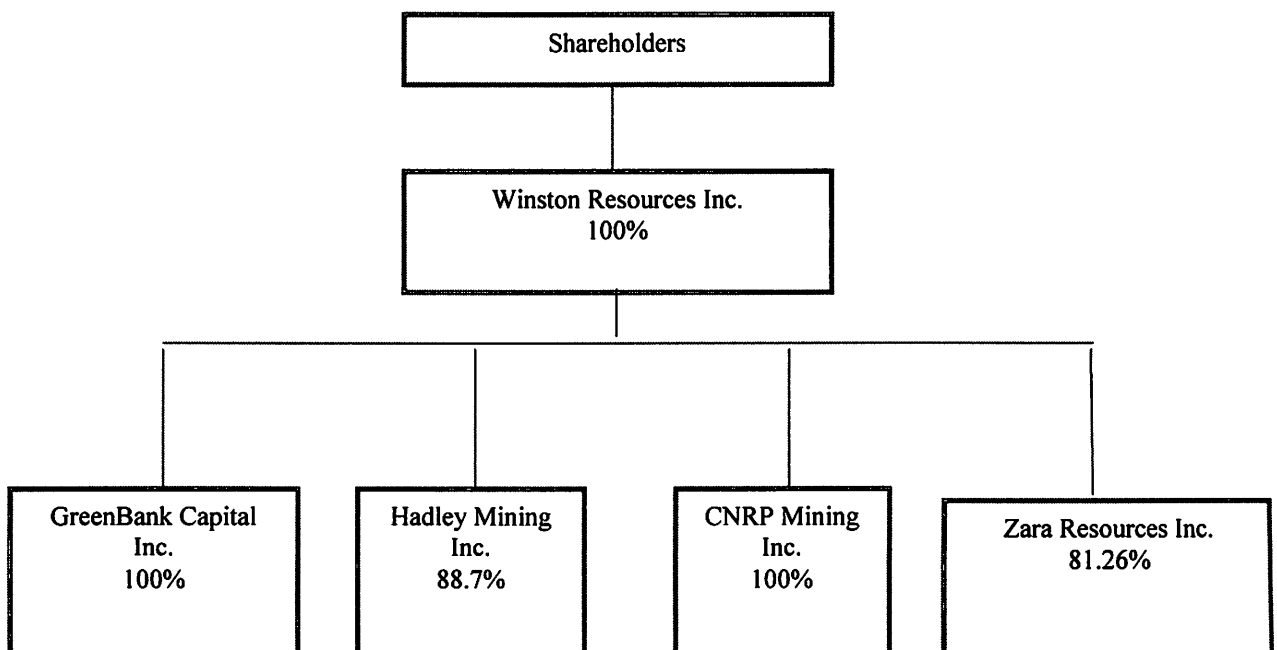
The Corporation expects that following completion of the Plan of Arrangement, GreenBank will pursue its corporate finance investment activities focusing on investing in Canadian small cap publicly listed companies and will seek to take equity positions in its clients and participate in its client company decisions via board of directors positions. GreenBank’s investment portfolio of Zara and Hadley stock are intended to be long term investments, however it may, depending on market and other conditions, increase or decrease its beneficial ownership, control or direction over the common shares through market transactions, private agreements, treasury issuances, exercise of convertible securities or otherwise. Zara is a Toronto based mineral company developing its Pigeon River and Riverbank nickel-copper projects, in Ontario, Canada. For more information see Zara’s website at [www.ZaraResourcesInc.com](http://www.ZaraResourcesInc.com) . Hadley is a Toronto based mineral company primarily focused on developing it’s 100% owned Etamame Nickel project, in Northwestern Ontario, Canada. For more information see [www.HadleyMining.com](http://www.HadleyMining.com) .

As a result of the Arrangement, GreenBank, Zara and Hadley will cease to be subsidiaries of the Corporation. The Corporation intends to retain its remaining ownership of CNRP, Zara and Hadley for investment purposes however it may, depending on market and other conditions, increase or decrease its beneficial ownership, control or direction over the common shares or other securities of CNRP, Zara and Hadley, through market transactions, private agreements, treasury issuances, exercise of convertible securities or otherwise. The corporate headquarters of CNRP and GreenBank are located at Suite 2506, 208 Queens Quay West, Toronto, Ontario, M5J 2Y5.

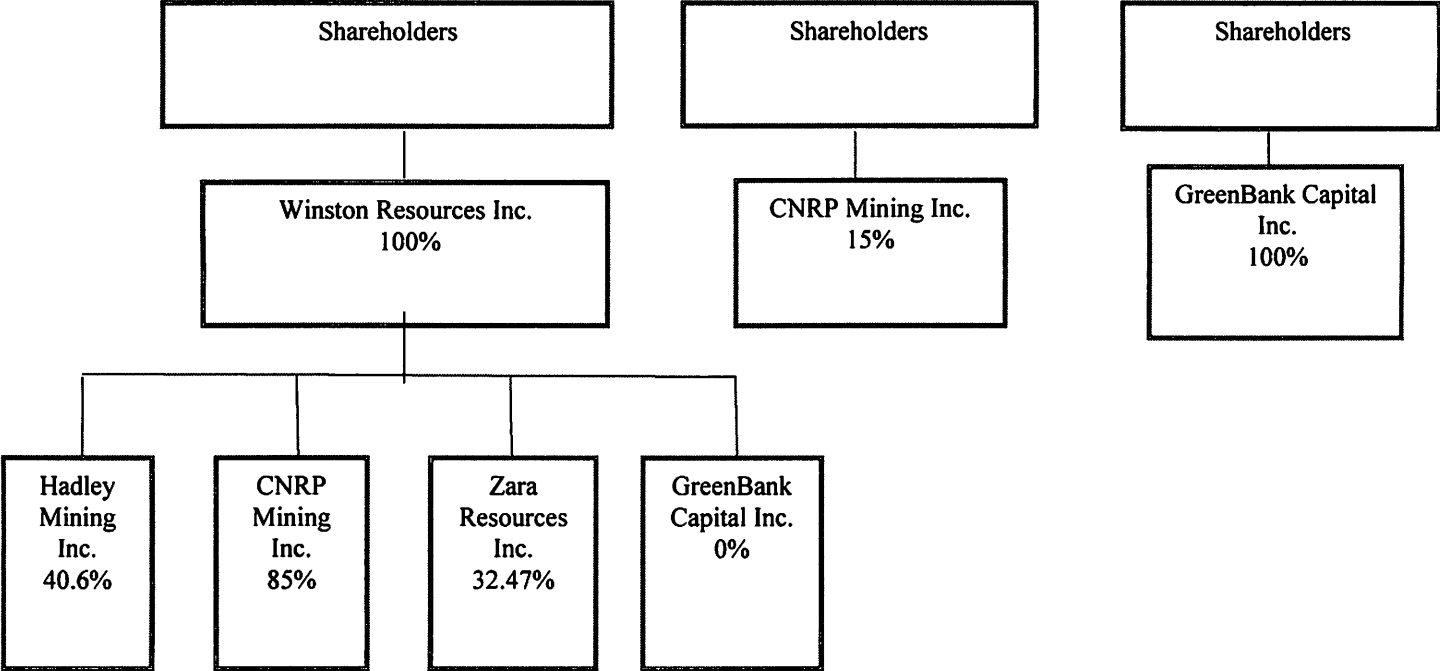
### Corporate Structure

Presented below is the anticipated corporate structure of the Corporation before and after completion of the Plan of Arrangement:

#### a) Corporate Structure Prior to the Plan of Arrangement



**b) Corporate structure after plan of arrangement**



### **Reasons for the Arrangement**

The decision to proceed with the Arrangement was based on the following primary determinations:

(a) The Corporation's current business focus is on mining exploration and the evaluation of mining properties of interest, and if deemed suitable, acquisitions of same in North America. CNRP is focused on developing Elmtree and needs to raise additional capital which the Corporation believes will be assisted by becoming a reporting issuer. The establishment of GreenBank as a separate business will enable the Corporation to focus on managing and developing its mining business and will facilitate separate development strategies for these three businesses going forward, and

(a) as a result of the Arrangement, CNRP and GreenBank will become reporting issuers in British Columbia, Ontario and Alberta, and subject to the approval of the Canadian National Stock Exchange (the "CNSX"), are expected to be listed for trading on the CNSX.

### **Fairness of the Arrangement**

(a) The Plan of Arrangement was determined to be fair to the Shareholders by the Board based upon the following factors, among others:

(b) the procedures by which the Arrangement will be approved, including the requirement for approval by special resolution, being two-thirds of the vote, and approval by the Court after a hearing;

(c) the benefits to CNRP and GreenBank of becoming publicly listed CNSX reporting issuers as permitted by applicable securities laws;

(d) the opportunity for any Shareholders who are opposed to the Arrangement to exercise their rights of dissent in respect of the Arrangement and to be paid fair value for their Common Shares in accordance with the BCBCA, to the extent applicable to dissenters' rights; and

(e) the Shareholders are not required to sell or exchange their Common Shares.

### **Authority of the Board**

By passing the Arrangement Resolution, the Shareholders will also be giving authority to the Board to use its best judgment to proceed with and cause the Corporation to complete the Arrangement without any requirement to seek or obtain any further approval of the Shareholders. The Arrangement Resolution also provides that the Plan of Arrangement may be amended by the Board before or after the Meeting without further notice to the Shareholders. The Board has no intention to amend the Plan of Arrangement as of the date of this Information Circular, however, it is possible that the Board may determine in the future that it is appropriate that amendments be made.

### **Conditions to the Arrangement**

The Arrangement Agreement provides that the Plan of Arrangement will be subject to the fulfillment of certain conditions, including the following:

(a) the Arrangement Agreement must be approved by the Shareholders at the Meeting;

(b) the Plan of Arrangement must be approved by the Court in the manner referred to under "Court Approval of the Arrangement";

(c) all other consents, orders, regulations and approvals, including regulatory and judicial approvals and orders, required, necessary or desirable for the completion of the Arrangement must have been obtained or received, each in a form acceptable to the Corporation, CNRP and GreenBank ; and

(d) the Arrangement Agreement must not have been terminated.

If any condition set out in the Arrangement Agreement is not fulfilled or performed, the Arrangement Agreement may be terminated, or, in certain cases, one or more of the parties thereto, as the case may be, may waive the condition in whole or in part. Management of the Corporation believes that all material consents, orders, regulations, approvals or assurances required for the completion of the Arrangement will be obtained in the ordinary course upon application thereof.

#### **Recommendation of the Board**

After reviewing all of the foregoing factors, the Board unanimously determined that the Arrangement is: (i) in the best interests of the Corporation and is fair to Shareholders; and (ii) the Board recommends that Shareholders vote in favor of the Arrangement Resolution.

#### **Approval by the Shareholders of the Corporation**

The Arrangement Resolution must be approved by special resolution, being at least two-thirds of the votes cast by the Shareholders present in person or by proxy at the Meeting. Notwithstanding the foregoing, the Arrangement Resolution will authorize the Board, without further notice, consent or approval of the Shareholders, subject to the terms of the Arrangement, to amend the Arrangement Agreement, and to decide not to proceed with the Arrangement at any time prior to the Arrangement becoming effective pursuant to the provisions of the BCBCA.

#### **Approval by the Shareholders of CNRP and GreenBank**

The Corporation, being the sole shareholder of all shares in the capital of CNRP and GreenBank will approve the Plan of Arrangement by consent resolutions.

#### **Court Approval of the Arrangement**

The Plan of Arrangement as structured requires the approval of the Court. Assuming the Arrangement Resolution is approved by the Shareholders at the Meeting, the hearing for the order (the “Final Order”) of the Court approving the Plan of Arrangement is scheduled to take place at 10 am (Vancouver time) on April 15, 2013 at the Courthouse located at 800 Smith Street, Vancouver, B.C., or at such other date and time as the Court may direct. At this hearing, any security holder, director, auditor or other interested party of the Corporation who wishes to participate or to be represented or present evidence or argument may do so, subject to filing an appearance and satisfying certain other requirements. A draft Notice of Hearing for the Final Order is attached as Schedule B. Anyone who would like to attend the court hearing for the Final Order should contact Mark Wettreich, Secretary of the Corporation either by telephone at (416) 628-9879 or by email to mw@WinstonResourcesInc.com. The Court has broad discretion under the BCBCA when making orders in respect of arrangements and the Court may approve the Arrangement as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court believes to be suitable. The Court, in hearing the application for the Final Order, will consider, among other things, the fairness of the terms and conditions of the Arrangement to the Shareholders.

#### **Proposed Timetable for the Plan of Arrangement**

The anticipated timetable for the completion of the Plan of Arrangement is as follows:

<b>Event</b>	<b>Date</b>
Shareholder Meeting	April 15, 2013
Share Distribution Record Date	Record date of meeting
Final Court Approval	On or about April 15, 2013
Effective date of the Arrangement	On or about April 15, 2013
Mailing of Certificates for Shares of CNRP and GreenBank	To be determined



Notice of the actual Share Distribution Record Date and the effective date of the Plan of Arrangement will be given to the Shareholders through one or more press releases. The Effective Date of the Plan of Arrangement will be the date upon which the Arrangement becomes effective under the BCBCA.

#### **Relationship between the Corporation, CNRP and GreenBank after the Plan of Arrangement**

Following the completion of the Arrangement, the Corporation, CNRP and GreenBank will have the following common directors: Daniel Wettreich, Mark Wettreich, Peter Wanner and Scott White.

#### **Resale of Shares Issued Pursuant to the Arrangement**

The issue of CNRP and GreenBank shares pursuant to the Plan of Arrangement will be made pursuant to exemptions from the registration and prospectus requirements contained in applicable securities laws. Under such applicable securities laws, the CNRP and GreenBank shares may be resold in Canada without hold period restrictions. The foregoing discussion is only a general overview of the requirements of Canadian securities laws for the resale of the CNRP and GreenBank shares received upon completion of the Plan of Arrangement. All holders of such shares are urged to consult with their own advisors to ensure compliance with applicable securities requirements upon resale.

#### **Expenses of the Arrangement**

Pursuant to the Arrangement Agreement, the costs relating to the Plan of Arrangement, including without limitation, financial, advisory, accounting and legal fees will be borne by the Corporation.

#### **Text of the Arrangement Resolution**

The complete text of the Arrangement Resolution which management intends to place before the Meeting for approval, confirmation and adoption, with or without modification, is substantially as follows:

“BE IT HEREBY RESOLVED as a Special Resolution of the Shareholders that:

1. The entering into, execution and delivery of an Arrangement Agreement and Plan of Arrangement (the “Arrangement Agreement”) among the Corporation, CNRP Mining Inc and GreenBank Capital Inc is hereby approved and confirmed.
2. Notwithstanding that this resolution has been duly passed by the Shareholders, approval is hereby given to the board of directors of the Corporation to amend the terms of the Arrangement Agreement in any manner, to the extent permitted by the Arrangement Agreement and subject to its terms, the execution of same being conclusive evidence of approval of such amendments; to determine not to proceed with the Arrangement; and, to revoke this resolution at any time prior to the effective date of the Arrangement.
3. The Corporation is authorized and directed to fully perform its obligations under the Arrangement Agreement and to carry out the Arrangement as set out in the Plan of Arrangement, as may be amended, included therein, including the authorization of issuance of any securities and the taking or omission from taking of any further action. Any one or more directors or officers of the Corporation be and are hereby authorized, for and on behalf of the Corporation, to execute and deliver any documents, agreements and instruments and to perform all such other acts and things in such person's opinion as may be necessary or desirable to give effect to the provisions of this Special Resolution, the Arrangement Agreement, and the matters contemplated by the Arrangement Agreement, such determination to be conclusively evidenced by the execution and delivery of any such documents, agreements or instruments and the doing of any such act or thing.”

**IF NAMED AS PROXY, THE MANAGEMENT DESIGNEES INTEND TO VOTE THE COMMON SHARES REPRESENTED BY SUCH PROXY AT THE MEETING IN FAVOUR OF THE SPECIAL RESOLUTION OF SHAREHOLDERS APPROVING THE ARRANGEMENT.**

## **Dissent Rights to the Arrangement**

Any shareholder of the Corporation may send notice of dissent, under Division 2 of Part 8, to the Corporation in respect of the Arrangement Resolution. Non-Registered Shareholders who wish to dissent should contact their broker or other intermediary for assistance with the Dissent Right. The Dissent Right is summarized below, but the Shareholders of the Corporation are referred to the full text of Sections 237 to 247 of the BCBCA set out in Schedule C attached to this Information Circular and may consult their legal counsel for a complete understanding of the Dissent Right under the BCBCA. A Dissenting Shareholder who wishes to exercise his or her Dissent Right must give written notice of dissent to the Corporation by depositing such notice of dissent with the Corporation, or by mailing it to the Corporation by registered mail at its head office at 208 Queens Quay West, Suite 2506, Toronto Ontario M5J 2Y5 marked to the attention of the Secretary not later than the close of business on the day that is two business days before the Meeting, being close of business on December 2, 2012. A Shareholder of the Corporation who wishes to dissent must prepare a separate notice of dissent for (i) the Registered Shareholder, if the Shareholder of the Corporation is dissenting on its own behalf and (ii) each person who beneficially owns Common Shares of the Corporation in the Shareholder's name and on whose behalf the Beneficial Shareholder is dissenting. To be valid, a notice of dissent must:

- (a) identify in each notice of dissent the person on whose behalf dissent is being exercised;
- (b) identify whether the dissent is to the Arrangement Resolution;
- (c) set out the number of Common Shares in respect of which the Shareholder of the Corporation is exercising the Dissent Right (the "Notice Shares"), which number cannot be less than all of the Common Shares held by the Beneficial Shareholder on whose behalf the Dissent Right is being exercised;
- (d) if the Notice Shares constitute all of the shares of which the Dissenting Shareholder is both a Registered Shareholder and Beneficial Shareholder and the Dissenting Shareholder owns no other Common Shares as a Beneficial Shareholder, a statement to that effect;
- (e) if the Notice Shares constitute all of the Common Shares of which the Dissenting Shareholder is both a Registered Shareholder and Beneficial Shareholder but the Dissenting Shareholder owns other Common Shares as a Beneficial Shareholder, a statement to that effect, and
  - (i) the names of the Registered Shareholders of those other Common Shares,
  - (ii) the number of those other Common Shares that are held by each of those Registered Shareholders, and
  - (iii) a statement that Notices of Dissent are being or have been sent in respect of all those other Common Shares;
- (f) if dissent is being exercised by the Dissenting Shareholder on behalf of a Beneficial Shareholder who is not the Dissenting Shareholder, a statement to that effect, and
  - (i) the name and address of the Beneficial Shareholder, and
  - (ii) a statement that the Dissenting Shareholder is dissenting in relation to all of the Common Shares beneficially owned by the Beneficial Shareholder that are registered in the Dissenting Shareholder's name.

The giving of a Notice of Dissent does not deprive a Dissenting Shareholder of his or her right to vote at the Meeting on the Arrangement Resolution. A vote against the Arrangement Resolution or the execution or exercise of a proxy does not constitute a Notice of Dissent. A Shareholder is not entitled to exercise a Dissent Right with respect to any Common Shares if the Shareholder votes (or instructs or is deemed, by submission of any incomplete proxy, to have instructed his or her proxy holder to vote) in favour of the Arrangement Resolution. A Dissenting Shareholder, however, may vote as a proxy for a Shareholder whose proxy required

an affirmative vote, without affecting his or her right to exercise the Dissent Right. If the Corporation intends to act on the authority of the Arrangement Resolution, it must send a notice (the “Notice to Proceed”) to the Dissenting Shareholder promptly after the later of:

- (a) the date on which the Corporation forms the intention to proceed, and
- (b) the date on which the Notice of Dissent was received.

If the Corporation has acted on the Arrangement Resolution it must promptly send a Notice to Proceed to the Dissenting Shareholder. The Notice to Proceed must be dated not earlier than the date on which it is sent and state that the Corporation intends to act or has acted on the authority of the Arrangement Resolution and advise the Dissenting Shareholder of the manner in which dissent is to be completed. On receiving a Notice to Proceed, the Dissenting Shareholder is entitled to require the Corporation to purchase all of the Common Shares in respect of which the Notice of Dissent was given. A Dissenting Shareholder who receives a Notice to Proceed, and who wishes to proceed with the dissent, must send to the Corporation within one month after the date of the Notice to Proceed:

- (a) a written statement that the Dissenting Shareholder requires the Corporation to purchase all of the Notice Shares;
- (b) the certificates representing the Notice Shares; and
- (c) if dissent is being exercised by the Shareholder on behalf of a Beneficial Shareholder who is not the Dissenting Shareholder, a written statement signed by the Beneficial Shareholder setting out whether the Beneficial Shareholder is the Beneficial Shareholder of other Common Shares and if so, setting out
  - (i) the names of the Registered Shareholders of those other Common Shares,
  - (ii) the number of those other Common Shares that are held by each of those Registered Shareholders, and
  - (iii) that dissent is being exercised in respect of all of those other Common Shares, whereupon the Corporation is bound to purchase them in accordance with the Notice of Dissent

The Corporation and the Dissenting Shareholder may agree on the amount of the payout value of the Notice Shares and in that event, the Corporation must either promptly pay that amount to the Dissenting Shareholder or send a notice to the Dissenting Shareholder that the Corporation is unable lawfully to pay Dissenting Shareholders for their shares as the Corporation is insolvent or if the payment would render the Corporation insolvent. If the Corporation and the Dissenting Shareholder do not agree on the amount of the payout value of the Notice Shares, the Dissenting Shareholder or the Corporation may apply to the Court and the Court may:

- (a) determine the payout value of the Notice Shares or order that the payout value of the Notice Shares be established by arbitration or by reference to the registrar or a referee of the Court;
- (b) join in the application each Dissenting Shareholder who has not agreed with the Corporation on the amount of the payout value of the Notice Shares; and
- (c) make consequential orders and give directions it considers appropriate.

Promptly after a determination of the payout value of the Notice Shares has been made, the Corporation must either pay that amount to the Dissenting Shareholder or send a notice to the Dissenting Shareholder that the Corporation is unable lawfully to pay Dissenting Shareholders for their shares as the Corporation is insolvent or if the payment would render the Corporation insolvent if the Dissenting Shareholder receives a notice that the Corporation is unable to lawfully pay Dissenting Shareholders for their Common Shares, the Dissenting Shareholder may, within 30 days after receipt, withdraw his or her Notice of Dissent. If the Notice of Dissent is not withdrawn, the Dissenting Shareholder remains a claimant against the Corporation to be paid as soon as the Corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the Corporation but in priority to the Shareholders. Any notice required to be given by the Corporation or a Dissenting Shareholder to the other in

connection with the exercise of the Dissent Right will be deemed to have been given and received, if delivered, on the day of delivery, or, if mailed, on the earlier of the date of receipt and the second business day after the day of mailing, or, if sent by fax or other similar form of transmission, the first business day after the date of transmittal.

A Dissenting Shareholder who:

(a) properly exercises the Dissent Right by strictly complying with all of the procedures (“**Dissent Procedures**”) required to be complied with by a Dissenting Shareholder, will cease to have any rights as a Shareholder other than the right to be paid the fair value of the Common Shares by the Corporation in accordance with the Dissent Procedures, or

(b) seeks to exercise the Dissent Right, but who for any reason does not properly comply with each of the Dissent Procedures required to be complied with by a Dissenting Shareholder loses such right to dissent.

A Dissenting Shareholder may not withdraw a Notice of Dissent without the consent of the Corporation. A Dissenting Shareholder may, with the written consent of the Corporation, at any time prior to the payment to the Dissenting Shareholder of the full amount of money to which the Dissenting Shareholder is entitled, abandon such Dissenting Shareholder’s dissent to the Arrangement giving written notice to the Corporation, withdrawing the Notice of Dissent, by depositing such notice with the Corporation, or mailing it to the Corporation by registered mail, at its head office at 208 Queens Quay West, Suite 2506, Toronto, Ontario M5J 2Y5. The Shareholders who wish to exercise their Dissent Right should carefully review the dissent procedures described in Sections 237 to 247 of the BCBCA and seek independent legal advice, as failure to adhere strictly to the Dissent Right requirements may result in the loss of any right to dissent.

Information concerning the new issuers CNRP and GreenBank that would result from the completion of the proposed Plan of Arrangement appears below under “ Information Concerning CNRP” and “Information Concerning GreenBank”.

## **(2) THE PREFERRED SHARES**

### **Reasons for creating Preferred Shares**

The decision to proceed with the creation of Preferred Shares was based on the following primary determinations (a) the Corporation may need to issue Preferred Shares from time to time to raise funds or settle debt (b) Preferred Shares provide another way for the Corporation to acquire assets.

### **Recommendation of the Board**

After reviewing all of the foregoing factors, the Board unanimously determined that the creation of Preferred Shares is: (i) in the best interests of the Corporation; and (ii) the Board recommends that Shareholders vote in favor of the Preferred Shares Resolution.

### **Text of the Preferred Shares Resolution**

The complete text of the Preferred Shares Resolution which management intends to place before the Meeting for approval, confirmation and adoption, with or without modification, is substantially as follows:

“BE IT HEREBY RESOLVED as a Special Resolution of the Shareholders that:

1. Subject to the *Business Corporations Act* (British Columbia), the directors of the Company be authorized to alter the Articles of the Company and the Notice of Articles of the Company, as the case may be, to:

- (a) create an unlimited number of Preferred Shares; and
- (b) from time to time:

- i) determine the maximum number of shares of any series of Preferred shares that the Company wishes to issue;
- ii) determine that there is no maximum number, or alter any determination made under this subparagraph or otherwise in relation to a maximum number of those shares; and
- iii) create an identifying name by which the Preferred shares or any of those series of shares may be identified, or alter any identifying name created for those shares; and
- iv) attach special rights or restrictions of any kind whatsoever to the Preferred shares of any series including, without limitation, the rate or amount of dividends (whether cumulative, non-cumulative or partially cumulative), the dates and places of payment thereof, the consideration for, and the terms and conditions of, any purchase for cancellation or redemption thereof (including redemption after a fixed term or at a premium), conversion or exchange rights, the terms and conditions of any share purchase plan or sinking fund; or alter any special rights or restrictions attached to the Preferred shares generally or to any series of Preferred shares.”

**IF NAMED AS PROXY, THE MANAGEMENT DESIGNEES INTEND TO VOTE THE COMMON SHARES REPRESENTED BY SUCH PROXY AT THE MEETING IN FAVOUR OF THE SPECIAL RESOLUTION OF SHAREHOLDERS APPROVING THE PREFERRED SHARES RESOLUTION.**

#### **FINANCIAL STATEMENTS AND MANAGEMENT DISCUSSION AND ANALYSIS**

Attached hereto as Schedule E are copies of the audited financial statements of CNRP for the period ended July 31, 2012, and unaudited financial statements for the six months ended January 31, 2013 and Management Discussion and Analysis related thereto, and a copy of the audited financial statement of GreenBank for the period ended February 15, 2013 and Management Discussion and Analysis related thereto.

#### **INFORMATION CONCERNING CNRP**

CNRP was incorporated by a certificate of incorporation under the *Business Corporations Act* (British Columbia) dated September 15, 2011. The head office of CNRP is located at 208 Queens Quay West, Suite 2506, Toronto, Ontario, M5J 2Y5

#### **General Description of the Business**

The business of CNRP is the development of the Elmtree Gold Project in New Brunswick which CNRP owns 100%. Elmtree is located in the Bathurst Mining Camp approximately 25 km northwest of Bathurst, New Brunswick and comprises a total of 83 claims that cover a contiguous area of approximately 1,811 hectares. Elmtree has an indicated resource of 99,000 ounces of gold and an inferred resource of 195,000 ounces of gold. Until CNRP completes an evaluation and analysis of its intended development program of Elmtree it is unable to determine the costs and cash flow requirements and the expected financial performance of such a development program, but it anticipates that any additional capital required for exploration and development will be raised from the equity markets, subject to market conditions prevailing at the time. The Corporation believes that the ability of CNRP to raise its needed capital will be assisted by becoming a reporting issuer. According to the February 2012 Mining Policy Potential Index by the independent research group Fraser Institute, New Brunswick is the most attractive mining jurisdiction in the world, with excellent local milling and processing infrastructure, including power, roads and a skilled work force. Winston intends to explore and expand the known Elmtree resource.. Additional information on Elmtree can be obtained by reviewing the Elmtree NI43-101 Technical Report which is incorporated by reference into this Circular. **The Elmtree Technical Report is available on SEDAR at [www.sedar.com](http://www.sedar.com) under the SEDAR profile of the Corporation. In addition, a copy of the Elmtree Technical Report will be mailed, free of charge, to any holder of common shares who requests a copy, in writing, from the Secretary of the Corporation. Any such requests should be mailed to the Corporation, at its head office, to the attention of Corporate Secretary.**

Until the completion of the Plan of Arrangement, Winston will be the sole shareholder of CNRP.

### **Corporate History**

On September 15, 2011 CNRP was founded by its Chief Executive Officer, Daniel Wettreich, for the purpose of acquiring interests in mineral exploration projects located in North America that have potential natural resource minerals. On March 19, 2012 CNRP agreed to acquire from Green Swan Capital for shares in CNRP that certain Green Swan- Melkior Agreement to acquire up to a 70% interest in the Riverbank claims in the mining area commonly known as the Ring of Fire, Ontario. The Riverbank claims were sold to Zara Resources Inc on October 12, 2012, and CNRP has no continuing interest in these claims. On April 9, 2012 CNRP agreed to acquire a 60% interest in the Elmtree Gold Project (“Elmtree”) from Castle Resources Inc, and on April 13, 2012 CNRP agreed to acquire the remaining 40% interest in Elmtree from Stratabound Minerals Inc, all for total consideration valued at \$7,715,242 in CNRP’s financial statements. (Please refer to “Financial Statements “attached hereto as Schedule F). On June 22, 2012 CNRP completed a reverse takeover of Gorilla Resources Corp (which changed its name to Winston Resources Inc) concurrently with the closing of the acquisition of 100% of Elmtree, the completion of a private placement of \$500,000 with Daniel Wettreich and the completion of a further private placement of \$160,000 with Euro Pacific Canada, all as more fully described in an Information Circular dated May 25, 2012 a copy of which is available on SEDAR at [www.sedar.com](http://www.sedar.com) under the SEDAR profile of the Corporation. Deferred cash consideration for the acquisition of Elmtree was \$700,000, \$350,000 due in December 2012 and \$350,000 due in June 2013. In January 2013 CNRP agreed to postpone the partial payments of \$350,000 for six months in exchange for interest payments totaling \$17,500, and all outstanding payments are now due June 22, 2013. CNRP intends to raise additional equity in a private placement on or before June 2013 in order to complete these outstanding payments, however there is no guarantee that CNRP will be successful in raising additional capital or that if capital is available that it will be on terms deemed favorable by CNRP.

On February 15, 2013 CNRP entered into the Arrangement Agreement. Upon completion of the Plan of Arrangement and the distribution of the CNRP Distribution Shares, CNRP will be a reporting issuer in the Provinces of British Columbia, Alberta and Ontario.

### **Narrative Description of the Business**

CNRP is focusing its main efforts on developing the Elmtree Gold Project located in the Bathurst Mining Camp of Northern New Brunswick, Canada. According to the annual survey of mining companies made by the Fraser Institute, New Brunswick is the world’s most attractive jurisdiction for mineral exploration and development in the view of the international mining industry. New Brunswick was lauded for its fair, transparent, and efficient legal system and consistency in the enforcement and interpretation of existing environmental regulations, as well as a competitive taxation regime and minimal uncertainty around disputed land claims. Elmtree has an indicated resource of 99,000 ounces of gold and an inferred resource of 195,000 ounces of gold and the management of Winston is seeking to expand the resource with additional drilling and subsequently complete an open pit mine development feasibility study. Until CNRP completes an evaluation and analysis of its intended development program of Elmtree it is unable to determine the costs and cash flow requirements and the expected financial performance of such a development program, but it anticipates that any additional capital required for exploration and development will be raised from the equity markets, subject to market conditions prevailing at the time.

### **Stated Business Objectives and Milestones**

Upon completion of the Plan of Arrangement, CNRP’s business will be that of mineral development of its Elmtree Gold Project. CNRP intends to list the common shares of CNRP on the CNSX, subject to obtaining all necessary approvals of the CNSX.

### Description of the Securities of the Resulting Issuer

There are currently 14,000,000 common share of CNRP issued and outstanding. On the Effective Date, CNRP shall immediately transfer to Shareholders, on a pro rata basis, 2,064,982 common shares of CNRP as a dividend in kind.

