

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

*A copy of this preliminary prospectus has been filed with the securities regulatory authority in British Columbia, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authority in British Columbia.*

*This preliminary prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended, and, subject to certain exceptions, may not be offered, sold or delivered, directly or indirectly in the United States of America, its territories or possessions. See "Plan of Distribution".*

INITIAL PUBLIC OFFERING

September 3, 2014

## **NSS RESOURCES INC.**

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### **OFFERING:**

5,000,000 UNITS AT A PRICE OF \$0.10 PER UNIT

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NSS Resources Inc. (the "Company") hereby qualifies for distribution in British Columbia, 5,000,000 Units ("Units") of the Company at a price of \$0.10 per Unit. See "Plan of Distribution". Each Unit is comprised of one Common Share (as defined herein) of the Company (a "Unit Share") and one half non-transferable share purchase warrant (a "Unit Warrant"). Each full Unit Warrant will entitle the holder thereof to purchase an additional Common Share (a "Unit Warrant Share") at a price of \$0.20 for the period ending twelve (12) months from the date of closing (the "Closing Date") of the offering (the "Offering").

	<b>NUMBER OF UNITS</b>	<b>PRICE TO PUBLIC<sup>(1)</sup></b>	<b>FINDER'S FEE<sup>(2)</sup></b>	<b>NET PROCEEDS TO COMPANY<sup>(3)</sup></b>
Offering Price Per Unit	1	\$0.10	\$0.008	\$0.092
Offering	5,000,000	\$500,000	\$40,000	\$460,000

**Notes:**

- (1) The offering price and the terms of the Offering have been determined by Company.
- (2) The Company has agreed to pay finder's fees in the form of a cash commission equal to 8% of the gross proceeds raised from the Offering (the "Finder's Commission") and non-transferable Finder's Warrant equal to 8% of the Units sold under the Offering to certain finders. The Finder's Warrants will entitle the holder to purchase one common share at a purchase price of \$0.20 at any time up to the close of business 12 months from the Closing Date.
- (3) Before deducting the balance of the expenses of the Offering estimated to be \$30,000.

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

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, but does intend to apply to list on the Canadian Securities Exchange.

The Company has applied to list its issued and outstanding Common Shares, the Unit Shares distributed under this Prospectus and all other Common Shares issuable as described in this Prospectus on the Canadian Securities Exchange (the "Exchange"). The Unit Warrants will not be listed on the Exchange.

### **RISK FACTORS**

Investment in the Units is considered highly speculative and subject to certain risk factors such as the Company's limited operating history and the speculative nature of mineral exploration and development. Investors must be willing to rely almost exclusively upon the ability, expertise, judgment, discretion, integrity and good faith of the Company's management. An investment in these securities should only be made by persons who can afford the total loss of their investment. See "Risk Factors".

### **DILUTION**

The Unit Shares offered under this Prospectus will be subject to a dilution of \$0.0532 per common share (53.2%).

Upon completion of the Offering, and assuming all the Units are subscribed for, the Unit Shares issued under the Offering will represent 36.0% of the Company's issued and outstanding Common Shares and 64% of the Company's issued and outstanding Common Shares will be owned by the promoters, insiders, and holders of escrowed shares. One or more of the directors of the Company has an interest, direct or indirect, in other natural resource companies. Reference should be made to the items "Risk Factors" and "Directors and Executive Officers - Conflicts of Interest" herein for further details.

Klaus Eckhof, a director of the Company, resides outside of Canada, therefore it may not be possible for investors to enforce judgments obtained in Canadian courts predicated upon civil liability provisions of applicable Canadian securities laws against Mr. Eckhof.

### **PLAN OF DISTRIBUTION**

Subscriptions offered under this Prospectus 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 will remain open until such date the Company determines, but no later than the date that is 90 days after a receipt is issued by the principal regulator pursuant to National Policy 11-202 ("NP 11-202") *Process for Prospectus Review in Multiple Jurisdictions* for the Prospectus, unless an amendment to the final Prospectus is filed and the principal regulator has issued a receipt for the amendment, in which case the Offering must cease within 90 days after the date of the receipt for the amendment to the final Prospectus. Notwithstanding the above, the total period of the Offering must not end more than 180 days from the date of the initial receipt for the final Prospectus. All funds received from subscriptions will be held in trust until the closing of the Offering. Certificates representing the Unit Shares and the Unit Warrants will be available for delivery at the closing of the Offering.

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

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## GLOSSARY OF NON-TECHNICAL TERMS

The following is a glossary of certain terms used in this Prospectus. Terms and abbreviations used in the financial statements of the Company may be defined separately and the terms defined below may not be used therein.

"Finder's Commission" means the fee equal to 8% of the gross proceeds from the sale of Units under the Offering payable in cash by the Company to certain finders.

"Finders' Warrants" means the non-transferable warrants to be granted by the Company to certain finders to purchase that number of Common Shares as is equal to 8% of the Units sold under the Offering, with each Finders' Warrant entitling the holder to purchase one Common Share at a price of \$0.20 any time up to the close of business 12 months from the Closing Date.

"Author" means Don Allen, P.Eng., the author of the Technical Report.

"Board" means the Board of Directors of the Company.

"Closing" means the closing of the Offering.

"Closing Date" means such date or dates that the Company determines to close the sale of the Units offered pursuant to this Prospectus.

"Common Shares" means the common shares in the capital of the Company and "Common Share" means any one of them.

"Company" means NSS Resources Inc.

"Escrow Agent" means Computershare Investor Services Inc.

"Escrow Agreement" means the NP 46-201 escrow agreement dated August 1, 2014 among the Company and various Principals and shareholders of the Company.

"Exchange" means the Canadian Securities Exchange.

"Listing Date" means the date on which the Common Shares of the Company are listed for trading on the Exchange.

"Named Executive Officers" means the following individuals:

- (a) the Company's Chief Executive Officer;
- (b) the Company's Chief Financial Officer (CFO);
- (c) each of the Company's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose individual total compensation exceeds \$150,000 for that financial year; and
- (d) each individual who would be an Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

"NI 41-101" means National Instrument 41-101 *General Prospectus Requirements* of the Canadian Securities Administrators.

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

"NI 52-110" means National Instrument 52-110 *Audit Committees* of the Canadian Securities Administrators.

"NI 58-101" means National Instrument 58-101 *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators.

"NP 46-201" means National Policy 46-201 *Escrow for Initial Public Offerings* of the Canadian Securities Administrators.

"NP 58-201" means National Policy 58-201 *Corporate Governance Guidelines* of the Canadian Securities Administrators.

"NSR" means the 2% net smelter returns royalty interest from the sale of mineral products from the Seneca Property following the commencement of commercial production less allowable deductions, to Asante Gold Corporation.

"Offering" means the offering of 5,000,000 Units of the Company as described in this Prospectus.

"Offering Price" means \$0.10 per Unit.

"Option Plan" means the Company's stock option plan adopted on July 15, 2014 by the Board, and providing for the granting of incentive options to the Company's directors, officers, employees and consultants in accordance with the rules and policies of the Exchange.

"Principal" of an issuer means:

- (a) a person or company who acted as a promoter of the issuer within two years before the prospectus;
- (b) a director or senior officer of the issuer or any of its material operating subsidiaries at the time of the prospectus;
- (c) a 20% holder – a person or company that holds securities carrying more than 20% of the voting rights attached to the issuer's outstanding securities immediately before and immediately after the issuer's initial public offering; or
- (d) a 10% holder – a person or company that:
  - (i) holds securities carrying more than 10% of the voting rights attached to the issuer's outstanding securities immediately before and immediately after the issuer's initial public offering, and
  - (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the issuer or any of its material operating subsidiaries.

"Private Placement" means the non-brokered private placement financings by the Company conducted in April 2014 and June 2014 consisting, respectively, of an aggregate of 2,500,000 Common Shares at a price of \$0.01 (April 2014) and 6,500,000 Common Shares at a price of \$0.02 (June 2014).

"Prospectus" means this preliminary prospectus dated September 3, 2014.

"Qualified Person" means an individual who:

- (a) is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these;
- (b) has experience relevant to the subject matter of the Seneca Property and of the Technical Report; and

- (c) is in good standing with a professional association and, in the case of a foreign association listed in Appendix A of NI 43-101, has the corresponding designation in Appendix A of NI 43-101.

"Seneca Property" means the 9 mineral claims, located near Harrison Lake, British Columbia, about an hour drive from Vancouver.

"Securities Commission" means the British Columbia Securities Commission.

"Subscriber" means a person, company or other entity that subscribes for Units under the Offering.

"Technical Report" means the report on the Seneca Property entitled "NSS Resources Inc. Technical Report on the Seneca VMS Project British Columbia" prepared for the Company by Donald G. Allen, M.A.Sc., P.Eng., in accordance with NI 43-101.

"Units" means the 5,000,000 units of the Company offered for sale under this Prospectus, with each Unit comprised of one Common Share and one half Unit Warrant.

"Unit Shares" means the Common Shares of the Company offered for sale as part of the Units under this Prospectus.

"Unit Warrants" means the non-transferable warrants of the Company offered for sale as part of the Units under this Prospectus, each Unit Warrant entitling the holder thereof to purchase one Unit Warrant Share at the exercise price of \$0.20 per Unit Warrant Share for a period of twelve (12) months from the Closing Date.

"Unit Warrant Shares" means the Common Shares issued to the holders of the Unit Warrants upon the exercise of the Unit Warrants.

## GLOSSARY OF TECHNICAL TERMS

<b>Alluvium</b>	Sediment deposited by flowing water, as in a riverbed, flood plain, or delta
<b>Allochthonous</b>	Geological material, deposits, terrane, that have been transported and then accumulates elsewhere (opposite of autochthonous).
<b>Anomaly, Anomalous</b>	A deviation from a normal value, suggestive of buried mineralization
<b>Anticline</b>	An arched fold of stratified rock from whose central axis the strata slope downward in opposite directions
<b>Argillite</b>	A highly compacted sedimentary or slightly metamorphosed sedimentary rock consisting primarily of particles of clay or silt
<b>Arsenopyrite</b>	A silvery grey metallic mineral consisting of a sulphide of iron and arsenic, FeAsS; a mineral commonly associated with gold mineralization
<b>Autochthonous</b>	Rocks, deposits, etc. found where they and their constituents were formed (opposite of allochthonous).
<b>Back arc basin</b>	Back-arc basins are geologic features, submarine basins associated with island arcs and subduction zones. They are found at some convergent plate boundaries, presently concentrated in the Western Pacific ocean.
<b>Barite</b>	A mineral consisting of barium sulfate (BaSO <sub>4</sub> )
<b>Basalt</b>	A common extrusive volcanic rock, fine grained, grey to black in colour, formed from the rapid cooling of basaltic lava.
<b>Breccia</b>	A rock composed of broken fragments of minerals or rock cemented together by a fine-grained matrix, that can be either similar to or different from the composition of the fragments.
<b>Chalcopyrite</b>	A mineral consisting of copper, iron and sulfur (Cu <sub>5</sub> FeS <sub>4</sub> ).
<b>Chlorite, Chloritized</b>	A group of usually greenish, soft minerals, (Mg,Al,Fe)(Si,Al)O(OH), that break into thin, flexible, mica like sheets and are usually found in metamorphic rocks
<b>cm</b>	Centimetre, one hundredth of a metre, which is the International System of Units (SI) base unit of length.
<b>Conglomerate</b>	A sedimentary rock consisting of individual rounded fragments within a finer-grained matrix that have become cemented together.
<b>Conductor</b>	Term used to describe a group of anomalously high conductivity results from electromagnetic surveys, measured in units of Siemens or milli Siemens
<b>Craton</b>	The term craton is used to distinguish the stable portion of the continental crust from regions that are more geologically active and unstable.
<b>Cretaceous</b>	A geologic period and system from about 145 to 66 million years (Ma) ago.
<b>Cryptodome</b>	A lava dome is a roughly circular mound-shaped protrusion resulting from the slow extrusion of viscous lava from a volcano.
<b>Dacite</b>	A fine grained light gray volcanic rock containing a mixture of plagioclase and other crystalline minerals
<b>Diamond Drilling</b>	Rotary drilling using diamond-set or diamond-impregnated bits, to produce a solid continuous core of rock sample
<b>Dip</b>	The angle that a structural surface, a bedding or fault plane, makes with the horizontal, measured perpendicular to the strike of the structure
<b>Dike, dyke</b>	A sheet of rock that formed in a crack in a pre-existing rock body. It is a type of tabular or sheet intrusion, that either cuts across layers in a planar wall rock structures, or into a layer or unlayered mass of rock.
<b>EM, Electromagnetic Survey</b>	Measurement of the apparent conductivity or resistivity of the sub-surface by recording the response of a secondary electrical field induced by the pulsing of a current through a fixed or mobile loop
<b>Fault</b>	A surface or zone of rock fracture along which there has been displacement

<b>Facies</b>	Facies refers to a body of rock with specified characteristics. Ideally, a facies is a distinctive rock unit that forms under certain conditions of sedimentation, reflecting a particular process or environment.
<b>Feldspar</b>	A group of rock-forming tectosilicate minerals that make up as much as 60% of the Earth's crust, comprised of potassium, calcium, aluminum, silicon and oxygen.
<b>Felsic</b>	Refers to igneous rocks that are relatively rich in elements that form feldspar and quartz
<b>Flow dome</b>	In volcanology, a roughly circular mound-shaped protrusion resulting from the slow extrusion of viscous lava from a volcano. The characteristic dome shape is attributed to high viscosity that prevents the lava from flowing very far.
<b>Footwall</b>	The two sides of a non-vertical fault or vein are known as the hanging wall and footwall. By definition, the hanging wall occurs above the fault plane and the footwall occurs below the fault or vein.
<b>Formation</b>	A distinct layer of sedimentary rock of similar composition
<b>g/t</b>	1 gram per (metric) tonne = 1 ppm = 1000 ppb = 0.0292 troy ounce per short ton
<b>Galena</b>	A mineral consisting of lead and sulfur (PbS).
<b>Geochemical</b>	The distribution and amounts of the chemical elements in minerals, ores, rocks, solids, water, and the atmosphere
<b>Geophysical</b>	The mechanical, electrical, gravitational and magnetic properties of the earth's crust
<b>Geophysical Surveys</b>	Survey methods used primarily in the mining industry as an exploration tools, applying the methods of physics and engineering to the earth's surface
<b>Granite</b>	A common, coarse-grained, light-colored, hard igneous rock consisting chiefly of quartz, orthoclase or microcline, and mica
<b>Greenstone</b>	Any of various altered basic igneous rocks colored green by chlorite, hornblende, or epidote
<b>Greywacke</b>	Any dark sandstone or grit having a matrix of clay minerals
<b>Hanging wall</b>	The two sides of a non-vertical fault or vein are known as the hanging wall and footwall. By definition, the hanging wall occurs above the fault plane and the footwall occurs below the fault or vein.
<b>Host Rock</b>	The rock in which a mineral or an ore body may be contained
<b>Hyaloclastite</b>	A hydrated tuff-like breccia rich in black volcanic glass, formed during volcanic eruptions under water, under ice or where subaerial flows reach the sea or other bodies of water. It has the appearance of angular flat fragments sized between a millimeter to few centimeters. The fragmentation occurs by the force of the volcanic explosion, or by thermal shock during rapid cooling.
<b>Hydrothermal</b>	The products of the actions of heated water, such as a mineral deposit precipitated from a hot solution
<b>Igneous</b>	Rocks that have solidified from magma
<b>IP</b>	Induced Polarization – to map anomalous ground chargeability which is often related to disseminated type sulphide deposits
<b>Isocline</b>	A geologic fold that has two parallel limbs
<b>ISO 9001</b>	ISO 9001:2008 sets out the criteria for a quality management system and is the only standard in the family that can be certified to (although this is not a requirement). It can be used by any organization, large or small, regardless of its field of activity. In fact ISO 9001:2008 is implemented by over one million companies and organizations in over 170 countries.
<b>Jurassic</b>	A geologic period and system that extends from 201.3 Ma (million years ago) to 145 Ma
<b>km</b>	Kilometre
<b>Lapilli</b>	Small rounded or irregularly shaped pieces of lava between the size of a pea and a walnut, ejected together with volcanic bombs and ash during volcanic eruptions.



<b>Lithosphere</b>	The brittle uppermost shell of the earth, broken into a number of tectonic plates. The lithosphere consists of the heavy oceanic and lighter continental crusts, and the uppermost portion of the mantle.
<b>Lithostratigraphic</b>	Stratigraphy based on the physical and petrographic properties of rocks
<b>m</b>	Metre; 1 metre is equal to 1000 mm (millimetre), or 1000000 $\mu\text{m}$ (micrometre).
<b>M</b>	Million
<b>Ma</b>	Million years
<b>Mafic</b>	Containing or relating to a group of dark-colored minerals, composed chiefly of magnesium and iron, which occur in igneous rocks.
<b>Magnetic Survey</b>	One of the tools used by exploration geophysicists in their search for mineral-bearing ore bodies; the essential feature is the measurement of the magnetic-field intensity. Geologists and geophysicists also routinely use it to tell them where certain rock types change and to map fault patterns.
<b>Magmatism</b>	The formation of igneous rock from magma
<b>Mesozonal</b>	Zone of development of mineralization or magmatism at moderate depth (7-16 km) in the earth's crust.
<b>Metamorphic, metamorphism</b>	Change in structure or composition of a rock as a result of heat and pressure
<b><math>\mu\text{m}</math></b>	A micrometre, $\mu\text{m}$ is an SI unit of length equal to one millionth of a metre, or about a tenth of the size of a droplet of mist or fog.
<b>Mineral</b>	A naturally occurring inorganic crystalline material having a definite chemical composition
<b>Mineralization</b>	A natural accumulation or concentration in rocks or soil of one or more potentially economic minerals, also the process by which minerals are introduced or concentrated in a rock
<b>mm</b>	Millimetre, one thousandth of a metre, the International System of Units (SI) base unit of length.
<b>National Instrument 43-101 or NI 43-101</b>	Standards of disclosure for mineral projects prescribed by the Canadian Securities Administration.
<b>Nugget effect</b>	The often complex, erratic, and localized nature of gold is a common feature of many vein-style gold deposits. This style of mineralization is often referred to as being nuggety or possessing a high-nugget effect.
<b>Ore</b>	Mineral bearing rock that can be mined and treated profitably under current or immediately foreseeable economic conditions
<b>Ore body</b>	A mostly solid and fairly continuous mass of mineralization estimated to be economically mineable
<b>Orogenic</b>	The formation of mountain ranges by intense upward displacement of the earth's crust, usually associated with folding, thrust faulting, and other compressional processes
<b>Pelite, pelitic</b>	A sediment or sedimentary rock composed of fine fragments, as of clay or mud.
<b>Peperite</b>	A sediment or sedimentary rock composed of fine fragments, as of clay or mud.
<b>Phyllite</b>	A compact lustrous metamorphic rock, rich in mica, derived from a shale or other clay-rich rock
<b>Plutonic</b>	Pertaining to igneous rocks derived from magma that has cooled and solidified below the surface of the earth.
<b>ppb</b>	Parts per billion, a measurement of concentration
<b>ppm</b>	Parts per million, a measurement of concentration. 1 ppm = 1000 ppb = 1 gram per tonne.

<b>Porphyry, porphyritic, phyric</b>	The texture of a rock in which relatively large phenocrysts with regular crystal faces are set in a generally fine-grained groundmass.
<b>Pumice</b>	A volcanic glass formed by the solidification of lava that is permeated with gas bubbles. Usually found at the surface of a lava flow, it is colorless or light gray and has the general appearance of a rock froth.
<b>Pyrite</b>	A mineral composed of iron and sulfur ( $\text{FeS}_2$ )
<b>Pyroclastic</b>	Pyroclastic flow, turbulent, fluidized mixture of rock, volcanic ash, and hot gas that moves like an avalanche away from a volcanic eruption.
<b>QA/QC</b>	Quality Assurance/Quality Control is the process of controlling and assuring data quality for assays and other exploration and mining data
<b>Qualified Person</b>	The term "qualified person" refers to an individual who is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these, has experience relevant to the subject matter of the mineral project and the technical report and is a member in good standing of a recognized professional association.
<b>Resistivity</b>	The inverse of a conductivity, expressed in units of ohm metres
<b>Rhyolite</b>	A fine-grained light-colored acidic volcanic rock. Rhyolite is chemically the equivalent of granite, and is thus composed primarily of quartz and orthoclase feldspar with subordinate amounts of plagioclase feldspar, biotite mica, amphiboles, and pyroxenes.
<b>Rock</b>	Indurated naturally occurring mineral matter of various compositions
<b>RTP</b>	Reduction to pole. The simplification of the interpretation of magnetic anomalies by modifying the anomaly pattern to that which it would be in a vertical field, i.e. if the locality were at the north (or south) magnetic pole; induced magnetic effects would then be symmetrical.
<b>Sericite, sericitization</b>	A variety of white mica, usually muscovite, $\text{KAl}_2[\text{AlSi}_3\text{O}_{10}](\text{OH})_2$ . A hydrothermal or metamorphic process involving the introduction of or replacement by sericite.
<b>Shale</b>	A fine-grained laminated or fissile sedimentary rock made up of silt- or clay-size particles
<b>Silicification</b>	Introduction of or replacement by silica ( $\text{SiO}_2$ naturally occurring silicon dioxide).
<b>Sill</b>	A sill is a tabular sheet intrusion that has intruded between older layers of sedimentary rock, beds of volcanic lava or tuff, or even along the direction of foliation in metamorphic rock.
<b>Sphalerite</b>	A mineral composed of zinc, iron and sulfur ( $[\text{Zn,Fe}]S$ )
<b>Stockwork</b>	A mineral deposit in the form of a network of veinlets diffused in the country rock
<b>Strike</b>	The direction or trend that a structural surface, e.g. a bedding or fault plane, takes as it intersects the horizontal
<b>Subduction</b>	Subduction is the process that takes place at convergent boundaries by which one tectonic plate moves under another tectonic plate and sinks into the mantle as the plates converge.
<b>Sulfide, sulphide</b>	A mineral including sulfur (S) and iron (Fe) as well as other elements
<b>Tectonic</b>	Relating to the forces that produce movement and deformation of the Earth's crust
<b>Tectonostratigraphic</b>	Relating to the correlation of rock formations with each other in terms of their connection with a tectonic event
<b>Terrane</b>	A terrane in geology is a shorthand term for a tectonostratigraphic terrane, which is a fragment of crustal material formed on, or broken off from, one tectonic plate and accreted or "sutured" to crust lying on another plate.
<b>Triassic</b>	A geologic period and system that extends from about 250 to 200 Ma ( $252.2 \pm 0.5$ to $201.3 \pm 0.2$ million years ago).
<b>Tuff</b>	A type of rock consisting of consolidated volcanic ash ejected from vents during a volcanic eruption.

<b>Tonne</b>	Metric ton = 1000 kilograms = 1.102311 tons (short)
<b>Turbidite</b>	A sedimentary deposit formed by a turbidity current
<b>Vein</b>	A thin, sheet-like crosscutting body of hydrothermal mineralization, principally quartz
<b>Volcanic Arc</b>	A usually arc-shaped chain of volcanoes located on the margin of the overriding plate at a convergent plate boundary
<b>Volcaniclastic</b>	Clastic rock containing volcanic material in any proportion.
<b>VMS, VHMS</b>	Volcanogenic massive sulphide; Volcanic hosted massive sulphide. A type of metal sulfide ore deposit, mainly Cu-Zn associated with and created by volcanic-associated hydrothermal events in submarine environments.
<b>VTEM</b>	A proprietary deep sensing airborne geophysical survey system that identifies electrical conductivity of rock units

## CURRENCY

In this Prospectus, unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and references to \$ are to Canadian dollars.

### CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Except for statements of historical fact relating to the Company, certain statements in this Prospectus may constitute forward-looking information, future oriented financial information, or financial outlooks (collectively, "forward looking information") within the meaning of Canadian securities laws. Forward-looking information may relate to this Prospectus, the Company's future outlook and anticipated events or results and, in some cases, can be identified by terminology such as "may", "could", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "projects", "predict", "potential", "targeted", "possible", "continue" or other similar expressions concerning matters that are not historical facts and include, but are not limited in any manner to, those with respect to commodity prices, mineral resources, mineral reserves, realization of mineral reserves, existence or realization of mineral resource estimates, the timing and amount of future production, the timing of construction of any proposed mine and process facilities, capital and operating expenditures, the timing of receipt of permits, rights and authorizations, and any and all other timing, development, operational, financial, economic, legal, regulatory and political factors that may influence future events or conditions, as such matters may be applicable. In particular, this Prospectus contains forward-looking statements pertaining to the following:

- Proposed expenditures for exploration work, and general and administrative expenses (see "Property Description and Location" and "Use of Proceeds" for further details);
- Expectations generally regarding completion of this Offering and the ability to raise further capital for corporate purposes; and
- Treatment under applicable governmental regimes for permitting and approvals (see "Risk Factors").

Such forward-looking statements are based on a number of material factors and assumptions, and include the ultimate determination of mineral reserves, if any, the availability and final receipt of required approvals, licenses and permits, sufficient working capital to develop and operate any proposed mine, access to adequate services and supplies, economic conditions, commodity prices, foreign currency exchange rates, interest rates, access to capital and debt markets and associated costs of funds, availability of a qualified work force, and the ultimate ability to mine, process and sell mineral products on economically favourable terms. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in this Prospectus. See "Risk Factors". Forward-looking statements are based upon management's beliefs, estimates and opinions on the date the statements are made and, other than as required by law, the Company does not intend, and undertakes no obligation to update any forward looking information to reflect, among other things, new information or future events.

Following the closing of the Offering and the listing on the Exchange, the Company intends to discuss in its quarterly and annual reports referred to as the Company's Management's Discussion & Analysis documents, any events and circumstances that occurred during the period to which such document relates that are reasonably likely to cause actual events or circumstances to differ materially from those disclosed in the Prospectus. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

Investors are cautioned against placing undue reliance on forward-looking statements.

## PROSPECTUS SUMMARY

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

**Principal Business of the Company:** The Company is currently engaged in the business of exploration of mineral properties in Canada. The Company holds 100% right, title and interest in and to the Seneca Property described herein. The Company's objective is to explore and, if warranted, develop the Seneca Property. See "Description of the Business".

**Management, Directors & Officers:**

Jag Sandhu	President, Chief Executive Officer, and Director
Narinder Paul Grewal	Chief Financial Officer
Klaus Eckhof	Director
Douglas Macquarrie	Director

See "Directors and Executive Officers".

**The Property:** The Seneca Property is an exploration stage property that consists of 9 mineral claims located near Harrison Lake, British Columbia. See "Property Description and Location".

