

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

This prospectus constitutes a public offering of securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

The securities offered hereby have not been, and will not be, registered under the United States Securities Act of 1933, as amended, (the “1933 Act”) and, except pursuant to an applicable exemption from registration set forth in the 1933 Act, may not be offered, sold or delivered, directly or indirectly, in the United States of America, its territories, its possessions and other areas subject to its jurisdiction, including the Commonwealth of Puerto Rico (the “United States”), or to or for the account of any citizen, national or resident thereof or to a corporation, partnership or other entity created or organized in or under the laws of the United States or an estate or trust the income of which is subject to United States federal income taxation regardless of its source (a “U.S. person”).

PROSPECTUS

Initial Public Offering

January 21, 2013

LONGACRE RESOURCES INC.

**300 – 1055 W. Hastings Street
Vancouver, B.C. V6E 2E9**

Telephone: (604) 609-6196 Facsimile: (604) 684-6024

**Offering of \$600,000
4,000,000 Shares @ \$0.15 per Share**

Longacre Resources Inc. (the “Company”, the “Issuer”, “we”, or “us”) hereby offers (the “Offering”), through its agent, Wolverton Securities Ltd. (the “Agent”) for sale to purchasers resident in the Provinces of British Columbia and Alberta (the “Selling Provinces”) 4,000,000 common shares in its capital (“Shares”) at a price of \$0.15 per Share (the “Offering Price”). The Offering Price of the Shares was determined by negotiation between the Company and the Agent.

	Number of Securities	Price to the Public	Agent’s Commission^{1,2}	Proceeds Available to the Company³
Per Share	One	\$0.15	\$0.012	\$0.138
Maximum Offering	4,000,000	\$600,000	\$48,000	\$552,000

1. Pursuant to the terms and conditions of an agency agreement (the “Agency Agreement”) between the Agent and the Company, we have agreed to (i) pay the Agent a commission of 8% of the gross proceeds of the Offering, payable at the Agent’s election either in cash or in Shares (“Commission Shares”) at a price per share equal to the Offering Price, or any combination thereof; and (ii) grant options to the Agent (the “Agent’s Options”) to purchase common shares in the capital of the Company (“Agent’s Option Shares”) in a quantity equal to 8% of the number of Shares sold under the Offering, exercisable at \$0.15 per Agent’s Option Share for a period of 24 months from the Listing Date. See “Plan of Distribution”.
2. In connection with the Offering, the Agent will also be paid a corporate finance fee of \$25,000 plus HST (the “Corporate Finance Fee”), of which \$5,000 (plus HST) as a non-refundable due diligence fee has been paid, and the balance of which is payable on the Closing Date at the Agent’s election either in cash or in Shares (“Corporate Finance Shares”) or any combination thereof, (provided the applicable taxes will be payable in cash). We will also reimburse the Agent for its legal fees and expenses on the Closing Day (toward which a \$9,400 retainer has been paid). See “Plan of Distribution”.
3. Before deduction of the remaining expenses of the Company and the Agent relating to this Offering. See “Use of Proceeds”.

This Prospectus qualifies for distribution in the Selling Provinces, the Commission Shares, the Corporate Finance Shares and the Agent’s Options, to the extent permitted by National Instrument 41-101 (“NI 41-101”). NI 41-101 restricts the maximum number of securities being issued to an agent as compensation which may be qualified under a prospectus (“Qualified Compensation Securities”), to not more than 10% of the number of securities being offered;

which in the case of the Offering equates to 400,000 Shares. For the purposes of this Offering, any combination of Commission Shares, Corporate Finance Shares and Agent's Options totalling up to 10% of the number of Shares sold are Qualified Compensation Securities and are qualified for distribution by this Prospectus. To the extent that the Agent is entitled to receive securities as compensation exceeding 10% of the Shares sold, those securities exceeding the 10% threshold will not be Qualified Compensation Securities, will not be qualified for distribution under this Prospectus, and will be subject to a four month hold period in accordance with applicable securities laws. See "Plan of Distribution".

There is no market through which the securities offered hereunder may be sold and purchasers may not be able to resell the securities purchased under this Prospectus. The TSX Venture Exchange has conditionally accepted the listing of the Common Shares on the Exchange. Listing is subject to the Company fulfilling the listing requirements of, and satisfying all conditions imposed by, the Exchange.

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

AN INVESTMENT IN OUR SHARES SHOULD BE CONSIDERED SPECULATIVE DUE TO THE NATURE OF OUR BUSINESS, ITS PRESENT STAGE OF DEVELOPMENT AND OTHER RISK FACTORS. AN INVESTMENT IN NATURAL RESOURCE COMPANIES INVOLVES A SIGNIFICANT DEGREE OF RISK. THE DEGREE OF RISK SUBSTANTIALLY INCREASES WHEN A COMPANY'S PROPERTY IS IN THE EXPLORATION STAGE AS OPPOSED TO THE DEVELOPMENT STAGE. OUR PROPERTY IS IN THE EXPLORATION OR PRE-EXPLORATION STAGE AND IS WITHOUT A KNOWN BODY OF COMMERCIAL ORE. THE PROPOSED EXPLORATION PROGRAMS ARE FOR EXPLORATORY SEARCHES FOR ORE. INVESTORS SHOULD NOT INVEST ANY FUNDS IN THIS OFFERING UNLESS THEY CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT. INVESTORS MUST BE WILLING TO RELY ON THE ABILITY, EXPERTISE, JUDGMENT AND DISCRETION OF OUR MANAGEMENT. See "Risk Factors".

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

The Agent, as exclusive agent of the Company for the purposes of the Offering, conditionally offers the Shares for sale on a commercially reasonable efforts basis and subject to prior sale, if, as and when issued by us, in accordance with the conditions contained in the Agency Agreement referred to under "Plan of Distribution". Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Offering is subject to receiving subscriptions for 4,000,000 Shares. If the Offering is not completed within 90 days of the issuance of a receipt for the final Prospectus, the distribution will cease, unless an amendment to the final Prospectus is filed and receipted, (in which case the Offering must be completed within 90 days of the receipt for the amended Prospectus and in any event, no later than 180 days from the date of the receipt for the final Prospectus) and all subscription monies will be returned to the subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent.

It is expected that one or more global certificates evidencing the Shares distributed under this Prospectus will be issued in registered form to CDS Clearing and Depository Services Inc. ("CDS") and will be deposited with CDS on the closing of the Offering. If the Issuer and the Agent elect to proceed in this manner, no certificates evidencing the Shares will be issued to subscribers under this Prospectus, and registration will be made in the depository service of CDS. Subscribers of Shares under this Prospectus will receive only a customer confirmation from the Agent or other registered dealer who is a CDS participant and from or through whom a beneficial interest in the Shares is purchased.

The following table sets out securities issuable to the Agent:

	Number of Securities ¹	Exercise Period	Exercise Price
Agent's Commission Shares	320,000 Shares	n/a	n/a
Agent's Corporate Finance Shares	133,333 Shares	n/a	n/a
Agent's Options	320,000 Agent's Options	Up to 24 months from the Listing Date	\$0.15 per Share

1. Maximum numbers. This Prospectus qualifies for distribution the Commission Shares, Corporate Finance Shares and the Agent's Options in the Selling Provinces to the extent the same are Qualified Compensation Securities. See "*Plan of Distribution*".

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

Certain legal matters relating to the Offering have been reviewed on our behalf by David G. Ashby Law Corporation, of Vancouver, British Columbia; and on behalf of the Agent by Miller Thomson LLP of Vancouver, British Columbia.

No person is authorized to provide any information or make any representations in connection with the Offering other than as contained in this Prospectus.

AGENT:

Wolverton Securities Ltd.

17th floor, 777 Dunsmuir Street, Vancouver, B.C. V7Y 1J5
 Telephone: (604) 622-1000
 Facsimile: (604) 662-5205

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GLOSSARY OF GENERAL TERMS

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

Agency Agreement	means the agreement dated January 21, 2013 between the Agent and the Company in respect of the Offering.
Agent	means Wolverton Securities Ltd. with an office in Vancouver, British Columbia.
Agent's Commission	means the commission to be paid on the Closing Day by the Company to the Agent pursuant to the Agency Agreement in an amount equal to 8% of the gross proceeds of the Offering, payable, at the Agent's election, either in cash or through the issuance of Commission Shares at a price of \$0.15 per Share, or any combination thereof.
Agent's Options	means the non-transferable options to be granted on the Closing Day by the Company to the Agent pursuant to the Agency Agreement, to purchase Agent's Option Shares in an amount equal to 8% of the number of Shares sold under the Offering by the Agent, exercisable at a price of \$0.15 per Agent's Option Share for 24 months from the Listing Date.
Agent's Option Shares	means up to 320,000 Shares issuable to the Agent upon exercise of the Agent's Options.
Closing Day	means the day on which the Offering is closed, to occur within 90 days of the issuance of a receipt for the final Prospectus unless an amendment to the final Prospectus is filed and receipted, in which case the Offering must be completed within 90 days of the receipt for the amended Prospectus and in any event no later than 180 days from the date of the receipt for the final Prospectus.
Commission Shares	means Shares which may be issued on the Closing Day by the Company to the Agent, in settlement in whole or in part of the Agent's Commission.
Common Share, or Share	means a common share without par value in the capital stock of the Company.
Company, Longacre, we, or us	means Longacre Resources Inc.
Corporate Finance Fee	means the sum of \$25,000 (plus HST) payable by the Company to the Agent pursuant to the Agency Agreement; of which \$5,000 (plus HST) has been paid to date as a non-refundable due diligence fee, with the balance of \$20,000 plus HST payable on the Closing Day, at the Agent's election either in cash or through the issuance of the Corporate Finance Shares (or any combination thereof), and the payment in cash of applicable taxes.
Corporate Finance Shares	means up to 133,333 Shares issuable by the Company to the Agent, on the Closing Day pursuant to the Agency Agreement, at a deemed price of \$0.15 per Share, as settlement of some or all of the \$20,000 owing toward the Corporate Finance Fee.
Effective Date	means the date the Securities Commissions issue a final receipt for this Prospectus.
Escrow Agent	means Equity Financial Trust Company.
Escrow Agreement	means the agreement dated effective October 25, 2012 among the Company, the Escrow Agent, and certain shareholders of the Company whereby the Escrowed Securities are held in escrow by the Escrow Agent.
Escrowed Securities	means those previously issued Shares which are subject to the Escrow Agreement.

Exchange or TSXV	means the TSX Venture Exchange Inc.
Listing Date	means the date the Company's Shares are first listed for trading on the Exchange.
Named Executive Officers, or NEOs	means Mark H. Holden (the Company's CEO and President) and John W. Jardine (the Company's CFO and Secretary).
NI 41-101	means National Instrument 41-101, <i>General Prospectus Requirements</i> .
NI 43-101	means National Instrument 43-101, <i>Standards of Disclosure for Mineral Projects</i> .
Offered Shares	means the 4,000,000 Shares being offered for sale by the Company pursuant to this Prospectus.
Offering	means the offer for sale by the Company of the Offered Shares at the Offering Price in accordance with the terms of the Agency Agreement and this Prospectus.
Offering Day	means the day on which the Offering is made, to be determined by the Agent and the Company, with the consent of the Exchange, which day is not later than 90 days after the Effective Date, unless an amendment is filed and a receipt issued.
Offering Price	means \$0.15 per Share.
Property	means those six adjoining mineral tenures comprising 2,034.44 ha. located approximately 40 kilometers northeast of Hope, in south western British Columbia referred to as the Christa – Aura Property. See "Description of Mineral Property".
Report	means the technical report prepared in compliance with NI 43-101 pertaining to the Property, authored by Carl A. von Einsiedel, P.Geol. dated effective May 30, 2012, as amended January 9, 2013, entitled "Review of Technical Information and Proposed Exploration Program for the Christa – Aura Property".
SAR	means a stock appreciation right, namely a right, granted by the Company as compensation for services rendered or in connection with office or employment, to receive a payment of cash or an issue or transfer of securities based wholly or in part on changes in the trading price of the Company's Shares.
Securities Commissions	means the securities regulatory authorities in each of the Selling Provinces.
Selling Provinces	means British Columbia and Alberta, the two provinces in which this Prospectus has been filed and in which the Offering will be made.
Stock Option Plan	means the Company's 10% rolling stock option plan.
Warrants	mean the 4,570,000 common share purchase warrants currently outstanding in the capital of the Company, each Warrant entitling the holder thereof to acquire one Share at \$0.10 at any time during the 24 months following the Listing Date.

GLOSSARY OF GEOLOGICAL TERMS

The following is a glossary of certain geological terms used in this Prospectus:

Alteration	<i>means the change in minerals that can occur when rock units are subjected to hydrothermal solutions typically associated with intrusive rocks or with areas of volcanic activity.</i>
Anomaly	<i>means an overburden covered area of a mineral property which exhibits either elevated metal concentrations in soils or magnetic or electro-magnetic responses typical of the rocks associated with mineral deposits.</i>
Argillic	<i>means clay or clay minerals and can refer to a type of alteration typically associated with hydrothermal processes and porphyry copper type mineral deposits.</i>
BCMEM	<i>means the British Columbia Minister of Energy and Mines.</i>
Breccia	<i>means a type of rock that is comprised of fragments of other rock units and which can be formed either by extrusive or intrusive volcanic processes or by tectonic or structural deformation.</i>
Geochemical surveys	<i>means a type of mineral exploration survey that involves collecting samples of overburden material to assist in the identification of overburden covered mineralized zones.</i>
Geophysical surveys	<i>means a type of mineral exploration survey that involves measuring electrical and magnetic properties of the rocks underlying a particular survey area (can be completed over small areas on the ground or over large areas by aircraft mounted survey equipment).</i>
Hydrothermal	<i>means the heated, generally acidic solutions associated with areas of volcanic activity within the earth's crust.</i>
Ma	<i>means million years ago.</i>
Overburden	<i>means soils and loose or unconsolidated rock material. When this material overlies a mineral deposit it must be removed prior to mining.</i>
Pyrite	<i>means an iron sulphide mineral.</i>
Sedimentary rock	<i>means those rocks formed by the processes of erosion and includes mudstones, siltstones, shales, sandstones, wackes and conglomerates.</i>
Soil geochemistry	<i>means a type of mineral exploration survey that involves collecting samples of overburden at regular intervals in poorly exposed areas which may overlie altered or mineralized bedrock. By analyzing these samples it is sometimes possible to isolate areas which may contain mineralization.</i>
Stockwork	<i>means a mineral deposit consisting of veinlets spaced closely enough that if they contain sufficient metal content the whole mass can be mined typically by open pit.</i>
Sulphide	<i>means a mineral made up of sulphur and one or more metals.</i>
Tectonic	<i>means structural effects such as faulting which occur in the earth's crust in response to stress produced by plate tectonic processes.</i>
Tertiary	<i>means the time span from 65 to 2 Ma.</i>

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

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

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

- completion of exploration work programs on the Property;
- capital and general expenditures;
- expectations regarding the ability to raise capital; and
- treatment under governmental regulatory regimes.

Assumptions underlying the expected nature and cost of the Stage 1 and 2 exploration programs on the Property are as set forth in the Report. Assumptions underlying our working capital requirements are based on management’s experience with other public companies in the junior mineral exploration sector. Forward-looking statements pertaining to the Company’s need for and ability to raise capital in the future are based on the projected costs of operating a junior mineral exploration company, and management’s experience with raising funds in current market circumstances. Forward-looking statements regarding treatment by governmental authorities, assumes no material change in regulations, policies, or the application of the same by such authorities.

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

- liabilities inherent in our operations;
- uncertainties associated with mineral exploration;
- competition for, among other things, capital, acquisitions and skilled personnel;
- fluctuations in metal prices and stock market volatility; and
- the other factors discussed under “*Risk Factors*”.

These factors should not be construed as exhaustive.

SUMMARY OF PROSPECTUS

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

The Company

The Company was incorporated on April 13, 2011 pursuant to the *Business Corporations Act* (British Columbia). See “Corporate Structure”.

To date, our principal business has been the acquisition of the Property, raising initial equity funding, undertaking initial exploration of the Property, and seeking a listing on the Exchange. See “Description of the Company’s Business”.

The Offering

We seek to raise gross proceeds of \$600,000 through the sale of 4,000,000 Shares at \$0.15 per Share. See “Plan of Distribution” and “Description of Securities Distributed”.

Agent’s Consideration

The Agent has received a \$5,000 (plus HST) deposit toward its Corporate Finance Fee and a \$9,400 retainer toward its expenses; and will receive on the Closing Day: (i) the Agent’s Commission; (ii) the Agent’s Options; (iii) the balance of the Corporate Finance Fee; and (iv) the balance of its expenses and all applicable taxes. This Prospectus qualifies the distribution of the Agent’s Options and any Commission Shares and Corporate Finance Shares to the extent the same are issued to the Agent and are Qualified Compensation Securities. See “Plan of Distribution”.

Use of Proceeds

We intend to use the net funds available from the Offering (after payment of all costs of the Offering) to make exploration expenditures on the Property, to investigate other opportunities in the mineral exploration sector, and for general working capital requirements. See “Use of Proceeds – Principal Purposes”.

Risk Factors

An investment in the Offered Shares should be considered highly speculative due to the nature of our business, being that we have only one mineral property without any known body of ore, and with minimal exploration having been completed on the Property. We have no history of operations, success, revenues, earnings or dividends. An investment in our securities is suitable only for those knowledgeable and sophisticated investors who are willing to risk a loss of their entire investment. Investors should consult with their professional advisors to assess an investment in our securities.

Our activities are subject to the risks normally encountered in the mineral resource exploration and development business. The following risk factors should be considered in connection with an investment in the Company: liquidity concerns and future financing requirements; dilution; no history of operations, revenues, earnings or dividends; exploration and development risks; adverse consequences of our failing to maintain our mineral property interests; substantial capital expenditure requirements; operating hazards and risks; mineral prices; environmental and other regulatory factors; competition; title matters; political

and economic changes; uninsurable risks; quarterly operating result fluctuations; and industry regulation. See “Risk Factors”.

Summary of Selected Financial Information

The following table summarizes selected audited financial data of the Company for the period from our incorporation on April 13, 2011 to March 31, 2012, and our unaudited financial data for the six months ended September 30, 2012, and should be read in conjunction with the financial statements and the related notes thereto; together with management’s discussion and analysis, as included elsewhere in this Prospectus:

Item	Six Months Ended September 30, 2012 (unaudited)	Period from April 13, 2011 (date of incorporation) to March 31, 2012
Revenues	nil	nil
Expenses	\$20,784	\$149,811 ¹
Net Loss	\$20,784	\$149,811
Current Assets	\$38,371	\$34,689
Exploration and Evaluation Assets	\$120,500	\$120,500
Total Assets	\$192,474	\$155,189
Current Liabilities	\$35,569	\$10,000
Working Capital	\$2,802	\$24,689
Shareholders’ Equity	\$156,905	\$145,189
Number of Shares Outstanding	6,570,000	5,920,000

1. Includes stock based compensation expense of \$80,000 pertaining to 2,000,000 Shares previously issued to certain of our officers and directors for \$0.01 per Share (\$20,000), the fair value of which was determined to be \$100,000 (subsequently reduced to \$60,000 upon the repurchase of 500,000 Shares).

Business Objectives and Milestones

Our short term business objectives are to: (i) complete the Offering under this Prospectus; (ii) obtain a listing of our Shares on the Exchange; and (iii) undertake the first phase exploration program on the Property as recommended in the Report. See “Description of the Company’s Business” and “Use of Proceeds”.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated pursuant to the *Business Corporations Act* (British Columbia) on April 13, 2011 under the name “Longacre Resources Inc.”.

Our head office is located at 300 – 1055 West Hastings Street, Vancouver, British Columbia; and our registered and records office is located at Suite 700, 625 Howe Street, Vancouver, British Columbia.

We are not a reporting issuer in any jurisdiction; and our Shares are not listed or posted for trading on any stock exchange.

Intercorporate Relationships

The Company has no subsidiaries.

DESCRIPTION OF THE COMPANY’S BUSINESS

General

Our sole business purpose since incorporation has been to acquire, fund and explore the Property, with a view to obtaining a listing of our Shares on the Exchange.

We have taken the following steps to develop our business: (1) recruited directors and officers with the skills required to operate a public mineral exploration company; (2) raised sufficient capital to stake the Property (cost \$17,153) and to undertake an initial exploration program on the Property (cost \$103,347); (3) commissioned and received the Report on the Property; and (4) engaged the Agent to assist us in making an application for listing on the Exchange, and to complete our Offering.

To date we have raised an aggregate of \$243,500 through the sale of our Shares, which we have used to further our business, including completing an initial exploration program on the Property.

Significant Acquisitions and Significant Dispositions

Our only significant acquisition to date has been the staking of the Property for aggregate costs of \$17,153.

History Since Incorporation

On May 25, 2011, we completed a private placement of 2,000,000 shares at \$0.01 per share to certain of our officers and directors for gross proceeds of \$20,000.

We staked the Property for costs of \$17,153.

On June 8, 2011, we completed a private placement of 1,800,000 units at a price of \$0.05 per unit for gross proceeds of \$90,000; of which 1,200,000 units each consisted of one flow-through Share and one non-flow-through Warrant, and 600,000 units consisted of one non-flow-through Share and one non-flow-through Warrant.