### Pro Forma Consolidated Capitalization of the Resulting Issuer

Based on the unaudited pro forma balance sheet of CNRP as at January 31, 2013 set out in Schedule F attached hereto, the share capital of CNRP shall be as follows:

Designation of Security	Amount Authorized	Outstanding Common Shares
Common Shares	Unlimited	14,000,000
Indebtedness	N/A	0
Shareholders Equity	N/A	\$7,902,781

### Available Funds and Principal Purposes

Management of the Corporation estimates that CNRP will have \$100,000 in available cash funds immediately following the completion of the Plan of Arrangement. CNRP will seek to raise additional working capital by issuing equity in private placements as appropriate. There is no guarantee that CNRP will be successful in raising additional capital or that if capital is available that it will be on terms deemed favorable by CNRP.

### Dividend Policy

It is not contemplated that any dividends will be paid in the immediate or foreseeable future as it is anticipated that all available funds will be applied to finance CNRP's business. CNRP's board of directors will determine if and when dividends are to be declared and paid from funds properly applicable to the payment of dividends based on CNRP's financial position at the relevant time

### PRINCIPAL SECURITY HOLDERS OF CNRP

To the knowledge of the directors and officers of the Corporation and CNRP, the only persons who immediately following the completion of the Plan of Arrangement, will own beneficially and of record, directly or indirectly, or exercise control or direction over, more than 10% of the issued and outstanding common shares of CNRP are set out below:

Name and Municipality of Residence.	Number of Common Shares of CNRP after Plan of Arrangement	Percentage of Issued and Outstanding Common Shares of CNRP after Plan of Arrangement (1)
Winston Resources Inc, Toronto, Ontario	11,935,018	85.25%

Note:

(1) Based on 14,000,000 CNRP common shares being issued and outstanding.

**DIRECTORS, OFFICERS AND PROMOTERS**

**Name, Address, Occupation and Securities Holdings**

The following chart provides certain information with respect to each proposed director and officer of CNRP, including the approximate number of securities of CNRP that will be beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them:

<b>Name and Municipality of Residence</b>	<b>Proposed Position with GreenBank</b>	<b>Principal Occupation During the Past Five Years</b>	<b>Number and Percentage of Common Shares Beneficially Held as at the date hereof</b>	<b>Number and Percentage of Common Shares Beneficially Held assuming completion of Plan of Arrangement<sup>(1)</sup></b>
Daniel Wettreich <sup>(2)</sup> Toronto, Ontario	Chairman, CEO, CFO and director	CEO of Churchill Venture Capital LP and of Churchill Natural Resource Partners, LP	Nil	784,693 5.6%
Mark Wettreich Dallas, Texas, USA	Vice President, Corporate Secretary and director	Vice President of Churchill Venture Capital LP and of Churchill Natural Resource Partners LP	Nil	Nil
Scott F. White <sup>(2)</sup> Campbellville, Ontario	Director	Director and founder of Parlay Entertainment Inc.; Director of Minsud Resources Inc.; Director of Taggart Capital Corp.; Director of TriumphVentures II Corp.	Nil	9,292 0.0045%
Peter Wanner <sup>(2)</sup> Georgetown, Ontario	Director	Managing Director, IG Aviation Tax Services Inc., CFO & Director, First National Energy Corp. CFO & Director Hear At Last Holdings Inc. Director & President, Scorpio Capital Corp., Director & CEO, Triumph Ventures II Corp	Nil	6,257 0.003%

Notes:

(1) Based on 14,000,000 CNRP common shares being issued and outstanding after completion of the Plan of Arrangement

(2) Member of CNRPk's audit committee.



## **Management Team and Board of Directors**

**Daniel Wettreich** is a director and the Chairman, CEO and CFO of CNRP Mining Inc, GreenBank Capital Inc, Winston Resources Inc, Hadley Mining Inc and Zara Resources Inc. He has more than 38 years experience in venture capital, private equity, and management of publicly traded companies. He has been Chairman and CEO of Churchill Venture Capital LP, a Dallas, Texas private equity business, for more than 20 years, and is Managing Partner of Churchill Natural Resource Partners, LP, which invests in small cap mining companies. He has been a director of public companies listed on NASDAQ, the American Stock Exchange, the London Stock Exchange, the AIM Market of the London Stock Exchange, and the Vancouver Stock Exchange, a predecessor to the TSX Venture Exchange. These public companies have been in diverse businesses in internet technologies, oil and gas, retailing, telecommunications, media, and real estate. He has facilitated 12 reverse takeover transactions. He is a graduate of the University of Westminster with a BA in Business.

It is anticipated that Mr. Wettreich will devote such time and expertise as is reasonably required by CNRP.

**Mark Wettreich** is a director and Vice President of Administration and Corporate Secretary of CNRP Mining Inc, GreenBank Capital Inc, Winston Resources Inc, Hadley Mining Inc and Zara Resources Inc. He is Vice President of Churchill Venture Capital LP and of Churchill Natural Resource Partners, LP which invests in small cap mining companies. Previously, he was President of European Art Gallery, fine art dealers in London, England, and Dallas, Texas. He is a B.A. graduate of the University of Texas.

It is anticipated that Mr. Wettreich will devote such time and expertise as is reasonably required by CNRP.

**Scott F. White** is a director and member of the Audit Committee of CNRP Mining Inc, GreenBank Capital Inc, Winston Resources Inc, Hadley Mining Inc and Zara Resources Inc., . Mr. White is a director and founder of Parlay Games, Inc., a company focused on the development and license of internet gaming products. Mr. White is a director of several public corporations listed on the TSXV and is active as a shareholder and director of numerous private corporations. Previously Mr. White was the Founding and Managing Partner of Bush, Frankel, & White, Barristers & Solicitors. He has a B.A. from the University of Toronto and an LLB from the University of Windsor.

It is anticipated that Mr. White will devote such time and expertise as is reasonably required by CNRP.

**Peter D. Wanner** is a director and member of the Audit Committee of CNRP Mining Inc, GreenBank Capital Inc, Winston Resources Inc, Hadley Mining Inc and Zara Resources. He is the Managing Director of IG Aviation Tax Services Inc providing accounting services to the aviation industry. Mr Wanner is a director and CEO of Triumph Ventures II Corp and Triumph Ventures III Corp, which are Capital Pool Companies. He is a director and CEO of First National Energy Corp, a public company on the OTC in the USA and has been a director and officer of a number of public companies. Peter received his Certified General Accountant designation in 1981 and after working in public accounting he became VP & Controller of Worldways Canada – then Canada's 3rd largest airline. He has 25 years experience in accounting and financial consulting, and has worked with companies in Canada, the United States, Mexico and the United Kingdom.

It is anticipated that Mr. Wanner will devote such time and expertise as is reasonably required by CNRP.

## **Cease Trade Orders, Bankruptcies, Penalties, and Sanctions**

Other than as disclosed below, no director or executive officer of the Corporation or proposed director of the Corporation is, as at the date hereof, or has been, within the 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any corporation (including the Corporation) that:

- (a) was subject to an order that was issued and which was in effect for a period of more than 30 consecutive days, while the director or executive officer was acting in the capacity as director, chief executive officer or financial officer; or

(b) was subject to an order that was issued and which was in effect for a period of more than 30 consecutive days, 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.

No director or executive officer of the Corporation, proposed director of the Corporation, or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation:

(a) is, at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company (including the Corporation) 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) has, within the 10 years before the date of this Information Circular, 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, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director or executive officer of the Corporation, proposed director of the Corporation, or a shareholder holding a sufficient number of the Corporation's securities to affect materially the control of the Corporation 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)

(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.

Scott F. White was an officer and a director of Parlay Entertainment Inc ("**Parlay**"). Parlay was the subject of a cease trade order (a "**CTO**") issued by the Ontario Securities Commission (the "**OSC**") and by the British Columbia Securities Commission on or around May 17, 2011, for failing to file a comparative financial statement for its financial year ended December 31, 2010, and a Form 51-102F1 Management's Discussion and Analysis for the period ended December 31, 2010. Parlay subsequently filed all required financial statements and the CTO was lifted on July 25, 2012. On May 6, 2011, the Parlay appointed BDO Canada Limited ("**BDO**") to assist it in a restructuring and to act as its proposal trustee in the filing of a notice of intention to make a proposal (the "**Proposal**") to its creditors with the Superior Court of Justice, Province of Ontario, pursuant to the *Bankruptcy and Insolvency Act* (Canada). On September 29, 2011, the creditors of the Applicant rejected the Proposal and, as a result Parlay was deemed bankrupt and BDO was appointed Bankruptcy Trustee. On November 29, 2011, the Bankruptcy Trustee executed a letter of intent with a third party in anticipation of a transaction and, based on the letter of intent, the Bankruptcy Trustee offered a new proposal to the creditors (the "**New Proposal**") and on January 19, 2012, the creditors accepted the New Proposal. The New Proposal of Parlay under the *Bankruptcy and Insolvency Act* (Canada) was approved by the Court on February 6, 2012 and Parlay ceased to be deemed bankrupt.

### **Personal Bankruptcies**

No proposed director, officer or promoter of CNRP is, or has, within the ten years preceding the date hereof, been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

## Conflicts of interest

Certain of the directors of CNRP currently, or in the future, may serve as directors of, have significant shareholdings in, or provide professional services to other companies and, to the extent that such other companies may participate in ventures with CNRP, the directors of the Corporation 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, a director who has such a conflict must disclose, at a meeting of the board, the nature and extent of his interest to the meeting and abstain from voting for or against the approval of such participation. Conflicts will be subject to the procedures and remedies similar to these provided under the BCBCA.

## Other Reporting Issuer Experience

The following table sets forth the names of the directors, officers, and promoters of CNRP that are, or have been within the last five years, directors, officers, and promoters of other reporting issuers.

Name of Director, Officer, or Promoter	Name and Jurisdiction of Reporting Issuer	Name of Trading Market (1)	Position	From	To
Daniel Wettreich	Camelot Corporation Winston Resources Inc Zara Resources Inc Hadley Mining Inc	OTC-BB CNSX CNSX CNSX	CEO/Director CEO/Director CEO/Director CEO/Director	September 1988 June 2012 November 2012 November 2012	May 2010 Present Present Present
Peter Wanner	First National Energy Corp. Hear At Last Holdings Inc. Trophy Capital Inc. Ribbon Capital Corp. Scorpio Capital Corp. Triumph Ventures II Corp. Triumph Ventures III Corp. Winston Resources Inc Zara Resources Inc Hadley Mining Inc	OTCBB PK TSX-V TSX-V TSX-V TSX-V TSX-V CNSX CNSX CNSX	CFO/Director CFO Director Director Director/President CFO/Director CFO/Director Director Director Director	May 2004 July 2006 July 2003 June 2004 September 2004 November 2010 August 2011 January 2012 December 2012 December 2012	Present September 2009 March 2004 September 2006 January 2007 Present Present Present Present Present
Scott F. White	Parlay Entertainment Inc. Rattlesnake Ventures Inc. Minsud Resources Inc. Taggart Capital Corp. Triumph Ventures II Corp Winston Resources Inc Zara Resources Inc Hadley Mining Inc	TSXV TSXV TSXV TSXV TSXV CNSX CNSX CNSX	CEO/Director CEO/Director CEO/Director Director Director Director Director Director Director	November 2006 October 2007 May 2011 January 2011 July 2011 June 2012 November 2012 November 2012	July 2012 May 2011 Present Present Present Present Present Present
Mark Wettreich	Winston Resources Inc Zara Resources Inc Hadley Mining Inc	CNSX CNSX CNSX	Secretary/Director Secretary/Director Secretary/Director	June 2012 December 2012 December 2012	Present Present Present

Note:

(1) CNSX = Canadian National Stock Exchange; OTC-BB = Over the Counter Bulletin Board; TSXV = TSX Venture Exchange; and PK means "Pink Sheets"

## **EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

The Resulting Issuer Board anticipates, upon completion of the Plan of Arrangement, that the size of the Resulting Issuer will facilitate a direct management structure and that CNRP's Board will decide compensation matters relating to executive management. CNRP intends to compensate Daniel Wettreich for services as CEO of CNRP in the amount of \$8,000 per month and Mark Wettreich for services as Secretary of the Resulting Issuer in the amount of \$2,000 per month, commencing upon the completion of the Plan of Arrangement.

#### *Option-based Awards and Incentive Plan Awards*

CNRP does not intend to grant any incentive stock options in connection with the completion of the Plan of Arrangement but may grant options to directors, officers, employees and consultants of CNRP pursuant to CNRP's Stock Option Plan. See Schedule E. All future option grants will be at the discretion of CNRP's Board.

#### *Pension Plan Benefits*

CNRP does not intend to enact any deferred compensation plan or pension plan that provides for payments or benefits at, following or in connection with retirement.

#### *Termination and Change of Control Benefit*

CNRP does not intend to enter into employment agreements with its management team upon completion and there will be no termination or change of control benefits in favour of such persons.

### **Director Compensation**

Upon Completion of the Plan of Arrangement, it is anticipated that the size of CNRP will facilitate a direct management structure whereby the directors will determine how much, if any, cash compensation will be paid to directors for services rendered to CNRP by them in that capacity, however, it is not anticipated that directors who are otherwise employed by or engaged to provide services to CNRP, will be paid an annual director's fee.

#### *Share-Based Awards, Option based Awards and Non-Equity Incentive Plan Compensation*

The Resulting Issuer Board will consider whether share-based awards, option based awards or whether to establish any non-equity incentive plans, as the case may be, should be established from time to time.

## **INDEBTEDNESS OF DIRECTORS AND OFFICERS**

No director, executive officer or other senior officer of CNRP, or any Associate of any such director or officer is, or has been at any time since the beginning of the most recently completed financial year of CNRP, indebted to CNRP nor is, or at any time since the incorporation of CNRP has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by CNRP.

## **INVESTOR RELATIONS ARRANGEMENTS**

Neither CNRP nor the Corporation has entered into any written or oral agreement or understanding with any person to provide any promotional or investor relations services for the Corporation, or CNRP or its securities.

## **AUDITORS, TRANSFER AGENT AND REGISTRAR**

### **Auditors**

As at the date of this Information Circular, the auditors of CNRP are parker simone LLP, Chartered Accountants, of 129 Lakeshore Rd E, Mississauga, Ontario, L5G 1E5 who will continue in that capacity for the ensuing year at a remuneration to be fixed by the Directors.

### **Transfer Agent and Registrar**

The transfer agent and registrar of CNRP is Capital Transfer Agency Inc of 121 Richmond Street West, Suite 401, Toronto, Ontario M5H 2K1,

## **RISK FACTORS**

Upon completion of the Plan of Arrangement, CNRP's primary assets will consist of the Elmtree mineral development property in New Brunswick, Canada. The business of CNRP will be subject to numerous risk factors, as more particularly described below. Certain of the information set out in this Information Circular includes or is based upon expectations, estimates, projections or other "forward looking information." Such forward looking information includes projections or estimates made by CNRP and its management as to CNRP's future business operations. While statements concerning forward looking information, and any assumptions upon which they are based, are made in good faith and reflect CNRP's current judgment regarding the direction of their business, actual results will almost certainly vary, sometimes materially, from any estimates, predictions, projections, assumptions or other performance suggested herein.

### **Public Market Risk**

Upon completion of the Plan of Arrangement, CNRP intends to apply for listing on the CNSX. There can be no assurance that CNRP will obtain all the necessary approvals of the CNSX for listing. It is not possible to predict the price at which the Common Shares will trade and there can be no assurance that an active trading market for the Common Shares will be sustained. A publicly traded company will not necessarily trade at values determined solely by reference to the value of its assets. Accordingly, the Common Shares may trade at a premium or a discount to values implied by the value of its underlying assets. The market price for the Common Shares may be affected by changes in general market conditions, fluctuations in the markets for equity securities and numerous other factors beyond the control of CNRP.

### **Liquidity and Additional Financing**

CNRP believes that cash on hand, will be adequate to meet CNRP's working capital needs for the next 12 months following the completion of the Plan of Arrangement. However, CNRP will need to raise additional equity in order to pay the deferred Elmtree consideration due in June 2013. CNRP management believes that in the event that additional equity is not raised, then further payment deferrals can be obtained. Additional funds, by way of equity financings will need to be raised to finance CNRP's future activities. There can be no assurance that CNRP will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could cause CNRP to reduce or terminate its operations.

### **Regulatory Requirements**

Governmental regulation may affect CNRP's activities and CNRP may be affected in varying degrees by government policies and regulations. Any changes in regulations or shifts in political conditions are beyond the control of CNRP and may adversely affect its business.

### **Permits and Licenses**

The operations of CNRP may require licenses and permits from various governmental authorities. There can be no assurance that CNRP will be able to obtain all necessary licenses and permits that may be required.

### **Competition**

The mineral development industry is intensely competitive in all its phases. CNRP competes with many companies possessing greater financial resources than itself for investment opportunities as well as for the recruitment and retention of qualified employees. Factors beyond the control of CNRP may affect its investments. These factors include market fluctuations, the proximity and capacity of natural resource markets, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in CNRP not receiving an adequate return on invested capital or losing its invested capital.

### **Environmental Regulations**

CNRP's operations may be subject to environmental regulations promulgated by government agencies from time to time. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect CNRP's operations. CNRP intends to fully comply with all environmental regulations.

### **Fluctuating Price**

The price of commodities has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond CNRP's control including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, consumption patterns, speculative activities and increased production due to new mine developments and improved mining and production methods. The effect of these factors on the price of base and precious metals and therefore the economic viability of CNRP's activities cannot be accurately predicted.

### **Reliance on Key Personnel**

The Resulting Issuer's performance is substantially dependent on the performance and efforts of its board of directors and management. The loss of the services of any member of CNRP Board could have a material adverse effect on its business, results of operations and financial condition, CNRP does not carry any key man insurance.

## **INTERESTS OF EXPERTS**

To the knowledge of management of the Corporation and CNRP, no professional person providing an expert opinion in these materials or any Associate or Affiliate of such person has any beneficial interest, direct or indirect, in any securities or property of the Corporation or CNRP and no professional person is expected to be elected, appointed or employed as a director, senior officer or employee of CNRP or an Associate or Affiliate thereof.

## **APPLICATION FOR LISTING APPROVAL**

Upon the completion of the Plan of Arrangement, CNRP intends to apply to the Canadian National Stock Exchange for approval of the proposed listing of CNRP shares on the CNSX. As of the date of this Information Circular no application has been made and therefore CNRP has not received conditional approval of the listing and no assurances can be provided that CNRP will obtain conditional approval of the listing. The proposed listing is subject to CNRP fulfilling all of the requirements of the Exchange.

## INFORMATION CONCERNING GREENBANK

GreenBank was incorporated by a certificate of incorporation under the *Business Corporations Act* (British Columbia) dated January 30, 2013. The head office of GreenBank is located at 208 Queens Quay West, Suite 2506, Toronto, Ontario, M5J 2Y5

### General Description of the Business

The business of GreenBank consists of corporate finance investment activities focusing on investing in Canadian small cap publicly listed companies. It will seek to take equity positions in its clients and participate in its client company decisions via board of directors positions. It is expected that GreenBank will facilitate mergers and acquisitions, often participating with equity in the transactions as appropriate. GreenBank's investments in Zara and Hadley stock are intended to be long term investments, however it may, depending on market and other conditions, increase or decrease its beneficial ownership, control or direction over the common shares, through market transactions, private agreements, treasury issuances, exercise of convertible securities or otherwise. Zara is a Toronto based mineral company developing its Pigeon River and Riverbank nickel-copper projects, in Ontario, Canada. On February 1, 2013 Zara signed a Letter of Intent to acquire control of the Forge Lake Gold Project for \$583,010. For more information please see Zara's website at [www.ZaraResourcesInc.com](http://www.ZaraResourcesInc.com). Hadley is a Toronto based mineral company primarily focused on developing its 100% owned Etamame Nickel project, in Northwestern Ontario, Canada. For more information please see [www.HadleyMining.com](http://www.HadleyMining.com).

Until the completion of the Plan of Arrangement, Winston will be the sole shareholder of GreenBank.

### Corporate History

On February 8, 2013 GreenBank entered into the Arrangement Agreement. Upon completion of the Plan of Arrangement and the distribution of the GreenBank Distribution Shares, GreenBank will be a reporting issuer in the Provinces of British Columbia, Alberta and Ontario.

### Narrative Description of the Business

The business of GreenBank consists of corporate finance investment activities focusing on investing in Canadian small cap publicly listed companies. GreenBank will seek to take equity positions in its clients and participate in its client company decisions via board of directors positions. It is expected that GreenBank will facilitate mergers and acquisitions, often participating with equity in the transactions as appropriate. GreenBank's investment portfolio comprises of Zara and Hadley stock which are intended to be long term investments, however it may, depending on market and other conditions, increase or decrease its beneficial ownership, control or direction over the common shares or other securities of the Company, through market transactions, private agreements, treasury issuances, exercise of convertible securities or otherwise. Zara is a Toronto based mineral company developing its Pigeon River and Riverbank nickel-copper projects, in Ontario, Canada. On January 7, 2013 acquired the Pigeon River Nickel Project in Ontario, Canada for \$700,000, and on February 1, 2013 signed a Letter of Intent to acquire control of the Forge Lake Gold Project for \$583,010. The investment portfolio comprises of 13,460,000 common shares being 49% of Zara and 12,250,000 common shares being 49% of Hadley.

### Stated Business Objectives and Milestones

Upon completion of the Plan of Arrangement, GreenBank's business will be that of corporate finance focusing on small cap publicly listed companies. GreenBank intends to list the common shares of GreenBank on the CNSX, subject to obtaining all necessary approvals of the CNSX.

### Description of the Securities of the Resulting Issuer

There is currently one common share of GreenBank issued and outstanding. On the Effective Date, GreenBank shall issue 25,710,000 common shares in the capital of GreenBank, 100% of which will be immediately transferred to Shareholders, on a pro rata basis, as a dividend in kind.

### Pro Forma Capitalization of the Resulting Issuer

Based on the audited financial statements of GreenBank as at February 15, 2013, as set out in Schedule E attached hereto, the proforma share capital of GreenBank after completion of the Plan of Arrangement will be as follows:

Designation of Security	Amount Authorized	Outstanding Common Shares
Common Shares	Unlimited	25,710,001
Indebtedness	N/A	0
Shareholders Equity	N/A	\$2,571,000

### Available Funds and Principal Purposes

Management of the Corporation estimates that GreenBank will have a nominal amount in available cash funds immediately following the completion of the Plan of Arrangement. However, Daniel Wettreich, the CEO of GreenBank, has agreed to make loans on an as needed basis to provide working capital. GreenBank will seek to raise additional working capital by issuing equity in private placements as appropriate. There is no guarantee that GreenBank will be successful in raising additional capital or that if capital is available that it will be on terms deemed favorable by GreenBank.

### Dividend Policy

It is not contemplated that any dividends will be paid in the immediate or foreseeable future as it is anticipated that all Available Funds will be applied to finance the GreenBank's business. GreenBank's board of directors will determine if and when dividends are to be declared and paid from funds properly applicable to the payment of dividends based on the Resulting Issuer's financial position at the relevant time

### PRINCIPAL SECURITY HOLDERS OF GREENBANK

To the knowledge of the directors and officers of the Corporation and GreenBank, the only persons who immediately following the completion of the Plan of Arrangement, will own beneficially and of record, directly or indirectly, or exercise control or direction over, more than 10% of the issued and outstanding common shares of GreenBank are set out below:

Name and Municipality of Residence.	Number of Common Shares of GreenBank after Plan of Arrangement	Percentage of Issued and Outstanding Common Shares of GreenBank after Plan of Arrangement (1)
Daniel Wettreich, Toronto, ON	9,816,550	38.2%
Castle Resources Inc, Toronto, ON	7,025,761	27.3%

Note:

(2) Based on 25,710,001 GreenBank common shares being issued and outstanding.



## DIRECTORS, OFFICERS AND PROMOTERS

### Name, Address, Occupation and Securities Holdings

The following chart provides certain information with respect to each proposed director and officer of GreenBank, including the approximate number of securities of GreenBank that will be beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them:

Name and Municipality of Residence	Proposed Position with GreenBank	Principal Occupation During the Past Five Years	Number and Percentage of Common Shares Beneficially Held as at the date hereof	Number and Percentage of Common Shares Beneficially Held assuming completion of Plan of Arrangement <sup>(1)</sup>
Daniel Wettreich <sup>(2)</sup> Toronto, Ontario	Chairman, CEO, CFO and director	CEO of Churchill Venture Capital LP and of Churchill Natural Resource Partners, LP	Nil	9,816,550 38.2%
Mark Wettreich Dallas, Texas, USA	Vice President, Corporate Secretary and director	Vice President of Churchill Venture Capital LP and of Churchill Natural Resource Partners LP	Nil	Nil
Scott F. White <sup>(2)</sup> Campbellville, Ontario	Director	Director and founder of Parlay Entertainment Inc.; Director of Minsud Resources Inc.; Director of Taggart Capital Corp.; Director of Triumph Ventures II Corp.	Nil	117,096 0.0045%
Peter Wanner <sup>(2)</sup> Georgetown, Ontario	Director	Managing Director, IG Aviation Tax Services Inc., CFO & Director, First National Energy Corp. CFO & Director Hear At Last Holdings Inc. Director & President, Scorpio Capital Corp., Director & CEO, Triumph Ventures II Corp	Nil	77,821 0.003%

**Notes:**

(1) Based on 25,710,001 GreenBank common shares being issued and outstanding after completion of the Plan of Arrangement

(2) Member of GreenBank's audit committee.

## **Management Team and Board of Directors**

**Daniel Wettreich** is a director and the Chairman, CEO and CFO of GreenBank Capital Inc, Winston Resources Inc, Hadley Mining Inc and Zara Resources Inc. He has more than 38 years experience in venture capital, private equity, and management of publicly traded companies. He has been Chairman and CEO of Churchill Venture Capital LP, a Dallas, Texas private equity business, for more than 20 years, and is Managing Partner of Churchill Natural Resource Partners, LP, which invests in small cap mining companies. He has been a director of public companies listed on NASDAQ, the American Stock Exchange, the London Stock Exchange, the AIM Market of the London Stock Exchange, and the Vancouver Stock Exchange, a predecessor to the TSX Venture Exchange. These public companies have been in diverse businesses in internet technologies, oil and gas, retailing, telecommunications, media, and real estate. He has facilitated 12 reverse takeover transactions. He is a graduate of the University of Westminster with a BA in Business.

It is anticipated that Mr. Wettreich will devote such time and expertise as is reasonably required by GreenBank.

**Mark Wettreich** is a director and Vice President of Administration and Corporate Secretary of GreenBank Capital Inc, Winston Resources Inc, Hadley Mining Inc and Zara Resources Inc. He is Vice President of Churchill Venture Capital LP and of Churchill Natural Resource Partners, LP which invests in small cap mining companies. Previously, he was President of European Art Gallery, fine art dealers in London, England, and Dallas, Texas. He is a B.A. graduate of the University of Texas.

It is anticipated that Mr. Wettreich will devote such time and expertise as is reasonably required by GreenBank.

**Scott F. White** is a director and member of the Audit Committee of GreenBank Capital Inc, Winston Resources Inc, Hadley Mining Inc and Zara Resources Inc., . Mr. White is a director and founder of Parlay Games, Inc., a company focused on the development and license of internet gaming products. Mr. White is a director of several public corporations listed on the TSXV and is active as a shareholder and director of numerous private corporations. Previously Mr. White was the Founding and Managing Partner of Bush, Frankel, & White, Barristers & Solicitors. He has a B.A. from the University of Toronto and an LLB from the University of Windsor.

It is anticipated that Mr. White will devote such time and expertise as is reasonably required by GreenBank.

**Peter D. Wanner** is a director and member of the Audit Committee of GreenBank Capital Inc, Winston Resources Inc, Hadley Mining Inc and Zara Resources. He is the Managing Director of IG Aviation Tax Services Inc providing accounting services to the aviation industry. Mr Wanner is a director and CEO of Triumph Ventures II Corp and Triumph Ventures III Corp, which are Capital Pool Companies. He is a director and CEO of First National Energy Corp, a public company on the OTC in the USA and has been a director and officer of a number of public companies. Peter received his Certified General Accountant designation in 1981 and after working in public accounting he became VP & Controller of Worldways Canada – then Canada’s 3rd largest airline. He has 25 years experience in accounting and financial consulting, and has worked with companies in Canada, the United States, Mexico and the United Kingdom.

It is anticipated that Mr. Wanner will devote such time and expertise as is reasonably required by GreenBank.

## **Cease Trade Orders, Bankruptcies, Penalties, and Sanctions**

Other than as disclosed below, no director or executive officer of the Corporation or proposed director of the Corporation is, as at the date hereof, or has been, within the 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any corporation (including the Corporation) that:

(c) was subject to an order that was issued and which was in effect for a period of more than 30 consecutive days, while the director or executive officer was acting in the capacity as director, chief executive officer or financial officer; or

(d) was subject to an order that was issued and which was in effect for a period of more than 30 consecutive days, 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.

No director or executive officer of the Corporation, proposed director of the Corporation, or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation:

(c) is, at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company (including the Corporation) 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

(d) has, within the 10 years before the date of this Information Circular, 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, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director or executive officer of the Corporation, proposed director of the Corporation, or a shareholder holding a sufficient number of the Corporation's securities to affect materially the control of the Corporation has been subject to:

(c) 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)

(d) 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.

Scott F. White was an officer and a director of Parlay Entertainment Inc ("**Parlay**"). Parlay was the subject of a cease trade order (a "**CTO**") issued by the Ontario Securities Commission (the "**OSC**") and by the British Columbia Securities Commission on or around May 17, 2011, for failing to file a comparative financial statement for its financial year ended December 31, 2010, and a Form 51-102F1 Management's Discussion and Analysis for the period ended December 31, 2010. Parlay subsequently filed all required financial statements and the CTO was lifted on July 25, 2012. On May 6, 2011, the Parlay appointed BDO Canada Limited ("**BDO**") to assist it in a restructuring and to act as its proposal trustee in the filing of a notice of intention to make a proposal (the "**Proposal**") to its creditors with the Superior Court of Justice, Province of Ontario, pursuant to the *Bankruptcy and Insolvency Act* (Canada). On September 29, 2011, the creditors of the Applicant rejected the Proposal and, as a result Parlay was deemed bankrupt and BDO was appointed Bankruptcy Trustee. On November 29, 2011, the Bankruptcy Trustee executed a letter of intent with a third party in anticipation of a transaction and, based on the letter of intent, the Bankruptcy Trustee offered a new proposal to the creditors (the "**New Proposal**") and on January 19, 2012, the creditors accepted the New Proposal. The New Proposal of Parlay under the *Bankruptcy and Insolvency Act* (Canada) was approved by the Court on February 6, 2012 and Parlay ceased to be deemed bankrupt.

### **Personal Bankruptcies**

No proposed director, officer or promoter of GreenBank is, or has, within the ten years preceding the date hereof, been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

## Conflicts of interest

Certain of the directors of GreenBank currently, or in the future, may serve as directors of, have significant shareholdings in, or provide professional services to other companies and, to the extent that such other companies may participate in ventures with GreenBank Capital Inc., the directors of the Corporation 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, a director who has such a conflict must disclose, at a meeting of the board, the nature and extent of his interest to the meeting and abstain from voting for or against the approval of such participation. Conflicts will be subject to the procedures and remedies similar to these provided under the BCBCA.

## Other Reporting Issuer Experience

The following table sets forth the names of the directors, officers, and promoters of GreenBank that are, or have been within the last five years, directors, officers, and promoters of other reporting issuers.