**The Offering:** The Company is offering 5,000,000 Units at a price of \$0.10 per Unit. See "Plan of Distribution"

**Listing:** The Company has applied to have its Common Shares listed on the Exchange. Listing is subject to the Company fulfilling all of the requirements of the Exchange, including minimum public distribution requirements. See "Plan of Distribution".

**Use of Proceeds:** The Company will receive aggregate gross proceeds of \$500,000 from the sale of Units pursuant to the Offering. After deducting the Finder's Commission of \$40,000, and the balance of estimated costs of the Offering of \$30,000, the Company anticipates it will have net proceeds of \$430,000. The Company anticipates that total funds available to the Company, consisting of net proceeds of \$430,000 plus an estimated working capital of \$139,405 as at August 31, 2014 will provide the Company with available funds of approximately \$569,405 which will be used as follows:

- To pay for the Phase I exploration program expenditures on the Seneca Property <sup>(1)</sup>	\$69,800
- To provide funding sufficient to meet administrative, legal, audit and office overhead costs for 12 months	\$50,000
- Unallocated working capital	<u>\$449,605</u>
<b>TOTAL:</b>	<b><u>\$569,405</u></b>

(1) See "Property Description and Location – Exploration and Development".

The Company intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where for sound business reasons a reallocation of funds may be necessary. See "Use of Proceeds".

**Risk Factors:** An investment in the Units of the Company should be considered highly speculative and investors may incur a loss on their investment. The Company has no history of earnings. Resource exploration is a speculative business, characterized by a number of significant risks, including among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though

present, are insufficient in quantity and quality to return a profit from production. If the Company loses its interest in the Seneca Property, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the Exchange. The Seneca Property is in the exploration stage only and is without a known body of commercial ore. The Company and its assets may become subject to uninsurable risks. The Company's future operations may require permits which may not be granted to the Company. Additional Common Shares may be issued which will cause dilution to the ownership interests of the Company's shareholders. Environmental laws and regulations may affect the operations of the Company. The Company does not maintain key person insurance on any of its directors or officers. There is also no guarantee of the Company's title to the Seneca Property. The Seneca Property may in the future be the subject of First Nations land claims. The Company owns 100% interest in the Seneca Property and failure to keep its property interest in good standing could result in the partial or total loss of the Company's interest in the Seneca Property. The economic viability of any of the Company's exploration projects cannot be accurately predicted and may be adversely affected by fluctuations in mineral prices. The Company competes with other companies with greater financial resources and technical facilities. The Company is currently largely dependent on the performance of its directors and there is no assurance the Company can maintain their services. There is no assurance that additional funding will be available to the Company. There is currently no market for the Company's Common Shares and there can be no assurance that an active market will develop or be sustained after this Offering. Furthermore, in recent years, the price of publicly traded securities prices has fluctuated widely. Situations may arise where directors and officers who are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, will be in direct competition with the Company. See "Risk Factors".

**Summary  
of Financial  
Information:**

The following selected financial information is subject to and more fully explained in the detailed information contained in the financial statements of the Company and notes thereto incorporated into this Prospectus. The selected financial information is derived from the audited financial statements of the Company. The Company has established June 30 as its fiscal year end.

**Statement of Operations, Comprehensive Loss and Deficit Data**

	<b>Year Ended June 30, 2014 (\$) (audited)</b>	<b>Year Ended June 30, 2013 (\$) (audited)</b>	<b>Period from Incorporation until June 30, 2012 (\$) (audited)</b>
Revenue	Nil	Nil	Nil
Total Expenses	31,118	Nil	Nil
Deferred Income Tax Recovery	Nil	Nil	Nil
Net income (loss) for the period	(31,118)	Nil	Nil
Income (loss) per share (basic and diluted)	(0.07)	Nil	Nil

**Balance Sheet Data**

	<b>As at June 30, 2014 (\$) (audited)</b>	<b>As at June 30, 2013 (\$) (audited)</b>	<b>As at June 30, 2012 (\$) (audited)</b>
Current Assets	143,278	Nil	Nil
Total Assets	152,756	Nil	Nil
Current Liabilities	3,873	Nil	Nil
Long Term Debt	Nil	Nil	Nil
Shareholders' Equity	148,883	1	1

See "Selected Financial Information" and "Management's Discussion and Analysis".

## **CORPORATE STRUCTURE**

### **Name and Incorporation**

NSS Resources Inc. was incorporated under the *Business Corporations Act* (British Columbia) on March 28, 2012. The Company's registered and records office is located at 1200-750 West Pender Street, Vancouver, BC V6C 2T8. The Company's head office is located at Suite 206, 595 Howe Street, Vancouver, BC V6C 2T5.

### **Inter-corporate Relationships**

The Company has no subsidiaries.

## **DESCRIPTION OF THE BUSINESS**

The Company is engaged in the business of mineral exploration in Canada and its objective is to locate and, if warranted, develop economic mineral properties.

The Company holds a 100% interest, subject to a royalty interest to Asante Gold Corporation, in 9 mineral claims comprising the Seneca Property. The Seneca Property is centered about 80 kilometres NE of Vancouver (about 120 kilometres by road), British Columbia, in the New Westminster Mining Division. The Seneca Property consists of 205 units covering an area of 4,378 hectares. The Seneca Property is the sole material property of the Company at this time, and the Company seeks to list its Common Shares on the Exchange with the Seneca Property as its qualifying property.

### **Stated Business Objectives**

The Company's property, the Seneca Property, is in the exploration stage. The Company intends to use the net proceeds raised under the Offering to carry out the planned \$69,800 Phase I exploration program for the Seneca Property. See "Property Description and Location" and "Use of Proceeds".

The exploration, and if warranted, development of the Seneca Property may depend on specialized skills and knowledge possessed by directors and officers of the Company that are applicable to the mining industry. As at the most recent financial year, the Company did not have any employees. Jag Sandhu, Chief Executive Officer, President and Director and Narinder Paul Grewal, Chief Financial Officer are consultants to the Company. The mineral exploration and development industry is very competitive. As an emerging issuer, the Company is subject to numerous competitive conditions such as need for additional capital and commercial viability of the Seneca Property.

## **THREE-YEAR HISTORY**

Following incorporation, the Company capitalized the Company by completing two private placement financings. The first financing raised \$25,000 and the second raised \$130,000, which funds have been used for exploration activities and for general working capital.

### *The Seneca Property*

From April 2014 to June 2014, the Company staked 9 mineral claims called the Seneca Property near Harrison Lake area, British Columbia, Canada. The Seneca Property is located about one hour drive from Vancouver. It has easy road access and power. The Property consists of 205 units covering an area of 4,378 hectares (internal to the Property are six mineral claims totaling 150 hectares, which cover the historical Seneca Deposit and Vent showing, and which are not a part of the Seneca Property).

In order to keep the claims in good standing, the Company must spend \$5 per hectare before the end of the first anniversary date. Therefore the company must spend \$21,890 (4,378 hectares x \$5 per hectare = \$21,890) in



exploration and development work or pay the BC Government \$43,780 in cash before the next anniversary date of the claims.

The Seneca Property is subject to the NSR. The NSR grants a 2% net smelter returns royalty interest from the sale of mineral products from the Seneca Property following the commencement of commercial production to be paid to Asante Gold Corporation.

## **PROPERTY DESCRIPTION AND LOCATION**

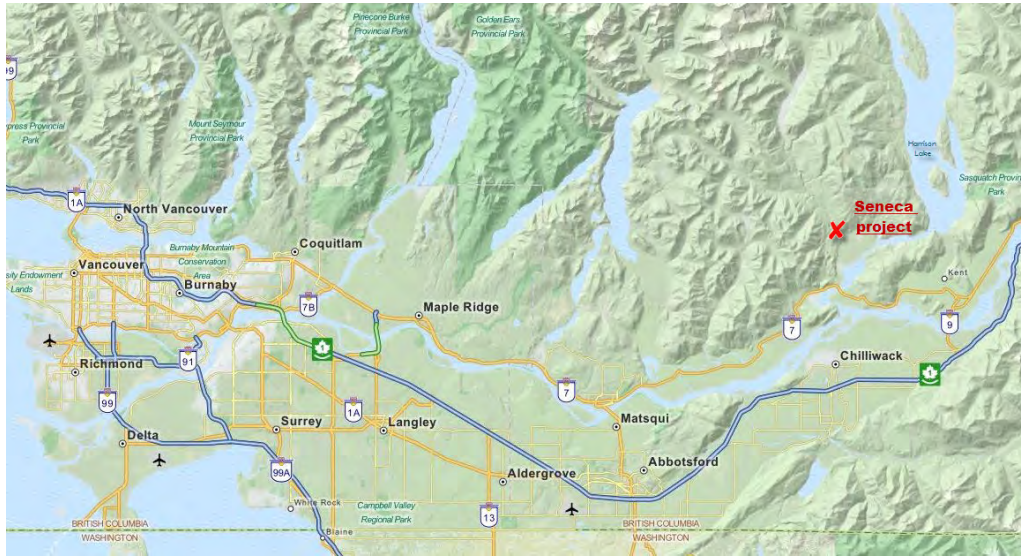
The information in this Prospectus with respect to the Seneca Property is derived from a National Instrument 43-101 compliant report entitled "Technical Report on the Seneca VMS Project British Columbia" prepared by Donald Allen, MASc. P.ENG dated July 30, 2014 (the "Technical Report"). Mr. Allen is an independent and "Qualified Person" for purposes of National Instrument 43-101. The full text of the Technical Report is available for review at the office of the Company at Suite 206 595 Howe Street, Vancouver, B.C. and may also be accessed online, under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

### **Seneca Property Area and Location**

The Seneca Property consists of 9 unpatented mining claims, totaling 205 units (4378 hectares). The property is centered about 80 kilometres NE (about 120 kilometres by road) of Vancouver, British Columbia, in the New Westminster Mining Division (Figure 1). It is centered on UTM coordinates 576000E, 5465000N Zone 10 NAD83 (latitude 49° 20'N, longitude 121° 57' W) and within NTS map area 92H/5.

The location of the Seneca Property is shown in Figure 1.

Figure 1: Location of the Seneca Property



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**Seneca Property Claim Status**

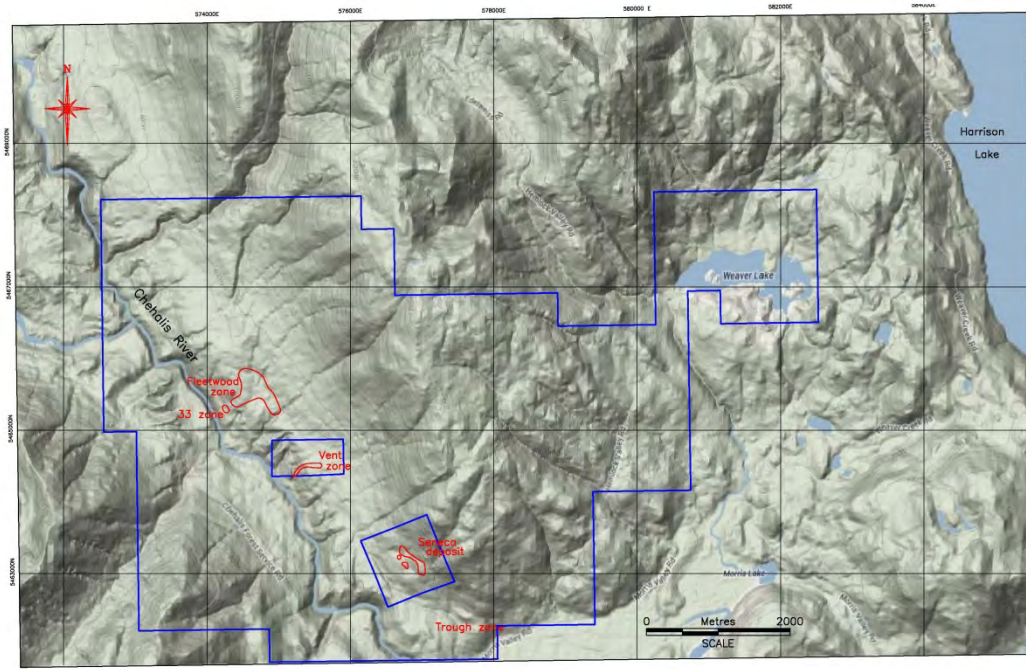
New Westminster Mining Division (4378 Hectares)

Seneca 1 to 9 Titles:

<b>Tenure Number</b>	<b>Claim Name</b>	<b>Owner</b>	<b>Tenure Type</b>	<b>Map Number</b>	<b>Issue Date</b>	<b>Good To Date</b>	<b>Area (ha)</b>
1027931	SENECA 1	279648 (100%)	Mineral	092H	2014/apr/29	2015/apr/29	2104.7055
1027932	SENECA 2	279648 (100%)	Mineral	092H	2014/apr/29	2015/apr/29	715.746
1027933	SENECA 3	279648 (100%)	Mineral	092H	2014/apr/29	2015/apr/29	463.3084
1027935	SENECA 4	279648 (100%)	Mineral	092H	2014/apr/29	2015/apr/29	126.3167
1027936	SENECA 5	279648 (100%)	Mineral	092H	2014/apr/29	2015/apr/29	421.1975
1028130	SENECA 6	279648 (100%)	Mineral	092H	2014/may/07	2015/may/07	210.3916
1028131	SENECA 7	279648 (100%)	Mineral	092H	2014/may/07	2015/may/07	42.0854
1028133	SENECA 8	279648 (100%)	Mineral	092H	2014/may/07	2015/may/07	147.2893
1029527	SENECA 9	279648 (100%)	Mineral	092H	2014/jul/10	2015/jul/10	147.30

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Figure 2 Location of Mineral Claims that comprise the Seneca Property - Topography and claim boundaries (claim boundaries shown in blue, mineralized zones shown in red).



### **Nature and Extent of Company's Title**

The Company holds 100% interest, subject to a royalty interest to Asante Gold Corporation, in 9 mineral claims comprising the Seneca property.

### **Royalties, Agreements and Encumbrances**

The Seneca Property is subject to the NSR. The NSR grants a 2% net smelter returns royalty interest from the sale of mineral products from the Seneca Property following the commencement of commercial production, to Asante Gold Corporation.

### **Environmental Liabilities**

Management is not aware of any environmental liabilities, which may have effect on the Company. The Company intends to fully comply with all environmental regulations.

### **Accessibility, Climate, Local Resources Infrastructure and Physiography**

The Seneca property lies about 120 kilometres by road east of Vancouver, British Columbia, and about 35 km northeast of the city of Mission. Access is by paved Highways 1 and 7 through Harrison Mills and the Morris Valley Road to the Chehalis Fleetwood Forest Service Road. Extensive past and ongoing logging operations have left a good network of trails and 4-wheel drive accessible roads throughout the property. An electrical power line crosses the southernmost boundary of the property. Major highways, railway and tidal - barge access are readily available. Local resources and infrastructure are therefore excellent.

The climate is typical of the west coast with moderate temperatures and much rainfall with snow accumulation in winter on ridges over 1500 m elevations.

The Seneca property lies within the Coast Mountain Range along the east side of the Chehalis River. Elevations range from 60 m above sea level to over 1350 m at Mount Keenan with moderate to steep relief. The Chehalis River valley is a broad U-shaped valley of glacial origin. Above 500 m elevation outcrop exposure is fair to good. Below this elevation glacial till is extensive and thick (up to 30 m) and except for abundant tributary creek beds, outcrop exposure is poor.

Forest cover ranges from recent logged-off areas to mature first and second growth stands of hemlock and cedar.

### **History**

1920 to 2004

The following history is taken from McKinley (op.cit.).

*1920's: Discovery of high grade massive sulphide float from a creek in the Seneca pit area.*

*1950's: Mineralized float/outcrop (?) found in road building for logging operations. The property was optioned to Noranda who drilled 14 xray holes totalling 423 feet.*

*1960-1962: M & H Mining Company prepared roads and excavated an open cut on the Seneca Lucky Jim claim. At the same time a 470-foot (143 m) long adit was driven eastward toward the open cut and 45 feet below it. Limited diamond drilling was done, but no record is available for the core. The BC Ministry of Mines and Petroleum Resources reported that an open pit was excavated at the Seneca property in 1961 and a bulk tonnage of 287 tons of crude ore shipped to Britannia Mines, where 17 oz Au, 959 oz silver and 7,118 lb copper and 40,657 lb zinc were recovered (Min. of Mines & Pet. Res., 1962).*

*1962: Property was optioned to Continental Consolidated Mines Ltd who drilled 9 holes.*

1964-65: *Noland Mines Ltd.* held the property in 1964-65 and completed a self potential survey and drilled two diamond-drill holes south of the open pit, assuming a steep southerly dip to mineralization in the pit area. No mineralization was found and the option dropped.

1969: *Zenith Mining Corp* acquired the property and outlined an anomalous zone southwest of the showing through an induced polarization (IP) survey. The company drilled 10 closely spaced diamond-drill holes across the anomaly finding only minor mineralization.

1971-1976: *Cominco* optioned the property from *Zenith* in 1971 and held an option on the property until 1976. *Cominco* did geochemical, geophysical, and geologic surveys augmented with a BC Department of Mines and Petroleum Resources mapping program in 1972 (Thompson, 1972). *Cominco* drilled 36 diamond-drill holes and an undergraduate thesis on sulphide mineralogy from the *Seneca* pit area was completed by *Pride* (1973).

1977-1981: *Chevron Canada Ltd.* optioned the property and did extensive geological sampling and mapping, as well as drilling 25 diamond-drill holes totalling 2816 metres.

1982: *Chevron* in joint venture with *Curator Resources* ran IP surveys over three areas, did geological mapping and geochemical sampling.

1983: *Curator Resources* drilled 18 diamond-drill holes totalling 2558 metres. *Wright Engineers* completed an ore reserve estimate for *Curator*.

1985: *Curator* changed its company name to *International Curator Resources*. Company discovered the *Vent Zone* and completed 12 diamond-drill holes totalling 1375 metres.

1986: *BP-Selco* optioned the property and continued exploration primarily on the *Vent Zone* drilling 28 diamond-drill holes for 2672 metres. 1987: *International Curator Resources* reacquired the property and drilled 12 diamond-drill holes totalling 3042 metres.

1990-1993: *MMC/Minnova* discovered the *Fleetwood Zone* and cut 139.1 km of grid lines, collected over 2,700 soil and rock samples, completed 67 km of geophysics, conducted downhole geophysical testing in 9 holes and completed 41 diamond-drill holes totaling 12,109 metres.

1994: *Minnova* became *Inmet Mining* and continued diamond drilling on the property, drilling one deep hole (94-41) east of the pit area. *Inmet* dropped its option with *International Curator* in 1994.

1996-1998: *Riverstone Resources* optioned the *Seneca* property from *International Curator Resources* in 1996. *Riverstone* drilled 6 diamond-drill holes north of *Vaughan Creek* on IP anomalies, finding disseminated pyrite, but no significant base metal sulphides. In 1998, *Riverstone* did geochemical sampling in the northeast part of the property and sampled silicified volcanics north of *Weaver Lake*.

2002: *Efrem Specogna* staked the property with several 2-post mineral claims in December 2002.

2004: *Specogna's* six 2-post claims were optioned by *Carat Exploration Inc.* The *Seneca 2* to *13* claims were staked in June and July, 2004 by *Discovery Consultants* on behalf of *Carat Exploration*.

*McKinley* and *Giles* (2007) further state the following.

*The Seneca property has seen a significant amount of diamond drilling over its exploration history from an initial drill program by Noranda in 1950-51 through to the exploration programs of Minnova (now Inmet Mining) in the 1990s. A total of over 33,000 metres of diamond drilling has been completed at Seneca from over 215 drillholes. The vast majority of this drilling was completed between 1971 and 1994 by Cominco, Chevron Standard Ltd., International Curator Resources Ltd., BP Resources (Selco Division) and Minnova. Riverstone Resources held on option on the Seneca property in the late 1990s and drilled 6 drillholes in the Vaughn Creek area, but these are north of the existing claim block discussed in this report....*

*Most of the Seneca Deposit massive sulphide mineralization in the Pit Area was defined by the diamond drilling in the 1970s and early 1980s; the Vent Zone and Fleetwood/33 Zone mineralization were outlined during the mid-1980s and early 1990s programs respectively. A significant amount of these drillcores are still stored on the property, but a large amount of the core is unusable due to decay of the core boxes and/or illegibility of box numbers or core footage markers. In addition, the mineralized intervals, particularly from the Pit Area massive sulphide intersections, are heavily sampled or even absent in these cores, making an accurate assessment of the mineralized zone difficult if not impossible. Nonetheless, Sean McKinley viewed numerous of these intersections while they were still in good repair during his M.Sc. thesis research in 1993-94 (included in McKinley, 1996) and can vouch that previous reports of the nature and thicknesses of the mineralization are most likely accurate.*

*Almost all of the past diamond drilling at Seneca was carried out in a 4.5 x 1.5 km corridor along the eastern side of the Chehalis River valley. It bears noting that a large number of the drillholes listed above were drilled in a somewhat small 1500 m by 400 m area in the immediate vicinity of the original massive sulphide discovery in the Pit Area. This dense drilling pattern is due to a combination of having numerous operators working the property and the geological constraints controlling the size and continuity of this type of target. A second cluster of relative dense drillholes exists around the Vent Zone stockwork mineralization drilled in the mid-1980s by BP-Selco. Only the most recent phase of drilling by Minnova in the early 1990s, primarily around the Fleetwood Zone, was done so at a more 'normal' exploration spacing with drillholes placed at 100 to 150-m centers.*

*Given the vintage of the past drilling at Seneca, it is very difficult to verify drillhole collar locations which have been buried or obscured over time by vegetation or debris from logging operations. However, several old drill collars were located during the 2004 field work and their locations matched favourably with those in previous reports.*

#### Recent History 2004 to 2007

Carat Exploration Inc. ("Carat" - subsequently renamed Eagle Mountain Gold Corp., and more recently through an amalgamation, Goldsource Mines Inc.) acquired the Seneca property in June 2004. Carat conducted geological mapping, drill core relogging, rock and stream silt geochemical surveys, 347.2 line kilometres of airborne magnetic and electromagnetic geophysical surveys, 2473 metres of diamond drilling in 19 holes on the Seneca zone and electromagnetic anomalies, and 2879 metres of diamond drilling in 10 holes on the Weaver Zone (north of the NSS' Seneca 6 claim). The results are reported in McKinley (2005, 2006, and McKinley and Giles, 2007). Carat allowed most of the claims in the area to expire, presumably to focus exploration efforts in Guyana, but still holds the Seneca and Vent prospects (the 6 internal claims within the Seneca 4 and 5 claims).

Arnold (1996) and Hoy (1991) report that an estimate of 1.506 million tonnes grading 3.57% zinc, 0.63% copper, 0.15% lead, 41.1 grams/tonne silver and 0.8 grams/tonne gold was calculated for the Seneca Deposit by Wright Engineers in an unpublished 1984 report. This resource may not conform to present day NI 43-101 standards, and is presented herein strictly as geological information. Neither this author nor previous authors who have worked in the Seneca area have been able to verify this information. This information is not necessarily indicative of the mineralization on the property that is the subject of the technical report.

## **Geological Setting**

### Regional Geological Setting

Regional geology of the Harrison Lake area has been studied by Monger, (1986) and Arthur et al. (1993). The Harrison Lake area lies in the southwestern part of the Coast Belt of British Columbia, one of five major morphogeological belts in the Canadian segment of the North American Cordillera. The southern Coast Belt in turn can be divided into western and eastern parts based on differences in plutonic rocks, terranes and structural style (Monger and Jorney, 1994). The southwestern Coast Mountains feature about 80 percent Middle Jurassic to mid-Cretaceous plutons (ca. 165-91 Ma) which intrude supracrustal sequences ranging in age from Middle Triassic to Middle Jurassic of Wrangellia and Harrison Lake terranes, and overlapping Jura-Cretaceous volcanic and sedimentary rocks.

Most of the Canadian Cordillera consists of a tectonic "collage" of allochthonous terranes (Fig. 2.1), each of which is characterized by a geological history that sets it apart from the others and from autochthonous or parautochthonous North American rocks (Davis et al., 1978; Monger et al., 1982). The larger terranes (Quesnellia, Stikinia, Wrangellia and Alexander) are coherent bodies comprising laterally persistent tectonostratigraphic assemblages that are dominated by oceanic volcanic arc rocks. They are bordered by disrupted terranes that appear to be mainly oceanic accretionary prisms marking the sites of former ocean basins, marginal seas or back-arc basins.

These disrupted terranes or "tectonic flakes" (Price, 1994) consist of upper crustal rocks that have been detached from their lower crustal and upper mantle lithosphere counterparts, and have been juxtaposed over the western margin of the North American craton and over each other along a system of major interleaved, northeast and southwest verging thrust faults. The tectonic flakes apparently were produced by tectonic wedging during collisions with the North American continental margin, and by delamination of oceanic lithosphere that separated the tectonic flakes from the dense lower crustal and mantle rocks that have been subducted.

The Harrison Terrane on the west side of Harrison Lake comprises a sequence of Triassic to Cretaceous volcanic and sedimentary rocks (McKinley, op. cit.). At the base are silicified argillite and siltstone of the Camp Cove Formation. The stratigraphically lower part of the sequence is intruded by Upper Jurassic quartz diorite batholiths west and north of the property. The Harrison Lake Formation, within the Harrison Terrane, is a Lower to Middle Jurassic succession up to 2500 metres thick that strikes north-northwest with gentle to moderate easterly dips. From oldest to youngest, the Harrison Lake Formation is composed of the Celia Cove Member, the Francis Lake Member, the Weaver Lake Member and the Echo Island Member. The Celia Cove Member comprises mostly deep water sedimentary rocks unconformably overlying Triassic rocks. The Francis Lake member represents the onset of volcanism that characterizes the Harrison Lake Formation. Regionally the Weaver Lake Member is dominated by intermediate to felsic volcanic rocks and related intrusions and is overlain by the Echo Island Member which comprises mostly volcanoclastic sediments. Although not fully constrained, the Seneca property is interpreted to lie within the upper part of the Weaver Lake Member.

To the west of Chehalis River and Chehalis Lake the Harrison terrane is intruded by Jurassic plutonic rocks of the Coast Belt.