On October 31, 2011, we completed a private placement of 800,000 units at a price of \$0.05 per unit for gross proceeds of \$40,000; each unit consisting of one Share and one Warrant.

On February 17, 2012, we completed a private placement of 1,320,000 units at a price of \$0.05 per share for gross proceeds of \$66,000; each unit consisting of one Share and one Warrant.

On April 25, 2012, we completed a private placement of 30,000 units at \$0.05 per unit for gross proceeds of \$1,500; each unit consisting of one Share and one Warrant.

On May 3, 2012, we completed a private placement of 140,000 units at \$0.05 per unit for gross proceeds of \$7,000; each unit consisting of one Share and one Warrant.

On May 4, 2012, we completed a private placement of 280,000 units at \$0.05 per unit for gross proceeds of \$14,000; each unit consisting of one Share and one Warrant.

On July 26, 2012, we completed a private placement of 200,000 units at \$0.05 per unit for gross proceeds of \$10,000; each unit consisting of one Share and one Warrant.

On November 19, 2012, we repurchased 500,000 Shares at \$0.01 per Share, as originally sold on May 25, 2011.

We intend to fund the first phase of exploration on the Property, as recommended in the Report (see "Mineral Projects – Recommendations") using the proceeds of our prior private placement financings and this Offering. See "Use of Proceeds".

DESCRIPTION OF MINERAL PROPERTY

Technical Report

The Property is our only mineral project. The Property is owned 100% by the Company and was acquired by direct purchase and staking at a cost of \$17,153. The Report on the Property has been prepared for the Company by Carl von Einsiedel, P. Geo, who is a qualified person for the purpose of NI 43-101 (the "Author"). The Author supervised a preliminary exploration program on the Property during the months of August and September of 2011. The Report is available for review under the Company's profile on the SEDAR database at www.sedar.com. A copy of the Report may also be inspected during the period of the Offering and for 30 days thereafter at our registered office at Suite 700, 625 Howe Street, Vancouver, B.C. The following disclosure relating to the Property was derived from the Report, which is incorporated by reference into this Prospectus.

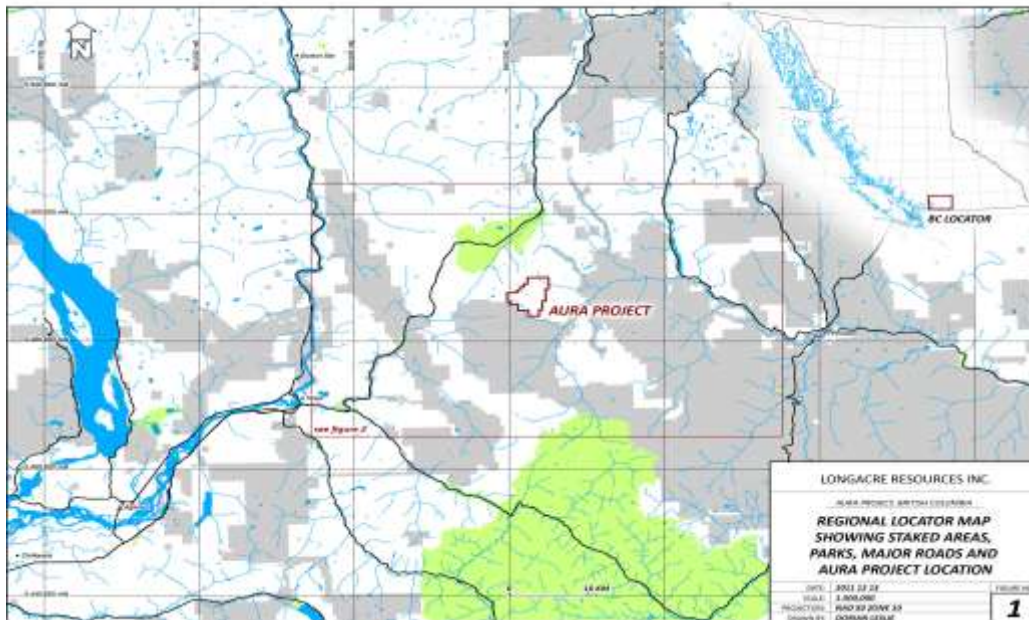
Property Description and Location

The Property consists of six adjoining mineral tenures comprising 2,034.44 hectares in an irregular shaped block of ground located approximately 11 kilometers east of the Coquihalla Highway and 40 kilometers northeast of Hope, in southwestern B.C. All of the claims which comprise the Property were staked pursuant to the British Columbia Ministry of Energy and Mines ("BCMEM") Mineral Titles online system. The earliest expiry date of any claim is December 30, 2014. The location of the Property relative to other mining claims, local communities, parks and access roads is shown in the location map below. The Property is located on B.C. TRIM Mapsheet Nos 92H045 and 92H055, which form part of the Report.

At present there are no access roads and the only way to access the Property area is by helicopter.

The Property was acquired by direct purchase and staking, after a technical review of several B.C. projects, at a cost of \$17,153. The acquisition costs include a total of \$4,500 paid to the underlying owner of tenure 841690 in exchange for a 100% interest, a total of \$2,914 paid for reimbursement of staking fees paid to BCMEM for all of the tenures, and a total of \$9,739 paid for consulting fees in connection with background research and administrative expenses paid to the BCMEM in connection with the acquisition. The Company holds an undivided 100% interest in the Property and there are no underlying option payments or royalties payable by the Company in respect of any of the mineral tenures which comprise the Property.

Location Map



The mineral cell title claim statistics are summarized below.

Tenure Number	Owner	Good To Date	Area (ha)
841693	Longacre (100%)	2014/Dec/30	377.51
841698	Longacre (100%)	2014/Dec/30	377.63
841699	Longacre (100%)	2014/Dec/30	503.19
841700	Longacre (100%)	2014/Dec/30	125.90
862595	Longacre (100%)	2014/Dec/30	524.36
841690	Longacre (100%)	2014/Dec/30	125.85

The Property is owned 100% by the Company and is not subject to any royalties, back in rights, payments or other agreements. Prior to July 1, 2012, BCMEM regulations required that title to mineral claims be maintained through the performance of annual assessment work filings and payment of required fees. For the first three years after a claim was staked, a minimum of \$4.00 per hectare in eligible exploration and development expenditures needed to be incurred. In subsequent years, a total of \$8.00 per hectare in eligible exploration expenses needed to be incurred. Effective July 1, 2012 new regulations came into effect that changed the requirements from a 2-tier system to a 4-tier system and have significantly increased the minimum exploration expenditures that are required to maintain mineral tenures in good standing. Under the new regulations all mineral tenures are deemed to be in their first anniversary year and the new minimum exploration expenditures will be \$5.00 per hectare for anniversary years 1 and 2, \$10.00 per hectare for anniversary years 3 and 4; \$15.00 per hectare for anniversary years 5 and 6 and \$20.00 per hectare for each subsequent anniversary year.

Prior to July 1, 2012 holders of mineral tenures had the option of making payments equivalent to the minimum exploration and development expenditures (referred to as PIED) required by the BCMEM instead of incurring the required expenditures. Effective July 1, 2012 the holders of mineral tenures still have the option of making payments instead of exploration and development work, however, the new PIED rates are double the value of the minimum exploration and development expenditures required. In addition to the changes in the PIED rate tenure, holders who elect to make payments instead of incurring expenditures will need to pay for a minimum of six months which under the new regulations (equivalent to the minimum expenditures for an entire year). Similar to the assessment work requirements, if a recorded holder wishes to register PIED, the claim will also be treated as if it is in its first anniversary year for the purpose of calculating the assessment requirement, as of July 1, 2012.

To the best of the Author's knowledge, government permits are not required to carry out the proposed Stage 1 exploration program but will be required to carry out the proposed Stage 2 exploration program and for any follow up diamond drilling program recommended after completion of this program. These programs will require application to the BCMEM for permits and the Company may be required to post security equivalent to the estimated costs of any reclamation work which will be required after completion of the proposed exploration work. To the best of the Author's knowledge, approval from local First Nations communities may also be required to carry out the proposed Stage 2 exploration program. There is no guarantee that the Company will be able to obtain approval from local First Nations. However, the Author is not aware of any problems encountered by other junior mining companies in obtaining approval to carry out similar programs in nearby areas nor is the Author aware of any instances where local First Nations communities have objected to exploration work in the general project area.

To the best of the Author's knowledge, the surface rights to the Property are currently held by the Province of British Columbia. In the event that a significant mineralized zone is identified, an application that includes detailed environmental impact studies must be made to the BC Land Title and Survey Authority (LTSA) for surface rights prior to initiation of any advanced exploration or mining activities. There is no guarantee that areas for potential mine waste disposal, heap leach pads, or areas for processing plants will be available within the subject Property.

Access, Physiography, Infrastructure

The Property is located in the New Westminster and Similkameen Mining Divisions in south-central British Columbia. The nearest community is Hope, B.C. located approximately 40 km to the southwest. The nearest major road is the Coquihalla Highway located approximately 11 km west of the Property. There are currently no access roads onto the Property. Consequently, the best way to access the Property is by helicopter from Hope, B.C. which is a 40 minute round trip.

The Property comprises an irregular shaped block surrounding Coquihalla Mountain. The claim block is approximately 3.75 km long and 3.1 km wide. The center of the Property is at UTM Zone 10 (NAD 83) at approximately 642,406 meters east and 5,487,027 meters north. The southern part of the Property straddles Jim Kelly Creek which drains southeasterly into the Tulameen River approximately 5 km east of the Property. The Property consists of six contiguous mineral claims covering 2,034.44 hectares.

The Property is located in rugged, mountainous terrain that is subject to severe winter weather conditions. Temperatures are moderate with annual rainfall recorded at Hope, B.C. of 177 cm and annual snowfall recorded at 170 cm. Exploration work should be carried out between May and October to avoid potential problems due to weather conditions. Overall relief is 880 meters, from 1,280 meters above sea level at Jim Kelly Creek in the southern part of the Property to 2,160 meters above sea level on the peak of Coquihalla Mountain. Vegetation is alpine to sub-alpine at elevations above 1,615 meters, and is conifer forest at lower elevations. The main work area within the Property is located in the east central part of the claim area.

There are abundant water sources within and adjacent to the Property. At present there are no power sources available at the Property; however, it may be technically feasible at some point in the future to construct road and power access from existing logging road access along the Tulameen River approximately five km to the east. No engineering studies have been undertaken to determine costs or potential environmental impacts.

Although no detailed assessment has been undertaken to determine if there are areas within the Property that could be used for tailings and or waste disposal the physiography of the central parts of the Property may be permissible for such uses. There is no guarantee that areas for potential mine waste disposal, heap leach pads, or areas for processing plants will be available within the Property.

History

The earliest reports of exploration work in the project area were documented in the early 1900's. Gold-bearing quartz veins were reportedly worked on in the in the upper reaches of Jim Kelly Creek located in the southern part of the Property. According to the BCMEM database, these veins were being worked for gold in 1914. It is important to note that these vein type occurrences are believed to be located immediately south of the Property. This reference is included to illustrate that previous exploration work identified gold mineralization in the general project area.

The area experienced a second period of activity in 1937 when the gold and silver-bearing quartz veins in the Jim Kelly Creek area were reportedly worked with open cuts and short adits. The exact locations of these quartz veins and of those worked in 1914 is not given in the BCMEM descriptions.

In 1966 a considerable amount of work was reportedly done on the south side of Jim Kelly Creek by Bethex Exploration Limited ("Bethex"). Bethex excavated 32 trenches totalling over 5,486 m in length and drilled 863 m in five holes. The objective at the time appears to have been copper in a porphyry-type situation. Samples were reportedly assayed for copper and molybdenum but not for gold or silver. Assays for these samples are not available. These occurrences are believed to be located immediately south of the Property. This reference is included to illustrate that previous exploration work identified mineralization in the general project area.

In November 1981 to February 1982, Mine Quest Exploration Associates Ltd. staked 13 claims on behalf of Clifton Resources Ltd. The claims straddled Jim Kelly Creek on the southeast side of Coquihalla Mountain. Five contour soil lines between 1,370 meters and 1,670 meters elevation were sampled around the Jim Kelly Creek basin. Seven hundred-twenty soils were collected along these lines. Of the five lines that were sampled, one line showed anomalous gold and silver values in the eastern half of the area sampled. Sample assays ranged from 50 to 165 ppb gold and 5.0 to 35.0 ppm silver. Rock chip samples along this line had uniformly low Au values (AR 10,868). The Author notes that most of the sampling completed by Clifton Resources Ltd. appears to have been completed within the boundaries of the Property.

The exploration program also consisted of prospecting and geological examination. In particular, attempts were made to find the gold-bearing locations which are described in BCMAR in 1914 and 1937. This was unsuccessful. In 1985, a follow-up sampling program hoped to extend the anomalous zone of gold values to the southeast across the Tertiary Volcanic/Eagle Granodiorite contact. Because of snow conditions, sampling had to take place at the 1,330 meter level (below the tree line) and none of the collected samples were anomalous. It was thought that the 1982 samples were collected closer to the source or in an area of thinner overburden, than those collected during the 1985 program.

A short reconnaissance program targeting the Tertiary Coquihalla Volcanic Complex was implemented by Noranda Exploration Company Limited ("Noranda") during the 1988 summer field season. Grab samples from several outcrops were collected, and returned weakly to highly anomalous gold values. The two most interesting gold anomalies came from an outcrop of quartz breccia exposed on a south facing hillside. One grab sample contained 3,315 ppb Au (equivalent to 3.315 g/t gold) and 35.9 ppm Ag (equivalent to 35.9 g/t silver) and the other had 1,540 ppb Au (equivalent to 1.540 g/t gold) and 13.4 ppm Ag (equivalent to 13.4 g/t silver). Based on these results the Christa claims were staked in October 1988. Prior to Noranda's staking of the Christa claims, the majority of work in this area was concentrated in the valley of Jim Kelly Creek.

From August 6 to August 27, 1989, Noranda completed a work program of grid establishment, soil sampling, rock geochemistry, geophysics, petrography and geologic mapping. In total 11.6 line km of grid were established, 420 soils were collected, 172 rocks were analyzed, 7.8 km of ground magnetometer work was completed, and a preliminary geologic map was produced (Erdman, 1989). Mineralization is exposed on a steep slope over a length of approximately 100 meters, however, contacts and potential extensions are overburden covered and the geometry of the zone has not been determined. Fifty-one continuous 1.5 meter chip samples collected along the trend of the anomalous outcrop of quartz breccia returned consistently anomalous levels of Au and Ag. The average over 76 meters was 514 ppb Au (equivalent to 0.514 g/t gold) and 5.4 ppm Ag, including a 13.5 m section of 1,034 ppb Au (equivalent to 1,034 g/t gold) and 9.6 ppm Ag. Soil geochemistry defined a 400 meters long linear trend of weakly anomalous gold values, located south and sub-parallel to the quartz breccia outcrop.

In 1990 the grid was extended to the east and a total of 202 additional soil samples were collected from the grid. Gold values in the eastern grid extension were consistently low returning 5 ppb Au or less, and Ag is generally 0.8 ppm or less, with two samples having 1.0 ppm Ag, and one sample having 2.0 ppm Ag. Barium levels are generally high, consistent with the previous year's observation that soils developed over Eagle granodiorite contain greater amounts of barium than those developed over volcanics. All of the areas worked on and sampled by Noranda are located within the boundaries of the Property.

In addition to the soil sampling and geophysical surveys completed in 1990 twelve rock samples were collected

from outcrops not sampled in previous years. All of the samples were either of quartz vein, quartz breccia or silicified muscovite granite. Only one of the samples, R120921, contained sulfides, as 5% to 10% very fine grain disseminated pyrite. Three of the rocks contained from 3.6 ppm to 12.8 ppm Ag, and the latter silver anomalous sample, also had a low level Au anomaly, 156 ppb Au. This sample comes from a small outcrop on Line 41+50E Station 23+74N, 105 m southwest of the anomalous cliff of quartz breccia. The remaining 11 samples were not strongly anomalous in gold although two of the samples returned weakly elevated Au relative to background: 22 ppb Au and 11 ppb Au.

Geology and Mineralization

Regional Geology

The Tertiary aged Coquihalla Volcanic Complex occurs in the northern part of the Cascade Mountains; near the physiographic boundaries with the Coast Mountains on the west and the Interior Plateau on the east. The eastern boundary roughly corresponds to the tectonic division between the Coast Plutonic Complex and the Intermontane Belt. The Tertiary Volcanic Complex lies un-conformably on the Cretaceous Eagle plutonic complex on all sides except to the southwest, where it is in fault contact with Eocene clastic rocks (Grieg, 1988). The Volcanic Complex covers approximately 30 km and is exposed at elevations between 840 meters and 2,160 meters. It is composed of calc-alkaline acid to intermediate extrusive and intrusive rocks. Avalanche breccias and minor amounts of epiclastic conglomerate and sandstone are also present.

The Eagle plutonic complex is a large body of gneissic granodiorite, muscovite granite and heterogeneous gneiss (Grieg, 1988). It is the southern part of the Mount-Lytton Eagle Complex, an elongate north northwest trending plutonic complex that has a length of over 200 km.

Property Geology

The area covered by the Coquihalla Group of claims is primarily underlain by rocks of the Tertiary Coquihalla Volcanic Complex. These were mapped in detail by Berman (1979) and by Erdman (1989). Rocks of the Eagle Granodiorite are exposed in outcrop in the southern part of the Christa 4 claim.

The Tertiary igneous rocks are sub-divided into seven map units based on textural and mineralogical properties. Two of the seven members are extrusive, the remaining five are all intrusive, emplaced with the extrusive members. An acidic pyroclastic tuff has the greatest aerial extent and is present throughout most of the claim block. Intrusive into this are a flow banded rhyolite (possibly a remnant of a rhyolite dome), a dioritic to quartz dioritic stock, pyroxene and hornblende andesites, and a hornblende dacite. The andesite and dacite members take the form of dykes, sills and domes. The youngest extrusive has a limited extent, and is identified by Berman (1979) as an explosion breccia.

The eighth member of the Tertiary Coquihalla Volcanic Complex is an avalanche breccia, formed by large scale avalanching into the subsiding Coquihalla basin (Berman, 1979). This unit is similar to breccias described by Lambert (1974) at the Bennett Lake Caldera Complex.

The contact between the muscovite granite and gneiss complex is not well defined in the field due to lack of outcrop. It was decided that the most eastern outcrops of gneiss established the position of the contact, despite the fact that outcrops of non-pegmatitic muscovite granite do appear west of this line. According to Greig (1988) the muscovite bearing granite is the youngest phase within the Eagle Plutonic Complex and has mixed intrusive relationships at its contact with the older intrusive phases.

At the contact with the overlying volcanic tuff these two phases of the Eagle Complex show a breccia texture. These breccias have angular to subangular, monolithologic, tightly packed fragments within a matrix of the same lithologic material, making it difficult to distinguish the brecciation without careful observation. The zone of brecciation lies adjacent and parallel to the contact with the overlying tuff, and varies from 30 meters to 125 meters in width. It appears to continue to the southwest beyond the limit of mapping, but dies out towards the east, away from the plutonic-volcanic contact. Difficult access to the north trending plutonic- volcanic contact prevented mapping of this breccia zone at this location.

Mineralization

Previous exploration work by Noranda in the late 1980's identified an outcropping, gold bearing, silicified, breccia zone (referred to as the Aura Breccia) interpreted as a high level epithermal type occurrence. Mineralization is exposed on a steep slope over a length of approximately 100 meters, however, contacts and potential extensions are overburden covered and the geometry of the zone has not been determined. Preliminary sampling by Noranda in 1990 indicated that the breccia zone was consistently mineralized and returned gold values ranging from several hundred ppb to 1,830 ppb (equivalent to 1.830 g/t gold). According to Noranda, 51 continuous 1.5 meter samples (collected along the trend of the zone) returned an average grade of 0.503 g/t gold over a length of 75 meters including a 13.5 meter section that averaged 1,034 ppb (equivalent to 1.034 g/t gold).

The mineralized quartz breccia outcrop forms a cliff 3 meters to 7 meters in height, approximately 100 meters in length oriented at 024/25 degrees. Most of the outcrop is comprised of clear to milky quartz fragments in a siliceous matrix. However, minor portions of the outcrop do not exhibit breccia textures. At these locations the rock is a highly silicified-sericitized host containing a quartz stockwork. This latter rock type is gradational into the breccia. In the brecciated portions of the outcrop fragments are angular to sub-rounded and vary from a few mm to 30 cm in size. In general the larger fragments are less angular than the smaller fragments. The breccia is poorly sorted with fragment density ranging from 50% to 80%. Locally thin (>5 mm) quartz veins are present cutting through both the fragments and matrix, in other locations veins are present within the fragments only. Thicker milky white quartz veins cut across the thinner clear quartz veins indicating at least two generations of quartz veining. There are no visible sulfides, but the outcrop is variably coloured white to orange. The orange tint is not a surface coating, but is pervasive throughout the breccia.

Mapping, rock sampling, soil geochemical surveys and geophysical surveys completed by Noranda and by the Company have confirmed the presence of a significant mineralized zone (Aura Breccia) and found several smaller outcrops of similar quartz breccia, both to the southwest and northeast along strike, as well as higher in elevation. All of these have similar strikes and dips, suggesting a series of stacked sub-parallel silicified breccia zones with a possible strike length of 335 meters.