Name of Director, Officer, or Promoter	Name and Jurisdiction of Reporting Issuer	Name of Trading Market (1)	Position	From	To
Daniel Wettreich	Camelot Corporation	OTC-BB	CEO/Director	September 1988	May 2010
	Winston Resources Inc	CNSX	CEO/Director	June 2012	Present
	Zara Resources Inc	CNSX	CEO/Director	November 2012	Present
	Hadley Mining Inc	CNSX	CEO/Director	November 2012	Present
Peter Wanner	First National Energy Corp.	OTCBB	CFO/Director	May 2004	Present
	Hear At Last Holdings Inc.	PK	CFO	July 2006	September 2009
	Trophy Capital Inc.	TSX-V	Director	July 2003	March 2004
	Ribbon Capital Corp.	TSX-V	Director	June 2004	September 2006
	Scorpio Capital Corp.	TSX-V	Director/President	September 2004	January 2007
	Triumph Ventures II Corp.	TSX-V	CFO/Director	November 2010	Present
	Triumph Ventures III Corp.	TSX-V	CFO/Director	August 2011	Present
	Winston Resources Inc	CNSX	Director	January 2012	Present
	Zara Resources Inc	CNSX	Director	December 2012	Present
	Hadley Mining Inc	CNSX	Director	December 2012	Present
Scott F. White	Parlay Entertainment Inc.	TSXV	CEO/Director	November 2006	July 2012
	Rattlesnake Ventures Inc.	TSXV	CEO/Director	October 2007	May 2011
	Minsud Resources Inc.	TSXV	CEO/Director	May 2011	Present
	Taggart Capital Corp.	TSXV	Director	January 2011	Present
	Triumph Ventures II Corp	TSXV	Director	July 2011	Present
	Winston Resources Inc	CNSX	Director	June 2012	Present
	Zara Resources Inc	CNSX	Director	November 2012	Present
	Hadley Mining Inc	CNSX	Director	November 2012	Present
Mark Wettreich	Winston Resources Inc	CNSX	Secretary/Director	June 2012	Present
	Zara Resources Inc	CNSX	Secretary/Director	December 2012	Present
	Hadley Mining Inc	CNSX	Secretary/Director	December 2012	Present

Note:

(1) CNSX = Canadian National Stock Exchange; OTC-BB = Over the Counter Bulletin Board; TSXV = TSX Venture Exchange; and PK means "Pink Sheets"

## **EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

The Resulting Issuer Board anticipates, upon completion of the Plan of Arrangement, that the size of the Resulting Issuer will facilitate a direct management structure and that GreenBank's Board will decide compensation matters relating to executive management. GreenBank intends to compensate Daniel Wettreich for services as CEO of GreenBank in the amount of \$8,000 per month and Mark Wettreich for services as Secretary of the Resulting Issuer in the amount of \$2,000 per month, commencing upon the completion of the Plan of Arrangement.

#### *Option-based Awards and Incentive Plan Awards*

GreenBank does not intend to grant any incentive stock options in connection with the completion of the Plan of Arrangement but may grant options to directors, officers, employees and consultants of GreenBank pursuant to GreenBank's Stock Option Plan. See Schedule A. All future option grants will be at the discretion of GreenBank's Board.

#### *Pension Plan Benefits*

GreenBank does not intend to enact any deferred compensation plan or pension plan that provides for payments or benefits at, following or in connection with retirement.

#### *Termination and Change of Control Benefit*

GreenBank does not intend to enter into employment agreements with its management team upon completion and there will be no termination or change of control benefits in favour of such persons.

### **Director Compensation**

Upon Completion of the Plan of Arrangement, it is anticipated that the size of GreenBank will facilitate a direct management structure whereby the directors will determine how much, if any, cash compensation will be paid to directors for services rendered to GreenBank by them in that capacity, however, it is not anticipated that directors who are otherwise employed by or engaged to provide services to GreenBank, will be paid an annual director's fee.

#### *Share-Based Awards, Option based Awards and Non-Equity Incentive Plan Compensation*

The Resulting Issuer Board will consider whether share-based awards, option based awards or whether to establish any non-equity incentive plans, as the case may be, should be established from time to time.

## **INDEBTEDNESS OF DIRECTORS AND OFFICERS**

No director, executive officer or other senior officer of GreenBank, or any Associate of any such director or officer is, or has been at any time since the beginning of the most recently completed financial year of GreenBank, indebted to GreenBank nor is, or at any time since the incorporation of GreenBank has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by GreenBank.

## **INVESTOR RELATIONS ARRANGEMENTS**

Neither GreenBank nor the Corporation has entered into any written or oral agreement or understanding with any person to provide any promotional or investor relations services for the Corporation, or GreenBank or its securities.

## **AUDITORS, TRANSFER AGENT AND REGISTRAR**

### **Auditors**

As at the date of this Information Circular, the auditors of GreenBank are parker simone LLP, Chartered Accountants, of 129 Lakeshore Rd E, Mississauga, Ontario, L5G 1E5 who will continue in that capacity for the ensuing year at a remuneration to be fixed by the Directors.

### **Transfer Agent and Registrar**

The transfer agent and registrar of GreenBank are Capital Transfer Agency Inc of 121 Richmond Street West, Suite 401, Toronto, Ontario M5H 2K1,

## **RISK FACTORS**

Upon completion of the Plan of Arrangement, GreenBank's primary assets will consist of an investment portfolio of publicly listed securities. The business of GreenBank will be subject to numerous risk factors, as more particularly described below. Certain of the information set out in this Information Circular includes or is based upon expectations, estimates, projections or other "forward looking information." Such forward looking information includes projections or estimates made by GreenBank and its management as to GreenBank's future business operations. While statements concerning forward looking information, and any assumptions upon which they are based, are made in good faith and reflect GreenBank's current judgment regarding the direction of their business, actual results will almost certainly vary, sometimes materially, from any estimates, predictions, projections, assumptions or other performance suggested herein.

### **Public Market Risk**

Upon completion of the Plan of Arrangement, GreenBank intends to apply for listing on the CNSX. There can be no assurance that GreenBank will obtain all the necessary approvals of the CNSX for listing. It is not possible to predict the price at which the Common Shares will trade and there can be no assurance that an active trading market for the Common Shares will be sustained. A publicly traded company will not necessarily trade at values determined solely by reference to the value of its assets. Accordingly, the Common Shares may trade at a premium or a discount to values implied by the value of its underlying assets. The market price for the Common Shares may be affected by changes in general market conditions, fluctuations in the markets for equity securities and numerous other factors beyond the control of GreenBank.

### **Liquidity and Additional Financing**

GreenBank believes that cash on hand, including securities held for sale, will be adequate to meet GreenBank's financial needs for the next 12 months following the completion of the Plan of Arrangement. Additional funds, by way of equity financings will need to be raised to finance GreenBank's future activities. There can be no assurance that GreenBank will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could cause GreenBank to reduce or terminate its operations.

### **Regulatory Requirements**

Governmental regulation may affect GreenBank's investment activities and GreenBank may be affected in varying degrees by government policies and regulations. Any changes in regulations or shifts in political conditions are beyond the control of GreenBank and may adversely affect its business.

## **Permits and Licenses**

The operations of GreenBank may require licenses and permits from various governmental authorities. There can be no assurance that GreenBank will be able to obtain all necessary licenses and permits that may be required.

## **Competition**

The financial services industry is intensely competitive in all its phases. GreenBank competes with many companies possessing greater financial resources than itself for investment opportunities as well as for the recruitment and retention of qualified employees. Factors beyond the control of GreenBank may affect its investments. These factors include market fluctuations, the proximity and capacity of natural resource markets, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in GreenBank not receiving an adequate return on invested capital or losing its invested capital.

## **Environmental Regulations**

GreenBank's operations may be subject to environmental regulations promulgated by government agencies from time to time. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect GreenBank's operations. GreenBank intends to fully comply with all environmental regulations.

## **Fluctuating Price**

GreenBank's investments are expected to be in small Canadian public companies, many of which activities are in large part derived from the mining and sale of precious and non precious metals. The price of those commodities has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond GreenBank's control including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, consumption patterns, speculative activities and increased production due to new mine developments and improved mining and production methods. The effect of these factors on the price of base and precious metals and therefore the economic viability of any of those companies that GreenBank invests in cannot be accurately predicted.

## **Reliance on Key Personnel**

The Resulting Issuer's performance is substantially dependent on the performance and efforts of its board of directors and management. The loss of the services of any member of GreenBank Board could have a material adverse effect on its business, results of operations and financial condition, GreenBank does not carry any key man insurance.

## **INTERESTS OF EXPERTS**

To the knowledge of management of the Corporation and GreenBank, no professional person providing an expert opinion in these materials or any Associate or Affiliate of such person has any beneficial interest, direct or indirect, in any securities or property of the Corporation or GreenBank and no professional person is expected to be elected, appointed or employed as a director, senior officer or employee of GreenBank or an Associate or Affiliate thereof.

## **APPLICATION FOR LISTING APPROVAL**

Upon the completion of the Plan of Arrangement, GreenBank intends to apply to the Canadian National Stock Exchange for approval of the proposed listing of GreenBank shares on the CNSX. As of the date of this

Information Circular no application has been made and therefore GreenBank has not received conditional approval of the listing and no assurances can be provided that GreenBank will obtain conditional approval of the listing. The proposed listing is subject to GreenBank fulfilling all of the requirements of the Exchange.

#### **OTHER MATERIAL FACTS**

The Corporation is not aware of any other material facts relating to the Corporation, CNRP or GreenBank or to the Plan of Arrangement that are not disclosed under the preceding items and are necessary in order for the Information Circular to contain full, true and plain disclosure of all material facts relating to the Corporation, CNRP and GreenBank, other than those set forth herein.

#### **TAX CONSIDERATIONS**

**THIS INFORMATION CIRCULAR DOES NOT CONTAIN ANY INFORMATION CONCERNING THE TAX CONSEQUENCES OF THE PLAN OF ARRANGEMENT. THERE MAY BE MATERIAL TAX CONSEQUENCES OF THE PLAN OF ARRANGEMENT TO SHAREHOLDERS. EACH SHAREHOLDER SHOULD CONSULT WITH SUCH SHAREHOLDER'S OWN TAX ADVISOR AS TO THE TAX CONSEQUENCES OF THE PLAN OF ARRANGEMENT APPLICABLE TO SUCH SHAREHOLDER.**

#### **BOARD APPROVAL**

This Information Circular has been approved by the directors of the Corporation. Where information contained in this Information Circular rests particularly within the knowledge of a Person other than the Corporation, the Corporation has relied upon information furnished by such Person.

#### **Other Business**

Management is not aware of any other business to come before the Meeting other than as set forth in the Notice of Meeting accompanying this Information Circular. If any other business properly comes before the Meeting, it is the intention of the persons named in the accompanying form of proxy to vote the Common Shares represented thereby in accordance with their best judgment on such matter.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation may be found on SEDAR. Financial information of the Corporation is provided in the comparative financial statements and management discussion and analysis of the Corporation for the most recently completed financial year. Under NI 51-102, any person or company who wishes to receive interim financial statements from the Corporation may deliver a written request for such material to the Corporation or the Corporation's agent, together with a signed statement that the person or company is the owner of securities of the Corporation. Shareholders who wish to receive interim financial statements are encouraged to send the enclosed mail card, together with the completed form of proxy, in the addressed envelope provided, to the Corporation's transfer agent, Capital Transfer Agency Inc., at their proxy department located at 121 Richmond Street West, Suite 401, Toronto, Ontario M5H 2K1 or faxed to (416) 350-5008. The Corporation maintains a supplemental mailing list of persons or companies wishing to receive interim financial statements.



**DIRECTORS' APPROVAL**

The contents and the sending of this Information Circular to the Shareholders of the Corporation have been approved by the Board of Directors. Unless otherwise specified, information contained in this Information Circular is given as of March 5, 2013.

DATED at Toronto, Ontario this March 5, 2013

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) *"Daniel Wettreich"*

Daniel Wettreich  
Chairman

**SCHEDULE A  
STOCK OPTION PLAN**

**GREENBANK CAPITAL INC.  
(the "Corporation")**

**STOCK OPTION PLAN**

**1. Purpose**

The purpose of the Plan is to: (i) provide an incentive to the directors, officers, employees, consultants and other personnel of the Corporation or any of its subsidiaries to achieve the longer objectives of the Corporation; (ii) give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation; and (iii) attract to and retain in the employ of the Corporation or any of its subsidiaries, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

**2. Definitions and Interpretation**

When used in this Plan, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the respective meanings ascribed to them as follows:

- (a) **"Board of Directors"** means the Board of Directors of the Corporation;
- (b) **"Common Shares"** means common shares in the capital of the Corporation;
- (c) **"Corporation"** means GreenBank Capital Inc. and any successor corporation and any reference herein to action by the Corporation means action by or under the authority of its Board of Directors or a duly empowered committee appointed by the Board of Directors;
- (d) **"Discounted Market Price"** means the last per share closing price for the Common Shares on the Exchange before the date of grant of an Option, less any applicable discount under Exchange Policies;
- (e) **"Exchange"** means the Canadian National Stock Exchange or any other stock exchange on which the Common Shares are listed;
- (f) **"Exchange Policies"** means the policies of the Exchange, including those set forth in the Corporate Finance Manual of the Exchange;
- (g) **"Insider"** has the meaning ascribed thereto in Exchange Policies;
- (h) **"Market Price"** at any date in respect of the Common Shares shall be the closing price of such Common Shares on any Exchange (and if listed on more than one Exchange, then the highest of such closing prices) on the last business day prior to the date of grant (or, if such Common Shares are not then listed and posted for trading on the Exchange, on such stock exchange in Canada on which the Common Shares are listed and posted for trading as may be selected for such purpose by the Board of Directors). In the event that such Common Shares did not trade on such business day, the Market Price shall be the average of the bid and asked prices in respect of such Common Shares at the close of trading on such date. In the event that such Common Shares are not listed and posted for trading on any stock exchange, the Market Price shall be the fair market value of such Common Shares as determined by the Board of Directors in its sole discretion;
- (i) **"Option"** means an option granted by the Corporation to an Optionee entitling such Optionee to acquire a designated number of Common Shares from treasury at a price determined by the Board of Directors;

(j) **“Option Period”** means the period determined by the Board of Directors during which an Optionee may exercise an Option, not to exceed the maximum period permitted by the Exchange, which maximum period is ten (10) years from the date the Option is granted;

(k) **“Optionee”** means a person who is a director, officer, employee, consultant or other personnel of the Corporation or a subsidiary of the Corporation; a corporation wholly-owned by such persons; or any other individual or body corporate who may be granted an option pursuant to the requirements of the Exchange, who is granted an Option pursuant to this Plan;

(l) **“Plan”** shall mean the Corporation's incentive stock option plan as embodied herein and as from time to time amended;

(m) **“Securities Act”** means the *Securities Act* (Ontario), as amended, or such other successor legislation as may be enacted, from time to time; and

(n) **“Securities Laws”** means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that govern or are applicable to the Corporation or to which it is subject, including, without limitation, the Securities Act.

Capitalized terms in the Plan that are not otherwise defined herein shall have the meaning set out in the Exchange Policies, including without limitation “Consultant”, “Disinterested Shareholder Approval”, “Employee”, “Insider”, “Investor Relations Activities” and “Management Company Employee”.

Wherever the singular or masculine is used in this Plan, the same shall be construed as meaning the plural or feminine or body corporate and vice versa, where the context or the parties so require.

### **3. Administration**

The Plan shall be administered by the Board of Directors. The Board of Directors shall have full and final discretion to interpret the provisions of the Plan and to prescribe, amend, rescind and waive rules and regulations to govern the administration and operation of the Plan. All decisions and interpretations made by the Board of Directors shall be binding and conclusive upon the Corporation and on all persons eligible to participate in the Plan, subject to shareholder approval if required by the Exchange. Notwithstanding the foregoing or any other provision contained herein, the Board of Directors shall have the right to delegate the administration and operation of the Plan to a special committee of directors appointed from time to time by the Board of Directors, in which case all references herein to the Board of Directors shall be deemed to refer to such committee.

### **4. Eligibility**

The Board of Directors may at any time and from time to time designate those Optionees who are to be granted an Option pursuant to the Plan and grant an Option to such Optionee. Subject to Exchange Policies and the limitations contained herein, the Board of Directors is authorized to provide for the grant and exercise of Options on such terms (which may vary as between Options) as it shall determine. No Option shall be granted to any person except upon recommendation of the Board of Directors. A person who has been granted an Option may, if he is otherwise eligible and if permitted by Exchange Policies, be granted an additional Option or Options if the Board of Directors shall so determine. Subject to Exchange Policies, the Corporation shall represent that the Optionee is a bona fide Employee, Consultant or Management Company Employee (as such terms are defined in Exchange Policies) in respect of Options granted to such Optionees.

### **5. Participation**

Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Optionee's relationship or employment with the Corporation.

Notwithstanding any express or implied term of this Plan or any Option to the contrary, the granting of an Option pursuant to the Plan shall in no way be construed as conferring on any Optionee any right with respect to

continuance as a director, officer, employee or consultant of the Corporation or any subsidiary of the Corporation.

Options shall not be affected by any change of employment of the Optionee or by the Optionee ceasing to be a director or officer of or a consultant to the Corporation or any of its subsidiaries, where the Optionee at the same time becomes or continues to be a director, officer or full-time employee of or a consultant to the Corporation or any of its subsidiaries.

No Optionee shall have any of the rights of a shareholder of the Corporation in respect to Common Shares issuable on exercise of an Option until such Common Shares shall have been paid for in full and issued by the Corporation on exercise of the Option, pursuant to this Plan.

## **6. Common Shares Subject to Options**

The number of authorized but unissued Common Shares that may be issued upon the exercise of Options granted under the Plan at any time plus the number of Common Shares reserved for issuance under outstanding incentive stock options otherwise granted by the Corporation shall not exceed 10% of the issued and outstanding Common Shares on a non-diluted basis at any time, and such aggregate number of Common Shares shall automatically increase or decrease as the number of issued and outstanding Common Shares changes. The Options granted under the Plan together with all of the Corporation's other previously established stock option plans or grants, shall not result at any time in:

- (a) the number of Common Shares reserved for issuance pursuant to Options granted to Insiders exceeding 10% of the issued and outstanding Common Shares;
- (b) the grant to Insiders within a 12-month period, of a number of Options exceeding 10% of the outstanding Common Shares;
- (c) the grant to any one (1) Optionee within a twelve month period, of a number of Options exceeding 5% of the issued and outstanding Common Shares unless the Corporation obtains the requisite Disinterested Shareholder Approval;
- (d) the grant to all persons engaged by the Corporation to provide Investor Relations Activities, within any twelve-month period, of Options reserving for issuance a number of Common Shares exceeding in the aggregate 2% of the Corporation's issued and outstanding Common Shares; or
- (e) the grant to any one Consultant, in any twelve-month period, of Options reserving for issuance a number of Common Shares exceeding in the aggregate 2% of the Corporation's issued and outstanding Common Shares.

Appropriate adjustments shall be made as set forth in Section 15 hereof, in both the number of Common Shares covered by individual grants and the total number of Common Shares authorized to be issued hereunder, to give effect to any relevant changes in the capitalization of the Corporation.

If any Option granted hereunder shall expire or terminate for any reason without having been exercised in full, the unpurchased Common Shares subject thereto shall again be available for the purpose of the Plan.

## **7. Option Agreement**

A written agreement will be entered into between the Corporation and each Optionee to whom an Option is granted hereunder, which agreement will set out the number of Common Shares subject to option, the exercise price and any other terms and conditions approved by the Board of Directors, all in accordance with the provisions of this Plan (herein referred to as the "Stock Option Agreement"). The Stock Option Agreement will be in such form as the Board of Directors may from time to time approve, and may contain such terms as may be considered necessary in order that the Option will comply with any provisions respecting options in the income tax or other laws in force in any country or jurisdiction of which the Optionee may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.

## **8. Option Period and Exercise Price**

Each Option and all rights thereunder shall be expressed to expire on the date set out in the respective Stock Option Agreement, which shall be the date of the expiry of the Option Period (the “Expiry Date”), subject to earlier termination as provided in Sections 11 and 12 hereof.

Subject to Exchange Policies and any limitations imposed by any relevant regulator) authority, the exercise price of an Option granted under the Plan shall be as determined by the Board of Directors when such Option is granted and shall be an amount at least equal to the Discounted Market Price of the Common Shares.

In addition to any resale restrictions under Securities Laws, any Option granted under this Plan and any Common Shares issued upon the due exercise of any such Option so granted will be subject to a four-month Exchange hold period commencing from the date of grant of the Option, if the exercise price of the Option is granted at less than the Market Price, in which case the Option, and the Common Shares issued upon due exercise of the Option, if applicable, will bear the following legend:

“Without prior written approval of the Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [four months and one day from the date of grant].”

## **9. Exercise of Options**

An Optionee shall be entitled to exercise an Option granted to him at any time prior to the expiry of the Option Period, subject to Sections 11 and 12 hereof and to vesting limitations which may be imposed by the Board of Directors at the time such Option is granted. Subject to Exchange Policies, the Board of Directors may, in its sole discretion, determine the time during which an Option shall vest and the method of vesting, or that no vesting restriction shall exist.

Notwithstanding any other provision hereof, Options granted to persons engaged to provide Investor Relations Activities shall vest in stages over a period of 12 months from the date of grant with no more than 1/4 of any such Options granted vesting in any three-month period.

The exercise of any Option will be conditional upon receipt by the Corporation at its head office of: (i) a written notice of exercise, specifying the number of Common Shares in respect of which the Option is being exercised; (ii) cash payment, certified cheque or bank draft for the full purchase price of such Common Shares with respect to which the Option is being exercised; and (iii) make suitable arrangements with the Corporation, in accordance with Section 10, for the receipt by the Corporation of an amount sufficient to satisfy any withholding tax requirements under applicable tax legislation in respect of the exercise of an Option (the “Withholding Obligations”).

Common Shares shall not be issued pursuant to the exercise of an Option unless the exercise of such Option and the issuance and delivery of such Common Shares pursuant thereto shall comply with all relevant provisions of applicable securities law, including, without limitation, the 1933 Act, the United States Securities and Exchange Act of 1934, as amended, applicable U.S. state laws, the rules and regulations promulgated thereunder, and the requirements of any stock exchange or consolidated stock price reporting system on which prices for the Common Shares are quoted at any given time. As a condition to the exercise of an Option, the Corporation may require the person exercising such Option to represent and warrant at the time of any such exercise that the Common Shares are being purchased only for investment and without any present intention to sell or distribute such Common Shares if, in the opinion of counsel for the Corporation, such a representation is required by law.

## **10. Withholding Taxes**

Upon the exercise of an Option by an Optionee, the Corporation shall have the right to require the Optionee to remit to the Corporation an amount sufficient to satisfy any Withholding Obligations relating thereto under applicable tax legislation. Unless otherwise prohibited by the Board of Directors or by applicable law, satisfaction of the amount of the Withholding Obligations (the “Withholding Amount”) may be accomplished by any of the following methods or by a combination of such methods as determined by the Corporation in its sole discretion:

(i) the tendering by the Optionee of cash payment to the Corporation in an amount less than or equal to the Withholding Amount; or

(ii) the withholding by the Corporation from the Common Shares otherwise due to the Optionee such number of Common Shares as it determines are required to be sold by the Corporation, as trustee, to satisfy the Withholding Amount (net of selling costs). By executing and delivering the option agreement, the Optionee shall be deemed to have consented to such sale and have granted to the Corporation an irrevocable power of attorney to effect the sale of such Common Shares and to have acknowledged and agreed that the Corporation does not accept responsibility for the price obtained on the sale of such Common Shares;

(iii) the withholding by the Corporation from any cash payment otherwise due by the Corporation to the Optionee, including salaries, directors fees, consulting fees and any other forms of remuneration, such amount of cash as is required to pay and satisfy the Withholding Amount; provided, however, in all cases, that the sum of any cash so paid or withheld and the fair market value of any Common Shares so withheld is sufficient to satisfy the Withholding Amount.

The provisions of the option agreement shall provide that the Optionee (or their beneficiaries) shall be responsible for all taxes with respect to any Options granted under the Plan and an acknowledgement that neither the Board of Directors nor the Corporation shall make any representations or warranties of any nature or kind whatsoever to any person regarding the tax treatment of Options or payments on account of the Withholding Amount made under the Plan and none of the Board of Directors, the Corporation, nor any of its employees or representatives shall have any liability to an Optionee (or its beneficiaries) with respect thereto.

#### **11. Ceasing to be a Director, Officer, Employee or Consultant**

If an Optionee ceases to be a director, officer, employee or consultant of the Corporation or its subsidiaries for any reason other than death, the Optionee may, but only within ninety (90) days after the Optionee's ceasing to be a director, officer, employee or consultant (or 30 days in the case of an Optionee engaged in Investor Relations Activities) or prior to the expiry of the Option Period, whichever is earlier, exercise any Option held by the Optionee, but only to the extent that the Optionee was entitled to exercise the Option at the date of such cessation. For greater certainty, any Optionee who is deemed to be an employee of the Corporation pursuant to any medical or disability plan of the Corporation shall be deemed to be an employee for the purposes of the Plan.

#### **12. Death of Optionee**

In the event of the death of an Optionee, the Option previously granted to him shall be exercisable within one (1) year following the date of the death of the Optionee or prior to the expiry of the Option Period, whichever is earlier, and then only:

(a) by the person or persons to whom the Optionee's rights under the Option shall pass by the Optionee's will or the laws of descent and distribution, or by the Optionee's legal personal representative; and

(b) to the extent that the Optionee was entitled to exercise the Option at the date of the Optionee's death.

#### **13. Optionee's Rights Not Transferable**

No right or interest of any Optionee in or under the Plan is assignable or transferable, in whole or in part, either directly or by operation of law or otherwise in any manner except by bequeath or the laws of descent and distribution, subject to the requirements of the Exchange, or as otherwise allowed by the Exchange.

Subject to the foregoing, the terms of the Plan shall bind the Corporation and its successors and assigns, and each Optionee and his heirs, executors, administrators and personal representatives.

#### **14. Takeover or Change of Control**

The Corporation shall have the power, in the event of:

(a) any disposition of all or substantially all of the assets of the Corporation, or the dissolution, merger, amalgamation or consolidation of the Corporation with or into any other corporation or of such corporation into the Corporation, or

(b) any change in control of the Corporation,

to make such arrangements as it shall deem appropriate for the exercise of outstanding Options or continuance of outstanding Options, including without limitation, to amend any Stock Option Agreement to permit the exercise of any or all of the remaining Options prior to the completion of any such transaction. If the Corporation shall exercise such power, the Option shall be deemed to have been amended to permit the exercise thereof in whole or in part by the Optionee at any time or from time to time as determined by the Corporation prior to the completion of such transaction.

#### **15. Anti-Dilution of the Option**

In the event of:

(a) any subdivision, redivision or change of the Common Shares at any time during the term of the Option into a greater number of Common Shares, the Corporation shall deliver, at the time of any exercise thereafter of the Option, such number of Common Shares as would have resulted from such subdivision, redivision or change if the exercise of the Option had been made prior to the date of such subdivision, redivision or change;

(b) any consolidation or change of the Common Shares at any time during the term of the Option into a lesser number of Common Shares, the number of Common Shares deliverable by the Corporation on any exercise thereafter of the Option shall be reduced to such number of Common Shares as would have resulted from such consolidation or change if the exercise of the Option had been made prior to the date of such consolidation or change; or

(c) any reclassification of the Common Shares at any time outstanding or change of the Common Shares into other shares, or in case of the consolidation, amalgamation or merger of the Corporation with or into any other corporation (other than a consolidation, amalgamation or merger which does not result in a reclassification of the outstanding Common Shares or a change of the Common Shares into other shares), or in case of any transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation, at any time during the term of the Option, the Optionee shall be entitled to receive, and shall accept, in lieu of the number of Common Shares to which he was theretofore entitled upon exercise of the Option, the kind and amount of shares and other securities or property which such holder would have been entitled to receive as a result of such reclassification, change, consolidation, amalgamation, merger or transfer if, on the effective date thereof, he had been the holder of the number of Common Shares to which he was entitled upon exercise of the Option.

Adjustments shall be made successively whenever any event referred to in this section shall occur. For greater certainty, the Optionee shall pay for the number of shares, other securities or property as aforesaid, the amount the Optionee would have paid if the Optionee had exercised the Option prior to the effective date of such subdivision, redivision, consolidation or change of the Common Shares or such reclassification, consolidation, amalgamation, merger or transfer, as the case may be.

#### **16. Costs**

The Corporation shall pay all costs of administering the Plan.

#### **17. Termination and Amendment**

(a) The Board of Directors may amend or terminate this Plan or any outstanding Option granted hereunder at any time without the approval of the shareholders of the Corporation or any Optionee whose Option is amended or terminated, in order to conform this Plan or such Option, as the case may be, to applicable law or regulation or the requirements of the Exchange or any relevant regulatory authority, whether or not such amendment or

termination would affect any accrued rights, subject to the approval of the Exchange or such regulatory authority.

(b) The Board of Directors may amend or terminate this Plan or any outstanding Option granted hereunder for any reason other than the reasons set forth in Section 17(a) hereof, subject to the approval of the Exchange or any relevant regulatory authority and the approval of the shareholders of the Corporation if required by the Exchange or such regulatory authority. Subject to Exchange Policies, Disinterested Shareholder Approval will be obtained for any reduction in the exercise price of an Option if the Optionee is an Insider of the Corporation at the time of the proposed amendment. No such amendment or termination will, without the consent of an Optionee, alter or impair any rights which have accrued to him prior to the effective date thereof.

(c) The Plan, and any amendments thereto, shall be subject to acceptance and approval by the Exchange. Any Options granted prior to such approval and acceptance shall be conditional upon such approval and acceptance being given and no such Options may be exercised unless and until such approval and acceptance are given.

#### **18. Applicable Law**

This Plan shall be governed by, administered and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

#### **19. Effective Date**

This Plan will become effective as of and from February 6, 2



NOTICE OF HEARING

No.

Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN THE MATTER OF SECTION 288 OF THE
BUSINESS CORPORATIONS ACT,
S.B.C. 2002, C.57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT AMONG
WINSTON RESOURCES INC, CNRP MINING INC AND GREENBANK CAPITAL INC.,

WINSTON RESOURCES INC

Petitioner

NOTICE OF HEARING

TO CNRP MINING INC and GREENBANK CAPITAL INC

TAKE NOTICE that the Petition of Winston Resources Inc dated March 2013 shall be heard before the presiding judge in Chambers at the courthouse at 800 Smithe Street, Vancouver, British Columbia on March 2013 at 10 a.m. or as soon thereafter as counsel may be heard.

1. Date of hearing

[ ] The parties have agreed as to the date of the hearing of the petition.

[ ] The parties have been unable to agree as to the date of the hearing but notice of the hearing will be given to the petition respondents in accordance with Rule 16-1(8)(b) of the Supreme Court Civil Rules.

[x] The petition is unopposed, by consent or without notice.

2. Duration of hearing

[x] It has been agreed by the parties that the hearing will take 5 minutes. [ ] The parties have been unable to agree as to how long the hearing will take and

(a) the time estimate of the petitionees) is..... minutes, and

(b) the time estimate of the petition respondent(s) is..... minutes.

[ ] The petition respondents) has(ve) not given a time estimate.

3. Jurisdiction

[ ] This matter is within the jurisdiction of a master.

[x] This matter is not within the jurisdiction of a master.

Date: March 2013

Signature of [ ] Filing party X] Lawyer for filing party

## SCHEDULE "C"

### BCBCA DISSENT PROVISIONS

#### DIVISION 2 — DISSENT PROCEEDINGS

##### Definitions and application

**237** (1) In this Division:

**"dissenter"** means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

**"notice shares"** means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

**"payout value"** means,

(a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,

(b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement, or

(c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

(a) the court orders otherwise, or

(b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

##### Right to dissent

**238** (1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

(a) under section 260, in respect of a resolution to alter the articles to alter restrictions on the powers of the company or on the business it is permitted to carry on;

(b) under section 272, in respect of a resolution to adopt an amalgamation agreement;

(c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;

(d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;

(e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;

(f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;

(g) in respect of any other resolution, if dissent is authorized by the resolution;

(h) in respect of any court order that permits dissent.

(2) A shareholder wishing to dissent must

(a) prepare a separate notice of dissent under section 242 for

(i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,

(b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and

(c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

(3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must

(a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and

(b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

#### **Waiver of right to dissent**

**239** (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

(2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must

(a) provide to the company a separate waiver for

(i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and

(b) identify in each waiver the person on whose behalf the waiver is made.

(3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

(a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and

(b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

#### **Notice of resolution**

**240** (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

(a) a copy of the resolution,

- (b) a statement advising of the right to send a notice of dissent, and
- (c) if the resolution has passed, notification of that fact and the date on which it was passed.
- (4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

**Notice of court orders**

**241** If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

- (a) a copy of the entered order, and
- (b) a statement advising of the right to send a notice of dissent.

**Notice of dissent**

**242** (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,

(a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,

(b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or

(c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of

- (i) the date on which the shareholder learns that the resolution was passed, and
- (ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company

(a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or

(b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company

(a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or

(b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

(a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;

(b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;

(c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and

(i) the name and address of the beneficial owner, and

(ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

#### **Notice of intention to proceed**

**243** (1) A company that receives a notice of dissent under section 242 from a dissenter must,

(a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of

(i) the date on which the company forms the intention to proceed, and

(ii) the date on which the notice of dissent was received, or

(b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.