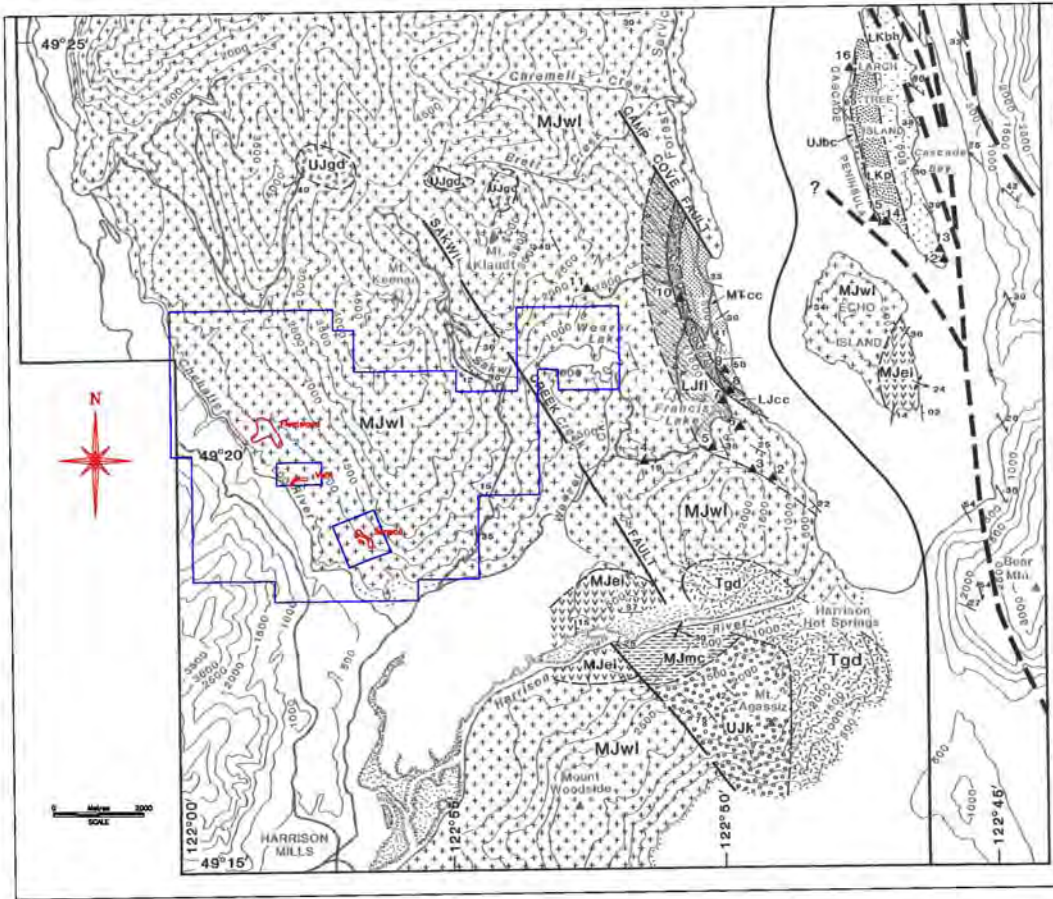


Figure 4. Geological map, west side of Harrison Lake. Modified after Andrew, et.al. (1993). NSS claim boundary shown in blue. Fleetwood, Vent and Seneca zones shown in red.

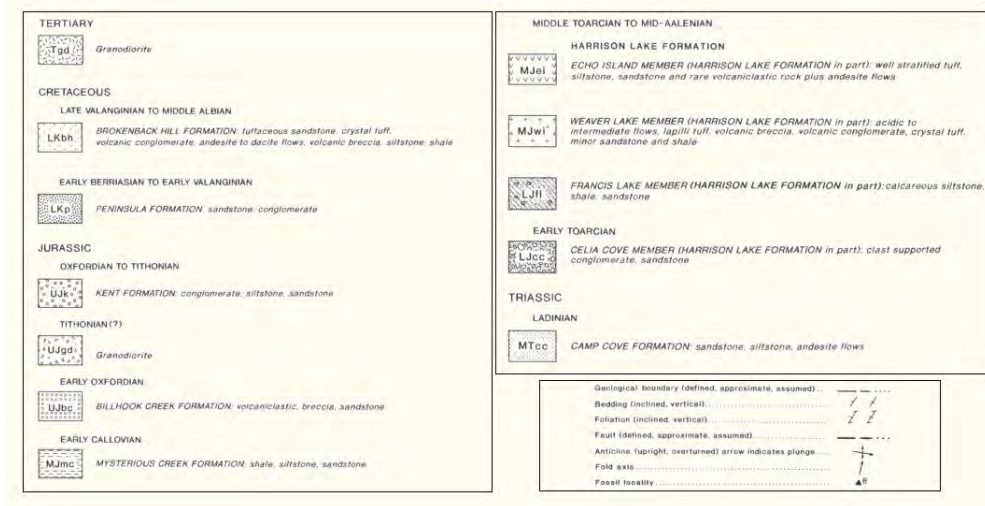


Figure 4a. Legend for Figure 4.

The following is from McKinley et al (op.cit.). Note: the Pit area referred to in this discussion is the main Seneca deposit, and along with the Vent Zone, is not part of NSS claim holdings, however their inclusion in the discussion of the geology is pertinent to an understanding of the mineralized environment.

*The Seneca property is dominated by numerous felsic and intermediate flow dome complexes and their associated volcanoclastic debris (Burge, 1994; McKinley et al., 1996). Mafic flows, intermediate pyroclastics, volcanoclastic debris flows and argillites are also commonplace. These units display rapid facies changes at Seneca (Thompson, 1972). A strike of 150 degrees with a shallow northeasterly dip was noted in volcanoclastic sediments northwest of the pit area along the Fleetwood Chehalis forest service road. This is consistent with attitudes determined by (McKinley et al, 1996).*

*McKinley (1996) divided the major lithologic units at Seneca on the basis of their proximity to their primary source which is, in this case, a volcanic centre or vent(s). The four principal volcanic facies within the Weaver Lake member on the Seneca Property are described as follows:*

*Facies 1 - Vent to vent-proximal facies: Lavas of basaltic to rhyolitic composition consisting of flows, domes and associated in situ hyaloclastites and autoclastic breccias;*

*Facies 2 - Vent-proximal to distal facies: Volcanoclastic rocks consist of juvenile to reworked coarse volcanic breccias and tuffs to fine grained siltstones and ashes;*

*Facies 3 - Coeval Intrusions: Intrusions consist of basaltic to rhyolitic composition sills and dykes that have intruded lavas and wet volcanoclastic sediments; and*

*Facies 4 - Distal Marine: Rocks of volcano-sedimentary origin consisting of an argillite that often contains flattened feldspar ( $\pm$  quartz)-phyric pumice clasts (flamme).*

*Facies 1 to 3 are generally observed in all drillholes on the property, but their relative abundances vary greatly from hole to hole, often over small distances, thus making correlation on the basis of facies difficult. The fourth facies is often in close proximity to mineralization and is spatially restricted to the Pit Area and the Trough zone and does not correlate to other parts of the property. Observations in drillcore suggest that strata on the property strike approximately to the northwest and are essentially flat lying or moderately dipping in an easterly direction.*

*Distinct marker units are not evident, but at least three packages of distinct lithologies and facies are identified at specific stratigraphic levels and are correlatable across the Seneca property. Each of these horizons comprises varying proportions of all three volcanic facies, but each horizon has a particular unit, or sub-facies, or a facies association making it unique. The three horizons are named on the basis of their positions relative to the mineralized zones and are, from stratigraphically lowest to highest: the Footwall Interval, the Seneca Horizon and the Hangingwall Interval .*

#### Footwall Interval

*The Footwall Interval is characterized by the presence of mafic lavas and breccias, or by the presence of coarse volcanoclastic units having a mafic component that has been derived from these mafic lavas. Synvolcanic sills and dikes (Facies 3) of dacitic to rhyolitic composition are common. Felsic flows and volcanoclastic units are also present, but are much less common than the other units. Due to its position stratigraphically below the main mineralized zones, the Footwall Interval hosts some minor mineralization in the form of disseminated and stringer sulphides. Localized areas of strong hydrothermal alteration are present, but overall the horizon is only weakly to moderately altered.*

*The Footwall Interval is best exposed in drillcore from the Fleetwood and Vent Zones, which generally penetrate deeper into the sequence than drillcore from the Pit Area. True extrusive mafic lavas, or 'fire fountain debris', distinguished by their hydroclastic fragmental textures, were observed in the lowermost portions of drillcore in the Fleetwood and Vent Zones, but were not observed in the Pit Area.*

*The last, or uppermost, occurrence of this mafic unit marks the upper boundary of the Footwall Interval.*

### Seneca Horizon

*The Seneca Horizon hosts all major stratiform sulphide-mineralized zones on the property. It is thinner and more discontinuous than the two other horizons and is comprised of felsic flows and flow breccias, poorly-bedded, coarse grained, felsic dominated volcanoclastic units as well as felsic, and lesser mafic, synvolcanic intrusions. The base of the horizon is commonly marked by a moderately to poorly sorted volcanic breccia or debris flow unit dominated by angular to subrounded feldspar-phyric clasts and lesser mafic clasts. Mafic lavas are uncommon in this horizon and coarse-grained volcanoclastic debris flows are more prevalent than well bedded volcanoclastic siltstones and turbidites. The Seneca Horizon includes the sequence of rocks overlying the uppermost occurrence of mafic lavas and which underlies the lowermost occurrence of dominantly fine-grained volcanoclastic units. Alternatively, the Seneca Horizon is marked by the presence of stockwork and semimassive sulphides (pyrite-sphalerite-chalcopyrite-galena) and associated zones of strong silica and sericite alteration. The former criteria are used when mineralization or strong alteration are absent.*

*In the Pit Area the Seneca Horizon is characterized by a coarse volcanoclastic unit, termed the ore zone conglomerate ("OZC"). The term is historical and the use of "ore" in the unit name does not imply any mineral resource value. This unit is texturally distinct from other units. It contains rounded and subrounded felsic clasts, is generally moderately to strongly hydrothermally altered and hosts disseminated to semi-massive sulphides. The OZC is interpreted to be a mass flow unit having a discontinuous sheet-like or possibly channelized morphology (R. Allen, personal communication). This unit is not present in the Fleetwood and Vent Zones to the northwest, but is considered part of the Seneca Horizon because of its similar stratigraphic position to the other mineralized zones and its similar relationship with bounding lithologies; the OZC is underlain by felsic volcanic breccias and is overlain by the first, or lowermost, occurrence of well-bedded, finer-grained volcanoclastic siltstones and turbidites. Basaltic andesite commonly intrudes the Seneca Horizon/OZC in the Pit Area. These mafic units are interpreted to be synvolcanic sills based on their massive nature, their common peperitic margins and their lateral continuity (McPhie et al., 1993). Also commonly associated with the OZC is a thin dark brown to black argillite unit which often contains suspended clasts of rhyolitic pumice.*

### Hangingwall Interval

*The Hangingwall Interval comprises essentially all units stratigraphically overlying the mineralized zones of the Seneca Horizon. It is composed almost entirely of dacitic to rhyolitic rocks. Vent to vent-proximal flows and breccias are common in the Fleetwood and Vent Zones; portions of the stockwork zones in these areas are hosted by distinctly banded and brecciated felsic flows. Synvolcanic sills are more prevalent than flows in the Pit Area. The distinctive lithologies common to all areas, however, are well-bedded volcanoclastic turbidites and massive to bedded and laminated gravity-settled volcanoclastic sandstones to siltstones. These units are intercalated with the felsic flows in the Fleetwood-Vent Zones and are intruded by the synvolcanic sills in the Pit Area. Coarser-grained fragmental units are present in the Hangingwall Interval, but they tend to be subordinate to the fine-grained material. This horizon is essentially unaltered and unmineralized, in sharp contrast to the underlying Seneca Horizon.*

### Trough Zone

*Drillhole 91-03 located 1.5 km south of the Pit Area intersects a 150 m thick sequence of uninterrupted Facies 2 volcanoclastic beds - the most continuous section of distal facies rocks observed at Seneca. Unlike all other drillcore examined, DDH 91-03 is unique in that no flows or synvolcanic intrusions were intersected. Despite its distance from drillholes in the Pit Area, DDH 91-03 has some notable similarities to parts of the Pit Area stratigraphy. The volcanoclastic units in both areas display an upward transition from poorly-bedded to well-bedded material. Pumiceous clasts and argillaceous beds are also more common in the upper sections of each area. Although no mineralization or hydrothermal alteration was observed in the Trough Zone, it appears to be roughly correlatable with the Seneca-Hangingwall Interval observed in the Pit Area drillcore.*

### Discussion of Volcanic Facies Relationships

*The prevalence of both mafic and felsic lavas, flow breccias and coarse hydroclastic breccias in the Fleetwood and Vent Zones suggests a vent to vent-proximal facies. Mafic lavas in the Footwall Interval appear to be continuous between these two zones. However, the felsic lavas that dominate the Hangingwall Interval form two, or possibly more, separate flow-dome complexes centered roughly around drillholes 91-18 and 86-22. The brecciated margins of these flows were eroded and redeposited to form the coarse hydroclastic beds at the base of the Seneca Horizon as well as some of the coarse distal debris flows. The felsic flows appear to have been largely constructive in nature, forming domes consisting of a series of superposed alternating flows and breccias. Some of the more massive, near-surface (near paleo-seafloor) sills that lack internal structure or brecciation may in places have emerged through the volcanoclastic cover to form true flows similar to the mechanism described for cryptodomes (McPhie and Allen, 1992). Other intrusions common at all stratigraphic intervals were likely feeders for these and subsequent flows, or were high level sills that did not reach the paleo-seafloor.*

*Volcaniclastic units have two possible sources: 1) redeposited hyaloclastite from margins of flow-domes, and 2) gravity-settled fallout from pyroclastic eruptions. The nature of the angular, poorly sorted breccias in the lower portions of the stratigraphy favour transportation as a debris flow. The commonly normal graded and well bedded finer grained beds of the upper volcaniclastic interval favours transportation of volcanic debris as turbidites or deposition of pyroclastic debris by gravity settling. The unbedded volcaniclastic siltstone beds were likely deposited by gravity settling of volcanic ash possibly erupted from a distal pyroclastic source. These beds were likely below wave base since they are often bounded by well laminated beds. The entire sequence observed in the Trough Zone may represent a single eruptive event characterized by an initial high energy surge which deposited the coarser massive debris flow material, followed by the deposition of finer volcaniclastic turbidites during the waning stages of the eruption. Such an eruption may have marked the onset of the felsic-dominated extrusive volcanism that is prevalent in the upper parts of the sequence elsewhere on the property. This same eruptive event may have deposited the lava clast breccias that are common in the interval stratigraphically above the mafic lavas. Following or partly contemporaneous with this event, was a period of more effusive volcanism that formed the felsic flows and breccias common in the Fleetwood and Vent Zones. The intercalation of pumice-bearing fine volcaniclastic beds with the flows suggests that ash and coarser pyroclastic debris continued to rain down during this effusive period, perhaps 'draping' volcaniclastic material over the flows. However, this material may have originated from many kilometres away and may not necessarily reflect the volcanic processes acting in a particular area at that time. The ultimate origin of the fine-grained volcaniclastic beds is purely speculative at this point.*

*The similarities between the finer-grained volcaniclastic units in the Hangingwall Interval of both the Fleetwood Zone and the Pit Area suggest that these stratigraphic intervals are correlatable; the debris flow and gravity settling processes that deposited these units are favourable for a more areally extensive deposition of volcanic detritus which would account for the occurrence of these units in all areas of the Seneca property. These areas differ in that felsic flows are more common in the Hangingwall Interval of the Fleetwood Zone and the Vent Zone than in the Pit Area; the Pit Area appears to have been more distal and as such does not contain an abundance of extrusive vent to vent proximal facies rocks. The Trough Zone appears to be more distal than all of the other areas since it lacks the synvolcanic intrusions or feeders that are abundant in the Pit Area. These observations indicate that there is an overall facies change northwest to southeast across the Seneca property from vent to vent-proximal facies rocks in the Fleetwood Zone to distal facies-dominated rocks in the Pit Area and Trough Zone.*

## Alteration

### Pit Area

*The most areally extensive zone of alteration at Seneca occurs in the Pit Area and is associated with the ore zone conglomerate ("OZC"). Moderate to intense silicification and sericitization is the dominant alteration style in this unit. In places the sericite alteration has completely destroyed the matrix material leaving only some of the more resistant lava clasts as evidence of the unit's original fragmental texture. The alteration is confined to a shallowly dipping interval of varying thickness, which was intersected in drillholes at depths varying from near surface to a maximum depth of 150 m. The surface projection of this zone delineates an area of approximately 500 m by 500 m around the Pit Area. The thickness of the altered OZC varies from 2 metres to over 15 metres. Although the alteration in this unit is very strong and is widespread, it is essentially stratabound and there is no apparent stockwork zone immediately underlying the OZC that could be interpreted as a feeder zone. It appears that the*

permeability of the coarse, less well sorted OZC provided a more favourable conduit for the hydrothermal fluids compared with its bounding strata of felsic flows and fine grained volcanoclastic rocks.

### Fleetwood and Vent Zones

In contrast to the Pit Area, hydrothermal alteration in the Fleetwood and Vent Zones is discordant and is not as areally extensive. Alteration is confined to discrete stockwork zones that are within basaltic to rhyodacitic flows, breccias and intrusions and can reach over 50 metres in vertical extent. These zones of stockwork-related hydrothermal alteration all lie along a northwest-southeast striking trend; drillholes located to the northeast of this did not intersect any zones of strong alteration. The most extensive individual stockwork outcrops at surface and is intersected by numerous drillholes in the Vent Zone. This area of strong silicification and sericitization extends over an area of 100 to 200 metres in diameter and can be traced to depths of over 100 metres. The stockwork alteration in the Fleetwood Zone to the northwest of the Vent Zone is less extensive both laterally and vertically. Lithological relationships suggest that alteration in the Vent and Fleetwood Zones occurs in the same stratigraphic interval.

The stratabound alteration in the Pit Area is along strike from the stockworks in the Fleetwood and Vent Zones suggesting a possible larger-scale structural control on the hydrothermal activity, as well as a possible genetic relationship between the different alteration zones. However, no large-scale controlling structures were recognized in the limited drillcore.

### Deposit Types

#### Deposit classification

Mineralization in the Seneca area is considered a volcanic hosted massive sulphide VHMS or VMS, which is a type of metal sulfide ore deposit, mainly Cu-Zn associated with and created by volcanic-associated hydrothermal events in submarine environments. Volcanogenic massive sulphide deposits are strata bound accumulations of sulphide minerals that precipitated at or near the seafloor in spatial, temporal and genetic association with contemporaneous volcanism.

VHMS deposits consist of two parts, a concordant massive sulphide lens (>60% sulphides) and a discordant vein-type sulphide mineralization located mainly in footwall strata, known as the 'stockwork' (Figures 5 & 6). They are hosted by rocks of direct and indirect volcanic origin (pyroclastics, volcanoclastics) and occasionally hosted by shales and greywackes (with nearby volcanic rocks).

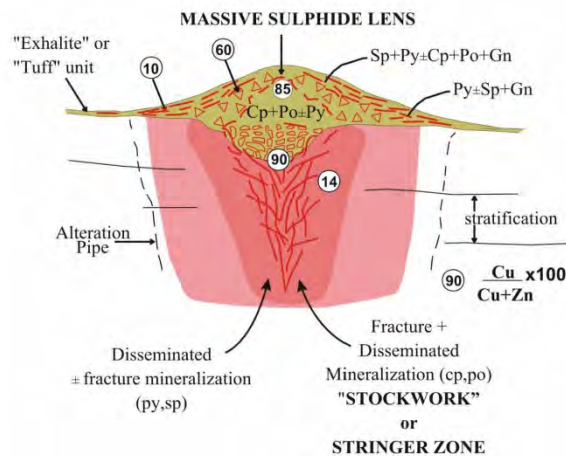


Figure 5. Idealized VMS deposit showing a stratiform lens of massive sulphide overlying a discordant stringer sulphide zone within an envelope of altered rock (alteration pipe). Basemetal zonation indicated by numbers in circles with the highest numbers being Cu-rich and the lower numbers more Zn-rich (Py =

pyrite, Cp = chalcopyrite, Po = pyrrhotite, Sp = sphalerite, and Gn = galena (modified from Gibson et al, 2007).

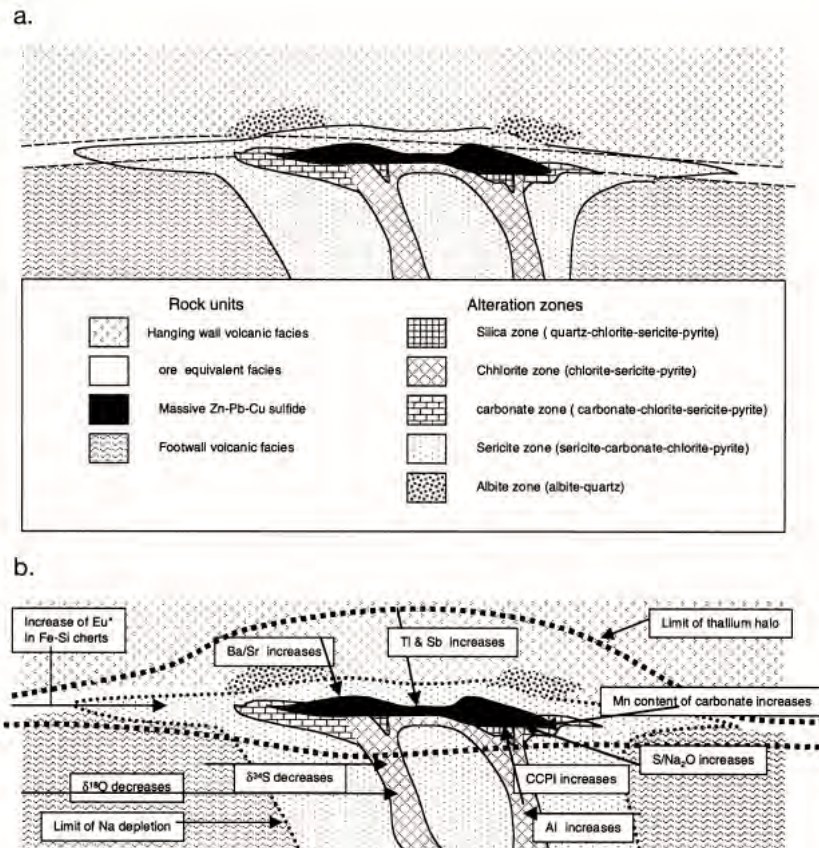


Figure 6. Model of alteration zonation associated with Zn-rich polymetallic volcanogenic hydrothermal massive sulphide deposits and alteration vectors useful for exploration (Large, et. al., 2001).

VHMS deposits have been classified in many different ways over the last 25 years, including on the basis of their composition and host rock composition. The classification system of Franklin et al. (2005) classifies VMS districts using a lithostratigraphic scheme based primarily on the principle volcanic and sedimentary lithological units that formed concurrently with the deposits in a given district. The five lithostratigraphic types of VMS districts are:

- Bimodal-mafic
- Mafic
- Pelitic-mafic
- Bimodal-felsic
- Siliciclastic felsic

Although most VMS deposits can be classified into one of the principle types, there are some deposits that are transitional.

Three type examples exist for VHMS deposits:

Cyprus-Type VHMS deposits and contemporary MOR hydrothermal systems (e.g. Tag). These are Cu-rich, deep marine and associated with ophiolitic suites, and tholeiitic basalts.

Kuroko-Type VHMS deposits and contemporary back-arc hydrothermal systems (e.g. Manus Basin). These are Pb-Zn-rich, shallow marine to continental settings and associated with bimodal volcanism, particularly rhyolites and dacites.

Primitive Abitibi-Type VHMS deposits and contemporary paired active-arc-back-arc hydrothermal systems. These are Cu-Zn-rich, Archean in age and associated with ultramafic rocks, mafic intrusions, granitoid rocks, and Precambrian sediments.

Ancient VHMS deposits formed in collisional environments during periods of extension and rifting. At convergent margins: in island arcs and continental margins. At divergent margins: (ophiolite associated deposits) MOR's or back-arc basins.

For each of the five lithostratigraphic types of VMS district classified by Franklin et al. (2005):

The first three types, bimodal-mafic, mafic & pelitic-mafic are related to ocean-ocean subduction zones, and represent an evolution from nascent arc rifting (bimodal-mafic) to mature back arc development (pelitic-mafic). In Archean greenstone terranes such as Abitibi, bimodal-mafic also includes mantle plumes.

Bimodal-felsic & siliciclastic felsic formed in ocean-continental margin to continental back arc environments. Bimodal-felsic occurs in the early suprasubduction arc rifting stage and siliciclastic felsic occurs in mature epicontinental back arcs.

The mineralization in the Seneca area has been classified by Thompson, (1972) and Hoy (1991) as Kuroko style, and confirmed by McKinley (op. cit.); that is, a type associated with felsic volcanics particularly rhyolite domes (back arc rifting), copper/zinc/lead with gold and silver, e.g. Kuroko deposits (Japan). In the classification system of Franklin (op. cit.) Seneca can be classified as Bimodal-felsic or siliciclastic felsic.

## **Mineralization**

Continuing with the discussion of mineralization by McKinley (op.cit.):

### **PIT AREA** (Main Seneca deposit – Adjacent Property not on NSS claims)

*Pride (1973) and Urabe et al. (1983) recognized the strong association of mineralization in the Pit Area with a dominantly felsic fragmental footwall unit which is now referred to as the ore zone conglomerate (OZC). Their studies describe a zoned massive sulphide body with a chalcopyrite and pyrite-rich base which is overlain by a sphalerite-barite-galena-rich ore. These zones are analogous to the yellow and black ores respectively that occur in the typical Japanese Kuroko deposits. McKinley et al. (1996) stated that such a zonation was not as readily discernible in drillcore, although many of the cores examined in that study were 100 to 200 m away from the main sulphide zone in the pit. Pride (1973) also documented fragmental sulphides, which suggest that the mineralization formed at or close to the paleoseafloor allowing some slumping and reworking to occur.*

*Sulphide mineralization associated with the OZC is dominated by disseminated to semi-massive and stringer pyrite. Massive and semi-massive sulphides are generally restricted to the middle and upper parts of the unit and reach thicknesses of up to 2 metres, but are more commonly around 0.5 metres. These intervals are composed of locally 20 to 50 % sphalerite, up to 75 % pyrite, less than 15 % chalcopyrite, up to 15 % barite and generally at least 10 % felsic fragmental material. Galena is also present in small amounts, but is only discernible in polished thin section. The massive sulphides are discontinuous and usually cannot be correlated between adjacent drillholes, and some intersections of the OZC contain nothing more than disseminated pyrite.*

*Pyrite is generally the dominant sulphide mineral and occurs as disseminated euhedral grains or as matrix-filling material interstitial to felsic clasts of the OZC. Pyrite also rims the lava clasts in places. Stringers of sulphides (pyrite>chalcopyrite>sphalerite) up to 2 cm wide are also observed to crosscut the OZC below the massive sulphides.*

Chapman (1999) produced a compilation report and listed some of the significant massive sulphide intersections associated with the Ore Zone Conglomerate. These include:

DDH 71-6: 7.8 m\*1 @ 9.1% Zn, 1.0% Cu, 84.6 g/t Ag, 2.8 g/t Au

DDH 74-31: 5.0 m\*2 @ 11.3% Zn, 0.6% Cu, 125.1 g/t Ag, 0.9 g/t Au

DDH 83-6: from 121.4 – 122.7 m for 1.3 metres\*3 @ 17.7% Zn, 5.11% Cu, 144.3 g/t Ag, 6.96 g/t Au

\* these core length measurements are considered close to true thickness of mineralization as the holes were drilled close to perpendicular to bedding (steep/vertical holes testing near horizontal beds).