Deposit Types – High level Epithermal Gold – Silver Deposits

Based on historic technical data the observed gold mineralization with the Property is classified as a high level, epithermal type prospect. This type of deposit is described by Panteleyev, (1996): Hot-spring Au-Ag, in Selected British Columbia Mineral Deposit Profiles, Volume 2 - Metallic Deposits, Lefebure, D.V. and Höy, T., Editors, British Columbia Ministry of Employment and Investment, Open File 1996-13, pages 33-36. Examples: (British Columbia (Minfile #) – Canada/International): Cinola (uppermost part, 103F 034), Clisbako (093C 016), Wolf (093F 045), Trout (093F 044); McLaughlin (California, USA), Round Mountain (Nevada, USA).

Geological Characteristics: Auriferous chalcedonic or opaline silica and fine-grained quartz form veins, stockworks and matrix filling in breccias hosted by volcanic and, less commonly, sedimentary rocks. These are the uppermost parts of epithermal systems which develop mineralized siliceous caps a few meters to hundreds of meters below surface with subaerial siliceous sinter deposits at the water table and explosion breccias above.

Tectonic Settings: Continental margin rifting and district-scale fracture systems with associated bimodal or low volume mafic to intermediate volcanism. Commonly in regions of strike-slip faulting with transform faults and transtensional basin margins. Also extensional tectonism with related caldera development and resurgence, flow-dome complexes and high-level subvolcanic intrusive activity.

Depositional Environment / Geological Setting: Shallow parts of fossil geothermal systems. Hot springs deposit silica near the paleo groundwater table and as subaerial, ponded precipitates. Deeper fluids are channeled by permeable stratigraphic units, hydrothermal breccia bodies and faulted/fractured rocks. Subaerial volcanic centres including flow-dome or caldera complexes and related radial and ring fracture systems.

Age of Mineralization: Tertiary and Quaternary are most common; some currently active hot springs. Hot spring sinters as old as Late Devonian have been described (Cunneen and Sillitoe, 1989).

Host/Associated Rock Types: Intermediate or bimodal basaltic-rhyolitic volcanics including volcanic flows, flow domes, tuffs and breccias; hydrothermal breccias and siliceous sinters. Any type of permeable or structurally prepared country rock can be mineralized, most commonly ash flow units and caldera-fill sediments. In some cases, serpentinized ultramafic and mafic rocks in major fault zones in areas of post-faulting volcanic activity are mineralized. Sedimentary rocks occur at Cinola and many other deposits.

Deposit Form: Near-surface, lensoid hot spring deposits and planar lithologic replacement zones. Individual zones are up to hundreds of meters in two dimensions and tens of meters in the third. Underlying these are cone or wedge-like hydrothermal feeder systems with quartz stockworks and veins centred on regional-scale fault and fracture zones, or their splays. Locally phreatic and phreatomagmatic explosion pits formed at the paleosurface.

Texture/Structure: Generally very fine grained disseminated sulphides in silicified (opalized and chalcedonic) country rocks and silica sinter; hydrothermal breccias, quartz stockworks and banded to vuggy, sheeted, multiple-generation quartz- chalcedony veins. Hydrofracturing textures are common.

Ore Mineralogy (principal and subordinate): Pyrite, marcasite, gold, electrum; stibnite, sulphosalt minerals, realgar, cinnabar (cinnabar only near tops of deposits).

Gangue Mineralogy (principal and subordinate): Quartz, chalcedony; opal, calcite, dolomite, barite. Strong silicification with quartz, chalcedony and opal in crustified, banded veins, sheeted veins and stockworks is characteristic in ores. Silica in some deposits contains abundant hydrocarbons that impart a characteristic brownish colour to the quartz.

Alteration Mineralogy (principal and subordinate): Multiple episodes of silicification to form veins and stockworks, and pervasive silicified hostrocks adjacent to them, is typical. Country rocks containing the silicified zones have argillic and, less commonly, advanced argillic assemblages with quartz-kaolinite and rarely alunite. They are flanked, or underlain, by propylitic rocks with chlorite, Fe oxides, zeolites and minor adularia. Selenite, alunite and other sulphate minerals and native sulphur can be abundant locally near surface.

Ore Controls: A key element at the McLaughlin deposit was the superposition of multiple generations of auriferous veinlets each carrying a small amount of gold (Lehrman, 1986).

Genetic Model: Hydrothermal breccias and multiple generations of veins with calcite replacement by silica attest to boiling of hydrothermal fluids as an important ore-depositing mechanism. The boiling levels are related to the paleosurface and commonly have a surficial expression as active or paleo-hot springs. The deeper hydrothermal fluid systems, generally within 500 meters of surface (paleosurface for older deposits), can be developed along active, regional high-angle faults and other volcanic and subvolcanic intrusion-related structures. The structures commonly cut or flank domes in flow-dome complexes.

Comments: Many deposits currently being exploited throughout the world have grades between 1 and 2 g/t Au and range from a few to tens of millions of tonnes in size. They are viable generally because the rocks are commonly strongly oxidized and the gold can be recovered by heap leaching methods. The siliceous sinters formed at or very near to the surface rarely contain economic mineralization. These deposits have a greater depth extent than hot spring mercury deposits. In their deeper parts they may grade into precious metal bearing and base metal epithermal veins.

Exploration Guides / Geochemical Signature: Au, Sb, As, Hg, Tl near surface, increasing Ag, Ba at depth; locally Ni, B, Li and W. The Ag/Au ratio varies from 1:1 at surface to 30:1 at a depth of a few hundred meters. Mineralized rocks can be strongly leached at surface. Notably absent are: Se, Te, F, Mo, Sn and Mn. Base metal content is relatively low, for example, common amounts are Cu <60 ppm, Pb <5 ppm and Zn <450 ppm.

Economic Factors / Typical Grade and Tonnage: Mineralization tends to be low grade. Economically attractive bulk-mineable deposits contain >10 Mt of 1 to 2 g/t Au, or greater. High-grade veins and stockworks within the larger mineralized zones can be exploited by underground methods. Reserves for Cinola deposit in BC are about 31 Mt with 2.19 g/t Au; the deposit has a feeder zone at depth that contains material containing in excess of 100 g/t Au.

Additional exploration work is warranted on the Property to determine the extent of the Aura Breccia and if there are parallel mineralized zones present within the claim area.

Exploration

During August and September of 2011, the Company carried out an exploration program designed to confirm the results reported by Noranda and determine if additional exploration work is warranted. The historic Noranda exploration data was entered into a GIS database and a high resolution topographic model was constructed to provide base mapping for field operations. Detailed, systematic rock sampling was carried out to verify the grade distribution reported by Noranda from the exposed mineralized breccia zone. Soil geochemical surveys were completed to assess the potential for strike extensions of the zone and a 3D IP survey was completed to determine if the observed mineralized zone has a distinctive chargeability response and to assess potential depth extensions of the observed mineralization.

Field personnel were mobilized to the community of Hope BC and field operations were completed over a period of approximately eight weeks subject to availability of charter helicopter support. Initial work consisted of identifying the area of gold mineralization reported by Noranda and constructing a grid to support the proposed 3D IP survey.

According to Noranda a total of 51 horizontal chip samples (1.5 meters in length) were collected across a total length of 76 meters from a sub-vertical, cliff like outcrop of an exposed mineralized zone. At the time the sampling program was completed by Noranda the horizontal sample intervals were measured and marked with orange spray paint. According to Noranda, 47 of the samples had values greater than 100 ppb gold (equivalent to 0.1 g/t gold) and the average value over the 76 meter interval was 514 ppb gold (equivalent to 0.514 g/ton) and 5.4 ppm Ag, including a 13.5 m section of 1034 ppb Au (equivalent to 1.034 g/t gold) and 9.6 ppm Ag.

The area of gold mineralization identified by Noranda was identified and although none of the original painted sample intervals were visible it was evident that the continuous horizontal interval must have been completed across the base of the outcropping zone. To verify the results reported by Noranda, Company field personnel marked eight sample profile lines with paint (referred to as Profile A through Profile H) spaced at ten meter intervals across the mineralized zone and utilized collapsible ladders to collect a series of continuous 2.5 meter chip samples across each of the marked profiles from the area above the outcropping mineralized zone to the talus covered areas below the mineralized zone. The inclined sample profiles ranged in length from 25 to 45 meters. A total of 33 of the 75 samples collected returned gold values greater than 100 ppb gold (equivalent to 0.1 g/t gold) with a maximum value of 1.925 g/t gold.

To assess potential strike extensions of the mineralized zone identified by Noranda and to assess the potential for parallel mineralized zones the Company completed an orientation soil geochemistry survey consisting of 104 samples. Approximately half of the samples were collected from a series of 25 meter spaced profile lines three of which were positioned to test possible north east extensions of the known mineralized zone and a single profile was positioned to test for possible south west extensions of the zone. One additional profile line was positioned across the central part of the known mineralized zone and extending approximately 200 meters to the northwest and 300 meters to the south east to test for potential parallel mineralized zones. Samples were collected at ten meter intervals. Samples collected from the profile lines that were designed to test for possible strike extensions returned several anomalous values (15 to 20 ppb gold) and indicate potential for extensions especially to the northeast of the known mineralized zone. The sample profile collected across the known mineralized zone showed a strong response from samples collected within the mineralized zone and returned several anomalous results down slope from the zone suggesting some potential for a parallel mineralized zone.

Results of the exploration work completed by the Company are encouraging. Assay results of the systematic rock sampling program completed at the Aura Breccia returned 33 samples with grades ranging from 0.100 g/t gold to 1.925 g/t gold and have confirmed that the exposed breccia zone is consistently mineralized (as reported by Noranda). Soil geochemical surveys confirmed there are potential extensions of the zone along strike to the northeast and according to SJ Geophysics the 3DIP survey has confirmed there is a distinctive chargeability response associated with the known mineralization. More importantly the 3DIP Survey has partially defined a much larger response below the exposed mineralized zone that exhibits the same chargeability response as the observed mineralization.

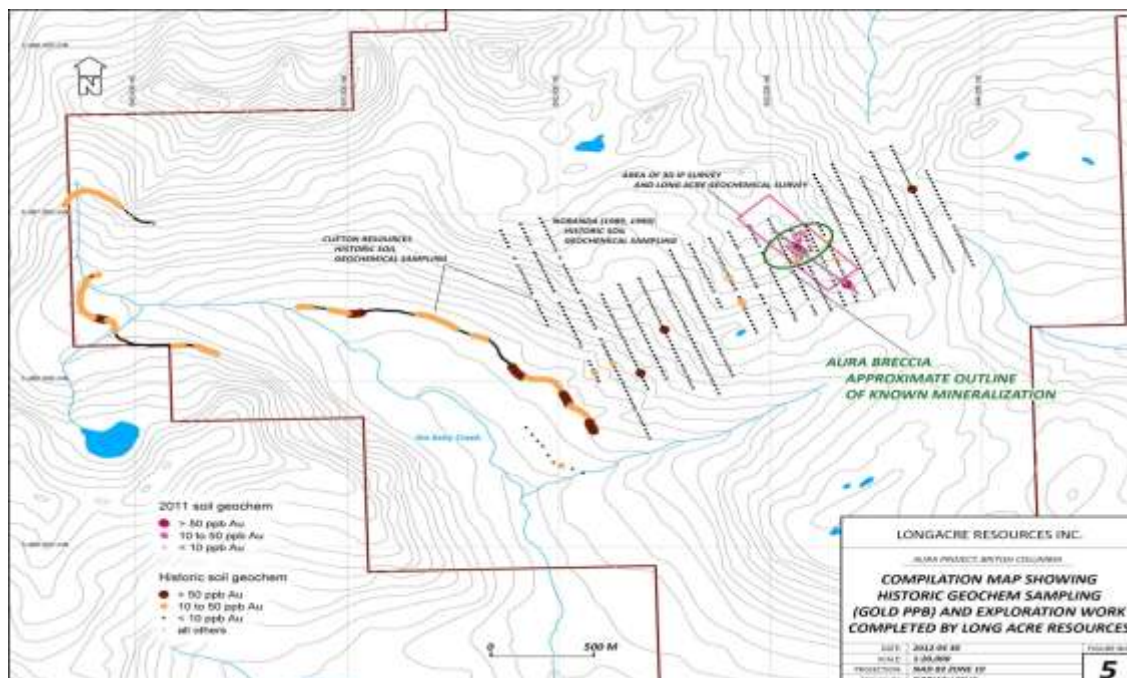
According to SJ Geophysics the Aura Project 3DIP survey consisted of five lines (two receiver lines and three transmitter lines) in a 600 m x 200 m grid elongate to the northwest. The grid extends from a mountain summit at the northwest end and slopes down the mountainside to the southeast. Previous geological field mapping by the client identified a mineralized zone near the centre of the 3DIP grid. The results of the 3DIP survey are consistent with the geologic mapping in that a zone of anomalously high chargeability (~15 ms) in the shallow subsurface matches the mineralized zone mapped at the surface. This near-surface chargeability anomaly is relatively small in size (~50 m x ~25 m) and extends to only ~35 m beneath the surface before dissipating.

SJ Geophysics provided the following summary of the 3DIP survey and results. In summary, the 3DIP survey succeeded at resolving interesting resistivity and chargeability anomalies in the subsurface. Importantly, a small near-surface area of anomalously high chargeability was identified which matches the location of a mineralized outcrop mapped at the surface. A much larger zone of high chargeability was identified at depth; if this is similarly mineralized, it could be a worthy drilling target.

Geophysical features across the rest of the grid and at greater depths include additional interesting zones of anomalous resistivity and chargeability. The near-surface, northwest end of the grid is characterized by low resistivity (<400 ohm-m) and low chargeability (<4 ms) values. With the exception of the near-surface chargeability anomaly mentioned previously, the shallow south eastern parts of the grid are mostly characterized by moderate resistivity (200 to 1100 ohm-m) and moderate chargeability (4 to 11 ms) values. The deeper portions of the grid are characterized by higher resistivity (1100 to >3000 ohm-m) and chargeability (9 to >15 ms) values. One hypothesis is that the shallow areas with both low/moderate resistivity and low/moderate chargeability may represent Coquihalla Volcanic Complex rocks while the deeper zones with higher resistivity/chargeability may represent crystalline basement rocks (e.g. Cretaceous Eagle Peak plutonic complex rocks).

Perhaps the most interesting anomaly identified in this survey is a deep chargeability high centred at about 100 m below the surface on the northwest side of the grid. This anomaly is of similar magnitude to the near-surface chargeability high (up to 15 ms) but it is much larger in size (length and width each >100 m). This deep chargeability high also extends off of the northeast side of the grid, so the full spatial extent of this anomaly is not yet known. The geophysical inversion results suggest that the deep chargeability high is not connected to the near-surface chargeability high. In the event that the deep chargeability high is mineralized it may be a worthy target for drilling.

Compilation Map



Drilling

No diamond drilling was carried out by the Company on the Property. According to published historic technical reports no previous operators have completed any drilling within the current Property.

Sample Preparation, Analysis and Security

The Company completed detailed, systematic rock sampling to verify the grade distribution reported by Noranda from the exposed mineralized breccia zone. Soil geochemical surveys were completed to assess the potential for strike extensions of the zone and to verify the grid soil survey results reported by Noranda.

All rock samples were numbered and sealed in plastic bags. Soil samples were placed in standard Kraft sample bags and sealed for shipment to ALS Chemex in North Vancouver, B.C. ("ALS Chemex"). Samples were transported by helicopter to Hope, B.C. and the Author personally transported all soil and rock samples to the ALS Chemex facility in North Vancouver, B.C. Rock samples were pulverized to -100 mesh and the -80 micrometer mesh sieved fraction of the soil samples was dissolved in an aqua regia solution (3:1 mixture of hydrochloric and nitric acid) and analyzed for the series of 35 elements listed in the ALS Chemex assay reports. Gold was analyzed using a 10g sample split and conventional AA analysis techniques. Based on the fact that the sampling program was designed to verify and follow up previous exploration work completed by Noranda in 1989, no additional QA and QC procedures were implemented as part of the program.

The elements analyzed for and the detection limits are listed in the assay reports. ALS Chemex employs standard QA and QC protocols on all sample analyses including inserting one blank, reference standard and duplicate analysis in every twenty samples analyzed. No additional QA and QC procedures were implemented as part of the program. In the Author's opinion, the sample security employed by the field personnel involved in the sample collection and the sample preparation and analytical procedures employed by ALS Chemex are adequate for the exploration program to be carried out by the Company on the Property.

Data Verification

The soil and rock samples reported by Noranda as part of the 1989 and 1990 exploration programs were collected using conventional sampling tools. Rock sampling was completed using hammer and chisel to obtain representative 1.5 meter channel samples across the exposed mineralized breccia zone. Soil sampling was completed along 50 to 100 meter spaced northwest oriented traverse lines that crossed the known mineralized zone and extended for approximately 500 meters along strike to the northeast and to the southwest.

According to Noranda, samples were processed and analyzed at ACME Analytical Laboratories Ltd. in Vancouver, B.C. Rock specimens were pulverized to -120 mesh (0.13 mm). Sediments and soils were dried at approximately 80°C and sieved with an 80 mesh nylon screen. The -80 mesh (0.18 mm) fraction is used for geochemical analysis. All samples were analyzed for a suite of trace elements by ICP and for gold by conventional AA techniques.

The Author personally supervised the rock sampling and soil sampling programs completed by the Company. The objective of the rock sampling program carried out by the Author was to verify the results reported by Noranda in 1989.

All results reported by ALS Chemex are consistent with the results reported by ACME Analytical Laboratories Ltd. Results for both soil and rock samples are consistent with the results reported by Noranda and it is concluded that the results reported by Noranda are accurate.

Mineral Processing and Metallurgical Testing

No mineral processing or metallurgical testing has been carried out on samples from the Property.

Mineral Resource and Mineral Reserve Estimates

No defined body of potentially commercial mineralization has been identified to date on the Property and therefore

no resource or mineral reserve estimate has been completed.

Adjacent Properties

There are no significant adjoining properties that are relevant to the Property.

Huldra Silver Inc. (“Huldra”) is currently developing a high grade vein type silver deposit (referred to as the Treasure Mountain Project) located approximately 10 km south of the Property. Access to the Huldra silver project is via an existing logging road that traverses the Tulameen River located approximately five km to the east of the Property.

Other Relevant Data and Information

There is no other relevant data or information available for the Property. There is no additional information or explanation necessary to make the technical report understandable and not misleading.

Interpretation and Conclusions

Previous exploration work by Noranda in the late 1980’s identified an outcropping, gold bearing, silicified, breccia zone interpreted as a high level epithermal type occurrence (referred to as the Aura Breccia). Preliminary sampling by Noranda in 1990 indicated that the breccia zone was consistently mineralized and returned gold values ranging from 0.100 to 1.500 g/t gold. According to Noranda, 51 continuous 1.5 meter samples (collected along the trend of the zone) returned an average grade of 0.503 g/t gold. Mineralization is exposed on a steep slope over a length of approximately 100 meters, however, contacts and potential extensions are overburden covered and the geometry of the zone has not been determined.

During August and September of 2011, the Company carried out an exploration program designed to confirm the results reported by Noranda and determine if additional exploration work is warranted. The historic Noranda exploration data was entered into a GIS database and a high resolution topographic model was constructed to provide base mapping for field operations. Detailed, systematic rock sampling was carried out to verify the grade distribution reported by Noranda from the exposed mineralized breccia zone. Soil geochemical surveys were completed to assess the potential for strike extensions of the zone and a 3D IP survey was completed to determine if the observed mineralized zone has a distinctive chargeability response and to assess potential depth extensions of the observed mineralization.

Assay results of the systematic rock sampling program returned grades ranging from 0.100 g/t gold to 1.925 g/t gold and have confirmed that the exposed breccia zone is consistently mineralized. Soil geochemical surveys confirmed there are potential extensions of the zone along strike and the 3DIP survey has confirmed there is a distinctive chargeability response associated with the known mineralization. More importantly the geophysical survey has partially defined a much larger response below the exposed mineralized zone that exhibits the same chargeability response as the observed mineralization. According to SJ Geophysics the geophysical anomaly identified at depth appears to be much larger than the response associated the observed mineralization is open along strike to the north northeast.

Based on the Author’s review of the historic technical data and the results of the exploration work completed by the Company, the Property is considered a promising, early stage epithermal type gold prospect. In the Author’s opinion, the Property is of sufficient merit to warrant additional exploration.

Recommendations

Mapping, rock sampling, soil geochemical surveys and geophysical surveys completed by Noranda and by the Company have confirmed the presence of a significant mineralized zone (Aura Breccia) and found several smaller outcrops of similar quartz breccia, both to the southwest and northeast along strike, as well as at higher elevation. All of these have similar strikes and dips, suggesting a series of stacked sub-parallel silicified breccia zones with a possible strike length of 335 meters.

It is recommended that the next stage of exploration work (Stage 1) at the Property consist of additional detailed geological mapping and soil sampling to assess potential strike extensions of the Aura Breccia Zone and to determine if there are parallel mineralized zones present within the claim area. This stage of exploration should include detailed structural modeling and 3D geological modeling to ensure that all potential target areas (including areas covered by shallow thicknesses of Tertiary volcanic rocks) within the Property are identified. In the event that significant extensions of the known mineralized zone or parallel targets are identified within the claim area a follow-up program (Stage 2) of 3DIP surveys would be warranted.