(2) A notice sent under subsection (1) (a) or (b) of this section must

(a) be dated not earlier than the date on which the notice is sent,

(b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and

(c) advise the dissenter of the manner in which dissent is to be completed under section 244.

### **Completion of dissent**

**244 (1)** A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

(a) a written statement that the dissenter requires the company to purchase all of the notice shares,

(b) the certificates, if any, representing the notice shares, and

(c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.

(2) The written statement referred to in subsection (1) (c) must

(a) be signed by the beneficial owner on whose behalf dissent is being exercised, and

(b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) that dissent is being exercised in respect of all of those other shares.

(3) After the dissenter has complied with subsection (1),

(a) the dissenter is deemed to have sold to the company the notice shares, and

(b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.

(4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.

(5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.

(6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

#### **Payment for notice shares**

**245 (1)** A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

(a) promptly pay that amount to the dissenter, or

(b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

(a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,

(b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and

(c) make consequential orders and give directions it considers appropriate.

(3) Promptly after a determination of the payout value for notice shares has been made under subsection (2) (a) of this section, the company must

(a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or

(b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),

(a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or

(b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.

(5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that

(a) the company is insolvent, or



(b) the payment would render the company insolvent.

#### **Loss of right to dissent**

**246** The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

(a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;

(b) the resolution in respect of which the notice of dissent was sent does not pass;

(c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;

(d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;

(e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;

(f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;

(g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;

(h) the notice of dissent is withdrawn with the written consent of the company;

(i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

#### **Shareholders entitled to return of shares and rights**

**247** If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

(a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,

(b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and

(c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.

**SCHEDULE D**

**ARRANGEMENT AGREEMENT and PLAN OF ARRANGEMENT**

**-attached hereto-**

**ARRANGEMENT AGREEMENT**

THIS AGREEMENT is dated as of the 15<sup>th</sup> day of February 2013

AMONG

**WINSTON RESOURCES INC.**, a company existing under the *Business Corporations Act* (British Columbia)

("Winston")

AND

**CNRP MINING INC.**, a company existing under the *Business Corporations Act* (British Columbia) and a wholly-owned subsidiary of Winston Resources Inc

("CNRP")

AND

**GREENBANK CAPITAL INC.**, a company existing under the *Business Corporations Act* (British Columbia) and a wholly-owned subsidiary of Winston Resources Inc

("GreenBank")

WHEREAS:

A. Winston wishes to reorganize its business by completing a spin-off of certain assets to its wholly-owned subsidiary, GreenBank, in consideration for shares of GreenBank, following which it will then transfer 100% to the Winston shareholders, and also wishes to transfer a portion of the shares of CNRP to the Winston shareholders ; and

B. The transaction will be completed by way of a statutory arrangement under the *Business Corporations Act* (British Columbia), subject to the terms and conditions hereinafter contained.

NOW THEREFORE in consideration of the covenants and agreements hereinafter contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties agree as follows: I

**ARTICLE 1**

**DEFINITIONS, INTERPRETATION AND SCHEDULES**

**1.1 Definitions**

In this Agreement

**"Agreement"** means this arrangement agreement (including the schedules hereto) as supplemented, modified or amended, and not any particular section, article, schedule or other portion hereof;

**"Arrangement"** means the arrangement of the Parties pursuant to the BCA on the terms and conditions set forth in the Plan of Arrangement;

**"Arrangement Provisions"** means Part 9, Division 5 of the BCA;

**"Arrangement Resolution"** means the special resolution in respect to the Arrangement at the Winston Meeting;

**"Assets"** means the assets of Winston to be transferred to CNRP and GreenBank, respectively, pursuant to the Arrangement, as more particularly described in Schedule "A" attached hereto;

**"BCA"** means the *Business Corporations Act* (British Columbia), as amended;

**"Business Day"** means any day, other than a Saturday, a Sunday or a statutory holiday in Vancouver, British Columbia;

**"Circular"** means the management information circular to be prepared and sent to the Winston Shareholders in connection with the Meeting;

**"Court"** means the Supreme Court of British Columbia;

**"Dissenting Shareholder"** means a Winston Shareholder who validly exercises rights of dissent under the Arrangement and who will be entitled to be paid fair value for his, her or its Winston Shares in accordance with the Interim Order, the Final Order and the Plan of Arrangement;

**"Dissenting Shares"** means the Winston Shares in respect of which Dissenting Shareholders have exercised a right of dissent;

**"Effective Date"** means the Business Day following the date of the Final Order, the date that Arrangement shall become effective under the BCA;

**"Exchange"** means the Canadian National Stock Exchange;

**"Final Order"** means the order of the Court approving the Arrangement, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

**"Governmental Entity"** means any (i) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, agency, domestic or foreign; (ii) any subdivision, agent, commission, board or authority of any of the foregoing; or (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

**"CNRP Shareholder"** means the sole holder of CNRP Shares, which shall remain Winston until the completion of the Plan of Arrangement;

**"CNRP Shares"** means the common shares in the capital of CNRP;

**"EFRS"** means International Financial Reporting Standards as issued by the IASB applicable to publicly accountable enterprises under applicable securities laws;

**"Interim Order"** means an interim order of the Court concerning the Arrangement, containing declarations and directions with respect to the Arrangement and the holding of the Winston Meeting, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

**"Laws"** means all laws, by-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, policies, notices, directions and judgements or other requirements of any Governmental Entity;

**"Parties"** means Winston, CNRP and GreenBank, and "Party" means either one of them;

**"Person"** includes an individual, partnership, association, body corporate, trustee, executor, administrator, legal representative, government, regulatory authority or other entity;

**"Plan of Arrangement"** means the plan of arrangement substantially in the form and content annexed as Schedule "B" hereto and any amendment or variation thereto made in accordance with this Agreement;

**"Registrar"** means the Registrar of Companies for the Province of British Columbia duly appointed under the BCA;

**"Securities Authorities"** means all securities regulatory authorities with jurisdiction over the affairs of the Parties;

**"Taxes"** means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Entity, including, without limitation, all income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings, profits or selected items of income, earnings or profits) and all capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, ad valorem taxes, value added taxes, transfer taxes, franchise taxes, license taxes, withholding taxes, payroll taxes, employment taxes, Canada and Quebec Pension Plan premiums, employer health taxes, excise, severance, social security, workers' compensation, employment insurance or compensation taxes or premium, stamp taxes, occupation taxes, premium taxes, property taxes, windfall profits taxes, alternative or add-on minimum taxes, goods and services tax, customs duties or other taxes, fees, imports, assessments or charges of any kind whatsoever, together with any interest, fines and any penalties or additional amounts imposed by any taxing authority (domestic or foreign) on such entity, and any interest, penalties, additional taxes and additions to tax imposed with respect to the foregoing or that may become payable in respect thereof; and liability for any of the foregoing as a transferee or successor, guarantor or surety or in a similar capacity under any contract, arrangement, agreement, understanding or commitment (whether written or oral);

**"Tax Act"** means the *Income Tax Act* (Canada);

**"Tax Returns"** means all returns, schedules, elections, forms, notices, declarations, reports, information returns and statements filed or required to be filed with any taxing authority relating to Taxes;

**"Termination Date"** means April 13, 2013 or such later date as may be agreed upon by

the Parties;

**"Winston Meeting"** means the special meeting of the Winston Shareholders to be held on March 28, 2013 or such other date as may be deemed advisable by the board of directors of Winston, and any adjournment(s) or postponement(s) thereof;

**"Winston Shareholders"** means the holders of Winston Shares;

**"Winston Shares"** means the common shares in the capital of Winston;

**"GreenBank Shareholder"** means the sole holder of GreenBank Shares, which shall remain Winston until the completion of the Plan of Arrangement; and

**"GreenBank Shares"** means the common shares in the capital of GreenBank.

In addition, words and phrases used herein and defined in the BCA shall have the same meaning herein as in the BCA unless the context otherwise requires.

## 12 Interpretation Not Affected by Headings

The division of this Agreement into articles, sections, subsections, paragraphs, and subparagraphs and the insertion of headings herein are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement. The terms "this Agreement", "hereof", "herein", "hereto", "hereunder", and similar expressions refer to this Agreement and the schedules attached hereto and not to any particular article, section, or other portion hereof and include any agreement, schedule, or instrument supplementary or ancillary hereto or thereto.

## 13 Number and Gender

In this Agreement, unless the context otherwise requires, words importing the singular shall include the plural and vice versa, words importing the use of either gender shall include both genders and neuter, and the word person and all words importing persons shall include a natural person, firm, trust, partnership, association, corporation, joint venture, or government (including any Governmental Entity, political subdivision or instrumentality thereof) and any other entity of any kind or nature whatsoever.

## 14 Date for any Action

If the date on which any action is required to be taken hereunder by any party hereto is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

## 15 Statutory References

Any reference in this Agreement to a statute includes all regulations and rules made thereunder, all amendments to such statute or regulation in force from time to time and any statute or regulation that supplements or supersedes such statute or regulation.

## 16 Currency

All references to money in this Agreement are expressed in the lawful currency of Canada.

## 17 Entire Agreement

This Agreement, together with the agreements and documents herein and therein referred to, constitute the entire agreement among the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, among the Parties with respect to the subject matter hereof.

### **1.8 Invalidity of Provisions**

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable Law, the parties hereto waive any provision of Law which renders any provision of this Agreement or any part thereof invalid or unenforceable in any respect. The Parties shall engage in good faith negotiations to replace any provision hereof or any part thereof which is declared invalid or unenforceable with a valid and enforceable provision or part thereof, the economic effect of which approximates as much as possible the invalid or unenforceable provision or part thereof which it replaces.

### **1.9 Accounting Matters**

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under IFRS and all determinations of an accounting nature required to be made hereunder shall be made in a manner consistent with IFRS.

### **1.10 Schedules**

The following schedules attached hereto are incorporated into and form an integral part of this Agreement:

**Schedule "A" - Plan of Arrangement**

**Schedule "B" - Assets**

## **ARTICLE 2**

### **THE ARRANGEMENT**

#### **2.1 Initial Court Proceeding**

As soon as is reasonably practicable after the date of execution of this Agreement, and if deemed advisable, Winston shall file with the Court, proceed with and diligently prosecute an application for an Interim Order providing for, among other things, the calling and holding of the Winston Meeting for the purpose of considering and, if deemed advisable, approving the Arrangement Resolution. Upon receipt of the Interim Order, Winston, CNRP and GreenBank will proceed to carry out the terms of the Interim Order as soon as practicable, to the extent applicable to each.

#### **2.2 Information Circular and Winston Meeting**

As promptly as practical following the execution of this Agreement and in compliance with the Interim Order, the BCA, the Securities Laws and any other applicable laws, Winston shall:

- (a) prepare the Circular and cause such circular to be mailed to the Winston Shareholders and filed with all applicable regulatory authorities in all jurisdictions where the same are required to be mailed and filed; and

- (b) call and convene the Winston Meeting.

### **2.3 Final Court Proceeding**

Provided all necessary approvals for the Arrangement Resolution are obtained from the Winston Shareholders, upon the completion of the Meeting Winston shall forthwith submit the Arrangement to the Court for approval and apply for the Final Order.

### **2.4 Arrangement Procedure**

Unless this Agreement is terminated pursuant to the provisions herein, upon issuance by the Court of the Final Order and subject to the conditions precedent in Article 5, the Arrangement shall be carried out substantially on the terms set forth in the Plan of Arrangement, subject to such changes as may be mutually agreed to in writing by the Parties on the advice of their respective legal, tax, and financial advisors, and closing of the Arrangement shall proceed in accordance with Section 2.5.

### **2.5 Closing**

The Parties convene at such other time as may be agreed upon, on the Effective Date for the purposes of closing and giving effect to the Arrangement. Upon closing, the transactions comprising the Arrangement shall occur and shall be deemed to have occurred without any further act or formality in the order set out in the Plan of Arrangement. On closing, each Party shall deliver

- (a) all documents required to be delivered by it hereunder to complete the transactions contemplated hereby, provided that each such document required to be dated the Effective Date shall be dated as of, or become effective on, the Effective Date and shall be held in escrow to be released upon the occurrence of the Effective Date; and
- (b) written confirmation as to the satisfaction or waiver by it of the conditions in its favour set forth in Article 5 herein.

## **ARTICLE 3**

### **COVENANTS**

#### **3.1 Covenants Regarding the Arrangement**

From the date hereof until the Effective Date, Winston, CNRP and GreenBank, respectively, will use all reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under applicable laws to complete the Arrangement, including using reasonable efforts:

- (a) to obtain all necessary waivers, consents and approvals required to be obtained by it from any third parties to loan agreements, leases and other contracts;
- (b) to obtain all necessary consents, assignments, waivers and amendments to or terminations of any instruments and take such measures as may be appropriate to fulfill its obligations hereunder and to carry out the transactions contemplated hereby; and
- (c) to effect all necessary registrations and filings and submissions of information requested by governmental authorities required to be effected by it in connection with the Arrangement.



### **3.2 Covenants Regarding Execution of Documents**

Winston, CNRP and GreenBank, respectively, will perform all such acts and things, and execute and deliver all such agreements, notices and other documents and instruments as may reasonably be required to facilitate the carrying out of the intent and purpose of this Agreement.

## **ARTICLE 4**

### **REPRESENTATIONS AND WARRANTIES**

#### **4.1 Representations and Warranties**

Each Party hereby represents and warrants to the other Parties that:

- (a) it is a corporation duly incorporated and validly subsisting under the laws of its jurisdiction of existence, and has full capacity and authority to enter into this Agreement and to perform its covenants and obligations hereunder;
- (b) it has taken all corporate actions necessary to authorize the execution and delivery of this Agreement and this Agreement has been duly executed and delivered by it;
- (c) neither the execution and delivery of this Agreement nor the performance of any of its covenants and obligations hereunder will constitute a material default under, or be in any material contravention or breach of: (i) any provision of its constating or governing corporate documents, (ii) any judgment, decree, order, law, statute, rule or regulation applicable to it or (iii) any agreement or instrument to which it is a party or by which it is bound; and
- (d) no dissolution, winding up, bankruptcy, liquidation or similar proceedings has been commenced or is pending or proposed in respect of it.

## **ARTICLE 5**

### **CONDITIONS PRECEDENT**

#### **5.1 Mutual Conditions**

The obligations of the Parties to complete the transactions contemplated hereby are subject to fulfillment of the following conditions on or before the Effective Date or such other time as is specified below:

- a) the Arrangement Resolution shall have been passed by the Winston Shareholders at the Winston Meeting in accordance with the Arrangement provisions, the BCA, the constating documents of Winston, the Interim Order, if any, applicable securities regulations, and the requirements of any applicable regulatory authorities;
- b) the Final Order shall have been granted in form and substance satisfactory to each of Winston, CNRP and GreenBank, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to such Parties on appeal or otherwise;
- c) there shall be not be in force any order or decree restraining, enjoining or prohibiting the consummation of the transactions contemplated by this Agreement and the Arrangement, or that would result in a judgement or assessment of damages, directly or indirectly, relating to the transactions contemplated herein that is materially

adverse;

- d) all approvals shall have been obtained and all other consents, waivers, permits, orders and approvals of any Governmental Entity or other Person, and the expiry of any waiting periods, in connection with, or required to permit, the consummation of the Arrangement, the failure of which to obtain or the non expiry of which would be materially adverse to any Parry, or materially impede the completion of the Arrangement, shall have been obtained or received on terms reasonably satisfactory to each Party;
- e) this agreement shall not have been terminated under Section 6.2
- f) the shares issuable under the Arrangement shall be eligible for issuance pursuant to a prospectus exemption and shall not be subject to resale restrictions in Canada other than in respect of restrictions applicable to sales of control block shares, seasoning periods and requirements of general application;

The foregoing conditions are for the mutual benefit of the Parties and may be waived, in whole or in part, by any of Winston, CNRP and GreenBank at any time without prejudice to such Parry's right to rely on any other of such conditions. If any of the said conditions precedent shall not be satisfied or waived as aforesaid on or before the date required for the performance thereof, any one of Winston, CNRP and GreenBank may rescind and terminate this Agreement by written notice to the other Parties and the rescinding Party shall have no other right or remedy.

## **5.2 Merger of Conditions**

The conditions set out in Section 5.1 shall be conclusively deemed to have been satisfied, waived or released upon the Effective Date and the depositing of an entered copy of the Final Order with Winston' records office.

# **ARTICLE 6**

## **GENERAL MATTERS**

### **6.1 Amendment**

This Agreement may, at any time and from time to time before or after the holding of the Winston Meeting, be amended by mutual written agreement of the Parties without, subject to applicable Laws, further notice to or authorization on the part of their respective shareholders provided that no such amendment reduces or materially adversely affects the consideration to be received by a Winston Shareholder without approval by the Winston Shareholders, given in the same manner as required for the approval of the Arrangement Resolution or as may be ordered by the Court.

### **6.2 Termination**

This Agreement may be terminated in accordance with Section 5.1 or by mutual agreement of the Parties at any time prior to the Effective Date, in each case without further action on the part of the Winston Shareholders. This Agreement will terminate automatically if the Arrangement has not been effected by the Termination Date. The right of any Parry to terminate this Agreement shall be extinguished upon the occurrence of the Effective Date.

### **6.3 Expenses**

All costs and expenses of the transactions contemplated hereby, including legal fees, financial advisory fees, regulatory filing fees, all disbursements by advisors and printing and mailing costs shall be paid and borne by Winston.

### **6.4 Notices**

Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement by a Party to the other Party shall be in writing and may be given by delivering same or sending same by facsimile transmission or by delivery addressed to the Party to which the notice is to be given at its address set out below or such other address as a Party may, from time to time, advise to the other Party by notice in writing made in accordance with this section. Any notice, consent, waiver, direction or other communication aforesaid shall, if delivered, be deemed to have been given and received on the date on which it was delivered to the address provided herein (if a business day, if not, then on the next succeeding business day) and if sent by facsimile transmission be deemed to have been given and received at the time of receipt unless received after 4:00 p.m. at the point of delivery in which case it shall be deemed to have been given and received on the next business day as follows:

**if to Winston:**

Winston Resources Inc, 208 Queens Quay  
West, Suite 2506, Toronto, Ontario  
M5J2Y5

**if to CNRP:**

CNRP Mining Inc., 208 Queens Quay West,  
Suite 2506, Toronto, Ontario M5J 2Y5

**If to GreenBank:**

GreenBank Resources Inc: 208 Queens  
Quay West, Suite 2506, Toronto, Ontario  
M5J 2Y5

### **6.5 Third Party Beneficiaries**

The Parties intend that this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person other than the Parties.

### **6.6 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein. Each Party hereby attorns to the exclusive jurisdiction of the Courts of the Province of British Columbia, sitting in the City of Vancouver, in respect of all matters arising under or in relation to this Agreement.

**6.7 Waiver**

No waiver by any Party shall be effective unless in writing and any waiver shall affect only the matter, and the occurrence thereof, specifically identified and shall not extend to any other matter or occurrence.

**6.8 Enurement and Assignment**

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. This Agreement is personal to the Parties and may not be assigned by any Party without the prior written consent of the other Party. For greater certainty, a change of control shall be deemed to be an assignment in respect of which such prior written consent shall be required.

**6.9 Execution in Counterparts**

This Agreement may be executed in counterparts and delivered by electronic methods of communication, and each electronic signature shall be deemed to be an original and all counterparts collectively shall constitute one and the same instrument.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

**WINSTON RESOURCES INC.**

Pen \_\_\_\_\_  
Authorized Signatory

**CNRP MINING INC.**

Pen \_\_\_\_\_  
Authorized Signatory

**GREENBANK RESOURCES  
INC**

Pen \_\_\_\_\_  
Authorized Signatory

## SCHEDULE B

### PLAN OF ARRANGEMENT

#### ARTICLE 1

##### DEFINITIONS AND INTERPRETATION

###### 1.1 Definitions

In this Plan of Arrangement the following capitalized words and terms shall have the following meanings:

"Arrangement", "herein", "hereof", "hereto", "hereunder" and similar expressions mean and refer to the proposed arrangement involving Winston, CNRP and GreenBank and the Winston Shareholders pursuant to the Arrangement Provisions on the terms and conditions set forth in this Plan of Arrangement as supplemented, modified or amended, and not to any particular article, section or other portion hereof;

"Arrangement Agreement" means the arrangement agreement among Winston, CNRP and GreenBank, dated the 15<sup>th</sup> February, 2013 and all amendments thereto;

"Arrangement Provisions" means Division 5 of Part 9 of the BCA;

"Arrangement Resolution" means the special resolution in respect to the Arrangement and other related matters to be considered at the Winston Meeting;

"Assets" means the assets of Winston described in Schedule "A" to the Arrangement Agreement;

"BCA" means the *Business Corporations Act*, (British Columbia), as amended or replaced from time to time;

"Business Day" means any day other than Saturday, Sunday and a statutory holiday in the Province of British Columbia;

"Circular" means the management information circular to be sent to the Winston Shareholders in connection with the Winston Meeting;

"Court" means the Supreme Court of British Columbia;

"Effective Date" means the Business Day following the date of the Final Order, the date that Arrangement shall become effective under the BCA;

"Final Order" means the final order of the Court approving the Arrangement, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

"CNRP" means CNRP Mining Inc., a private company incorporated under the Business Corporations Act (British Columbia);

"CNRP Distribution Shares" means the CNRP Shares that are to be distributed to the Winston Shareholders pursuant to §2.4;

**"CNRP Shareholder"** means the sole holder of CNRP Shares, which shall remain Winston until the completion of the Plan of Arrangement;

**"CNRP Shares"** means the common shares without par value in the authorized share structure of CNRP;

**"Interim Order"** means an interim order of the Court concerning the Arrangement, containing declarations and directions with respect to the Arrangement and the holding of the Winston Meeting, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

**"Parties"** means Winston, CNRP and GreenBank, and **"Party"** means any one of them;

**"Plan"** or **"Plan of Arrangement"** means this plan of arrangement as amended or supplemented from time to time in accordance with the terms hereof and the Arrangement Agreement;

**"Registrar"** means the Registrar of Companies for the Province of British Columbia duly appointed under the BCA;

**"Share Distribution Record Date"** means the Record Date for the Winston Meeting, which date establishes the Winston Shareholders who will be entitled to receive CNRP Shares and GreenBank Shares pursuant to this Plan of Arrangement;

**"Tax Act"** means the *Income Tax Act* (Canada), as amended;

**"Transfer Agent"** means Capital Transfer Agency Inc.;

**"Winston"** means Winston Resources Inc., a company incorporated under the BCA;

**"Winston Meeting"** means the special meeting of Winston Shareholders to be held to consider the Arrangement Resolution and related matters, and any adjournments thereof;

**"Winston Shareholder"** means a holder of Winston Shares;

**"Winston Shares"** means the common shares without par value in the authorized share structure of Winston;

**"Winston Shareholders"** means the holders of Winston Common Shares;

**"GreenBank"** means GreenBank Resources Inc., a private company incorporated under the Business Corporation Act (British Columbia);

**"GreenBank Distribution Shares"** means the Shares that are to be distributed to the Winston Shareholders pursuant to §2.4;

**"GreenBank Shareholder"** means the sole holder of GreenBank Shares, which shall remain Winston until the completion of the Plan of Arrangement;

**"GreenBank Shares"** means the common shares without par value in the authorized share structure of GreenBank;

## **12 Interpretation Not Affected by Headings**

The division of this Plan of Arrangement into Articles, Sections, subsections and paragraphs and the insertion of headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Plan of Arrangement.

## **13 Article References**

Unless the contrary intention appears, references in this Plan of Arrangement to an Article, Section, subsection, paragraph or Schedule by number or letter or both refer to the Article, Section, subsection, paragraph or Schedule, respectively, bearing that designation in this Plan of Arrangement

## **14 Number and Gender**

In this Plan of Arrangement, unless the contrary intention appears, words importing the singular include the plural and vice versa; words importing gender shall include all genders; and words importing persons shall include a natural person, firm, trust, partnership, association, corporation, joint venture or government (including any governmental agency, political subdivision or instrumentality thereof).

## **15 Capitalized Terms**

Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Arrangement Agreement.

## **16 Date for Any Action**

If any date on which any action is required to be taken hereunder by any of the Parties falls on a day that is not a Business Day, such action is required to be taken on the next succeeding day which is a Business Day.

## **1.7 Currency**

All references to currency in this Plan of Arrangement are to Canadian dollars.

## **ARTICLE 2**

### **ARRANGEMENT**

#### **2.1 Arrangement Agreement and Effective Date**

This Plan of Arrangement is made pursuant and subject to the provisions of the Arrangement Agreement as it may be amended and in accordance with the directions of the Court. The Arrangement as set forth in the Plan of Arrangement will become effective on the Effective Date in accordance with the terms thereof and hereof.

#### **2.2 Conditions Precedent**

The implementation of this Plan of Arrangement is expressly subject to the fulfillment and/or waiver by the Party or Parties entitled of the conditions precedent set out in the Arrangement Agreement.

### **2.3 Binding Nature**

The Arrangement shall become final and conclusively binding on the Winston Shareholders, the CNRP Shareholder, the GreenBank Shareholder, Winston, CNRP and GreenBank, on the Effective Date.

### **2.4 Arrangement Procedure**

On the Effective Date the following shall occur and be deemed to occur in the following chronological order without further act or formality, notwithstanding any other provisions hereof, but subject to the provisions of Article 3:

#### CNRP

- a) Winston shall transfer 2,064,982 CNRP Shares (the "**CNRP Distribution Shares**") to the Winston Shareholders as a dividend, as contemplated by §2.4 (b);
- b) Winston shall transfer the CNRP Distribution Shares to each Winston Shareholder on the basis of 1 CNRP Distribution Share for every 32 Winston Shares held as of the Share Distribution Record Date; and
- c) each holder of CNRP Distribution Shares shall be added to the central securities register of CNRP.

#### GreenBank

- d) Winston shall transfer the specified Assets to GreenBank and GreenBank shall issue 25,710,000 GreenBank Shares to Winston, of which 25,710,000 GreenBank Shares (the "**GreenBank Distribution Shares**") shall immediately be transferred to the Winston Shareholders as a dividend, as contemplated by §2.4 (e);
- e) Winston shall transfer the GreenBank Distribution Shares to each Winston Shareholder on the basis of 1 GreenBank Distribution Share for every 2.562 Winston Shares held as of the Share Distribution Record Date; and
- f) each holder of GreenBank Distribution Shares shall be added to the central securities register of GreenBank.

### **2.5 Fractional Shares**

Notwithstanding §2.4(b) and (e), no fractional CNRP Shares or GreenBank Shares shall be distributed to the Winston Shareholders and as a result all fractional share amounts arising under such sections shall be rounded down to the nearest whole number. Any CNRP Distribution Shares or GreenBank Distribution Shares not distributed as a result of such rounding shall be dealt with as determined by the board of directors of Winston in its absolute discretion.

### **2.6 Valid Issuance of Shares**

All shares issued pursuant to this Plan of Arrangement shall be deemed to be validly issued and outstanding as fully paid and non-assessable shares for all purposes of the BCA.

### **2.7 Further Acts**

Notwithstanding that the transactions or events set out in this Article 2 occur and shall be



deemed to occur in the order herein set out without any further act or formality, each of Winston, CNRP and GreenBank agree to make, do and execute or cause to be made, done and executed all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may be required by it in order to further document or evidence any of the transactions or events set out in this Article 2 including, without limitation, any resolutions of directors authorizing the issue, transfer or cancellation of shares, any share transfer powers evidencing the transfer of shares and any receipt therefor and any necessary additions to or deletions from share registers.

## **2.8 Trades after the Share Distribution Record Date**

Winston Shares traded after the Share Distribution Record Date shall not carry any right to receive a portion of the CNRP Distribution Shares or the GreenBank Distribution Shares.

## **ARTICLE 3**

### **DISSENTING SHAREHOLDERS**

3.1 Notwithstanding Article 2 hereof, holders of Winston Shares may exercise rights of dissent (the "**Dissent Right**") in connection with the Arrangement pursuant to the Interim Order, if any, and in the manner set forth in sections 237 to 247 of the BCA (appended to the Information Circular for the Winston Meeting) (collectively, the "**Dissent Procedures**").

3.2 Winston Shareholders who duly exercise Dissent Rights with respect to their Winston Shares ("**Dissenting Shares**") and who:

- (a) are ultimately entitled to be paid fair value for their Dissenting Shares, shall be deemed to have transferred their Dissenting Shares to Winston for cancellation immediately before the Effective Date; or
- (b) for any reason are ultimately not entitled to be paid fair value for their Dissenting Shares, shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting Winston Shareholder and shall receive CNRP Distribution Shares and GreenBank Distribution Shares on the same basis as every other non-dissenting Winston Shareholder.

3.3 If a Winston Shareholder exercises the Dissent Right, Winston shall on the Effective Date set aside and shall not distribute that portion of the CNRP Distribution Shares or GreenBank distribution Shares that is attributable to the Winston Shares for which the Dissent Right has been exercised. If the dissenting Winston Shareholder is ultimately not entitled to be paid for their Dissenting Shares, Winston shall distribute to such Winston Shareholder his, her or its pro rata portion of the CNRP Distribution Shares and the GreenBank Distribution Shares. If a Winston Shareholder duly complies with the Dissent Procedures and is ultimately entitled to be paid for their Dissenting Shares, then Winston shall retain the portion of the Distributed CNRP Shares and the GreenBank Distribution Shares attributable to such Winston Shareholder (the "**Non-Distributed Shares**"), and the Non-Distributed Shares shall become assets of Winston and shall be dealt with as determined by the board of directors of Winston in its absolute discretion.

## **ARTICLE 4**

### **AMENDMENTS**

4.1 The Parties may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Date, provided that each such amendment, modification and/or supplement must be:

- (a) set out in writing;
- (b) filed with the Court and, if made following the Winston Meeting, approved by the Court; and
- (c) communicated to holders of Winston Shares, CNRP Shares and GreenBank Shares, as the case may be, if and as required by the Court.

4.2 Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Winston at any time prior to the Winston Meeting with or without any other prior notice or communication, and if so proposed and accepted by the persons voting at the Winston Meeting (other than as may be required under the Interim Order, if any), shall become part of this Plan of Arrangement for all purposes.

4.3 Winston, with the consent of CNRP and GreenBank, may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time after the Winston Meeting and prior to the Effective Date with the approval of the Court.

4.4 Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date but shall only be effective if it is consented to by all of the Parties, provided that such amendment, modification or supplement concerns a matter which, in the reasonable opinion of the Parties, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of the Parties or any former Winston Shareholder, CNRP Shareholder or GreenBank Shareholder, as the case may be.

## **ARTICLE 5**

### **REFERENCE DATE AND TERMINATION**

5.1 This Plan of Arrangement is dated for reference the date first written in the Arrangement Agreement.

5.2 At any time up until the time the Final Order is made, the Parties may mutually determine not to proceed with this Plan of Arrangement, or to terminate this Plan of Arrangement, notwithstanding any prior approvals given at the Winston Meeting. In addition to the foregoing, this Plan of Arrangement shall automatically, without notice, terminate immediately and be of no further force or effect, upon the termination of the Arrangement Agreement in accordance with its terms.