1 Data for DH 71-6 not available in assessment reports; the authors rely on Chapman's report for the accuracy of these numbers.

2 Assay data for DDH 74-31 not available in assessment reports; AR 5233 reports 1.4 metres of massive sulphides from 95.6 – 96.9 m within a wider mineralized interval from 88.4 – 98.8 m; the reported mineralization most likely occurs in this interval.

3 Location of DH 83-6 unavailable in assessment records; authors relied on report of Chapman (1994) for accuracy of these numbers and report this intersection strictly as an anecdotal account.

These numbers illustrate the potential for high-grade base metal sulphides as well as the local enrichments in precious metals.

#### **VENT ZONE** (on Adjacent Property, not on NSS claim)

Mineralization in the Vent Zone consists entirely of stockwork veins hosted by a strongly altered massive dacite porphyry intrusion. The veins are 1 to 10 mm wide and are composed of principally quartz, pyrite and sphalerite with scattered blebs of chalcopyrite. Locally, the veins comprise 10 to 15 % of the rock, but more commonly make up less than 5 % of the rock. Although the vein mineralization is relatively extensive, the metal grades are generally quite low. Typical assays for the zone are less than 0.50 % Zn and less than 0.20 % Cu with only trace amounts of precious metals. Higher grade zones reach up to 4.0 % Zn and 0.75 % Cu over 2 metres, but such zones are sparsely distributed. The basaltic breccias that form the immediate footwall to the main stockwork zone contain disseminated and stringer sulphides and in places contain over 3.0 % Zn and up to 1.0 % Cu over a 2 metre interval. Some of the more significant intersections of the stockwork mineralization in the Vent Zone include the following (from Chapman, 1999):

DDH 85-09: from 25.9 – 38.4 m for 12.5 m\* @ 3.3% Zn, 0.5% Cu, 0.1% Pb, 13.1 g/t Ag, 0.12 g/t Au

DDH 85-12: from 43.4 – 53.0 m for 9.6 m\* @ 3.8% Zn, 0.2% Cu, 1.2% Pb, 28.8 g/t Ag, 0.73 g/t Au

\* these are core length measurements through a mineralized zone interpreted to be steeply-dipping, to be cross-cutting stratigraphy and having an irregular shape; as such it is difficult to assess 'true thickness' accurately with the available information and these measurements should be regarded simply as a sample of the mineralization, but not necessarily a good representation of its actual size. (Based on surface chip sampling and two different possible strikes for the mineralized zone, Pegg (1986) calculated that the true width of the Upper Vent Zone ranged from 57 to 62 metres).

#### **FLEETWOOD ZONE** (Figure 7)

As described by Chapman (1999):

The Fleetwood Zone covers an area of approximately 700 m by 550 m and occurs 1 km. northwest of the Vent Zone. It has been drill tested on broadly spaced 150 m centers by 33 holes and consists of a bedded massive sulphide layer



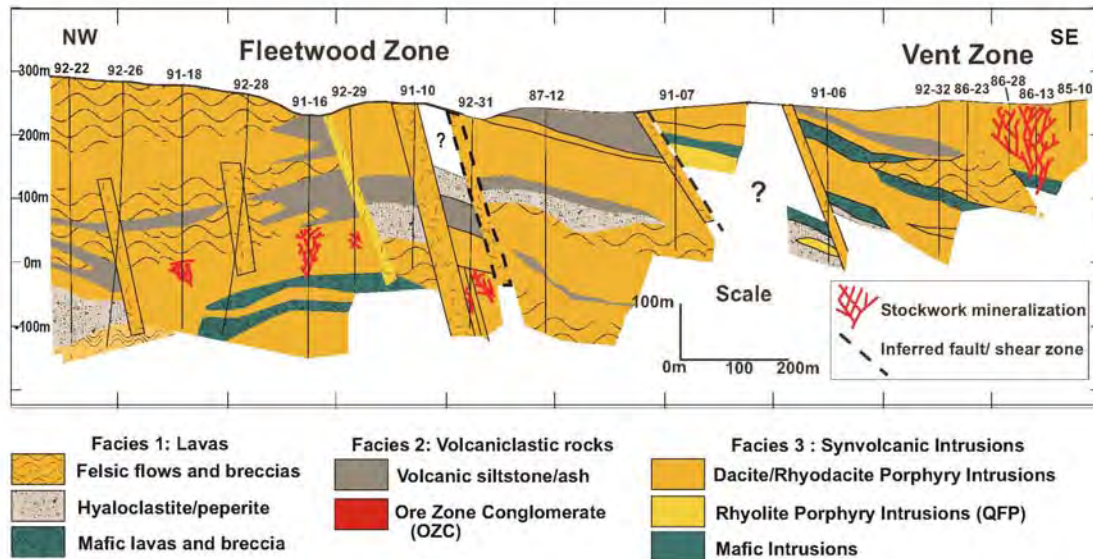
at a depth of about 150 m. The massive sulphides are hosted by a laminated felsic ash overlying a strongly brecciated stockwork zone in a silicified and sericitized rhyolite / dacite dome. Wide intercepts of lower grade material have been encountered in drill holes beneath the massive sulphide horizon as follows:

Hole #	Min.	Zn	Cu	Pb	Ag	Au	Interval	
DDH-91-16	Massive	5.56%	0.38%	0.37%	162g/t	2.37g/t	1.10 m	
	Stockwork		2.06%	0.31%	0.11 %	8.1g/t	0.07g/t	32.1 m
DDH-91-10	Massive	13.77%	0.84%	0.42%		28.9g/t	0.65g/t	1.35 m
	Stockwork		2.25%	0.2%	0.04%	12g/t	0.07g/t	13.6 m
DDH-87-12	Massive	6.45%	0.47%	3.04%	326g/t	2.29g/t	0.46 m	
	Stockwork		2.03%	0.1%	0.45%	21g/t	0.34g/t	13.9 m
DDH-91-18	Stockwork		5.74%	0.79%	0.10%	7.5g/t	0.07g/t	8.24 m

\* As noted by McKinley, this zone is interpreted to be a steeply-dipping, cross-cutting stockwork or feeder system; as such, since 91-16 is a vertical hole, these core length measurements and grade intervals should be regarded as a sample of the mineralization present within the zone, but not necessarily a good representation of its actual size.

The volcanic pile, which gave rise to the mineralization encountered in the Fleetwood Zone, appears to be dipping to the southwest in the vicinity of hole 92-33. The high grade massive sulphide mineralization encountered in hole 92-33 appears to be close to the base of slope of the volcanic sequence as the dips recorded in hole 92-39 to the southwest show a flattening. Abundant diking and faulting in this area has significantly complicated the stratigraphic sequence.

Figure 7. NW-SE longitudinal section through the Fleetwood and Vent Zones. (After McKinley, 2004; refer to Figure 13 for section location)



### 33 ZONE

According to Chapman (1999):

*To the southwest of the Fleetwood Zone DDH-92-33 intersected a lens of high grade massive sulphides which has been designated the 33 Zone. This material likely represents the down slope pooling and thickening of the sulphide mineralization produced by the Fleetwood system as no underlying feeder zone was intersected.*

Hole #	Min.	Zn	Cu	Pb	Ag	Au	Interval
DDH-92-33	Massive	23.30%	1.83%	1.71 %	133g/t	2.33g/t	3.20 m

*The presently known extent of the Fleetwood / 33 zone mineralization is 800m by 700m (Figures 7& 13). The wide spacing of the drill holes and the presence of dyke swarms has left abundant space between intercepts for the presence of small to medium sized massive sulphide bodies (up to 1,000,000 tonnes) of the Battle or Gap (Buttle Lake) variety. (Note: This is a reference to the Myra Falls VMS deposit on Vancouver Island where three main orebody clusters, the H-W, 43 Block, and Battle-Gap are currently being mined, but several other zones including the Lynx-Myra-Price trend have seen production, e.g. Chong et. al., 2005; however, this is not an indication that similar multiple zones will be found on the Seneca property).*

### SENECA HORIZON CONGLOMERATE - NSS claims

Chapman (1999) in his data compilation notes the following:

*The fragmental character of the Seneca ore indicates that it has been transported downslope from its source. A felsic dome, with weak stringer type mineralization intersected in DDH-91-4, to the southwest of the Seneca was thought to be the source of the Seneca massive sulphides. Subsequent drilling of both the Fleetwood/33 zones and the Mercury Hill, to the northeast, anomaly indicate that the paleoslope may have been southwesterly. Step out drilling to the northeast of the Seneca deposit (DDH-85-3) intersected both fragmental and massive sulphide ore, which may represent an upslope style of mineralization.*

*A northerly source is also supported by hole DDH-94-4 1, located 800m northeast of the Seneca deposit which intersected hydrothermally altered and mineralized felsic ash and lithic lapilli tuff overlying a pyritic argillite (semi massive) which is very similar to the ore zone sequence at the Seneca deposit. Elevated gold values (2.65g/t) are present in the 0.9m interval underlying the base metal mineralization in DDH-94-41 as in the Seneca deposit and DDH-85-3.*

Hole#	Mineralization	Zn	Cu	Pb	Ag	Au	Interval
DDH-85-3	Massive	10.1%	0.36%	0.72%	233.9 g/t	5.41 g/t	0.65m
DDH-94-41	Stockwork	2.16%	0.10%	0.06%	4.0 g/t	0.1 g/t	3.30m

*An equivalent sequence at the same stratigraphic horizon was intersected in DDH-72-18 and 19 which were located to test a large mercury anomaly northeast of the Seneca deposit. These holes are located 500m southeast and east of DDH-94-41 respectively. An argillaceous and baritic fragmental unit, equivalent to the Ore Zone Conglomerate, encountered in DDH-72- 19 contained 1.1% zinc over 1m, or 0.65% zinc over 3.5m. No assays are available from DDH-72-18 however the drill logs record the same sequence at the same stratigraphic level as shown on the Seneca section. The equivalent horizon was also intersected in DDH-72-17, 1 km to the southeast, which contained sphalerite and barite but was not sampled at that time.*

Considerable exploration has also been conducted in the area to the north of Weaver Lake, where prospective volcanic-sedimentary horizons similar to the Seneca were encountered during prospecting and sampling on the eastern side of the Seneca property.

## EXPLORATION

No exploration work has yet been conducted by NSS on the Seneca property, other than a brief examination of the Vent and Seneca zones. In a brief reconnaissance of the area to the east of the Fleetwood Zone the writer encountered scattered siliceous float boulders and cobbles with abundant disseminated pyrite in glacial till over an area of at least 80 by 400 metres.

The most recent work which is relevant to NSS claims is that of Carat and reported by McKinley (2004, 2005, 2006) as follows.

### Rock Geochemistry

During Carat's 2004 Seneca exploration program, McKinley et al (op. cit.) collected a total of 60 rock samples for geochemical analyses. Rock samples were taken as individual grab samples, as composite chip samples taken over intervals of up to 4 m, or as continuously cut channel samples. Of particular significance are anomalous results for sample RDC-21 which was taken over a two metre thickness and analyzed 926 ppm Cu, 4289 ppm Zn, and 31 ppm Ba. This sample is located just northeast of the east end of the Fleetwood Zone and probably reflects a stockwork style of mineralization consistent with low Ba values. The sample is described as tuffaceous. Upstream from sample RDC-21, sample RDC-24 analyzed 145 ppm Cu, 326 ppm Zn and 6 ppm Ba within a siliceous, brecciated fragmental volcanic.

Four samples were collected by this author for the purpose of comparison and characterization, one sample of each of the Seneca and Vent zones, and 2 reconnaissance samples. Selected multielement data are presented in the table below. Cu, Zn, Pb, Ag and Au grades and multielement geochemistry are as expected for the former. Although the latter are interesting mineralogically, multielement results are not anomalous.

Sampleid	UTM E	UTM N	Type	Description
NSS 001	576670	5463238	Grab sample	Seneca Pit. Semi-massive fine grained granular mixture pyrite, sphalerite and chalcopyrite
NSS 002	575374	5464536	2 m chip/channel sample. Carat sample site 132053.	Siliceous, quartz veined, locally brecciated. Pyrite, sphalerite minor amounts of chalcopyrite disseminated and in quartz veinlets.
NSS 003	575075	5465271	2.5 m chip/channel	Across fracture/shear zone; weakly to locally moderately silicified porphyritic dacite with irregularly disseminated pyrite.
NSS 004	575148	5465770	Grab sample of float over area of about 200 square m.	Siliceous volcanic(?) with abundant pyrite disseminated and in occasional seams.

Sample_id	Mo ppm	Cu ppm	Pb ppm	Zn ppm	Ag ppm	Au ppb	Mn ppm	Fe %	As ppm	Cd ppm	Sb ppm	Bi ppm	Hg ppm	Tl ppm	S %	Se ppm	Te ppm
NSS 001	53.4	21130	684.6	96300	101	2640.1	339	24.43	902.2	418.6	91.2	16.4	2.82	43.1	>10.00	6.9	3.9
NSS 002	57.4	2460	345.6	2300	8.7	189.2	100	2.9	131.1	105.3	7.2	0.7	0.35	5.2	3.65	1.2	0.4
NSS 003	1.1	27.2	3.7	216	0.3	1.5	2356	11.53	3.4	0.3	<0.1	1.3	0.01	0.2	6.21	4.4	1.1
NSS 004	4.2	17.7	2.3	42	0.3	1.3	206	3.07	0.8	0.2	<0.1	0.5	0.01	<0.1	2.38	1.7	0.6

## **Stream Sediment Geochemistry 2004**

During the period June 30 to July 19, 2004, Discovery Consultants, for Tecucomp Geological Inc. on behalf of Carat Exploration Inc., conducted a stream sediment survey in the Seneca property area. Sampling was conducted at sites characterized by active stream channels containing a range of coarse immature sediments, dominated by gravels, cobbles and boulders. The priority was to collect sufficient sample to obtain at least 30 g of minus 80 mesh material. In a few instances moss-mats were used to augment streambed sediments where streambed sample sizes were inadequate. Samples were collected at approximately 200 m intervals along the creeks. GPS readings and thread chain were used to locate the sites. The area effectively surveyed is approximately 50 km<sup>2</sup>. Upon compiling and interpretation of results, recommendations were made for further exploration. Results were replotted on an NSS claim base and are presented as ranged symbol plots in Appendix 2.

The 2004 multielement data was summarized and generalized by McKinley (op. cit.) into six anomalous areas indicative of Seneca-style mineralization, the extent and significance of which apparently has not yet determined. Four anomalies, 1, 2, 3, and 5 are in creeks which drain NSS claims as follows:

### **Geochemical Anomalies in Western Seneca**

*Several multielement geochemical anomalies exist along strike from the Seneca pit area show high threshold to anomalous values in all elements except gold and antimony. Note that many of these significant values are not cut off upstream. The sources of these anomalies are at least 1.5 km east of the Seneca – Vent – Fleetwood trend of mineralization, or along strike, in areas untested by drilling.*

#### **Anomaly 1 (Zn-Cu-Pb-Ag-Te-Se-S-As):**

*A dispersion train of multielement stream anomalies is located in a southwesterly flowing creek about 3 km north of the Seneca Pit, east of the Fleetwood zone. The anomaly is increasing in magnitude upstream, indicating a possible source in the Hangingwall Horizon of the Seneca sequence. Responses in the lower portion of the creek may be detecting outcropping of the Fleetwood Zone previously only detected in drillcores.*

#### **Anomaly 2 (Zn-Cu-Te-Se-S):**

*Anomaly 2 is located north of the above creek, and is present in up to four south westerly flowing tributaries of the Chehalis River; the anomaly is open up stream. This anomaly may be related to mineralization earlier detected along Vaughan Creek.*

#### **Anomaly 3 (Zn-Cu-Pb-Ag-Au-Sb):**

*At the south end of the property and east of the Chehalis River, a Zn-Cu-Pb-Ag-Au- Sb anomaly (Anomaly 3) is located approximately one kilometer southeast of the known Seneca deposit. These anomalies are along strike from the Seneca deposit, in an area untested by drilling. In addition two small creeks, just east of the Chehalis River, at the southern claim boundary remain to be sampled for heavy mineral concentrates.*

### **Geochemical Anomalies in Eastern Seneca**

#### **Anomaly 5 (Zn-Cu-Ag-Te-Se-S-As-Sb):**

*Anomaly 5 is located in four northwest flowing tributaries of a south easterly flowing tributary of Sakwi creek; the anomaly is defined by only one sample per creek.*

*Mafic “fire fountain” facies volcanics are present in several localities near Sakwi Creek. It is not certain at this time if these volcanic rocks definitively mark the footwall of a Seneca sequence of volcanic-sedimentary lithologies. However, the presence of the three geochemical anomalies in this area described above, combined with the presence of these important mafic rocks, renders this area worthy of follow-up exploration.*

## **Gold Anomalies – Chehalis Valley**

Two groupings of anomalous high (50 to 754 ppb Au) gold in silt anomalies occur proximal to, and generally downstream from, the Vent and Seneca pit mineralized areas. The highest value, 754 ppb Au occurs upstream some 400 m to the east of the Vent showing on the NSS Seneca 4 claim and it may indicate a possible new gold zone to the East and stratigraphically above the Vent Zone.

In addition, on the NSS Seneca 3 claim, a value of 320 ppb Au was noted some 800 m to the west of the Seneca pit in a small drainage which cuts a newly interpreted possible EM conductor (see section 9.4 Geophysics – 60Hz anomaly). Geochemical samples taken in this drainage upstream from this interpreted conductor are not anomalous (0.2 to 2.5 ppb Au).

The results of the 2004 silt sampling program at Seneca point to significant exploration potential in areas which have not been drill tested or mapped in detail. At the south end of the property and east of the Chehalis River, a Zn-Cu-Pb-Ag-Au-Sb anomaly (Anomaly 3) is located approximately one km southeast of the known Seneca deposit. This anomaly is particularly significant as the area (the Trough Zone) is interpreted by McKinley et al (1996) as a facies change from vent to vent-proximal facies at the Seneca pit area to more distal facies comprising a volcanoclastic sequence, based on observations from drill core from drill hole 91-03. The anomaly (with three >300ppm Zn silt samples over a distance of 600m) may reflect an in situ style of massive sulfide mineralization which has not been tested to date. Northeast of the Fleetwood Zone, significant anomalous Zn values with coincident elevated Cu values occur northeast of the Fleetwood Zone (Anomaly 1). This anomaly is located in rocks higher in the volcanic succession and may represent a stacking of mineralized horizons in an area which has not been drill tested.

## **Stream Sediment Geochemistry 2005**

During 2005, Discovery Consultants, for Cambria Geosciences Inc. on behalf of Carat Exploration Inc., conducted a stream sediment survey on the eastern half of the Seneca property. In total, 241 samples were collected (including blanks and field duplicates) from 223 unique sites. Much of the area sampled is not covered by NSS claims, but lies within Hemlock Valley Ski Development area immediately to the north of the Seneca 6 claim. A highly anomalous area over 600 metres east-to-west by over 250 metres north-to-south has been identified immediately north of Weaver Lake in the northeast part of the NSS property and extending off to the north. This zone is anomalous in Cu, Pb, Au and Ag, but is most highly anomalous in Zn. Zinc values in this area are generally greater than 300 ppm, but locally exceed 1000 ppm. Subsequent to 2005, drilling by Carat encountered significant Zn Cu mineralization about 1.8 to 2.3 km north of Weaver Lake and 1.0 to 1.4 km north of the NSS Seneca 6 claim (Carat April 13, 2007 news release). Carat describes the drill hole intersections as wide areas of locally strong hydrothermal alteration and associated stringer to locally semi-massive sulphides in a package of andesitic and dacitic volcanic rocks and interlayered sedimentary rocks. Interestingly, these holes were spotted some 200 to 300 m east of a continuous, but generally weak, north south trending EM conductor and co-incident magnetic linear which trends onto the NSS Seneca 6 claim and does not appear to have been tested by the drilling. Three anomalous gold in silt geochemical anomalies (82 to 468 ppb Au) were also noted downstream from this noted conductor.

## **Ground Geophysical Surveys**

Cominco Ltd. in 1988 completed ~40 line km of ground UTEM (University of Toronto EM) on the west side of Mt. Keenan (Holroyd, 1988, assessment report 18261). Holroyd noted that numerous weakly conductive features were outlined – and commented on the two strongest – one a shallow target just off the NSS property to the NE of the Seneca 7 claim – and to be “...related to stringer type pyrite mineralization at the margins of quartz porphyry dykes...” and believed by this author to be in the footwall of the Seneca horizon”. The second target trends EW some 1.4 to 2.0 km ENE of the Vent Zone. It was interpreted to be caused by a cultural source “such as a buried cable” left over from previous logging operations. The author noted the anomaly shape was quite complex, that it was observed on three survey lines, had considerable strike but limited depth extent, and that responses down to channel 2 (normally indicative of a deep response) were recorded. The target Seneca horizon is estimated to be at a depth of 300 m to 400 m at this location. Given that the EM responses of the Seneca VMS mineralization to date

appear to be quite weak (Cominco was expecting strong, high conductivity targets) and that the target Seneca horizon is generally flat may suggest that this weak EM anomaly requires a closer examination.

Five other weak generally EW trending conductors, interpreted to be in the Seneca horizon or the hanging wall of the horizon, occur in a 4.2 km long by 0.6 km wide NS trending corridor which significantly originates at the Seneca Main pit area. This may suggest a series of lenses of poorly conducting and flat lying VMS mineralization, each lens corresponding with a weak conductor, and down or up dip from the Seneca Main pit mineralization – depending on the original paleoslope on which the VMS mineralization was deposited. Further detail geological mapping, ground geophysical surveys and drilling will be required to determine the economic potential of this interpretation.

Induced Polarization (IP) surveys were completed for Curator in 1985 and the grid later extended in 1986 for Selco Division – BP\_ Resources Canada Ltd. in the Vent zone area (Pegg, 1986, assessment reports 15734A & B). A total of 13.3 line km of pole-dipole surveying with an 'a' spacing of 25 m and an 'n' spacing of 1 to 4 was completed by Lloyd Geophysics. Follow up sampling and drilling by BP noted that the ...“IP survey outlined some 37 anomalies of varying strength, of which 12 were drilled tested. Drilling indicates that the anomalies are reflecting brecciated, silicified and pyritic strata which only locally contain coincident base metal mineralization. The significant mineralization appears to be restricted to the 'Upper Vent' showing portion of the so called 'Vent Zone'.”

#### **9.4 Airborne Geophysical Surveys**

The following is based on unpublished geophysical reports and data supplied by Carat (Aeroquest, 2005 & 2006, McKinley, 2006a).

Between April 10<sup>th</sup> and April 19<sup>th</sup>, 2005, and July 2<sup>nd</sup> and July 7<sup>th</sup>, 2006, helicopter-borne geophysical surveys were carried out over the NSS property and the surrounding area. These surveys were conducted by Aeroquest Limited on behalf of Tecucomp Geological Inc. and for Carat. Geophysical sensors included Aeroquest's AeroTEM™ and AeroTEMII™ time domain helicopter electromagnetic system and a high sensitivity cesium vapour magnetometer.

The surveys were respectively flown in the direction N056°E and N057°E, at a mean 100 m line separation. The magnetic control on tie lines was flown perpendicular to the survey lines at a nominal spacing of 1250 m. The earlier survey covered most of the west central part of the NSS property and totalled some 347.2 line km; and the second survey covered the balance of the eastern part of the property and a considerable area to the east and north of the property, totalling some 1,104 line km. Nominal EM bird terrain clearance was reported as ~30 m. The magnetometer sensor was mounted in a smaller bird connected to the tow rope 21 m above the EM bird and 17 m below the helicopter. Nominal survey speed was 75 km/hr.

#### **9.3.2 Airborne Magnetic Surveys**

For this report the final levelled total field magnetic values from each of the Aeroquest airborne surveys were re-levelled and merged to make one continuous magnetic data set. This data was then filtered to produce a reduced to the pole (RTP) magnetic map (Figure 8). This data was also filtered with a high pass filter to accentuate near surface features in the generally low amplitude magnetic responses near the Seneca Pit, Vent and Fleetwood Zones.