The total estimated cost of the proposed Stage 1 program is \$215,000. Assuming a minimum of three high priority target areas are identified in Stage 1, the estimated cost of Stage 2 geophysical surveys and follow-up drill testing would be \$440,000.

Proposed Stage 1 Exploration Program

Engineering and project supervision, reports	\$ 17,500
Field costs, vehicle rentals, helicopter charter	37,500
Field personnel (4 man crew) reconnaissance soil surveys geological mapping (allow 30 days @ \$2,500 incl.)	
- allowance for mapping and sample collection (1,000 samples)	75,000
- soil and rock sample assays	35,000
Crew accommodation and camp expense	25,000
Contingency	<u>25,000</u>
Total estimated cost of Stage 1	\$215,000

Proposed Stage 2 Exploration Program

Engineering, permitting and project supervision, reports	\$ 25,000
Field costs, vehicle rentals, helicopter charter	75,000
Geological mapping, supervision of trenching program - collection of fill-in soil samples as required	50,000
Geophysical surveys – allow minimum 2 grid areas incl.	100,000
Diamond drill testing – allow minimum 500 meter program	150,000
Contingency @ 10%	<u>40,000</u>
Total estimated cost of Stage 2	\$440,000

It is estimated that it will take 10 to 12 weeks to complete the proposed Stage 1 exploration program. The best time to complete the proposed program is between May and November.

USE OF PROCEEDS

Proceeds and Funds Available

We estimate we will have the following minimum net funds available to us following closing of the Offering, assuming the Agent's Commission and balance of the Corporate Finance Fee are paid in cash:

Source of Funds	Funds
Gross Proceeds of the Offering	\$600,000
Agent's Commission ¹	\$48,000
Agent's Corporate Finance Fee ¹	\$22,400
Remaining Offering Costs ²	\$94,950
Net Proceeds of the Offering	\$434,650
Working Capital (deficit) as of Dec. 31, 2012 ³	\$ 2,385
Net Funds Available	\$437,035

1. Assumes the full amount of the Agent's Commission and balance of the Agent's Corporate Finance Fee is paid in cash.
2. Total cash expenses of the Offering are estimated as: accounting - \$14,000; legal - \$45,000; TSXV filing fees - \$20,000; Agent's expenses - \$14,000; Securities Commission filing fees - \$3,350; miscellaneous - \$3,000; contingent - \$5,000). As of September 30, 2012, the Issuer had paid \$9,400 of these costs.
3. Includes \$30,625 of cash and current assets, and \$28,240 of current payables.

Principal Purposes

We intend to use our available funds as follows:

Principal Purpose	Funds
Recommended Stage 1 work program on the Property	\$215,000
General and Administrative Expenses ^{1,2} (12 months)	\$96,000
Unallocated Working Capital	\$126,035
Total:	\$437,035

1. Our projected General and Administrative expenses for the next 12 months include the following:
 - Office & Administration \$ 500 per month
 - Professional Fees (legal & audit) \$2,000 per month
 - Management Fees \$5,000 per month
 - Miscellaneous \$ 500 per month
 - Total: \$8,000 per month
2. Management fees of \$2,500 per month will be paid to M. Holden Productions Ltd. (for services of Mark H. Holden in his capacities as President and CEO); and fees of \$2,500 per month will be paid to J.W. Jardine & Company Ltd. (for services of John W. Jardine in his capacity as CFO of the Company).

We intend to use some of our unallocated working capital to investigate other opportunities in the mineral exploration industry. There is no assurance we will be successful in identifying any opportunities, or that our working capital will be sufficient to acquire any such interest.

We intend to spend the funds available to us as stated in this Prospectus. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. If such event occurs during distribution of the securities offered under this Prospectus, we may have broad discretion in the application of such net proceeds and, if required, an amendment to this Prospectus will be filed. Pending utilization of the net proceeds derived from the Offering, we intend to invest the funds in short-term, interest-bearing obligations.

We have a history of negative cash flow and losses, and we do not expect that to change in the short term. All of our operations will be funded by the proceeds from this Offering. Our net available funds will only be sufficient to fund our operations for 12 months.

Business Objectives

Our immediate business objective is to complete the Offering and obtain a listing on the Exchange. The aggregate remaining costs of completing these objectives are estimated at \$94,950 (including legal costs, auditor fees, filing fees for the Exchange and the Securities Commissions, and expenses of the Agent).

We intend to carry out Stage 1 of the recommended exploration program which is estimated to cost \$215,000. If the results of the Stage 1 program warrant continued exploration, it is intended that Stage 2 will be carried out at an estimated cost of \$440,000. Upon completion of the IPO, we will not have the financial resources to complete Stage 2, and no assurance can be given that we will be able to raise additional financing on terms acceptable to us, or at all.

Milestones

Our business objective of completing the Offering under this Prospectus will occur on the Closing Day; and our business objective of listing on the Exchange will occur on the Listing Date. The Stage 1 exploration program is expected to take up to 12 weeks to complete (July 2013 to November 2013), and the results will take an additional four months to compile.

DIVIDENDS OR DISTRIBUTIONS

We have not paid dividends since our incorporation. While there are no restrictions precluding us from paying dividends, we have no cash flow, and we anticipate using all available cash resources toward our stated business objectives. As such we do not anticipate the payment of dividends in the foreseeable future. At present, our policy is to retain earnings, if any, to finance our business operations. The payment of dividends in the future will depend upon, among other factors, our earnings, capital requirements and operating financial conditions.

SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis includes financial information from, and should be read in conjunction with, the audited financial statements of the Company for the period from incorporation to March 31, 2012, the unaudited financial statements for the six months ended September 30, 2012, and the notes thereto, appearing elsewhere in this Prospectus, as well as the disclosure contained throughout this Prospectus.

The following MD&A is as of September 30, 2012 unless otherwise stated.

Overall Performance

The Company was incorporated on April 13, 2011 and commenced business at that time. Our business has been to operate as a mineral resource exploration and development company primarily focused on the acquisition, funding and exploration of the Property, and obtaining a listing on the Exchange. To those ends, we have (i) acquired a 100% interest in the Property; (ii) raised sufficient funds to undertake an initial \$103,347 of exploratory work on the Property; (iii) commissioned the Report on the Property; and (iv) engaged the Agent to assist in our application to the Exchange for a listing of our Shares and to assist in the Offering. As of the date of this Prospectus, we have raised an aggregate of \$243,500 through the sale of our securities.

Significant Acquisitions and Dispositions

Our only significant acquisition to date has been the staking of the Property for aggregate costs of \$17,153.

Selected Financial Information

The following table summarizes selected financial data from our audited financial statements for the period from incorporation on April 13, 2011 to March 31, 2012, and our unaudited financial data for the six months ended

September 30, 2012, and should be read in conjunction with such statements and related notes, contained in this Prospectus:

Item	Six Months Ended September 30, 2012 (unaudited)	Period from April 13, 2011 (date of incorporation) to March 31, 2012
Revenues	nil	nil
Expenses	\$20,784	\$149,811
Net Loss	\$20,784	\$149,811
Current Assets	\$38,371	\$34,689
Mineral Property	\$120,500	\$120,500
Total Assets	\$192,474	\$155,189
Current Liabilities	\$35,569	\$10,000
Working Capital	\$2,802	\$24,689
Shareholders' Equity	\$156,905	\$145,189
Number of Shares Outstanding	6,570,000	5,920,000

Additional Disclosure for Venture Issuers Without Significant Revenue

As the Company has no revenue from operations since incorporation, the following is a breakdown of the material costs incurred since the Company's incorporation on April 13, 2011:

- (a) Exploration Expenditures: We incurred an aggregate \$103,347 of expenditures on the Property, comprising of geological field work, consulting and analysis as more particularly described under the heading "Description of Mineral Property – Interpretation and Conclusions" above; which amount was capitalized and is reflected as a non-current asset on our Statement of Financial Position; and
- (b) General and Administrative Expenses: We incurred aggregate general and administrative expenses of \$170,595, comprising of (i) \$80,000 of stock based compensation expense (a non-cash item) pertaining to our having issued 2,000,000 Shares to our officers and directors at \$0.01 per Share, having a fair market value of \$0.05 per Share (subsequently reduced to \$60,000 upon the repurchase of 500,000 Shares); (ii) \$65,880 of professional fees including \$42,500 paid to a private company controlled by our CFO for accounting services, and \$18,037 paid to a law firm of which one of our directors is a partner; (iii) \$20,000 of management fees paid to a private company controlled by our CEO; and (iv) \$4,715 for miscellaneous other expenses.

As of the date of this Prospectus, the Company is not a reporting issuer in any jurisdiction.

Results of Operations

The financial statements reflect the financial condition of our business from its inception on April 13, 2011 to March 31, 2012, and for the six months ended September 30, 2012. To date, we have raised an aggregate of \$243,500 (\$216,000 as at March 31, 2012; and \$248,500 as at September 30, 2012) through the sale of our securities. Upon completion of the Offering, we intend to carry out the Stage 1 exploration program on the Property as recommended in the Report (\$215,000).

The financial statements reflect our start-up costs and initial operations. There are no comparables to prior periods as the Company was incorporated on April 13, 2011. Briefly, as at September 30, 2012 we had raised \$248,500 through the sale of our securities (\$216,000 at March 31, 2012); paid \$17,153 to stake the Property; and incurred \$103,347 of expenditures on the Property. The Property expenditures consisted primarily of geological field work, consulting and analysis. These costs were incurred in order to identify exploration prospects for Phase 1 of the exploration program. The balance of our expenses, on a cumulative basis to September 30, 2012, are comprised of \$65,880 (\$47,572 at March 31, 2012) of professional fees (including \$42,500 paid to a private company controlled

by our CFO for accounting services, and \$18,037 paid to a law firm of which one of our directors is a partner); \$80,000 of stock-based compensation expense (pertaining to 2,000,000 shares sold to our directors and officers at \$0.01 per share), \$20,000 (\$17,500 at March 31, 2012) of management fees to our CEO, and \$4,715 of office and administration expenses. The stock-based compensation expense was subsequently reduced to \$60,000 upon the repurchase by the Company of 500,000 Shares for the original cost of \$0.01 per Share.

Liquidity and Capital Resources

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and cash equivalents and equity comprised of issued share capital and deficit.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements as at September 30, 2012.

Working Capital

As of September 30, 2012, we had working capital of \$2,802 (\$24,689 as of March 31, 2012) consisting of \$17,194 of cash, \$21,177 of amounts receivable (HST and tax recoverables), and \$35,569 of accounts payable. As at December 31, 2012 we had working capital of \$2,385.

Cash and Cash Equivalents

On September 30, 2012, we had cash of \$17,194. Management of cash balances is conducted in-house based on internal investment guidelines. Cash and cash equivalents are deposited with major Canadian financial institutions. Cash required for immediate operations is held in a checking account. Excess funds may be invested in conservative money market instruments that bear interest and carry a low degree of risk. Some examples of instruments in which we may invest its cash are treasury bills, money market funds, bank guaranteed investment certificates and bankers' acceptance notes. The objective of these investments is to preserve funds for the advancement of the Company's business.

Cash Used in Operating Activities

Net cash used in operating activities during the six months ended September 30, 2012 was \$14,422 (\$80,384 at March 31, 2012). Cash was mostly spent on legal, audit and accounting fees, management fees, and general and administrative costs.

Cash Used in Investing Activities

Total cash used in investing activities during the six months ended September 30, 2012 was \$nil (\$120,500 at March 31, 2012), related to Property acquisition payments and exploration activities.

Cash Generated by Financing Activities

Total net cash generated by financing activities during the six months ended September 30, 2012 was \$17,500 (\$215,000 at March 31, 2012), which in aggregate consisted of funds obtained through the issuance of 6,570,000 Shares to realize \$248,500, less deferred financing and share issue costs of \$16,000.

Requirement of Additional Equity Financing

We have relied primarily on equity financings for all funds raised to date for our operations. We will need more funds to explore and develop the Property. Until we start generating profitable operations from exploration, development and sale of minerals, we intend to continue relying upon the issuance of securities to finance our operations and acquisitions.

Outstanding Share Data

Our authorized share capital consists of an unlimited number of Common Shares without par value.

At September 30, 2012, there were 6,570,000 Shares issued and outstanding (5,920,000 at March 31, 2012), which were issued for aggregate consideration of \$248,500.

At September 30, 2012 there were outstanding Warrants to purchase an aggregate of up to 4,570,000 Shares (3,920,000 Warrants at March 31, 2012) at a price of \$0.10 per Share.

As of the date of the Prospectus there were 6,070,000 Shares and 4,570,000 Warrants issued and outstanding. The number of outstanding Shares decreased following September 30, 2012 upon the repurchase by the Company of 500,000 Shares from our directors and CFO, at the purchase price of \$0.01 per Share, being the original cost thereof. The Shares were repurchased so as to enable the Company to meet TSXV founders' stock policy guidelines.

Critical Accounting Estimates

Our significant accounting policies are presented in Note 2 of the audited financial statements for the period ended March 31, 2012. Note 2(p) provides that the preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Significant areas requiring the use of management estimates include the valuation of stock based compensation, assumptions and estimates relating to determining the recoverability of exploration and evaluations assets, and valuation of income tax, including the effects of flow-through shares. Actual results could differ.

Changes in Accounting Policies

We have not made any changes to the accounting policies.

Financial Instruments

Our only financial instruments consist of cash, amounts receivable and accounts payable. We are of the opinion that we are not exposed to significant interest, currency or credit risks arising from these financial instruments. As at September 30, 2012 we had cash in the amount of \$17,194 held in our bank account; HST and tax recoverables of \$21,177, and current payables and accrued liabilities of \$35,569.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Contractual Obligations for Next Five Years

The Company has no contractual obligations over the next five years. We have payments to make with respect to maintaining our interest in the Property, but all such payments are optional. We have no material equipment lease obligations.

New Accounting Policies

The following new standards and amendments to standards are effective for annual periods beginning after January 1, 2013 and have not been applied in preparing these financial statements:

- IFRS 9 – Financial Instruments: Classification and Measurement applies to classification and measurement of financial assets and liabilities as defined in IAS 39. It is effective for annual periods beginning on or after January 1, 2015 with early adoption permitted.
- IFRS 10 – Consolidation replaces SIC-12 Consolidation—Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements and requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

- IFRS 11 – Joint Arrangements requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas joint operations, the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. IFRS 11 supersedes IAS 31 Interests in Joint Ventures, and SIC-13 Jointly Controlled Entities—Non-monetary Contributions by Venturers.
- IFRS 12 – Disclosure of Interest in Other Entities establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, and special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces additional disclosures addressing the nature of, and risks associated with, an entity’s interests in other entities.
- IFRS 13 – Fair Value Measurement is a comprehensive standard that defines fair value, requires disclosure about fair value measurement and provides a framework for measuring fair value when it is required or permitted within the IFRS standards.
- IAS 27 – Separate Financial Statement addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements.
- IAS 28 – Investments in Associates and Joint Ventures has been amended to include joint ventures in its scope and to address the changes in IFRS 10 – 13.
- IAS 1 – Presentation of Financial Statements amendment requires components of other comprehensive income to be separately presented between those that may be reclassified to income and those that will not. The amendments are effective for annual periods beginning on or after July 1, 2012.
- IAS 32 – Financial Instruments: Presentation amendment provides clarification on the application of offsetting rules. The amendments are effective for annual periods beginning on or after July 1, 2012.

The Company is in the process of evaluating the impact of the new standards and amendments issued.

Transactions with Related Parties

For the period from incorporation on April 13, 2011 to September 30, 2012, we have had the following related party transactions:

- we paid \$20,000 of management fees to a company affiliated with Mark H. Holden (a director and officer of the Company);
- we paid or accrued \$18,037 of legal fees to a law firm of which Jeff Lightfoot (a director of the Company) is a partner;
- we paid \$42,500 of accounting fees to a company affiliated with John W. Jardine (the CFO of the Company).

The transactions with related parties were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the parties.

Flow-Through Securities

In June 2011 we raised a total of \$60,000 through the issuance of flow-through securities to two investors. As of March 31, 2012, we had spent all of those funds on qualifying flow through exploration expenditures incurred on the Property; and we had renounced \$60,000 of such expenditures to the two Canadian resident investors, effective December 31, 2011.

DESCRIPTION OF SECURITIES DISTRIBUTED

The securities being distributed by this Prospectus consist of:

- (a) 4,000,000 Offered Shares;
- (b) up to 320,000 Agent's Commission Shares;
- (c) up to 133,333 Corporate Finance Shares; and
- (d) 320,000 Agent's Options.

All of the Offered Shares and the Qualified Compensation Securities being issued to the Agent are qualified by this Prospectus. See "Plan of Distribution."

Common Shares

We have one class of shares, being common shares (the "Shares") without par value. The Company is authorized to issue an unlimited number of Common Shares, of which as of the date hereof 6,070,000 Shares are issued and outstanding as fully paid and non-assessable. We are seeking to sell and distribute 4,000,000 Shares by way of the Offering. If the Agent elects to take some or all of the Agent's Commission or Corporate Finance Fee in Shares, we will also be issuing up to 320,000 Commission Shares and up to 133,333 Corporate Finance Shares on Closing. We will also be reserving up to 320,000 Shares for issuance upon exercise of the Agent's Options.

Our Shares are not subject to any future call or assessment and do not have any pre-emptive, conversion or redemption rights, and all have equal voting rights. There are no special rights or restrictions of any nature attached to any of our Shares, all of which rank equally as to all benefits which might accrue to the holders of the Shares. All holders of Shares are entitled to receive a notice of any general meeting to be convened by us. At any general meeting, subject to the restrictions on joint registered owners of Shares, every shareholder has one vote for each Share of which he is the registered owner. Voting rights may be exercised in person or by proxy.

The holders of Shares are entitled to share pro rata in any: (i) dividends if, as and when declared by our directors, and (ii) such of our assets as are distributable to them upon liquidation of the Company. The Shares issued and outstanding upon completion of the Offering will be fully paid and non-assessable. Rights pertaining to the Shares may only be amended in accordance with applicable corporate law.

Securities Issuable to the Agent

On the Closing Day, we will issue, at the election of the Agent, up to 320,000 Commission Shares, up to 133,333 Corporate Finance Shares, and the Agent's Options to the Agent. We have reserved an aggregate of 320,000 Agent's Option Shares for issuance to the Agent in the event the Agent's Options are exercised.

The certificates representing the Agent's Options will, among other things, include provisions for the appropriate adjustment in the class, number and price of the Agent's Option Shares to be issued on exercise of such options upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Company's Shares, the payment of stock dividends, and corporate reorganization of the Company. The issue of Agent's Options will not restrict or prevent us from obtaining any other financing, or from issuing additional securities or rights, during the period within which the options may be exercised.

CONSOLIDATED CAPITALIZATION

The following table summarizes our share and loan capitalization; and should be read in conjunction with the financial statements appearing elsewhere in this Prospectus:

Designation of Security	Amount Authorized	Amount Outstanding at Sept. 30, 2012	Amount Outstanding at date of the Prospectus	Amount Outstanding upon Completion of the Offering¹
Common Shares	Unlimited	6,570,000	6,070,000	10,523,333
Warrants	n/a	4,570,000	4,570,000	4,570,000
Agent's Options	n/a	nil	nil	320,000

1. Assumes the issuance of 320,000 Agent's Commission Shares and 133,333 Corporate Finance Shares. Assumes no exercise of outstanding Warrants or Agent's Options.

OPTIONS AND OTHER RIGHTS TO PURCHASE SECURITIES

Warrants

There are presently 4,570,000 Warrants outstanding, each exercisable to acquire one Share at \$0.10 for 24 months following the Listing Date. The certificates representing the Warrants include provisions for the appropriate adjustment in the class, number and price of the Shares to be issued on exercise of the Warrants upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Company's Shares, the payment of stock dividends, and corporate reorganization of the Company. The Warrants do not restrict or prevent us from obtaining any other financing, or from issuing additional securities or rights, during the period within which the Warrants may be exercised.

Summary of Stock Option Plan

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

The Plan is administered by our directors. The maximum number of shares or bonus shares which may be issuable pursuant to options subject to the Plan shall not exceed 10% of the number of Shares outstanding as of the date of each grant, on a non-diluted basis. Options issued pursuant to the Plan will have an exercise price determined by our directors provided that the exercise price shall not be less than the price permitted by the Exchange.

Subject to the particular provisions of option agreements, options granted under the Plan are non-transferable, have a maximum term of 10 years from the date of grant, and will expire 30 days from the date the optionee ceases to be an officer, director, employee or consultant of the Company, except in the event of termination for just cause or the death of an optionee, in which case options held by the estate of such optionee will expire not less than three months and not more than six months from the date of the optionee's death. The Plan is subject to annual Shareholder approval and acceptance for filing by the Exchange.

As of the date hereof, no stock options have been granted under the Plan.

Agent's Options

Pursuant to the terms of the Agency Agreement, the Agent will be granted the Agent's Options to acquire up to 320,000 Agent's Option Shares exercisable at a price of \$0.15 per Agent's Option Share for a period of 24 months from the Listing Date.