**SCHEDULE A**  
**ASSETS**

**To GreenBank Capital Inc**

13,460,000 common shares of Zara Resources Inc

12,250,000 common shares of Hadley Mining Inc

**SCHEDULE E**  
**CNRP STOCK OPTION PLAN**  
**CNRP MINING INC.**  
**(the “Corporation”)**  
**STOCK OPTION PLAN**

**1. Purpose**

The purpose of the Plan is to: (i) provide an incentive to the directors, officers, employees, consultants and other personnel of the Corporation or any of its subsidiaries to achieve the longer objectives of the Corporation; (ii) give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation; and (iii) attract to and retain in the employ of the Corporation or any of its subsidiaries, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

**2. Definitions and Interpretation**

When used in this Plan, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the respective meanings ascribed to them as follows:

- (a) **“Board of Directors”** means the Board of Directors of the Corporation;
- (b) **“Common Shares”** means common shares in the capital of the Corporation;
- (c) **“Corporation”** means CNRP Mining Inc. and any successor corporation and any reference herein to action by the Corporation means action by or under the authority of its Board of Directors or a duly empowered committee appointed by the Board of Directors;
- (d) **“Discounted Market Price”** means the last per share closing price for the Common Shares on the Exchange before the date of grant of an Option, less any applicable discount under Exchange Policies;
- (e) **“Exchange”** means the Canadian National Stock Exchange or any other stock exchange on which the Common Shares are listed;
- (f) **“Exchange Policies”** means the policies of the Exchange, including those set forth in the Corporate Finance Manual of the Exchange;
- (g) **“Insider”** has the meaning ascribed thereto in Exchange Policies;
- (h) **“Market Price”** at any date in respect of the Common Shares shall be the closing price of such Common Shares on any Exchange (and if listed on more than one Exchange, then the highest of such closing prices) on the last business day prior to the date of grant (or, if such Common Shares are not then listed and posted for trading on the Exchange, on such stock exchange in Canada on which the Common Shares are listed and posted for trading as may be selected for such purpose by the Board of Directors). In the event that such Common Shares did not trade on such business day, the Market Price shall be the average of the bid and asked prices in respect of such Common Shares at the close of trading on such date. In the event that such Common Shares are not listed and posted for trading on any stock exchange, the Market Price shall be the fair market value of such Common Shares as determined by the Board of Directors in its sole discretion;
- (i) **“Option”** means an option granted by the Corporation to an Optionee entitling such Optionee to acquire a designated number of Common Shares from treasury at a price determined by the Board of Directors;

(j) **“Option Period”** means the period determined by the Board of Directors during which an Optionee may exercise an Option, not to exceed the maximum period permitted by the Exchange, which maximum period is ten (10) years from the date the Option is granted;

(k) **“Optionee”** means a person who is a director, officer, employee, consultant or other personnel of the Corporation or a subsidiary of the Corporation; a corporation wholly-owned by such persons; or any other individual or body corporate who may be granted an option pursuant to the requirements of the Exchange, who is granted an Option pursuant to this Plan;

(l) **“Plan”** shall mean the Corporation's incentive stock option plan as embodied herein and as from time to time amended;

(m) **“Securities Act”** means the *Securities Act* (Ontario), as amended, or such other successor legislation as may be enacted, from time to time; and

(n) **“Securities Laws”** means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that govern or are applicable to the Corporation or to which it is subject, including, without limitation, the Securities Act.

Capitalized terms in the Plan that are not otherwise defined herein shall have the meaning set out in the Exchange Policies, including without limitation “Consultant”, “Disinterested Shareholder Approval”, “Employee”, “Insider”, “Investor Relations Activities” and “Management Company Employee”.

Wherever the singular or masculine is used in this Plan, the same shall be construed as meaning the plural or feminine or body corporate and vice versa, where the context or the parties so require.

### **3. Administration**

The Plan shall be administered by the Board of Directors. The Board of Directors shall have full and final discretion to interpret the provisions of the Plan and to prescribe, amend, rescind and waive rules and regulations to govern the administration and operation of the Plan. All decisions and interpretations made by the Board of Directors shall be binding and conclusive upon the Corporation and on all persons eligible to participate in the Plan, subject to shareholder approval if required by the Exchange. Notwithstanding the foregoing or any other provision contained herein, the Board of Directors shall have the right to delegate the administration and operation of the Plan to a special committee of directors appointed from time to time by the Board of Directors, in which case all references herein to the Board of Directors shall be deemed to refer to such committee.

### **4. Eligibility**

The Board of Directors may at any time and from time to time designate those Optionees who are to be granted an Option pursuant to the Plan and grant an Option to such Optionee. Subject to Exchange Policies and the limitations contained herein, the Board of Directors is authorized to provide for the grant and exercise of Options on such terms (which may vary as between Options) as it shall determine. No Option shall be granted to any person except upon recommendation of the Board of Directors. A person who has been granted an Option may, if he is otherwise eligible and if permitted by Exchange Policies, be granted an additional Option or Options if the Board of Directors shall so determine. Subject to Exchange Policies, the Corporation shall represent that the Optionee is a bona fide Employee, Consultant or Management Company Employee (as such terms are defined in Exchange Policies) in respect of Options granted to such Optionees.

### **5. Participation**

Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Optionee's relationship or employment with the Corporation.

Notwithstanding any express or implied term of this Plan or any Option to the contrary, the granting of an Option pursuant to the Plan shall in no way be construed as conferring on any Optionee any right with respect to

continuance as a director, officer, employee or consultant of the Corporation or any subsidiary of the Corporation.

Options shall not be affected by any change of employment of the Optionee or by the Optionee ceasing to be a director or officer of or a consultant to the Corporation or any of its subsidiaries, where the Optionee at the same time becomes or continues to be a director, officer or full-time employee of or a consultant to the Corporation or any of its subsidiaries.

No Optionee shall have any of the rights of a shareholder of the Corporation in respect to Common Shares issuable on exercise of an Option until such Common Shares shall have been paid for in full and issued by the Corporation on exercise of the Option, pursuant to this Plan.

## **6. Common Shares Subject to Options**

The number of authorized but unissued Common Shares that may be issued upon the exercise of Options granted under the Plan at any time plus the number of Common Shares reserved for issuance under outstanding incentive stock options otherwise granted by the Corporation shall not exceed 10% of the issued and outstanding Common Shares on a non-diluted basis at any time, and such aggregate number of Common Shares shall automatically increase or decrease as the number of issued and outstanding Common Shares changes. The Options granted under the Plan together with all of the Corporation's other previously established stock option plans or grants, shall not result at any time in:

- (a) the number of Common Shares reserved for issuance pursuant to Options granted to Insiders exceeding 10% of the issued and outstanding Common Shares;
- (b) the grant to Insiders within a 12-month period, of a number of Options exceeding 10% of the outstanding Common Shares;
- (c) the grant to any one (1) Optionee within a twelve month period, of a number of Options exceeding 5% of the issued and outstanding Common Shares unless the Corporation obtains the requisite Disinterested Shareholder Approval;
- (d) the grant to all persons engaged by the Corporation to provide Investor Relations Activities, within any twelve-month period, of Options reserving for issuance a number of Common Shares exceeding in the aggregate 2% of the Corporation's issued and outstanding Common Shares; or
- (e) the grant to any one Consultant, in any twelve-month period, of Options reserving for issuance a number of Common Shares exceeding in the aggregate 2% of the Corporation's issued and outstanding Common Shares.

Appropriate adjustments shall be made as set forth in Section 15 hereof, in both the number of Common Shares covered by individual grants and the total number of Common Shares authorized to be issued hereunder, to give effect to any relevant changes in the capitalization of the Corporation.

If any Option granted hereunder shall expire or terminate for any reason without having been exercised in full, the unpurchased Common Shares subject thereto shall again be available for the purpose of the Plan.

## **7. Option Agreement**

A written agreement will be entered into between the Corporation and each Optionee to whom an Option is granted hereunder, which agreement will set out the number of Common Shares subject to option, the exercise price and any other terms and conditions approved by the Board of Directors, all in accordance with the provisions of this Plan (herein referred to as the "Stock Option Agreement"). The Stock Option Agreement will be in such form as the Board of Directors may from time to time approve, and may contain such terms as may be considered necessary in order that the Option will comply with any provisions respecting options in the income tax or other laws in force in any country or jurisdiction of which the Optionee may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.

## 8. Option Period and Exercise Price

Each Option and all rights thereunder shall be expressed to expire on the date set out in the respective Stock Option Agreement, which shall be the date of the expiry of the Option Period (the “Expiry Date”), subject to earlier termination as provided in Sections 11 and 12 hereof.

Subject to Exchange Policies and any limitations imposed by any relevant regulator) authority, the exercise price of an Option granted under the Plan shall be as determined by the Board of Directors when such Option is granted and shall be an amount at least equal to the Discounted Market Price of the Common Shares.

In addition to any resale restrictions under Securities Laws, any Option granted under this Plan and any Common Shares issued upon the due exercise of any such Option so granted will be subject to a four-month Exchange hold period commencing from the date of grant of the Option, if the exercise price of the Option is granted at less than the Market Price, in which case the Option, and the Common Shares issued upon due exercise of the Option, if applicable, will bear the following legend:

“Without prior written approval of the Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [four months and one day from the date of grant].”

## 9. Exercise of Options

An Optionee shall be entitled to exercise an Option granted to him at any time prior to the expiry of the Option Period, subject to Sections 11 and 12 hereof and to vesting limitations which may be imposed by the Board of Directors at the time such Option is granted. Subject to Exchange Policies, the Board of Directors may, in its sole discretion, determine the time during which an Option shall vest and the method of vesting, or that no vesting restriction shall exist.

Notwithstanding any other provision hereof, Options granted to persons engaged to provide Investor Relations Activities shall vest in stages over a period of 12 months from the date of grant with no more than 1/4 of any such Options granted vesting in any three-month period.

The exercise of any Option will be conditional upon receipt by the Corporation at its head office of: (i) a written notice of exercise, specifying the number of Common Shares in respect of which the Option is being exercised; (ii) cash payment, certified cheque or bank draft for the full purchase price of such Common Shares with respect to which the Option is being exercised; and (iii) make suitable arrangements with the Corporation, in accordance with Section 10, for the receipt by the Corporation of an amount sufficient to satisfy any withholding tax requirements under applicable tax legislation in respect of the exercise of an Option (the “Withholding Obligations”).

Common Shares shall not be issued pursuant to the exercise of an Option unless the exercise of such Option and the issuance and delivery of such Common Shares pursuant thereto shall comply with all relevant provisions of applicable securities law, including, without limitation, the 1933 Act, the United States Securities and Exchange Act of 1934, as amended, applicable U.S. state laws, the rules and regulations promulgated thereunder, and the requirements of any stock exchange or consolidated stock price reporting system on which prices for the Common Shares are quoted at any given time. As a condition to the exercise of an Option, the Corporation may require the person exercising such Option to represent and warrant at the time of any such exercise that the Common Shares are being purchased only for investment and without any present intention to sell or distribute such Common Shares if, in the opinion of counsel for the Corporation, such a representation is required by law.

## 10. Withholding Taxes

Upon the exercise of an Option by an Optionee, the Corporation shall have the right to require the Optionee to remit to the Corporation an amount sufficient to satisfy any Withholding Obligations relating thereto under applicable tax legislation. Unless otherwise prohibited by the Board of Directors or by applicable law, satisfaction of the amount of the Withholding Obligations (the “Withholding Amount”) may be accomplished by any of the following methods or by a combination of such methods as determined by the Corporation in its sole discretion:

(i) the tendering by the Optionee of cash payment to the Corporation in an amount less than or equal to the Withholding Amount; or

(ii) the withholding by the Corporation from the Common Shares otherwise due to the Optionee such number of Common Shares as it determines are required to be sold by the Corporation, as trustee, to satisfy the Withholding Amount (net of selling costs). By executing and delivering the option agreement, the Optionee shall be deemed to have consented to such sale and have granted to the Corporation an irrevocable power of attorney to effect the sale of such Common Shares and to have acknowledged and agreed that the Corporation does not accept responsibility for the price obtained on the sale of such Common Shares;

(iii) the withholding by the Corporation from any cash payment otherwise due by the Corporation to the Optionee, including salaries, directors fees, consulting fees and any other forms of remuneration, such amount of cash as is required to pay and satisfy the Withholding Amount; provided, however, in all cases, that the sum of any cash so paid or withheld and the fair market value of any Common Shares so withheld is sufficient to satisfy the Withholding Amount.

The provisions of the option agreement shall provide that the Optionee (or their beneficiaries) shall be responsible for all taxes with respect to any Options granted under the Plan and an acknowledgement that neither the Board of Directors nor the Corporation shall make any representations or warranties of any nature or kind whatsoever to any person regarding the tax treatment of Options or payments on account of the Withholding Amount made under the Plan and none of the Board of Directors, the Corporation, nor any of its employees or representatives shall have any liability to an Optionee (or its beneficiaries) with respect thereto.

#### **11. Ceasing to be a Director, Officer, Employee or Consultant**

If an Optionee ceases to be a director, officer, employee or consultant of the Corporation or its subsidiaries for any reason other than death, the Optionee may, but only within ninety (90) days after the Optionee's ceasing to be a director, officer, employee or consultant (or 30 days in the case of an Optionee engaged in Investor Relations Activities) or prior to the expiry of the Option Period, whichever is earlier, exercise any Option held by the Optionee, but only to the extent that the Optionee was entitled to exercise the Option at the date of such cessation. For greater certainty, any Optionee who is deemed to be an employee of the Corporation pursuant to any medical or disability plan of the Corporation shall be deemed to be an employee for the purposes of the Plan.

#### **12. Death of Optionee**

In the event of the death of an Optionee, the Option previously granted to him shall be exercisable within one (1) year following the date of the death of the Optionee or prior to the expiry of the Option Period, whichever is earlier, and then only:

(a) by the person or persons to whom the Optionee's rights under the Option shall pass by the Optionee's will or the laws of descent and distribution, or by the Optionee's legal personal representative; and

(b) to the extent that the Optionee was entitled to exercise the Option at the date of the Optionee's death.

#### **13. Optionee's Rights Not Transferable**

No right or interest of any Optionee in or under the Plan is assignable or transferable, in whole or in part, either directly or by operation of law or otherwise in any manner except by bequeath or the laws of descent and distribution, subject to the requirements of the Exchange, or as otherwise allowed by the Exchange.

Subject to the foregoing, the terms of the Plan shall bind the Corporation and its successors and assigns, and each Optionee and his heirs, executors, administrators and personal representatives.

#### **14. Takeover or Change of Control**

The Corporation shall have the power, in the event of:



(a) any disposition of all or substantially all of the assets of the Corporation, or the dissolution, merger, amalgamation or consolidation of the Corporation with or into any other corporation or of such corporation into the Corporation, or

(b) any change in control of the Corporation,

to make such arrangements as it shall deem appropriate for the exercise of outstanding Options or continuance of outstanding Options, including without limitation, to amend any Stock Option Agreement to permit the exercise of any or all of the remaining Options prior to the completion of any such transaction. If the Corporation shall exercise such power, the Option shall be deemed to have been amended to permit the exercise thereof in whole or in part by the Optionee at any time or from time to time as determined by the Corporation prior to the completion of such transaction.

#### **15. Anti-Dilution of the Option**

In the event of:

(a) any subdivision, redivision or change of the Common Shares at any time during the term of the Option into a greater number of Common Shares, the Corporation shall deliver, at the time of any exercise thereafter of the Option, such number of Common Shares as would have resulted from such subdivision, redivision or change if the exercise of the Option had been made prior to the date of such subdivision, redivision or change;

(b) any consolidation or change of the Common Shares at any time during the term of the Option into a lesser number of Common Shares, the number of Common Shares deliverable by the Corporation on any exercise thereafter of the Option shall be reduced to such number of Common Shares as would have resulted from such consolidation or change if the exercise of the Option had been made prior to the date of such consolidation or change; or

(c) any reclassification of the Common Shares at any time outstanding or change of the Common Shares into other shares, or in case of the consolidation, amalgamation or merger of the Corporation with or into any other corporation (other than a consolidation, amalgamation or merger which does not result in a reclassification of the outstanding Common Shares or a change of the Common Shares into other shares), or in case of any transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation, at any time during the term of the Option, the Optionee shall be entitled to receive, and shall accept, in lieu of the number of Common Shares to which he was theretofore entitled upon exercise of the Option, the kind and amount of shares and other securities or property which such holder would have been entitled to receive as a result of such reclassification, change, consolidation, amalgamation, merger or transfer if, on the effective date thereof, he had been the holder of the number of Common Shares to which he was entitled upon exercise of the Option.

Adjustments shall be made successively whenever any event referred to in this section shall occur. For greater certainty, the Optionee shall pay for the number of shares, other securities or property as aforesaid, the amount the Optionee would have paid if the Optionee had exercised the Option prior to the effective date of such subdivision, redivision, consolidation or change of the Common Shares or such reclassification, consolidation, amalgamation, merger or transfer, as the case may be.

#### **16. Costs**

The Corporation shall pay all costs of administering the Plan.

#### **17. Termination and Amendment**

(a) The Board of Directors may amend or terminate this Plan or any outstanding Option granted hereunder at any time without the approval of the shareholders of the Corporation or any Optionee whose Option is amended or terminated, in order to conform this Plan or such Option, as the case may be, to applicable law or regulation or the requirements of the Exchange or any relevant regulatory authority, whether or not such amendment or

termination would affect any accrued rights, subject to the approval of the Exchange or such regulatory authority.

(b) The Board of Directors may amend or terminate this Plan or any outstanding Option granted hereunder for any reason other than the reasons set forth in Section 17(a) hereof, subject to the approval of the Exchange or any relevant regulatory authority and the approval of the shareholders of the Corporation if required by the Exchange or such regulatory authority. Subject to Exchange Policies, Disinterested Shareholder Approval will be obtained for any reduction in the exercise price of an Option if the Optionee is an Insider of the Corporation at the time of the proposed amendment. No such amendment or termination will, without the consent of an Optionee, alter or impair any rights which have accrued to him prior to the effective date thereof.

(c) The Plan, and any amendments thereto, shall be subject to acceptance and approval by the Exchange. Any Options granted prior to such approval and acceptance shall be conditional upon such approval and acceptance being given and no such Options may be exercised unless and until such approval and acceptance are given.

#### **18. Applicable Law**

This Plan shall be governed by, administered and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

#### **19. Effective Date**

This Plan will become effective as of and from February 15, 2013.

**SCHEDULE F**  
**FINANCIAL STATEMENTS**

**GreenBank Capital Inc. (as at February 15, 2013)**

**GreenBank Capital Inc Management Discussion & Analysis (as at February 15, 2013)**

**CNRP Mining Inc (as at July 31, 2012 and January 31, 2013)**

**CNRP Mining Inc Management Discussion & Analysis (as at July 31, 2012 and January 31, 2013)**

**- attached hereto -**

**parker simone LLP**

**Greenbank Capital Inc.**

**Audited Interim  
Financial Statements**

**Period from January 30, 2013**  
*(date of incorporation)*

**to February 15, 2013**

**(Expressed in Canadian Dollars)**

## **parker simone LLP**

Chartered Accountants  
129 Lakeshore Road East  
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### **Independent Auditors' Report**

To the Director of  
Greenbank Capital Inc.

We have audited the accompanying interim financial statements of Greenbank Capital Inc. ("the Company"), which comprise the interim statement of financial position as at February 15, 2013, and the interim statements of comprehensive loss, changes in equity and cash flows for the period from January 30, 2013 (*date of incorporation*) to February 15, 2013, 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 International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 is sufficient and appropriate to provide a basis for our audit opinion.

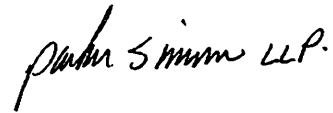
**parker simone LLP**

**Opinion**

In our opinion, the interim financial statements present fairly, in all material respects, the financial position of Greenbank Capital Inc. as at February 15, 2013, and its financial performance and its cash flows for the period from January 30, 2013 (*date of incorporation*) to February 15, 2013 in accordance with International Financial Reporting Standards.

**Emphasis of Matters**

Without qualifying our opinion, the accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. As more fully described in the notes to these financial statements, the Company has not generated revenues to date. This condition raises substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result from the outcome of this uncertainty.

A handwritten signature in black ink that reads "Parker Simone LLP". The signature is written in a cursive, flowing style.

March 4, 2013

Licensed Public Accountants

**Greenbank Capital Inc.**  
**Interim Statement of Financial Position**  
(Expressed in Canadian Dollars)

<b>As at February 15,</b>	<b>2013</b>
<b>Asset</b>	
<b>Current Asset</b>	
Cash	\$ 1
	<u>\$ 1</u>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts payable and accrued liabilities (Note 8)	\$ -
<b>Shareholder's Equity</b>	
Share Capital (Note 8)	1
Retained Earnings	-
	<u>1</u>
	<u>\$ 1</u>

Going concern (Note 2)

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

Approved by the Board:

  
\_\_\_\_\_  
Director

**Greenbank Capital Inc.**  
**Interim Statement of Comprehensive Loss**  
(Expressed in Canadian Dollars)

<b><i>Period from January 30, 2013 (date of incorporation) to</i></b>	<b>February 15, 2013</b>
<b>Operating Expenses (Note 8)</b>	
Professional fees	\$ -
<b>Comprehensive Loss</b>	<b>\$ -</b>

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



**Greenbank Capital Inc.**  
**Interim Statement of Changes in Equity**  
(Expressed in Canadian Dollars)

	<b>Common Share Capital</b>		<b>Retained Earnings</b>	<b>Total Shareholder's Equity</b>
	<b>No.</b>	<b>Amount</b>		
Common shares issued for cash upon incorporation on January 30, 2013	1	\$ 1		\$ 1
Comprehensive loss			\$ -	-
<b>Balance at February 15, 2013</b>	<b>1</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ 1</b>

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

**Greenbank Capital Inc.**  
**Interim Statement of Cash Flows**  
(Expressed in Canadian Dollars)

<i>Period from January 30, 2013 (date of incorporation) to</i>	<b>February 15, 2013</b>
<b>Operating Activities</b>	
Comprehensive loss	\$ -
Adjustment to reconcile comprehensive loss to cash flows from operating activities	
<b>Cash Used in Operating Activities</b>	-
<b>Financing Activities</b>	
Issuance of common share	1
<b>Cash from financing Activities</b>	1
<b>Investing Activities</b>	
<b>Increase in Cash, being Cash at End of Period</b>	\$ 1

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

## **Greenbank Capital Inc.**

### **Notes to Interim Financial Statements**

**Period from January 30, 2013 (date of incorporation) to February 15, 2013**

(Expressed in Canadian Dollars)

#### **1. Governing Statutes and Nature of Operations**

Greenbank Capital Inc. ("Greenbank" or "the Company") was incorporated on January 30, 2013 under the laws of the Province of British Columbia. The Company is engaged in the business of investing in Canadian small cap publicly listed companies. Greenbank is 100% owned by Winston Resources Inc. ("Winston"), a Canadian public company. The head office of the Company is located at 208 Queens Quay West, Suite 2506, Toronto, Ontario M5J 2Y5.

#### **2. Going Concern Assumption**

These interim financial statements have been prepared on the basis of accounting principles applicable to a going concern. The use of these principles assumes that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge its liabilities in the normal course of operations. The Company is in the process of acquiring its first investments in two Canadian small cap publicly listed companies which holds mineral exploration properties. The exploration of these properties has not commenced. As such, it is unknown whether the property contains reserves that are economically recoverable. As a newly incorporated Company, that is commencing active operations; it is expected to incur operating losses, which casts doubt about the Company's ability to continue as a going concern.

#### **3. Basis of Presentation and Statement of Compliance**

##### ***Statement of Compliance***

These interim financial statements were prepared in accordance with and using accounting policies in full compliance with International Financial Reporting Standards ("IFRS"). Greenbank's first fiscal year is to end on July 31, 2013. The policies applied in these interim financial statements are based on IFRS issued and outstanding as of March 2, 2013, being the date the board of director approved these interim financial statements.

##### ***Basis of Measurement***

The interim financial statements have been prepared on the historical cost basis, except for the measurement of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income.

##### ***Functional and Presentation Currency***

The interim financial statements are presented in Canadian dollars, which is also the Company's functional currency.

## **Greenbank Capital Inc.**

### **Notes to Interim Financial Statements**

**Period from January 30, 2013 (date of incorporation) to February 15, 2013**

(Expressed in Canadian Dollars)

#### **4. Significant Accounting Policies**

These financial statements have been prepared by management in accordance with IFRS. Outlined below are those policies considered particularly significant:

##### ***Significant Estimates and Judgments***

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting periods as well as the related notes to financial statements. Actual results could differ from those estimates.

The most significant estimates relate to accounts payable and accrued liabilities. The Company relies on assumptions regarding applicable industry performance and prospects, as well as general business and economic conditions that prevail and are expected to prevail. These assumptions are limited by the availability of reliable comparable data and the uncertainty of predictions concerning future events.

##### ***Related Party Transactions***

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be Individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

##### ***Provisions***

Provisions are recognized when the Company has a present legal or constructive obligation that arose as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pretax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

##### ***Share Capital***

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's common shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares, if any, are recognized in equity as a reduction from the gross proceeds received from the issued common shares.

## Greenbank Capital Inc.

### Notes to Interim Financial Statements

Period from January 30, 2013 (date of incorporation) to February 15, 2013

(Expressed in Canadian Dollars)

#### 4. Significant Accounting Policies (Continued)

##### **Financial Assets and Financial Liabilities**

**Recognition:** The Company initially recognizes loans and advances, deposits and liabilities on the date at which they are originated. All other financial assets and liabilities, including assets and liabilities designated at fair value through profit or loss, are initially recognized on the trade date at which the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

**Valuation of Financial Instruments:** The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 Quoted market price in an active market for an identical instrument.

Level 2 Valuation techniques based on observable inputs either directly or indirectly derived from prices. This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted market prices for identical or similar instruments in markets that are considered less than active or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3 Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted market prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

**De-recognition:** The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

## **Greenbank Capital Inc.**

### **Notes to Interim Financial Statements**

**Period from January 30, 2013 (date of incorporation) to February 15, 2013**

(Expressed in Canadian Dollars)

#### **4. Significant Accounting Policies (Continued)**

##### ***Financial Assets and Financial Liabilities*** (Continued)

***Designation at fair value through profit or loss:*** The Company has designated financial assets and liabilities at fair value through profit or loss in the following circumstances:

- The assets or liabilities are managed, evaluated and reported internally on a fair value basis.
- The designation eliminates or significantly reduces an accounting mismatch which would otherwise arise.
- The asset or liability contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract.

##### ***Future Accounting Policies***

The International Accounting Standards Board ("IASB") issued a number of new and revised IFRS, which are effective for the Company's financial year beginning on or after August 1, 2013. For the purpose of preparing and presenting the financial statements for the relevant periods, the Company has consistently adopted all new standards for the relevant reporting periods.

At the date of authorization of these financial statements, the IASB issued the following Standards that are effective for reporting periods ending after August 1, 2013 and which the Company may be required to adopt in future reporting periods.

- IFRS 9 "Financial Instruments: Classification and Measurement" - Effective for annual periods beginning on or after January 1, 2015, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments.
- IFRS 32 "Financial Instruments: Presentation" - Effective for annual periods commencing on or after January 1, 2014. This amendment clarifies the meaning of the offsetting criterion "currently has a legally enforceable right to offset" and the principle behind net settlement, including identifying when some gross settlement systems may be considered equivalent to net settlement.

#### **5. Share Capital**

Greenbank's authorized share capital consists of an unlimited number of common shares and an unlimited number of preferred, issuable in series. The issuance of each series of preferred shares is subject to the filing of Articles of Amendment with the directors fixing the number of shares that comprise each series and the designations, rights, privileges, restrictions and conditions attaching to each series.

## Greenbank Capital Inc.

### Notes to Interim Financial Statements

Period from January 30, 2013 (date of incorporation) to February 15, 2013

(Expressed in Canadian Dollars)

#### 6. Financial Risk Management

##### **Financial Risk Management Objectives and Policies**

The Company has made the following classifications for its financial instruments:

Cash	Fair Value Through Profit and Loss
Accounts payable and accrued liabilities	Other financial liability

Accounts payable and accrued liabilities are not classified as FVTPL liabilities as they were not acquired for the purpose of selling or repurchasing in the near term. Accordingly they are classified as other financial liability.

The Company's major risk factors, and their impact on the Company's financial instruments, are summarized below:

##### **Credit risk**

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The Company's credit risk is attributable to cash may be held at major Canadian-based financial institutions. In these situations management believes the risk of loss is minimal.

##### **Liquidity Risk**

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. Liquidity needs are monitored in various time bands, including 30-day, 180-day and 360-day lookout periods. As at February 15, 2013, the Company currently has very nominal cash at its disposal. The Company anticipates having sufficient funds to carry out its activities and meet its corporate and administrative expenses for the next twelve months. As at February 15, 2013, Greenbank has yet to commence active operations. As such Winston committed to pay the expenses the Company is expected to incur in its initial start-up phase.

##### **Market risk**

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

##### i) **Interest rate risk**

The Company has no interest-bearing liabilities or assets. Occasionally, the Company may invest excess cash in short term investments that generate minimal interest revenue.

## **Greenbank Capital Inc.**

### **Notes to Interim Financial Statements**

**Period from January 30, 2013 (date of incorporation) to February 15, 2013**

(Expressed in Canadian Dollars)

#### **6. Financial Risk Management**

##### **ii) *Commodity Price Risk***

Commodity price risk is the risk of uncertainty arising primarily from possible commodity price movements and their impact on the future economic viability of the Company's projects as well as Greenbank's ability to raise capital. These risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis and adjusting operating and exploration budgets accordingly.

#### **7. Capital Management**

The Company's objective in managing capital is to ensure continuity as a going-concern and to safeguard its ability to continue its acquisition and exploration programs. The Company manages its capital structure and makes adjustment to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares and acquire or sell investments they hold to improve its financial performance and flexibility.

The Company defines its capital as its shareholder's equity. To effectively manage the Company's capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has appropriate liquidity to meet its operating and growth objectives. As needed, the Company raises funds through private placements or other equity financings. The Company does not utilize long term debt as the Company does not currently generate operating revenues. There is no dividend policy.

#### **8. Subsequent Events**

On February 8, 2013, Greenbank entered into a Plan of Arrangement (the "Plan") to acquire certain assets from Winston, its parent company. Under the terms of the Plan, Greenbank is to issue 25,710,000 common shares to Winston in exchange for 13,460,000 common shares of Zara Resources Inc. and 12,250,000 common shares of Hadley Mining Inc. Winston will immediately transfer all of the Greenbank common shares to Winston's shareholders at the rate of one Greenbank share for every 2.567 Winston shares. Upon completion of the Plan, Greenbank will be a reporting issuer in the Provinces of British Columbia, Alberta and Ontario.

Under the terms of the Plan all costs and expenses of the transactions contemplated under the Plan, including legal, financial advisory, regulatory, printing and mailing costs, are to be paid and borne by Winston. As such, Greenbank has no operations to report in its interim statement of comprehensive loss. Completion of the Plan is subject to both regulatory and shareholder approval.



**Greenbank Capital Inc.**

**Notes to Interim Financial Statements**

**Period from January 30, 2013 (date of incorporation) to February 15, 2013**

(Expressed in Canadian Dollars)

**9. Pro-Forma Statement of Financial Position**

As set out in Note 8 "Subsequent Events", conditional on the completion of the Plan of Arrangement, Greenbank will issue common shares in exchange for an investment portfolio. This pro forma statement of financial position is based upon Greenbank's statement of financial position as at February 15, 2013 after giving effect to the Plan as if it had occurred at the close of business on February 15, 2013. Upon completion of the Plan the Pro-Forma Statement of Financial Position will be as follows:

<b>Assets</b>	
<b>Current Asset</b>	
Cash	\$ 1
<b>Available for Sale Investments*:</b>	
Zara Resources Inc.	807,600
Hadley Mining Inc.	1,225,000
	<hr/> <b>\$ 2,032,601</b>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts payable and accrued liabilities	\$ -
<b>Shareholders' Equity</b>	
Common Share Capital	2,032,601
Retained earnings	-
	<hr/> <b>2,032,601</b>
	<hr/> <b>\$ 2,032,601</b>

\* Available for sale investments are valued at the last trading price of the security on the CNSX as of February 15, 2013.

# **GREENBANK CAPITAL INC**

## **MANAGEMENT DISCUSSION & ANALYSIS**

**FOR THE PERIOD FROM JANUARY 30, 2013 (date of incorporation) TO FEBRUARY 15, 2013**

**(Prepared by Management on March 4, 2013)**

**208 Queens Quay West, Suite 2506,  
Toronto, Ontario M5J 2Y5 Tel.:  
(416) 628 9879**

## MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) TO ACCOMPANY THE AUDITED INTERIM FINANCIAL STATEMENTS OF GREENBANK CAPITAL INC (THE "COMPANY" OR "GREENBANK") FOR THE PERIOD ENDED FEBRUARY 15, 2013

The following Management's Discussion and Analysis should be read in conjunction with the audited interim financial statements of the Company for the period from January 30, 2013, the date of incorporation, to February 15, 2013, which were prepared in accordance with International Financial Reporting Standards ("IFRS") and the notes thereto. All financial amounts are stated in Canadian currency unless stated otherwise.

This MD&A contains certain forward-looking statements based on the best beliefs, and reasonable assumptions of the management of the Company. There are many risks and uncertainties attached to the financial services business. Given these risks and uncertainties, the reader should not place undue reliance on these forward-looking statements. (See "Risks and Uncertainties" in this MD&A for more information).