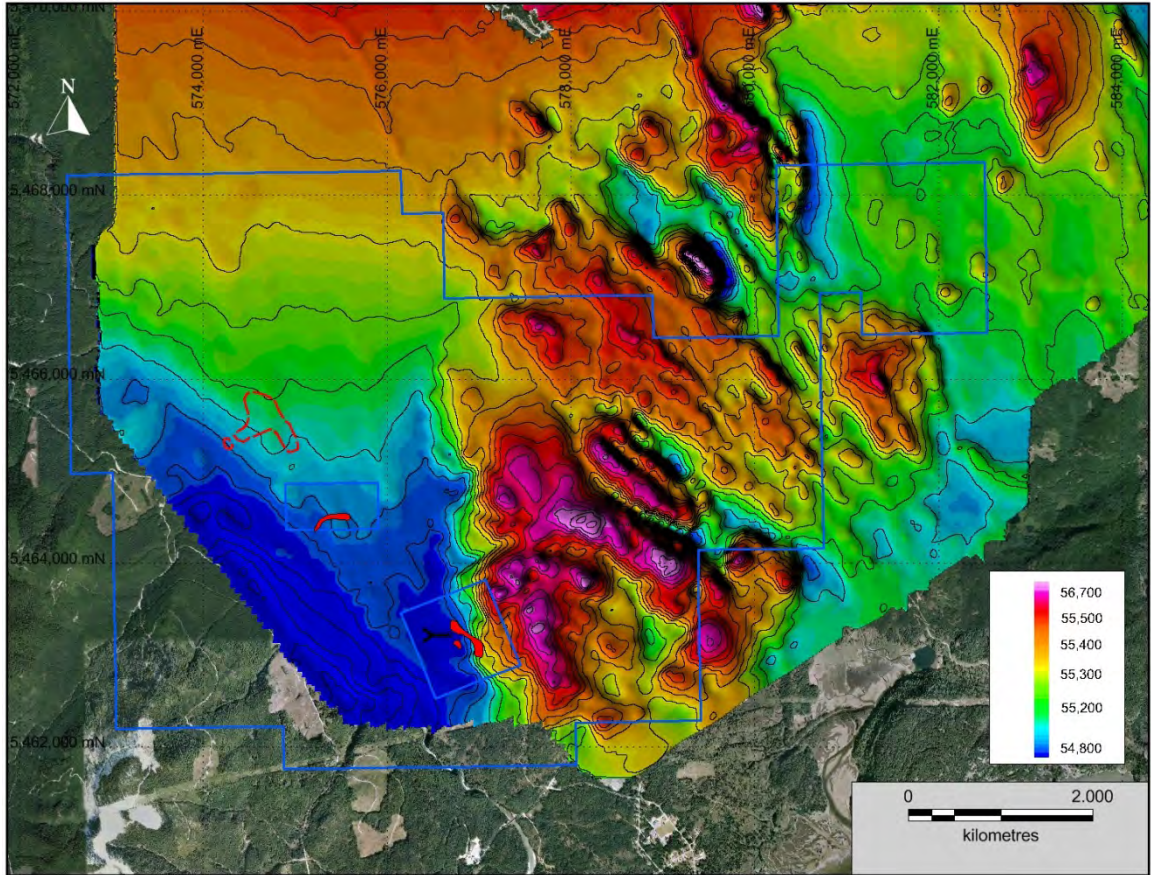


Figure 8. Aeroquest Mag Data - Reduced to the Pole, Smoothed Total Magnetic Field Map Sun shaded from SW - Sun elevation 45°) (colour scale bar: nano-teslas)

The RTP magnetic survey results indicate generally low amplitude responses on the western and eastern, low topographic elevation, parts of the NSS claims. In the central, generally higher topography areas, the magnetic responses are considerably elevated – reflecting the presence of a thick high magnetic susceptibility unit stratigraphically above the Seneca horizon. This central area exhibits strong NNW trending linears – which are sub parallel to a splay of the regional Harrison Lake fault system and likely represent additional faults and or dykes.

It is also noted that the central areas with high magnetic susceptibility generally correspond with a scarcity of anomalous multi-element silt or rock geochemistry – again confirming that the favourable Seneca horizon is buried beneath the hangingwall volcanics. Across the NSS claims, depths to the Seneca horizon vary from outcropping to likely more than 500 m.

On the High Pass filtered RTP Magnetic Map (Figure 9) two distinct north-northwesterly trending magnetic high zones are noted (dashed black lines).

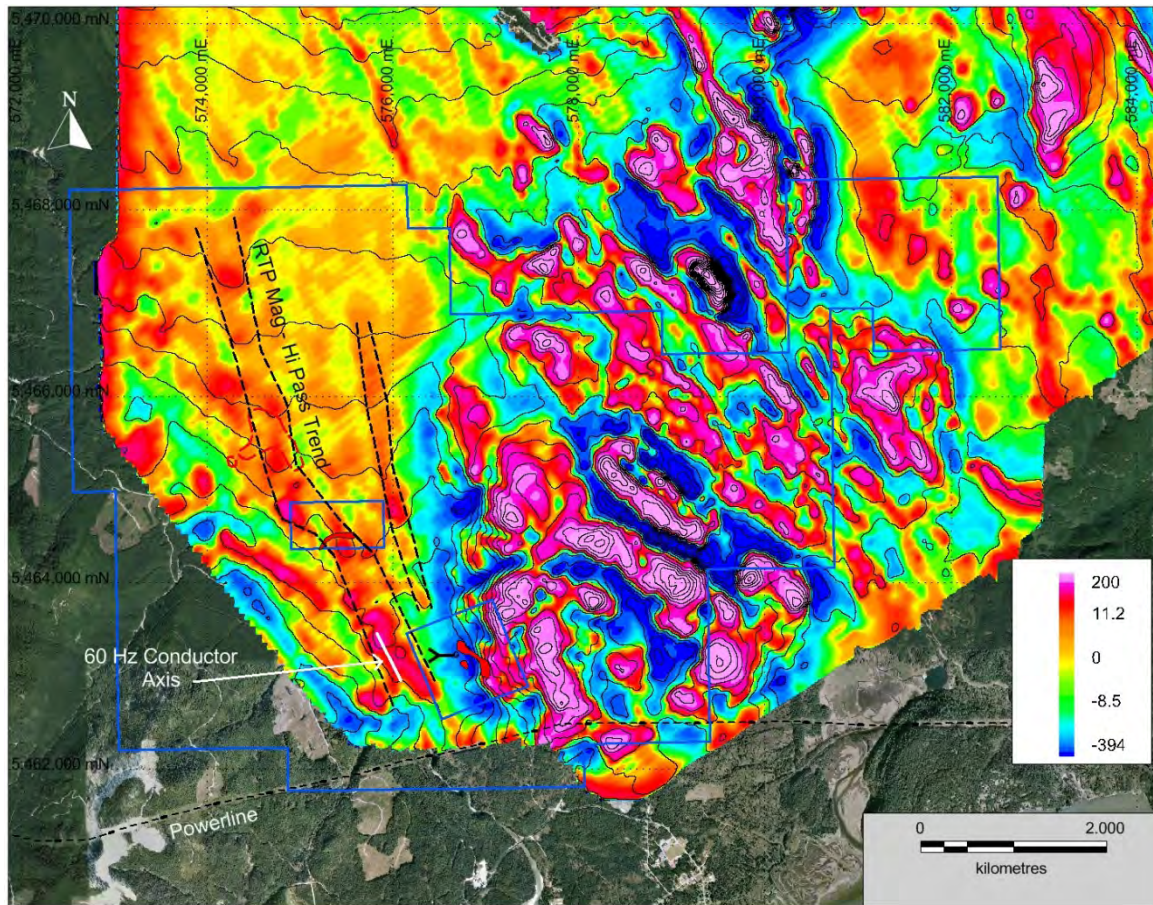


Figure 9. Aeroquest Mag Data - RTP Magnetic Field Map, High Pass Filter nano-teslas, on Google Earth satellite image)

(colour scale bar:



The High Pass filter is designed to accentuate near surface magnetic (geological) features in the generally non-descript low magnetic amplitude data of the targeted Seneca horizon. The western anomalous trend traverses southerly through the Fleetwood and Vent mineralized zones...and on to an area ~800 m west of the main Seneca Pit on the NSS 3 and 5 claims. A possible EM conductor (white solid line) has been interpreted from the Aeroquest 60 HZ sensor data, based on signals transmitted from the high tension 60 Hz power line located along the southern property boundary. The 60 Hz primary field is near vertical away from the power line and should couple well with any flat lying conductors if present. The source of this interpreted conductor/magnetic high susceptibility anomaly is currently unknown.

#### **9.4.1 Airborne Electromagnetic (EM) Surveys**

No significant bedrock conductors are evident from the Aeroquest 2005 survey, and in particular, no distinct EM conductors were noted in the Seneca Pit, Vent Zone or Fleetwood Zone mineralized areas. This suggests that the historical mineralization, locally containing massive conducting sulfides (pyrite and chalcopyrite), is not sufficiently thick and continuous enough to be detected by the main Aeroquest EM system utilized. Given that strong lateral and vertical mineral zoning is typically present in Kuroko type VMS deposits, it is possible that sphalerite and silica/quartz (both poor conductors) are acting as insulators and may be inhibiting the EM responses. In addition, the EM system configuration used in the surveys was not particularly sensitive to resolving thin, flat lying conductors.

Two very weak responses were noted on the early time channels (generally indicative of near surface conductors) some 900 m NNE and 2,500 m E of the Fleetwood Zone, but both were interpreted by previous authors to be of low economic interest. One was drill tested with negative results (drill holes SN05-59 & 60), and interpreted to be related to surficial glacial clay deposits.

Numerous interpreted generally weak conductors were picked by Aeroquest from their 2006 survey. Six targets of interest to NSS, totalling 2.8 km in strike length, occur in the Weaver Lake area in the NE section of the property on the Seneca 6, 8 and 9 claims (Figure 9).

Interpreted conductivities vary from 0.15 to 2.77 siemens. The best EM anomaly strikes generally NS and is located on the west side of the Seneca 6 claim from the northern claim boundary to the north side of Weaver Lake. This EM target also correlates with a high gradient magnetic susceptibility response, interpreted as a major lithological contact (similar to the magnetic contact signature noted at the Seneca Pit area where low magnetic susceptibility Seneca horizon footwall volcanics and sediments are in contact with overlying higher magnetic susceptibility volcanics. This same conductor appears to change strike direction to azimuth 120° for some 1.3 km under Weaver Lake to the southern boundary of the Seneca 9 claim.

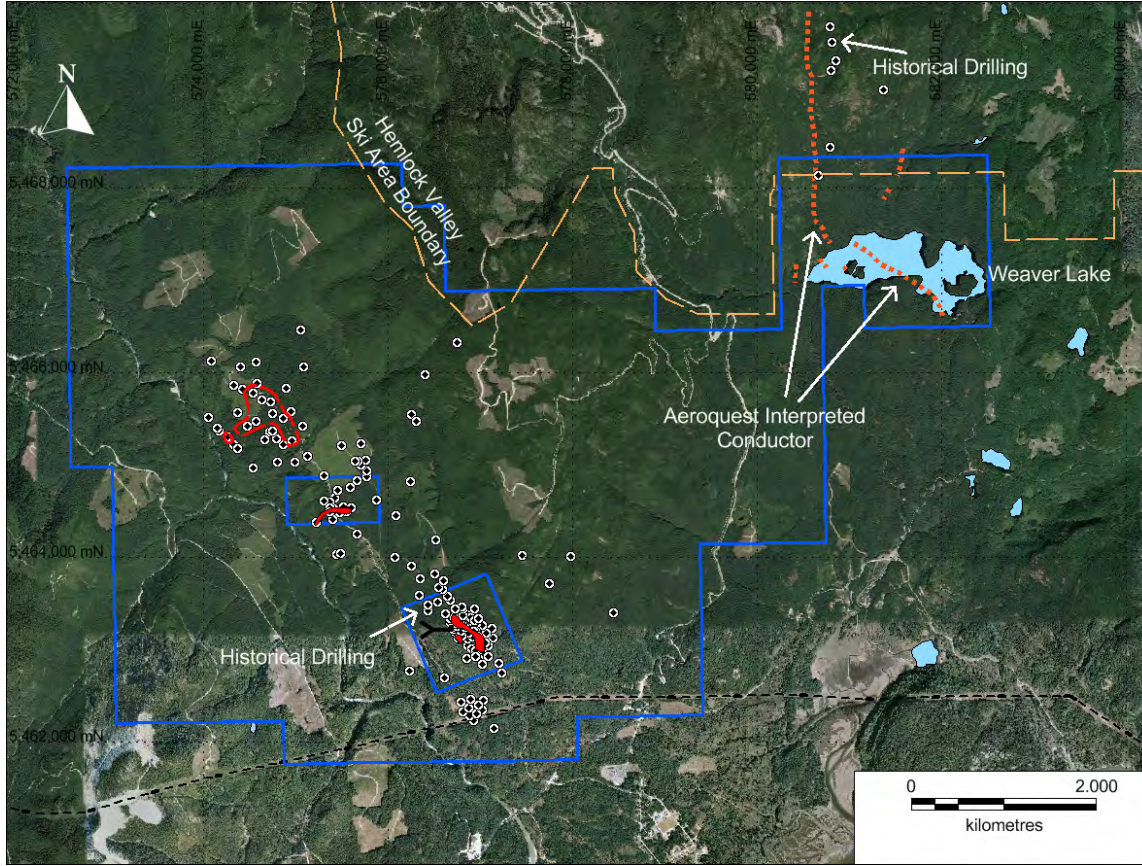


Figure 10. Aeroquest EM Conductors, Weaver Lake Area (on Google Earth Satellite Image)

The above noted EM anomalies occur in a broad area of anomalous multi-element silt and rock samples and in an area where the projection of the Seneca horizon from the Seneca Pit area at azimuth  $041^{\circ}$  and dip  $17^{\circ}$  SE would either outcrop or be at shallow depth, and are therefore considered to be prime exploration targets. This interpretation is supported by geological mapping north and west of Weaver Lake where bedding attitudes trend in a general sense NW-SE with gentle to moderate dips to the SW (e.g., Arscott, 1978; Hitchens & LeBel, 1978) and by the reported local presence of abundant disseminated and fracture controlled pyrite, commonly with trace to minor amounts of sphalerite, chalcopyrite and barite (e.g., Ash, 1974 a & b; Arscott, 1978). Limited drilling by Carat 1.0 to 1.5 km north of the Seneca 6 northern boundary appear to have been collared to the east of the conductor axis and do not appear to have directly tested the EM anomaly.

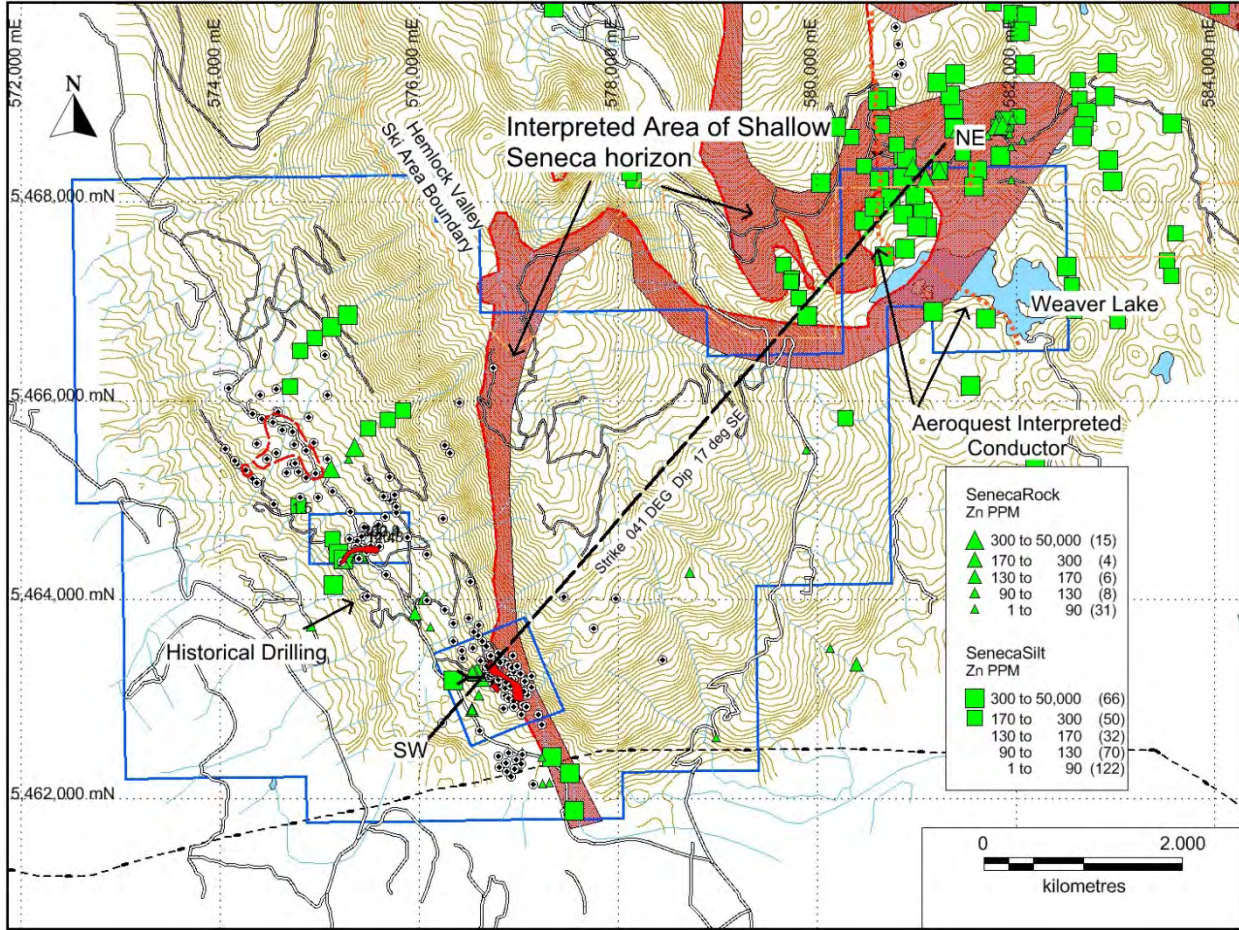


Figure 11 Interpretation of a near surface relatively flat lying favorable VMS hosting horizon

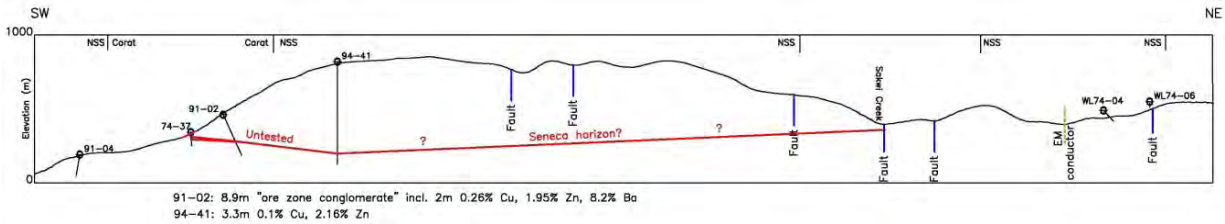


Figure 12. Interpreted section SW-NE through drill holes 91-04, 94-41, and projected to area N of Weaver Lake (no vertical exaggeration, see Figures 11 and 13 for section line).

**Drilling**

A list of drill holes on the NSS claims along with those mentioned in the text of this report from the Seneca and Vent zones are presented in Appendix 1. Data is incomplete and many details are not all available to the writer. Coordinates are taken from various assessment reports and from a compilation by McKinley (op. cit.).

The most significant drilling results pertinent to NSS are on the Fleetwood zone and are summarized above.

The most recent drilling was conducted by Carat between December 2005 and February 2006, mostly on the Seneca Zone. Of a total of 2472 metres in 19 drillholes, two drillholes SN06-59 and SN06-60, totalling 629 m, were drilled

on claims now held by NSS to initially test electromagnetic conductors revealed by the 2005 AeroTEM survey to the northeast of the Seneca deposit. Results were essentially negative. Since no evidence was seen in the drill core to explain the anomalies, it was concluded that the anomalies resulted from conductive clay layers in the overburden, likely kame terrace sediments, and do not represent bedrock occurrences of massive sulphide mineralization (Carat News Release March 28, 2006).

### **Sample Preparation Analysis and Security**

Sample collection, preparation, analysis and security for Carat's geochemical surveys and drilling programs were discussed in detail by McKinley (op. cit.). In the opinion of this writer, all aspects, including quality control, quality assurance, and data verification were conducted in accordance with accepted industry best practices and to NI 43-101 standards.

The 4 samples collected by the writer were personally delivered to Acme Laboratories Ltd., for multi-element chemical analysis (Acme's AQ200 and 7TD1 procedures). Acme Laboratories Ltd. has registered international ISO 9001:2000 accreditation, which fully meets all N.I. 43-101 standards.

### **Data Verification**

Data verification was also discussed by McKinley in his 43-101 report (op. cit.). This author also agrees and assumes that government and scientific publications are accurate in their descriptions of historical exploration, methods of sampling, modes of mineralization and geological settings. Published 'resource' figures mentioned in this report for the Adjacent Property have not been verified as to their compliance with National Instrument 43-101 and therefore cannot be called resources. The figures are cited for geological information only.

## **ADJACENT PROPERTIES**

Apart from the six aforementioned claims covering the Seneca deposit and Vent zone, the only other mineral occurrence of significance is 1 to 1.5 km north of the Seneca 8 claim. This area now lies in the Hemlock Valley Ski Development area. Carat in 2008 conducted geological and geochemical surveys and completed 2879 m of drilling in 10 drillholes. Drilling intersected wide areas of locally strong hydrothermal alteration and associated stringer to locally semi-massive sulphides in a package of andesitic and dacitic volcanic rocks and interlayered sedimentary rocks. These stringer zones are predominantly made up of pyrite and chalcopyrite (copper sulphide) but locally contain notable amounts of sphalerite (zinc sulphide). Reported drill hole assays (Carat news releases February 8 and April 13, 2007) include:

WL06-02 3.0 m wide interval that graded 2.7% Cu and 12.5 g/t Ag from 82.5 to 85.5 m depth including a higher grade 1.0 m interval grading 4.9% Cu.

WL06-04 contained a 2.3 m interval from 97.9 to 100.2 m that averaged 3.5% Cu and 0.3% Zn. This included a 1.5 m interval from 97.9 to 99.4 m that graded 5.3% Cu, 0.41% Zn and 24.8 g/t Ag.

WL06-05 featured an interval of 9.0 m from 6.4 to 15.4 m that averaged 0.77% Zn. A second zone of zinc enrichment was encountered in hole 05, a 6.9 m interval from 217 to 223.9 m that assayed 1.59% Zn.

WL06-06 yielded an interval of 4.0m from 10.0 to 14.0 m that averaged 0.69% Zn.

Hole WL06-07 contained a copper rich zone from 38.6 to 40.4 m that averaged 1.1% Cu over 1.8 m. A zinc rich 2.0 m interval from 210.5 to 212.5 m was assayed down hole from this and produced 2.89% Zn.

WL06-08 contained a similar zinc rich horizon at a depth of 195.0 to 206.7 m that averaged 0.56% Zn over 11.7 m

## ENVIRONMENTAL STUDIES, PERMITTING AND SOCIAL OR COMMUNITY IMPACT

The company and property will be subject to the mine permit regulations of British Columbia. A permit will be required for any bulk sampling and proposed drilling. There has been considerable forest logging activity in the area with the associated land disturbance and road building. Any exploration programs proposed by the company will be subject to review by the British Columbia Ministry of Mines and Energy and British Columbia Ministry of Forests, Lands and Natural Resources.

Crowell and Wilkins (2010) in their environmental study for the Hemlock Valley Ski area identified several environmental issues in the area, including species at risk, fish habitat in Sakwi Creek and sensitive ecosystems near Sakwi Creek. However in their report they mention and summarize ways of avoiding and mitigating many environmental impacts.

### Other Relevant Data and Information

To the writer's knowledge there are no outstanding environmental problems associated with the claims.

### Interpretation and Conclusions

In conclusion, geotectonic, petrographic, and geochemical considerations suggest that mineralization in the Seneca area belongs to the Kuroko-type VHMS classification of Sawkins (1976), or to the bimodal mafic VHMS-type of Franklin et al. (2005). Such deposits commonly occur in clusters that define VMS districts, and may occur in more than one stratigraphic interval. At the deposit scale VMS deposits generally occur within fault-bounded basins, depressions or grabens defined by abrupt changes in facies such as the occurrence of a thick ponded flow and/or volcanoclastic facies.

Although considerable drilling has been undertaken in the Seneca area, exploration opportunities still exist. Chapman (1999) concluded: *The Seneca property hosts a small resource of potential ore grade massive sulphide mineralization (not 43-101 qualified, as mentioned above). Note: neither this author nor previous authors who have worked in the Seneca area have been able to verify the historical resource information. This information is not necessarily indicative of the mineralization on the property that is the subject of this technical report.*

Chapman (1999) continued: *There are three other partially delineated mineralized zones, which locally are of extremely high grade (up to 32% zinc). The Seneca, Vent, Fleetwood and 33 zones occur along a 4.5 kilometre northwest trending belt of felsic to intermediate volcanics of the Weaver Lake member of the Harrison Lake Formation, which occupy the western limb of a broad open syncline. Within this belt detailed drilling has only been carried out locally at the Seneca and Vent zones. This leaves ample room for the occurrence of a number of additional massive sulphide bodies within the following areas.*

- 1) *Northeast of the Seneca deposit an 800m by 800m area contains no drill holes and is bounded by mineralized intercepts*
- 2) *Between the Seneca and the Vent zones a 500m by 500m area containing an EM anomaly remains untested.*
- 3) *A similar 500m gap in the drilling to the northwest of the Vent and southeast of the Fleetwood contains a low intensity magnetic anomaly.*
- 4) *The wide spaced drilling of the Fleetwood zone (200m centres) leaves ample room for the occurrence of other mineralized bodies.*

McKinley also comments “*Potential exists for further drilling to the northwest and southeast of the main Seneca Zone where past drilling has been relatively sparse or non-existent*”.

Based on the evidence in many reports reviewed, and on field examination by this writer, it is his opinion that the Seneca project constitutes a property of merit and justifies further work to explore for additional VMS style mineralization.

*A northerly source is also supported by hole DDH-94-41, located 800 m northeast of the Seneca deposit which intersected hydrothermally altered and mineralized felsic ash and lithic lapilli tuff overlying a pyritic argillite (semi massive) which is very similar to the ore zone sequence at the Seneca deposit. Elevated gold values (2.65g/t) are present in the 0.9 m interval underlying the base metal mineralization in DDH-94-41 as in the Seneca deposit and DDH-85-3.*

Furthermore, geologic mapping and sampling in the Weaver Lake area has identified favorable hosts for VMS mineralization, confirmed in drilling by Carat. Bedding attitudes west and northwest of Weaver Lake generally dip at low angles to the southwest, and those in the Seneca dip gently to the northeast. So the horizon at Weaver Lake and Seneca, although undoubtedly affected by faulting, folding and intrusion of synvolcanic dikes, may be one and the same, suggesting significant exploration potential.

McKinley also comments that east of the Seneca Pit Area, the area between drill hole 91-02 and drill hole 94-41 remains untested. (Figure 13).

In summary, considerable exploration potential exists on the NSS claims between Weaver Lake and the Seneca, Vent and Fleetwood mineralized zones.

### **Recommended Plan of Exploration and Development**

A modest Phase I program is recommended to further evaluate the NSS Seneca property.

Questions remain on why the Seneca and Vent deposits apparently have very little geophysical expression, and what is the significance of the geophysical anomaly to the east of the Fleetwood zone. Compilation of previous geophysical surveys and re-interpretation of the previous airborne geophysical surveys to support mapping and for direct detection (MAG, EM, radiometric) is recommended. In addition, a test program of VLF ground surveys over the Seneca zone and the strong EM anomaly to the northeast of the Fleetwood zone is recommended.