PRIOR SALES

Since the date of our incorporation, the following Common Shares or securities convertible or exercisable into Common Shares have been issued:

Date	Number and Type of Securities	Issue / Exercise Price Per Security	Aggregate Issue Price	Nature of Consideration Received
April 13, 2011	2 Shares	\$0.01	\$0.01	cash
April 13, 2011	(1 Share) ¹	n/a	n/a	n/a
May 25, 2011	2,000,000 Shares ^{2,6}	\$0.01	\$20,000	cash
June 8, 2011	(1 Share) ¹	n/a	n/a	n/a
June 8, 2011	1,800,000 Shares ^{3,4} 1,800,000 Warrants ^{3,4}	\$0.05 Exercisable at \$0.10	\$90,000	cash
October 31, 2011	800,000 Shares ⁴ 800,000 Warrants ⁴	\$0.05 Exercisable at \$0.10	\$40,000	cash
February 17, 2012	1,320,000 Shares ⁵ 1,320,000 Warrants ⁵	\$0.05 Exercisable at \$0.10	\$66,000	cash
April 25, 2012	30,000 Shares ⁵ 30,000 Warrants ⁵	\$0.05 Exercisable at \$0.10	\$1,500	cash
May 3, 2012	140,000 Shares ⁵ 140,000 Warrants ⁵	\$0.05 Exercisable at \$0.10	\$7,000	cash
May 4, 2012	280,000 Shares ⁵ 280,000 Warrants ⁵	\$0.05 Exercisable at \$0.10	\$14,000	cash
July 26, 2012	200,000 Shares ⁵ 200,000 Warrants ⁵	\$0.05 Exercisable at \$0.10	\$10,000	cash
Nov. 19, 2012	(500,000 Shares) ⁶	\$0.01	(\$5,000)	cash
Totals	6,070,000 Shares 4,570,000 Warrants		\$243,500	

1. The original incorporators' shares issued April 13, 2011 were repurchased by the Company for \$0.01 per share.
2. All of these Shares are held in escrow under the Escrow Agreement. See "Escrowed Securities" below.
3. 600,000 of these Shares (issued as flow-through Shares) and 600,000 Warrants are held in escrow under the Escrow Agreement. See "Escrowed Securities" below.
4. 600,000 of these Shares and 600,000 Warrants are held in escrow under the Escrow Agreement. See "Escrowed Securities" below.
5. All of these Shares and Warrants are held in escrow under the Escrow Agreement. See "Escrowed Securities" below.
6. 500,000 Shares were repurchased by the Company, pro-rata from the holders thereof, at the original cost of \$0.01 per Share.

FULLY DILUTED SHARE CAPITAL

The following table sets out our share capital on a fully diluted basis after closing of the Offering:

Description	No. of Common Shares	Percentage of Common Shares
Shares outstanding prior to the Offering	6,070,000	36.86%
Shares issued pursuant to the Offering	4,000,000	24.29%
Agent's Commission Shares ¹	320,000	1.94%
Corporate Finance Shares ¹	133,333	0.81%
Sub-total	10,523,333	63.91%
Shares to be issued on exercise of outstanding Warrants	4,570,000	27.75%
Agent's Option Shares	320,000	1.94%
Shares issuable under the Stock Option Plan ²	1,052,333	6.39%
Total	16,465,666	100.00%

1. Maximum. Issuable at the Agent's election in lieu of receiving cash.
2. Maximum. Effective the Listing Date.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO RESTRICTIONS ON TRANSFER

Escrowed Securities

National Policy 46 – 201, *Escrow for Initial Public Offerings* ("NP 46-201"), sets out a national escrow regime applicable to initial public distributions. Pursuant to that policy, the Shares held by certain shareholders must be placed in escrow with the Escrow Agent, to be released therefrom over a period of three years. The following table sets forth details of our securities to be held in escrow following the completion of the Offering:

Designation or Class	Number of Securities Held in Escrow¹	Percentage of Class upon Completion of Offering²
Common Shares	4,670,000 Shares	44.38%
Warrants	3,170,000 Warrants	69.37%

1. Shares and Warrants are held in escrow pursuant to the Escrow Agreement. The shareholders subject to escrow are set forth in the table below. Pursuant to the Escrow Agreement the Escrowed Securities will be released from escrow as to 10% upon the Listing Date, with the balance in six equal releases at six month intervals over the 36 months following the Listing Date. The Escrow Agent is Equity Transfer and Trust Company. See disclosure below for details of the dates and conditions of release of the Escrowed Securities.
2. Excludes Agent's Options. Based on there being 10,523,333 Shares and 4,570,000 Warrants outstanding and that none of the escrowed shareholders participate in the Offering.

The following is a list of those shareholders who own Escrowed Securities subject to the Escrow Agreement:

Name and Municipality of Residence	No. of Escrow Shares	No. of Escrow Warrants
Mark H. Holden, <i>West Vancouver, BC</i>	2,310,000	1,560,000
John W. Jardine, <i>West Vancouver, BC</i>	180,000	30,000

Name and Municipality of Residence	No. of Escrow Shares	No. of Escrow Warrants
W.D. Bruce Winfield, <i>West Vancouver, BC</i>	150,000	nil
Jeffrey B. Lightfoot, <i>Richmond, BC</i>	1,650,000	1,200,000
Gail Fish, <i>West Vancouver, BC¹</i>	140,000	140,000
Deborah Holden, <i>West Vancouver, BC²</i>	240,000	240,000
Total	4,670,000	3,170,000

1. Spouse of John W. Jardine.
2. Spouse of Mark H. Holden.

We are an “emerging issuer” as defined in NP 46-201. Should we become an “established issuer” as defined in NP 46-201, the release of the remaining Escrowed Securities will be accelerated on a retroactive basis such that 25% would have been released on the Listing Date and an additional 25% would have been released every six months thereafter.

Pursuant to the terms of the Escrow Agreement, the Escrowed Securities may not be transferred or otherwise dealt with during the term of the Escrow Agreement except for certain circumstances, including:

- (a) transfers to our continuing or incoming directors and senior officers, subject to the Company’s Board of Directors’ approval;
- (b) transfers to an RRSP or similar trust plan provided that the only beneficiaries are the transferor or the transferor’s spouse or children;
- (c) transfers upon bankruptcy to a trustee in bankruptcy; and
- (d) pledges to a financial institution as collateral for a *bona fide* loan, provided that upon a realization the securities remain subject to escrow.

The complete text of the Escrow Agreement is available for inspection at the registered and records office of the Company and is also available on SEDAR at www.sedar.com.

Securities Subject to Resale Restrictions

Exchange policies require that in certain circumstances securities distributed prior to an issuer completing an initial public offering which are sold at a discount to the initial public offering price, will be subject to resale restrictions over and above those imposed by applicable securities legislation. In this instance:

- (i) 200,000 of the Shares and Warrants sold October 31, 2011 (and any Shares realized upon exercise of the Warrants), being those not subject to the Escrow Agreement, will be subject to resale restrictions imposed by Exchange policies such that 20% will be released from resale restrictions on the Closing Day and additional 20% will be released every month thereafter for four months; and
- (ii) 1,200,000 of the Warrants sold June 8, 2011 (and any Shares realized upon exercise of the Warrants), being those not subject to the Escrow Agreement, will be subject to resale restrictions imposed by Exchange policies such that 20% will be released from resale restrictions on the Closing Day and additional 20% will be released every month thereafter for four months

Any securities issued to the Agent that are not Qualified Compensation Securities, being those that are not qualified for distribution under this Prospectus, will be subject to a four month hold period commencing from the Closing Day.

PRINCIPAL SHAREHOLDERS

To the knowledge of our directors and officers, the following persons will beneficially own, as of the Closing Day, directly or indirectly, or exercise control or direction over, more than 10% of our Shares:

Name and Municipality of Residence	No. of Shares	Percentage following Closing of the Offering ¹
Mark H. Holden, <i>West Vancouver, BC</i>	2,310,000	21.95%
Jeffrey B. Lightfoot, <i>Richmond, BC</i>	1,650,000	15.68%

1. Assumes 10,523,333 Shares outstanding.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Address, Occupation and Security Holding

The name, province or state and country of residence, and position with the Company, of each of our directors and executive officers is set out in the table below. Details of their principal business or occupation in which they have been engaged during the immediately preceding five years are as set out under “Management of Reporting Issuers” following the table.

Name, Position, Province or State and Country of Residence	Principal Occupation or Employment for the Past Five Years	Date Elected or Appointed	Number of Common Shares and Percentage of Common Shares at Closing ¹
MARK H. HOLDEN² British Columbia, Canada CEO, President and Director	Self-employed. President of M. Holden Productions Ltd. (a private company providing finance consulting services to private and public companies) since May 2009. Previously Co-CEO of Conversion Works Corp (October 2010 to February 2011) a private company involved in 3D film conversion; CEO of Aldrin Resource Corp. from August 2006 to October 2008; and CEO of Hip Digital Media Inc. from September 2006 to April 2009 (a private online music and media distribution company).	April 13, 2011	2,310,000 (21.95%)
ROBERT W. FALLS² British Columbia, Canada Director	Chairman of ERA Carbon Offsets Ltd. (TSXV). President of Carboncorp Management Ltd., a private company providing consulting services in the climate change and carbon market industries.	August 14, 2012	nil
JOHN W. JARDINE British Columbia, Canada CFO and Corporate Secretary	Self-employed. President of J.W. Jardine & Company Ltd. (a private company providing accounting services to private and public companies) since January 1991. Currently CFO of several Exchange listed companies.	May 9, 2011	180,000 (1.71%)

Name, Position, Province or State and Country of Residence	Principal Occupation or Employment for the Past Five Years	Date Elected or Appointed	Number of Common Shares and Percentage of Common Shares at Closing ¹
W.D. BRUCE WINFIELD² British Columbia, Canada Director	Professional Geologist. Currently, CEO, President and a director of Defiance Silver Corp. (TSXV) from June 6, 2011 to present. He is President of Winfield Consulting Ltd. (since August 2010), a wholly owned private geological consulting company. Formerly President, CEO and a director of Panthera Exploration Inc. (now called Iron South Mining Corp.; TSXV) from December 2009 to July 2010; President, CEO and a director of Portal Resources Ltd. (TSXV) from March 2004 to July 2008.	May 9, 2011	150,000 (1.43%)
JEFFREY B. LIGHTFOOT British Columbia, Canada Director	Partner, Maitland & Company (a Vancouver based law firm) from June 1986 to present. Currently a director of several Exchange listed companies.	May 9, 2011	1,650,000 (15.68%)

1. Assuming 10,523,333 Shares outstanding on completion of the Offering.
2. Member of the Audit Committee.

The term of office for our directors and members of our committees expires at each annual general meeting. The board of directors after each such meeting appoints our committees for the ensuing year. We currently have one board committee, being an audit committee which presently consists of Mark H. Holden (Chair), Robert W. Falls, and W.D. Bruce Winfield.

As of the date hereof, our directors and executive officers, including spouses and associates, as a group beneficially own, directly or indirectly, or exercise control or direction over 4,290,000 Common Shares representing 70.68% of the issued and outstanding Common Shares prior to the Offering, and 40.76% of the issued and outstanding Common Shares upon completion of the Offering (assuming 10,523,333 Shares are outstanding).

Management of the Company

The following provides additional information regarding our directors and executive officers:

MARK HANSON HOLDEN, CEO, President and Director

Mr. Holden, age 54, has been CEO, President and a director of the Company since April 13, 2011.

Mr. Holden is self-employed. He is the President of M. Holden Productions Ltd., a private company that provides corporate finance and securities related consulting services to private and public companies. He is also a director of Otterburn Resources Corp. (TSXV) since May 2010 and of Rouge Resources Ltd. (TSXV; OTCBB) since October 2010. Previously he was Co-CEO of Conversion Works Corp (October 2010 to February 2011) a private company involved in 3D film conversion; was CEO, Chairman and a director of Aldrin Resource Corp. (TSXV) from August 2006 to October 2008; a director of Tiny Massive Technologies Inc. (CDNX) from December 2009 to January 2010; and was CEO of Hip Digital Media Inc. from September 2006 to April 2009 a private online music and media distribution company.

Mr. Holden is not an employee of the Company, and, in his capacity as CEO and President, will dedicate approximately 25% of his time to the affairs of the Company. Mr. Holden is not a party to any non-competition or confidentiality agreement with the Company.

JOHN WILLIS JARDINE, *CFO and Corporate Secretary*

Mr. Jardine, age 60, has been CFO and Corporate Secretary of the Company since May 9, 2011.

Mr. Jardine is a Certified Management Accountant (CMA), having received the designation in 1981. He holds a B.Com degree from Carleton University, Ontario (May 30, 1975).

Mr. Jardine is self-employed, providing corporate administration and financial management services to public and private companies through his privately owned company - J.W. Jardine & Company Ltd. where he is President (since January 1991). He is currently CFO of Declan Resources Inc. (TSXV) since November 2011, CFO of Eshippers Management Ltd. (TSXV) since May 2009, and CFO of Suparna Gold Corp. (TSXV) since October 2010. He was formerly CFO of Ryland Oil Corporation (TSXV) (April 2008 to August 2010), Silverstar Mining Corp. (OTCBB) (March 2008 to March 2009), Constitution Mining Corp. (OTCBB) (February 2007 to December 2007), Trustmark Auto Group Inc. (now called Keymark Resources Inc.; CDNX) (February 2007 to December 2007), and CFO and a director of Geodex Minerals Ltd. (TSXV) (July 1997 to May 2008).

Mr. Jardine is not an employee of the Company, and in his capacity as CFO will dedicate approximately 25% of his time to the affairs of the Company. Mr. Jardine is not a party to any non-competition or confidentiality agreement with the Company.

WILLIAM DOUGLAS BRUCE WINFIELD, *Director*

Mr. Winfield, age 65, has been a director of the Company since May 9, 2011.

Mr. Winfield holds a M.Sc. (June 30, 1975) and B.Sc. (June 30, 1972) degree from the University of Western Ontario. Mr. Winfield is a member of the Association of Professional Engineers and Geoscientists of the Province of British Columbia (since 2001); Fellow of the Geological Association of Canada (since 1980), Member of the Society of Economic Geology (since 1985); as well as a Member of the Geological Association of America, Canadian Institute of Mining and Metallurgy and Society of Mining and Metallurgical Engineers.

Mr. Winfield has 12 years' experience managing public companies as both a director and/or executive officer. He is currently CEO, President and a director of Defiance Silver Corp. (since June 2011). Mr. Winfield was formerly a director of Trade Winds Ventures Inc. (TSXV) (February 2006 to December 2011); President and CEO of Panthera Exploration Inc. (now called Iron South Mining Corp.; TSXV) (December 2009 to July 2010); President, CEO and a director of Portal Resources Ltd. (TSXV) (March 2004 to July 2008); a director of Lorex Minerals Inc. (TSXV) (September 2001 to November 2003); and a director of Intrepid Minerals Corp. (TSXV) (January 1997 to July 2006).

Mr. Winfield is not an employee of the Company, and in his capacity as director will only dedicate approximately 5% of his time to the affairs of the Company. Mr. Winfield is not a party to any non-competition or confidentiality agreement with the Company.

JEFFREY BLAIR LIGHTFOOT, *Director*

Mr. Lightfoot, age 53, has been a director of the Company since May 9, 2011.

Mr. Lightfoot holds a Bachelor of Laws (LL.B.) degree (1984) from Osgoode Hall Law School, Toronto, Ontario and a Bachelor of Business Administration (B.B.A.) degree (1981) from Wilfrid Laurier University, Waterloo, Ontario. He is an active practicing member of the Law Society of British Columbia (since September 1985) and a Partner of the law firm of Maitland & Company, Vancouver, British Columbia (since June 1986).

Mr. Lightfoot has been both a director and/or executive officer of a number of reporting issuers. He is currently a director of Playfair Mining Ltd. (TSXV) (since July 2002), a director of CCT Capital Corp. (TSXV) (since May

2006), and a director of Benzai Capital Corp. (NEX) (since January 2007). He is formerly a director of Avani International Group Inc. (OTCBB) (May 1999 to November 2010), a director of Amerix Precious Metals Corporation (TSXV) (May 1996 to December 2007), a director of General Strategies Ltd. (TSXV) (January 2003 to December 2005), director and President of Butler Developments Corp. (May 2002 to February 2004), director and Secretary of Multiplex Technologies Inc. (CDNX) (September 1999 to June 2002), director of Tatmar Ventures Inc. (TSXV) (January 2005 to December 2010), director of LTT Capital Corp. (TSXV) (March 2006 to June 2007), director of Blackburn Ventures Corp. (TSXV) (August 2006 to December 2009), a director of Minaurum Gold Inc. (formerly Chava Resources Ltd. - (CDNX) (March 2008 to January 2009), and a director of Fuller Capital Corp. (TSXV) (October 2009 to January 2013).

Mr. Lightfoot is not an employee of the Company, and in his capacity as director will only dedicate approximately 5% of his time to the affairs of the Company. Mr. Lightfoot is not a party to any non-competition or confidentiality agreement with the Company.

ROBERT WILLIAM FALLS, *Director*

Mr. Falls, age 61, has been a director of the Company since August 14, 2012.

Mr. Falls holds a Bachelor of Sciences (B.Sc.) degree (1973) and a Doctorate of Philosophy (Ph.D.) degree (1990) both from the University of British Columbia. He is certified as a Registered Professional Biologist from the College of Applied Science (1990).

Since October 2009, Mr. Falls has been the Chairman of ERA Carbon Offsets Ltd. (TSXV). Since October 1997, Mr. Falls has been the President of Carboncorp Management Ltd., a company which provides climate change impact mitigation and adaptation services, and carbon market intelligence to businesses, government and non-government organizations. He is also a director of Montreux Capital Corp. (TSXV; since October 2007), and a director of Gstaad Capital Corp. (TSXV; since December 2010).

Mr. Falls is not an employee of the Company, and in his capacity as director will only dedicate approximately 5% of his time to the affairs of the Company. Mr. Falls is not a party to any non-competition or confidentiality agreement with the Company.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

None of our directors or executive officers are, as at the date of this Prospectus, or have been within 10 years before the date of this Prospectus, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or
- (b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;

except that:

- (i) on December 14, 2009 John W. Jardine received a cease trade order from the B.C. Securities Commission for failure to file an insider trading report for Silverstar Mining Corp. Mr. Jardine was CFO of Silverstar Mining Corp. (OTCBB) from March 2008 to March 2009. The required insider trading report was filed on or about January 4, 2010.
- (ii) Jeffrey B. Lightfoot was a director of Avani International Group Inc. (OTCBB) when on March 2, 2009, the B.C. Securities Commission issued a cease trade order for failure to file financial statements when required,

which cease trade order has not been revoked. Mr. Lightfoot resigned from Avani on November 23, 2010; and

- (iii) Jeffrey B. Lightfoot was a director of Benzai Capital Corp. (TSXV) when on November 5, 2010 the B.C. Securities Commission issued a cease trade order for failure to file financial statements when required, which cease trade order was revoked on July 8, 2011.

None of our directors, executive officers or a shareholder holding a sufficient number of our securities to affect materially the control of the Company:

- (a) is, as at the date of this Prospectus, or has been within the 10 years before the date of this Prospectus, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (b) has, within the 10 years before the date of this Prospectus, 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;
- (c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (d) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Our directors are required to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests which they may have in any project or opportunity of the Company. However, our directors and officers may serve on the boards and/or as officers of other companies which may compete in the same industry as the Company, giving rise to potential conflicts of interest. To the extent that such other companies may participate in ventures in which we may participate, they may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such conflicts of interest arise at a meeting of our directors, such conflicts of interest must be declared and the declaring parties must abstain from voting for or against the approval of such participation. The remaining directors will determine whether or not we will participate in any such project or opportunity.

Our directors and officers are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest, and we will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. Such directors or officers in accordance with the *Business Corporations Act* (British Columbia) will disclose all such conflicts and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

In assessing the compensation of its executive officers, the Company does not have in place any formal objectives, criteria or analysis. Compensation payable is currently determined by the Compensation Committee, subject to ratification by the Board. At the present time, compensation paid to our executive officers is expected to consist solely of management fees and stock options.

Payments may be made from time to time to executive officers or companies they control for the provision of consulting or management services. Such services are paid for by the Company at competitive industry rates for work of a similar nature by reputable arm's length services providers.

We intend to pay management fees of \$2,500 per month to each of our CEO (payment to be made to M. Holden Productions Ltd., a private company affiliated with Mark H. Holden) and our CFO (payment to be made to J.W. Jardine & Company Ltd., a private company affiliated with John W. Jardine) following the Listing Date; and to grant incentive stock options to all of our directors pursuant to our stock option plan.

Option Based Awards

Stock options will be granted pursuant to the Company's Plan to provide an incentive to the directors, officers, employees and consultants of the Company to achieve the longer-term objectives of the Company; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Company; and to attract and retain persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Company.