### DESCRIPTION OF THE BUSINESS

#### Overview

GreenBank was incorporated by a certificate of incorporation under the *Business Corporations Act* (British Columbia) dated January 30, 2013. The head office of GreenBank is located at 208 Queens Quay West, Suite 2506, Toronto, Ontario, M5J 2Y5. It is presently a subsidiary of Winston Resources Inc ("Winston") a public company listed on the CNSX.

The business of GreenBank consists of corporate finance investment activities focusing on investing in Canadian small cap publicly listed companies. It will seek to take equity positions in its clients and participate in its client company decisions via board of directors positions. It is expected that GreenBank will facilitate mergers and acquisitions, often participating with equity in the transactions as appropriate.

On February 8, 2013 GreenBank agreed to acquire an investment portfolio from Winston payable by the issuance of 25,710,000 common shares of GreenBank at a deemed price of \$0.10 per GreenBank share. The investments comprise of 13,460,000 common shares being 49% of Zara Resources Inc (CNSX: ZRI) ("Zara") and 12,250,000 common shares being 49% of Hadley Mining Inc (CNSX: HM) ("Hadley"). Zara is a Toronto based mineral company developing its Pigeon River and Riverbank nickel-copper projects, in Ontario, Canada. On February 1, 2013 Zara signed a Letter of Intent to acquire the Forge Lake Gold Project in Ontario for \$583,010. For more information please see Zara's website at [www.ZaraResourcesInc.com](http://www.ZaraResourcesInc.com). Hadley is a Toronto based mineral company primarily focused on developing its 100% owned Etamame Nickel project, in Northwestern Ontario, Canada. For more information please see [www.HadleyMining.com](http://www.HadleyMining.com).

On February 8, 2013 Winston announced a proposal to spin off to its shareholders 100% of its holdings of GreenBank. Following the spin-off, GreenBank will apply for listing of its common shares on the CNSX. As a result of the spin-off, GreenBank, Zara and Hadley will cease to be subsidiaries of Winston.

The spin-off will be transacted by way of a statutory plan of arrangement (the "Plan of Arrangement") under the Business Corporations Act (British Columbia). Pursuant to the terms of the Plan of Arrangement, Winston will distribute 100% of the outstanding 25,710,000 common shares of GreenBank to holders of common shares of Winston such that each Winston shareholder of record on the effective date of the Plan of Arrangement will receive 1 common share in the capital of GreenBank for every 2.562 common shares in the capital of Winston. A special meeting ("Meeting") of Winston shareholders will be held on April 15, 2013 at which the Winston shareholders will be asked to vote on a special resolution approving the Plan of Arrangement. If approved, the spin-off would be completed shortly thereafter, subject to the receipt of all necessary approvals. The spin-off is subject to numerous conditions including shareholder and court approval, and completion of all regulatory filings.

There is currently one common share of GreenBank issued and outstanding. On the Plan of Arrangement Effective Date, GreenBank shall issue 25,710,000 common shares in the capital of GreenBank, 100% of which will be immediately transferred to Winston shareholders, on a pro rata basis, as a dividend in kind.

## **RESULTS OF OPERATIONS**

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The Company is in the development stage and therefore did not have revenues from operations. For the period ended February 15, 2013 the Company only had formation activities and incurred a comprehensive loss of \$0 (\$0.0 loss per share).

### **Selected Financial Information**

The following table provides selected financial information that should be read in conjunction with the audited Financial Statements and Notes of the Company for the applicable period. The acquisition of the investment portfolio occurred after the period end.

### **Summary of Results**

Period from January 30, 2013 to February 15, 2013

Interest Income	\$ 0
Net loss	0
Current Assets	0
Total Assets	1
Total Liabilities	1

### **Shareholders Equity**

At February 15, 2013 the Company had cash of \$0 and working capital of \$0. The Company will needs access to equity capital to pursue its business plan and there is no guarantee that equity may be available, and if available it may not be on terms that Management finds is in the interest of the Company.

The following table summarizes the Company's cash on hand, working capital and cash flow as at February 15, 2013

Cash	\$ 0
Working Capital	0
Cash used in operating activities	0
Cash used in investing activities	0
Cash provided by Financing Activities	0
Increase in Cash (being cash at end of period)	0

The Company is dependent on the sale of newly issued shares to finance its investment activities, and general and administrative costs. The Company will have to raise additional funds in the future to continue its operations. There can be no assurance, however, that the Company will be successful in its efforts. If such funds are not available or other sources of financing cannot be obtained, then the Company will be forced to curtail its activities

### **Capital Resources**

The Company has no operations that generate cash flow and its long term financial success is dependent on making investments that are profitable.

## ProForma Statement of Financial Position

Conditional on the completion of the Plan, Greenbank will issue common shares in exchange for an investment portfolio. Upon completion of the Plan the ProForma Statement of Financial Position will be as follows:-

<b>Assets</b>	
<b>Current Asset</b>	
Securities Available for Sale*	
Zara Resources Inc	\$1,346,000
Hadley Mining Inc	\$1,225,000
Total	\$2,571,000
Cash	\$ -
	<b>\$2,571,000</b>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Due from parent (Note 8)	\$ 1
<b>Shareholder's Equity</b>	
Share Capital (Note 8)	2,571,000
Deficit	-
	1
<b>Stockholders Equity</b>	<b>\$ 2,571,000</b>

\* Securities For Sale are valued at the last trading price of the security on the CNSX

The following is a summary of the Company's outstanding share, warrant and stock options data as of February 15, 2013

### Common Shares

At February 15, 2013 the Company had issued and outstanding 1 common share..

### Stock Options

At February 15, 2013 the Company had no stock options outstanding.

### Warrants

At February 15, 2013 the Company had no warrants and brokers warrants outstanding.

## **Outlook and Capital Requirements**

There is no guarantee that market conditions will be conducive to raising additional equity capital. Depending on future events, the rate of Company expenditures and general and administrative costs could increase or decrease.

## **Related Parties Transactions**

Related party transactions were in the normal course of operations and were measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

## **Off-Balance Sheet Arrangements**

The Company does not utilize off-balance sheet transactions.

## **Proposed Transactions**

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There are no proposed transactions that will materially affect the performance of the Company other than those disclosed in this MD&A.

## **Accounting Policies**

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The accounting policies and methods employed by the Company determine how it reports its financial condition and results of operations, and may require management to make judgements or rely on assumptions about matters that are inherently uncertain. The Company's results of operations are reported using policies and methods in accordance with IFRS. In preparing financial statements in accordance with IFRS, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses for the period. Management reviews its estimates and assumptions on an ongoing basis using the most current information available. These financial statements have been prepared by management in accordance with IFRS. Outlined below are those policies considered particularly significant

### *Significant Estimates and Judgments*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting periods as well as the related notes to financial statements. Actual results could differ from those estimates. The most significant estimates relate to the valuation of deferred income taxes, impairment testing of exploration and evaluation assets, and the calculation of share-based payments. The most significant judgments relate to recognition of deferred tax assets and liabilities and the determination of the economic viability of a project. In determining these estimates, the Company relies on assumptions regarding applicable industry performance and prospects, as well as general business and economic conditions that prevail and are expected to prevail. These assumptions are limited by the availability of reliable comparable data and the uncertainty of predictions concerning future events

### *Related Party Transactions*

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be Individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

### *Provisions*

Provisions are recognized when the Company has a present legal or constructive obligation that arose as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

### *Current Income Taxes*

Current income tax assets and liabilities for the current periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute current income taxes are measured at income tax rates, which have been enacted or substantively enacted at the reporting date. Current income taxes are recognized in profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the applicable taxes are recognized in other comprehensive income or directly in equity.

### *Deferred Income Taxes*

Deferred income taxes are provided using the liability method on temporary differences at the end of each reporting period. These taxes represent the between in the tax bases of the assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognized for all deductible temporary differences, the carry forward of unused income tax credits and unused income tax losses, to the extent that it is probable that taxable income will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each date of the statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the expected income tax rates that are expected to apply in the year in which the asset is to be realized or the liability is to be settled. The expected income tax rate utilized is based upon income tax laws that have been enacted or substantively enacted at the date of the statement of financial position. The deferred income taxes related to equity transactions are recognized directly to equity and not in the statement of comprehensive income. Deferred income tax assets and liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

#### *Impairment of non-financial assets*

At each date of the statement of financial position, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset the Company estimates the recoverable amount of the cash-generating unit to which the assets belong. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, its carrying amount is reduced to its recoverable amount. An impairment loss is recognized in the statement of comprehensive income in the period of impairment, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years.

#### *Exploration and evaluations assets ("E&E")*

E&E assets consist of exploration and Capital concessions, options and contracts. Acquisition costs, lease 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.

E&E costs consist of:

- Acquisition of exploration properties;
- Gathering exploration data through topographical and geological studies;
- Exploratory filing, trenching and sampling;
- Determining the volume and grade of the resource;
- Test work on geology, metallurgy, Capital, geotechnical and environmental; and
- Conducting engineering, marketing and financial studies.



## *Cash*

Cash is comprised of non-interest bearing cash deposit balances, which are subject to insignificant risk of changes in their fair value. Cash is used by the Company in the management of its short-term commitments. Cash is carried at fair value through profit or loss in the statement of financial position.

## *Equity Settled Share -Based Payment Transactions*

The costs of equity settled transactions are recognized, together with a corresponding increase in equity, over the period in which the goods or services are received. The Company measures the goods or services received, unless that fair value cannot be estimated reliably. When the Company cannot estimate reliably the fair value of the goods or services received then the Company measures their fair value and the corresponding increase in equity by reference to the fair value of the equity instruments issued as payment.

## *Share Capital*

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's ordinary common shares are classified as equity instruments.

Incremental Direct costs directly attributable to the issue of new shares are recognized in equity as reductions from the gross proceeds received from the issued shares.

## *Financial Assets and Financial Liabilities*

*Recognition:* The Company initially recognizes loans and advances, deposits and liabilities on the date at which they are originated. All other financial assets and liabilities, including assets and liabilities designated at fair value through profit or loss, are initially recognized on the trade date at which the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

*Valuation of Financial Instruments:* The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, etc. The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument

Level 2: Valuation techniques based on observable inputs, either directly; i.e. as prices; or indirectly; i.e., derived from prices. This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

*De-recognition:* The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

*Offsetting:* Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to set off the recognized amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under EFRSs, or for gains and losses arising from a group of similar transactions.

*Amortized cost measurement:* The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

*Identification and measurement of impairment:* At each reporting date the Company assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. A financial asset or a Company of financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the assets, and that the loss event has an impact on the future cash flows of the assets that can be estimated reliably.

Objective evidence that financial assets, including equity securities, are impaired may include significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of a loan or receivable by the Company that would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a Company of assets such as adverse changes in the payment status of borrowers or issuers in the Company, or economic conditions that correlate with defaults in the Company. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Company considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant loans and receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by comparing together loans and receivables with similar risk characteristics.

Impairment losses on assets carried at amortized cost are measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognized in profit or loss and reflected in an allowance account against loans and receivables. Interest on impaired assets continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

*Designation at fair value through profit or loss:* The Company has designated financial assets and liabilities at fair value through profit or loss in the following circumstances:

- The assets or liabilities are managed, evaluated and reported internally on a fair value basis.
- The designation eliminates or significantly reduces an accounting mismatch which would otherwise arise.
- The asset or liability contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract.

*Loss per share and comprehensive loss per share*

Comprehensive loss per share is calculated based on the weighted average number of shares issued and outstanding during the quarter or year, as appropriate. In the years when the Company reports a net loss and comprehensive net loss, the effect of potential issuances of shares under options and warrants would be anti-dilutive and, therefore, basic and diluted loss per share is the same. For the period ended July 31, 2012, all the outstanding options and warrants were anti-dilutive.

### *Foreign currency transactions*

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of each entity is the Canadian Dollar. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of the monetary assets and liabilities denominated in foreign currencies are recognized in operations.

### *Future Accounting Policies*

The International Accounting Standards Board ("IASB") issued a number of new and revised International Accounting Standards, International Financial Reporting Standards, amendments and related interpretations which are effective for the Company's financial year beginning on or after August 1, 2013. For the purpose of preparing and presenting the financial statements for the relevant periods, the Company has consistently adopted all new standards for the relevant reporting periods.

At the date of authorization of these financial statements, the IASB issued the following Standards that are effective for reporting periods ending after these financial statements and which the Company may be required to adopt in future reporting periods.

- IFRS 9 'Financial Instruments: Classification and Measurement' - effective for annual periods beginning on or after January 1, 2015, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments.
- IFRS 10 'Consolidated Financial Statements' - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.
- IFRS 11 'Joint Arrangements' - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form.
- IFRS 12 'Disclosure of Interests in Other Entities' - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.
- IFRS 13 'Fair Value Measurement\*' - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, provides the guidance on the measurement of fair value and related disclosures through a fair value hierarchy.

IFRS 13 Fair Value Measurement was issued in May 2011 and defines fair value, sets out in a single standard a framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies when other IFRSs require or permit fair value measurements. The main features of the new standard include the fact that fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). Fair value measurements are based on the assumptions that market participants would use when pricing the item being measured under current market conditions, including assumptions about risk (i.e., it is a market-based, rather than entity-specific, measurement).

When measuring the fair value of a non-financial asset, an entity considers the highest and best use of the asset, and whether the asset is used in combination with other assets or on a stand-alone basis. A fair value hierarchy categorizes into Six levels the inputs to valuation techniques used to measure fair value and gives priority to

observable inputs. An entity discloses information about the valuation techniques and inputs it has used, as well as the uncertainty inherent in its fair value measurements.

The Company has not early adopted these standards, amendments and interpretations, however it is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements of the Company

## **Financial Instruments and Risk Management**

The Company has designated its cash at fair value through profit and loss. Trade and other payables and advances from related party are designated as other financial liabilities, which are measured at amortized cost.

### ***Financial Risk Management Objectives and Policies***

The Company is exposed to various financial risks resulting from both its operations and its investments activities. The Company's management manages financial risks. Where material, these risks will be reviewed and monitored by the Board of Directors. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

### ***Financial Risks***

The Company's main financial risk exposure and its financial risk management policies are as follows:

#### ***Market Risk***

Market risk is the risk of uncertainty arising primarily from possible commodity market price movements and their impact on the future economic viability of the Company's projects and ability of the Company to raise capital. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis and adjusting operating and exploration budgets accordingly

#### ***Fair Value Risk***

Fair value risk is the potential for fair value fluctuations in the value of a financial instrument The level of market risk to which the Company is exposed varies depending on market conditions, and expectations of future price and yield movements. The Company believes the carrying amounts of its financial assets and financial liabilities are a reasonable approximation of fair value.

#### ***Interest Rate Risk***

The savings accounts are at variable rates. Consequently, the Company is exposed to a fluctuation of the interest rate on the market which could vary the interest income on the savings accounts. The Company does not use financial derivatives to decrease its exposure to interest risk.

#### ***Liquidity Risk***

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. The Company anticipates having sufficient funds to carry out an exploration and acquisition program, pursue and evaluate new resources projects and meet its corporate and administrative expenses for the next twelve months.

#### ***Foreign currency risk***

The Company is exposed to currency risks on its United States dollar denominated working capital balances due to changes in the USD/CAD exchange rate..

## **Capital Management**

The Company's objective in managing capital is to ensure continuity as a going-concern and to safeguard its ability to continue its acquisition and exploration programs. The Company manages its capital structure and makes adjustment to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares and acquire or sell Capital properties to improve its financial performance and flexibility.

The Company defines its capital as its shareholder's equity. To effectively manage the Company's capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has appropriate liquidity to meet its operating and growth objectives. As needed, the Company raises funds through private placements or other equity financings. The Company does not utilize long term debt as the Company does not currently generate operating revenues. There is no dividend policy.

## **Risks and Uncertainties**

Upon completion of the Plan of Arrangement, GreenBank's primary assets will consist of an investment portfolio of publicly listed securities. The business of GreenBank will be subject to numerous risk factors, and include or is based upon expectations, estimates, projections or other "forward looking information." Such forward looking information includes projections or estimates made by GreenBank and its management as to GreenBank's future business operations. While statements concerning forward looking information, and any assumptions upon which they are based, are made in good faith and reflect GreenBank's current judgment regarding the direction of their business, actual results will almost certainly vary, sometimes materially, from any estimates, predictions, projections, assumptions or other performance suggested herein.

Upon completion of the Plan of Arrangement, GreenBank intends to apply for listing on the CNSX. There can be no assurance that GreenBank will obtain all the necessary approvals of the CNSX for listing. It is not possible to predict the price at which the Common Shares will trade and there can be no assurance that an active trading market for the Common Shares will be sustained. A publicly traded company will not necessarily trade at values determined solely by reference to the value of its assets. Accordingly, the Common Shares may trade at a premium or a discount to values implied by the value of its underlying assets. The market price for the Common Shares may be affected by changes in general market conditions, fluctuations in the markets for equity securities and numerous other factors beyond the control of GreenBank.

GreenBank believes that, following the completion of the Plan of Arrangement, cash on hand including securities held for sale, will be adequate to meet GreenBank's financial needs for the next 12 months. Additional funds, by way of equity financings will need to be raised to finance GreenBank's future activities. There can be no assurance that GreenBank will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could cause GreenBank to reduce or terminate its operations.

Governmental regulation may affect GreenBank's investment activities and GreenBank may be affected in varying degrees by government policies and regulations. Any changes in regulations or shifts in political conditions are beyond the control of GreenBank and may adversely affect its business.

## **Conflicts of Interest**

Certain of the directors and officers of the Company may also serve as directors and officers of other companies and consequently the possibility of conflict exists. Any decisions made by such directors or officers involving the Company will be made in accordance with the duties and obligations of directors and officers to deal fairly and in good faith with the Company and such other companies. In addition, such directors declare their interest and refrain from voting on any matters in which such directors may have a conflict of interest.

## **Management's Responsibility for Financial Statements**

The information provided in this report is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the audited consolidated financial statements.

## **Other**

Additional information relating to the Company's operations and activities can be found by visiting the Company's website at [www.GreenBankCapitalInc.com](http://www.GreenBankCapitalInc.com) and [www.sedar.com](http://www.sedar.com).

## **Cautionary Statement**

This document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration plans and our other future plans and objectives are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statement. Forward-looking statements are based on the estimates and opinions of management on the date of statements are made, and the Company endeavours to update corporate information and material facts on a timely basis. Forward-looking statements are subject to risks, uncertainties and other factors.

**CNRP Mining Inc.**

**Interim Financial Statements**  
**(Unaudited)**

**For the Six Months Ended January**  
**31, 2013**  
**(Expressed in Canadian Dollars)**

**NOTICE OF NO AUDITOR REVIEW OF REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the unaudited condensed interim financial statements they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.



**CNRP Mining Inc.**

**Interim Statement of Financial Position**

*(Expressed in Canadian Dollars)*

<b>As at</b>	<b>January 31, 2013</b>	<b>July 31, 2012</b>
<b>Assets</b>	<i>(Unaudited)</i>	<i>(Audited)</i>
<b>Current Asset</b>		
Cash	\$ 201,646	\$ 539,532
Due from parent company <i>(Note 12)</i>	666,844	216,940
Due from related company	-	30,000
	<b>868,490</b>	<b>786,472</b>
<b>Exploration and Evaluation Assets <i>(Note 7)</i></b>	<b>7,715,242</b>	<b>8,003,760</b>
	<b>\$ 8,583,732</b>	<b>\$ 8,790,232</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade payables	\$ 4,180	\$ 129,938
Mineral properties purchase price payable <i>(Note 11)</i>	676,771	603,760
Due to director	-	62,641
	<b>680,951</b>	<b>796,339</b>
<b>Shareholders' Equity</b>		
Share Capital <i>(Note 8)</i>	8,331,550	8,331,550
Deficit	(428,769)	(337,657)
	<b>7,902,781</b>	<b>7,993,893</b>
	<b>\$ 8,588,732</b>	<b>\$ 8,790,232</b>

Going concern *(Note 2)*

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

Approved by the Board:

 Director

**CNRP Mining Inc.**

**Interim Statement of Comprehensive Loss  
(Unaudited)**

*(Expressed in Canadian Dollars)*

<i><b>For the period</b></i>	<i><b>Three Months Ended January 31, 2013</b></i>	<i><b>Six Months Ended January 31, 2013</b></i>	<i><b>Three Months Ended January 31, 2012</b></i>	<i><b>Period From September 15, 2011 (date of incorporation) to January 31, 2012</b></i>
<b>Interest Revenue</b>	\$ 267	\$ 267	\$ -	\$ -
<b>Operating Expenses</b>				
Interest on property obligation	35,765	66,530		
Occupancy	5,300	13,250	-	-
Office	3,152	5,355	206	3,670
Professional fees	1,912	6,244	8,913	35,960
Travel	-	-	2,220	11,101
	<b>46,129</b>	<b>91,379</b>	<b>11,339</b>	<b>50,731</b>
<b>Comprehensive Loss</b>	<b>\$ 45,862</b>	<b>\$ 91,112</b>	<b>\$ 11,339</b>	<b>\$ 50,731</b>

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

**CNRP Mining Inc.**  
**Interim Statement of Changes in Equity**  
*(Expressed in Canadian Dollars)*

	Common Share Capital		Deficit	Total Shareholders' Equity
	No. of Shares	Amount		
Common Shares Issued for:				
Cash on incorporation on September 15, 2011	1,000	\$ 50	\$ -	\$ 50
Exploration and evaluation properties <i>(Note 8)</i>	29,200,000	7,300,000		7,300,000
Cash from private placement	20,319,000	1,031,500		1,031,500
Comprehensive loss	-	-	(337,657)	(337,657)
Balance at July 31, 2012 <i>(Audited)</i>	49,520,000	8,331,550	(337,657)	7,993,893
Comprehensive loss	-	-	(91,112)	(91,112)
<b>Balance at January 31, 2013 <i>(Unaudited)</i></b>	<b>49,520,000</b>	<b>\$ 8,331,550</b>	<b>\$ (428,769)</b>	<b>\$ 7,902,781</b>

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

**CNRP Mining Inc.**  
**Interim Statement of Cash Flows**  
*(Unaudited)*

*(Expressed in Canadian Dollars)*

	Three Months Ended January 31, 2013	Six Months Ended January 31, 2013	Three Months Ended January 31, 2012	Period From September 15, 2011 (date of incorporation) to January 31, 2012
<b>Operating Activities</b>				
Comprehensive Loss	\$ (45,862)	\$ (91,111)	\$ (11,339)	\$ (50,731)
Adjustment to reconcile comprehensive loss to cash flows from operations:				
Interest accretion on mineral property purchase price payable	35,765	61,529		
Adjustment to reconcile comprehensive loss to cash flows from operating activities:				
Trade payables	(1,016)	(125,759)	-	-
Due to director		(1,000)	11,339	50,731
<b>Cash Used In Operating Activities</b>	<b>(11,113)</b>	<b>(156,341)</b>	-	-
<b>Financing Activities</b>				
Due to parent company	124,159	(181,545)	-	-
<b>Cash Provided by (Used In) Financing Activities</b>	<b>124,159</b>	<b>(181,545)</b>	-	-
Increase (Decrease) in cash for the period	113,046	(337,886)	-	-
<b>Cash at beginning of period</b>	<b>88,600</b>	<b>539,532</b>	-	-
<b>Cash at End of Period</b>	<b>\$ 201,646</b>	<b>\$ 201,646</b>	<b>\$ -</b>	<b>\$ -</b>

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

# **CNRP Mining Inc.**

## **Notes to Interim Financial Statements** *(Unaudited)*

**Six months ended January 31, 2013**

*(Expressed in Canadian Dollars)*

### **1. Governing Statutes and Nature of Operations**

#### ***Corporate***

CNRP Mining Inc. ("CNRP" or the "Company") is a development stage mineral exploration company engaged in the acquisition and exploration of mineral resource properties in Canada. The Corporation is a private company and a wholly owned subsidiary of Winston Resources Inc. ("Winston") a reporting issuer in the jurisdictions of British Columbia, Alberta and Ontario whose common shares are listed for trading on the Canadian National Stock Exchange ("CNSX") under the symbol "WRW". The head office of the Company is located at 208 Queens Quay West, Suite 2506, Toronto, Ontario M5J 2Y5.

### **2. Going Concern Assumption**

These interim financial statements have been prepared on the basis of accounting principles applicable to a going concern. The use of these principles assumes that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge its liabilities in the normal course of operations. Accordingly, these financial statements do not give effect to adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. If the going concern assumption is not used, then the adjustments required to report the Company's assets and liabilities at liquidation values could be material to these financial statements.

The Company is in the process of exploring its mineral property and has not yet determined whether the property contains reserves that are economically recoverable. The recoverability of the amounts shown as exploration and evaluation assets is dependent upon future profitable production or proceeds from the disposal of properties.

The business of mining and exploration involves a high degree of risk, as such there is no assurance that the Company's expected exploration programs will result in profitable mining operations. Until it is determined that the property it is acquiring contains mineral reserves or resources that can be economically mined, it is classified as an exploration and evaluation asset. The Company's continued existence is dependent upon the discovery of economically recoverable reserves and resources, securing and maintaining title and beneficial interest in its properties, and making the required payments pursuant to mineral property share purchase agreements.

As at January 31, 2013 the Company had yet to generate revenues and had a deficit of \$428,769. CNRP has no proven history of profitability, which casts considerable doubt as to whether the Company will be able to continue as a going concern over the next twelve months should it not be able to obtain the necessary financing to fund working capital and capital expenditures.

## **CNRP Mining Inc.**

### **Notes to Interim Financial Statements** *(Unaudited)*

**Six months ended January 31, 2013**

*(Expressed in Canadian Dollars)*

#### **2. Going Concern Assumption (Continued)**

The Company has raised funds since inception and has utilized these funds for working capital and capital expenditure requirements. The ability of CNRP to arrange such financing in the future depends in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of CNRP may change and existing shareholders may have their interest diluted. If adequate financing is not available, the Company may be required to relinquish rights to certain of its interests or terminate its operations.

#### **3. Basis of Presentation and Statement of Compliance**

##### ***Statement of Compliance***

These interim financial statements, including the comparative financial statements, have been prepared in accordance with International Accounting Standards ("IAS"), IAS 34 "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS"). The policies applied in these interim financial statements are based on IFRS issued and outstanding as of March 4, 2013, being the date the board of director approved these interim financial statements.

##### ***Basis of Measurement***

The financial statements have been prepared on the historical cost basis, except for the measurement of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income.

##### ***Functional and Presentation Currency***

The financial statements are presented in Canadian dollars, which is also the Company's functional currency.

#### **4. Significant Accounting Policies**

These financial statements have been prepared by management in accordance with IFRS. Outlined below are those policies considered particularly significant:

##### ***Significant Estimates and Judgments***

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting periods as well as the related notes to financial statements. Actual results could differ from those estimates.

# **CNRP Mining Inc.**

## **Notes to Interim Financial Statements (Unaudited)**

**Six months ended January 31, 2013**

*(Expressed in Canadian Dollars)*

### **4. Significant Accounting Policies (Continued)**

#### ***Significant Estimates and Judgments (Continued)***

The most significant estimates relate to the valuation of deferred income taxes, impairment testing of exploration and evaluation assets, and the calculation of share-based payments. The most significant judgments relate to recognition of deferred income tax assets and liabilities and the determination of the economic viability of a project. In determining these estimates, the Company relies on assumptions regarding applicable industry performance and prospects, as well as general business and economic conditions that prevail and are expected to prevail. These assumptions are limited by the availability of reliable comparable data and the uncertainty of predictions concerning future events.

#### ***Related Party Transactions***

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be Individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

#### ***Provisions***

Provisions are recognized when the Company has a present legal or constructive obligation that arose as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pretax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

#### ***Impairment of Non-Financial Assets***

At each date of the statement of financial position, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset the Company estimates the recoverable amount of the cash generating unit to which the assets belong.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

## **CNRP Mining Inc.**

### **Notes to Interim Financial Statements (Unaudited)**

**Six months ended January 31, 2013**

*(Expressed in Canadian Dollars)*

#### **4. Significant Accounting Policies (Continued)**

##### ***Impairment of Non-Financial Assets (Continued)***

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, its carrying amount is reduced to its recoverable amount. An impairment loss is recognized in the statement of comprehensive income in the period of impairment, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash - generating unit in prior years

##### ***Exploration and Evaluations Assets ("E&E")***

E&E assets consist of exploration and mining concessions, options and contracts. Acquisition costs, lease 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.

E&E costs consist of:

- Acquisition of exploration properties;
- Gathering exploration data through topographical and geological studies;
- Exploratory drilling, trenching and sampling;
- Determining the volume and grade of the resource;
- Test work on geology, metallurgy, mining, geotechnical and environmental; and
- Conducting engineering, marketing and financial studies.

##### ***Equity Settled Share-Based Payment Transactions***

The costs of equity settled transactions are recognized, together with a corresponding increase in equity, over the period in which the goods or services are received. The Company measures the goods or services received, unless that fair value cannot be estimated reliably. When the Company cannot estimate reliably the fair value of the goods or services received then the Company measures their fair value and the corresponding increase in equity by reference to the fair value of the equity instruments issued as payment.

##### ***Share Capital***

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's ordinary common shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares are recognized in equity as reductions from the gross proceeds received from the issued shares.



# CNRP Mining Inc.

## Notes to Interim Financial Statements (Unaudited)

Six months ended January 31, 2013

(Expressed in Canadian Dollars)

### 4. Significant Accounting Policies (Continued)

#### **Financial Assets and Financial Liabilities**

**Recognition:** The Company initially recognizes loans and advances, deposits and liabilities on the date upon which they originated. All other financial assets and liabilities, including assets and liabilities designated at fair value through profit or loss ("FVTPL"), are initially recognized on the trade date upon which the Company becomes a party to the contractual provisions of the instrument. Other financial assets or financial liabilities that are not designated as FVTPL are measured initially at their fair value plus transaction costs that are directly attributable to its acquisition or issue.

**Valuation of financial instruments:** The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques. Fair value is less objective for these financial instruments as there is little price transparency. This is due to the fact that the valuation of these financial instruments requires varying degrees of judgment in evaluating liquidity, ownership concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1 Quoted market price in an active market for an identical instrument.
- Level 2 Valuation techniques based on observable inputs derived either directly or indirectly from market prices. This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted market prices for identical or similar instruments in markets that are considered less than active or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3 Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted market prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

**De-recognition:** The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

## **CNRP Mining Inc.**

### **Notes to Interim Financial Statements (Unaudited)**

**Six months ended January 31, 2013**

*(Expressed in Canadian Dollars)*

#### **4. Significant Accounting Policies (Continued)**

##### ***Financial Assets and Financial Liabilities (Continued)***

***Designation at FVTPL:*** The Company designates financial assets and liabilities at FVTPL in the following circumstances:

- The assets or liabilities are managed, evaluated and reported internally on a fair value basis.
- The designation eliminates or significantly reduces an accounting mismatch which would otherwise arise.
- The asset or liability contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract.

##### ***Future Accounting Policies***

The International Accounting Standards Board ("IASB") issued a number of new and revised IFRS, which are effective for the Company's financial year beginning on or after August 1, 2013. For the purpose of preparing and presenting the financial statements for the relevant periods, the Company consistently adopts all new standards for the relevant reporting periods.

At the date of authorization of these financial statements, the IASB issued the following standards that are effective for reporting periods ending after August 1, 2013, which the Company may be required to adopt in future reporting periods:

- IFRS 9 *Financial Instruments: Classification and Measurement* - effective for annual periods beginning on or after January 1, 2015, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments.
- IFRS 13 *Fair Value Measurement* - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, provides the guidance on the measurement of fair value and related disclosures through a fair value hierarchy. This IFRS 13 defines fair value, sets out in a single standard a framework for measuring fair value and requires disclosures about fair value measurement and applies when another IFRS requires or permits fair value measurements.

The main features of the new standard include the fact that fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of a non-financial asset, an entity considers the highest and best use of the asset, and whether the asset is used in combination with other assets or on a stand-alone basis. An entity is required to disclose information about the valuation techniques and inputs it uses, as well as the uncertainty inherent in the fair value measurements.

# CNRP Mining Inc.

## Notes to Interim Financial Statements (Unaudited)

Six months ended January 31, 2013

(Expressed in Canadian Dollars)

### 4. Significant Accounting Policies (Continued)

#### *Future Accounting Policies (Continued)*

- IFRS 32 "Financial Instruments: Presentation" - Effective for annual periods commencing on or after January 1, 2014. This amendment clarifies the meaning of the offsetting criterion "currently has a legally enforceable right to offset" and the principle behind net settlement, including identifying when some gross settlement systems may be considered equivalent to net settlement.