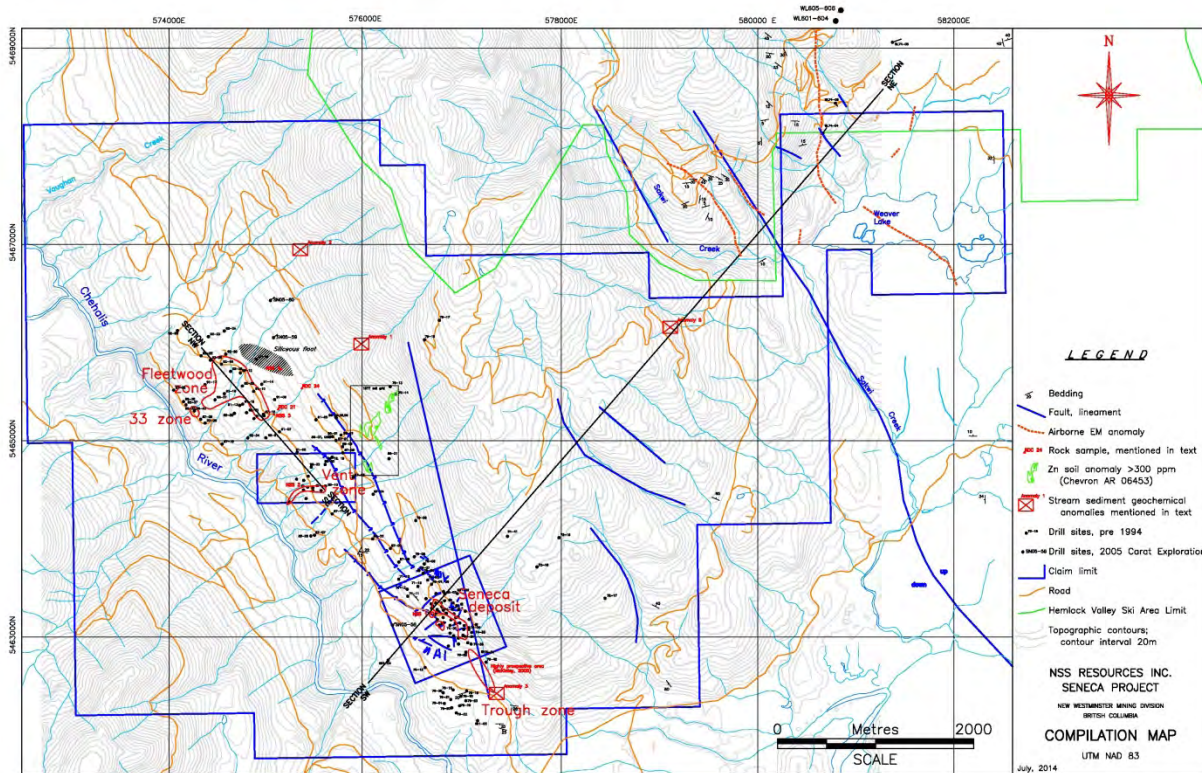


Figure 13. Compilation map.

Also recommended is detailed mapping to assist in interpretation the geophysical surveys and to possibly identify synvolcanic faults, intrusions, and proximal volcanic environments permissive for VMS formation. Outcrop is sparse in drift covered areas, but mapping tributaries of the Chehalis River and Sakwi Creek (Figure 13) is warranted to look for lateral alteration patterns or possible exhalites which are useful indicators of the stratigraphic level of hydrothermal activity in some ancient volcanic massive sulfide belts (e.g., Davidson et al, 2001); for example, to determine the significance of siliceous float (exhalite?) encountered in the area east of Fleetwood.

## COST ESTIMATE

### Phase 1

Re-interpretation of geophysical surveys	\$ 10,000
Preliminary VLF electromagnetic survey 12 days @ \$800	9,600
Geological mapping, sampling, Geologist and assistant 20 days @ \$1000	20,000
Vehicle, fuel	5,500
Room and board	6,000
Geochemical Analyses	6,000
Supplies	1,000
Report	<u>6,000</u>

Subtotal \$64,100

Contingencies 5,700

**Total Phase 1** **\$69,800**

Contingent on results of Phase 1, a Phase 2 program may be warranted

**Phase 2**

Geophysical surveys, drilling, allow \$ 130,200

Total, Phases 1 and 2 \$ 200,000

**USE OF PROCEEDS**

**Funds Available and Principal Purposes**

The estimated net proceeds to be received by the Company from the Offering will be \$430,000 after deducting the Finders Commission of \$40,000 and the balance of the estimated remaining costs of the Offering estimated at \$30,000. As the Company had working capital of \$139,405 as at August 31, 2014, the Company anticipates there will be total available funds of approximately \$569,405 after the Offering. The Company expects to use the total funds available set forth above for the purposes described below:

	<b>Offering</b>
Complete recommended Phase 1 exploration program on the Seneca Property <sup>(1)</sup>	\$69,800
General and administrative costs for next 12 months <sup>(2)</sup>	\$50,000
Unallocated working capital	\$449,605
<b>TOTAL:</b>	<b><u>\$569,405</u></b>

**Notes:**

- (1) See "Property Description and Location – Exploration and Development."  
(2) Please see the table below for a description of the estimated administrative costs of the Company for the next 12 month period.

Upon completion of the Offering, the Company estimates that its working capital will be sufficient to meet its administrative costs and exploration expenditures for the 12 month period following the Closing Date. Administrative costs for the 12 month period following the Closing Date are comprised of the following:

<b>General and Administrative Costs for 12 Month Period Following the Closing Date</b>	<b>(\$)</b>
Transfer Agent, Listing, Filing and Legal Fees	\$20,000
Accounting and Auditing	\$5,000
Office and Miscellaneous	\$15,000
Travel	\$10,000
<b>TOTAL:</b>	<b><u>\$50,000</u></b>

**Business Objectives and Milestones**

The Company's sole intended business objective and milestone following the Offering is to complete the Phase 1 exploration program on the Seneca Property. Based upon the recommendations of the Author in the Technical Report, the Company intends to carry out the Phase 1 exploration program with respect to the Seneca Property as set out below.

**Phase 1**

Re-interpretation of geophysical surveys \$ 10,000

Preliminary VLF electromagnetic survey 12 days @ \$800 9,600

Geological mapping, sampling, Geologist and assistant 20 days @ \$1000 20,000

Vehicle, fuel 5,500

Room and board 6,000

Geochemical Analyses 6,000

Supplies 1,000



Report		6,000
	Subtotal	<u>\$64,100</u>
Contingencies		<u>5,700</u>
	<b>Total Phase 1</b>	<b>\$69,800</b>

The Company intends to spend a significant portion of the funds available to it for the Seneca Property, as stated in this Prospectus. There may be circumstances however, where, for sound business reasons, a reallocation of funds may be necessary. The Company intends to complete the Phase 1 exploration program by the end of the calendar year 2014.

## **DIVIDENDS OR DISTRIBUTIONS**

### **Dividends**

The Company has neither declared nor paid any dividends on its Common Shares. The Company intends to retain its earnings to finance growth and expand its operations and does not anticipate paying any dividends on its Common Shares in the foreseeable future.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following discussion of the operating results and financial position of the Company should be read in conjunction with the audited financial statements and related notes as at and for the years ended June 30, 2014 and 2013 and for the period ending June 30, 2012 forming part of this Prospectus. The Company's financial statements have been prepared in accordance with International Financial Reporting Standards. The information below is as at June 30, 2014 (unless otherwise specified below).

### **Overview**

The Company is engaged in the business of mineral exploration in Canada and its objective is to locate and, if warranted, develop economic mineral properties. The Company owns 100% interest in the Seneca Property located near Harrison Lake British Columbia. The Property consists of 205 units covering an area of 4,378 hectares. The Seneca Property is the sole property of the Company at this time, and the Company seeks to list its Common Shares on the Exchange.

### **Overall Performance**

Following incorporation on March 28, 2012, the Company capitalized itself through the issuance of securities on a private placement basis. The Company raised an aggregate of \$155,000 through the issuance of its securities and incurred approximately \$9,478 in exploration expenditures with respect to the Seneca Property. The Company holds a 100% interest on the Seneca Property, an exploration stage property, and has not generated revenues to date. Management anticipates that it will incur considerably more expenses following the Offering and the listing of the Common Shares on the Exchange. These funds will include increased professional fees necessary to comply with applicable securities rules and increased exploration costs as the Company carries out expenditures on the Seneca Property.

### **Selected Financial Information**

The following table sets out selected financial information for the Company for each of the fiscal periods ended June 30, 2014, 2013 and 2012. The selected financial information should only be read in conjunction with the Company's financial statements, including the notes thereto, included elsewhere in this Prospectus.

*Statement of Operations, Comprehensive Loss and Deficit Data*

	<b>Year Ended June 30, 2014 (\$) (audited)</b>	<b>Year Ended June 30, 2013 (\$) (audited)</b>	<b>Period from incorporation until June 30, 2012 (\$) (audited)</b>
Revenue	Nil	Nil	Nil
Total Expenses	31,118	Nil	Nil
Deferred Income Tax Recovery	Nil	Nil	Nil
Net income (loss) for the period	(31,118)	Nil	Nil
Income (loss) per share (basic and diluted)	(0.07)	1	1

*Balance Sheet Data*

	<b>As at June 30, 2014 (\$) (audited)</b>	<b>As at June 30, 2013 (\$) (audited)</b>	<b>As at June 30, 2012 (\$) (audited)</b>
Current Assets	143,278	Nil	Nil
Total Assets	152,756	Nil	Nil
Current Liabilities	3,873	Nil	Nil
Long Term Debt	Nil	Nil	Nil
Shareholders' Equity	148,883	1	1

As an exploration stage company, the Company has not generated revenue from its property interest and does not anticipate it will do so for the foreseeable future. The Company currently only owns one mineral property. Management anticipates that expenses related to mineral exploration and administration of the Company will materially increase following closing of the Offering. Management anticipates that such expenses will include increased exploration expenditures with respect to the Seneca Property and increased professional fees, and other costs associated with compliance with applicable securities laws following closing of the Offering.

**Results of Operations***For Year Ended June 30, 2014 Compared to Year Ended June 30, 2013*

During the year ended June 30, 2014, the Company generated no revenues and incurred total expenses of \$31,118 compared to Nil during the year ended June 30, 2013. During the year ended June 30, 2014, the Company spent \$9,478 in exploration expenditures compared to Nil during the year ended June 30, 2013. Expenses consisted of professional fees of \$5,455 (2013 - Nil), and office and miscellaneous of \$663 (2013 - Nil). The net loss for the year ended June 30, 2014 was \$31,118 compared to a net loss of Nil in the year ended June 30, 2013. Professional fees in the period were higher than last year due to legal and audit costs associated with the Company's proposed initial public offering. There were no management fees. Management anticipates that expenses will materially increase following the Closing Date including mineral exploration costs, administration costs and professional fees. Following the closing of the Offering, the Company intends to carry out the Phase 1 exploration program as set out in the Technical Report, incur increased administrative costs as set out in the heading "Use of Proceeds" and incur increased professional fees as the Company complies with applicable securities laws.

*Fiscal Year Ended June 30, 2013 Compared to Fiscal Year Ended September 30, 2012*

Nil

**Liquidity**

As at June 30, 2014, the Company had cash of \$143,278 compared to cash of Nil as at June 30, 2013. As at June 30, 2014, the Company had working capital of \$139,405 compared to a working capital of Nil as at June 30, 2013. As the Company will not generate funds from operations for the foreseeable future, the Company is primarily reliant upon the sale of equity securities in order to fund operations. Since inception, the Company has funded limited operations through the issuance of equity securities on a private placement basis. This has permitted the Company to carry out limited exploration on its Seneca Property and address preliminary costs associated with the Offering. The Company anticipates that the estimated net proceeds of \$430,000 from the Offering will be sufficient to satisfy the Company's cash requirements during the next 12 month period.

**Capital Resources**

As set out under the heading "Use of Proceeds", the Company anticipates spending \$69,800 to carry out the Phase 1 exploration program on the Seneca Property, \$50,000 to cover anticipated administrative costs for the next 12 month period and approximately \$449,605 for unallocated general working capital. The Company cannot offer any assurance that expenses will not exceed management's expectations. The Company will require additional funds and will be dependent upon its ability to secure equity and/or debt financing, the availability of which cannot be assured.

Although the Company currently has limited capital resources, management currently believes that, following the closing of the Offering, the Company will not have to rely upon the sale of its equity and/or debt securities for cash required to fund operations for the next 12 month period, other than as disclosed in this Prospectus. The Company is required to incur an additional \$21,890 of exploration expenditures on or prior to April 29, 2015 in order to keep its claims in good standing.

**Off Balance Sheet Arrangements**

The Company does not have any off-balance sheet arrangements.

**Transactions with Related Parties**

During the fiscal year ended June 30, 2014, the Company recorded share-based payments of \$25,000 for the fair value of services provided by the founders of the Company.

During the fiscal periods ended June 30, 2013 and 2012, there were no related party transactions.

**Significant Accounting Policies**

A detailed summary of all of the Company's significant accounting policies is included in Note 3 to the financial statements included in and forming part of this Prospectus.

***Future Changes in Accounting Standards*****Standards, Amendments, and Interpretations Not Yet Effective**

The International Accounting Standards Board has issued new and amended standards and interpretations which have not yet been adopted by the Company. The Company has not yet begun the process of assessing the impact that the new and amended standards and interpretations will have on its financial statements or whether to early adopt any of the new requirements. The following is a brief summary of the new and amended standards and interpretations:

IAS 32 - 'Financial Instruments: Presentation'

This amendment provides clarification on the application of offsetting rules. These amendments are effective for annual periods beginning on or after January 1, 2014.

#### IAS 36 - 'Impairment of Assets'

On May 29, 2013, the IASB made amendments to the disclosure requirements of IAS 36, requiring disclosure, in certain instances, of the recoverable amount of an asset or cash generating unit, and the basis for the determination of fair value less costs of disposal, when an impairment loss is recognized or when an impairment loss is subsequently reversed. These amendments are effective for annual periods beginning on or after January 1, 2014.

IFRS 10 - 'Financial Statements' and IFRS 12 - 'Disclosures of Interests in Other Entities' and IAS 27 - 'Separate Financial Statements'

IFRS 10 and 12 and IAS 27 have been amended with an effective date for annual periods beginning or after January 1, 2014. The amendment provides for the definition of an investment entity and sets out an exception to consolidating particular subsidiaries of an investment entity. The amendments also deals with the disclosures required and preparation of separate financial statements of an investment entity.

#### IFRS 9 – 'Financial Instruments'

The effective date of this standard is for annual periods beginning on or after January 1, 2018. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortized cost or fair value. To be classified and measured at amortized cost, assets must satisfy the business model test for managing the financial assets and have certain contractual cash flow characteristics. All other financial instrument assets are to be classified and measured at fair value. This standard allows an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income, with dividends as a return on these investments being recognized in profit or loss. In addition, those equity instruments measured at fair value through other comprehensive income would no longer have to apply any impairment requirements nor would there be any 'recycling' of gains or losses through profit or loss on disposal. The accounting for financial liabilities continues to be classified and measured in accordance with IAS 39, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch.

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income or loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Estimates have been applied in the following areas

#### **Rehabilitation Provisions**

No rehabilitation provisions have been created based on the Company's activity to date. Based upon the prevailing economic environment, assumptions will be made which management believes are reasonable upon which to estimate the future liability. These estimates will take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market condition at the time the rehabilitation costs are actually incurred. The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for.

The areas in which the Company has exercised critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

### **Exploration and Evaluation Expenditures**

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure has been capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off to the profit or loss in the period the new information becomes available.

### **Title to Mineral Property Interests**

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

### **Income Taxes**

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

### **Financial Instruments and Other Instruments**

Financial instruments of the Company consist of cash, due to/from a related party, and accounts payable and accrued liabilities. Unless otherwise noted, management believes that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The carrying amounts of cash, due to/from a related party, and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these instruments.

### **Disclosure of Outstanding Security Data**

#### *Common Shares*

As at June 30, 2014 and the date of this Prospectus, the Company had 9,000,001 Common Shares issued and outstanding.

#### *Stock Options*

On July 30, 2014 the company issued 1,400,000 stock options at an exercise price of \$0.10 with a 5 year term. These options were issued to directors and officers of the Company.

#### *Share Purchase Warrants*

As at the date of this Prospectus, the Company had no share purchase warrants outstanding.

### Additional Disclosure for Junior Issuers

The Company anticipates that estimated net proceeds of \$430,000 from the Offering plus an estimated working capital of \$139,405 as at August 31, 2014 will fund operations for the next 12 month period. Management estimates that the total operating costs necessary for the Company to achieve its stated business objective during the next 12 month period will be \$119,800 leaving unallocated working capital of \$449,605. The operating costs necessary for the Company to achieve its stated business objectives consist of \$69,800 to carry out the Phase 1 exploration program on the Seneca Property and \$50,000 to cover anticipated administrative costs for the next 12 month period. Other than the costs stated above the Company does not anticipate incurring any other material capital expenditures during the next 12 month period.

## DESCRIPTION OF SECURITIES DISTRIBUTED

### Unit Shares

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value. The holders of the Common Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Company and each Common Share confers the right to one vote in person or by proxy at all meetings of the shareholders of the Company. The holders of the Common Shares, subject to the prior rights, if any, of any other class of shares of the Company, are entitled to receive such dividends in any financial year as the board of directors of the Company may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Company, the remaining property and assets of the Company. See "Consolidated Capitalization".

### Unit Warrants

On closing of the Offering, the Company will issue the Unit Warrants to subscribers in the Offering, each of which will entitle the holder to acquire one Common Share at the exercise price of \$0.20 for a period of 12 months from the Closing Date. Until exercised by the holder, the Unit Warrants do not entitle the holder to any dividend rights, rights of liquidation, dissolution or winding-up, or voting rights with respect to election of the Board or other matters generally brought before the shareholders of the Company.

The Unit Warrants are non-transferable but will not be listed on any stock exchange. Holders of the Unit Warrants will not, as such, have any voting right or other right attaching to the Common Shares until the Unit Warrants are properly exercised and Common Shares issued upon such exercise. No fractional Common Shares will be issued upon the exercise of the Unit Warrants. If any fraction of a Common Share would otherwise be issuable, the number of Common Shares so issued shall be rounded down to the nearest whole Common Share without compensation therefor.

## CONSOLIDATED CAPITALIZATION

The following table sets out the share capitalization of the Company as at the dates specified below.

Description	Authorized	Outstanding as at June 30, 2014	Outstanding as at the date of this Prospectus	Outstanding after giving effect to the Offering
Common Shares	Unlimited	9,000,001 <sup>(1)</sup>	9,000,001 <sup>(1)(2)</sup>	14,000,001 <sup>(3)</sup>

#### Notes:

- (1) See "Prior Sales".
- (2) On an undiluted basis.
- (3) On an undiluted basis. Does not include any Common Shares issuable upon exercise of the Unit Warrants, Finder's Warrants or Options.

**Fully Diluted Share Capitalization**

Common Shares	Offering of 5,000,000 Units	
	Amount of Securities	Percentage of Total
Issued and outstanding as at the date of this Prospectus	9,000,001	49.2%
Unit Shares reserved for issuance pursuant to the Offering	5,000,000	27.3%
Common Shares reserved for issuance upon the exercise of the Unit Warrants	2,500,000	13.7%
Common Shares reserved for issuance upon exercise of the Finders' Warrants	400,000	2.2%
Common Shares reserved for issuance upon exercise of the options	1,400,000	7.6%
<b>Total Fully Diluted Share Capitalization after the Offering</b>	<b>18,300,001</b>	<b>100%</b>

**OPTIONS TO PURCHASE SECURITIES****Outstanding Options**

The following table summarizes the options of the Company that will be outstanding as of the Listing Date.

Name of Optionee	Designation of Securities under Option	Number of Common Shares under Option	Exercise price per Common Share	Expiry Date
Executive officers of the Company as a group (2 person)	Common Shares	600,000	\$0.10	5 years from the Listing Date <sup>(1)(2)</sup>
Directors of the Company who are not also executive officers as a group (2 persons)	Common Shares	800,000	\$0.10	5 years from the Listing Date <sup>(1)(3)</sup>
<b>TOTAL:</b>		<b>1,400,000</b>		

**Notes:**

- (1) These options will be exercisable from the Listing Date to the date that is 5 years from the Listing Date.
- (2) Jag Sandhu (Chief Executive Officer, President and Director) has been granted 400,000 Options, Narinder Paul Grewal CFO has been granted 200,000 Options.
- (3) Klaus Eckhof and Doug MacQuarrie have each been granted 400,000 Options.

All of the options listed in the table above have been granted pursuant to the Option Plan. The Option Plan was adopted by the Company's board of directors on July 15, 2014. The purpose of the Option Plan is to advance the interests of the Company and its shareholders by attracting, retaining and motivating the performance of selected directors, officers, employees or consultants of the Company of high caliber and potential and to encourage and enable such persons to acquire and retain a proprietary interest in the Company by ownership of its stock. The Option Plan provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance, set aside and made available for issuance under the Option Plan may not exceed 10% of the issued and outstanding shares of the Company at the time of granting of options (including all options granted by the Company to date). The number of Common Shares which may be reserved in any 12 month period for issuance to any one individual upon exercise of all stock options held by that individual may not exceed 5% of the issued and outstanding Common Shares of the Company at the time of the grant. The number of Common Shares which may be reserved in any 12 month period for issuance to any one consultant may not exceed 2% of the issued and outstanding Common Shares and the maximum number of Common Shares which may be reserved in any 12 month period for issuance to all persons engaged in investor relations activities may not exceed 2% of the issued and outstanding Common Shares of the Company. The Option Plan provides that options granted to any person engaged

in investor relations activities will vest in stages over 12 months with no more than ¼ of the stock options vesting in any three month period.

The Option Plan will be administered by the Board or a special committee of directors, either of which will have full and final authority with respect to the granting of all stock options thereunder. Stock options may be granted under the Option Plan to such directors, officers, employees or consultants of the Company, as the board of directors may from time to time designate.

The exercise price of any stock options granted under the Option Plan shall be determined by the Board, but may not be less than the market price of the Common Shares on the Exchange on the date of the grant (less any discount permissible under Exchange rules). The term of any stock options granted under the Option Plan shall be determined by the Board at the time of grant but, subject to earlier termination in the event of termination or in the event of death, the term of any stock options granted under the Option Plan may not exceed five years. Options granted under the Option Plan are not to be transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession. Subject to certain exceptions, in the event that a director or officer ceases to hold office, options granted to such director or officer under the Option Plan will expire 90 days after such director or officer ceases to hold office.

Subject to certain exceptions, in the event that an employee, or consultant ceases to act in that capacity in relation to the Company, stock options granted to such employee, consultant or management company employee under the Option Plan will expire 30 days after such individual or entity ceases to act in that capacity in relation to the Company.

Stock options granted to optionees engaged in investor relations activities on behalf of the Company expire 30 days after such optionees cease to perform such investor relations activities for the Company. In the event of death of an option holder, options granted under the Option Plan expire the earlier of one year from the date of the death of the option holder and the expiry of the term of the option.

### PRIOR SALES

The following table summarizes all sales of securities of the Company since the date of incorporation:

Date of Issue	Price per Security	Number of Securities
April 29, 2014	\$0.01	2,500,000 Common Shares
June 27, 2014	\$0.02	6,500,000 Common Shares

### ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

As at the date of this Prospectus, the Common Shares subject to contractual restriction and escrow are as shown in the following table:

Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class
Common Shares	9,000,001 <sup>(1)</sup>	100% <sup>(2)</sup>

**Notes:**

- (1) An aggregate of 9,000,001 of these Common Shares are held under the Escrow Agreement in accordance with NP 46-201. The Escrow Agent is Computershare Services Inc.
- (2) Based on 9,000,001 Common Shares issued and outstanding as at the date of this Prospectus.



## Escrow Agreement

NP 46-201 provides that all shares of an issuer owned or controlled by its Principals will be escrowed at the time of the issuer's initial public offering. Also certain shareholders have entered into the escrow agreement.

At the time of its initial public offering, an issuer will be classified for the purposes of escrow as either an "exempt issuer", an "established issuer" or an "emerging issuer" as those terms are defined in NP 46-201.

Uniform terms of automatic timed release escrow apply to Principals of exchange listed issuers, differing only according to the classification of the issuer. As the Company anticipates that its Common Shares will be listed on the Exchange, it will be classified as an "emerging issuer". As such, the following automatic timed releases will apply to the securities held by its Principals:

Date of Automatic Timed Release	Amount of Escrowed Securities Released
On the Listing Date	1/10 of the escrowed securities
6 months after the Listing Date	1/6 of the remaining escrowed securities
12 months after the Listing Date	1/5 of the remaining escrowed securities
18 months after the Listing Date	1/4 of the remaining escrowed securities
24 months after the Listing Date	1/3 of the remaining escrowed securities
30 months after the Listing Date	1/2 of the remaining escrowed securities
36 months after the Listing Date	The remaining escrowed securities

Assuming there are no changes to the escrowed securities initially deposited and no additional escrowed securities are deposited, automatic timed release escrow applicable to the Company will result in a 10% release on the Listing Date, with the remaining escrowed securities being released in 15% tranches every six months thereafter.

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

Pursuant to the terms of the Escrow Agreement, 900,001 Common Shares will be released from escrow on the Listing Date.

## PRINCIPAL SECURITYHOLDERS

To the knowledge of the directors and officers of the Company, as of the date of this Prospectus no person beneficially owns or exercises control or direction over Common Shares carrying more than 10% of the votes attached to the Common Shares except for the following:

Name	Prior to the Offering		After Giving the Effect to the Offering		
	Number of Common Shares Held and Type of Ownership	Percentage of Common Shares Held <sup>(1)</sup>	Number of Common Shares Held <sup>(2)</sup>	Percentage of Common Shares Held after giving effect to the Offering <sup>(3)</sup>	Percentage of Common Shares Owned After Giving Effect to the Offering on a Fully Diluted Basis <sup>(4)</sup>
Jag Sandhu	3,250,001 (direct,	36.1%	3,250,001	23.2%	17.8%

	indirect and beneficial) <sup>(5)</sup>				
Klaus Eckhof	2,750,000 (direct and beneficial)	30.6%	2,750,000	19.6%	15%
Douglas MacQuarrie	800,000 (direct, indirect and beneficial) <sup>(6)</sup>	8.9%	800,000	5.7%	4.4%
Narinder Paul Grewal	Nil	Nil	Nil	Nil	Nil

**Notes:**

- (1) Based on 9,000,001 Common Shares issued and outstanding on the date of this Prospectus.  
(2) Assuming these individuals do not subscribe for any Units under the Offering or exercise any Options.  
(3) Based on 14,000,001 Common Shares issued and outstanding, assuming issuance of the Unit Shares.  
(4) Based on 18,300,001 Common Shares issued and outstanding, assuming completion of the Offering, exercise of the Unit Warrants, the Options and the Finder's Warrants.  
(5) 1,250,000 are owned by Jag Sandhu and 2,000,000 are owned by JNS Capital Corp., a company controlled by Jag Sandhu.  
(6) 800,000 owned by MIA Investments Ltd., a company owned by the MacQuarrie Family Trust - Douglas MacQuarrie trustee.

## DIRECTORS AND EXECUTIVE OFFICERS

### Name, Occupation and Security Holdings

The following table provides the names, municipalities of residence, position, principal occupations and the number of voting securities of the Company that each of the directors and executive officers beneficially owns, directly or indirectly, or exercises control over, as of the date hereof:

Name and Municipality of Residence and Position with the Company	Director/Officer Since	Principal Occupation	Number and Percentage of Common Shares Beneficially Owned or Controlled, Directly or Indirectly <sup>(1)</sup>
Jag Sandhu <sup>(2)</sup> Vancouver, B.C. Canada  <i>Chief Executive Officer, President, and Director</i>	March 28, 2012	President, JNS Capital Corp., a private consulting firm	3,250,001  36.1%
Narinder Paul Grewal <sup>(2)</sup> Vancouver, B.C. Canada  <i>Chief Financial Officer</i>	July 30, 2014	Accountant	Nil
Douglas MacQuarrie <sup>(2)(3)</sup> Vancouver, B.C. Canada  <i>Director</i>	April 30, 2014	President, Asante Gold Corp. a junior mining company	800,000  8.9%
Klaus Eckhof <sup>(3)</sup> Monaco  <i>Director</i>	April 2, 2014	Geologist	2,750,000  30.6%

**Notes:**

- (1) Percentage is based on 9,000,001 Common Shares issued and outstanding as of the date of this Prospectus and does not include Options to purchase Common Shares held by directors and executive officers. See "Options to Purchase Securities".  
(2) Denotes a member of the Audit Committee of the Company.

(3) Denotes an independent director.

The term of office of the directors expires annually at the time of the Company's annual general meeting. The term of office of the executive officers expires at the discretion of the Company's directors. None of the Company's directors or executive officers have entered into non-competition or non-disclosure agreements with the Company.

As at the date of this Prospectus, the directors and executive officers of the Company as a group beneficially own, directly or indirectly, or exercised control or discretion over an aggregate of 6,800,001 Common Shares of the Company, which is equal to 75.6% of the Common Shares issued and outstanding as at the date hereof.

## **Background**

The following is a brief description of each of the directors and executive officers of the Company, including their names, ages, positions and responsibilities with the Company, relevant educational background, principal occupations or employment during the five years preceding the date hereof, experience in the Company's industry and the amount of time intended to be devoted to the affairs of the Company:

*Jag Sandhu – Director, President, and Chief Executive Officer, 46 years old.* . Mr. Sandhu is the President of JNS Capital Corp., a corporate development and advisory firm from January 7, 2007 to present. Mr. Sandhu is the former President of Nava Resources Inc., a junior mining exploration company trading on the OTCBB in the United States from July, 2005 to December 2013. Formerly, Mr. Sandhu was Manager of Investor Relations of Mediterranean Resources Inc., a junior mining exploration company trading on the Exchange and OTCBB in the United States from January, 2007 to June, 2008. Mr. Sandhu has over 14 years' experience with public companies trading on the Exchange and has extensive knowledge of corporate development and investor relations to public companies. Mr. Sandhu received his Economics degree from Simon Fraser University in 1991.

As the Chief Executive Officer of the Company, Mr. Sandhu is responsible for the day-to-day operations, outside contractors and service providers, acquisitions and project development, and of the financial operations of the Company in conjunction with the Chief Financial Officer and with outside accounting, tax and auditing firms. Mr. Sandhu anticipates devoting approximately 50% of his working time for the benefit of the Company. Mr. Sandhu is not an employee but is an independent consultant.

*Narinder Paul Grewal, B.Com., CPA, CA – Chief Financial Officer, 39 years old* – is currently a Partner with Heming, Wyborn & Grewal Chartered Accountants in Surrey, BC. Mr. Grewal received his Bachelor of Commerce from UNBC in 1998, received his CA designation in 1998 and has completed Parts I & II of the CICA In-Depth Tax Course. Mr. Grewal joined Heming, Wyborn & Grewal in 2005 and was promoted to Partner on January 1, 2009. At Heming, Wyborn & Grewal, Mr. Grewal focuses on Private Enterprises by providing taxation and business advisory services to owner-managed businesses in a variety of industries.

As the Chief Financial Officer of the Company, Mr. Grewal is responsible for coordination of the financial operations of the Company in conjunction with the President and with outside accounting, tax and auditing firms. Mr. Grewal will devote the time necessary to fulfill his function. Mr. Grewal is not an employee but is an independent consultant of the Company.

*Douglas MacQuarrie – Director, 61 years old.* Mr. MacQuarrie has a combined Honours degrees in geology and geophysics and is a registered Professional Geoscientist. Mr. MacQuarrie has worked continuously in the mineral exploration industry since his graduation in 1975. He has been a consultant, director, senior officer and Chief Executive Officer of several public companies involved in gold exploration throughout North America and for the past 21 years in West Africa. Mr. MacQuarrie is the President and Chief Executive Officer of Asante Gold Corporation, a public company listed in the TSX Venture Exchange from May 2011 to present. Mr. MacQuarrie was the President and Chief Executive Officer of PMI Gold Corporation, an Exchange listed exploration company from May, 2003 to January, 2011. Mr. MacQuarrie has been the President of MIA Investments Ltd. a private company wholly-owned by the MacQuarrie Family Trust, from July, 1995 to present.

As a director of the Company, Mr. MacQuarrie will advise the officers and the Board of Directors with regard to the corporate development of the Company. Mr. MacQuarrie anticipates devoting as much time as required to fulfill his duties as a director.

*Klaus Eckhof, Director, 56 years old* – Mr Eckhof has a degree in geology from the technical University in Munich, Germany and migrated 1988 to Australia, where he is involved in the mineral exploration industry (in Australia, Africa in particular Democratic Republic of Congo (DRC), West Africa and South America). Several companies he founded or was involved with, discovered deposit and went successfully in production or were taken over. One of the most successful companies was Moto Goldmines where he discovered 20 million oz of gold within 4 years in northeastern DRC. As a partner of a consulting business in Perth, Corporate Resource Consultants (CRC) he was involved in capital raisings, public listings as well as managing public companies. From February 2012 to present he has been a director of Burey Gold Ltd. which operates in French Guinee and DRC, from January 2008 to present he has been a director of Carnival Resources Ltd., from May 2006 to August 2014 he was a director of Panex Resources Corp., from November 2013 to February 2014 he was a Director and President of Alphamin Resources Inc.

As a director of the Company, Mr. Eckhof will advise the officers and the Board of Directors with regard to the corporate development of the Company. Mr. Eckhof anticipates devoting approximately 20% of his working time for the benefit of the Company.

### **Corporate Cease Trade Orders or Bankruptcies**

Other than as disclosed below, no director or executive officer of the Company is, as at the date of this Prospectus, or was within ten years before the date hereof, a director, Chief Executive Officer or Chief Financial Officer of any company, including the Company, that:

- (i) was subject to a cease trade order, an order similar to cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period for more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer; or
- (ii) was subject to an a cease trade order, an order similar to cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period for more than 30 consecutive days, 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.

Klaus Eckhof was a Director of De Beira Goldfields Inc., ("De Beira") a company quoted on the Over the Counter Bulletin Board (OTCBB). De Beira had distributed securities in British Columbia. De Beira was incorporated on May 28, 2004 under the laws of Nevada and, until at least May 26, 2006, its head office was located in British Columbia. De Beira has since moved its head office to Perth Australia. De Beira had not filed an independent technical report in support of its disclosure of mineral resources contrary to S.4.2(1)(J)(I) and S.5.3(1)(E) of National Instrument 43-101 Standards of Disclosures for Mineral Projects (NI 43-101). In its press releases De Beira acknowledged that the mineral resources were not to NI 43-101 standards. During 2006 the BC securities commission conducted a continuous disclosure review of De Beira Disclosure. The staff confirmed that De Beira had disclosed mineral resources and exploration targets that were contrary to the provisions of NI 43-101. On June 23, 2006 a cease trade order was issued by the BC Securities Commission. De Beira subsequently completed a NI 43-101 report but it did not reapply to the BC Securities Commission to lift the cease trade order.

### **Penalties or Sanctions**

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

- (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement with a regulatory authority; or
- (ii) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

### **Bankruptcies**

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

- (i) is, as at the date of this Prospectus, or has been within the ten years before the date hereof, 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; or
- (ii) has, within the ten years before the date hereof, 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.

### **Conflicts of Interest**

The directors of the Company are required by law 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. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter.

To the best of the Company's knowledge, and other than as disclosed herein, there are no known existing or potential conflicts of interest among the Company, its promoters, directors and officers or other members of management of the Company or of any proposed promoter, director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

The directors and officers of the Company will not be devoting all of their time to the affairs of the Company. The directors and officers of the Company are directors and officers of other companies, some of which are in the same business as the Company. In particular, Mr. Sandhu will be devoting 50% of his time to the affairs of the Company and the remaining directors and officers will be devoting up to 20% of their respective time to the affairs of the Company. The directors and officers of the Company are required by law to act in the best interests of the Company. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to the Company may result in a breach of their obligations to the other companies, and in certain circumstances this could expose the Company to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligations to act in the best interests of the Company. Such conflicting legal obligations may expose the Company to liability to others and impair its ability to achieve its business objectives.

## **EXECUTIVE COMPENSATION**

The Company was not a reporting issuer at any time during the fiscal year ended June 30, 2014, the Company's most recently completed financial year. Accordingly, and in accordance with Form 51-102F6 *Statement of Executive Compensation* ("**Form 51-102F6**"), the following is a discussion of all significant elements of compensation to be awarded to, earned by, paid to or payable to Named Executive Officers of the Company, once the Company becomes a reporting issuer, to the extent this compensation has been determined.

For the purposes hereof, the term Named Executive Officer, or NEO, means the Chief Executive Officer, the Chief Financial Officer and each of the Company's three most highly compensated executive officers, other than the Chief Executive Officer and the Chief Financial Officer, who were serving as executive officers as at the end of the Corporation's most recently completed financial year ended June 30, 2014 and whose total salary and bonus exceeds \$150,000 and any additional individuals for whom disclosure would have been provided except that the individual was not serving as an officer of the Company at the end of the Company's most recently completed financial year.

### **Compensation Discussion and Analysis**

At its present stage of development, the Company does not have any formal objectives, criteria and analysis for determining the compensation of its Named Executive Officers and primarily relies on the discussions and determinations of the board of directors. With a view to minimizing its cash expenditures not directed at the exploration of the Seneca Property, the emphasis in compensating the Named Executive Officers has been the grant of incentive stock options as set forth below. The type and amount of future compensation to be paid to NEOs and directors has not been determined.

### **Option Based Awards**

On July 15, 2014, the Company implemented the Option Plan in order to provide effective incentives to directors, officers, senior management personnel and employees of the Company and to enable the Company to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Company's shareholders. The Company has no equity incentive plans other than the Option Plan. The size of stock option grants is dependent on each officer's level of responsibility, authority and importance to the Company and the degree to which such officer's long-term contribution to the Company will be key to its long-term success.

During the fiscal year ended June 30, 2014, the Company did not grant any Options to its NEOs. Subsequent to the fiscal year ended June 30, 2014, the Company granted, effective on the Listing Date, an aggregate of 1,400,000 Options to NEOs and directors of the Company to purchase Common Shares. Each Option entitles the holder to acquire one Common Share of the Company at a price of \$0.10 for a period of five years from the Listing Date. See "Options to Purchase Securities".

### **Defined Benefit Plans**

The Company does not have any defined benefit or actuarial plan.

### **Termination And Change Of Control Benefits**

The Company does not have any contracts, agreements, plans or arrangements in place with any NEOs that provides for payment following or in connection with any termination (whether voluntary, involuntary or constructive) resignation, retirement, a change of control of the Company or a change in an NEOs responsibilities.

### **Director Compensation**

The Company does not have any arrangements, standard or otherwise, pursuant to which directors are compensated by the Company for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultants or experts. As with the Named Executive Officers, the Board intends to compensate directors primarily through the grant of stock options and reimbursement of expenses incurred by such persons acting as directors of the Company.

During the fiscal year ended June 30, 2014, the Company did not grant any Options to directors. Subsequent to the fiscal year ended June 30, 2014, the Company granted, effective on the Listing Date, 800,000 Options to each of Klaus Eckhof and Douglas MacQuarrie, current directors of the Company, each Option of which entitles Mr. Eckhof and Mr. MacQuarrie to acquire one Common Share for the exercise price of \$0.10 per Common Share for the period from the Listing Date until expiry on the date that is five years from the Listing Date.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

### Aggregate Indebtedness

Other than as disclosed herein and other than routine indebtedness, as that term is defined in paragraph 10.3(c) of Form 51-102F5 *Information Circular* ("Form 51-102F5"), no directors, executive officers and employees and no former directors, executive officers and employees of the Company are or were indebted to the Company in connection with a purchase of securities and all other indebtedness as at the date of this Prospectus.

### Indebtedness of Directors and Executive Officers under Securities Purchase and Other Programs

Other than as disclosed herein, or other than routine indebtedness, as that term is defined in paragraph 10.3(c) of Form 51-102F5, no directors or executive officers of the Company, and associates of such directors or executive officers are or were indebted to the Company as at the date of this Prospectus.

## AUDIT COMMITTEE AND CORPORATE GOVERNANCE

### Audit Committee

The Audit Committee's role is to act in an objective, independent capacity as a liaison between the auditors, management and the Board and to ensure the auditors have a facility to consider and discuss governance and audit issues with parties not directly responsible for operations. NI 52-110, NI 41-101 and Form 52-110F2 require the Company, as an IPO venture issuer, to disclose certain information relating to the Company's audit committee and its relationship with the Company's independent auditors.

### Audit Committee Charter

The text of the Audit Committee's charter is attached as Schedule "A" to this Prospectus.

### Composition of Audit Committee

The members of the Company's Audit Committee are:

Jag Sandhu	Not Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>
Narinder Paul Grewal	Not Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>
Douglas MacQuarrie	Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>

#### Notes:

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment. Mr. Sandhu and Mr. Grewal are not independent, as Mr. Sandhu is the CEO and President and Mr. Grewal is the Chief Financial Officer of the Company.
- (2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

### Relevant Education and Experience

Each member of the Company's present Audit Committee has adequate education and experience that is relevant to his performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;

- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

See "Directors and Executive Officers" for further details.

### **Audit Committee Oversight**

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

### **Reliance on Certain Exemptions**

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

### **Pre-Approval Policies and Procedures**

The Audit Committee is authorized by the Board to review the performance of the Company's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including a review of the range of services provided in the context of all consulting services bought by the Company. The Audit Committee is authorized to approve in writing any non-audit services or additional work which the Chairman of the Audit Committee deems is necessary, and the Chairman will notify the other members of the Audit Committee of such non-audit or additional work and the reasons for such non-audit work for the Committee's consideration, and if thought fit, approval in writing.

### **External Auditor Service Fees**

The fees billed by the Company's external auditors in each of the last two fiscal years for audit and non-audit related services provided to the Company or its subsidiaries (if any) are as follows:

<b>Financial Year End</b>	<b>Audit Fees</b>	<b>Audit Related Fees<sup>(1)</sup></b>	<b>Tax Fees<sup>(2)</sup></b>	<b>All other Fees<sup>(3)</sup></b>
June 30, 2014	Nil	Nil	Nil	Nil
June 30, 2013	Nil	Nil	Nil	Nil

#### **Notes:**

- (1) Fees charged for assurance and related services that are 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.

### **Exemption**

The Company has relied upon the exemption provided by section 6.1 of NI 52-110, which states that the Company, as an IPO Venture Issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations).



## **CORPORATE GOVERNANCE**

### **General**

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. NP 58-201 provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, NI 58-101 prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

### **Board of Directors**

The Board facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board. The Board is comprised of three (3) directors: Jag Sandhu, Klaus Eckhof and Douglas MacQuarrie. As the size of the Board is small, the Board has no formal procedures designed to facilitate the exercise of independent supervision over management, relying instead on the integrity of the individual members of its management team to act in the best interests of the Company.

Mr. Sandhu is not independent as he is the Chief Executive Officer and President of the Company. Messrs. Eckhof and MacQuarrie are independent.

### **Directorships**

Currently, the following directors are also directors of the following other reporting issuers:

Jag Sandhu	Asante Gold Corp.
Douglas MacQuarrie	Asante Gold Corp.
Klaus Eckhof	Burey Gold Ltd. Carnaval Resources Ltd.

### **Orientation and Continuing Education**

New Board members receive an orientation package which includes reports on operations and results, and any public disclosure filings by the Company, as may be applicable. Board meetings are sometimes held at the Company's offices and, from time to time, are combined with presentations by the Company's management to give the directors additional insight into the Company's business. In addition, management of the Company makes itself available for discussion with all Board members.

### **Ethical Business Conduct**

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

### **Nomination of Directors**

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of view and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

## **Compensation**

The Board is responsible for determining compensation for the directors of the Company to ensure it reflects the responsibilities and risks of being a director of a public company.

## **Other Board Committees**

The Board has no committees, other than the Audit Committee.

## **Assessments**

Due to the minimal size of the Board, no formal policy has been established to monitor the effectiveness of the directors, the Board and its committees.

## **PLAN OF DISTRIBUTION**

### **Unit Offering**

The Company is offering up to 5,000,000 Units for sale to the public under this Prospectus at a price of \$0.10 per Unit. Each Unit consists of one (1) Common Share and one half (1/2) non-transferable Warrant. Each full Warrant entitles the holder thereof to purchase one Common Share at a price of \$0.20 per Common Share for a period of twelve (12) months from the Closing Date.

Subscriptions for the Units offered hereunder 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 will remain open until no later than the date that is 90 days after a receipt is issued by the Securities Commission for the Prospectus, unless an amendment to the final Prospectus is filed and the Securities Commission has issued a receipt for the amendment, in which case the Offering must cease within 90 days after the date of the receipt for the amendment to the final Prospectus. Notwithstanding the above, the total period of the Offering must not end more than 180 days from the date of the initial receipt for the final Prospectus. All funds received from subscriptions will be held in trust until the Closing Date. Certificates representing the Unit Shares will be available for delivery at the closing of the Offering.

The Company will pay a Finder's Commission equal to 8% of the gross proceeds from the sale of the Units pursuant to the Offering. The Company will also pay a non-transferable Finder's Warrant equal to 8% of the number of Units sold under the Offering. The Finder's Warrants will entitle the holder to purchase one Common Share at a purchase price of \$0.20 at any time up to the close of business 12 months from the Closing Date.

The securities offered under this Prospectus have not been, and will not be, registered under the U.S. Securities Act, or any state securities laws, and except pursuant to an exemption from registration under the U.S. Securities Act and applicable state securities laws, may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. Person. This Prospectus does not constitute an offer to sell or solicitation of an offer to buy any of the securities offered hereby within the United States.

### **Determination of Price**

The price of the Offering was established by the Company based upon several factors, including the history of, and prospects for, the Company's business, and the industry in which it competes, and an assessment of the Company's management, operations and financial results.

### **Listing of Common Shares**

The Company has applied to list its issued and outstanding Common Shares, under this Prospectus and all other Common Shares issuable as described in this Prospectus on the Exchange. Listing of the Company's Common

Shares will be subject to the Company fulfilling all of the listing requirements of the Exchange. The Warrants will not be listed on the Exchange.

### **IPO Venture Issuer**

As at the date of the 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 of Canada and the United States of America. See "Risk Factors".

## **RISK FACTORS**

### **General**

The Company is in the business of exploring and, if warranted, developing mineral properties, which is a highly speculative endeavor. A purchase of any of the securities offered hereunder involves a high degree of risk and should be undertaken only by purchasers whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities offered hereunder should not constitute a significant portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Prospective Subscribers should evaluate carefully the following risk factors associated with an investment in the Company's securities prior to purchasing any of the securities offered hereunder.

### **Limited Operating History**

The Company has no history of earnings. There are no known commercial quantities of mineral reserves on any properties optioned by the Company. The purpose of the Offering is to raise funds to carry out exploration and, if thought appropriate, development with the objective of establishing economic quantities of mineral reserves. There is no guarantee that economic quantities of mineral reserves will be discovered on any properties optioned by the Company in the near future or at all. If the Company does not generate revenue, it may be unable to sustain its operations in which case it may become insolvent and you may lose your investment.

### **Speculative Nature of Mineral Exploration**

Resource exploration is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital. There is no assurance that the Company's mineral exploration activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and 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 funds required for development can be obtained on a timely basis.

### **Acquisition Of Additional Mineral Properties**

If the Company loses or abandons its interest in the Seneca Property, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the Exchange. There is

also no guarantee that the Exchange will approve the acquisition of any additional properties by the Company, whether by way of option or otherwise, should the Company wish to acquire any additional properties.

### **Commercial Ore Deposits**

The Seneca Property is in the exploration stage only and is without a known body of commercial ore. Development of this property would follow only if favourable exploration results are obtained. The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

### **Uninsurable Risks**

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

### **Permits And Government Regulations**

The future operations of the Company may require permits from various federal, provincial and local governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. There can be no guarantee that the Company will be able to obtain all necessary permits and approvals that may be required to undertake exploration activity or commence construction or operation of mine facilities on the Seneca Property.

### **Dilution**

Purchasers of the Units will experience immediate and substantial dilution in net tangible book value per Common Share of \$0.0532 or 53.2%. The Company may in the future grant to some or all of its key employees and consultants options to purchase Common Shares at exercise prices equal to market prices at times when the public market is depressed. To the extent that significant numbers of such options are granted and exercised, the interests of then existing shareholders of the Company will be subject to additional dilution.

### **Environmental And Safety Regulations And Risks**

Environmental laws and regulations may affect the operations of the Company. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. The permission to operate can be withdrawn temporarily where there is evidence of serious breaches of health and safety standards, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or noncompliance with environmental laws or regulations. In all major developments, the Company generally relies on recognized designers and development contractors from which the Company will, in the first instance, seek indemnities. The Company intends to minimize risks by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to applicable environmental standards. There is a risk that environmental laws and regulations may become more onerous, making the Company's operations more expensive.

### **Key Person Insurance**

The Company does not maintain key person insurance on any of its directors or officers, and as result the Company would bear the full loss and expense of hiring and replacing any director or officer in the event the loss of any such

persons by their resignation, retirement, incapacity, or death, as well as any loss of business opportunity or other costs suffered by the Company from such loss of any director or officer.

### **Mineral Titles**

The claims were staked directly by the Company using BC mineral titles online staking systems. The Seneca claims are owned 100% by the Company. The Company may face challenges to subsequent properties it may acquire, which may prove to be costly to defend or could impair the advancement of the Company's business plan.

### **First Nations Land Claims**

The Seneca Property or other properties owned or optioned by the Company may in the future be the subject of First Nations land claims. The legal nature of aboriginal land claims is a matter of considerable complexity. The impact of any such claim on the Company's ownership interest in the properties optioned or owned by the Company cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of aboriginal rights in the area in which the properties optioned or purchased by the Company are located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on the Company's activities. Even in the absence of such recognition, the Company may at some point be required to negotiate with First Nations in order to facilitate exploration and development work on the properties optioned or owned by the Company.

### **Loss of Interest In Properties**

The Company's ability to maintain an interest in the properties optioned or owned by the Company will be dependent on its ability to raise additional funds by equity financing. The value of exploration and Development required to maintain a mineral claim for one year in British Columbia is at least:

- (a) \$5 per hectare for each of the first and second anniversary years,
- (b) \$10 per hectare for each of the third and fourth anniversary years,
- (c) \$15 per hectare for each of the fifth and sixth anniversary years, and
- (d) \$20 per hectare for each subsequent anniversary year.

Failure to obtain additional financing may result in the Company being unable to complete the required work required to keep the property interests in good standing and could result in the delay or postponement of further exploration and or the partial or total loss of the Company's interest in the Seneca Property.

### **Fluctuating Mineral Prices**

The Company's revenues in the future, if any, are expected to be in large part derived from the extraction and sale of precious and base minerals and metals, which in turn depend on the results of the Company's exploration on these properties and whether development will be commercially viable or even possible. Factors beyond the control of the Company may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. Consequently, the economic viability of any of the Company's exploration projects cannot be accurately predicted and may be adversely affected by fluctuations in mineral prices.

### **Competition**

The mining industry is intensely competitive in all its phases. The Company competes for the acquisition of mineral properties, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees with many companies possessing greater financial resources and technical facilities than the Company. The competition in the mineral exploration and development business could have an adverse effect on the

Company's ability to hire or maintain experienced and expert personnel or acquire suitable properties or prospects for mineral exploration in the future.

### **Management**

The success of the Company is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business.

### **Financing Risks**

The Company has no history of significant earnings and, due to the nature of its business, there can be no assurance that the Company will be profitable. The Company has paid no dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is through the sale of its securities. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists on the properties owned by the Company. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of the property owned by the Company, there is no assurance that any such funds will be available. If available, future equity financing may result in substantial dilution to purchasers under the Offering. At present it is impossible to determine what amounts of additional funds, if any, may be required.

### **Resale of Common Shares**

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

### **Price Volatility of Publicly Traded Securities**

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. The value of Common Shares distributed hereunder will be affected by such volatility. There is no public market for the Common Shares. An active public market for the Common Shares might not develop or be sustained after the Offering. The initial public offering price of the Common Shares has been determined by the Company and this price will not necessarily reflect the prevailing market price of the Common Shares following the Offering. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline below the initial public offering price.

### **Conflicts of Interest**

Some of the directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, and situations may arise where these directors and officers will be in direct competition with the Company. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the British Columbia *Business Corporations Act*. Some of the directors and officers of the Company are or may become directors or officers of other companies engaged in other business ventures. In order to avoid the possible conflict of interest which may arise between the directors' duties to the Company and their duties to the other companies on whose boards they serve, the directors and officers of the Company have agreed to the following:

- Participation in other business ventures offered to the directors will be allocated between the various companies and on the basis of prudent business judgment and the relative financial abilities and needs of the companies to participate;
- No commissions or other extraordinary consideration will be paid to such directors and officers; and business opportunities formulated by or through other companies in which the directors and officers are involved will not be offered to the Company except on the same or better terms than the basis on which they are offered to third party participants.

### **Tax Issues**

Income tax consequences in relation to the Units and the Unit Shares will vary according to circumstances of each investor. Prospective investors should seek independent advice from their own tax and legal advisers prior to subscribing for the Units.

### **Dividends**

The Company does not anticipate paying any dividends on its Common Shares in the foreseeable future.

### **PROMOTER**

Jag Sandhu may be considered to be the Promoter of the Company in that he took the initiative in organizing the business of the Company.

Other than as disclosed above, no person who was a Promoter of the Company:

1. received anything of value directly or indirectly from the Company;
2. sold or otherwise transferred any asset to the Company within the last 2 years;
3. is at of the date hereof, or was within 10 years before the date hereof, a director, CEO or CFO of any person or company that was the subject of a cease trade order or similar order or an order that denied the relevant person or company access to any statutory exemptions for a period of more than 30 consecutive days while that person was acting in the capacity as director, CEO or CFO;
4. is at of the date hereof, or was within 10 years before the date hereof, a director, CEO or CFO of any person or company that was the subject of a cease trade order or similar order or an order that denied the relevant person or company access to any statutory exemptions for a period of more than 30 consecutive days that was issued after the person ceased to be a director, CEO or CFO and which resulted from an event that occurred while the person was acting in the capacity as director, CEO or CFO;
5. is at of the date hereof, or was within 10 years before the date hereof, a director or executive officer of any person or company that, while the person was acting in that capacity, or within a year of that person ceasing to act in the 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 or receiver manager or trustee appointed to hold its assets;
6. has, within 10 years before the date hereof, 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 person;

7. has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority;
8. has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision; or
9. has within the past 10 years become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets.

## **LEGAL PROCEEDINGS**

### **Legal Proceedings**

The Company is not currently a party to any legal proceedings, nor is the Company currently contemplating any legal proceedings, which are material to its business. Management of the Company is not currently aware of any legal proceedings contemplated against the Company.

### **Regulatory Actions**

From incorporation to the date of this Prospectus, management knows of no:

- (i) penalties or sanctions imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory authority;
- (ii) other penalties or sanctions imposed by a court or regulatory body against the Company necessary for the Prospectus to contain full, true and plain disclosure of all material facts relating to the securities being distributed; and
- (iii) settlement agreements the Company entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

## **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Except as noted in this Prospectus, from incorporation on March 28, 2012 to the date of this Prospectus, none of the following persons or companies has had any material interest, direct or indirect, in any transaction which has materially affected or is reasonably expected to materially affect the Company:

- (a) any director or executive officer of the Company;
- (b) any person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10% of any class or series of the Company's outstanding voting securities; and
- (c) any associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b).

As noted in the sections entitled "Material Contracts" and "Directors and Executive Officers", the directors and executive officers have entered into subscription agreements and stock option agreements with respect to the issuance of Common Shares and Options, respectively. See "Material Contracts".



## RELATIONSHIP BETWEEN THE COMPANY AND THE SELLING AGENTS

The Company is neither a "connected issuer" nor "related issuer" to the Selling Agents, as such terms are defined in National Instrument 33-105 *Underwriting Conflicts* of the Canadian Securities Administrators.

## AUDITORS

The auditor of the Company is Crowe Mackay LLP, Chartered Accountants, at 1100 – 1177 West Hastings Street Vancouver, BC V6E 4T5

## REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent of the Company is Computershare Investor Services at 510 Burrard Street, 3<sup>rd</sup> Floor Vancouver, B.C. V6C 3B9.

## MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Company from incorporation on March 28, 2012 to the date of this Prospectus which are currently in effect and considered to be currently material:

1. The Stock Option Agreements dated July 30, 2014 for each of Klaus Eckhof, Narinder Paul Grewal, MIA Investments Ltd.<sup>(i)</sup> and JNS Capital Corp.<sup>(ii)</sup>
2. The Registrar and Transfer Agent Agreement dated July 30, 2014;
3. The Escrow Agreement dated August 1, 2014;
4. The finder's fee agreement dated June 1, 2014 between Asante Gold Corporation and the Company.

<sup>(i)</sup> MIA Investment Ltd. is a company owned by the MacQuarrie Family Trust - Douglas MacQuarrie trustee

<sup>(ii)</sup> JNS Capital Corp. is a company controlled by Jag Sandhu.

A copy of any material contract and the Technical Report may be inspected during distribution of the Units being offered under this Prospectus and for a period of 30 days thereafter during normal business hours at the Company's offices at Suite 206 - 595 Howe Street, Vancouver, British Columbia V6C 2T5.

## EXPERTS

### Names of Experts

The following persons or companies whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company are named in this Prospectus as having prepared or certified a report, valuation, statement or opinion in this Prospectus:

The Technical Report on the Seneca Property was prepared by Donald G. Allen, M.A.Sc., P.Eng. of British Columbia. Mr. Allen has no interest in the Company, the Company's securities or the Seneca Property.

Crowe Mackay LLP, Chartered Accountants, auditor of the Company, who prepared the independent auditor's report on the Company's audited financial statements included in and forming part of this Prospectus.

Crowe Mackay, LLP, Chartered Accountants is the auditor of the Company. Crowe Mackay LLP has informed the Company that it is independent of the Company within the meaning of the rules of professional conduct of the Institute of Chartered Accountants of British Columbia (ICABC).

### **Interests of Experts**

Other than as disclosed herein, none of the persons set out under the heading "Experts – Names of Experts" have held, received or is to receive any registered or beneficial interests, direct or indirect, in any securities or other property of the Company or of its associates or affiliates when such person prepared the report, valuation, statement or opinion aforementioned or thereafter.

### **OTHER MATERIAL FACTS**

Other than as disclosed in this Prospectus, there are no other material facts about the securities being distributed pursuant to this Offering that are not disclosed under any other items and are necessary in order for this Prospectus to contain full, true and plain disclosure of all material facts relating to the Units to be distributed.

### **RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in the Province of British Columbia 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 some provinces, the securities legislation further provides a purchaser with remedies for rescission, revisions of the price, or damages if this Prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

### **FINANCIAL STATEMENTS**

Audited financial statements of the Company for each of the three fiscal periods ended July 30, 2014, 2013 and 2012, are included in this Prospectus.

## Schedule "A"

### Audit Committee Charter

The following Audit Committee Charter was adopted by the Audit Committee of the Board of Directors and the Board of Directors of NSS Resources Inc. (the "Company")

#### *Mandate*

The primary function of the audit committee (the "Committee") is to assist the Company's Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements;
- review and appraise the performance of the Company's external auditors; and
- provide an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors.

#### *Composition*

The Committee shall be comprised of a minimum three directors as determined by the Board of Directors. If the Company ceases to be a "venture issuer" (as that term is defined in National Instrument 51-102), then all of the members of the Committee shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

If the Company ceases to be a "venture issuer" (as that term is defined in National Instrument 51-102), then all members of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company's Audit Committee Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

#### *Meetings*

The Committee shall meet a least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

#### *Responsibilities and Duties*

To fulfill its responsibilities and duties, the Committee shall:

##### *Documents/Reports Review*

- review and update this Audit Committee Charter annually; and
- review the Company's financial statements, MD&A and any annual and interim earnings press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

#### *External Auditors*

- review annually, the performance of the external auditors who shall be ultimately accountable to the Company's Board of Directors and the Committee as representatives of the shareholders of the Company;
- obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1;
- review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;
- take, or recommend that the Company's full Board of Directors take appropriate action to oversee the independence of the external auditors, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- recommend to the Company's Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval;
- recommend to the Company's Board of Directors the compensation to be paid to the external auditors;
- at each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;
- review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company;
- review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements; and
- review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided,
  - such services were not recognized by the Company at the time of the engagement to be non-audit services, and
  - such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

#### *Financial Reporting Processes*

- in consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external;
- consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;

- consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management;
- review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments;
- following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
- review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;
- review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
- review certification process;
- establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
- establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

*Other*

- review any related-party transactions;
- engage independent counsel and other advisors as it determines necessary to carry out its duties; and
- to set and pay compensation for any independent counsel and other advisors employed by the Committee.

# **NSS RESOURCES INC.**

## **FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

For the periods ended June 30, 2014, 2013, and 2012

**NSS Resources Inc.**

*(an exploration stage company)*

**Index to Financial Statements**

**June 30, 2014, 2013 and 2012**

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## **Independent Auditor's Report**

### **To the Directors of NSS Resources Inc.**

We have audited the accompanying financial statements of NSS Resources Inc., which comprise the statements of financial position as at June 30, 2014, 2013, 2012, and the statements of comprehensive loss, changes in equity and cash flows for the periods ended June 30, 2014, 2013, and 2012, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

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

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

We believe that the audit evidence we have obtained 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 NSS Resources Inc. as at June 30, 2014, 2013, 2012 and its financial performance and its cash flows for the periods ended June 30, 2014, 2013, 2012 in accordance with International Financial Reporting Standards.

#### **Emphasis of matter**

Without modifying our opinion, we draw attention to Note 2c to the financial statements which describes the material uncertainty that may cast significant doubt about the ability of NSS Resources Inc. to continue as a going concern.

**Chartered Accountants  
Vancouver, British Columbia  
September ♦, 2014**



**NSS Resources Inc.**  
(an exploration stage company)

**STATEMENTS OF FINANCIAL POSITION**  
(Expressed in Canadian dollars)

As at June 30,	2014	2013	2012
<b>ASSETS</b>			
<b>CURRENT</b>			
Cash	\$ 143,278	\$ -	\$ -
Due from a related party	-	1	1
	143,278	1	1
<b>EXPLORATION AND EVALUATION ASSETS (Note 5)</b>			
	9,478	-	-
	\$ 152,756	\$ 1	\$ 1
<b>LIABILITIES</b>			
<b>CURRENT</b>			
Accounts payable and accrued liabilities	\$ 3,800	\$ -	\$ -
Due to a related party (Note 9)	73	-	-
	3,873	-	-
<b>EQUITY</b>			
<b>SHARE CAPITAL (Note 6)</b>	180,001	1	1
<b>ACUMULATED DEFICIT</b>	(31,118)	-	-
	148,883	1	1
	\$ 152,756	\$ 1	\$ 1

Going concern of operations (Note 2c)

Approved on behalf of the Board of Directors:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

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

**NSS Resources Inc.**  
*(an exploration stage company)*

**STATEMENTS OF COMPREHENSIVE LOSS**

(Expressed in Canadian dollars)

For the periods ended June 30,	2014	2013	2012
<b>EXPENSES</b>			
Consulting fees	\$ 184	\$ -	\$ -
Interest and bank charges	95	-	-
Meals and entertainment	121	-	-
Professional fees	5,455	-	-
Share-based payments (Notes 6 and 9)	25,000	-	-
Supplies	119	-	-
Travel	144	-	-
<b>NET LOSS AND COMPREHENSIVE LOSS</b>	<b>\$ 31,118</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LOSS PER SHARE - basic and diluted</b>	<b>\$ (0.07)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING - basic and diluted</b>	<b>478,083</b>	<b>1</b>	<b>1</b>

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

**NSS Resources Inc.**  
*(an exploration stage company)*

**STATEMENTS OF CHANGES IN EQUITY**

	Share Capital		Accumulated Deficit	Total
	Shares	Amount		
Balance - March 28, 2012	-	\$ -	\$ -	-
Share issued on incorporation	1	1	-	1
Balance - June 30, 2012 and 2013	1	1	-	1
Shares issued for cash and services	2,500,000	50,000	-	50,000
Shares issued for cash	6,500,000	130,000	-	130,000
Net loss for the year	-	-	(31,118)	(31,118)
Balance - June 30, 2014	9,000,001	\$ 180,001	\$ (31,118)	\$ 148,883

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

**NSS Resources Inc.***(an exploration stage company)***STATEMENTS OF CASH FLOWS****(Expressed in Canadian dollars)**

For the periods ended June 30,	2014	2013	2012
<b>OPERATING ACTIVITIES</b>			
Net loss	\$ (31,118)	\$ -	\$ -
Share-based payments	25,000	-	-
Change in non-cash working capital:			
Accounts payable and accrued liabilities	3,800	-	-
Cash flow used by operating activities	(2,318)	-	-
<b>INVESTING ACTIVITY</b>			
Exploration and evaluation expenditures	(9,478)	-	-
<b>FINANCING ACTIVITIES</b>			
Due to (from) related parties	74	-	(1)
Issuance of share capital	155,000	-	1
Cash flow from financing activities	155,074	-	-
<b>INCREASE IN CASH</b>	<b>143,278</b>	<b>-</b>	<b>-</b>
<b>CASH - BEGINNING OF PERIOD</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CASH - END OF PERIOD</b>	<b>\$ 143,278</b>	<b>\$ -</b>	<b>\$ -</b>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>			
Interest received	\$ -	\$ -	\$ -
Interest paid	\$ -	\$ -	\$ -
Income taxes paid	\$ -	\$ -	\$ -

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

NOTES TO THE FINANCIAL STATEMENTS  
Expressed in Canadian Dollars  
For the periods ended June 30, 2014, 2013 and 2012

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**1. CORPORATE INFORMATION**

NSS Resources Inc.'s business activity is the exploration and evaluation of mineral properties in British Columbia, Canada. NSS Resources Inc. (the "Company") was incorporated under the Business Corporations Act of British Columbia on March 28, 2012.

The address of the Company's registered and records office is located at 1200-750 West Pender Street, Vancouver, BC V6C 2T8 and the principal place of business is Suite 206, 595 Howe Street, Vancouver, British Columbia, V6C 2T5 Canada.

**2. BASIS OF PREPARATION**

**a) Statement of Compliance**

These financial statements have been prepared in accordance and compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The financial statements were authorized for issue by the Board of Directors on September 4, 2014.

**b) Basis of Measurement**

The financial statements have been prepared on a historical cost basis except for financial instruments classified as financial assets or liabilities at fair value through profit or loss and available-for-sale financial assets which are presented at their fair value. These financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The financial statements are presented in Canadian dollars, which is also the Company's functional currency. The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

**c) Going Concern of Operations**

The Company has not generated revenue from operations. The Company incurred a comprehensive loss of \$31,118 during the year ended June 30, 2014 (2013 and 2012: Nil) and as of that date, the Company's accumulated deficit was \$31,118. The Company intends to raise further financing through private placements.

These financial statements have been prepared on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company will periodically have to raise funds to continue operations and, although it has been successful thus far in doing so, there is no assurance it will be able to do so in the future. These material uncertainties raise substantial doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

NOTES TO THE FINANCIAL STATEMENTS  
Expressed in Canadian Dollars  
For the periods ended June 30, 2014, 2013 and 2012

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held on call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value. At June 30, 2014, 2013, and 2012, the Company held only cash.

#### b) Mineral 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 the 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.

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 classified as 'mines under construction'. Exploration and evaluation assets are also 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.

#### c) Impairment of Non-Financial Assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken at least annually at the financial year-end. Other non-financial assets, including exploration and evaluation assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets to which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

An impairment loss is charged to the profit or loss, except to the extent the impairment loss reverses gains previously recognized in other comprehensive loss/income.

NOTES TO THE FINANCIAL STATEMENTS  
Expressed in Canadian Dollars  
For the periods ended June 30, 2014, 2013 and 2012

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) **Financial Instruments**

**Financial Assets**

Financial assets are classified and subsequently measured, based on the purpose for which the asset was acquired, as presented below. All transactions related to financial instruments are recorded on a trade date basis.

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

FVTPL assets are initially measured at fair value without transaction costs, and subsequent gains or losses are recognized in profit or loss.

**Loans and Receivables**

These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

**Held-to-Maturity Investments**

Held-to-maturity investments are measured at amortized cost.

**Available-For-Sale Investments**

Non-derivative financial assets not included in the above categories are classified as available-for-sale. Available-for-sale investments are carried at fair value with changes in fair value recognized in accumulated other comprehensive loss/income. Where there is a significant or prolonged decline in the fair value of an available-for-sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously recognized in other comprehensive loss/income, is recognized in profit or loss. If there is no quoted market price in an active market and fair value cannot be readily determined, available-for-sale investments are carried at cost.

**Available-For-Sale Investments (continued)**

Purchases and sales of available-for-sale financial assets are recognized on a trade date basis. On sale or impairment, the cumulative amount recognized in other comprehensive loss/income is reclassified from accumulated other comprehensive loss/income to profit or loss.

**Impairment of Financial Assets**

At each reporting date, the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) **Financial Instruments (continued)**

**Financial Liabilities**

Financial liabilities are classified as other financial liabilities or financial liabilities at FVTPL, based on the purpose for which the liability was incurred.

**Other Financial Liabilities**

These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried on the statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

**Financial Liabilities at FVTPL**

FVTPL liabilities are initially measured at fair value without transaction costs, and subsequent gains or losses are recognized in profit or loss.

**Classification**

<b>Financial Instruments</b>	<b>Classification</b>	<b>Subsequent Measurement</b>
Cash	Loans and receivables	Amortized cost
Due from a related party	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Due to a related party	Other financial liabilities	Amortized cost

e) **Provisions**

**Rehabilitation Provision**

The Company is subject to various government laws and regulations relating to environmental disturbances caused by its exploration and evaluation activities. The Company records the present value of the estimated costs of legal or constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur.

**Other Provisions**

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.



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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) **Income Taxes**

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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 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) **Earnings / Loss per Share**

Basic earnings/loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings/loss per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

i) **Share-based Payments**

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive loss/income over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) **Share-based Payments (continued)**

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss/income over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss/income, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of the Black Scholes valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

All equity-settled share-based payments are reflected in reserve for share-based payments, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserve for share-based payments is credited to share capital, adjusted for any consideration paid. Amounts for unexercised options remain in reserve for share-based payments upon their expiry.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

j) **Standards, Amendments and Interpretations Not Yet Effective**

The International Accounting Standards Board has issued new and amended standards and interpretations which have not yet been adopted by the Company. The Company has not yet begun the process of assessing the impact that the new and amended standards and interpretations will have on its financial statements or whether to early adopt any of the new requirements. The following is a brief summary of the new and amended standards and interpretations:

IAS 32 - 'Financial Instruments: Presentation'

This amendment provides clarification on the application of offsetting rules. These amendments are effective for annual periods beginning on or after January 1, 2014.

IAS 36 - 'Impairment of Assets'

On May 29, 2013, the IASB made amendments to the disclosure requirements of IAS 36, requiring disclosure, in certain instances, of the recoverable amount of an asset or cash generating unit, and the basis for the determination of fair value less costs of disposal, when an impairment loss is recognized or when an impairment loss is subsequently reversed. These amendments are effective for annual periods beginning on or after January 1, 2014.

IFRS 10 - 'Financial Statements' and IFRS 12 - 'Disclosures of Interests in Other Entities' and IAS 27 - 'Separate Financial Statements'

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j) **Standards, Amendments and Interpretations Not Yet Effective (continued)**

IFRS 10 and 12 and IAS 27 have been amended with an effective date for annual periods beginning or after January 1, 2014. The amendment provides for the definition of an investment entity and sets out an exception to consolidating particular subsidiaries of an investment entity. The amendments also deals with the disclosures required and preparation of separate financial statements of an investment entity.

IFRS 9 – ‘Financial Instruments’

The effective date of this standard is for annual periods beginning on or after January 1, 2018. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortized cost or fair value. To be classified and measured at amortized cost, assets must satisfy the business model test for managing the financial assets and have certain contractual cash flow characteristics. All other financial instrument assets are to be classified and measured at fair value. This standard allows an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income, with dividends as a return on these investments being recognized in profit or loss. In addition, those equity instruments measured at fair value through other comprehensive income would no longer have to apply any impairment requirements nor would there be any ‘recycling’ of gains or losses through profit or loss on disposal. The accounting for financial liabilities continues to be classified and measured in accordance with IAS 39, with one exception, being that the portion of a change of fair value relating to the entity’s own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch.

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#### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income or loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Estimates have been applied in the following areas:

##### a) Rehabilitation Provisions

No rehabilitation provisions have been created based on the Company's activity to date. Based upon the prevailing economic environment, assumptions will be made which management believes are reasonable upon which to estimate the future liability. These estimates will take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market condition at the time the rehabilitation costs are actually incurred. The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for.

The areas in which the Company has exercised critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

##### a) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure has been capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off to the profit or loss in the period the new information becomes available.

##### b) Title to Mineral Property Interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

##### c) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

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5. EXPLORATION AND EVALUATION ASSETS

Balance at June 30, 2012 and 2013	\$	-
Engineering report		2,000
Field expenses		258
Staking costs		7,220
		<hr/>
<b>Balance at June 30, 2014</b>	<b>\$</b>	<b>9,478</b>

In April 2014, the Company acquired a 100% interest by staking the Seneca mineral claims located near Harrison Hot Springs, British Columbia, Canada.

Pursuant to a finder's fee agreement, the Company granted a 2% net smelter return royalty to Asante Gold Corporation, a company related by common directors, on production from the current Seneca claims, and from any additional interests in minerals or land acquired by the Company located within 5 km of these claims.

To date, assessment of exploration and evaluation assets has not resulted in any impairment of the Company's properties.

6. SHARE CAPITAL

The Company is authorized to issue an unlimited number of Class A common shares without par value.

The holders of common shares will be entitled to receive dividends which will be declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

The following is a summary of changes in common share capital from incorporation to June 30, 2014:

On March 28, 2012, the Company issued 1 share at a price of \$1 for \$1.

On April 29, 2014, the company issued 2,500,000 shares at a price of \$0.02 per share for cash proceeds of \$25,000 and services valued at \$25,000 to founders. The value of the services was allocated to share capital and share-based payments.

On June 27, 2014, the Company issued 6,500,000 shares at a price of \$0.02 per share for \$130,000.

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## 7. FINANCIAL INSTRUMENTS

### a) Disclosures

The Company's financial instruments consist of cash, due from a related party, accounts payable and accrued liabilities, and due to a related party.

The carrying values of the above approximate their respective fair values due to the short-term nature of these instruments. There were no financial instruments carried at fair value at June 30, 2014, 2013, and 2012.

### b) Financial instrument risk exposure and risk management

#### (i) Credit risk:

Credit risk is the unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. With cash on deposit with sound financial institutions, it is management's opinion that the Company is not exposed to significant credit risks arising from the financial instruments.

#### (ii) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at June 30, 2014, the Company had current liabilities totaling \$3,873 (2013 and 2012: Nil) and cash of \$143,278 (2013 and 2012: Nil) and is not exposed to significant liquidity risk at this time. However, since the Company is in the exploration stage, it will periodically have to raise funds to continue operations and intends to raise further financing through private placements.

#### (iii) Market risk:

Market risk is the risk that changes in market prices such as commodity prices, foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposure within acceptable parameters. The Company does not use derivative instruments to reduce its insignificant exposure to market risks.

### c) Capital management

The Company includes cash and equity, comprising of issued common shares and accumulated deficit, in the definition of capital. The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

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

The Company's property is in the exploration stage and as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds required.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the relative size of the Company. There were no changes to the Company's approach to capital management from incorporation to the year ended June 30, 2014. The Company is not subject to any external covenants.

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8. INCOME TAXES

Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate for the full financial year applied to the pre-tax income of the year.

	<u>2014</u>
Statutory tax rates	<u>26%</u>
Expected income tax expense at statutory rates	\$ (8,000)
Permanent differences	6,500
Tax benefits not realized	<u>1,500</u>
	<u>\$ -</u>
Nature of temporary differences	<u>2014</u>
Unused tax losses carried forward	<u>\$ 1,500</u>

At June 30, 2014, subject to confirmation by Canadian income tax authorities, the Company has approximately \$6,000 (2013 and 2012: Nil) in Canadian non-capital tax losses of available for carry-forward to reduce future years' taxable income, which expires in 2034.

The potential benefits of these carry-forward non-capital losses has not been recognized in these financial statements as it is not considered probable that sufficient future taxable profit will allow the deferred tax asset to be recovered.

9. RELATED PARTY TRANSACTIONS

As at June 30, 2014, included in due to a related party was \$73 (2013 and 2012: Nil) in expense reimbursements owing to a director and officer of the Company.

During the period from incorporation to June 30, 2014, there were no short-term, post-employment, other long-term, or termination benefits incurred with key management personnel.

During the year ended June 30, 2014, share-based payments of \$25,000 (2013 and 2012: Nil) were recorded for the fair value of services provided by founders of the Company.

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## 10. EVENTS AFTER THE REPORTING DATE

- a) The Company is preparing a prospectus to qualify for distribution in British Columbia and offers for sale up to 5,000,000 Units ("Units") of the Company at a price of \$0.10 per Unit. Each Unit is comprised of one common share of the Company and one half non-transferable share purchase warrant (a "Unit Warrant"). Each full Unit Warrant will entitle the holder thereof to purchase an additional common share at a price of \$0.20 for the period ending twelve months from the date of closing (the "Closing Date") of the offering (the "Offering"). The Company has agreed to pay a finder's fee of a cash commission equal to 8% of the gross proceeds raised from the Offering and non-transferable finder's warrants equal to 8% of the Units sold under the Offering. The finder's warrants will entitle the holder to purchase one common share at a purchase price of \$0.20 at any time up to the close of business 12 months from the Closing Date.
- b) On July 15, 2014, the Company adopted an incentive Stock Option Plan ("the Plan") under which non-transferable options to purchase common shares of the Company may be granted to directors, officers, employees or service providers of the Company. The aggregate number of common shares reserved for issuance under the Plan may not exceed 10% of the issued and outstanding shares of the Company at the time of granting of options. The terms of the Plan provide that the Directors have the right to grant options to acquire common shares of the Company at not less than the closing market price of the shares on the day preceding the grant less any discount allowable under the Canadian Securities Exchange rules, at terms of up to five years. No amounts are paid or payable by the recipient on receipt of the option, and the options granted are not dependent on any performance-based criteria. In accordance with the Plan, options vest immediately upon grant; with the exception of personnel working in Investor Relations whose options vest 25% every three months until all options are fully vested.

The Company granted, effective on the date its common shares are listed on a Canadian Securities Exchange (the "Listing Date"), an aggregate of 1,400,000 stock options to directors and officers of the Company. Each stock option entitles the holder to acquire one common share of the Company at a price of \$0.10 for a period of five years from the Listing Date.



## CERTIFICATE OF THE COMPANY AND PROMOTER

**Date: September 3, 2014**

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

*/s/ Jag Sandhu*

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Jag Sandhu  
President, Chief Executive Officer, and Director

*/s/ Narinder Paul Grewal*

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Narinder Paul Grewal  
Chief Financial Officer

### ON BEHALF OF THE BOARD OF DIRECTORS

*/s/ Klaus Eckhof*

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Klaus Eckhof  
Director

*/s/ Douglas MacQuarrie*

\_\_\_\_\_  
Douglas MacQuarrie  
Director

### PROMOTERS

*/s/ Jag Sandhu*

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Jag Sandhu