Named Executive Officers' Compensation

In accordance with applicable securities legislation, we currently have two Named Executive Officers ("NEOs"); being Mark H. Holden as CEO and President, and John W. Jardine as CFO and Corporate Secretary. During the period from incorporation to March 31, 2012 the following compensation was paid to our NEOs:

Name and Principal Position	Period Ended ¹	Salary ⁶ (\$)	Share Based Awards (\$)	Option Based Awards(\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long Term Incentive Plans			
<i>Mark H. Holden</i> CEO, President	03/31/12	nil	30,000 ²	nil	nil	nil	nil	\$17,500 ³	\$47,500
<i>John W. Jardine</i> CFO, Corporate Secretary	03/31/12	nil	6,000 ⁴	nil	nil	nil	nil	\$27,500 ⁵	\$33,500

- 1 Period from incorporation to March 31, 2012.
- 2 Reflects a pro-rata share of the \$60,000 stock based compensation expense incurred by the Company with respect to 1,500,000 Shares sold at \$0.01 per Share which had a deemed fair market value of \$0.05 per Share (Mr. Holden holds 750,000 (50%) of the 1,500,000 Shares sold at \$0.01). The stock based compensation expense was originally \$80,000, (Mr. Holden's share being \$40,000) but was reduced upon the pro-rata repurchase by the Company of 500,000 Shares at the original cost of \$0.01 per Share.
- 3 Amount paid to M. Holden Productions Ltd. (a private company controlled by Mr. Holden) for services rendered by Mr. Holden as CEO of the Company.
- 4 Reflects a pro-rata share of the \$60,000 stock based compensation expense incurred by the Company with respect to 1,500,000 Shares sold at \$0.01 per Share which had a deemed fair market value of \$0.05 per Share (Mr. Jardine holds 150,000 (10%) of the 1,500,000 Shares sold at \$0.01). The stock based compensation expense was originally \$80,000, (Mr. Jardine's share being \$8,000) but was reduced upon the pro-rata repurchase by the Company of 500,000 Shares at the original cost of \$0.01 per Share.
- 5 Amount paid to J.W. Jardine & Company Ltd. (a private company controlled by Mr. Jardine) for services rendered by Mr. Jardine as CFO of the Company.
- 6 Each of Mr. Holden (through M. Holden Productions Ltd.), and Mr. Jardine (through J.W. Jardine & Company Ltd.) will receive \$2,500 per month commencing upon the Listing Date.

During the fiscal period ended March 31, 2012, we recorded stock based compensation expense of \$80,000 with respect to 2,000,000 Shares sold at \$0.01 per Share which had a deemed value of \$0.05 per Share (which was determined based on the subsequent financings undertaken at \$0.05). In November 2012 the Company repurchased 500,000 of those Shares at \$0.01 per Share, pro-rata from the holders thereof, such that there remains 1,500,000

Shares issued at \$0.01 per Share with a deemed fair market value of \$0.05 per Share, representing \$60,000 of stock based compensation attributable to the issuance of such Shares.

We do not provide any retirement benefits for our directors or officers; nor do we have any long term incentive plan or SAR.

Outstanding Share-Based Awards and Option-Based Awards

The Company has a stock option plan in place. No options were granted to its NEOs during the period from incorporation on April 13, 2011 to March 31, 2012. No options will be granted under the Plan until the Listing Date. For a description of our Stock Option Plan, see “*Options and Other Rights to Purchase Securities of the Company – Stock Option Plan*” above.

Management and Consulting Agreements

We do not have in place any management, employment or consulting agreements with our NEOs. We do have verbal understandings with each of our CEO and CFO as to their respective compensation to be received from time to time. Each of Mark H. Holden and John W. Jardine are to be paid management fees of \$2,500 per month commencing on the Listing Date. No directors’ fees are payable.

Termination of Employment, Change of Control Benefits and Employment Contracts

We have not entered into any employment contracts for management services or otherwise. No benefits will accrue to any of our executive officers or employees upon their termination, or upon any change of control of the Company.

Directors’ Compensation

Directors will not receive any fees or other compensation for their acting as directors, except that directors will be entitled to incentive stock options pursuant to the Company’s Stock Option Plan in such individual amounts as the board of directors may determine from time to time, and reimbursement for out-of-pocket expenses incurred on our behalf or in providing services as a director for the Company.

The purpose of granting stock options is to assist the Company in compensating, attracting, retaining and motivating the directors of the Company and to closely align the personal interests of such persons to that of the shareholders.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or officer of the Company, or any associate or affiliate of such person, is or has ever been indebted to the Company; nor has any such person’s indebtedness to any other entity been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

AUDIT COMMITTEE

Pursuant to Exchange Policies, the rules of the Securities Commissions, and the provisions of section 224 of the *Business Corporations Act* of British Columbia, we are required to have an Audit Committee comprised of at least three directors, the majority of whom must not be officers or employees of the Company.

We must also, pursuant to the provisions of National Instrument 52-110 *Audit Committees* (“NI 52-110”) have a written charter, which sets out the duties and responsibilities of our audit committee.

Audit Committee’s Charter

General

The Audit Committee is a committee of the Board. Its primary function is to assist the Board in fulfilling its

oversight responsibilities by reviewing the financial information to be provided to the shareholders and others, the systems of internal controls and management information systems that management has established under supervision of the Audit Committee, the Issuer's internal and external audit process and monitoring compliance with the Issuer's legal and regulatory requirements with respect to its financial statements.

The Audit Committee is accountable to the Board. In the course of fulfilling its specific responsibilities hereunder, the Audit Committee is expected to attempt to maintain an open communication between the Issuer's external auditors and the Board.

The responsibilities of a member of the Audit Committee are in addition to such member's duties as a member of the Board.

The Audit Committee does not plan or perform audits or warrant the accuracy or completeness of the Issuer's financial statements or financial disclosure or compliance with generally accepted accounting procedures as these are the responsibility of management and the external auditors.

Membership

The Audit Committee consists of at least three Directors who shall serve on behalf of the Board. The members are appointed annually by the Board and shall meet the independence, financial literacy and experience requirements of the TSX Venture Exchange and other regulatory agencies as required.

Procedural Matters

The Audit Committee shall be governed by the Committee Terms of Reference adopted by the Board, save as modified by the following procedural requirements and powers. The Audit Committee:

- (a) Shall meet at least four times per year, either by telephone conference or in person.
- (b) May invite the Issuer's external auditors, the Chief Financial Officer, and such other persons as are deemed appropriate by the Audit Committee to attend meetings of the Audit Committee.
- (c) Shall report material decisions and actions of the Audit Committee to the Board, together with such recommendations as the Committee may deem appropriate, at the next Board meeting.
- (d) Shall review the performance of the Audit Committee on an annual basis and report to the Board.
- (e) Shall review and assess the Mandate for the Audit Committee at least annually and submit any proposed revisions to the Board for approval.
- (f) Has the power to conduct or authorize investigations into any matter within the scope of its responsibilities. It has the right to engage independent counsel and other advisors as it determines necessary to carry out its duties and the right to set the compensation for any advisors employed by the Audit Committee.
- (g) Has the right to communicate directly with the CFO and other members of management who have responsibility for the audit process ("**internal audit management**"), if applicable, and external auditors.
- (h) Has the right to pre-approve non-audit services (subject to ratification by the Board at its next meeting) to be performed by the external auditors. The Audit Committee may delegate certain pre-approval functions for non-audit services to one or more independent members of its Committee if it first adopts specific policies and procedures respecting same and provided such decisions are presented to the full Audit Committee for approval at its next meeting.

No business may be transacted by the Audit Committee except at a meeting of its members at which a quorum of the Committee is present or by resolution in writing signed by all the members of the Committee. A majority of the members of the Committee shall constitute a quorum, provided that if the number of members of the Committee is an even number, one-half of the number of members plus one shall constitute a quorum.

The Audit Committee shall have the authority to engage independent counsel and other advisors as the Audit Committee may deem appropriate in its sole discretion and to set and pay the compensation for any advisors employed by the Audit Committee. The Audit Committee shall not be required to obtain the approval of the Board in order to retain or compensate such consultants or advisors.

The Audit Committee shall have access to any and all books and records of the Issuer necessary for the execution of the Committee's obligations and shall discuss with the CEO or CFO such records and other matters considered appropriate.

Responsibilities

The Audit Committee has primary responsibility for the selection, appointment, dismissal, compensation and oversight of the external auditors, subject to the overall approval of the Board. For this purpose, the audit Committee may consult with management.

External Auditors

The responsibilities of the Audit Committee are to:

- (a) Recommend to the Board:
 - (i) whether the current external auditor should be reappointed for the ensuing year and the amount of compensation payable; and
 - (ii) if the current external auditor is not to be reappointed, select and recommend a suitable alternative.
- (b) Oversee the work of the external auditors engaged for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Issuer.
- (c) Resolve disagreements, if any, between management and the external auditors regarding financial reporting. It accomplishes this by querying management and the external auditors. The Audit Committee provides the Board with such recommendations and reports with respect to the financial statements of the Issuer as it deems advisable.
- (d) Take reasonable steps to confirm the independence of the external auditors, including but not limited to pre-approving any non-audit related services provided by the external auditors to the Issuer or the Issuer's subsidiaries, if any, with a view to ensuring independence of the auditors, and in accordance with any applicable regulatory requirements, including the requirements of The Toronto Stock Exchange with respect to approval of non-audit related services performed by the external auditors.
- (e) Obtain from the external auditors confirmation that the external auditors are a 'participating audit' firm for the purpose of National Instrument 52-108 (Auditor Oversight) and are in compliance with governing regulations.
- (f) Review and evaluate the performance of the external auditors including the external auditors' internal quality-control procedures.
- (g) Review and approve the Issuer's hiring policies regarding partners, employees and former partners and employees of the Issuer's external auditors.

Internal Auditors

The Audit Committee is to assist Board oversight of the performance of the Issuer's internal audit function, if any. In connection with the Corporation's internal audit function, if any, the Audit Committee shall:

- (a) review the terms of reference of the internal auditor, if any, and meet with the internal auditor as the Audit Committee may consider appropriate to discuss any concerns or issues;

- (b) in consultation with the external auditor and the internal audit group, review the adequacy of the Issuer's internal control structure and procedures designed to ensure compliance with laws and regulations and any special audit steps adopted in light of material deficiencies and controls;
- (c) review the internal control report prepared by management, including management's assessment of the effectiveness of the Issuer's internal control structure and procedures for financial reporting; and
- (d) periodically review with the internal auditor, if any, any significant difficulties, disagreements with management or scope restrictions encountered in the course of the work of the internal auditor.

Audit and Review Process and Results

The Audit Committee has a duty to receive, review and make any inquiry regarding the completeness, accuracy and presentation of the Issuer's financial statements to ensure that the financial statements fairly present the financial position and risks of the organization and that they are prepared in accordance with generally accepted accounting principles. To accomplish this, the Audit Committee is required to:

- (a) Review annually the Issuer's internal system of audit and financial controls, internal audit procedures and results of such audits.
- (b) Prior to the annual audit by external auditors, consider the scope and general extent of the external auditors' review, including their engagement letter.
- (c) Ensure the external auditors have full, unrestricted access to required information and have the cooperation of management.
- (d) Review with the external auditors, in advance of the audit, the audit process and standards, as well as regulatory or Issuer-initiated changes in accounting practices and policies and the financial impact thereof, and selection or application of appropriate accounting principles.
- (e) Review with the external auditors and, if necessary, legal counsel, any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Issuer and the manner in which these matters are being disclosed in the financial statements. Review the appropriateness and disclosure of any off-balance sheet matters. Review disclosure of related-party transactions.
- (f) Receive and review with the external auditors, the external auditors' audit report and the audited financial statements. Make recommendations to the Board respecting approval of the audited financial statements.
- (g) Meet with the external auditors separately from management to review the integrity of the Issuer's financial reporting, including the clarity of financial disclosure and the degree of conservatism or aggressiveness of the accounting policies and estimates, performance of internal audit management, any significant disagreements or difficulties in obtaining information, adequacy of internal controls over financial reporting and the degree of compliance of the Issuer with prior recommendations of the external auditors. The Audit Committee shall direct management to implement such changes as the Audit Committee considers appropriate, subject to any required approvals of the Board arising out of the review.
- (h) Meet at least annually with the external auditors, independent of management, and report to the Board on such meetings.

Interim Financial Statements and MD&A

The Board has delegated to the Audit Committee the power to approve the Issuer's interim financial statements and management's discussion and analysis. The Audit Committee shall:

- (a) Review on an annual basis the Issuer's practice with respect to review of interim financial statements by the external auditors.

- (b) Conduct all such reviews and discussions with the external auditors and management as it deems appropriate.
- (c) Review and, if appropriate approve the interim financial statements and management's discussion and analysis.
- (d) Review the interim financial statements with the external auditors if the external auditors conduct a review of the interim financial statements.

Involvement with Management

The Audit Committee has primary responsibility for overseeing the actions of management in all aspects of financial management and reporting. The Audit Committee:

- (a) Shall review all public disclosure of financial information extracted from the Issuer's financial statements prior to such information being made public by the Issuer and for such purpose, the CEO assumes responsibility for providing the information to the Audit Committee for their review.
- (b) Review material financial risks with management, the plan that management has implemented to monitor and deal with such risks and the success of management in following the plan.
- (c) Consult annually and otherwise as required with the Issuer's CEO and CFO respecting the adequacy of the internal controls and review any breaches or deficiencies.
- (d) Obtain such certifications by the CEO and CFO attesting to internal controls, disclosure and procedures as deemed advisable.
- (e) Review management's response to significant written reports and recommendations issued by the external auditors and the extent to which such recommendations have been implemented by management.
- (f) Review as required with management annual financial statements, quarterly financial statements, management's discussion & analysis, Annual Information Forms, future-oriented financial information or pro-forma information and other financial disclosure in continuous disclosure documents.
- (g) Review with management the Issuer's compliance with applicable laws and regulations respecting financial matters.
- (h) Review with management proposed regulatory changes and their impact on the Issuer.
- (i) Review with management and approve public disclosure of the Audit Committee Mandate in the Issuer's Annual Information Form, Information Circular and on the Issuer's website.

Complaints

Complaints regarding accounting, internal accounting controls, or auditing matters may be submitted to the Audit Committee, attention: The Chair. Complaints may be made anonymously and, if not made anonymously, the identity of the person submitting the complaint will be kept confidential. Upon receipt of a complaint, the Chair will conduct or designate a member of the Audit Committee to conduct an initial investigation. If the results of that initial investigation indicate there may be any merit to the complaint, the matter will be brought before the Audit Committee for a determination of further investigation and action. Records of complaints made and the resulting action or determination with respect to the complaint shall be documented and kept in the records of the Audit Committee for a period of three years.

Reporting

The Audit Committee shall report to the Board of Directors at its regularly scheduled meetings.

Composition of the Audit Committee

The Audit Committee is presently comprised of Mark H. Holden, Robert W. Falls, and W.D. Bruce Winfield. Mark H. Holden is not an independent director as he is an officer of the Company, however Robert W. Falls and W.D. Bruce Winfield are independent directors of the Company within the meaning of NI 52-110. The Chairman of the Audit Committee is Mark H. Holden. All members of the Audit Committee are financially literate. The members of the Audit Committee are elected by the Board of Directors at its first meeting following each annual shareholders' meeting to serve one year terms and are permitted to serve an unlimited number of consecutive terms.

Relevant Education and Experience

In addition to each member's general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member is as follows:

Mark H. Holden:

Through his work as a director and senior officer of several private companies, Mr. Holden has gained an understanding of financial reporting requirements sufficient to enable him to discharge his duties as an audit committee member.

Robert W. Falls:

Mr. Falls, through his experience as a director and senior officer of private and public companies, has the ability to read and understand financial reporting and understands reporting company disclosure obligations.

W.D. Bruce Winfield:

Mr. Winfield is a professional geologist with experience in mineral exploration and public company management, having acted as a geological consultant, director and senior officer of various public companies. Through his work as a director and senior officer of public companies, Mr. Winfield has gained an understanding of financial reporting requirements respecting financial statements of junior resource exploration companies sufficient to enable him to discharge his duties as an audit committee member.

Audit Committee Oversight

At no time has a recommendation of the Committee to nominate or compensate an external auditor not been adopted by the Board.

Reliance on Certain Exemptions

At no time has the Company relied on any of the following exemptions contained in NI 52-101:

- (a) Section 2.4 (De Minimis Non-audit Services);
- (b) Section 3.2 (Initial Public Offerings);
- (c) Section 3.4 (Events Outside Control of Member);
- (d) Section 3.5 (Death, Disability or Resignation of Audit Committee Member);
- (e) Subsection 3.3(2) (Controlled Companies);
- (f) Section 3.6 (Temporary Exemption for Limited and Exceptional Circumstances);
- (g) Section 3.8 (Acquisition of Financial Literacy); or
- (h) the general provisions of Part 8.

We are relying upon the exemption in section 6.1 of NI 52-110 which exempts "venture issuers" from the requirements regarding the composition of the audit committee and certain disclosure obligations.

Pre-Approval Policies and Procedures

The Committee has adopted specific policies and procedures for the engagement of non-audit services as described above under the heading “External Auditors”.

External Auditor Service Fees (By Category)

The aggregate fees billed by our external auditors for audit and other fees since the date of incorporation on April 13, 2011 to March 31, 2012 are as follows:

Period Ended	Audit Fees	Audit Related Fees ¹	Tax Fees ²	All Other Fees ³
March 31/12 ⁴	\$11,000	\$nil	\$nil	\$nil

1. Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under “Audit Fees”.
2. Fees charged for tax compliance, tax advice and tax planning services.
3. Fees for services other than disclosed in any other column.
4. For the period from incorporation to March 31, 2012.

CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board of Directors and who are charged with day-to-day management of the Company. National Instrument 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines to be used by issuers in developing their own corporate governance practices. The Board of Directors is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

In accordance with National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”) our corporate governance practices are summarized below. The Board of Directors will continue to monitor such practices on an ongoing basis and when necessary implement such additional practices as it deems appropriate.

Board of Directors

The Company’s Board of Directors (the “Board”) is currently composed of four directors – Mark H. Holden, W.D. Bruce Winfield, Robert W. Falls and Jeffrey B. Lightfoot. The Board facilitates its exercise of independent supervision over management by ensuring sufficient representation by directors independent of management.

NI 58-101 suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as “independent” directors. An “independent” director is a director who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to materially interfere with the director’s ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholding. In addition, where a company has a significant shareholder, NI 58-101 suggests that the board of directors should include a number of directors who do not have interests in either the company or the significant shareholder. The independent directors would exercise their responsibilities for independent oversight of management and meet independently of management whenever deemed necessary. One-half of the Company’s Board is independent. Each of W.D. Bruce Winfield and Robert W. Falls can be considered to be “independent” within the meaning of NI 58-101. Mark H. Holden, by reason of being CEO and President, and Jeffrey B. Lightfoot by virtue of his shareholdings and receiving fees for legal services, cannot be considered to be “independent” within the meaning of NI 58-101.

The independent directors will meet separately from the sole non-independent director, as determined necessary from time to time, in order to facilitate open and candid discussion among the independent directors. No separate meetings of the independent directors have been held to date. Mark H. Holden, a non-independent director, acts as

the lead director with respect to the conduct of Board meetings. Given the Company's relatively small size and start-up nature, the Board is satisfied as to the extent of independence of its members. The Board is satisfied that it is not constrained in its access to information, in its deliberations, or in its ability to satisfy the mandate established by law to supervise the business and affairs of the Company, and that there are sufficient systems and procedures in place to allow the Board to have a reasonable degree of independence from day-to-day management.

Since the Company's incorporation on April 13, 2011 until the date of this Prospectus, the Company's Board has not held any formal Board meetings, but the directors have approved various matters by consent resolutions.

Board Mandate

The Board does not presently have a written mandate describing how the Board delineates its role and responsibilities. The size of the Company is such that all of its operations are conducted by a small management team which is also represented on the Board. The Board considers that management is effectively supervised by the independent directors on an informal basis as the independent directors are actively and regularly involved in reviewing and supervising the operations of the Company and have regular and full access to management. Further supervision is performed through the Company's Audit Committee which is composed of a majority of independent directors who meet with the Company's auditors without management being in attendance.

Position Descriptions

The Board has not developed written position descriptions for the lead director with respect to the conduct of Board meetings, or for the lead director of any committees. The lead director's role and responsibilities in each instance include reviewing notices of meetings, setting meeting agendas, conducting and chairing meetings in accordance with good practices, and reviewing minutes of meetings.

The Board has not developed written position descriptions for the Company's CEO. The CEO's general roles and responsibilities include overseeing all operations of the Company, and developing and devising the means to implement general strategies for the direction and growth of the Company.

Other Reporting Issuer Experience

The following table sets out the directors of the Company that are currently directors of other reporting issuers in any Canadian or foreign jurisdiction:

Name	Name of Reporting Issuer	Name of Exchange or Market (if applicable)
W.D. Bruce Winfield	Defiance Silver Corp.	TSXV
Jeffrey B. Lightfoot	Playfair Mining Ltd. CCT Capital Corp. Benzai Capital Corp.	TSXV TSXV NEX
Mark H. Holden	Otterburn Resources Corp. Rouge Resources Ltd.	TSXV TSXV
Robert W. Falls	ERA Carbon Offsets Ltd. Montreux Capital Corp. Gstaad Capital Corp.	TSXV TSXV TSXV

Orientation and Continuing Education

Each new director is given an outline of the nature of the Company's business, its corporate strategy, and current issues within the Company. New directors are encouraged to review the Company's public disclosure records as filed on SEDAR; and are also required to meet with management of the Company to discuss and better understand

the Company's business and are given the opportunity to meet with counsel to the Company to discuss their legal obligations as directors of the Company.

In addition, management of the Company takes steps to ensure that its directors and officers are continually updated as to the latest corporate and securities policies which may affect the directors, officers and committee members of the Company as a whole. The Company continually reviews the latest securities rules and policies and is on the mailing list of the Exchange to receive updates to any of those policies. Any such changes or new requirements are then brought to the attention of the Company's directors either by way of director or committee meetings or by direct communications from management to the directors.

Ethical Business Conduct

The Board has not established a Corporate Governance Committee, but may do so in the future should the Board become larger. As some of our directors also serve as directors and officers of other companies engaged in similar business activities, our directors must comply with the conflict of interest provisions of the British Columbia *Business Corporations Act*, as well as the relevant securities regulatory instruments, in order to ensure that they exercise independent judgment in considering transactions and agreements in respect of which they may have a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke any such conflict.

The Board has established a code of ethical conduct policy pursuant to the requirements of National Policy 58-201. The full text of this policy is available for review under the Company's profile on SEDAR at www.sedar.com on the Listing Date and may be obtained free of charge upon request to the Company by mail to Suite 300, 1055 West Hastings Street, Vancouver, B.C. V6E 2E9 (telephone: 604-609-6196).

Nomination of Directors

The Company's management is continually in contact with individuals involved with public sector issuers. From these sources management has made numerous contacts and in the event that the Company requires any new directors, such individuals will be brought to the attention of the Board of Directors. The Company conducts due diligence, reference and background checks on any suitable candidate. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required and a willingness to serve.

Compensation

The Board of Directors has not formed a Compensation Committee to monitor and review the salary and benefits of its executive officers. The Board does periodically review the Company's general compensation structure, policies and programs in consideration of industry standards and the Company's financial situation.

Other Board Committees

At present, the only committee the Company has is an Audit Committee. The Company has no present intention of creating any other committees, but may do so in the future should its Board of Directors become larger.

Assessments

Neither the Company nor the Board of Directors has determined formal means or methods to regularly assess the Board, its committees or the individual directors with respect to their effectiveness and contributions. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of an individual director is informally monitored by the other Board members, having in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

PLAN OF DISTRIBUTION

Agency Agreement

Pursuant to the Agency Agreement we have appointed the Agent to act on our behalf to conduct the Offering in the Selling Provinces, on a commercially reasonable efforts basis, to raise gross proceeds of \$600,000. The Agent may enter into selling arrangements with other investment dealers at no additional cost to the Company. The Agent will be paid or issued the following consideration under the Agency Agreement:

- (i) the Agent's Commission in cash, Commission Shares or any combination thereof at the election of the Agent ;
- (ii) the Agent's Options;
- (iii) the Corporate Finance Fee in cash, Corporate Finance Shares or any combination thereof at the election of the Agent; and
- (iv) reimbursement of its legal fees and expenses.

This Prospectus qualifies for distribution in the Selling Provinces, the Commission Shares, the Corporate Finance Shares and the Agent's Options, to the extent permitted by NI 41-101. NI 41-101 restricts the maximum number of securities being issued to an agent as compensation which may be qualified under a prospectus ("Qualified Compensation Securities"), to not more than 10% of the number of securities being offered; which in the case of the Offering equates to 400,000 Shares. To the extent that the Agent is entitled to receive securities as compensation exceeding 10% of the Shares sold, those securities exceeding the 10% threshold will not be Qualified Compensation Securities, will not be qualified for distribution under this Prospectus, and will be subject to a four month hold period in accordance with applicable securities laws.

The Agent and its principals and employees do not hold any Shares of the Company.

The Agent has agreed to assist with the Offering on a commercially reasonable efforts basis, and is not obligated to purchase any of the Shares for its own accounts. Closing will take place on a day, determined by the Agent in consultation with the Company, which will be no later than 90 days from the Effective Date, or, if an amendment to the Prospectus is filed, no later than 90 days from the date on which a receipt is issued for the amendment and, in any case, no later than 180 days from the Effective Date. Closing is subject to receiving subscriptions for 4,000,000 Shares.

The Agency Agreement provides that the obligations of the Agent thereunder may be terminated at its discretion on the basis of its assessment of the state of financial markets and may also be terminated upon the occurrence of certain stated events.

Subscriptions will be received for the Shares offered hereby subject to rejection or acceptance by us in whole or in part, and the Agent reserves the right to close the subscription books at any time provided the Agent has received subscriptions in aggregate equal to the Offering. Upon rejection of a subscription, the subscription price and the subscription will be returned to the subscriber forthwith without interest or deduction.

All subscription funds will be held in trust by the Agent until the Offering is realized, or the Offering is otherwise closed. If the Offering is not completed within the term of the Agency Agreement or the time required by the rules of the Securities Commissions, the subscription price and the subscriptions will be returned to the subscribers forthwith without interest or deduction.

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

Our directors, officers and other insiders may purchase Shares from the Offering.

The price of the Shares under this Prospectus was determined by negotiation between the Company and the Agent and bears no relationship to earnings, book value or other valuation criteria.

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

Listing of Common Shares

The Exchange has conditionally accepted the listing of the Company's Common Shares on the Exchange. The listing is subject to meeting all of the listing requirements of the Exchange including prescribed distribution and financial requirements.

RISK FACTORS

An investment in the securities offered hereunder should be considered highly speculative due to the nature of our business and the present stage of development. An investment in the securities should only be made by knowledgeable and sophisticated investors who are willing to risk and can afford the loss of their entire investment. Prospective investors should consult with their professional advisors to assess an investment in the Company. In evaluating the Company and its business, investors should carefully consider, in addition to the other information contained in this Prospectus, the following risk factors. These risk factors are not a definitive list of all risk factors associated with an investment in the Company or in connection with our operations.

Risks Related to the Offering and Holding of Shares

High Risk, Speculative Nature of Investment

An investment in the Shares carries a high degree of risk and should be considered speculative by purchasers. We have no history of earnings, have limited cash reserves, a limited business history, have not paid dividends, and are unlikely to pay dividends in the immediate or near future. We are in the "start-up" phase of our business. Our operations are not sufficiently established such that we can mitigate the risks associated with our planned activities.

Dilution and Shareholdings

The Offering Price significantly exceeds the net tangible book value of the Shares. Accordingly, investors will suffer immediate and substantial dilution of their investment. Shares acquired at \$0.15 per Share will have a value, based on an average sale price per Share of the Company as of the Closing Day of approximately \$0.0838 per Share, representing a dilution of approximately 44.16% (based on 6,070,000 Shares outstanding prior to the Offering sold for aggregate cash consideration of \$243,500, and 4,000,000 Shares sold under the Offering at \$0.15 per Share, and no Shares issued to the Agent). An aggregate of 1,500,000 Shares were sold to directors and founders at a price of \$0.01 per share; and 4,570,000 units were sold at \$0.05 per unit.

No Established Market

There is currently no market through which our securities may be sold and purchasers may not be able to resell the Shares purchased under this Prospectus. Even if a market develops, there is no assurance that the price of the Shares offered under this Prospectus, which was determined through negotiations between the Company and the Agent, will reflect the market price of the Shares once a market has developed.

Liquidity Concerns and Future Financing Requirements

We have no source of operating revenue. It is likely we will operate at a loss until we are able to put a mineral property into production. We may require additional financing in order to fund our businesses or business expansion. Our ability to arrange such financing in the future will depend in part upon prevailing capital market conditions, as well as our business success. There can be no assurance that we will be successful in our efforts to arrange additional financing on terms satisfactory to us. If additional financing is raised by the issuance of Shares

from treasury, control of the Company may change and shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, we may not be able to operate our businesses at their maximum potential, to expand, to take advantage of other opportunities, or otherwise remain in business.

Volatility of Share Price

As it is anticipated that our Shares will be listed on the Exchange, factors such as announcements of quarterly variations in operating results, revenues, costs, as well as market conditions in the mineral exploration industry may have a significant impact on the market price of our Shares. Global stock markets and the Exchange in particular have, from time to time, experienced extreme price and volume fluctuations, which have often been unrelated to the operations of particular companies. Share prices for many companies in the mineral exploration industry have experienced wide fluctuations that have been often unrelated to the operations of the companies themselves. In addition, there can be no assurance that an active trading or liquid market will develop or be sustained for our Shares.

Uncertainty of Use of Proceeds

Although we have set out our intended use of proceeds from this Offering, the same are estimates only and subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such proceeds. See “*Forward-looking Statements*” for more details.

Prospect of Dividends

We do not anticipate that any dividends will be paid on our Shares in the foreseeable future.

Increased Costs of Being a Publicly-Traded Company

As a company with publicly-traded securities, we will incur significant legal, accounting and filing fees not presently incurred. Securities legislation and the rules and policies of the Exchange require us to, among other things, adopt corporate governance and related practices, and to continuously prepare and disclose material information, all of which will significantly increase our legal and financial compliance costs.

Risks Related to our Business

Fluctuating Mineral Prices

The mining industry is heavily dependent upon the market price of the metals or minerals being mined. There is no assurance that, even if commercial quantities of mineral resources are discovered, a profitable market will exist for their sale. There can be no assurance that mineral prices will be such that our properties can be mined at a profit. Factors beyond our control may affect the marketability of any minerals discovered. The price of gold has experienced volatile and significant price movements over short periods of time, and is affected by numerous factors beyond our control.

Substantial Capital Expenditures Required

Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis. The discovery of mineral deposits is dependent upon a number of factors. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which relate to particular attributes of the deposit, such as size, grade and proximity to infrastructure, and some of which are more general factors such as metal prices and government regulations, including environmental protection. Most of these factors are beyond our control. In addition, because of these risks, there is no certainty that the expenditures to be made by us on the exploration of our Property as described herein will result in the discovery of commercial quantities of ore.

Management Experience, and Dependence on Key Personnel and Employees

Our success is currently largely dependent on the performance of our directors and officers. Our management team has experience in the resource exploration business. The experience of these individuals is a factor which will contribute to our continued success and growth. We will initially be relying on our board members, as well as independent consultants, for certain aspects of our business. The amount of time and expertise expended on our affairs by each of our management team and our directors will vary according to our needs. We do not intend to acquire any key man insurance policies and there is, therefore, a risk that the death or departure of any member of management, our board, or any key employee, could have a material adverse effect on our future. Investors who are not prepared to rely on our management team should not invest in our securities.

Exploration and Development

The Property is in the exploration stage and is without a known body of commercial ore and requires extensive expenditures during this exploration stage. See “Description of the Company’s Business”. Mineral exploration and development involves a high degree of risk which even a combination of experience, knowledge and careful evaluation may not be able to mitigate. The vast majority of properties which are explored are not ultimately developed into producing mines. There is no assurance that our mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of our operations will be in part directly related to the cost and success of our exploration programs, which may be affected by a number of factors.

To the best of our knowledge, none of the claims which comprise the Property have surface rights. In the event that a significant mineralized zone is identified, detailed environmental impact studies will need to be completed prior to initiation of any advanced exploration or mining activities. There is no guarantee that areas for potential mine waste disposal, heap leach pads, or areas for processing plants will be available within the Property.

Future Acquisitions

As part of our business strategy, we may seek to grow by acquiring companies and/or assets or establishing joint ventures that we believe will complement our current or future business. We may not effectively select acquisition candidates or negotiate or finance acquisitions or integrate the acquired businesses and their personnel or acquire assets for our business. We cannot guarantee that we can complete any acquisition we pursue on favourable terms, or that any acquisitions completed will ultimately benefit our business.

Uncertainty of Additional Funding

With the net proceeds from the Offering, we will have sufficient financial resources to undertake the Stage 1 work program on the Property. Upon the successful completion of Stage 1, we will not have sufficient financial resources to complete the Stage 2 work program. There is no assurance that we will be successful in obtaining the required financing or that such financing will be available on terms acceptable to us. Any future financing may also be dilutive to our existing shareholders.

Negative Cash Flow

We have a limited history of operations, and no history of earnings, cash flow or profitability. We have had negative operating cash flow since our date of incorporation, and we will continue to have negative operating cash flow for the foreseeable future. Our Property is at the early exploration stage only. We have no source of operating cash flow and no assurance that additional funding will be available for further exploration and development of the Property when required. No assurance can be given that we will ever attain positive cash flow or profitability.

Reliability of Historical Information

We have relied, and the disclosure from the Report set out under “Description of Mineral Property” above, is based, in part, upon historical data compiled by previous parties involved with the Property. To the extent that any of such historical data is inaccurate or incomplete, our exploration plans may be adversely affected.

Operating Hazards and Risks

Mineral exploration and development involves risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which we have a direct or indirect interest will be subject to hazards and risks normally incidental to exploration, development and production of minerals, any of which could result in work stoppages, damage to or destruction of property, loss of life and environmental damage. We do not currently carry any liability insurance for such risks, electing instead to ensure our contractors have adequate insurance coverage. The nature of these risks is such that liabilities might exceed any insurance policy limits, the liabilities and hazards might not be insurable or we might not elect to insure ourselves against such liabilities due to high premium costs or other factors. Such liabilities may have a materially adverse effect upon our financial condition.

Access to Property

At present there is no road access to the Property, and access is generally by helicopter from Hope, B.C. which is a 40 minute round trip. It will take considerable funds to construct road access from existing logging roads located approximately five kilometres to the east of the Property and significantly more to prepare the infrastructure that will be necessary to do advanced exploration on or to develop the Property. No engineering studies have been undertaken to determine the best means of constructing road access or the cost thereof.

Consents from First Nations

Approval from local First Nations communities may also be required to carry out the proposed work programs on the Property. There is no guarantee that we will be able to obtain approval from local First Nations. However, we are not aware of any problems encountered by other junior mining companies in obtaining approval to carry out similar programs in nearby areas nor are we aware of any instances where local First Nations communities have objected to exploration work in the general project area.

Competition

The mining industry is intensely and increasingly competitive, and we compete for exploration and exploitation properties with many companies possessing greater financial resources and technical facilities than we do. Competition in the mining business could adversely affect our ability to acquire suitable producing properties or prospects for mineral exploration in the future.

Title Matters

While we have reviewed and are satisfied with the title to the claims comprising the Property, and, to the best of our knowledge, such title is in good standing, there is no guarantee that titles to such claims will not be challenged or impugned. The Property may be subject to prior unregistered agreements of transfer or aboriginal land claims, and title may be affected by undetected defects.

Environmental Risks and Other Regulatory Requirements

Our current or future operations, including exploration or development activities and commencement of production on our properties require permits from various federal and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with the applicable laws, regulations and permits. There can be no assurance that all permits which we may require for the construction of mining facilities and conduct of mining operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on any mining project which we might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations.

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

Industry Regulation

We currently operate our business in a regulated industry. There can be no assurances that we may not be negatively affected by changes in the applicable legislation, or by any decisions or orders of any governmental or administrative body or applicable regulatory authority.

Uninsured or Uninsurable Risks

We may become subject to liability for cave-ins, pollution or other hazards against which we cannot insure or against which we may elect not to insure because of high premium costs or for other reasons. The payment of any such liabilities would reduce the funds available for exploration and mining activities. Payments of liabilities for which we do not carry insurance may have a material adverse effect on our financial position.

General Business Risks

Conflicts of Interest

Certain of our directors and officers are, and may continue to be, involved in the mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers may conflict with our interests. Directors and officers of the Company with conflicts of interest will be subject to and follow the procedures set out in applicable corporate and securities legislation, regulations, rules and policies.

Risk Related to General Economic Factors

Volatility in the Worldwide Economy

Economic uncertainty in the United States, Europe and parts of Asia has adversely affected businesses and industries in almost every sector in more significant and unpredictable ways than in more normal economic times. Prolonged depressed economic conditions and volatility in the worldwide economy will continue to adversely affect individuals and institutions investing in junior mineral exploration companies which are likely to negatively affect our businesses.

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

ELIGIBILITY FOR INVESTMENT

In the opinion of our counsel, David G. Ashby Law Corporation, based on the provisions of the *Income Tax Act* (Canada) (the "ITA"), the regulations thereunder in force as of the date hereof (the "Regulations") and the proposals to amend the ITA and the regulations thereunder publicly announced by, or on behalf of, the Minister of Finance (Canada) prior to the date hereof, the Shares, when issued, will be "qualified investments" under the ITA and the regulations thereunder for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans and tax free savings accounts ("TFSA") (provided the holder of the TFSA deals at arm's length with the Company) (collectively, the "Plans").

Notwithstanding that the Shares may be qualified investments for a trust governed by a TFSA, the holder of a TFSA will be subject to a penalty tax with respect to the Shares held in a TFSA if such securities are “prohibited investments” for the TFSA within the meaning of the ITA. Provided that the holder of a TFSA does not hold a “significant interest” (as defined in the ITA) in the Company or any corporation, partnership or trust that does not deal at arm’s length with the Company for the purposes of the ITA, and provided that such holder deals at arm’s length with the Company for the purposes of the ITA, the Shares will not be “prohibited investments” for a trust governed by the TFSA. **Prospective subscribers who intend to hold Shares in a TFSA are urged to consult their own tax advisers.**

PROMOTERS

Mark H. Holden may be considered to be our promoter, as that term is defined in the *Securities Act* (British Columbia). Information about Mr. Holden is disclosed elsewhere in this Prospectus in connection with his capacity as a director and an officer of the Company. See “Directors and Officers” and “Executive Compensation”.

Mr. Holden has not received anything of value from the Company, and has no entitlement to receive anything of value, other than the executive compensation outlined above.

See “*Options and Other Rights to Purchase Securities of the Company*” for details of stock options to be granted to Mr. Holden; “*Directors and Executive Officers – Management of Reporting Issuers; Corporate Cease Trade Orders or Bankruptcies*”; “*Penalties or Sanctions*”; and “*Interest of Management and Others in Material Transactions*” for disclosure regarding our promoter.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

There are no legal proceedings outstanding, threatened or pending, as of the date hereof, by or against us or which we are a party or to which our business or any of our assets is subject, nor to our knowledge are any such legal proceedings contemplated which could become material to a purchaser of our securities.

Regulatory Actions

There have not been any penalties or sanctions imposed against the Company by a court relating to provincial or territorial securities legislation or by a securities regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body against the Company, and the Company has not entered into any settlement agreements before a court relating to provincial or territorial securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

For purposes of this Prospectus, “informed person” means:

- (a) any director or executive officer of the Company;
- (b) a person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Company’s outstanding Shares; and
- (c) any associate or affiliate of any of the foregoing persons.

Other than as described in this Prospectus, no informed person has had any material interest, direct or indirect, in any material transaction with the Company since its incorporation.

RELATIONSHIP BETWEEN THE COMPANY AND THE AGENT

We are not a “related issuer” or a “connected issuer” of or to the Agent (as such terms are defined in National Instrument 33-105 – *Underwriting Conflicts*).

AUDITORS, TRANSFER AGENT AND REGISTRAR

Our auditor is MacKay LLP, Chartered Accountants, Suite 1100 - 1177 West Hastings Street, Vancouver, British Columbia V6E 4T5.

Our registrar and transfer agent is Equity Financial Trust Company, 1185 West Georgia Street, Suite 1620, Vancouver, British Columbia V6E 4E6.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by us, or which affect us, since our incorporation on April 13, 2011:

- (a) Agency Agreement dated January 21, 2013 between the Company and the Agent;
- (b) Transfer Agent, Registrar and Dividend Disbursing Agent Agreement dated March 31, 2012 between the Company and Equity Financial Trust Company;
- (c) Escrow Agreement dated October 25, 2012, among the Company, the Escrow Agent and certain shareholders of the Company. See “Escrowed Securities”; and
- (d) Stock Option Plan.

Copies of all material contracts may be inspected at our registered office at Maitland & Company, Barristers and Solicitors, Suite 700, 625 Howe Street, Vancouver, BC V6C 2T6, during normal business hours while distribution of the securities offered hereunder is in progress, and for a period of 30 days thereafter. The material contracts will also be available on the SEDAR website (www.sedar.com) upon the issuance of the final receipt for this Prospectus.

EXPERTS

The Report on the Property was prepared by Carl von Einsiedel, P. Geo., of Vancouver, B.C. Mr. von Einsiedel does not have any interest in us, our Shares or the Property.

David G. Ashby Law Corporation, of Vancouver, BC expressed an opinion herein regarding the eligibility of our Shares for contribution to RRSPs and other similar trusts. See “Summary of Prospectus – RRSP Eligibility”. None of Mr. Ashby, his law corporation or any of his or its associates holds any shares or share purchase warrants of the Company.

The auditors’ report attached to our audited financial statements for the period from incorporation on April 13, 2011 to March 31, 2012 was prepared by our auditors, MacKay LLP. MacKay LLP has advised the Company that they are independent in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

No other person whose profession or business gives authority to a statement made by such person and who is named in this Prospectus has received or will receive a direct or indirect interest in our Property or any associate or affiliate of the Company. As at the date hereof, and except as disclosed above, none of the aforementioned persons beneficially owns, directly or indirectly, securities of the Company or its associates and affiliates. In addition, none of the aforementioned persons nor any director, officer or employee of any of the aforementioned persons, is or is

expected to be elected, appointed or employed as a director, senior officer or employee of the Company or of an associate or affiliate of the Company, or a promoter of the Company or of an associate or affiliate of the Company.

OTHER MATERIAL FACTS

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

RIGHTS OF WITHDRAWAL AND RESCISSION

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

LIST OF EXEMPTIONS

The Company has not applied for or received any exemption from NI 41-101, regarding this Prospectus or the distribution of the Shares under this Prospectus.

FINANCIAL STATEMENT DISCLOSURE

Our audited financial statements for the period from incorporation on April 13, 2011 to March 31, 2012, and our unaudited financial statements for the six months ended September 30, 2012 are included herein. Our fiscal year end is March 31.

SIGNIFICANT ACQUISITIONS

All of our material acquisitions to date have been described above in this Prospectus. See "Description of the Business" above for details.

Other than as described herein, we have not completed any acquisitions or dispositions since the Company's date of incorporation, and are not currently in negotiations with respect to any potential material acquisitions or dispositions.

AUDITOR'S CONSENT

We have read the prospectus of Longacre Resources Inc. ("the **Company**") dated January 21, 2013 relating to the distribution of 4,000,000 common shares of the Company at a price of \$0.15 per common share. We have complied with Canadian generally accepted standards for an auditors' involvement with offering documents.

We consent to the use in the above-named prospectus of our report to the directors of the Company on the statement of financial position of the Company as at March 31, 2012 and the statements of comprehensive loss, changes in equity and cash flows for the period from the date of incorporation on April 13, 2011 to March 31, 2012. Our report is dated January 21, 2013.

“MacKay LLP”

CHARTERED ACCOUNTANTS

Vancouver, British Columbia, Canada
January 21, 2013

LONGACRE RESOURCES INC.
(An Exploration Stage Company)

FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

For the Period from Incorporation April 13, 2011 to March 31, 2012 and for the six months ended September 30, 2012 (unaudited)

LONGACRE RESOURCES INC.

FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the period from Incorporation April 13, 2011 to March 31, 2012, and

For the six month period ended September 30, 2012 (unaudited)

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Independent Auditor's Report

To the Directors of Longacre Resources Inc.

We have audited the accompanying financial statements of Longacre Resources Inc., which comprise the statement of financial position as at March 31, 2012, and the statements of comprehensive loss, changes in equity and cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

Auditor's 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 Longacre Resources Inc. as at March 31, 2012 and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

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

"MacKay LLP"

**Chartered Accountants
Vancouver, British Columbia
January 21, 2013**

LONGACRE RESOURCES INC.
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	(unaudited) September 30, 2012	March 31 2012
ASSETS		
Current		
Cash	\$ 17,194	\$ 14,116
Amounts receivable	21,177	20,573
	38,371	34,689
Non-Current		
Exploration and evaluation assets (Note 3)	120,500	120,500
Deferred share issue costs (Note 10)	33,603	-
Total Assets	\$ 192,474	\$ 155,189
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 35,569	\$ 10,000
EQUITY		
Share capital (Note 4)	327,500	295,000
Deficit	(170,595)	(149,811)
	156,905	145,189
Total Liabilities and equity	\$ 192,474	\$ 155,189

Nature and continuance of operations (Note 1)

Subsequent events (Note 10)

Approved and authorized for issue by the Directors on January 21, 2013:

"Mark Holden" Director "Jeff Lightfoot" Director

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

LONGACRE RESOURCES INC.
STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	(unaudited) Three month period ended September 30, 2012	(unaudited) Six month period ended September 30, 2012	(unaudited) Three month period ended September 30, 2011	(unaudited) Period From Incorporation April 13, 2011 to Sept 30, 2011	Period From Incorporation April 13, 2011 to March 31, 2012
EXPENSES					
Management fees (note 5)	\$ -	\$ 2,500	\$ 2,500	\$ 2,500	\$ 17,500
General and administrative	1,006	(24)	27	2,119	4,739
Professional fees (note 5)	7,843	18,308	12,500	12,500	47,572
Stock based compensation (Note 4)	-	-	-	80,000	80,000
	8,949	20,784	15,027	97,119	149,811
Net and comprehensive loss for the period	\$ (8,949)	\$ (20,784)	\$ (15,027)	\$ (97,119)	\$ (149,811)
Loss per share – basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.04)	\$ (0.03)
Weighted average share outstanding – basic and diluted	6,513,478	6,263,661	3,800,000	2,672,131	3,870,341

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

LONGACRE RESOURCES INC.
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	(unaudited) Six month period ended September 30, 2012	(unaudited) Period from Incorporation April 13, 2011 to September 30, 2011	Period From Incorporation April 13 , 2011 to March 31, 2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the period	\$ (20,784)	\$ (97,119)	\$ (149,811)
Stock based compensation	-	80,000	80,000
Changes in operating assets and liabilities:			
Accounts payable and accrued liabilities	6,966	35,422	10,000
Amounts receivable	(604)	(10,002)	(20,573)
Cash used in operating activities	(14,422)	(8,301)	(80,384)
CASH FLOWS FROM FINANCING ACTIVITIES			
Deferred share issue costs	(15,000)	-	-
Proceeds from share issuance	32,500	110,000	216,000
Share issue costs	-	-	(1,000)
Cash provided by financing activities	17,500	110,000	215,000
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of exploration and evaluation asset	-	(17,153)	(17,153)
Exploration and evaluation expenditures	-	(55,000)	(103,347)
Cash used in investing activities	-	(72,153)	(120,500)
Change in cash during the period	3,078	46,148	14,116
Cash, beginning of period	14,116	-	-
Cash, end of period	\$ 17,194	\$ 46,148	\$ 14,116
Supplemental disclosures			
Interest paid	\$ -	\$ -	\$ -
Income tax paid in cash	\$ -	\$ -	\$ -

Non cash transactions (Note 7)

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

LONGACRE RESOURCES INC.
STATEMENT OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)
(unaudited)

	Number of Shares	Amount	Reserve	Deficit	Total
Shares issued:					
Founder shares	2,000,000	\$ 100,000	\$ -	\$ -	\$ 100,000
Private placement					
Flow through, \$0.05 per share	1,200,000	60,000	-	-	60,000
Cash, \$0.05 per share	600,000	30,000	-	-	30,000
Net loss for the period	-	-	-	(97,119)	(97,119)
Balance, September 30, 2011	3,800,000	190,000	-	(97,119)	92,881
Shares issued:					
Private placement					
Cash, \$0.05 per share	2,120,000	106,000	-	-	106,000
Share issue costs	-	(1,000)	-	-	(1,000)
Net loss for the period	-	-	-	(52,692)	(52,692)
Balance, March 31, 2012	5,920,000	295,000	-	(149,811)	145,189
Shares issued:					
Private placement					
Cash, \$0.05 per share	650,000	32,500	-	-	32,500
Net loss for the period	-	-	-	(20,784)	(20,784)
Balance, September 30, 2012	6,570,000	\$ 327,500	\$ -	\$ (170,595)	\$ 156,905

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Longacre Resources Inc. (the "Company") was incorporated under the laws of the province of British Columbia on April 13, 2011. The Company's principal business is the exploration and development of mineral resources. The Company's corporate office is located at 300 – 1055 West Hastings Street, Vancouver B.C.

The Company is in the process of exploring its mineral property interests and has not yet determined whether the Christa-Aura property contains mineral reserves that are economically recoverable. The Company's continuing operations and the underlying value and recoverability of the amounts shown for the investment in the Christa-Aura property is entirely dependent upon the existence of economically recoverable mineral reserves; the ability of the Company to obtain the necessary financing to complete the exploration and development of the Christa-Aura property; obtaining the necessary permits to mine; and future profitable production or proceeds from the disposition of the investment in the Christa-Aura property.

These financial statements have been prepared in accordance with International Financial Reporting Standards applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. During the period ended March 31, 2012 the Company incurred a net loss of \$149,811 (\$20,784 for the six months ended September 30, 2012). At March 31, 2012 the Company had cash of \$14,116 (\$17,194 as at September 30, 2012) and working capital of \$24,689 (\$2,802 as at September 30, 2012). The continuation of the Company as a going concern is dependent on its ability to obtain necessary financing, generate positive cash flows and ultimately the achievement of profitable operations. These material uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

(b) Basis of Preparation

These financial statements have been prepared on a historical cost basis, except for financial instruments classified at fair value through profit or loss, and available-for-sale which are stated at their fair value. In addition these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(c) Financial Instruments

Financial assets

The Company classifies its financial assets into four categories depending on the purpose for which the asset will be used. The Company's accounting policy for each category is as follows:

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial Instruments (continued)

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

Financial assets are designated as at FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Attributable transaction costs are recognized in profit or loss when incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss.

The Company does not have any assets classified as FVTPL.

Available-for-sale financial assets

Available-for-sale ("AFS") financial assets are non-derivatives that are either designated as AFS or are not classified as (i) loans and receivables, (ii) held-to-maturity investments or (iii) financial assets as at FVTPL. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on AFS monetary items, are recognized in other comprehensive income or loss. When an investment is derecognized, the cumulative gain or loss in the investment revaluation reserve is transferred to profit or loss.

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The change in fair value attributable to translation differences that result from the amortized cost of the monetary asset is recognized in profit or loss. The change in fair value of AFS equity investments is recognized in other comprehensive income or loss.

The Company does not have any assets classified as AFS financial assets.

Loans and receivables

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

The Company has classified cash and amounts receivable as loans and receivables.

Held-to-maturity investments

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

The Company does not have any assets classified as held-to-maturity.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial Instruments (continued)

Impairment of financial assets:

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income or loss are reclassified to profit or loss in the period. Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted. For marketable securities classified as AFS, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment.

For all other financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

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

Other financial liabilities: These liabilities are initially recognized at fair value less directly attributable costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The Company's accounts payable and accrued liabilities are classified as other financial liabilities.

(d) Exploration and Evaluation Expenditures

Pre-exploration Costs

Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and Evaluation Expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures ("E&E") are recognized and capitalized, in addition to acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Exploration and Evaluation Expenditures (continued)

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of comprehensive loss/income.

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

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Mineral exploration and evaluation expenditures are classified as intangible assets.

(e) Impairment

At the end of each reporting period the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. 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 asset belongs. The recoverable amount is the higher of fair value less costs to sell and value in use.

Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. 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 is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

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, but to an amount that 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. A reversal of an impairment loss is recognized immediately in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Cash

Cash in the statement of financial position comprises cash held at a major financial institution which is readily convertible into a known amount of cash. The Company's cash is invested in a business account which is available on demand by the Company for expenditures.

(g) Share Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, preferred shares, share warrants, options and flow-through shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(h) Flow-through shares

The Company will, from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) share capital, equal to the market value of the shares, ii) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as other liabilities, and iii) if applicable, reserve for warrants, equal to the remaining proceeds received. Upon expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The portion of the proceeds received but not yet expended at the end of the Company's period is disclosed separately.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

(i) Valuation of Equity Units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in private placements is determined to be the more easily measurable component and are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as warrant reserve. If the warrants are exercised, the related amount is reclassified as share capital. If the warrants expire unexercised, the related amount remains in warrant reserve.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Income Taxes

Income tax on the profit or loss for the period presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income or loss or directly in equity, in which case it is recognized in other comprehensive income or loss or equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the liability method, providing for unused tax loss carry-forwards and temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit; and differences relating to investments in subsidiaries, associates, and joint ventures to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(k) Restoration, Rehabilitation, and Environmental Obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Restoration, Rehabilitation, and Environmental Obligations (continued)

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date is insignificant.

(m) Loss per Share

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

(n) Deferred financing costs

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

(o) Segment Reporting

The Company operates in a single reportable operating segment - the acquisition, exploration and development of mineral properties.

The Company's only mineral property interest, the Christa-Aura property is in British Columbia.

(p) Significant Accounting Estimates and Judgments

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Significant Accounting Estimates and Judgments (continued)

- i. the carrying value and the recoverability of the carrying value of the exploration and evaluation assets included in the statements of financial position;
- ii. the inputs used in accounting for agents' warrants; and
- iii. the composition of deferred income tax asset and valuation of deferred income tax asset allowance.

Critical accounting judgments

The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves significant judgment made by management.

(r) Recent accounting pronouncements

The following pronouncements and amendments are effective for annual periods beginning on or after January 1, 2013 unless otherwise stated. Adopting these standards is expected to have minimal or no impact on the consolidated financial statements.

(a) IFRS 9 – Financial Instruments: Classification and Measurement applies to classification and measurement of financial assets and liabilities as defined in IAS 39. It is effective for annual periods beginning on or after January 1, 2015 with early adoption permitted.

(b) IFRS 10 – Consolidation replaces SIC-12 Consolidation—Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements and requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

(c) IFRS 11 – Joint Arrangements requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas joint operations, the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. IFRS 11 supersedes IAS 31 Interests in Joint Ventures, and SIC-13 Jointly Controlled Entities—Non-monetary Contributions by Venturers.

(d) IFRS 12 – Disclosure of Interest in Other Entities establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, and special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces additional disclosures addressing the nature of, and risks associated with, an entity's interests in other entities.

(e) IFRS 13 – Fair Value Measurement is a comprehensive standard that defines fair value, requires disclosure about fair value measurement and provides a framework for measuring fair value when it is required or permitted within the IFRS standards.

(f) IAS 27 – Separate Financial Statement addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements

(g) IAS 28 – Investments in Associates and Joint Ventures has been amended to include joint ventures in its scope and to address the changes in IFRS 10 – 13.

LONGACRE RESOURCES INC.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012
(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) *Recent accounting pronouncements (continued)*

(h) IAS 1 – Presentation of Financial Statements amendment requires components of other comprehensive income to be separately presented between those that may be reclassified to income and those that will not. The amendments are effective for annual periods beginning on or after July 1, 2012.

(i) IAS 32 – Financial Instruments: Presentation amendment provides clarification on the application of offsetting rules. The amendments are effective for annual periods beginning on or after July 1, 2012.

3. EXPLORATION AND EVALUATION ASSETS

	September 30, 2012
CHRISTA-AURA PROPERTY,	
Acquisition costs:	
Cash	\$ 17,153
	<u>17,153</u>
Exploration costs:	
Mapping and geochemical	34,258
Geophysical	25,353
Geochemical	7,096
Field supplies and equipment rental	11,994
Geological consulting	24,646
	<u>103,347</u>
Balance, March 31 and September 30, 2012	\$ 120,500

On July 1, 2011, the Company acquired a 100% interest in certain mining claims comprising the Christa-Aura Property situated in south western British Columbia, by staking the claims at a cost of \$17,153.

4. SHARE CAPITAL AND RESERVES

a) Authorized

An unlimited number of Common shares, with one vote per share

b) Issued

(i) During fiscal 2012 2,000,000 common shares were issued at \$0.01 per share for cash of \$20,000, the "Founders shares". The fair value of these escrow shares issued to the Directors and officers of the Company was determined to be \$100,000. As a result, \$80,000 (\$100,000-\$20,000) of stock-based compensation was expensed in the period ended March 31, 2012. These common shares are held in escrow and will be released pro-rata to the shareholders with 10% of the escrow securities being released upon the date the common shares are listed for trading on the TSX Venture Exchange, 1/6 of remainder being released after 6 months, 1/5 of remainder being released after 12 months, 1/4 of remainder being released after 18 months, 1/3 of remainder being released after 24 months, 1/2 of remainder being released after 30 months and the remaining being released after 36 months from listing.

(ii) During fiscal 2012 the Company issued 1,200,000 flow-through common shares, and 600,000 non flow-through common shares and an equivalent number of common share purchase warrants at a price of \$0.05 per unit for proceeds of \$90,000.

(iii) During fiscal 2012 2,120,000 common shares and an equivalent number of common share purchase warrants were issued at \$0.05 per unit for cash of \$106,000. The Company paid issue costs of \$1,000.

(iv) During the six months ended September 30, 2012, 650,000 common shares and an equivalent number of common share purchase warrants were issued at \$0.05 per unit for cash of \$32,500.

c) Warrants and options

There are 4,570,000 common share purchase warrants outstanding as at September 30, 2012. Each of the warrants entitles the holder thereof to acquire one additional common share of the Company at \$0.10 per share at any time until 24 months following the date the Company's shares are first listed for trading on a stock exchange in North America. The Company valued the warrants at \$ Nil, using the residual value approach.

d) Stock option plan

Effective March 31, 2012 the Company adopted a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under this plan, the exercise price of each option equals the market price or a discounted price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of ten years.

At September 30, 2012 there are no options outstanding.

LONGACRE RESOURCES INC.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012
(Expressed in Canadian Dollars)

5. RELATED PARTY BALANCES AND TRANSACTIONS

During the six months ended September 30, 2012 and 2011, the Company:

- paid management fees of \$2,500 (2011 - \$2,500) to a company controlled by a director and president of the Company
- paid or accrued legal fees of \$7,965 (2011 - \$Nil) to a legal firm with a partner who is a director of the Company
- paid professional fees of \$15,000 (2011 - \$12,500) to a company controlled by an officer of the Company

During the period ended March 31, 2012, the Company:

- paid management fees of \$17,500 to a company controlled by a director and president of the Company
- paid legal fees of \$10,072 to a legal firm with a partner who is a director of the Company
- paid professional fees of \$27,500 to a company controlled by an officer of the Company

These transactions were agreed upon by the board of directors and were measured at the exchange amount which is the amount of consideration established and agreed to by related parties.

6. INCOME TAXES

The reconciliation of income tax provision computed at statutory rates to the reported income tax provision is as follows:

	March 31, 2012
Canadian tax rate	26.13%
Income tax benefit computed at statutory rates	\$ (39,100)
Items not deductible for tax purposes	20,900
Effect of change in tax rates	800
Unrecognized deferred tax assets	17,400
	\$ -

The significant components of the Company's deferred income tax assets (liabilities) are as follows:

	March 31, 2012
Deferred income tax assets (liabilities)	
Exploration and evaluation assets	\$ (15,000)
Non-capital losses	17,500
Share issue costs	200
Unrecognized deferred tax assets	(2,700)
	\$ -

7. NON CASH TRANSACTIONS

Included in deferred share issue costs is \$18,603 which is accrued at September 30, 2012.

There were no non-cash investing or financing transactions during the periods ended March 31, 2012 and September 30, 2011.

8. FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist of cash, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

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

Credit risk

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

Market risk

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

a) Interest rate risk

The Company has cash balances. The interest earned on cash approximates fair value rates, and the Company is not at a significant risk to fluctuating interest rates.

b) Price risk

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

9. CAPITAL DISCLOSURES

The Company's principal source of capital is from the issuance of common shares. The Company's capital management objective is to obtain sufficient capital to develop new business opportunities for the benefit of its shareholders. To meet the objectives, management monitors the Company's ongoing capital requirements on specific business opportunities on a case by case basis. The capital structure of the Company consists of cash and equity attributable to common shareholders, consisting of issued share capital, reserve and deficit. The Company is not subject to any externally imposed capital requirements.

10. SUBSEQUENT EVENTS

- a. Pursuant to an Engagement Letter dated March 9, 2012, amended July 24, 2012, the Company engaged Wolverton Securities Ltd. to act as its agent to assist with the Company's initial public offering ("IPO") of its securities by way of prospectus and the Company's listing on the TSX Venture Exchange. The Company is in the process of filing an IPO prospectus with the British Columbia and Alberta Securities Commissions to raise \$600,000 by the issuance of 4,000,000 common shares at \$0.15 per common share, subject to regulatory approval.

The Agent will be paid a fee in cash of 8% of the gross proceeds of the Offering, payable at the Agent's option in cash or shares, at a price per share equal to the \$0.15 offering price. The Company will also grant non-transferable agent's options to the Agent, entitling the Agent to purchase that number of common shares equal to 8% of the number of common shares sold pursuant to the IPO. The Agent's options will be exercisable at an exercise price of \$0.15 for a period of 24 months from the date the Company's shares are first listed for trading on a stock exchange in North America. The Agent will also receive a corporate finance fee of \$25,000 (plus HST) toward which a retainer of \$5,000 (plus HST) has been paid and the balance of which is payable at the agent's option in cash or shares. The Company will also reimburse the Agent for legal fees and expenses, towards which a retainer of \$9,400 has been paid.

- b. The Company redeemed 500,000 previously issued Founders' shares paying \$0.01 per share for total cash consideration of \$5,000. There was a corresponding reduction in the fair value of the Founders shares of \$20,000 see note 4(b)(i), and an equivalent reduction in the stock based compensation expense. There remain 1,500,000 Founders shares subscribed for at \$0.01 per share.

CERTIFICATE OF THE COMPANY

Dated: January 21, 2013

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

“Mark H. Holden”

“John W. Jardine”

MARK H. HOLDEN
Chief Executive Officer

JOHN W. JARDINE
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

“Jeffrey B. Lightfoot”

“W.D. Bruce Winfield”

JEFFREY B. LIGHTFOOT
Director

W.D. BRUCE WINFIELD
Director

CERTIFICATE OF THE PROMOTER

Dated: January 21, 2013

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

“Mark H. Holden”

MARK H. HOLDEN

CERTIFICATE OF THE AGENT

Dated: January 21, 2013

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

WOLVERTON SECURITIES LTD.

“Colman Wong”

Per:

Colman Wong
Senior Vice President