The Company has not early adopted these standards, amendments and interpretations, however it is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements of the Company.

### 5. Financial Risk Management

The Company has designated its cash and preferred shares to be issued at FVTPL. Trade and other payables and advances from related party are designated as other financial liabilities, which are measured at amortized cost. The carrying values, which approximate fair values, of the Company's financial instruments are as follows:

	January 31, 2013	July 31, 2012
	<i>(Unaudited)</i>	<i>Audited</i>
Financial Assets		
FVTPL		
Cash	\$ 201,646	\$ 549,654
Due from parent	666,844	216,940
Due to related party		30,000
Financial Liabilities		
Other financial liabilities		
Trade and other payables	4,180	253,555
Mineral properties purchase payable	676,771	603,760
Advances from director	-	62,641

#### *Financial Risk Management Objectives and Policies*

The Company is exposed to various financial risks resulting from both its operations and its investments activities. The Company's management manages financial risks. Where material, these risks will be reviewed and monitored by the Board of Directors. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

## **CNRP Mining Inc.**

### **Notes to Interim Financial Statements (Unaudited)**

**Six months ended January 31, 2013**

*(Expressed in Canadian Dollars)*

#### **5. Financial Risk Management (Continued)**

##### ***Financial Risk Management Objectives and Policies (Continued)***

The Company's main financial risk exposure and its financial risk management policies are as follows:

##### ***Credit risk***

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The Company's credit risk is attributable to cash may be held at major Canadian-based financial institutions. In these situations management believes the risk of loss is minimal.

##### ***Liquidity risk***

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. As at January 31, 2013, the Company had at its disposal \$201,646 in cash. The Company anticipates having sufficient funds to carry out an exploration and acquisition program, pursue and evaluate new resources projects and meet its corporate and administrative expenses for the next twelve months.

##### ***Market risk***

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

##### ***i) Interest rate risk***

The Company has no interest-bearing liabilities or assets. Occasionally, the Company may invest excess cash in short term investments that generate minimal interest revenue.

##### ***ii) Commodity Price Risk***

Commodity price risk is the risk of uncertainty arising primarily from possible commodity price movements and their impact on the future economic viability of the Company's projects as well as CNRP's ability to raise capital. These risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis and adjusting operating and exploration budgets accordingly.

#### **6. Capital Management**

The Company's objective in managing capital is to ensure continuity as a going-concern and to safeguard its ability to continue its acquisition and exploration programs. The Company manages its capital structure and makes adjustment to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares and acquire or sell mining properties to improve its financial performance and flexibility.

**CNRP Mining Inc.**

**Notes to Interim Financial Statements**  
(Unaudited)

**Six months ended January 31, 2013**

(Expressed in Canadian Dollars)

**6. Capital Management (Continued)**

The Company defines its capital as its shareholder's equity. To effectively manage the Company's capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has appropriate liquidity to meet its operating and growth objectives. As needed, the Company raises funds through private placements or other equity financings. The Company does not utilize long term debt as the Company does not currently generate operating revenues. There is no dividend policy.

**7. Exploration and Evaluation Assets**

	Balance at July 31, 2012	Property Acquisition Costs	Exploration Expenditure	Disposal	Balance at January 31, 2013
<b>Ontario</b>					
Riverbank and Broke Back	\$ 300,000	\$	\$	\$(300,000)	\$ -
<b>New Brunswick</b>					
Elmtree	7,703,760	11,482	-	-	7,715,242
	<u>\$ 8,003,760</u>	<u>\$ 11,482</u>	<u>\$ -</u>	<u>\$(300,000)</u>	<u>\$ 7,715,242</u>

	Balance at September 15, 2011	Property Acquisition Costs	Exploration Expenditure	Disposal	Balance at July 31, 2012
<b>Ontario</b>					
Riverbank and Broke Back	\$ -	\$ 300,000	\$ -	\$ -	\$ 300,000
<b>New Brunswick</b>					
Elmtree	-	7,703,760	-	-	7,703,760
	<u>\$ -</u>	<u>\$ 8,003,760</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,003,760</u>

***Riverbank and Broke Back***

The properties are located in Sachigo sub-province, Ontario. The Broke Back property consists of 18 unpatented mining claims covering an area of approximately 4096 ha and the Riverbank property consists of 8 unpatented mining claims covering approximately 1392 ha. CNRP acquired from Green Swan Capital Corp an option on the properties with Melkior Resources Inc whereby it can obtain up to a 70% ownership interest in the properties.

## **CNRP Mining Inc.**

### **Notes to Interim Financial Statements** *(Unaudited)*

**Six months ended January 31, 2013**

*(Expressed in Canadian Dollars)*

#### **7. Exploration and Evaluation Assets (Continued)**

CNRP may obtain an initial 51% undivided interest in the Properties by incurring a minimum of \$1.6 million in work expenditures by no later than December 31, 2014. Following that, Melkior has the right to elect to form a joint venture with the Company. Should Melkior not elect to form a joint venture on the Properties, the Company will have the option to acquire an additional 19% interest (for a total 70% undivided interest in the Properties) by incurring an additional \$1,000,000 in work expenditures on the Properties within twenty-four months. As consideration, Green Swan received 1,200,000 common shares in the Company.

Green Swan is obligated to complete work expenditures ("Work") on the Properties of not less than \$235,000 prior to December 14, 2012, failing which the 1.2 million shares will be cancelled. If Green Swan completes the Work prior to December 14, 2012, then Green Swan shall be issued additional common shares, in an amount equal to (the dollar amount of Work divided by 110% of the Market Price for the Company's common shares on December 14, 2012), provided that the denominator as so calculated may not be less than 32 cents. Under this formula, Green Swan will be issued a maximum further 734,000 common shares.

Pursuant to an agreement dated October 12, 2012, CNRP sold to Zara Resource Inc. ("Zara") all its rights, title and interest in Riverbank and Broke Back for \$300,000 payable in common shares of Zara. The Zara shares were delivered to Winston, thereby creating an intercompany debt between CNRP and Winston. Subject to approval by Winston at the Special Meeting held on April 15, 2013, the debt obligation will be paid in full by the issuance of preferred share in Winston.

#### ***Elmtree***

The Elmtree Gold Project consists of 83 claims that cover a contiguous area of approximately 1,811 hectares. The Company entered into two transactions to acquire a total of 100% of the Elmtree Gold Project, 60% from Castle Resources Inc ("Castle") and 40% from Stratabound Minerals Corp ("Stratabound"). Both transactions closed on June 22, 2012.

The Company agreed to pay Castle 18.0 million common shares, \$500,000 in cash, \$250,000 of which is payable on the date that is six months from closing with the balance of \$250,000 payable twelve months from closing. The Company also granted a 3% Net Smelter Royalty in favour of Castle from 60% of the gross revenue received from the sale of minerals from Elmtree less transportation and refining costs. CNRP agreed to pay Stratabound 10.0 million common shares, \$300,000 in cash, \$100,000 of which was payable on the date of closing, \$100,000 payable six months from closing, and \$100,000 payable twelve months from closing.

On January 24, 2013 the Company agreed with Castle and Stratabound to postpone the partial payments of \$250,000 to Castle and \$100,000 to Stratabound. The payments are now due to be made on June 22, 2013. As a result of the payment extensions, interest payments of \$12,500 will be paid to Castle and \$5,000 will be paid to Stratabound.

# CNRP Mining Inc.

## Notes to Interim Financial Statements (Unaudited)

Six months ended January 31, 2013

(Expressed in Canadian Dollars)

### 8. Share Capital

#### *Authorized Capital*

CNRP's authorized share capital consists of an unlimited number of common shares without par value.

#### *Stock Options*

The Company has a stock option plan in place under which the Board of Directors may grant options to acquire common shares of the Company to qualified directors, officers, employees and other service providers. The stock options vest according to the provisions of the individual option agreements approved by the directors' resolutions and have a maximum life of ten years. The plan allows for the issuance of up to 10% of the number of issued and outstanding common shares of the Company at any time on a non-diluted basis. At January 31, 2013, the Company had 1,400,000 options available for issuance, and no options were outstanding.

### 9. Related Party Transactions

Related party transactions were in the normal course of operations and were measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

### 10. Acquisition of CNRP Resources Inc.

On April 30, 2012, CNRP and Winston entered into a Share Exchange Agreement under which CNRP's shareholders exchanged their shares for Winston shares on a 1:1 basis. On June 22, 2012, the transaction closed, resulting in Winston acquiring CNRP.

### 11. Mineral Properties Purchase Price Payable

CNRP entered into agreements to acquire a mineral exploration property. Under the terms of these agreements, CNRP is required to pay a portion of the purchase price over a period of twelve months from the dates of acquisition. \$350,000 of which is payable on the date which is six months from completion of the reverse take over transaction and the balance of \$350,000 payable on the date that is twelve months from completion. On January 24, 2013 the parties to the agreement postponed the partial payments of \$350,000 and all payments are now due to be made on June 22, 2013. As a result of the payment extensions interest payments of \$12,500 will be paid and \$5,000 has been paid.

The terms of payment are as follows:

Face value of purchase price payable	\$ 712,500
Less: Imputed interest at 22.0% per annum	35,729
<b>Fair value of purchase price payable</b>	<b>\$ 676,771</b>

## **CNRP Mining Inc.**

### **Notes to Interim Financial Statements** *(Unaudited)*

**Six months ended January 31, 2013**

*(Expressed in Canadian Dollars)*

#### **12. Subsequent Events**

On February 18, 2013, CNRP's sole shareholder and director approved the consolidation of its 49,520,000 issued and outstanding common shares into 13,800,000 common shares without par value.

On February 18, 2013, CNRP accepted a common share subscription from Winston for 200,000 post consolidation common shares at \$0.50 per share for total cash consideration of \$100,000.

On February 18, 2013, the Company's sole shareholder and director approved the creation an unlimited number of Preferred Shares and authorized the directors to determine the maximum number of shares of any series of Preferred shares that the Company wishes to issue, create an identifying name for each series and attach special rights or restrictions of any kind whatsoever to the Preferred Shares of any series. The creation of this class of shares is subject to registering Articles of Amendment with the Province of British Columbia.

On February 19, 2013 Winston announced that its board of directors has unanimously approved a proposal to spin off to its shareholders approximately 15% of CNRP. Following the spin-off, CNRP will apply for listing of its common shares on the CNSX. The spin-off will be transacted by way of a statutory plan of arrangement (the "Plan of Arrangement") under the Business Corporations Act (British Columbia). Pursuant to the terms of the Plan of Arrangement, Winston will distribute 2,064,982 of the outstanding 14,000,000 common shares of CNRP to holders of common shares of Winston such that each Winston shareholder of record on the effective date of the Plan of Arrangement will receive one common share in the capital of CNRP for every thirty-two common shares in the capital of Winston. A special meeting ("Meeting") of Winston shareholders will be held on April 15, 2013 at which the shareholders will be asked to vote on a special resolution approving the Plan of Arrangement. The record date for determining shareholders entitled to receive notice of and vote at the Meeting, is March 5, 2013. If approved, the spin-off would be completed shortly thereafter, subject to the receipt of all necessary approvals. The spin-off is subject to numerous conditions including shareholder and court approval, and completion of all regulatory filings.

The Company entered into a debt conversion agreement with Winston on January 30<sup>th</sup> and January 31<sup>st</sup>, 2013 whereby it agreed to settle the outstanding debt in the total amount of \$671,844 for subscription of 671,844 Preferred Shares of Winston. The closing of the preferred shares subscription is conditional on approval on April 15, 2013 of a special resolution by Winston Shareholders creating the preferred shares.



**parker simone LLP**

**CNRP Mining Inc.**

**Audited Financial Statements**

**Period from  
September 15, 2011**  
*(date of incorporation)*

**to July 31, 2012**

**(Expressed in Canadian Dollars)**

## **parker simone LLP**

Chartered Accountants  
129 Lakeshore Road East  
Suite 201 Mississauga Ontario  
L5G 1E5  
T 905 271.7977  
F 905 271.7677

### **Independent Auditors' Report**

To the Shareholder of  
CNRP Mining Inc.

We have audited the accompanying financial statements of CNRP Mining Inc. ("the Company"), which comprise the statement of financial position as at July 31, 2012, and the statements of comprehensive loss, changes in equity and cash flows for the period from September 15, 2011 (*date of incorporation*) to July 31, 2012, 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 International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 is sufficient and appropriate to provide a basis for our audit opinion.

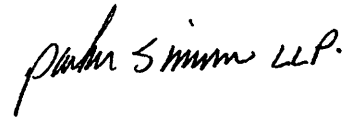
#### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of CNRP Mining Inc. as at July 31, 2012, and its financial performance and its cash flows for the period from September 15, 2011 (*date of incorporation*) to July 31, 2012 in accordance with International Financial Reporting Standards.

parker simone LLP

**Emphasis of Matters**

Without qualifying our opinion, the accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. As more fully described in the notes to these financial statements, the Company has not generated revenues to date. This condition raises substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result from the outcome of this uncertainty.

A handwritten signature in black ink that reads "Parker Simone LLP." The signature is written in a cursive, flowing style.

March 4, 2013

Licensed Public Accountants

**CNRP Mining Inc.**

**Statement of Financial Position**

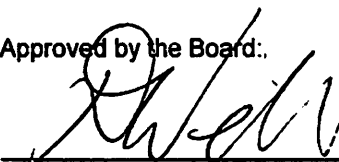
*(Expressed in Canadian Dollars)*

<b>As at</b>	<b>July 31, 2012</b>
<b>Assets</b>	
<b>Current Asset</b>	
Cash	\$ 539,532
Due from parent company (Note 9)	216,940
Due from related company (Note 9)	30,000
	<b>786,472</b>
<b>Exploration and Evaluation Assets (Note 7)</b>	<b>8,003,760</b>
	<b>\$ 8,790,232</b>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Trade payables	\$ 129,938
Mineral properties purchase price payable (Note 11)	603,760
Due to director (Note 9)	62,641
	<b>796,339</b>
<b>Shareholders' Equity</b>	
Share Capital (Note 8)	8,331,550
Deficit	(337,657)
	<b>7,993,893</b>
	<b>\$ 8,790,232</b>

Going concern (Note 2)

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

Approved by the Board:

  
Director

**CNRP Mining Inc.**  
**Statement of Comprehensive Loss**  
*(Expressed in Canadian Dollars)*

<b><i>Period from September 15, 2011 (date of incorporation) to</i></b>	<b>July 31, 2012</b>
<b>Interest Revenue</b>	<b>\$ 1,557</b>
<b>Operating Expenses</b>	
Professional fees	290,194
Office	22,999
Travel	21,127
Occupancy	4,894
	<b>339,214</b>
<b>Comprehensive Loss</b>	<b>\$ (337,657)</b>

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

**CNRP Mining Inc.**  
**Statement of Changes in Equity**

*(Expressed in Canadian Dollars)*

	<u>Common Share Capital</u>		Deficit	Total Shareholders' Equity
	No. of Shares	Amount		
Common shares issued for:				
Cash on incorporation on September 15, 2011	1,000	\$ 50	\$ -	\$ 50
Exploration and evaluation properties <i>(Note 7)</i>	29,200,000	7,300,000		7,300,000
Cash from private placement	20,319,000	1,031,500		1,031,500
Comprehensive loss	-	-	(337,657)	(337,657)
<b>Balance at July 31, 2012</b>	<b>49,520,000</b>	<b>\$ 8,331,550</b>	<b>\$ (337,657)</b>	<b>\$ 7,993,893</b>

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

**CNRP Mining Inc.**

**Statement of Cash Flows**

*(Expressed in Canadian Dollars)*

<b><i>Period from September 15, 2011 (date of incorporation) to</i></b>	<b>July 31, 2012</b>
<b>Operating Activities</b>	
Comprehensive Loss	\$ (337,657)
Adjustment to reconcile comprehensive loss to cash flows from operating activities:	-
Trade payables	129,938
<b>Cash Used In Operating Activities</b>	<b>(207,719)</b>
<b>Financing Activities</b>	
Issuance of common shares	1,031,550
Due to director	62,641
<b>Cash Provided by Financing Activities</b>	<b>1,094,191</b>
<b>Investing Activities</b>	
Additions to exploration and evaluation assets	(100,000)
Due to parent company	(216,940)
Due from related company	(30,000)
<b>Cash Used In Investing Activities</b>	<b>(346,940)</b>
<b>Increase in Cash, being Cash at End of Period</b>	<b>\$ 539,532</b>

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

# **CNRP Mining Inc.**

## **Notes to Financial Statements**

**Period from September 15, 2011 (date of incorporation) to July 31, 2012**

*(Expressed in Canadian Dollars)*

### **1. Governing Statutes and Nature of Operations**

#### ***Corporate***

CNRP Mining Inc. ("CNRP" or the "Company") is a development stage mineral exploration company engaged in the acquisition and exploration of mineral resource properties in Canada. The Corporation is a private company and Winston Resources Inc. ("Winston") a reporting issuer in the jurisdictions of British Columbia, Alberta and Ontario whose common shares are listed for trading on the Canadian National Stock Exchange ("CNSX") under the symbol "WRW". The head office of the Company is located at 208 Queens Quay West, Suite 2506, Toronto, Ontario M5J 2Y5.

### **2. Going Concern Assumption**

These financial statements have been prepared on the basis of accounting principles applicable to a going concern. The use of these principles assumes that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge its liabilities in the normal course of operations. Accordingly, these financial statements do not give effect to adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. If the going concern assumption is not used, then the adjustments required to report the Company's assets and liabilities at liquidation values could be material to these financial statements.

The Company is in the process of exploring its mineral property and has not yet determined whether the property contains reserves that are economically recoverable. The recoverability of the amounts shown as exploration and evaluation assets is dependent upon future profitable production or proceeds from the disposal of properties.

The business of mining and exploration involves a high degree of risk, as such there is no assurance that the Company's expected exploration programs will result in profitable mining operations. Until it is determined that its mineral properties contains mineral reserves or resources that can be economically mined, they are classified as an exploration and evaluation assets. The Company's continued existence is dependent upon the discovery of economically recoverable reserves and resources, securing and maintaining title and beneficial interest in its properties, and making the required payments pursuant to mineral property share purchase agreements.

As at July 31, 2012 the Company had yet to generate revenues and had a deficit of \$337,657. CNRP has no proven history of profitability, which casts considerable doubt as to whether the Company will be able to continue as a going concern over the next twelve months should it not be able to obtain the necessary financing to fund working capital and capital expenditures.



# **CNRP Mining Inc.**

## **Notes to Financial Statements**

**Period from September 15, 2011 (date of incorporation) to July 31, 2012**

*(Expressed in Canadian Dollars)*

### **2. Going Concern Assumption**

The Company has raised funds since inception and has utilized these funds for working capital and capital expenditure requirements. The ability of CNRP to arrange such financing in the future depends upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of CNRP may change and existing shareholders may have their interest diluted. If adequate financing is not available, the Company may be required to relinquish rights to certain of its interests or terminate its operations.

### **3. Basis of Presentation and Statement of Compliance**

#### ***Statement of Compliance***

These financial statements have been prepared in accordance with and using accounting policies in full compliance with International Financial Reporting Standards ("IFRS"). The policies applied in these financial statements are based on IFRS issued and outstanding as of March 4, 2013, being the date the board of director approved these financial statements.

#### ***Basis of Measurement***

The financial statements have been prepared on the historical cost basis, except for the measurement of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income.

#### ***Functional and Presentation Currency***

The financial statements are presented in Canadian dollars, which is also the Company's functional currency.

### **4. Significant Accounting Policies**

These financial statements have been prepared by management in accordance with IFRS. Outlined below are those policies considered particularly significant:

#### ***Significant Estimates and Judgments***

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting periods as well as the related notes to financial statements. Actual results could differ from those estimates.

# CNRP Mining Inc.

## Notes to Financial Statements

Period from September 15, 2011 (date of incorporation) to July 31, 2012

(Expressed in Canadian Dollars)

### 4. Significant Accounting Policies (Continued)

#### ***Significant Estimates and Judgments (Continued)***

The most significant estimates relate to the valuation of deferred income taxes, impairment testing of exploration and evaluation assets, and the calculation of share-based payments. The most significant judgments relate to recognition of deferred income tax assets and liabilities and the determination of the economic viability of a project. In determining these estimates, the Company relies on assumptions regarding applicable industry performance and prospects, as well as general business and economic conditions that prevail and are expected to prevail. These assumptions are limited by the availability of reliable comparable data and the uncertainty of predictions concerning future events.

#### ***Related Party Transactions***

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

#### ***Provisions***

Provisions are recognized when the Company has a present legal or constructive obligation that arose as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pretax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

#### ***Impairment of Non-Financial Assets***

At each date of the statement of financial position, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset the Company estimates the recoverable amount of the cash generating unit to which the assets belong.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

# CNRP Mining Inc.

## Notes to Financial Statements

Period from September 15, 2011 (date of incorporation) to July 31, 2012

(Expressed in Canadian Dollars)

### 4. Significant Accounting Policies (Continued)

#### ***Impairment of Non-Financial Assets (Continued)***

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, its carrying amount is reduced to its recoverable amount. An impairment loss is recognized in the statement of comprehensive income in the period of impairment, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash generating unit in prior years.

#### ***Exploration and Evaluations Assets ("E&E")***

E&E assets consist of exploration and mining concessions, options and contracts. Acquisition costs, lease 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.

E&E costs consist of:

- Acquisition of exploration properties;
- Gathering exploration data through topographical and geological studies;
- Exploratory drilling, trenching and sampling;
- Determining the volume and grade of the resource;
- Test work on geology, metallurgy, mining, geotechnical and environmental; and
- Conducting engineering, marketing and financial studies.

#### ***Equity Settled Share-Based Payment Transactions***

The costs of equity settled transactions are recognized, together with a corresponding increase in equity, over the period in which the goods or services are received. The Company measures the goods or services received, unless that fair value cannot be estimated reliably. When the Company cannot estimate reliably the fair value of the goods or services received then the Company measures their fair value and the corresponding increase in equity by reference to the fair value of the equity instruments issued as payment.

#### ***Share Capital***

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's ordinary common shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares are recognized in equity as reductions from the gross proceeds received from the issued shares.

# CNRP Mining Inc.

## Notes to Financial Statements

Period from September 15, 2011 (date of incorporation) to July 31, 2012

(Expressed in Canadian Dollars)

### 4. Significant Accounting Policies (Continued)

#### **Financial Assets and Financial Liabilities**

**Recognition:** The Company initially recognizes loans and advances, deposits and liabilities on the date upon which they originated. All other financial assets and liabilities, including assets and liabilities designated at fair value through profit or loss ("FVTPL"), are initially recognized on the trade date upon which the Company becomes a party to the contractual provisions of the instrument. Other financial assets or financial liabilities that are not designated as FVTPL are measured initially at their fair value plus transaction costs that are directly attributable to its acquisition or issue.

**Valuation of financial instruments:** The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques. Fair value is less objective for these financial instruments as there is little price transparency. This is due to the fact that the valuation of these financial instruments requires varying degrees of judgment in evaluating liquidity, ownership concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1 Quoted market price in an active market for an identical instrument.
- Level 2 Valuation techniques based on observable inputs derived either directly or indirectly from market prices. This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted market prices for identical or similar instruments in markets that are considered less than active or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3 Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted market prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

**De-recognition:** The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

# CNRP Mining Inc.

## Notes to Financial Statements

Period from September 15, 2011 (date of incorporation) to July 31, 2012

(Expressed in Canadian Dollars)

### 4. Significant Accounting Policies (Continued)

#### *Financial Assets and Financial Liabilities (Continued)*

**Designation at FVTPL:** The Company designates financial assets and liabilities at FVTPL in the following circumstances:

- The assets or liabilities are managed, evaluated and reported internally on a fair value basis.
- The designation eliminates or significantly reduces an accounting mismatch, which would otherwise arise.
- The asset or liability contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract.

#### **Future Accounting Policies**

The International Accounting Standards Board ("IASB") issued a number of new and revised IFRS, which are effective for the Company's financial year beginning on or after August 1, 2013. For the purpose of preparing and presenting the financial statements for the relevant periods, the Company consistently adopts all new standards for the relevant reporting periods:

At the date of authorization of these financial statements, the IASB issued the following standards that are effective for reporting periods ending after August 1, 2013, which the Company may be required to adopt in future reporting periods.

- IFRS 9 *Financial Instruments: Classification and Measurement* - effective for annual periods beginning on or after January 1, 2015, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments.
- IFRS 13 *Fair Value Measurement* - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, provides the guidance on the measurement of fair value and related disclosures through a fair value hierarchy. This IFRS 13 defines fair value, sets out in a single standard a framework for measuring fair value and requires disclosures about fair value measurement and applies when another IFRS requires or permits fair value measurements.

The main features of the new standard include the fact that fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of a non-financial asset, an entity considers the highest and best use of the asset, and whether the asset is used in combination with other assets or on a stand-alone basis. An entity is required to disclose information about the valuation techniques and inputs it uses, as well as the uncertainty inherent in the fair value measurements.

# CNRP Mining Inc.

## Notes to Financial Statements

Period from September 15, 2011 (date of incorporation) to July 31, 2012

(Expressed in Canadian Dollars)

### 4. Significant Accounting Policies (Continued)

#### *Future Accounting Policies (Continued)*

- IFRS 32 "Financial Instruments: Presentation" - Effective for annual periods commencing on or after January 1, 2014. This amendment clarifies the meaning of the offsetting criterion "currently has a legally enforceable right to offset" and the principle behind net settlement, including identifying when some gross settlement systems may be considered equivalent to net settlement.

The Company has not early adopted these standards, amendments and interpretations, however it is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements of the Company.

### 5. Financial Risk Management

The Company has designated its cash and preferred shares to be issued at FVTPL. Trade and other payables and advances from related party are designated as other financial liabilities, which are measured at amortized cost. The carrying values, which approximate fair values, of the Company's financial instruments are as follows:

	July 31, 2012
<hr/>	
Financial Assets	
FVTPL	
Cash	\$ 549,654
Due from parent	216,940
Due to related party	30,000
Financial Liabilities	
Other financial liabilities	
Trade and other payables	253,555
Mineral properties purchase payable	603,760
Advances from director	62,641
<hr/>	

#### ***Financial Risk Management Objectives and Policies***

The Company is exposed to various financial risks resulting from both its operations and its investments activities. The Company's management manages financial risks. Where material, these risks will be reviewed and monitored by the Board of Directors. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

## CNRP Mining Inc.

### Notes to Financial Statements

Period from September 15, 2011 (date of incorporation) to July 31, 2012

(Expressed in Canadian Dollars)

#### 5. Financial Risk Management (Continued)

##### **Financial Risk Management Objectives and Policies (Continued)**

The Company's main financial risk exposure and its financial risk management policies are as follows:

##### **Credit risk**

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The Company's credit risk is attributable to cash may be held at major Canadian-based financial institutions. In these situations management believes the risk of loss is minimal.

##### **Liquidity risk**

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. As at July 31, 2012, the Company had, at its disposal, \$549,654 in cash. The Company anticipates having sufficient funds to carry out an exploration and acquisition program, pursue and evaluate new resources projects and meet its corporate and administrative expenses for the next twelve months.

##### **Market risk**

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

##### **i) Interest rate risk**

The Company has no interest-bearing liabilities or assets. Occasionally, the Company may invest excess cash in short term investments that generate minimal interest revenue.

##### **ii) Commodity Price Risk**

Commodity price risk is the risk of uncertainty arising primarily from possible commodity price movements and their impact on the future economic viability of the Company's projects as well as CNRP's ability to raise capital. These risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis and adjusting operating and exploration budgets accordingly.

#### 6. Capital Management

The Company's objective in managing capital is to ensure continuity as a going-concern and to safeguard its ability to continue its acquisition and exploration programs. The Company manages its capital structure and makes adjustment to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares and acquire or sell mining properties to improve its financial performance and flexibility.

## CNRP Mining Inc.

### Notes to Financial Statements

Period from September 15, 2011 (date of incorporation) to July 31, 2012

(Expressed in Canadian Dollars)

#### 6. Capital Management (Continued)

The Company defines its capital as its shareholder's equity. To effectively manage the Company's capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has appropriate liquidity to meet its operating and growth objectives. As needed, the Company raises funds through private placements or other equity financings. The Company does not utilize long term debt as the Company does not currently generate operating revenues. There is no dividend policy.

#### 7. Exploration and Evaluation Assets

	Balance at September 15, 2011	Property Acquisition Costs	Exploration Expenditure	Disposal	Balance at July 31, 2012
Ontario					
Riverbank and Broke Back	\$ -	\$ 300,000	\$ -	\$ -	\$ 300,000
New Brunswick					
Elmtree	-	7,703,945	-	-	7,703,945
	\$ -	\$ 8,003,760	\$ -	\$ -	\$ 8,003,760

##### ***Riverbank and Broke Back***

The properties are located in Sachigo sub-province, Ontario. The Broke Back property consists of 18 unpatented mining claims covering an area of approximately 4096 ha and the Riverbank property consists of 8 unpatented mining claims covering approximately 1392 ha. CNRP acquired from Green Swan Capital Corp an option on the properties with Melkior Resources Inc whereby it can obtain up to a 70% ownership interest in the properties.

CNRP may obtain an initial 51% undivided interest in the Properties by incurring a minimum of \$1.6 million in work expenditures by no later than December 31, 2014. Following that, Melkior has the right to elect to form a joint venture with the Company. Should Melkior not elect to form a joint venture on the Properties, the Company will have the option to acquire an additional 19% interest (for a total 70% undivided interest in the Properties) by incurring an additional \$1,000,000 in work expenditures on the Properties within twenty-four months. As consideration, Green Swan received 1,200,000 common shares in the Company.

Green Swan is obligated to complete work expenditures ("Work") on the Properties of not less than \$235,000 prior to December 14, 2012, failing which the 1.2 million shares will be cancelled. If Green Swan completes the Work prior to December 14, 2012, then Green Swan shall be issued additional common shares, in an amount equal to (the dollar amount of Work divided by 110% of the Market Price for the Company's common shares on December 14, 2012), provided that the denominator as so calculated may not be less than 32 cents. Under this formula, Green Swan will be issued a maximum further 734,000 common shares.



## **CNRP Mining Inc.**

### **Notes to Financial Statements**

**Period from September 15, 2011 (date of incorporation) to July 31, 2012**

*(Expressed in Canadian Dollars)*

#### **7. Exploration and Evaluation Assets (Continued)**

Pursuant to an agreement dated 12th October, 2012 CNRP sold to Zara Resources Inc ("Zara") all its rights, title and interest in Riverbank and Broke Back for \$300,000 payable in common shares of Zara. The Zara shares were delivered to Winston, thereby creating an intercompany debt between CNRP and Winston. Subject to approval by Winston shareholders at the Special Meeting held on April 15, 2013, the debt obligation was paid in full by the issuance of Preferred Shares in Winston (see Note 12).

##### ***Elmtree***

The Elmtree Gold Project consists of 83 claims that cover a contiguous area of approximately 1,811 hectares and hosts at least 3 gold bearing zones, being the higher grade West Gabbro Zone, the original Discovery Zone and the larger tonnage, lower grade South Gold Zone. The Company entered into two transactions to acquire a total of 100% of the Elmtree Gold Project, 60% from Castle Resources Inc ("Castle") and 40% from Stratabound Minerals Corp ("Stratabound"). Both transactions closed on June 22, 2012.

The Company agreed to pay Castle 18,000,000 common shares at a deemed price of \$0.25 per common share, \$500,000 in cash, \$250,000 of which is payable on the date which is 6 months from completion and the balance of \$250,000 payable on the date which is 12 months from completion. The company also agreed to grant a 3% Net Smelter Royalty in favour of Castle from 60% of the gross revenue received from the sale of minerals from Elmtree less transportation and refining costs.

The Company agreed to pay Stratabound 10,000,000 common shares at a deemed price of \$0.25 per common share, \$300,000 in cash, \$100,000 of which was payable on the date of closing, \$100,000 of which is payable 6 months from closing, and \$100,000 of which is payable on the date which is 12 months from closing.

On January 24, 2013 the Company agreed with Castle and Stratabound to postpone the partial payments of \$250,000 to Castle and \$100,000 to Stratabound. The payments are now due to be made on June 22, 2013. As a result of the payment extensions, interest payments of \$12,500 will be paid to Castle and \$5,000 will be paid to Stratabound.

# CNRP Mining Inc.

## Notes to Financial Statements

Period from September 15, 2011 (date of incorporation) to July 31, 2012

(Expressed in Canadian Dollars)

### 8. Share Capital

#### **Authorized Capital**

CNRP's authorized share capital consists of an unlimited number of common and preferred shares without par value.

#### **Stock Options**

The Company has a stock option plan in place under which the Board of Directors may grant options to acquire common shares of the Company to qualified directors, officers, employees and other service providers. The stock options vest according to the provisions of the individual option agreements approved by the directors' resolutions and have a maximum life of ten years. The plan allows for the issuance of up to 10% of the number of issued and outstanding common shares of the Company at any time on a non-diluted basis. At July 31, 2013, the Company had 1,400,000 options available for issuance, and no options were outstanding.

### 9. Related Party Transactions

Related party transactions were in the normal course of operations and were measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

### 10. Acquisition of CNRP Resources Inc.

On April 30, 2012, CNRP and Winston entered into a Share Exchange Agreement under which CNRP's shareholders exchanged their shares for Winston shares on a 1:1 basis. On June 22, 2012, the transaction closed, resulting in Winston acquiring CNRP.

### 11. Mineral Properties Purchase Price Payable

CNRP entered into agreements to acquire a mineral exploration property. Under the terms of these agreements, CNRP is required to pay a portion of the purchase price over a period of twelve months from the dates of acquisition. \$350,000 of which is payable on the date which is six months from completion of the reverse take over transaction and the balance of \$350,000 payable on the date that is twelve months from completion. On January 24, 2013 the Company agreed to postpone the partial payments of \$350,000, and all payments are now due be made on June 22, 2013. As a result of the payment extensions interest payments of \$17,500 will be paid.

The terms of payment are as follows:

Face value of purchase price payable	\$ 700,000
Less: Imputed interest at 22.0% per annum	96,240
Fair value of purchase price payable	\$ 603,760

### 12. Subsequent Events

## **CNRP Mining Inc.**

### **Notes to Financial Statements**

**Period from September 15, 2011 (date of incorporation) to July 31, 2012**

*(Expressed in Canadian Dollars)*

On December 7, 2012, a Plan of Arrangement closed under which Zara Resources Inc. a 100% subsidiary of Winston Resources Inc. was spun-out to the shareholders of Winston. As a result of the spin-out Zara Resources Inc. acquired the option on the Riverbank and Broke Back properties in exchange for debt issued from the parent to CNRP. This debt is to be converted to preferred shares upon approval of the shareholders on April 15, 2013 as described below.

On February 18, 2013, CNRP's sole shareholder and director approved the consolidation of its 49,520,000 issued and outstanding common shares into 13,800,000 common shares without par value.

On February 18, 2013, CNRP accepted a common share subscription from Winston for 200,000 post consolidation common shares at \$0.50 per share for total cash consideration of \$100,000.

On February 18, 2013, the Company's sole shareholder and director approved the creation an unlimited number of Preferred Shares and authorized the directors to determine the maximum number of shares of any series of Preferred shares that the Company wishes to issue, create an identifying name for each series and attach special rights or restrictions of any kind whatsoever to the Preferred Shares of any series. The creation of this class of shares is subject to registering Articles of Amendment with the Province of British Columbia.

On February 19, 2013 Winston announced that its board of directors has unanimously approved a proposal to spin off to its shareholders approximately 15% of CNRP. Following the spin-off, CNRP will apply for listing of its common shares on the CNSX. The spin-off will be transacted by way of a statutory plan of arrangement (the "Plan of Arrangement") under the Business Corporations Act (British Columbia). Pursuant to the terms of the Plan of Arrangement, Winston will distribute 2,064,982 of the outstanding 14,000,000 common shares of CNRP to holders of common shares of Winston such that each Winston shareholder of record on the effective date of the Plan of Arrangement will receive one common share in the capital of CNRP for every thirty-two common shares in the capital of Winston. A special meeting ("Meeting") of Winston shareholders will be held on April 15, 2013 at which the shareholders will be asked to vote on a special resolution approving the Plan of Arrangement. The record date for determining shareholders entitled to receive notice of and vote at the Meeting, is March 5, 2013. If approved, the spin-off would be completed shortly thereafter, subject to the receipt of all necessary approvals. The spin-off is subject to numerous conditions including shareholder and court approval, and completion of all regulatory filings.

On December 7, 2012, the arrangement closed in which Zara Resources Inc. a 100% subsidiary of Winston Resources Inc. was spun-out to the shareholders of Winston. As a result of the spin-out Zara Resources Inc. acquired the option on the Riverbank and Broke Back properties in exchange for debt issued from the Winston to CNRP. This debt is to be converted to preferred shares upon approval of the shareholders on April 15, 2013 as described below.

The Company entered into a debt conversion agreement with Winston on January 30th and January 31<sup>st</sup>, 2013 whereby it agreed to settle the outstanding debt in the total amount of \$671,844 for subscription of 671,844 preferred shares of Winston. The closing of the preferred shares subscription is conditional on approval on April 15, 2013 of a special resolution by Winston Shareholders creating the preferred shares.

# **CNRP MINING INC**

## **MANAGEMENT DISCUSSION & ANALYSIS**

**FOR THE PERIOD FROM AUGUST 1, 2012 TO JANUARY 31, 2013**

**(Prepared by Management on March 4, 2013)**

**208 Queens Quay West, Suite 2506,  
Toronto, Ontario M5J 2Y5 Tel.:  
(416) 628 9879**

**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) TO ACCOMPANY THE UNAUDITED COMBINED FINANCIAL STATEMENTS OF CNR MINING INC (THE "COMPANY" OR "CNRP") FOR THE SIX MONTH PERIOD ENDED JANUARY 31, 2013.**

The following Management's Discussion and Analysis should be read in conjunction with the unaudited combined financial statements of the Company for the period from August 1, 2012 to January 31, 2013, which were prepared in accordance with International Financial Reporting Standards ("IFRS") and the notes thereto. All financial amounts are stated in Canadian currency unless stated otherwise.

This MD&A contains certain forward-looking statements based on the best beliefs, and reasonable assumptions of the management of the Company. There are many risks and uncertainties attached to the mineral exploration business. Given these risks and uncertainties, the reader should not place undue reliance on these forward-looking statements. (See "Risks and Uncertainties" in this MD&A for more information).

## **DESCRIPTION OF THE BUSINESS**

### **Overview**

CNRP is a Toronto based mineral company primarily focused on developing its 100% owned Elmtree Gold Project in New Brunswick, Canada. The Corporation is a private company and a subsidiary of Winston Resources Inc. ("Winston") a reporting issuer in the jurisdictions of British Columbia, Alberta and Ontario whose common shares are listed for trading on the Canadian National Stock Exchange ("CNSX") under the symbol "WRW".

CNRP owns 100% of the advanced Elmtree Gold Project in New Brunswick, Canada ("Elmtree"). The Elmtree Property is located in the Bathurst Mining Camp approximately 25 km northwest of Bathurst, New Brunswick and comprises a total of 83 claims that cover a contiguous area of approximately 1,811 hectares. Elmtree has an indicated resource of 99,000 ounces of gold and an inferred resource of 195,000 ounces of gold.

On February 19, 2013 Winston announced that its board of directors has unanimously approved a proposal to spin off to its shareholders approximately 15% of CNRP. Following the spin-off, CNRP will apply for listing of its common shares on the CNSX. The spin-off will be transacted by way of a statutory plan of arrangement (the "Plan of Arrangement") under the Business Corporations Act (British Columbia). Pursuant to the terms of the Plan of Arrangement, Winston will distribute 2,064,982 of the outstanding 14,000,000 common shares of CNRP to holders of common shares of Winston such that each Winston shareholder of record on the effective date of the Plan of Arrangement will receive 1 common share in the capital of CNRP for every 32 common shares in the capital of Winston. A special meeting ("Meeting") of Winston shareholders will be held on April 15, 2013 at which the shareholders will be asked to vote on a special resolution approving the Plan of Arrangement. The record date for determining shareholders entitled to receive notice of and vote at the Meeting, is March 5, 2013. If approved, the spin-off would be completed shortly thereafter, subject to the receipt of all necessary approvals. The spin-off is subject to numerous conditions including shareholder and court approval, and completion of all regulatory filings.

## **MINERAL PROPERTIES**

### **Elmtree Gold Project**

The Elmtree Property is located in the Bathurst Mining Camp approximately 25 km northwest of Bathurst, New Brunswick and comprises a total of 83 claims that cover a contiguous area of approximately 1,811 hectares. Elmtree has a combined indicated and inferred resource of 294,000 ounces of gold.

There are three gold-bearing zones within the property: the West Gabbro Zone, Discovery Zone and the South Gold Zone. Micon International Limited completed a NI 43-101 compliant technical report on May 25, 2012 (the "Technical Report") which shows 1,611,000 indicated tonnes grading 1.91 g/t gold (99,000 ounces gold) and 2,053,000 inferred tonnes grading 1.67 g/t of gold (110,000 ounces of gold) in the West Gabbro Zone, with 2,367,000 inferred tonnes grading 0.74 g/t in the South Gold Zone (56,000 ounces of gold), 700,000 inferred tonnes grading 1.25 g/t in the Discovery Zone (29,000 ounces of gold). The cut-off grade used for the West Gabbro Zone and the Discovery Zone is 0.5 g/t Au and that for the South Gold Zone is 0.3 g/t Au.

According to the February 2012 Mining Policy Potential Index by the independent research group Fraser Institute, New Brunswick is the most attractive mining jurisdiction in the world, with excellent local milling and processing infrastructure, including power, roads and a skilled work force. CNRP intends to explore and expand the known Elmtree resource.

CNRP commissioned Micon International to complete an updated NI 43-101 compliant technical report. The report was dated May 25, 2012 and increased the resource estimate by 30% with 99,000 ounces indicated and 195,000 ounces inferred.

### **Overview of Geology**

The Elmtree Property is situated within the Elmtree Inlier which constitutes a tectonic sliver considered to be a remnant of Dunnage Terrain oceanic crust, located adjacent to the north margin of the terrain's Exploits Sub-Zone. The Elmtree Inlier consists of strata of the Fournier Group and Belledune River Melange (formerly Elmtree Group). The first consists of an Ordovician volcanic-sedimentary sequence comprised of ophiolitic volcanics, deformed mafic intrusions, minor plagiogranite and dark grey slate, greywacke and melange, and the second contains later Ordovician lithic and quartz wacke and interbedded grey slate, locally with thinly interbedded limestone and conglomerate. Minor amounts of mafic volcanics are also present. The most important structural aspects of the property are the Elmtree Fault system and its anastomosing subsidiary shears that trend generally east-west to east-northeast across the property and show steep to vertical dips where defined by drilling and mapping. The main Elmtree Fault structure is a splay of the crustally significant Rocky Brook-Millstream Fault that occurs approximately 8 km to the south, where it forms the tectonic boundary with adjacent rocks of the Mirimichi Terrain. Within the property area, the Elmtree Fault manifests itself as a broad zone of shearing, fracturing and deformation separating graphitic argillites of the Elmtree Formation from calcareous siltstones of the Chaleurs Group. The structure is thought to have controlled emplacement of the gabbroic intrusion that hosts the West Gabbro Zone gold mineralization on the property, while subsidiary structures on the Elmtree Property have controlled emplacement of feldspar porphyry dykes as well

as mineralized quartz vein arrays and hydrothermal alteration zones in the nearby South Zone and Discovery Zone areas.

### Overview of Mineralization

Gold, base metal and silver mineralization have been identified on the Elmtree Property and are considered to have been developed under mesothermal conditions conducive to ductile and brittle-ductile shearing and alteration. Pervasive alteration associated with such mineralization suggests control of associated hydrothermal alteration systems on the property by the Elmtree Fault and its related splays. Intensity of alteration development appears to reflect both original rock type and degree of deformation, since strongly sheared or fractured lithologies often show the greatest degrees of both hydrothermal alteration and associated gold and sulphide mineralization. Other factors, such as original grain size in mafic gabbroic intrusions, also appear to control alteration intensity, as seen in the West Gabbro Zone's central core.

Three separate gold deposits have been discovered on the property to date. These are the West Gabbro Zone (WGZ), the Discovery Zone (DZ) and the South Gold Zone (SGZ).

### West Gabro Zone

Gold occurs in sulphide bearing vein arrays and also within the intensely altered host gabbro in association with finely disseminated to locally massive arsenopyrite and other sulphides such as pyrrhotite and pyrite. Lesser amounts of chalcopyrite, sphalerite and stibnite are also present. The highest gold grades are found in areas showing most intense alteration of the intrusion, with a direct association being seen between gold and presence of arsenopyrite.

### Discovery Zone

This zone consists of multiple quartz-sulphide vein assemblages hosted by variably sheared and altered argillites and siltstones (Elmtree Formation), as well as variably sheared and altered calcareous siltstones of the Silurian Chaleurs Group. One of these assemblages carries significant silver, zinc, lead and antimony levels with relatively low gold and shows close association with specific felsic dyke contact intervals. Sphalerite, galena, chalcopyrite, pyrite, stibnite and silver bearing sulphosalts are present. The other assemblage is more comparable to that seen in some parts of the SGZ and WGZ, where finely disseminated to locally massive arsenopyrite occurs in association with pyrrhotite, pyrite and minor amounts of sphalerite, chalcopyrite and stibnite in either highly altered host sections or within quartz vein and stringer arrays. The east-west striking shears typically show vertical or very steep dips and are considered brittle-ductile elements of the Elmtree Fault system.

### South Gold Zone

Gold mineralization in the SGZ occurs in Silurian siltstones and fine grained interbedded sandstones that frequently show calcareous matrix materials. The mineralized zone is characterized by cross shears and brittle fractures associated with the Elmtree Fault system and shows hydrothermal alteration represented by bleaching, sericitic alteration and silicification of the sedimentary section. Fine grained and generally acicular arsenopyrite is broadly present in the altered and locally sheared sections and often is associated with quartz vein arrays showing well developed sulphide assemblages consisting of arsenopyrite, pyrrhotite, pyrite and trace to minor amounts of base metal sulphides or sulphosalts.

## Exploration

The history of modern mineral exploration on the Elmtree Property began with Amax Exploration Ltd. (1958) which completed ground geophysics on two grids located in the Alcida area and completed two diamond drill holes that failed to return significant gold, silver or base metals. Lacana Mining Corp. (Lacana) prospectors are credited with the discovery of the Elmtree gold deposits in 1994. These prospectors observed several boulders and bedrock showings of quartz and sulphides in vein style settings on the property. Thereafter, Lacana established the extents of the discovery using a multi-disciplinary approach involving ground and airborne geophysics (magnetics and VLF-EM), soil geochemistry, trenching and geological mapping followed by drilling. Stratabound and Castle's exploration programs (2004 - 2010) have involved detailed delineation drilling of the deposits with special emphasis on the WGZ which was identified as offering the best potential.

## Mineral Resource Estimation

The resources in the Elmtree Technical Report were estimated in accordance with the definitions contained in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Reserves Definitions and Guidelines that were prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council on November 27, 2010. The effective date of the mineral resource estimate is 4 March, 2011. Resources have been estimated using a three-dimensional block modelling approach. For each mineralized zone, wireframe models have been built up from intersected geologic limits. Grade interpolation for the WGZ was conducted using the inverse distance cubed (ID3) technique while interpolations for the DZ and SGZ were conducted using the nearest neighbour (NN) technique due to limited drill hole information.

The total estimated resources for the Elmtree Property are shown in the "Elmtree Deposits Mineral Resources Estimate" Table at a cut-off grade of 0.5 g/t gold, except for the Discovery zone, which is at 0.3 g/t.

## Elmtree Deposits Mineral Resource Estimate

Deposit/Zone	Category	Tonnes	Au		Ag	Pb%	Zn%
			(g/t)	Au oz	(g/t)		
WGZ	Indicated	1,611,000	1.91	99,000			
WGZ	Inferred	2,053,000	1.67	110,000			
SGZ	Inferred	2,367,000	0.74	56,000			
DZAu Only Zone	Inferred	583,000	1.15	22,000			
DZAu/Ag/Pb/Zn Zone	Inferred	117,000	1.77	7,000	44.36	0.78	2.17
DZAg/Pb/Zn Zone	Inferred	41,000	-	-	25.80	0.43	1.53
Sub-Total DZ	Inferred	741,000	1.18	-	8.43	0.15	0.43

### Notes:

(1) Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.

(2) There has been insufficient exploration to define the inferred resources as an indicated or measured mineral resource. It is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.



(3) At present there are no known environmental, permitting, legal, title, taxation, socio-economic, marketing or political issues which would adversely affect the mineral resources estimated above. However, mineral resources which are not mineral reserves, do not have demonstrated economic viability. There is no assurance that CNRP will be successful in obtaining any or all of the requisite consents, permits or approvals, regulatory or otherwise, for the project.

## **INTEREST IN MINERAL PROPERTIES**

The capitalized cost of the property is detailed in the following analysis.

### **Elmtree Gold Project, New Brunswick, Canada**

Acquisition Costs	\$7,715,242
Balance at January 31, 2013	\$7,715,242

## **RESULTS OF OPERATIONS**

The Company is in the development stage and therefore did not have revenues from operations. For the period ended January 31, 2013 the Company incurred a comprehensive loss of \$91,112 (\$0.0065 loss per share). Significant expenses included interest on property obligation of \$66,530 and occupancy expenses of \$13,250.

### **Selected Annual and Quarterly Financial Information**

The following table provides selected financial information that should be read in conjunction with the unaudited Financial Statements and Notes of the Company for the applicable period.

#### **Summary of Results**

	Period from August 1, 2012 to January 31, 2013
	\$
Interest Income	267
Net loss	91,379
Interest in Mineral properties	7,715,242
Current Assets	868,490
Total Assets	8,583,732
Total Liabilities	680,951
Shareholders Equity	7,902,781

## **Liquidity and Solvency**

At January 31, 2013 the Company had cash of \$201,646 and working capital of \$187,539.

The following table summarizes the Company's cash on hand, working capital and cash flow as at January 31, 2013

Cash	\$ 201,646
Working Capital	187,539
Cash used in operating activities	(156,341)
Cash used in investing activities	0
Cash used in Financing Activities	(181,545)
Decrease in Cash for the period	(337,886)

The Company is dependent on the sale of newly issued shares to finance its exploration activities, property acquisition payments and general and administrative costs. The Company will have to raise additional funds in the future to continue its operations. There can be no assurance, however, that the Company will be successful in its efforts. If such funds are not available or other sources of financing cannot be obtained, then the Company will be forced to curtail its activities.

## **Capital Resources**

The Company has no operations that generate cash flow and its long term financial success is dependent on discovering properties that contain mineral reserves that are economically recoverable. The Company's primary capital assets as at January 31, 2013 are resource properties.

The following is a summary of the Company's outstanding share, warrant and stock options data as of January 31, 2013

### Common Shares

At January 31, 2013 the Company had issued and outstanding 49,520,000 common shares. On February 18, 2013, CNRP consolidated the 49,520,000 issued and outstanding common shares of the Company into 13,800,000 common shares without par value.

On February 18, 2013, following the aforementioned share consolidation, CNRP accepted a subscription by Winston for 200,000 common shares at a deemed value of \$0.50 per share for a cash payment of \$100,000.

### Preferred Shares

On February 18, 2013, the Company altered the Articles of the Company to create an unlimited number of Preferred Shares, and authorized the directors to determine the maximum number of shares of any series of Preferred shares that the Company wishes to issue and attach special rights or restrictions of any kind whatsoever to the Preferred shares.

### Stock Options

At January 31, 2013 the Company had no stock options issued and outstanding.

## Warrants

At January 31, 2013 the Company had no warrants and brokers warrants outstanding.

## **Outlook and Capital Requirements**

During the next six months the Company is due to make payments to third parties relating to the acquisition of the Elmtree property and will need to raise additional equity capital in relation thereto. There is no guarantee that market conditions will be conducive to raising such additional equity capital. Depending on future events, the rate of Company expenditures and general and administrative costs could increase or decrease.

## **Related Parties Transactions**

Related party transactions were in the normal course of operations and were measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

The Company entered into Debt Conversion Agreements with Winston on 30th and 31st of January 2013 whereby it agreed to settle outstanding debt in the total amount of \$671,844 for subscription of 671,844 Preferred Shares of Winston. The closing of the Preferred Shares subscription is conditional on approval on April 15 of a Special Resolution by Winston Shareholders creating Preferred Shares.

## Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet transactions.

## Proposed Transactions

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There are no proposed transactions that will materially affect the performance of the Company other than those disclosed in this MD&A.

## Accounting Policies

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The accounting policies and methods employed by the Company determine how it reports its financial condition and results of operations, and may require management to make judgements or rely on assumptions about matters that are inherently uncertain. The Company's results of operations are reported using policies and methods in accordance with IFRS. In preparing financial statements in accordance with IFRS, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses for the period. Management reviews its estimates and assumptions on an ongoing basis using the most current information available. These financial statements have been prepared by management in accordance with IFRS. Outlined below are those policies considered particularly significant:

### *Principles of consolidation*

These financial statements include the accounts of the Company and it has no subsidiaries.

### *Significant Estimates and Judgments*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting periods as well as the related notes to financial statements. Actual results could differ from those estimates. The most significant estimates relate to the valuation of deferred income taxes, impairment testing of exploration and evaluation assets, and the calculation of share-based payments. The most significant judgments relate to recognition of deferred tax assets and liabilities and the determination of the economic viability of a project. In determining these estimates, the Company relies on assumptions regarding applicable industry performance and prospects, as well as general business and economic conditions that prevail and are expected to prevail. These assumptions are limited by the availability of reliable comparable data and the uncertainty of predictions concerning future events.

### *Related Party Transactions*

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

### *Provisions*

Provisions are recognized when the Company has a present legal or constructive obligation that arose as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

### *Current Income Taxes*

Current income tax assets and liabilities for the current periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute current income taxes are measured at income tax rates, which have been enacted or substantively enacted at the reporting date. Current income taxes are recognized in profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the applicable taxes are recognized in other comprehensive income or directly in equity.

### *Deferred Income Taxes*

Deferred income taxes are provided using the liability method on temporary differences at the end of each reporting period. These taxes represent the difference between the tax bases of the assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognized for all deductible temporary differences, the carry forward of unused income tax credits and unused income tax losses, to the extent that it is probable that taxable income will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each date of the statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the expected income tax rates that are expected to apply in the year in which the asset is to be realized or the liability is to be settled. The expected income tax rate utilized is based upon income tax laws that have been enacted or substantively enacted at the date of the statement of financial position. The deferred income taxes related to equity transactions are recognized directly to equity and not in the statement of comprehensive income. Deferred income tax assets and liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

#### *Impairment of non-financial assets*

At each date of the statement of financial position, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset the Company estimates the recoverable amount of the cash-generating unit to which the assets belong. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, its carrying amount is reduced to its recoverable amount. An impairment loss is recognized in the statement of comprehensive income in the period of impairment, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years.

#### *Exploration and evaluations assets ("E&E")*

E&E assets consist of exploration and mining concessions, options and contracts. Acquisition costs, lease 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.

E&E costs consist of:

- Acquisition of exploration properties;
- Gathering exploration data through topographical and geological studies;
- Exploratory filing, trenching and sampling;
- Determining the volume and grade of the resource;
- Test work on geology, metallurgy, mining, geotechnical and environmental; and
- Conducting engineering, marketing and financial studies.

## *Cash*

Cash is comprised of non-interest bearing cash deposit balances, which are subject to insignificant risk of changes in their fair value. Cash is used by the Company in the management of its short-term commitments. Cash is carried at fair value through profit or loss in the statement of financial position.

## *Equity Settled Share -Based Payment Transactions*

The costs of equity settled transactions are recognized, together with a corresponding increase in equity, over the period in which the goods or services are received. The Company measures the goods or services received, unless that fair value cannot be estimated reliably. When the Company cannot estimate reliably the fair value of the goods or services received then the Company measures their fair value and the corresponding increase in equity by reference to the fair value of the equity instruments issued as payment.

## *Share Capital*

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's ordinary common shares are classified as equity instruments.

Incremental Direct costs directly attributable to the issue of new shares are recognized in equity as reductions from the gross proceeds received from the issued shares.

## *Financial Assets and Financial Liabilities*

*Recognition:* The Company initially recognizes loans and advances, deposits and liabilities on the date at which they are originated. All other financial assets and liabilities, including assets and liabilities designated at fair value through profit or loss, are initially recognized on the trade date at which the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

*Valuation of Financial Instruments:* The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, etc. The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument

Level 2: Valuation techniques based on observable inputs, either directly; i.e. as prices; or indirectly; i.e., derived from prices. This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

*De-recognition:* The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

*Offsetting:* Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to set off the recognized amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under EFRSs, or for gains and losses arising from a group of similar transactions.

*Amortized cost measurement:* The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

*Identification and measurement of impairment:* At each reporting date the Company assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. A financial asset or a Company of financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the assets, and that the loss event has an impact on the future cash flows of the assets that can be estimated reliably.

Objective evidence that financial assets, including equity securities, are impaired may include significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of a loan or receivable by the Company that would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a Company of assets such as adverse changes in the payment status of borrowers or issuers in the Company, or economic conditions that correlate with defaults in the Company. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Company considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant loans and receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by comparing together loans and receivables with similar risk characteristics.

Impairment losses on assets carried at amortized cost are measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognized in profit or loss and reflected in an allowance account against loans and receivables. Interest on impaired assets continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

*Designation at fair value through profit or loss:* The Company has designated financial assets and liabilities at fair value through profit or loss in the following circumstances:

- The assets or liabilities are managed, evaluated and reported internally on a fair value basis.
- The designation eliminates or significantly reduces an accounting mismatch which would otherwise arise.
- The asset or liability contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract.

*Loss per share and comprehensive loss per share*

Comprehensive loss per share is calculated based on the weighted average number of shares issued and outstanding during the quarter or year, as appropriate. In the years when the Company reports a net loss and comprehensive net loss, the effect of potential issuances of shares under options and warrants would be anti-dilutive and, therefore, basic and diluted loss per share is the same. For the period ended July 31, 2012, all the outstanding options and warrants were anti-dilutive.

### *Foreign currency transactions*

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of each entity is the Canadian Dollar. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of the monetary assets and liabilities denominated in foreign currencies are recognized in operations.

### *Future Accounting Policies*

The International Accounting Standards Board ("IASB") issued a number of new and revised International Accounting Standards, International Financial Reporting Standards, amendments and related interpretations which are effective for the Company's financial year beginning on or after August 1, 2013. For the purpose of preparing and presenting the financial statements for the relevant periods, the Company has consistently adopted all new standards for the relevant reporting periods.

At the date of authorization of these financial statements, the IASB issued the following Standards that are effective for reporting periods ending after these financial statements and which the Company may be required to adopt in future reporting periods.

- IFRS 9 'Financial Instruments: Classification and Measurement' - effective for annual periods beginning on or after January 1, 2015, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments.
- IFRS 10 'Consolidated Financial Statements' - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.
- IFRS 11 'Joint Arrangements' - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form.
- IFRS 12 'Disclosure of Interests in Other Entities' - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.
- IFRS 13 'Fair Value Measurement\*' - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, provides the guidance on the measurement of fair value and related disclosures through a fair value hierarchy.

IFRS 13 Fair Value Measurement was issued in May 2011 and defines fair value, sets out in a single standard a framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies when other IFRSs require or permit fair value measurements. The main features of the new standard include the fact that fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). Fair value measurements are based on the assumptions that market participants would use when pricing the item being measured under current market conditions, including assumptions about risk (i.e., it is a market-based, rather than entity-specific, measurement).

When measuring the fair value of a non-financial asset, an entity considers the highest and best use of the asset, and whether the asset is used in combination with other assets or on a stand-alone basis. A fair value hierarchy categorizes into three levels the inputs to valuation techniques used to measure fair value and gives priority to



observable inputs. An entity discloses information about the valuation techniques and inputs it has used, as well as the uncertainty inherent in its fair value measurements.

The Company has not early adopted these standards, amendments and interpretations, however it is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements of the Company

## **Financial Instruments and Risk Management**

The Company has designated its cash at fair value through profit and loss. Trade and other payables and advances from related party are designated as other financial liabilities, which are measured at amortized cost.

### ***Financial Risk Management Objectives and Policies***

The Company is exposed to various financial risks resulting from both its operations and its investments activities. The Company's management manages financial risks. Where material, these risks will be reviewed and monitored by the Board of Directors. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

### ***Financial Risks***

The Company's main financial risk exposure and its financial risk management policies are as follows:

#### ***Market Risk***

Market risk is the risk of uncertainty arising primarily from possible commodity market price movements and their impact on the future economic viability of the Company's projects and ability of the Company to raise capital. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis and adjusting operating and exploration budgets accordingly

#### ***Fair Value Risk***

Fair value risk is the potential for fair value fluctuations in the value of a financial instrument The level of market risk to which the Company is exposed varies depending on market conditions, and expectations of future price and yield movements. The Company believes the carrying amounts of its financial assets and financial liabilities are a reasonable approximation of fair value.

#### ***Interest Rate Risk***

The savings accounts are at variable rates. Consequently, the Company is exposed to a fluctuation of the interest rate on the market which could vary the interest income on the savings accounts. The Company does not use financial derivatives to decrease its exposure to interest risk.

#### ***Liquidity Risk***

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. The Company anticipates having sufficient funds to carry out an exploration and acquisition program, pursue and evaluate new resources projects and meet its corporate and administrative expenses for the next twelve months.

#### ***Foreign currency risk***

The Company is exposed to currency risks on its United States dollar denominated working capital balances due to changes in the USD/CAD exchange rate..

## **Capital Management**

The Company's objective in managing capital is to ensure continuity as a going-concern and to safeguard its ability to continue its acquisition and exploration programs. The Company manages its capital structure and makes adjustment to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares and acquire or sell mining properties to improve its financial performance and flexibility.

The Company defines its capital as its shareholder's equity. To effectively manage the Company's capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has appropriate liquidity to meet its operating and growth objectives. As needed, the Company raises funds through private placements or other equity financings. The Company does not utilize long term debt as the Company does not currently generate operating revenues. There is no dividend policy.

## **Risks and Uncertainties**

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risk, including but not limited to, environmental, metal prices, political and economical. The mineral exploration business is risky and most exploration projects will not become mines. The Company may offer an opportunity to a mining company to acquire an interest in a property in return for funding all or part of the exploration and development of the property. For the funding of property acquisitions and exploration that the Company conducts, the Company depends on the issue of shares from the treasury to investors. 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 Company has no significant source of operating cash flow and no revenues from operations. The Company has not yet determined whether its mineral property contains mineral reserves that are economically recoverable. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish reserves. There is no guarantee that the Company will be able to contribute or obtain all necessary resources and funds for the exploration and exploitation of its permits, and may fail to meet its exploration commitments. Mineral exploration involves a high degree of risk and few properties, that are explored, are ultimately developed into producing mines. Exploration of the Company's mineral property may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company will be forced to look for other exploration projects or cease operations. The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters.

## **Conflicts of Interest**

Certain of the directors and officers of the Company may also serve as directors and officers of other companies involved in gold and precious metal or other natural resource exploration and development and consequently the possibility of conflict exists. Any decisions made by such directors or officers involving the Company will be made in accordance with the duties and obligations of directors and officers to deal fairly and in good faith with the Company and such other companies. In addition, such directors declare their interest and refrain from voting on any matters in which such directors may have a conflict of interest.

## **Management's Responsibility for Financial Statements**

The information provided in this report is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the audited consolidated financial statements.

## **Other**

Additional information relating to the Company's operations and activities can be found by visiting the parent Company's website at [www.WinstonResourcesInc.com](http://www.WinstonResourcesInc.com) and [www.sedar.com](http://www.sedar.com).

## **Trends**

Trends in the industry can materially affect how well any junior exploration company is performing. The price of precious metals remains high and as a result worldwide exploration is being maintained. Company management believes that the general trend will continue and that prices will be higher over time.

## **Outlook**

The outlook for precious metals continues to be positive and this is reflected in the Company's ongoing activity.

## **Cautionary Statement**

This document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration plans and our other future plans and objectives are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, (i) estimates of exploration investment and scope of exploration programs, and (ii) estimates of stock-based compensation expense. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statement. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date of statements are made, and the Company endeavours to update corporate information and material facts on a timely basis. Forward-looking statements are subject to risks, uncertainties and other actors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks.