

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

The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws and, subject to certain exceptions, may not be offered or sold within the United States. 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. See "Plan of Distribution".

New Issue

Prospectus

July 26, 2007

JAZZ RESOURCES INC.

(A Mineral Exploration Company)

Minimum: 2,000,000 Shares (\$900,000) at \$0.45 per Share
Maximum: 2,500,000 Shares (\$1,125,000) at \$0.45 per Share

Jazz Resources Inc. ("Jazz") is offering, and this Prospectus qualifies the distribution of, a minimum of 2,000,000 common shares and a maximum of 2,500,000 common shares (the "Shares") issuable at a price of \$0.45 per Share (the "Offering"). The offering price of the Shares was determined by negotiations between Jazz and Global Securities Corporation (the "Agent"). See "Plan of Distribution".

An investment in the securities offered by this Prospectus is speculative and involves a high degree of risk due to the nature of our business, its present state of development, and other risk factors that are inherent in such an investment. Investments in mineral resource issuers involve a significant degree of risk, which increases substantially where the issuer's properties are in the exploration as opposed to development stage. The proposed program for the Teddy Glacier Property described in this Prospectus is an exploratory search for ore. These claims have not yet been determined to contain a known body of commercial ore or minerals. Subscribers, therefore, must rely almost exclusively upon the ability, expertise, judgment, discretion, integrity and good faith of our management. An investment in these securities should only be made by persons who can afford the total loss of their investment. See "Risk Factors".

PRICE: \$0.45 per Share

	Price to the Public	Agent's Commission ⁽¹⁾⁽²⁾	Net proceeds ⁽²⁾⁽³⁾
Per Share	\$0.45	\$0.045	\$0.405
Minimum Offering	\$900,000	\$90,000	\$810,000
Maximum Offering	\$1,125,000	\$112,500	\$1,012,500

- (1) We will pay to the Agent a commission equal to 10% of the gross proceeds of the Offering. In addition, we will reimburse the Agent for certain out-of-pocket disbursements and expenses associated with conducting due diligence and other expenses incurred in connection with this Offering including, the fees, disbursements and applicable taxes of the Agent's legal counsel. We will also grant to the Agent, for no additional consideration, agent's share purchase warrants ("Agent's Warrants") entitling the Agent to purchase that number of common shares equal to 10% of the number of Shares sold under the Offering at a price of \$0.45 per common share. The Agent's Warrants will expire on or prior to the close of business on the date that is 18 months from the Closing Date. This Prospectus also qualifies the distribution of the Agent's Warrants. In connection with the services provided by the Agent, we will also pay the Agent a corporate finance fee of \$32,000 (plus GST), \$20,000 of which has been paid. See "Plan of Distribution".
- (2) We have granted to the Agent an over allotment option (the "Over-allotment Option") to purchase up to a number of additional common shares equal to 15% of the maximum number of Shares to be sold under the Offering on the same terms as described above solely to cover over-allotments, if any, and for market stabilization purposes. The Over-allotment Option may be exercised on or

before the 60th day from the Closing Date. If the Agent exercises the Over-allotment Option in full, and assuming the maximum offering, proceeds from the Over-allotment Option will be \$168,750 (less the Agent's commission of \$16,875) for net proceeds to us of an additional \$151,875. The grant of the Over-allotment Option and the issuance of Shares purchased pursuant to exercise of the Over-allotment Option are also qualified for distribution by this Prospectus. See "Plan of Distribution".

- (3) After deducting the Agent's Commission, but before deducting the balance of expenses related to this Offering including legal, printing and audit expenses, estimated to be \$75,000.

This Offering is being made to investors resident in British Columbia and Alberta, and any other jurisdiction outside of Canada and the United States where they may be lawfully offered.

We are currently subject to a cease trade order (the "CTO") issued by the BCSC on March 28, 1990 resulting from our failure to file financial information in a timely fashion. On December 22, 2005, we submitted our application to the BCSC to become reactivated by requesting a revocation of the CTO. A partial revocation order was granted on December 30, 2005 to allow us to reorganize our affairs. This Prospectus has been prepared, in part, as a condition of the BCSC's revocation approval. Completion of the distribution of Shares contemplated in this Prospectus is subject to full revocation of the CTO. Permission to distribute the preliminary Prospectus relating to this Offering has been granted pursuant to a partial revocation of the CTO issued by the BCSC on December 19, 2006. See "General Development of our Business".

There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this Prospectus. The Exchange has conditionally accepted the listing of our Shares, which listing will be subject to us fulfilling of all of the listing requirements prescribed by the Exchange.

Subscriptions for the Shares 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. Subject to applicable laws, in connection with the Offering, the Agents may effect transactions that stabilize or maintain the market price of the securities at levels other than those which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See "Plan of Distribution".

All funds received from subscriptions for Shares will be held in escrow by the Agent pursuant to the terms of an agency agreement dated for reference January 25, 2007 (as amended) between Jazz and the Agent (the "Agency Agreement"). If the minimum subscription of 2,000,000 Shares is not raised within 90 days of the issuance of a receipt for the Prospectus or such other time as may be consented to by persons or companies who subscribed within that period, all subscription monies will be returned to subscribers without interest or deduction. See "Plan of Distribution".

The Agent conditionally offers these securities, subject to prior sale, on a commercially reasonable efforts basis, if, as, and when issued, sold and delivered by us in accordance with the terms and conditions contained in the Agency Agreement, and subject to the approval of certain legal matters on our behalf by Thomas, Rondeau LLP and on behalf of the Agent by Gowling Lafleur Henderson LLP.

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TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
GLOSSARY	II	CONSOLIDATED CAPITALIZATION	31
GLOSSARY OF TECHNICAL TERMS.....	I	OPTIONS TO PURCHASE SECURITIES.....	31
SUMMARY.....	1	Stock Option Plan	31
GENERAL MATTERS	5	PRIOR SALES.....	32
FORWARD LOOKING STATEMENTS.....	5	ESCROW AND POOLING ARRANGEMENTS.....	33
CORPORATE INFORMATION.....	5	Escrow Securities	33
Name and Incorporation	5	PRINCIPAL SHAREHOLDERS	35
GENERAL DEVELOPMENT OF OUR BUSINESS	5	DIRECTORS AND OFFICERS.....	35
Background.....	5	Name, Address, Occupation and Security Holding	35
Three Year History	6	Our Management Team.....	36
Significant Acquisitions and Significant Dispositions	6	Committees of the Board.....	38
Trends	6	Corporate Cease Trade Orders or Bankruptcies	38
OUR TEDDY GLACIER PROPERTY	7	Penalties or Sanctions.....	39
Overview	7	Personal Bankruptcies	39
Property Description and Location	7	Conflicts of Interest.....	39
Accessibility, Climate, Local Resources, Infrastructure and Physiography	9	STATEMENT OF EXECUTIVE COMPENSATION	40
History	11	Summary Compensation Table	40
Geological Setting	13	Directors' Compensation.....	40
Exploration	15	Management Agreements.....	40
Mineralization.....	16	Termination of Employment, Change in Responsibility and Employment Contracts	41
Drilling, Sampling, Analysis and Security of Sampling	17	INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS	41
Exploration and Development	21	PLAN OF DISTRIBUTION	41
OUR SPIDER PROPERTY	24	The Offering.....	41
USE OF PROCEEDS	24	RISK FACTORS.....	42
SELECTED CONSOLIDATED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS.....	25	PROMOTERS	46
Annual Information	26	LEGAL PROCEEDINGS	46
Quarterly Information	27	INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	46
Dividends.....	27	AUDITORS, TRANSFER AGENT AND REGISTRAR	46
Management's Discussion and Analysis of Financial Results	27	MATERIAL CONTRACTS.....	47
Results of Operations.....	28	EXPERTS	47
Transactions With Related Parties	29	OTHER MATERIAL FACTS.....	48
Liquidity and Capital Resources	29	PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION.....	48
DESCRIPTION OF THE SECURITIES TO BE DISTRIBUTED	30	FINANCIAL STATEMENTS	F-1
CERTIFICATE OF THE COMPANY	C-1		
CERTIFICATE OF THE AGENT.....	C-2		

GLOSSARY

The following terms used in this Prospectus have the following meanings:

“**Agency Agreement**” means the agency agreement dated for reference January 25, 2007 (as amended) between us and the Agent;

“**Agent**” means Global Securities Corporation;

“**Agent’s Warrants**” means the share purchase warrants to be issued to the Agent in consideration of its services in connection with the Offering. Each Agent’s Warrant entitles the Agent to purchase one common share at a price of \$0.45 for eighteen (18) months following the Closing Date;

“**BCSC**” means the British Columbia Securities Commission;

“**Closing Date**” means the day which is 10 days after the Offering Date;

“**Corporate Finance Fee**” means the \$32,000 (plus GST) corporate finance fee payable to the Agent as agent, pursuant to the Agency Agreement;

“**CTO**” means the cease trade order issued by the BCSC on March 28, 1990 against Jazz resulting from our failure to file financial statements in a timely fashion;

“**Escrow Agent**” means Valiant Trust Company, 600-750 Cambie Street, Vancouver, BC V6B 0A2;

“**Exchange**” means the TSX Venture Exchange;

“**Jazz**” means Jazz Resources Inc.;

“**Escrow Agreement**” means the escrow agreement dated March 29, 2007 between us, the Escrow Agent and certain shareholders of Jazz;

“**Offering**” means the proposed offering by Prospectus of a minimum of 2,000,000 Shares at a price of \$0.45 per Share to raise gross proceeds of \$900,000, and up to a maximum of 2,500,000 Shares at a price of \$0.45 per Share to raise gross proceeds of up to \$1,125,000 with the Agent acting as selling agent.

“**Offering Date**” means the date chosen by the Agent and Jazz to contract the purchases of Shares by the purchasers;

“**Offering Price**” means \$0.45 per Share;

“**Over-allotment Option**” means the option granted to the Agent to purchase from us additional common shares of up to 15% of the maximum number of Shares sold under this Prospectus, solely to cover over-allotments, if any, and for market stabilization purposes, which option is exercisable on or before the 60th day after the Closing Date;

“**Shares**” means the common shares being offered pursuant to this Prospectus. References to **common shares** in the prospectus means the common shares in our capital which have been previously issued or which may be issued in the future, and includes all references to the Shares after they are issued;

GLOSSARY OF TECHNICAL TERMS

The mineral exploration business is technical by nature and, because it involves the scientific fields of geology, chemistry and physics, the terminology used to describe our properties and their geological characteristics can be confusing to people unfamiliar with these terms. In addition, some of the terms can be used in the form of adjectives, sometimes multiple adjectives, which will change the format of the word.

The following is a list of some of the technical terms used in this Prospectus or terms we have attributed to certain geographical features on our property, in each instance with the meaning that we have ascribed to them:

“**Ag**” means silver;

“**Andesite**” means a type of fine grained, generally dark coloured, igneous volcanic rock with more silica than basalt;

“**Arenaceous**” refers to a sedimentary rock consisting wholly or in part of sand-sized fragments, or having a sandy texture or the appearance of sand;

“**Arêtes**” means a narrow, saw-toothed mountain ridge developed by glacier erosion in adjacent cirques;

“**Argillite**” is the name used for unusually hard, fine-grained sedimentary rocks, such as shale, mudstone, siltstone, and claystone. Argillites are commonly black;

“**Au**” means gold;

“**Big Showing**” means the easterly to northeasterly trending knob or rib measuring about 5 metres by 5 metres which is 50% massive galena-sphalerite and pyrite carrying good gold and silver values, which is located in the Teddy Glacier Property;

“**Chalcopyrite**” means a type of bright, brass yellow tetragonal mineral. It is generally found massive and constitutes the most important ore of copper;

“**Cirques**” means the head of a glacial valley, usually with the form of one half of an inverted cone. The upper edges have the steepest slopes, approaching vertical, and the base may be flat or hollowed out and occupied by a small lake or pond;

“**Cu**” means copper;

“**Cyanidation**” means a process of extracting gold and silver as cyanide slimes from their ores by treatment with dilute solutions of potassium cyanide or sodium cyanide. The slimes are subsequently fused and cast into ingots or bullion;

“**Diorite**” means a group of intrusive rocks intermediate in composition between acidic and basic, characteristically composed of dark coloured amphibole, sodic plagioclase, pyroxene, and sometimes a small amount of quartz;

“**East Vein**” refers to the more eastern of the two northwesterly veins 1 metre to 2 metres wide, which splits from the southern vein intersection of the Big Showing;

“**g**” means gram;

“**Galena**” means lead sulphide, (PbS) mineral, the principal ore of lead;

“**Graphitic quartzite**” means quartzite with a component of graphite;

“**Grit**” means a sand or sandstone made up of angular grains that may be coarse or fine. The term has been applied to any sedimentary rock that looks or feels gritty on account of the angularity of the grains;

“**HLEM Survey**” means a horizontal loop electromagnetic ground geophysical survey;

“**Hornblende**” refers to the commonest mineral of the amphiboles group, which are a family of silicate minerals that form prism or needle-like crystals. Hornblende is a common dark green to black variety of amphibole; it is a component in many igneous and metamorphic rocks;

“**Isoclinally folded**” means a fold in which the limbs are parallel;

“**Limy**” means sediments, soils, or rocks that contain a significant amount of lime (calcium oxide, CaO);

“**Mineralization**” means the process or processes by which a mineral or minerals are introduced into a rock resulting in concentration of metals and their chemical compounds within a body of rock;

“**Pb**” means lead;

“**P.E.M. Survey**” means a pulse electromagnetic ground geophysical survey;

“**Phyllites**” means a type of very fine-grained, foliated metamorphic rock, generally derived from shale or fine-grained sandstone. Phyllites are usually black or dark gray, with the foliation commonly being crinkled or wavy. Phyllites differ from less recrystallized slate by its sheen, which is produced by barely visible flakes of muscovite (mica);

“**Pleistocene**” means the earliest Epoch of the Quaternary Period, beginning about 1.6 million years ago and ending 10,000 years ago. Commonly known as the 'Ice Age', a time with episodes of widespread continental glaciation;

“**Pyrite**” means iron sulfide mineral (FeS). Forms silvery to brassy metallic cubes or masses. Common in many rocks;

“**Pyroxene**” refers to the family of silicate minerals containing iron, magnesium, and calcium in varying amounts. Generally forms very dark green to black stubby prisms;

“**Quartzite**” means a type of metamorphic rock consisting largely of interlocking quartz grains; the metamorphic equivalent of a sandstone or chert;

“**Schist**” means a type of metamorphic rock usually derived from fine-grained sedimentary rock such as shale. Individual minerals in schist have grown during metamorphism so that they are easily visible to the naked eye. Schists are named for their mineral constituents;

“**Sphalerite**” means zinc sulphide (ZnS) mineral, the principal ore of zinc;

“**Talus**” means a deposit of large angular fragments of physically weathered bedrock, usually at the base of a cliff or steep slope;

“**Tarns**” means a lake in the bedrock basin of a cirque;

“**Tonne**” means the metric unit of weight equivalent to volume multiplied by specific gravity, equivalent to 1.102 tons;

“**West Vein**” refers to the more western of the two northwesterly veins 1 metre to 2 metres wide, which splits from the southern vein intersection of the Big Showing; and

“**Zn**” means zinc.

CONVERSIONS

Imperial Measure	Metric Unit		Metric Measure	Imperial Unit
2.47 acres	1 hectare		0.4047 hectare	1 acre
3.28 feet	1 metre		0.3048 metre	1 foot
0.62 mile	1 kilometre		1.609 kilometres	1 mile
0.032 ounce	1 gram		31.1 grams	1 troy ounce
0.029 short ton	1 gram		34.28 gpt	troy ounce per ton
1.102 short ton	1 tonne		0.907 tonne	1 short ton
1.8028 pounds	1 kilogram		0.5547 kilogram	1 pound

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 appearing or referred to elsewhere in this Prospectus. Certain capitalized words and terms used in this summary are defined in the Glossary.

Issuer: Jazz Resources Inc. (“Jazz”)

Business and Industry of Jazz:

We are a junior mining resource company focused on acquiring mineral properties and exploring for and developing economically viable mineral resources. All of our mineral properties are located in British Columbia. See “General Development of Our Business”.

The Offering:

The Offering consists of a minimum of 2,000,000 Shares (\$900,000) and a maximum of 2,500,000 Shares (\$1,125,000). We have also granted the Agent an option to acquire additional common shares equal to 15% of the maximum number of Shares sold under the Offering to cover over allotments, if any, and for market stabilization purposes. The Over-allotment Option may be exercised on or before the 60th day from the Closing Date of the Offering. The Prospectus also qualifies the distribution of the Agent’s Warrants, the Over-allotment Option, and the issue of any common shares upon exercise of the Over-allotment Option. See “Plan of Distribution”. The Offering is being made in the provinces of British Columbia and Alberta and such other jurisdiction outside of Canada and the United States in which it may lawfully be offered.

Agent’s Compensation:

We have agreed to pay the Agent a commission equal to 10% of the gross proceeds of the Offering. In addition, we will reimburse the Agent for certain out-of-pocket expenses associated with conducting due diligence and other expenses incurred in connection with this Offering. We will also grant to the Agent, for no additional consideration, agent’s share purchase warrants entitling the Agent to purchase additional common shares equal to 10% of the number of Shares sold under the Offering at a price of \$0.45 per common share. The Agent’s Warrants shall expire on or prior to the close of business on the date that is 18 months from the Closing Date. We will also pay the Agent a corporate finance fee of \$32,000 (plus GST).

Price: \$0.45 per Share.

Minimum Offering: The Offering is subject to a minimum distribution of 2,000,000 Shares for gross proceeds of \$900,000. See “Plan of Distribution”.

Use of Proceeds:

The net proceeds from the Offering after deducting the Agent's commission will be \$810,000 if the minimum offering is subscribed and \$1,012,500 if the maximum offering is subscribed. After deducting the working capital deficiency as of June 30, 2007 of \$71,398, from the net proceeds, we will have available for expenditure approximately \$738,602 if the minimum offering is subscribed, or \$941,102 if the maximum offering is subscribed. The funds have been allocated for expenditure as follows:

Expenditure	Minimum (\$)	Maximum (\$)
Pay the balance of costs of the Offering ⁽¹⁾	75,000	75,000
Pay the balance of Corporate Finance Fee (including GST)	13,920	13,920
Recommended exploration expenses, which are comprised of:		
Phase 1 of the Teddy Glacier Property	280,000	280,000
Reserve for Phase 2 of the Teddy Glacier Property		200,000 ⁽²⁾
Preliminary work on the Spider Property	50,000	50,000
General and administrative expenses for next 12 months ⁽¹⁾	180,000	180,000
Unallocated working capital	139,682	142,182
TOTAL	\$738,602	\$941,102

(1) Estimated.

(2) Contingent upon favourable Phase 1 results

For a more detailed discussion on our proposed expenditures, see "Use of Proceeds".

Risk Factors:

An investment in the Shares should be considered highly speculative due to the nature of our business and our present stage of development. Investors should carefully consider the following risk factors:

- our Teddy Glacier Property is in the exploration stage only, and does not contain a known body of commercial ore and there is no assurance that our existing or future exploration programs on this property will result in the discovery of commercially viable ore deposits;
- the exploration and development of mineral deposits involve significant financial risks and are subject to all of the hazards and risks normally encountered in the exploration and development of mineral properties, none of which are currently insured;
- while we have had an operating history, we have no recent history of earnings and any additional financing we require to continue our exploration programs, maintain our properties, or to finance our future growth and operations will require additional financing, the availability of which and, if available, the terms of which are unknown;
- the mining industry is highly competitive and we will be competing with other companies and individuals that have greater technical and financial resources in attracting personnel, obtaining property or securing necessary equipment to complete our programs;

- all aspects of our operations are subject to intensive environmental regulations, the contravention of which could seriously harm our company;
- we are also subject to extensive government regulation and there can be no assurance that we will be able to obtain on reasonable terms, or maintain all necessary approvals, licenses and permits, or renewals thereof, or that compliance with applicable legislation and regulation will not adversely affect our company or our properties;
- while we have followed standard industry accepted due diligence procedures to ensure that we have valid title to our properties, our properties have not been surveyed and there is no guarantee that title to our properties cannot be challenged by claims from unknown third parties claiming an interest in our properties, claims by aboriginal peoples, or that title may be affected by undetected defects;
- the price and marketability of base and precious metals are subject to factors beyond our control and any decline in prices could result in our continued activities becoming uneconomic or impracticable;
- there is no assurance that after the Offering is completed an active market for the Shares will develop or be sustained, that the market price of the common shares will not decline below the offering price and, if any quoted market for our common shares does develop, that it will not be subject to volatility and many other market conditions beyond our control;
- we have relied and will continue to rely on our current management team, the loss of any member of which could have an adverse effect on our company;
- members of our management team own a significant number of our outstanding common shares and could influence the outcome of certain matters involving shareholder approval, including the election of directors;
- some of our directors are or will be directors of other companies, which could result in conflicts of interest; and
- investment in the Shares will result in a significant and immediate dilution in your investment of up to 87.3% if the maximum offering is completed.

For a description of these and other risks, see “Risk Factors”

**Summary of
Financial
Information:**

The following table sets forth selected financial information for the periods indicated. The selected financial information has been derived from, and is qualified in its entirety by reference to, our unaudited financial statements for the nine month period ended March 31, 2007 and our audited financial statements for the years ended June 30, 2006, 2005 and 2004, including the accompanying notes, appearing elsewhere in this Prospectus, all of which have been prepared in accordance with Canadian Generally Accepted Accounting Principles. You should read the following information in conjunction with those financial statements and the accompanying notes. See “Selected Consolidated Financial Information and Management’s Discussion and Analysis”.

Annual Information

	9 months ended March 31 (unaudited)		Year Ended June 30, (Audited)		
	2007	2006 (Restated)	2006 (Restated)	2005 (Restated)	2004 (Restated)
	(\$)	(\$)	(\$)	(\$)	(\$)
Revenues	Nil	Nil	Nil	Nil	Nil
General and administrative expenses	(210,825)	(91,701)	(136,065)	(41,753)	(37,427)
Future income tax recovery	61,460	11,310	11,310	Nil	Nil
Net (loss) income for the period	(149,365)	(80,391)	(113,514)	(41,753)	(37,427)
(Loss) income per share—basic and diluted.....	(0.01)	(0.03)	(0.05)	(0.02)	(0.02)
Total assets	316,833	115,797	250,288	33,117	14,667
Total liabilities.....	175,354	684,121	42,984	699,740	639,537

GENERAL MATTERS

In this Prospectus, unless otherwise indicated or unless the context otherwise requires, the terms “Jazz”, “we”, “us”, and “our” are used to refer to Jazz Resources Inc. This Prospectus contains terms that are specific to mining and the mineral exploration business and are technical in nature. Some of these terms are described under the heading “Glossary of Technical Terms”.

FORWARD LOOKING STATEMENTS

Certain statements included in this Prospectus constitute forward looking statements, including those identified by the expressions “anticipate”, “believe”, “plan”, “estimate”, “expect”, “intend”, “will”, “may”, “should” and similar expressions, as they relate to us or our management, and are intended to identify forward looking statements. These forward looking statements are not historical facts, but reflect our current expectations concerning future results and events. These forward looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the matters discussed under “Risk Factors” and in other sections of this Prospectus. Prospective investors should not place undue reliance on forward looking statements.

CORPORATE INFORMATION

Name and Incorporation

We were incorporated under the laws of British Columbia on May 22, 1947 under the name “Sunshine Lardeau Mines Limited (Non-Personal Liability)”. We changed our name to “Sunshine Comstock Mines Limited (Non-Personal Liability)” on October 8, 1965. On December 10, 1974, we converted to a limited liability company and changed our name to “Sunshine Columbia Resources Limited”. We subsequently changed our name to “K-2 Resources Inc.” on February 20, 1987 and finally to “Jazz Resources Inc.” on May 29, 1996.

Intercorporate Relationships

We have one (1) wholly owned subsidiary, Jazz Mining 05 Inc. (“Jazz Mining”), which was incorporated under the laws of British Columbia on March 24, 2005. Jazz Mining is currently inactive and does not own any assets.

GENERAL DEVELOPMENT OF OUR BUSINESS

Background

We were incorporated in 1947 and have conducted mineral exploration activities during various periods since our incorporation. During the late 1980’s and early 1990’s, depressed market conditions in the mining sector left us unable to raise sufficient capital necessary to continue our mineral exploration activities and ongoing operations. As a result, we were unable to meet certain administrative and regulatory obligations and on March 28, 1990, the BCSC issued the CTO for our failure to file financial statements within the prescribed period of time. As a result, from May, 1991 until December 30, 2005 we were an “inactive issuer”. The CTO is still in effect and will be in effect until the distribution of Shares contemplated by the Prospectus is completed and the BCSC revokes the CTO in its entirety. In addition, our common shares were suspended and subsequently delisted from the Vancouver Stock Exchange (a

predecessor to the Exchange) on May 21, 1991. In 1994, we were inadvertently struck from the Register of Companies for the province of British Columbia for failing to file annual reports. In 1996, we submitted an application to be restored to the register, at which time we also changed our name from K-2 Resources Inc. to the name we presently have, Jazz Resources Inc. We were again struck from the Register of Companies for the province of British Columbia on January 19, 2001 for failure to file annual reports and, upon our application, we were restored to the register on December 20, 2002. Upon restoration to the register, we are deemed to have continued in existence as if we had not been struck. We are currently in good standing with the Registrar of Companies with respect to the filing of our annual reports.

Three Year History

On December 22, 2005, we submitted an application to the BCSC to become reactivated by requesting a revocation of the CTO. On December 30, 2005, the BCSC granted a partial revocation order of the CTO that enabled us to issue 6,687,510 common shares to settle outstanding debt at a price of \$0.10 per common share. In addition, 1,799,999 non-flow through common shares at a price of \$0.15 per common share were issued pursuant to a private placement. The proceeds of the private placement were necessary for working capital, including payment of certain legal, regulatory and administrative fees associated with our reactivation activities. On July 5, 2006, we issued 226,000 flow-through common shares and on November 30, 2006, we issued an additional 594,000 flow-through common shares, all at a price of \$0.25 per common share, the proceeds of which are to be used to incur certain qualified exploration expenses, which were renounced for the benefit of the purchasers.

We are a junior mining resource company focused on acquiring mineral properties and exploring for and developing economically viable mineral resources. Our primary focus is the development of 80 Teddy Glacier claim units, which have been grouped into the Teddy Glacier Property in which we own a 100% interest. The property is located approximately 44 km southeast of the town of Revelstoke and 11 km northwest of Camborne, in British Columbia. During the year ended June 30, 2006, we spent \$72,000 for road work and \$32,676 for site exploration and mapping on the Teddy Glacier Property. An approximately 150 tonne sample was obtained from the Teddy Glacier Property and the metallurgy for this sample is being analyzed to determine recovery rates and milling parameters. We also commissioned an update to our geological report on the Teddy Glacier Property from J. T. Shearer, M.Sc., P.Geo.

At present, the main road into our Teddy Glacier Property is blocked by a rock slide that also damaged a bridge that limits our access to the property. The department of forestry is assessing the damage. We fully anticipate that the bridge and the road will be repaired in time to allow us to continue our exploration program in 2007.

Significant Acquisitions and Significant Dispositions

Except as otherwise described in this Prospectus, we have not made any significant acquisitions or dispositions during the past three years.

Trends

There are significant uncertainties regarding the prices of precious and base metals and in the availability of equity financing for the purposes of mineral exploration and development. For instance, the prices of silver, gold, and other metals have fluctuated widely in recent years and wide fluctuations may continue to be expected. Our management is not aware of any trend, commitment, event or uncertainty both presently known and reasonably expected to have a material effect on our business, financial conditions or results of operations other than normal speculative nature of the natural resource business and the risks disclosed in this Prospectus under the heading "Risk Factors".

The Offering is expected to provide us with sufficient financial resources to fund the budgeted 2007 exploration programs on our material properties. See “Description of Business – Recommendations”. Additional financing will be required to meet capital requirements for continued exploration on our properties. Our ability to finance our operations and exploration beyond 2007 budgeted programs will depend on, among other things, the results of our exploration programs and the availability of additional financing.

OUR TEDDY GLACIER PROPERTY

Overview

The information respecting the Teddy Glacier Property is summarized from a report entitled “*Technical Report on the Teddy Glacier Property*” dated May 12, 2007 prepared by J. T. Shearer, M.Sc., P.Geo. (the “Shearer Report”). We own two properties: the Spider Property and the Teddy Glacier Property, both of which are located in British Columbia. We own several land lots in fee simple within the historic township of Camborne, BC, located 14 km southeast of the Teddy Glacier Property. It is management’s opinion that the Teddy Glacier Property is our only material property for the purposes of reporting requirements prescribed by National Instrument 43-101 and Canadian Securities Administrators.

Property Description and Location

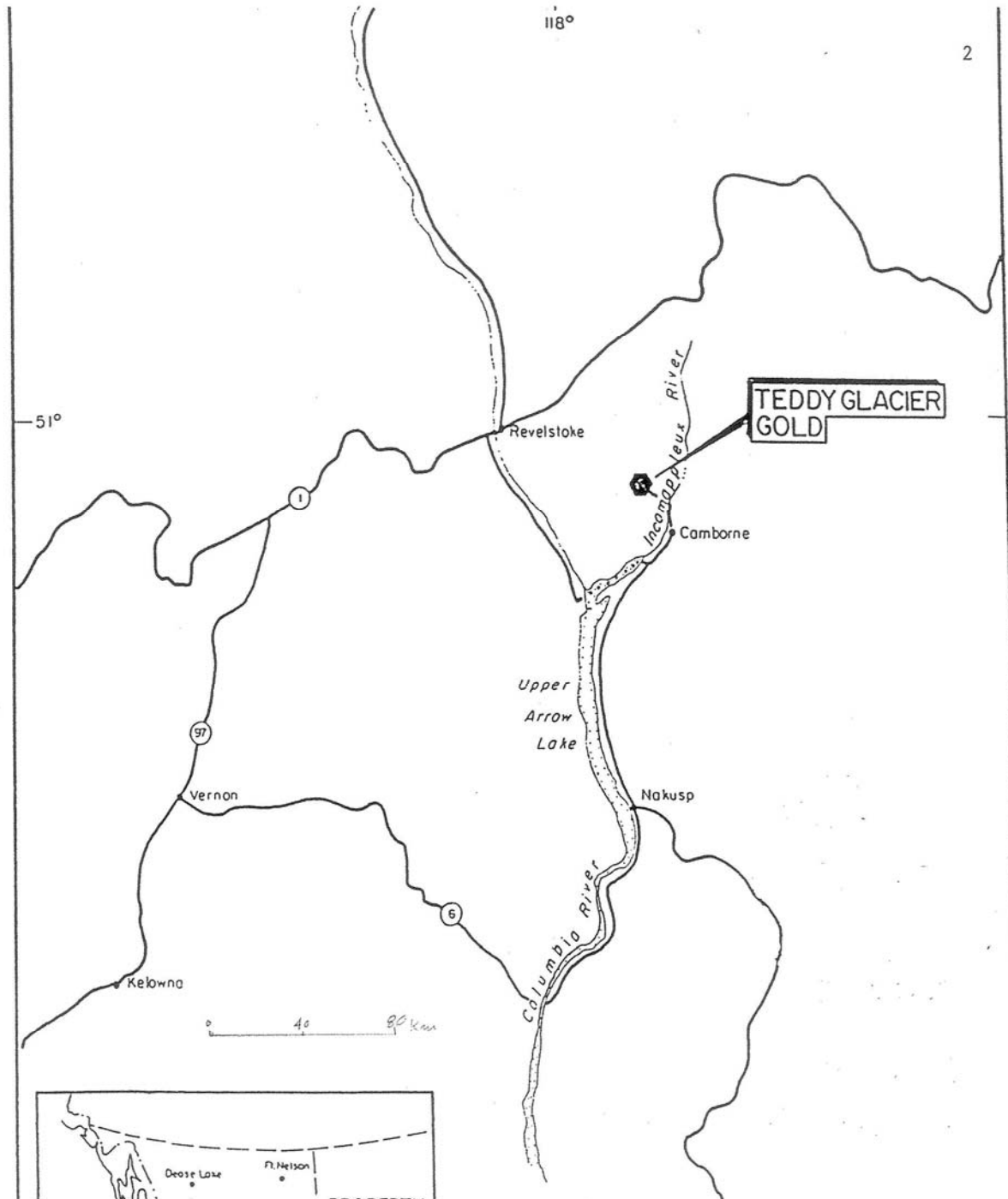
The Teddy Glacier Property

The Teddy Glacier Property is comprised of the Teddy Glacier 1 - 4 claims and the Jazz One to Five claims, totalling 168 claim units, all of which are located in the Revelstoke Mining Division. The Teddy Glacier claims consist of 80 units and covers an area of approximately 2,000 hectares. The Jazz One - Five claims were added in 2006 to cover the road access route. We acquired the claims through staking and own a 100% interest in them. The details respecting these claims are summarized as follows:

Claim Number	Claim Name	Units	Current Expiry Date
405372	Teddy Glacier 1	20	October 13, 2010
405373	Teddy Glacier 2	20	October 13, 2010
405374	Teddy Glacier 3	20	October 13, 2010
405375	Teddy Glacier 4	20	October 13, 2010
533192	Jazz One	25	April 28, 2009
533193	Jazz Two	15	April 28, 2009
533233	Jazz Three	25	April 30, 2009
533235	Jazz Four	7	April 30, 2009
533236	Jazz Five	16	April 30, 2009

The mineral showings on the claims are illustrated in Shearer Report, and discussed under the History and the Geological Setting sections of this Prospectus.

There are no back in rights, payments, royalties nor other agreements and encumbrances to which the Teddy Glacier Property is subject.



JAZZ RESOURCES INC.			
TEDDY GLACIER PROJECT			
LOCATION MAP			
SCALE: as shown	DATE: Sept 15, 2004	N.T.S. 92H/10W	FIGURE 6-1

Environmental Liabilities

A preliminary site assessment suggests there is minor low pH and probable elevated heavy metal levels in small drainages around the main showings; however, these appear entirely natural in the absence of detailed sampling and analysis. There has been considerable logging activity at much lower elevations in the general area in the past with the associated land disturbance and road building, along the Incomappleux River.

Immediately east of the main showings are considerable thicknesses of limestone intercalated within the slate and greenstone sequence. Overall pH levels for Stephaney Creek are to be expected to be close to neutral. These possible acidic conditions and metal leaching are considered to be controllable. A lined pond, swale or other applications of limestone could be one method of adequate control.

Permits

We will be subject to the mine permit regulations of British Columbia. A permit will be required for any bulk sampling and proposed drilling. We had up until 2006 a reclamation permit and a bond of \$1,000 with the Ministry of Mines relating to our bulk sampling program. The reclamation permit was previously held by Glen Developments Ltd., a private company owned by Mr. Bryan D. Glen, our president, which had been advised of minor cleanup issues by the Ministry of Mines. We acquired a subsequent Mines Act permit in September 2006 to cover additional bulk sampling, having a bond of \$5,000, which now also encompasses the reclamation permit. We expect that minor clean up and securing of certain portals will be required to close out the bond, which would also be a requirement of any reclamation bonding for future exploration programs. Approximately 116 small, 10 gallon drums dating from the 1930's were observed in the general portal area. Mr. Shearer believes that these could be safely disposed of, if required, to landfill facilities in Revelstoke or Naksup during our bulk sample program. Current emphasis by the Ministry of Mines is to characterize the Acid Rock Drainage ("ARD") potential, which requires a suite of samples to be analyzed for acid-base accounting. Our advisers believe that on mineral properties the large net neutralizing potential of the area limestone should be sufficient for control of the ARD that is expected to be encountered. A Federal-Provincial funded study which investigated ARD issues and other environmental and health risks was completed by Keystone Environmental and the results are expected to be available from the Provincial Ministry later this year. An approval to widen the ATV road was received in 2005 from the Ministry of Mines without any increase in the Reclamation Bond.

The Teddy Glacier Property is within the claimed traditional territory of the Ktunaxa Kinbasket Tribal Council. There are unresolved land claims issues respecting First Nations throughout British Columbia, including rights to property and title to mineral interests. We do not anticipate at the current time that there will be any material impediments to developing the Teddy Glacier Property in a timely manner.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Location and Access

The Teddy Glacier claims are ranging between 1,200 and 2,600 metres elevation, a distance of approximately 44 km southeast of the town of Revelstoke, British Columbia. The main showing is at 2,200m (7,320 ft.) elevation.

Access to the Teddy Glacier claims is by helicopter from Revelstoke or by off road, all terrain or four wheel drive vehicles on rough mining roads up the Incomappleux River Valley. On August 28, 2004 a group of five persons visited the portal site by all terrain vehicle, travelling approximately two hours by vehicle from Beaton, British Columbia on the northeast arm of Upper Arrow Lake. Some parts of the access road may require brushing out of the alder trees. A mining trail presently passable by narrow all terrain vehicles and ordinary 4x4 pickup trucks, connects the property to the townsite of Camborne.

There are no longer any facilities located in Camborne. We own several land lots in fee simple within the Camborne townsite, which could be used to provide a site for a small milling operation if required in the future.

The estimated cost of opening the currently deactivated logging road sufficiently to provide suitable access to the Teddy Glacier Property, for a three kilometre stretch, is \$150,000. Part of this expenditure was made in 2006. This would be sufficient to accommodate 30-tonne CAT Wagons. Above this portion of the road we would require at least a 20 metre bridge and need to make certain repairs to the upper reaches of the road. For a simple diamond drill program this estimate could likely be reduced to about the \$40,000 range, which would make it accessible by a light four-wheel drive truck and small bulldozers, and by utilizing the ford crossing of Stephaney Creek. A 20 metre bridge could be rented in the short term.

Climate

The general area has an Alpine (above the tree line) dominated climate. Dramatic variations in the Teddy Glacier's climate are caused by a combination of elevation, rainshadow effects, and latitude. Generally winters are long and summers cool and short with only occasional hot spells. Average January highs are -7°C, while July averages to 22°C. These temperatures apply to valley bottoms. At higher elevations temperatures are about 5°C to greater than 7°C cooler. Annual precipitation ranges from less than 380 mm at lower elevations to over 1,250 mm at higher elevations. The Teddy Glacier area can be worked from July to October most years without handling or plowing snow.

Infrastructure and Local Resources

The nearest mill/concentrator is located in Silverton, about 150 km to the south, which is owned by International Silver Ridge Resources Inc. Persons familiar with the mill report that this 125 ton per day concentrating mill was originally built in 1962 to process ore from the Ottawa Mine above Slocan, British Columbia. In the mid-1970's the mill was shut down due to lack of ore and was inoperative until International Silver Ridge Resources Inc. purchased it and commenced a \$750,000 refit and remodelling project. One year later the first silver/lead/zinc ore from the Standard Mine was processed. Since May 1988, this flotation process mill/concentrator has milled gold ore for Asarco and Northair Mines and silver/lead/zinc ore for Mikado Resources and Muskogee Mines.

Milling the Teddy Glacier ore at the Silverton Mill is estimated to cost approximately \$35 to \$40 per tonne, depending on quantity of material and subject to updating the metallurgical test work at a local facility.

The proximity of our property to Revelstoke, BC allows us access to considerable resources and service providers familiar with our industry.

Physiography

The area which comprises the Teddy Glacier claims has been heavily affected by Pleistocene to recent glaciation with arêtes, cirques, tarns and hanging valleys common in the area. Steep slopes are often covered by a thin veneer of talus. The lower levels of the Teddy Glacier Property are heavily forested. Above 1,600 metres elevation, this forest is replaced by scrubby alpine trees and grass where soil exists. There is adequate water from several creek drainages for mineral exploration on the Teddy Glacier Property.

History

You should be aware that the information contained in this section contains various resource estimates that are considered historical in nature, as they are based on prior data and reports prepared by or on behalf of prior property owners in the area. The work necessary to verify the classification of these mineral resources estimates has not been completed and the resource estimates therefore, cannot be treated as NI 43-101 defined resources verified by a qualified person. The historical estimates should not be relied upon and there can be no assurance that any of the resources, in whole or in part, will ever become NI 43-101 defined resources verified by a qualified person or become economically viable.

The Teddy Glacier claims were staked in 1924 by G. Ritchie and G. Edge. High grade float was distributed for 300 metres downslope and which led these prospectors to the mineral occurrences at the foot of the receding “Teddy” glacier.

Teddy Glacier Mines, Ltd. was incorporated in 1924 by F. R. Blockberger and Associates to acquire the important Rambler-Cariboo, Blackhead, Margaret and Mary Jane Claims staked by Ritchie and Edge. A trail was opened to the property in 1925, and in late 1926 a crosscut adit was begun just below the Main Showing. The adit was advanced to the vein during 1926 and then work stopped. In 1929 the Bush and McCulloch interests provided funds for extending the crosscut to a second vein. A shipment of 5 tonnes of ore was made at this time yielding 2,302 grams of silver, 124 grams of gold, 855 kilograms of lead and 1,351 kilograms of zinc (Reference: Minfile and Gale, 1994).

No further activity was reported until a syndicate, financed by Mines Selection Trust of London, began extensive development work in 1934. A considerable amount of money was spent on equipment, trails and camp buildings. Also, at this time, about 500 metres of drifting and crosscutting was done in the upper adit. The workings trend north-northwest for about 60m where the vein is cut by a west-northwest trending fault zone. Then the workings swing to the west-northwest and cut the Dunbar vein about 60m across the fault. In 1935, a lower adit, begun 55 metres below the upper adit, was driven 18 metres (Gale, 1988).

The claims were allowed to lapse in 1942. The central claims of the group, covering the Main Showings, were then restaked in 1942 by A. D. Oakley who subsequently sold controlling interest to A. M. Richmond representing American Lead-Silver Mines Ltd. A. M. Richmond did a detailed re-evaluation of the property. In 1950, the pack trail to the property was upgraded to a road but no work was done on the showings, other than mapping and sampling. The property was optioned to Columbia Metals Corporation Ltd. in 1952. However, no activity other than road building was reported and the option was abandoned.

In 1959, the property was acquired under joint ownership by Sunshine Lardeau Mines Ltd. (a predecessor company to Jazz), Maralgo Mines Ltd. and the Magnum Consolidated Mining Co. Ltd. – an indirect interest was secured by Transcontinental Resources Ltd. (Gale, 1988). Work by this consortium during 1963 included geological mapping, sampling of the underground workings and 150 metres of diamond drilling in six holes (K. Sanders). Road construction in 1964 disclosed new showings on the Bell No. 14 claim, located 900 metres southeast of the main workings and was investigated by a drill program totalling 660 metres.

Much of the present knowledge of the so-called “Big Showing” is based on the data presented in B.C. Department of Mines Assessment Report 546, by J. Sullivan, dated Nov. 30, 1963. Mr. Shearer took one surface sample from the Big Showing during a site visit on August 28, 2004, but has not yet examined the underground workings on the deposit.

A 200 lb. sample was collected in 1963 and used for metallurgical tests. Subsequently, metallurgical test work completed by Britton Research Laboratories on underground samples and drill core composites

indicated that 60% of the copper, 90% of the lead and 80% of the zinc should be recovered in separate concentrates assaying 20% copper, 60% lead and 60% zinc respectively. Overall recoveries of metals appear to be high in this initial study but further work is required.

Ashton's (who did not visit the property) summary geological report is dated January 31, 1980 and short site examination was carried out by R. E. Gale in 1986 and 1987. The 1980's work indicated that the Big Showing consists of a knob of massive high grade sulfides formed at the junction of 2 quartz-sulfide veins which carry galena, sphalerite and chalcopyrite along with values in gold and silver. The approximate surface and underground dimensions of the Big Showing were reported to be about 12.47m (40 feet) by 4.05m (13 feet). The tunnel into the knob is about 7.79m (25 feet) in elevation below the outcrop. The mineralization continues below the tunnel level and is cut in drillholes. Its ultimate shape and dimensions at greater depths are unknown.

A rough indication of the tenor of the mineralization, taking the grade of six underground samples calculated an average grade of 0.12 oz/ton Au, 5.63 oz/ton Ag, 6.46% Pb and 14.32% Zn for the grade of the Big Showing as sampled in the tunnel. Three other samples taken at surface obtained a grade of 0.20 oz/ton Au, 5.50 oz/ton Ag, 17.63% Pb and 2.23% Zn for the surface showing. A third indication of grade is the 200 pound bulk sample taken in 1963, which was used for metallurgical tests. This sample is reported to have an average grade of 0.40 oz/ton Au, 8.80 oz/ton Ag, 12.06% Pb and 13.21% Zn.

Gales (1987) surface sample 0989 across 5 feet on the Big Showing assayed 0.155 oz/ton Au, 24.11 oz/ton Ag, 39.8% Pb, 5.35% Zn and 0.81% Cu. Gale (1988) picked samples of the best looking mineralization from the "New Vein", sample 0992, assayed 0.132 oz/ton Au, 7.78 oz/ton Ag, 11.52% Pb, 22.91% Zn and 0.91% Cu.

According to the report of D. W. Burns, 1981, rebuilding of the road was difficult and drilling had to be restricted to only the Vimy Showing. Two short diamond drill holes were drilled in a zone of northeast trending quartz veins cutting sericite schist, but no significant values were found.

We have not undertaken any independent investigation of the resource estimates nor have we independently analyzed the results of previous exploration work to verify the classification of the resources and therefore the historical estimates should not be relied upon. There can be no assurance that any of these resources, in whole or in part, will ever become NI 43-101 defined resources verified by a qualified person or become economically viable. In addition, portions of these estimates were extracted by mining activities conducted subsequent to the reports.

The earliest resource estimation (but not NI-43-101 compliant) is by C. Rutherford, P. Eng. (1948) dated November 9, 1948, who estimated from 50 feet (15m) below the upper adit to surface as 16,937 tons averaging 0.20 oz/ton Au, 7.0 oz/ton Ag, 10.40% Pb and 14.1% Zn. A similar historic estimate, to 15m below the adit level, is contained in the Prospectus for Columinda Metals Corporation Limited by R. A. Halet, Ph.D., P.Eng. dated February 4, 1952 as 19,100 tons averaging 0.225 oz/ton Au, 7.31 oz/ton Ag, 12.80% Pb and 12.75% Zn.

Using the diamond drilling results in 1963 and 1964, an unnamed resource estimate is presented in company reports by Teddy Glacier Mines Ltd. on the Main Vein Zone of an inferred 48,740 tons grading 0.13 oz/ton Au, 7.94% Pb and 6.74% Zn, L. White, Shareholder Report Feb. 28, 1965 and Gale (1988). This interpretation shows the mineralized zones have a length of about 60 metres (195 feet) with a 60° plunge to the south. The rake of the Big Showing is shown as 75° to the north. Gale (1988) concludes that "Not enough drill intersections are available to classify the resources other than as inferred tonnages".

On the Main Zone near the Big Showing, an area of approximately 40 feet (12.19m) x 40 feet (12.19m) x 12 feet (3.66m) deep was drilled, blasted and mined out in a small open pit to obtain a bulk sample of the

vein mineralization from the north end of the Big Showing and the south end of the East Vein. The structural relationships and size of the veins was also exposed in the process.

The northern end of the Big Showing and the East Vein down to a depth of 12 feet (3.66m) were mined out in the pit. The West Vein did not fall in the blast area. As much of the vein material as possible was saved during the removal of the blast muck by the backhoe by “hand mining” of the vein fragments as they were uncovered. This method was successful in building two stockpiles which probably contain 50-75 tons each. In Gale’s opinion (1994) the veins separated well from the schistose country rock and that it was quite feasible to mine the veins with little or no dilution in the pit.

Although these resource estimates are not done to the modern standards prescribed by NI 43-101, Mr. Shearer believes that these historical estimates provide a conceptual indication of the potential of the property and are relevant to ongoing exploration.

For more information regarding the history of this property, you should refer to the section of the Shearer Report filed on SEDAR at www.sedar.com.

Geological Setting

Regional Geology

The area is underlain by phyllites and phyllitic limestones of the Lower Cambrian to Middle Devonian Lardeau Group. Six subgroups of this unit are grits and gritty phyllites exposed in the immediate area of the Teddy Glacier Property and to the south, southeast and southwest of the Teddy Glacier Property. Above the basement grits is a narrow zone of phyllitic and arenaceous limestone which in turn is overlain to the northeast by the Jowett Formation consisting of green phyllite, limy green phyllite and greenstone. The greenstone is probably, in part, lava with some associated dykes or irregular feeder intrusions.

The youngest rocks in the area, at the centre of the irregular syncline, are grey and green phyllitic grit and phyllite of the Broadview Formation.

All of the rocks in the area are believed to be of Lower Cambrian to Middle Devonian or older age, and appear to be isoclinally folded along a steep northwest trending axis. The rocks are strongly sheared and faulted along northwest trending axial plane cleavage. Tension-related fractures trend north and northeasterly. Mineralized zones on several properties are localized along northwest and northeast trending fault and fractures zones. A narrow band of Permian and/or Triassic age hornblende and pyroxene meta-diorite and meta-andesite is mapped in the northwest corner of the survey area.

The regional structures trend northwest-southeast. A northwesterly trending section of the Finkle Synform axis crosses the northeast corner of the area. There are, however, a number of lineations and fold axes mapped with an easterly vergence, particularly in the area immediately south of the mineral showings on Mount McKinnon.

The area forms the northern end of what has been called the Lardeau Mineral Belt, a 50 km belt of mineral deposits and showings extending from southeast of Trout Lake northwest to the Teddy Glacier area.

On the Windflower property, eight km southeast of Teddy Glacier, Granges Exploration in the 1980’s explored a large zone of northwest trending quartz-pyrite-ankerite veins carrying gold values in altered Broadview phyllitic rocks. The alteration and mineralization is associated with a northwest trending fault zone bordering the southwest contact of a body of Jowett Formation greenstone.

On the Camborne property, 14 km southeast of Teddy Glacier, northerly trending quartz-ankerite-sulfide veins occur in Jowett Formation greenstone. The Spider vein, located near Camborne, and which is held by Jazz, produced 100,000 tons of gold-silver-lead-zinc ore during the 1950's. At depth, this vein changes to pyrite-gold mineralization similar to the Windflower Property.

The Teddy Glacier Property lies close to the projected position of the northwest trending fault associated with the Windflower (Independence) showings, but the fault does not outcrop on the Teddy Glacier Property, if indeed it is present there. The Teddy Glacier main showing is a northwest trending vein or veins which, in part, resembles the upper part of the Spider lead-zinc-gold-silver vein at Camborne and in part the Windflower-type pyrite-gold veins.

Local Geology

In a 1935 report of the Minister of Mines, the Teddy Glacier Property was described as having its most important mineralization along two fracture zones. The more easterly strikes roughly north 10 degrees west and has been traced on the surface for over 120 feet and is possibly exposed again 80 feet farther north. It is mineralized with galena, pyrite, sphalerite, and some chalcopryrite in a gangue of white quartz and rock inclusions, the width varying from a few inches to four feet. The second vein, to the west of the first, strikes north 17° west where exposed and has been traced for about 130 feet, varying in width after the manner of the first and being similar in all respects. In addition, there are numerous other quartz veins on the Teddy Glacier Property which trend in various directions, but most frequently at right angles to the strike of the formation. Many of them connect with the main veins and die out a short distance away from them. Mineralization in these veins is quite irregular, but some good showings have been uncovered, particularly near their junctions with the main veins.

Where the first vein intersects the second one, and north of the latter, is an area that has become known as the "Big Showing"; it is a large body of quartz some 30 feet long and carrying bodies, up to five feet wide, of coarse sulphides. It follows a somewhat more easterly course than the average strike of the eastern vein. Apparently the nature of the country-rock has had no important effect on the ore deposition, although black carbonaceous schists mineralized with pyrite are most abundant near and west of the Big Showing. Whether the sulphides have replaced the limestones where these are intersected by the veins is a speculation that should be investigated, as such has been found to be the case in other properties in the Lardeau.

The sulphides, galena, pyrite, sphalerite, and chalcopryrite, occur in bunches in the quartz veins or as continuous bands, pinching and swelling along the strike and varying in width from practically nothing to four or five feet. They are coarse grained or very fine grained and the chalcopryrite is generally present in very minor amount. The finer-grained ore is an intimate mixture of the sulphides with grains of quartz and may require rather fine grinding for concentration. Examination under the microscope reveals many minute areas of tetrahedrite in the galena. Some movement has taken place along the veins since their formation, as the galena is in many cases sheared.

The most common rock is graphitic quartzite which includes interbands of limy argillite. Less common are bands of schistose quartzite which probably represent shear or fault zones with the graphitic quartzite. The strongest shear zones form graphitic schists which, in part, appear to be associated with the veins in the main showing.

The main showing at the Teddy Glacier Property is an 80m long quartz-galena-pyrite vein carrying significant gold-silver values. Two northwesterly veins 1m to 2m wide termed the "East Vein" and "West Vein" split from the southern vein intersection of the Big Showing. The Big Showing, located at the junction of the East and West Veins is an easterly to northeasterly trending knob or rib measuring about 5 metres by 5 metres which is 50% massive galena-sphalerite and pyrite carrying good gold and silver values.

Exploration

An airborne geophysical survey was completed on the Teddy Glacier Property in 1987. In October 1987, White Geophysical Inc. conducted a Crone P.E.M. Survey on the Teddy Glacier Property as follow-up to a 1986 airborne survey by Western Geophysical Aero Data Ltd., and as an aid in tracing structures under the ice of the Teddy Glacier. Ten conductors were mapped, all of very short strike. Conductors A and E are the strongest and are probably sourced in a graphite/sulphide horizon. The other conductors, B, C, D, F, G, H and I are much weaker in nature and difficult to correlate from line to line. These conductors were interpreted to be sourced in graphite, sulphides and/or conductive shears. To properly assess the value of this geophysical survey, recommendations were made for a precise correlation between these conductors and the visible geology. Should one of these conductors prove interesting it could be traced out with an HLEM survey with a narrow "a" spacing of 25m on lines with 25m centres. This tight spacing is necessary since the geophysical response is very complicated in this area.

By September 21, 1993, the access road was re-opened and a 5 tonne bulk sample was mined and sent to the Trail Smelter. Previous records indicate about 100-150 tonnes of high grade vein material was produced grading 0.425 oz/ton Au, 11.60 oz/ton Ag, 1.20% Cu, 18.4% Pb and 9.6% Zn. Seeking extensions to the Main Zone Mineralization, trench work with backhoe and dozer began August 24, 1993 and continued through August 30, 1993.

As exposed in the pit, the Big Showing, about 6 feet (1.83m) wide is cut by N40° trending, 60° east dipping fault and the Big Vein then merges into a 2 foot (0.61m) wide N20° striking, vertical East Vein which extends 40 feet (12.19m) across the floor of the pit. Several small NE trending mineralized cross veins cut the East Vein in the pit floor.

From the north side of the pit, the East Vein splits somewhat into northerly and northeasterly branches and in the next 40-50 feet (12.19m-15.24m) comes around to a NW strike – N40° west dipping 70° NE. As exposed in the three cuts blasted on the East Vein, it is 1.5 to 5 feet (0.47m-1.56m) wide with some vein splits separated by country rock.

The Big Showing, consisting of an approximately 1.87m (6 feet) wide section of massive galena, pyrite, chalcopyrite with lesser sphalerite, heads southerly from the pit face and widens to about 10 feet (3.05m) about 30 feet (9.14m) back from the pit. A 10 foot long N40° east trending cut was blasted across the southern end of the Big Vein where it trends about N20° west. A one-shot blast was also put into a three foot (0.9m) pod of massive quartz-galena-pyrite located about 45 feet (13.72m) southwest of the Big Showing. This pod has the appearance of being a faulted-off segment of the Big Showing and may indicate continuity of the Big Vein to the southwest.

Also in 1993, one day of backhoe and bulldozer work was occupied in trenching two areas of mineralized float located about 100 feet (30.48m) SE and 700-800 feet (213.36-343.84m) lower in elevation from the Main Zone. Another day was spent digging a 100 foot (30.48m) long trench right across the favourable zone in an area 300-500 feet (91.44-152.40m) SE and 100-200 feet (30.48-60.96m) lower in elevation from the Main Zone. None of these trenches were successful in locating mineralized veins in the bedrock.

Minor work was completed in 1993 on the Vimy Ridge Zone, located about 3,000 feet (900m) southeast and 1,000 feet (300m) lower from the Main Zone; it was originally discovered by K. Sanders for Teddy Glacier Mines Ltd. in 1963-64. In the course of one day's work, three different showings were located and trenched.

Near the northwest end of the ridge is a 30-40 foot wide zone of northeast striking quartz-sulfide veins up to one foot wide. The veins appear to be too widely spaced and narrow to form a mineable zone.

About 800 feet southeast along the ridge from the northwest showing, a seven foot square pit is excavated on a flat southeast dipping 12 inch thick layer of massive galena-pyrite-chalcopyrite in silicified limestone. The schistose rocks above the altered zone are cut by a network of east to northeast trending quartz-sulfide veinlets which coalesce to form a layer of sulfides along the limestone contact. A sample taken by Sanders across 12 inches assayed 0.3 oz/ton Au, 10.70 oz/ton Ag, 15.2% Pb, 5.55% Zn and 0.75% Cu.

Another 150 feet southeast down along the ridge, a 15x15 foot trench discloses a 3 foot thick flat silicified layer with variable sulfides which dips off to the northeast and southwest at either side of the pit. The mineralization is very similar to that in the pit 150 feet northwest. Sander's sample over 36 inches assayed 0.03 oz/ton Au, 17.00 oz/ton Ag, 26.65% Pb, 4.15% Zn and 0.35% Cu.

One hundred feet further southeast an outcrop of bluish silicified limestone is exposed near the access road. No sulfides are exposed here in this small area, but the alteration is entirely similar to that associated with mineralization in the two exposures higher up the hill.

Mineralization

The variety of mineralization on the Teddy Glacier Property has been well described by previous workers including Gale (1994), Sullivan (1963) as quoted in the Shearer Report and various government personnel from the 1930's, as documented in the Annual Minister of Mines Reports.

Samples of typical mineralization, collected by Mr. Shearer on August 28, 2004, returned assays up to 1.88 oz/ton gold (64.5 ppm Au, sample #2) by fire assay – gravimetric finish (conversion factor 34.286ppm = 1 oz/ton). This sample was screened for metallics and the +100µm fraction assayed 1235 ppm gold (36.02 oz/ton Au) which suggest there is considerable gold in the coarser fraction. Further metallurgical testing is required to follow up the possibility of coarse gold in pyrite. A polished section was prepared of the reject portion to determine the association of the gold. As results were inconclusive, further polished thin sections are recommended. This high gold result is from a grab sample of abundant pyrite on the main dump in front of the upper portal. The East Vein and Big Showing mineralization was observed to have a strong mineralogical zoning as follows:

- a) Abundant pyrite on the east side;
- b) then galena-rich section;
- c) then sphalerite-rich section; and
- d) then on the west side dominated by sparsely mineralized quartz/siderite.

Overall recoveries in the metallurgical test work performed by J. W. Britton, P. Eng. in 1963 indicated “about 70% of the gold and 85% of the silver could be recovered with the lead and copper concentrates. Even better results should be obtained when treating fresh ore. It may also be possible to recover some of the gold and silver which reports with the pyrite” concentrate. Britton (1963) reported overall recoveries in total rougher and concentrates to be Au – 97.0%, Ag – 99.3%, Cu – 99.7%, Pb – 99.3%, Zn – 99.9% and pyrite 98.0%. Tests showed that 70% of the gold and 60% of the silver in the pyrite concentrate could be recovered by cyanidation. In light of the high gold result obtained by Mr. Shearer on the pyrite-rich sample, further metallurgical work on the pyrite fraction of any concentration method is advisable. Two samples from the Big Showing, one being abundant in galena with lesser sphalerite and the other being equal in abundance of sphalerite and galena (Samples #3 and #4) assayed 22.90 oz/ton Ag (785 ppm Ag) and 20.04 oz/ton Ag (687 ppm Ag), respectively. Apparently no polished sections were done by Britton for the 1963 work.

In 1963 metallurgical test work was completed by Britton Research Laboratories on underground samples and drill core composites, which indicated that 60% of the copper, 90% of the lead and 80% of the zinc

should be recovered in separate concentrates assaying 20% copper, 60% lead and 60% zinc respectively. Overall recoveries of metals appear to be high in this initial study but further work is required.

A grab sample at the Vimy Ridge trenches, approximately 1.5 km southeast and 300m below in elevation from the Main Showing, assayed 7.23 oz/ton Ag (248 ppm Ag) and 0.082 oz/ton Au (2.8 ppm Au). The mineralization in the Vimy Ridge trenches appeared spotty and discontinuous but more work is justified.

In recent studies for Jazz (Hawthorn, 2007a and Hawthorn, 2007b), recoveries of lead, zinc, gold and silver are quite good. Additional work is needed to be undertaken to improve the separation of the lead and zinc into separate concentrates. Hawthorn performed another flotation test (Hawthorn, 2007b) with a high depressant addition into the Pb roughers and included a zinc cleaning stage. The lead concentrate assayed 75% Pb and the zinc concentrate assayed 56% Zn.

The microscopy report (Lehne, 2007) indicates that mineral locking is not contributing to the 20% of the Zn that reports to the Pb concentrate. As such, emphasis should be focused on the selection of the best sphalerite depressant(s) during Pb roughing as well as the minimum addition that is required to achieve acceptable sphalerite depression. Mineralogically, this material is not complicated, since there are essentially only three sulphide minerals. However, as is typically the case, some portion of the sphalerite is naturally floatable, and it ideally is depressed during the initial Pb rougher flotation.

The sample provided for the 2007 mineral processing study by Hawthorn (2007b) was collected by Mr. Shearer from three tonnes of representative material brought to Nakusp from the 2006 bulk sample blasted from the Big Showing.

Drilling, Sampling, Analysis and Security of Sampling

The location of the Big Showing, the East and West Veins, the portal of the underground workings and location of old and proposed new drillholes (for the Phase 2 program) are shown on the map at page 19 of this Prospectus.

Big Showing – The Big Showing is the most important zone of mineralization presently known on the property. Gale (1994) considers that it was not properly tested in the 1963-64 drilling program. The drilling was done with a small AX drill and in the case of the latter holes, the positioning for the holes tended to parallel rather than crosscut the Big Showing.

The Big Showing trends N to N20 degrees east and appears to dip almost vertically. It may represent a vertically plunging pipe occurring at a sharp bend in the East Vein. The best drillhole orientation to test it would be 45° to 60° dipping holes in the direction N45 degrees west rather than the SW45 degree orientation chosen for holes 63-6, 64-8 and 64-9. Possibly the NW orientation was not chosen in 1963-64 because this would mean drilling parallel to the schistosity of the country rocks which would make drilling and control of the hole orientation difficult. However, Mr. Shearer suggests that holes in the SE-NW orientation should be tried in order to get the best cross section of the Big Showing. The proposed new drilling using a larger drill should substantially upgrade the core recovery and thereby upgrade the assay results, especially the all important gold grades.

Results of sampling by Gale (1994) compared to old surface sample results also suggest that gold values in the new bigger blasted samples are on average much better than was indicated by the old moiled samples. The simple unweighted average of gold values in five new samples compared to that of seven old samples in approximately the same part of the East Vein is 0.41 oz/ton Au compared to 0.31 oz/ton Au, an increase of 32% in the average gold value.

The five ton bulk sample shipped to the Trail smelter in September 1993 graded 14.57g/tonne Au (0.425 oz/tonne Au), 397.7g/tonne Ag (11.60 oz/tonne Ag), 1.20% Cu, 18.4% Pb and 9.6% Zn.

The East Vein – The East Vein, if taken to include the Big Showing, has a demonstrated strike length, with offsets of about 300 feet on the surface, and it appears that it may be offset once again 15m to 30m (50 to 100 feet) east and southeast of the Big Showing, as intersected in drillholes 64-3, 64-4 and 64-5. At the latter point, the vein is still open to extension to the south of these diamond drill hole intercepts. The East Vein is also open to extension to the NW and, at its northern end, may be represented by the Dunbar vein.

The Dunbar Vein – The Dunbar Vein outcrop has a similar appearance and orientation as the Big Showing. The best result from previous surface sampling is 2.49m (8.0 feet) grading 0.16 oz/ton Au, 17.82 oz/ton Ag, 32.7% Pb and 8.8% Zn. The Dunbar vein has never been drilled.

The West Vein – The West Vein appears to be a thinner, lower grade and less continuous split from the East Vein. The West Vein probably merges with the East Vein to the north of the Big Showing.

The East Vein has a proven depth extent of at least 150 feet and is open to extension at depth. Better gold values comparable to the new surface and bulk sampling results are possible if better core recovery and a larger sample size can be obtained by new drilling. There is a good chance that a resource can be proven up with the combined tonnages of the East Vein and Big Showing.

The Vimy Ridge Stratabound Zone – The Vimy Ridge Stratabound Zone is a lower priority target for drilling on the Teddy Glacier Property. It is located about 3,000 feet southeast and 1,000 feet lower in elevation from the East Vein Zone. It was originally discovered by K. Sanders for Teddy Glacier Mines Ltd. in 1963-64.

Near the southeast end of the northwest trending ridge a seven foot square pit is excavated on a flat south dipping 12 inch thick layer of massive galena-pyrite-chalcopyrite in silicified limestone at a schist-limestone contact. The schistose rocks above the altered zone are cut by a network of east to northeast trending quartz-sulphide veinlets which coalesce to form a layer of sulphides along the limestone contact. A sample taken by Sanders across 12 inches assayed 0.03 oz/tonne Au, 10.70 oz/tonne Ag, 16.2% Pb, 5.55% Zn and 0.75% Cu.

Geology, prospecting and sampling work in the 2004 and 2006 program was aided by using GPS locations at key sites. Rock chip samples were collected by our personnel by chipping across the width of the outcropping veins or structure in such a manner as to not duplicate any particular portion of the vein in order to mitigate against biasing or “high grading” the sample. The rock chips were placed in the standard heavy gauge plastic bags which were sealed using zip straps. The samples were also numbered in accordance with their station location so that for future reference or field observations could be made by a person other than the sampler and would allow that person to readily return to the exact location where the sample was originally collected. The samples were transported directly from the field to the laboratory by our personnel under a chain of custody form listing the samples by number and the analyses to be performed.

None of our employees, officers, directors or associates conducted any aspect of sample production. Samples collected in 2006 were transported directly from the property by J. Stewart (an employee of Mr. Shearer), under the supervision of Mr. Shearer to Chemex Labs in Vancouver. The ICP assay involves the digestion of 0.500 grams of the sample with 3 ml of 3-1-2 HCl-HNO₃-H₂O acid at 95°C for one hour. This sample is then diluted to 10ml with water. Each batch of 15 samples were re-run by the Lab with standards inserted each 30 samples. Sample preparation, analyses and security of the work prior to 2006 is unknown. Mr. Shearer believes the sample preparation, analysis and security were adequate.

Future programs should include a rigorous QA/QC program of field standards, blanks and duplicates to ensure the validity of any assays.

No verification of the historic analytical work or drillcore descriptions was directly possible for the historic work since the samples and core have long ago been disposed. However, the samples collected by Mr. Shearer around the Big Showing are roughly correlatable to previous samples collected by previous operators and all point to the relative high grade nature of the minerals.

Exploration and Development

A program of prospecting, bulk sampling and road rehabilitation was conducted in 2006. The 2006 work program confirmed the grade of the Big Showing. Approximately 150 tonnes of high grade mineralization was drilled and blasted. This material was stockpiled near the Big Showing. Approximately three tonnes were shipped to Nakusp and a representative sample was collected to commence metallurgical testing.

The three tonnes shipped to Nakusp were collected from the 150 tonne stockpile by excavating from several parts of the pile. There was no intention of high grading by the excavator operator or the onsite supervisor Jon Stewart (who was instructed by Mr. Shearer). The three tonnes were deemed to be representative of the 150 tonne blast muck and of the zone immediately adjacent in the Big Showing. The three tonnes brought to Nakusp were sampled randomly and approximately 200 kg were transported to Vancouver. Mr. Shearer collected a representative sample of this 200 kg, of which 30 kg was delivered to Westcoast Mineral Testing Inc. (Hawthorne, 2007b).

There is a substantial difference between previous sampling of the Big Showing, which from a few samples gave results of 18.4% Pb and less than 298 g/t Ag (11.6 oz/t Ag) (Gale 1993 and 1994). Preliminary metallurgical indicates high flotation recoveries (>90%) at a head grade of 39.7% Pb, 8.0% Zn, 490.2 g/t Ag and 8.0 g/t Au (Hawthorne, 2007a).

It appears that the 30 kg sample is approximately twice as abundant in galena as previous samples with an accompanying increase in silver content. This may be due to a galena rich portion of the Big Showing being sampled or that some unintentional high grading occurred during sample collecting. Future sampling campaigns will need to employ duplicate samples and blending. Mineralogically, the Big Showing is not complicated, since there are essentially only three sulphide minerals.

Hawthorne states “The galena, sphalerite and pyrite are very coarse grained, so liberation ought not to be an issue” (Hawthorne 2007b); and “The close relationship between the deportment of Pb, Au and Ag will produce a high grade lead concentrate with significant precious metal content”.

Mr. Shearer concludes that the Teddy Glacier Property constitutes a property of merit and justifies further work to explore for commercial gold and polymetallic opportunities. Samples of typical mineralization collected by Mr. Shearer on August 28, 2004 assayed up to 1.88 oz/ton gold (64.5 ppm Au).

In consideration of the present status of exploration and development on the Teddy Glacier Property, the Shearer Report recommends that our focus should be on defining the detailed geological environment (principally by detailed mapping and detailed spatial measurements and bulk sampling). A program of Phase 1 bulk sampling of the Big Showing down to the level of the underground workings is recommended to be done in the summer of 2007. This bulk sample will provide the hands-on experience of small scale mining in the rugged alpine terrain. Mr. Shearer believes that the key elements in the possible future successful exploitation of the Teddy Glacier Property are: (i) the ability to high-grade the vein material with separation of wall rock; (ii) taking a large enough bulk sample to adequately test the access road to stand up to repeated truck traffic; and (iii) arranging highway transport to a suitable milling facility. Gaining experience with the highway haulage will be important. Also, identifying and establishing a working relationship with a suitable milling facility is very important in the evaluation of the deposit. Considerable geological information will be gathered during the excavation of the larger bulk sample, and such information will be used to guide the subsequent core drilling program. The other focus should be on diamond drilling to define additional mineralized zones subject to favourable results from the Phase 1 bulk sampling program. To this end a program of prospecting, bulk sampling and road rehabilitation was conducted in 2006.

A new program of diamond drilling of the East Vein-Big Showing is warranted in the future with the expectation that higher gold values might be found with larger, more representative samples. The Big Showing has the potential to support underground mining if it maintains its size and values to depth. The Dunbar vein resembles the Big Showing in orientation and grade. Although the vein apparently was not found in the underground work beneath the general area of the outcrop, diamond drilling to test depth continuity is required.

Additional diamond drilling is required to test the subsurface extent of the vein structures and continuity to the south and east. A program of 5,000 feet of diamond drilling recovering "N" size core would give a good measure of the possible extent of the vein system and the possible extensions away from the underground workings.

The Shearer Report recommends that the bulk sample program be carried out in 2007. If the average gold grades in the veins continues to be in the 10.29 to 13.71 g/tonne Au (0.3 to 0.4 oz/ton Au) range, the Teddy Glacier Veins would need further detailed studies to define a mineable resource. However, there are no current estimates of mineral resources on our property and there is no certainty that subsequent drill programs, if completed, will discover mineralization or define any mineral resources.

Recommended Work Program and Estimated Costs

The Shearer Report recommends an exploration program on the Teddy Glacier Property comprised of two phases. Phase 1 will involve, among other things, bulk sampling, road upgrading and test milling. Phase 2, if warranted, will involve, among other things, geological mapping, grid establishment and reconnaissance sampling, camp planning, selection and site confirmation, diamond drilling, characterization of mineralization, sample assaying and supervision.

Additional financing will be required for the Phase 2 work program. There is no assurance that sufficient additional funding will be available on acceptable terms or at all.

The budget for the work program on the Teddy Glacier Property is as follows:

PHASE 1: Bulk Sample, Road Upgrading, Test Milling	
Description of Work	Estimated Costs
1. Bulk Sampling, 2,000 tonnes @ \$12.50/tonne	\$25,000
2. Excavating load-out	\$15,000
3. Trucking to lower elevations, 20 tonne CAT wagons	\$37,500
4. Truck to Silverton Mill, 150 km one way, 40 tonne truck and trailer	\$36,000
5. Milling 2,000 tonnes	\$80,000
6. Continue road upgrade, 3.5 km of permanent deactivation	\$20,000
7. Upper road work	\$34,000
8. Geotech Study for road reactivation permit	\$2,500
9. Characterization & studies of mineralization using Process Research Labs	\$10,000
10. Consulting, supervision & reports & permitting	\$20,000
TOTAL PHASE 1:	\$280,000
PHASE 2: (contingent on favourable results from Phase 1) Geological Mapping, Base Map Detail, Planning, Selection and Site Confirmation	
Description of Work	Estimated Costs
1. Geological mapping	\$10,000
2. Grid establishment and reconnaissance sampling	\$12,000
3. Planning, selection and site confirmation, camp	\$15,000
4. Compilation, digitization	\$6,000
5. Characterization and studies of minerals	\$5,000
6. Consulting, supervision and reports	\$12,000
7. Diamond drilling & supervision all in cost, 4,000 ft @ \$40/ft (includes drill moves and consumables)	\$160,000
8. Characterization and studies of mineralization and assaying	\$12,000
9. Consulting, supervision and reports	\$12,000
10. Access road opening & excavator standby	\$56,000
TOTAL PHASE 2:	\$300,000
TOTAL PHASE 1 AND PHASE 2 COSTS*	\$580,000
*smelter charges and transport to smelter are not included	

OUR SPIDER PROPERTY

The following is a brief summary of our other mineral property, the Spider Property. The Spider Property is not considered material to us at this time for the purposes of NI 43-101 and therefore, is not the subject matter of an independent technical report. The description has been prepared by our management. While we presently intend to focus our exploration and development activities on our principal property, the Teddy Glacier Property, we also plan to carry out limited exploratory work on our Spider Property with funds derived from the Offering. The work will be preliminary in nature due to the early stage of our exploration of the property and the extent of work will be contingent on the results obtained.

The Spider Property comprises our 100% interest in several Crown granted mineral claims which are located in the Revelstoke Mining Division of British Columbia. This property includes land that was once a producing mine for the period 1952-1958. The Spider mine (also known as the Sunshine Lardeau Mine) is on the south side of Poole Creek, British Columbia, 2.7 kilometres by steep road southeast of Camborne. The Spider (L.15752), Spider No. 1 (L.15753) and Sandy (L.8719) (082KNW048) are the nucleus of a group of Crown granted claims and fractions that extends from the valley of Poole Creek southeasterly toward Mohawk Creek.

USE OF PROCEEDS

Proceeds

The estimated net proceeds from this Offering, after deduction of the Agent's commission, will be \$810,000 (assuming the minimum offering) and \$1,012,500 (assuming the maximum offering).

Funds Available

Management estimates the working capital deficiency for Jazz as at June 30, 2007 to be \$71,398. After deducting the approximate working capital deficiency from the net proceeds, we will have available for expenditure approximately \$738,602 if the minimum offering is subscribed, or \$941,102 if the maximum offering is subscribed.

Principal Purpose

The available funds will be used to fund, in order of priority, the estimated expenditures during the next 12 months of operations, which we have budgeted for as follows:

Expenditure	Minimum (\$)	Maximum (\$)
Pay the balance of the Costs of the Offering ⁽¹⁾	75,000	75,000
Pay the balance of the Corporate Finance Fee (including GST)	13,920	13,920
Recommended exploration expenses, which are comprised of:		
Phase 1 of the Teddy Glacier Property ⁽²⁾	280,000	280,000
Reserve for the Phase 2 of the Teddy Glacier Property	-	200,000 ⁽³⁾
Preliminary work on the Spider Property ⁽⁴⁾	50,000	50,000

Expenditure	Minimum (\$)	Maximum (\$)
General and administrative expenses for next 12 months ⁽¹⁾⁽⁵⁾	180,000	180,000
Unallocated working capital	139,682	142,182
TOTAL	\$738,602	\$941,102

(1) Estimated.

(2) See “Our Teddy Glacier Property – Exploration and Development”.

(3) Contingent upon favourable Phase 1 results.

(4) See “Our Spider Property”.

(5) Includes management, professional, regulatory and transfer agent fees, salaries and other various expenditures.

Any proceeds we receive from the exercise of the Agent’s Warrants, the Over-allotment Option or incentive stock options, when issued, will be allocated to working capital. We will need to raise additional funds to complete the Phase 2 exploration program, should it be warranted.

We intend to spend the funds available to us on the completion of the Offering to carry out the recommended exploration program set out in “Our Teddy Glacier Property – Exploration and Development”. There may be circumstances, however, where for sound business reasons, a reallocation of funds may be necessary. We will only redirect the funds to other purposes on the basis of a recommendation from a professional geologist or engineer. If such an event occurs during distribution of the Shares offered under this Prospectus, an amendment to this Prospectus will be filed, if required.

Our working capital deficiency of \$71,398 includes a loan facility provided by Glen Developments Ltd., a company owned by our President, which has advanced \$85,000 since January 1, 2007 in order to help finance our reactivation. We expect to repay the loan facility upon completion of the Offering. The loan is currently non-interest bearing, unsecured with no fixed terms of repayment.

We expect to incur approximately \$15,000 in general and administrative costs on a monthly basis to cover the expenses of operating as a public company over the next twelve (12) months. A breakdown of the estimated general and administrative costs for that period is as follows:

Description	Monthly (\$)	12 Month Period (\$)
Management fee (including rent)	6,500	78,000
Professional fees (including legal and audit)	4,000	48,000
Salaries and benefits	2,500	30,000
Regulatory and transfer agent fees	1,000	12,000
Travel, promotion and misc.	1,000	12,000
Approximate Total	15,000	180,000

SELECTED CONSOLIDATED FINANCIAL INFORMATION AND MANAGEMENT’S DISCUSSION AND ANALYSIS

The following tables set forth certain selected financial information as at and for the nine month period ended March 31, 2007 and the years ended June 30, 2006, 2005 and 2004. The selected financial information has been derived, except where indicated, from our audited financial statements and from our interim financial statements for the periods indicated, which are unaudited. The following information should be read in conjunction with our financial statements and the accompanying notes contained elsewhere in this Prospectus and with the “Management Discussion and Analysis” set out below. The

financial results are not necessarily indicative of the results that may be expected for any other interim period or a full year. Our annual financial statements and the interim financial statements are presented in Canadian dollars and are prepared in accordance with Canadian Generally Accepted Accounting Principles.

This Prospectus contains financial statements as of June 30, 2006, 2005 and 2004, which have been restated to reflect a write down in the value of mineral property acquisition costs and deferred exploration expenses incurred prior to June 30, 2003. Mineral property acquisition costs and deferred exploration expenses on both our Spider Property and our Teddy Glacier Property have been written down due to the long period of relative inactivity on both of these properties prior to June 30, 2003. See Note 2 of the financial statements included in this Prospectus.

Annual Information

Statements of Operations and Deficit Information

	Nine months Ended March 31,		Years Ended June 30,		
	2007 (Unaudited)	2006 (Unaudited) (Restated)	2006 (Audited) (Restated)	2005 (Audited) (Restated)	2004 (Audited) (Restated)
	(\$)	(\$)	(\$)	(\$)	(\$)
Total revenues.....	Nil	Nil	Nil	Nil	Nil
General and administrative expenses.....	(210,825)	(91,701)	(136,065)	(41,753)	(37,427)
Future income tax recovery	61,460	11,310	11,310	Nil	Nil
Net (loss) income for the period	(149,365)	(80,391)	(113,514)	(41,753)	(37,427)
(Loss) income per share – basic and diluted	(0.01)	(0.03)	(0.05)	(0.02)	(0.02)

Balance Sheet Information

	Nine months Ended March 31,	Years Ended June 30,		
	2007 (Unaudited)	2006 (Audited) (Restated)	2005 (Audited) (Restated)	2004 (Audited) (Restated)
	(\$)	(\$)	(\$)	(\$)
Total assets	316,833	250,288	33,117	14,667
Total financial liabilities	175,354	42,984 ⁽¹⁾	699,740	639,537
Shareholder's equity (deficiency)				
Capital stock	3,021,464	2,877,924 ⁽¹⁾	1,950,483	1,950,483
Deficit	(2,879,985)	(2,730,620)	(2,617,106)	(2,575,353)
Cash dividends declared – per share.....	Nil	Nil	Nil	Nil

(1) On June 27, 2006, a total of \$668,751 in debt was settled by the issuance of 6,687,510 common shares.

Quarterly Information

	Three Months Ended			
	March 31 2007	December 31 2006 (Restated)	September 30 2006 (Restated)	June 30 2006 (Restated)
	(\$)	(\$)	(\$)	(\$)
Total revenues.....	Nil	Nil	Nil	Nil
General administrative expenses.....	(157,817)	(27,001)	(26,007)	(44,364)
Future income tax recovery	61,460	Nil	Nil	Nil
Net income (loss).....	(96,357)	(27,001)	(26,007)	(33,123)
Net loss per share (basic and diluted)	(0.01)	(0.01)	(0.01)	(0.02)

	Three Months Ended			
	March 31 2006 (Restated)	December 31 2005 (Restated)	September 30 2005 (Restated)	June 30 2005 (Restated)
	(\$)	(\$)	(\$)	(\$)
Total revenues.....	Nil	Nil	Nil	Nil
General administrative expenses.....	(47,786)	(20,006)	(23,909)	(21,305)
Future income tax recovery	11,310	Nil	Nil	Nil
Net income (loss).....	(36,476)	(20,006)	(23,909)	(21,305)
Net loss per share (basic and diluted)	(0.02)	(0.00)	(0.01)	(0.01)

Dividends

To date, we have not paid nor declared any dividends on our outstanding common shares. The future payment of dividends will be dependent upon the financial requirements to fund further growth, our financial condition, and other factors that our Board of Directors may consider important. We do not contemplate paying any dividends in the immediate or foreseeable future.

Management's Discussion and Analysis of Financial Results

The following discussion should be read in conjunction with our financial statements and notes thereto for the nine month period ended March 31, 2007 (unaudited) and the financial years ended June 30, 2006, 2005 and 2004 (audited), which have been prepared in accordance with Generally Accepted Accounting Principles ("GAAP") in Canada. Our current financial condition and the results of operations are not necessarily indicative of what may be expected in future years. Additional information relevant to our activities can be found on SEDAR at www.sedar.com. This Prospectus contains financial statements as of June 30, 2006, 2005 and 2004, which have been restated to reflect a write down in the value of mineral property acquisition costs and deferred exploration expenses incurred prior to June 30, 2003. Mineral property acquisition costs and deferred exploration expenses on both our Spider Property and our Teddy Glacier Property have been written down due to the long period of relative inactivity on both of these properties prior to June 30, 2003. See Note 2 of the financial statements included in this Prospectus.

General

Our business purpose is to acquire, explore and develop mineral properties, principally those with precious metal potential. Our principal mineral property is the Teddy Glacier Property and we have one non-material property in early stage exploration, the Spider Property, both properties are located in British Columbia. We do not currently have any operating properties and have no recent history of earnings. As

such, we have financed our activities primarily by shareholder loans and, most recently, through the sale of our common shares in private placement transactions authorized by a partial revocation of the CTO. The key determinants of our operating results include, the state of the capital markets, the write-down or abandonment of mineral properties, and the price for base and precious metals.

We have incurred net losses of \$113,514, \$41,753 and \$37,427, respectively, over the three financial years ended June 30, 2006, 2005 and 2004.

General and administrative expenses consist primarily of salaries and other related costs for personnel in executive, finance, accounting and business development functions. Other costs include consulting, legal and accounting services fees, marketing and promotion and facility costs not otherwise included in deferred development expenses.

After this Offering, we anticipate increases in general and administrative expenses for activities associated with operating as a publicly-traded company such as stock transfer services and regulatory compliance. These increases may also include the hiring of additional personnel.

Results of Operations

Nine Months Ended March 31, 2007 Compared to Nine Months Ended March 31, 2006.

For the nine months ended March 31, 2007, we had a net loss of \$149,365 compared to a net loss of \$80,391 for the period ended March 31, 2006. The increase in net loss for the period ended March 31, 2007 was due largely to the increase in general and administrative expenses resulting from an increase in professional fees incurred in connection with our reactivation. This was partially offset from recognition of a future income tax recovery of \$61,460 in the March 31, 2007 period. We had no revenues during the period. General and administrative expenses totaled \$210,825. The two largest expense items for this fiscal period were professional fees of \$173,922 and rent of \$12,600. These two items accounted for approximately 88% of our total general and administrative expenses. Professional fees are mostly composed of legal, accounting and other fees incurred in connection with our reactivation.

The increase in financial liabilities for the period ended March 31, 2007 compared to the same period in 2006 was due largely to a loan facility provided by Glen Developments Ltd., which has advanced \$85,000 since January 1, 2007 in order to finance our reactivation and the accrual of professional fees we incurred in connection with the filing of this prospectus.

Year Ended June 30, 2006 Compared to Year Ended June 30, 2005

We had no revenues in the year ended June 30, 2006 or June 30, 2005. For the year ended June 30, 2006, we incurred a net loss of \$113,514 compared to a net loss of \$41,753 for the year ended June 30, 2005.

The increase in the net loss for the year ended June 30, 2006 compared to the previous two years was due largely to the increase in general and administrative expenses resulting from an increase in legal fees incurred in connection with our reactivation. Total assets as at June 30, 2006 increased by \$217,171 to \$250,288 from \$33,117 as at June 30, 2005 largely as a result of an increase in cash of \$73,821, equipment of \$35,404, and deferred exploration costs of \$107,946. The decrease in liabilities was caused largely by the settlement of \$668,751 of debt to certain of our directors.

General and administrative expenses totaled \$136,065 for the year. The two largest expense items were professional fees of \$99,833 and rent of \$16,800. These two items accounted for approximately 86% of our total general and administrative expenses. Professional fees increased from \$22,577 in 2005 to \$99,833 for the year ended June 30, 2006. This increase was due to increased legal fees and disbursements incurred in connection with the our reactivation application to the BCSC.

Year Ended June 30, 2005 Compared to Year Ended June 30, 2004

For the year ended June 30, 2005, we incurred a net loss of \$41,753 (\$0.02 per share) compared to a net loss of \$37,427 (\$0.02 per share) for the year ended June 30, 2004. We had no revenue in either 2005 or 2004.

General and administrative expenses totaled \$41,753 for the year ended June 30, 2005, an increase of \$4,326 compared to \$37,427 in the prior year. The two largest expense items for this fiscal period were professional fees of \$22,577 (2004 - \$14,597) and rent of \$16,800 (2004 - \$16,800). These two items accounted for approximately 94% of our total general and administrative expenses. Professional fees (\$10,000 for the audit and \$12,577 for accounting and legal services) accounted for \$22,577 (2004 - \$14,597), or approximately 54% of our total general and administrative expenses. The increase in legal and audit fees was due to our board of directors decision to apply to the BCSC for a revocation of the CTO, which necessitated, among other things, an audit.

Total assets as at June 30, 2005 increased by \$18,450 to \$33,117 from \$14,667 as at June 30, 2004 as a result of an increase in deferred exploration costs.

Transactions With Related Parties

Amounts due to related parties at March 31, 2007 were approximately \$85,354. During the fiscal year ended June 30, 2006, amounts due to related parties totalling \$668,751 (2004 - \$614,813), which included amounts owing to two directors and a company controlled by one of our directors, were settled by the issuance of a total of 6,687,510 common shares. As part of the debt settlement, \$28,000 owed to a former director was assumed by another director who received shares in settlement of the debt and advanced to us \$28,000, which during the nine months ended March 31, 2007 was paid to the former director in satisfaction of the amount assumed. The amounts were non-interest bearing, unsecured and had no fixed terms of repayment. As part of our reactivation plan, we applied for and were granted a partial revocation of the CTO to enable us to settle this debt by the issuance of common shares.

Liquidity and Capital Resources

On December 30, 2005, the BCSC granted a partial revocation of the CTO to allow us to reorganize our affairs. Following the granting of the partial revocation order on December 30, 2005, all of our operations have been financed through shareholders' conversion of debt into equity, shareholder loans and private placements. We have minimal capital resources presently available to meet the obligations which we expect to incur and, as at March 31, 2007, we had an accumulated deficit of \$2,879,985, cash on hand of \$121,970 and working capital deficiency of \$48,384. A total of \$94,621 of the cash on hand is restricted for use in incurring exploration expenses, which have been renounced for the benefit of investors in certain of our flow-through share offerings.

During the year ended June 30, 2006, we settled approximately \$668,751 in debt owed to various creditors, including certain directors and officers and a company owned by our president, by issuing an aggregate of 6,687,510 common shares at a deemed price of \$0.10 per common share. Of the common shares issued to settle debt, 5,102,550 common shares were issued to Glen Developments Ltd. in settlement of \$510,255 owed to Glen Developments Ltd. and 1,584,960 common shares were issued to Keith Sigvardsen in settlement of \$158,496 owed to Mr. Sigvardsen, including \$28,000 owed to a former director that was assumed by Mr. Sigvardsen. Mr. Sigvardsen advanced \$28,000 to us to pay to the former director to satisfy the amount assumed, which we did during the nine months ended March 31, 2007.

On June 27, 2006, we completed a private placement of 1,799,999 non-flow-through common shares at a price of \$0.15 per common share. On July 5, 2006 we completed the first tranche of a private placement

comprising 226,000 flow-through common shares at a price of \$0.25 per common share and on November 30, 2006 we completed the second tranche of 594,000 flow-through common shares also at a price of \$0.25 per common share. Pursuant to the sale of flow-through common shares, for tax purposes, we renounced to the benefit of the purchasers of such common shares, for tax purposes, an aggregate of \$205,000 of qualified exploration expenses.

We anticipate that the estimated net proceeds of this Offering, whether the minimum or maximum offering is subscribed for, will be adequate to satisfy our operating expenses and capital requirements as planned for at least twelve months. Our future capital requirements will depend on many factors including, without limitation, the results of our exploration programs and commodity prices for precious metals. We may seek additional funding through public or private financings, which would result in further dilution to the shareholders. Furthermore, there can be no assurance that additional financing will be available on acceptable terms or at all.

We currently rely on a loan facility provided by Glen Developments Ltd., which has advanced \$85,000 since January 1, 2007 in order to finance our reactivation. We expect to repay the loan facility upon completion of the Offering. The loan is currently non-interest bearing, unsecured with no fixed terms of repayment.

DESCRIPTION OF THE SECURITIES TO BE DISTRIBUTED

We are authorized to issue an unlimited number of common shares without par value, of which 11,680,405 are issued and outstanding as of the date hereof.

Shares

A minimum of 2,000,000 Shares and a maximum of 2,500,000 Shares will be distributed pursuant to this Prospectus at a price of \$0.45 per Share.

Common Shares

The holders of our common shares, including the Shares offered under this prospectus, are entitled to dividends as and when declared by our directors, to one vote per common share at meetings of our security holders and, upon liquidation, to receive such of our assets as are distributable to the holders of common shares. All of the common shares to be outstanding on completion of this Offering will be fully paid and non-assessable. There are no pre-emptive rights or conversion rights attached to the common shares. There are also no redemption or purchase for cancellation or surrender provisions, sinking or purchase fund provisions, or any provisions as to modification, amendment or variation of any such rights or provisions attached to our common shares. The Shares do not have any provisions permitting or restricting the issuance of additional securities or any other material restrictions, or requiring the securityholder to contribute any additional capital.

Agent's Warrants

The Agent's Warrants are non-transferable. Each Agent's Warrant entitles the holder thereof to acquire one of our common shares at a price of \$0.45 per share for an eighteen (18) month period from the Closing Date. The certificates representing the Agent's Warrants will contain provisions for the appropriate adjustment in the class, number and price of common shares issuable under such warrants upon the occurrence of certain events, including any subdivision, consolidation or reclassification of our common shares, the payment of stock dividends or the amalgamation of our company with another entity.

CONSOLIDATED CAPITALIZATION

The following table represents selected particulars of our share capital as at June 30, 2006, as of the date of this Prospectus, and following the completion of the Offering:

Designation of Security	As at June 30, 2006	As at the date hereof	As at the date hereof after giving effect to the Offering ⁽¹⁾	
			Minimum	Maximum
Common Shares	10,860,405	11,680,405	13,680,405	14,180,405

(1) These figures do not include any common shares that may be issued on the exercise of the Over-allotment Option or the Agent's Warrants.

OPTIONS TO PURCHASE SECURITIES

Stock Option Plan

Our directors have approved a stock option plan (the "Stock Option Plan") under which a total of 2,336,081 common shares are reserved for future issuance, representing 20% of our issued and outstanding share capital as at March 14, 2007, the date of our most recent shareholders meeting (17.1% assuming completion of the minimum offering and 16.5% assuming completion of the maximum offering). If any options granted under the Stock Option Plan expire or terminate for any reason without having been exercised in full, the unpurchased common shares will again be available under the Stock Option Plan.

The purpose of the Stock Option Plan is to encourage ownership of our company's common shares by persons who are directors, senior officers and employees of, as well as consultants, and employees of management companies providing services to, our company. Management believes that the Stock Option Plan will advance the interests of our company by providing incentive compensation to all eligible recipients through participation in our growth and development.

The following summary is a brief description of the Stock Option Plan:

1. The maximum number of common shares that may be issued upon the exercise of stock options granted under the Stock Option Plan may not exceed 2,336,081 common shares.
2. Stock options can be issued to persons who are directors, senior officers, employees and consultants of, or employees of management companies providing services to, our company or any of our subsidiaries.
3. The option price of any common share in respect of which an option may be granted under the Stock Option Plan shall be fixed by the Board of Directors but shall be not less than the minimum price permitted by the Exchange or, if the common shares are no longer listed for trading on the Exchange, then such other exchange or quotation system on which the common shares are listed or quoted for trading.
4. The number of options granted to any one person may not exceed 5% of the outstanding listed common shares in a 12 month period.
5. The number of options granted to any one consultant may not exceed 2% of the outstanding listed common shares in a 12 month period.

6. The aggregate number of options granted to persons employed to provide Investor Relation Activities may not exceed 2% of the outstanding listed common shares in a 12 month basis.
7. Upon expiry of an option, or in the event an option is otherwise terminated for any reason without having been exercised in full, the number of common shares in respect of the expired or terminated option shall again be available for the purpose of the Stock Option Plan.
8. All options granted under the Stock Option Plan may not have an expiry date exceeding five years from the date on which our Board of Directors grant and announce the granting of the option.
9. If the optionee ceases to be (other than by reason of death or for cause) an eligible recipient of options, then the option granted shall expire within 30 days after the date that the option holder ceases to be eligible, subject to the terms and conditions set out in the Stock Option Plan.
10. If an optionee ceases to be an eligible recipient of option by reason of death, an optionee's heirs or administrators shall have until the earlier of:
 - (a) one year from the death of the option holder; and
 - (b) the expiry date of the optionsin which to exercise any portion of options outstanding at the time of death of the optionee.
11. The vesting periods for all options granted pursuant to the Stock Option Plan will be determined at the discretion of our Board of Directors at the time of the grant in accordance with the policies of the Exchange. The vesting schedule shall provide for a vesting period of at least 18 months and that the options will vest equally on a quarterly basis over the vesting period.
12. The Stock Option Plan will be administered by our Board of Directors who will have the full authority and sole discretion to grant options under the Stock Option Plan to any eligible recipient, including themselves.
13. The options are not assignable or transferable by an optionee.
14. Our Board of Directors may from time to time, subject to regulatory and shareholder approval, amend or revise the terms of the Stock Option Plan.

As we are subject to the CTO, no options have yet been granted and none are outstanding.

PRIOR SALES

We issued an aggregate of 9,307,509 common shares during the 12 months preceding the date of this Prospectus, as follows:

Date	Number of Shares	Price per Share	Total Issue Price
June 27, 2006 ^{(1) (2)}	6,687,510	\$0.10	\$668,751
June 27, 2006 ⁽³⁾	1,799,999	\$0.15	\$270,000
July 5, 2006 ⁽⁴⁾	226,000	\$0.25	\$56,500
November 30, 2006 ⁽⁴⁾	594,000	\$0.25	\$148,500

- (1) On June 27, 2006, we entered into a debt settlement agreement with Glen Developments Ltd., a private company owned by Mr. Bryan D. Glen, our president, and one of our principal shareholders, whereby we agreed to issue an

aggregate of 5,102,550 common shares to settle \$510,255 in debt owed to Glen Developments Ltd. See “General Development of Our Business”.

- (2) On June 27, 2006, we entered into a debt settlement agreement with Keith Sigvardsen, one of our directors and principal shareholders, whereby we agreed to issue Mr. Sigvardsen an aggregate of 1,584,960 common shares to settle \$158,496 in debt owed to Mr. Sigvardsen. See “General Development of Our Business”.
- (3) On June 27, 2006, we completed a private placement of securities and issued an aggregate of 1,799,999 non-flow-through common shares at a price of \$0.15 per common share. See “General Development of Our Business”.
- (4) On July 5, 2006, we issued 226,000 flow-through common shares pursuant to the closing of a first tranche of a private placement offering at a price of \$0.25 per common share. On November 30, 2006, we issued 594,000 flow-through common shares pursuant to the closing of a second tranche.

ESCROW AND POOLING ARRANGEMENTS

Escrow Securities

The following table sets out the number of securities that will be held in escrow as of the Closing Date upon the completion of both the minimum and maximum offering:

Designation of Class	Number of Securities held in Escrow	Percentage of Class	
		Minimum Offering ⁽¹⁾	Maximum Offering ⁽¹⁾
Common Shares	8,967,099	65.5%	63.2%

- (1) Assuming our principal shareholders do not participate in the Offering and assuming the Over-allotment Option and the Agent’s Warrants are not exercised.

We have entered into an escrow agreement dated March 29, 2007 with the Escrow Agent and certain of our principal shareholders, directors, senior officers and any individuals who the Exchange has requested be subject to escrow restrictions. Assuming that we will be a Tier 2 Issuer under the Exchange’s policies upon listing, the original number of all our escrowed shares will be released as to 10% on the date on which our common shares are listed on the Exchange (the “Listing Date”) and as to 15% every six months after the initial release so that all escrowed shares will have been released three years after the Listing Date.

Pursuant to the terms of the Escrow Agreement, the securities held in escrow may not be transferred or otherwise dealt with during the term of the Escrow Agreement unless the transfers or dealings of such shares relate to:

- (i) transfers to continuing or, upon their appointment, incoming directors and senior officers of our company or one of our material operating subsidiaries, with approval of our board of directors;
- (ii) transfers to an RRSP or similar trustee plan provided that the only beneficiaries are the transferor or the transferor’s spouse or children;
- (iii) transfers upon bankruptcy to the trustee in bankruptcy;
- (iv) pledges to a financial institution as collateral for a *bona fide* loan, provided that upon a realization the securities remain subject to escrow; and
- (v) tenders of escrowed securities to a business combination, provided that, if the tender is to a Principal of the successor entity upon completion of the take-over bid, the securities received in exchange for the tendered escrowed securities are substituted in escrow on the basis of the successor entity’s escrow classification.

If we become a Tier 1 Issuer, the release schedule for our securities will be amended to comply with a Tier 1 release schedule. The Tier 1 release schedule provides that 25% of the original number of

escrowed shares will be released on the Listing Date, and 25% on the following 6th, 12th and 18th month from the Listing Date. As a result, any escrowed securities that would to the date we graduate to Tier 1 have been eligible for release from escrow had we been a Tier 1 Issuer on the date of the Listing Date will be immediately released from escrow.

The following table sets forth details of the issued and outstanding common shares that are subject to the Escrow Agreement:

Name	Number of Escrowed Securities	Percentage of Outstanding Shares Prior to the Offering	Percentage of Shares Outstanding Subsequent to the Minimum Offering ⁽¹⁾	Percentage of Shares Outstanding Subsequent to the Maximum Offering ⁽¹⁾
Bryan D. Glen	228,620	2.0%	1.7%	1.6%
Glen Developments Ltd. ⁽²⁾	5,106,853	43.7%	37.3%	36.0%
Keith Sigvardsen	2,504,960	21.4%	18.3%	17.7%
Douglas Philip	1,040,000	8.9%	7.6%	7.3%
Byron Nutting	86,666	0.7%	0.6%	0.6%
Total	8,967,099	76.8%	65.5%	63.2%

(1) Assuming the Over - allotment Option is not exercised.

(2) Glen Developments Ltd. is a private company owned by Bryan D. Glen.

Shares Subject to Resale Restrictions

Other than Seed Share Resale Restrictions (“SSRRs”) imposed by the Exchange as a condition of listing, or restrictions on the common shares of a control person as contemplated under Canadian securities legislation, none of our issued common shares will be subject to hold periods. SSRRs are hold periods imposed by the Exchange which apply to securities that are issued to non-Principals by private companies prior to a public offering at a price which is below the public offering price. After completion of the Offering, there will be an aggregate of 333,333 common shares subject to SSRRs or approximately 2.44% of the common shares issued and outstanding after completion of the Offering assuming the minimum offering or 2.35% assuming the maximum offering. The common shares subject to SSRRs will be restricted from resale for a period of four months after our common shares are listed.

PRINCIPAL SHAREHOLDERS

To the knowledge of our directors and senior officers, the table below sets out the parties who currently beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of our issued common shares, and the parties who will beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of our issued common shares upon completion of the Offering:

Name	Share Ownership prior to completion of the Offering ⁽¹⁾	Share Ownership after completion of the Offering ⁽³⁾⁽⁴⁾		Share Ownership after completion of the Offering (fully diluted) ⁽³⁾⁽⁵⁾	
		Minimum Offering	Maximum Offering	Minimum Offering	Maximum Offering
Bryan D. Glen	5,335,473 ⁽²⁾ (45.7%)	5,335,473 ⁽²⁾ (39.0%)	5,335,473 ⁽²⁾ (37.6%)	5,335,473 ⁽²⁾ (37.5%)	5,335,473 ⁽²⁾ (35.9%)
Keith Sigvardsen	2,504,960 (21.4%)	2,504,960 (18.3%)	2,504,960 (17.7%)	2,504,960 (17.6%)	2,504,960 (16.9%)

- (1) These common shares are subject to escrow restrictions. See “Escrow and Pooling Arrangements - Escrow Securities”.
- (2) 5,106,853 are held by Glen Developments Ltd., a private company owned by Mr. Bryan D. Glen. 228,620 common shares are held directly by Mr. Bryan D. Glen personally.
- (3) Assuming that the shareholders do not participate in the Offering.
- (4) Assuming the Over-allotment Option and the Agent’s Warrants are not exercised.
- (5) Assuming the Over-allotment Option and the Agent’s Warrants are exercised.

DIRECTORS AND OFFICERS

Name, Address, Occupation and Security Holding

The following table sets forth the names and municipality of residence of all the individuals who are our directors and executive officers, the principal occupations in which each has been engaged during the preceding five years, the date of their appointment to our board or to their office, and the number of securities beneficially owned by directors and executive officers before and after the Offering.

Name, Municipality of Residence and Position(s) with Us	Principal Occupation During Previous Five Years	Date Appointed	Share Ownership Prior to the Offering ⁽¹⁾	Share Ownership After the Offering (Assuming Maximum Offering) ⁽¹⁾⁽²⁾
Bryan D. Glen Vancouver, BC President, Chief Executive Officer and Director	Self-employed; President of Glen Developments Ltd., a property investment and development company, from 1973 to present.	Director since December 4, 1985.	5,335,473 ⁽³⁾ 45.7%	5,335,473 ⁽³⁾ 37.6%
Keith W. Sigvardsen ⁽⁴⁾ Vancouver, BC Director	Retired; Vice-President/Owner of Dick’s Lumber from 1967 to January 2003.	Director since December 4, 1985.	2,504,960 21.4%	2,504,960 ⁽⁴⁾ 17.7%
Douglas W. Philip ⁽⁴⁾ 100 Mile House, BC Director	Retired; Farmer and rancher at D. & D. Farms Ltd., a family owned private company involved in the agricultural business from June 2000 to present.	Director since August 22, 2005.	1,040,000 8.9%	1,040,000 7.3%

Name, Municipality of Residence and Position(s) with Us	Principal Occupation During Previous Five Years	Date Appointed	Share Ownership Prior to the Offering ⁽¹⁾	Share Ownership After the Offering (Assuming Maximum Offering) ⁽¹⁾⁽²⁾
Sean P. Butler, P. Geo. ⁽⁴⁾ Burnaby, BC Director	Technical sales representative with Trafco Canada Ltd., an Alberta-based company that distributes parking and traffic technology.	Director since December 20, 2005.	Nil	Nil
David Martin-Smith Vancouver, BC Director	President of 476500 B.C. Ltd., a private company that provides consulting services and corporate management and accounting services for public and private companies and professional organizations; Director of eTV Technologies Inc., from June 2002 to May 2007; Director of International Bethlehem Mining Corporation (formerly, Orphan Boy Resources Inc.) from May 2005 to December 2005; Director of Mandalay Resources Corporation, from September 2000 to February 2005.	Director since February 12, 2007.	Nil	Nil
Byron Nutting Vancouver, BC Chief Financial Officer	Self-employed as a bookkeeper from January 2005 to present, and as a home renovations contractor from January 2000 to January 2005. Has provided bookkeeping services to Jazz since 2005.	Officer since August 1, 2005.	86,666 0.74%	86,666 0.61%

- (1) These common shares are subject to escrow restrictions. See “Escrow and Pooling Arrangements - Escrow Securities”.
- (2) Assuming our directors and officers do not participate in the Offering and assuming the Over-allotment Option and the Agent’s Warrants are not exercised.
- (3) 5,106,853 of these common shares are owned by Glen Developments Ltd., a private company owned by Bryan D. Glen.
- (4) Member of the Audit Committee.

As a group, our directors and executive officers beneficially own, directly or indirectly, or exercise control over 8,967,099 common shares which, before giving effect to this Offering, represents approximately 76.8% of our common shares.

Except as disclosed below, each of our directors and officers has been engaged for more than five years in his present principal occupation or in other capacities with us in which he currently holds his principal occupation.

Our Management Team

Bryan D. Glen (Age 61)

Mr. Glen is currently a director and our President and Chief Executive Officer, and is responsible for the overall operations of Jazz. Mr. Glen is a self-employed businessman. Since 1973 he has been the president of Glen Developments Ltd. a property investment and development company. As one of our

long serving directors, Mr. Glen has been involved in the mining industry for the past 22 years. As our President and Chief Executive Officer, Mr. Glen will devote 70% of his time to our business.

Keith W. Sigvardsen (Age 67)

Mr. Sigvardsen is a director and a member of the Audit Committee. As a member of the Audit Committee, Mr. Sigvardsen is responsible for oversight of the financial activities of Jazz in conjunction with management. Mr. Sigvardsen is a retired businessman having served as Vice-President and owner of Dick's Lumber from 1967 to January 2003. As one of our long serving directors, Mr. Sigvardsen has been involved in the mining industry for the past 22 years. Mr. Sigvardsen will devote approximately 20% of his time to our business.

Douglas W. Philip (Age 66)

Mr. Philip is a director and a member of the Audit Committee. As an independent director, Mr. Philip will primarily serve as a member of the Audit Committee. Mr. Philip obtained a B.Ed from the University of British Columbia in 1990. Mr. Philip was a school teacher from September 1969 until his retirement in June 2000. Since 1975, Mr. Philip has been a director, secretary and part owner of D. & D. Farms Ltd., a family owned private company involved in the agricultural business and active as a farmer and rancher since June 2000. Mr. Philip will devote approximately 20% of his time to our business.

Sean P. Butler (Age 48)

Mr. Butler is a director and a member of the Audit Committee. As an independent director, Mr. Butler will primarily serve as a member of the Audit Committee, Mr. Butler's background and educational background as a geologist will make him well suited to contribute to discussions and decisions made respecting our mineral properties. Mr. Butler is a Professional Geologist with membership in the Association of Professional Engineers and Geoscientists of British Columbia. He earned a B.Sc Geology from the University of British Columbia in 1982. Mr. Butler has worked as a technical sales representative for Trafco Canada Ltd., an Alberta-based company that distributes parking and traffic technology, since February 2001. Mr. Butler was self-employed and worked as an independent consulting geologist for various companies from March 1997 to February 2000. Prior to that, he worked for Britannia Gold Corp. as a consulting geologist from 1992 to March 1997. Mr. Butler has worked in North and South America on mineral projects ranging from grassroots exploration to mining feasibility studies. He has broad experience in base and precious metal projects and project management. He also has experience in open pit and underground mining. Mr. Butler will devote as much time as is necessary to our business.

David Martin-Smith (Age 40)

Mr. Martin-Smith is a director of Jazz. As an independent director, and with his public company experience Mr. Martin-Smith will provide knowledgeable oversight of management's corporate activities. Mr. Martin-Smith is President of 476500 B.C. Ltd., a private company which provides management and corporate consulting services to private and public companies. Mr. Martin-Smith served on the Board of eTV Technology Inc. from June 2002 to May 2007, a company listed on the NEX. From May to December 2005, he served as a director of International Bethlehem Mining Corporation (formerly Orphan Boy Resources Inc.), a company listed on the Exchange. From 2000 to 2005, he served as a Director of Mandalay Resources Corporation, a company listed on the Exchange. From 1996 to 2000, Mr. Martin-Smith acted as President, Chief Executive Officer, director and corporate secretary for Hathor Exploration Limited, a company listed on the Exchange, which specialized in copper, nickel, lead and zinc mineral exploration and development. He has also served as a director and/or officer of several other mining issuers, which during the time of his service were listed on the Exchange or a predecessor to the Exchange, including American Copper Corp./Twin Star Minerals Ltd. (1996-1999), Kit

Resources/Arauco Resource Corp. (1996-1997) and Gold City Mining Corporation (1994-1996). Mr. Martin-Smith has been a self-employed consultant since 1989. Mr. Martin-Smith will devote as much time as is necessary to our business.

Byron Nutting (Age 59)

Mr. Nutting has been our Chief Financial Officer since August 1, 2005. As Chief Financial Officer, Mr. Nutting is responsible for the coordination of the financial operations of Jazz in conjunction with the President and with tax and auditing firms. He is self-employed presently as a bookkeeper, since 2005, and as a home renovations contractor from 2000 until 2005. He has provided bookkeeping services to the Company since 2005. Previously, Mr. Nutting worked as an economist with the Federal Department of Finance from 1984 to 1995. He earned a Masters degree in Economics from the University of Ottawa in August 1985 and a certificate of Business Administration from the University of Ottawa in August 1990. Mr. Nutting will devote approximately 60% of his time to our business.

Committees of the Board

The board of directors' only committee is an audit committee. The audit committee is currently comprised of Mr. Sigvardsen, Mr. Philip and Mr. Butler. Of the current audit committee, Mr. Philip and Mr. Butler are considered independent and Mr. Sigvardsen is not considered independent pursuant to Section 1.4 of Multilateral Instrument 52-110 *Audit Committees*. The committee is responsible for reviewing our financial reporting procedures, internal controls and the performance of our external auditors. The audit committee is also responsible for reviewing quarterly financial statements and the annual financial statements prior to their approval by the full board of directors.

Corporate Cease Trade Orders or Bankruptcies

Our company is currently subject to the CTO. Mr. Glen and Mr. Sigvardsen were directors of our company when the CTO was issued. Except for the CTO and as disclosed below, none of our directors, officers, promoters or persons holding a sufficient number of common shares to affect materially the control of our company, has, within the last ten years, been a director, officer or promoter of any other reporting issuer which, while that person was acting in that capacity:

- (a) was the subject of a cease trade order or similar order, or an order that denied the other issuer access to any statutory exemptions for a period of more than 30 consecutive days; or
- (b) 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 the assets.

Mr. Sigvardsen and Mr. Philip were both directors of Chelsea Mercantile Bancorp Ltd., which had a cease trade order issued against it by the Alberta Securities Commission on October 14, 1999 for failure to file its annual audited financial statements and its first quarter interim unaudited financial statements. Both Mr. Sigvardsen and Mr. Philip resigned as directors from Chelsea Mercantile Bancorp Ltd. in October 2000. Subsequently, the CDNX (a predecessor to the Exchange) delisted Chelsea Mercantile Bancorp Ltd. in March 2001.

Mr. Martin-Smith was a director of eTV Technology Inc., which had a cease trade order issued against it by the BCSC on March 1, 2005 for failure to file its annual audited financial statements. eTV Technology Inc. filed its financial statements and the cease trade order was lifted on June 1, 2005. eTV Technology Inc. is currently subject to a cease trade order issued against it by the BCSC on February 7, 2006 for failure to file its financial statements for its financial year ended September 30, 2005. Mr. Martin-Smith was a director of Mandalay Resources Corporation, which had a cease trade order

issued against it by the BCSC on February 9, 2004 relating to disclosure not considered in compliance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* on a property that Mandalay Resources Corporation had an option. The cease trade order was lifted on December 23, 2004.

Penalties or Sanctions

None of our directors, officers or promoters have, during the past ten years prior to the date of this Prospectus, been subject to any penalties or formal sanctions imposed by a court or securities regulatory authority relating to the trading in securities, the promotion or management of a publicly traded company, or involving theft or fraud.

Personal Bankruptcies

To the knowledge of management, none of our directors, officers or promoters have, within the last ten years, been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Conflicts of Interest

Except as disclosed in this section or elsewhere in this Prospectus, there are no known existing or potential conflicts of interest among directors, officers or other members of management as a result of their outside business interests except that certain of the directors, officers or other members of management may serve as directors, officers, promoters and other members of management of other public companies. Our directors and officers are aware of the laws governing the accountability of directors and officers for corporate opportunities and the requirement for directors to disclose any potential conflicts of interest. We will rely upon these laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of our directors or officers. All such conflicts will be disclosed by directors or officers in accordance with the *Business Corporations Act* (British Columbia). We expect that our directors and officers will act in a reasonable and responsible manner, giving full consideration to their fiduciary duties and other obligations imposed upon them by law.

STATEMENT OF EXECUTIVE COMPENSATION

Summary Compensation Table

The following table provides a summary of compensation paid during each of the three financial years ended June 30, 2006, 2005 and 2004 to our Chief Executive Officer and Chief Financial Officer. There were no other executive officers whose total salary and bonus exceeded \$150,000 during the most recently completed financial year.

NEO Name and Principal Position	Year Ended June 30	Annual Compensation			Long-Term Compensation			All other Compensation (\$)
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Awards		Payouts	
					Securities Under Options/SARs Granted (#)	Shares or Shares Subject to Resale Restrictions	LTP Payouts (\$)	
Bryan D. Glen President and Chief Executive Officer	2006	Nil	Nil	Nil	Nil	Nil	Nil	28,077 ⁽¹⁾
	2005	Nil	Nil	Nil	Nil	Nil	Nil	18,954 ⁽¹⁾
	2004	Nil	Nil	Nil	Nil	Nil	Nil	22,706 ⁽¹⁾
Byron Nutting Chief Financial Officer ⁽²⁾	2006	Nil	Nil	Nil	Nil	Nil	Nil	11,819 ⁽³⁾

- (1) Fees paid or accrued to Glen Developments Ltd., a company controlled by Bryan D. Glen pursuant to an unwritten arrangement for management, administrative and office services.
- (2) Byron Nutting was appointed our CFO on August 1, 2005.
- (3) Fees paid or accrued for bookkeeping services.

Directors' Compensation

Other than incentive stock options that may be granted from time to time, pursuant to our Stock Option Plan, we do not pay our directors for their services as directors nor are there any arrangements for any such compensation to be paid other than reimbursement for expenses incurred in connection with their services as directors. No incentive stock options may be granted until the CTO is revoked in full or in part to allow for the granting of such incentive stock options.

Management Agreements

Our management functions are substantially performed by our directors or senior officers (or private companies controlled by them, either directly or indirectly) and not, to any substantial degree, by any other person with whom we have contracted.

Mr. Bryan D. Glen, our president, through his private company, Glen Developments Ltd., provides management, administrative and office services to us and oversees our day to day operations. Pursuant to a management agreement dated March 14, 2007, we intend to pay a fee of \$6,500 per month for these services once we become listed on the Exchange. These services will include maintaining records, providing facilities, corresponding with third parties (including professional advisors on all matters relating to our business), arranging for audits and tax filings, overseeing the preparation of reports required to be filed with stock exchanges, securities commissions and other regulatory bodies, and arranging for bookkeeping services and office services and other facilities.

Until listing on the Exchange, we will continue to pay Glen Developments Ltd. pursuant to an unwritten arrangement which provides for reimbursement of certain rent, salaries, professional fees, office expenses and other services. For the financial year ended June 30, 2006, we paid or accrued to Glen Developments Ltd. an aggregate of \$28,077 under this arrangement.

Termination of Employment, Change in Responsibility and Employment Contracts

We do not have any compensatory plan(s), contract(s) or arrangement(s) with respect to the resignation, retirement or any other termination of the Named Executive Officer's employment, a change of control of our company or any of our subsidiaries or a change in the Named Executive Officer's responsibilities following a change in control, which entitle a Named Executive Officer to receive an amount, including all periodic payments or installments, exceeding \$100,000. See "Directors' Compensation".

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer, or any associate or affiliate thereof is or has been indebted to us since the beginning of our last financial year.

PLAN OF DISTRIBUTION

This Prospectus is being filed in the provinces of British Columbia and Alberta in order to qualify the distribution of up to 2,500,000 Shares, the Agent's Warrants, the Over-allotment Option and any Shares and Agent's Warrants issued upon exercise of the Over-allotment Option.

The Offering

Pursuant to the Agency Agreement between us and the Agent dated for reference January 25, 2007 (as amended), the Agent has been appointed as our agent to offer for sale to the public, on a commercially reasonable efforts basis, the Shares offered by this Prospectus subject to specific terms and conditions. The Offering is being made only to investors resident in British Columbia and Alberta, and such other jurisdictions outside of Canada and the United States, where they may be lawfully offered.

We, through our Agent, hereby offer a minimum of 2,000,000 Shares and a maximum of 2,500,000 Shares at an Offering price of \$0.45 per Share. Funds received from the sale of the Shares offered by this Prospectus will be deposited with the Agent and will not be released until the minimum offering of \$900,000 has been deposited with the Agent. If the minimum offering is not obtained within 90 days of the issuance of a final receipt for the Prospectus (or such later date as is agreed to by us and the Agent with the consent of the relevant securities authorities and those persons who have subscribed for Shares prior to that date), subscribers' funds will be returned promptly, without interest or deduction. It is expected that definitive certificates representing the Shares will be available for delivery at closing.

We have granted the Agent an option (the "Over-allotment Option") to arrange for the purchase, from us, of up to such number of additional common shares as is equal to 15% of the number of Shares sold under the Offering solely to cover over-allotments, if any, and for market stabilization purposes. The Over-allotment Option may be exercised on or before the 60th day from the Closing Date. To the extent the Over-allotment Option is exercised, the additional Shares will be offered by the Agent at the Offering Price. The Agent will receive a cash commission of 10% of the proceeds from the sale of the additional Shares as well as Agent's Warrants to acquire that number of common shares as is equal to 10% of the number of additional Shares sold. The grant of the Over-allotment Option and the issuance of Shares and Agent's Warrants upon the exercise thereof are qualified by this Prospectus.

In consideration for its services in connection with the Offering, the Agent will receive a cash commission equal to ten percent (10%) of the gross proceeds of the Offering and Agent's Warrants equal

to 10% of the number of Shares sold pursuant to the Offering. Each Agent's Warrant entitles the Agent to acquire one common share in our capital at a price of \$0.45 per share for a period of eighteen (18) months from the Closing Date. The Agent's Warrants are qualified for distribution under this prospectus. The Agent will also receive a corporate finance fee of \$32,000 (plus GST), of which \$20,000 was paid on January 30, 2007. We will also reimburse the Agent for its expenses, which will include reasonable fees and expenses of its legal counsel and certain other expenses incurred in connection with their services.

The Agent has agreed to use its commercially reasonable efforts to secure subscriptions for the Shares offered by this Prospectus on our behalf and, if the Agent deems it appropriate, to make syndication or other selling arrangements with other investment dealers at no additional cost to us. The obligations of the Agent under the Agency Agreement may be terminated at any time at the Agent's discretion on the basis of its assessment of the financial markets and upon the occurrence of certain stated events. We have also granted the Agent a right of first refusal to provide future brokered equity financing to us for a period of twelve (12) months from the Closing Date.

Subscriptions for the Shares 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. Subject to applicable laws in connection with the Offering, the Agents may effect transactions that stabilize or maintain the market price of the securities at levels other than those which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this Prospectus. The Exchange has conditionally accepted the listing of our Shares, which listing will be subject to us fulfilling of all of the listing requirements prescribed by the Exchange.

The offering price for the Shares was determined by negotiation between management of our company and the Agent.

The Shares offered hereby have not been and will not be registered under the *United States Securities Act* of 1933, as amended (the "U.S. Securities Act"). Accordingly, the Shares may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the U.S. Securities Act. The Agent has agreed that it will not offer, sell or deliver the Shares offered hereby within the United States.

RISK FACTORS

An investment in the Shares offered by this Prospectus is highly speculative and involves a high degree of risk due to the nature of our business, the nature of mineral exploration and development generally, our early stage of development, our current financial position and our lack of an earnings record. You should carefully consider the risks and uncertainties described below, as well as other information contained in this Prospectus, including our audited annual financial statements and accompanying notes, before buying the Shares. The risks and uncertainties below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we believe to be immaterial may also adversely affect our business. If any of the following risks occur, our business, financial condition and results of operations could be seriously harmed and you could lose all or part of your investment. Further, if we fail to meet the expectations of the public market in any given period, the market price of our common shares could decline.

Exploration Stage Company: We have had a sporadic history of operations and are still in an early stage of development. We are engaged in the business of acquiring, exploring and developing mineral properties in the hope of locating economic deposits of minerals. Our Teddy Glacier Property is in the

early stages of exploration and is without a known deposit of ore. Development of our properties will only follow upon obtaining satisfactory exploration results. There can be no assurance that our existing or future exploration programs will result in the discovery of commercially viable mineral deposits. Further there can be no assurance that even if a deposit of minerals is located, that it can be commercially mined.

Mineral Exploration and Development: The exploration and development of minerals is highly speculative in nature and involves a high degree of financial and other risks over a significant period of time, during which even a combination of careful evaluation, experience and knowledge may not eliminate. The proposed program on our Teddy Glacier Property is an exploratory search for mineral deposits. While discovery of an orebody may result in significant rewards, few properties which are explored are ultimately developed into producing mines. Substantial expenses are required to establish mineral reserves by drilling, sampling and other techniques and to design and construct mining and processing facilities. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit, financing costs, the cyclical nature of commodity prices, and government regulations (including those related to prices, taxes, currency controls, royalties, land tenure, land use, importing and exporting of mineral products, and environmental protection). The effect of these factors or a combination thereof, cannot be accurately predicted but could have an adverse impact on our company. Our operations are also subject to all of the hazards and risks normally encountered in mineral exploration and development. These risks include unusual and unexpected geological formations, seismic activity, rock bursts, cave-ins, water inflows and other conditions involved in the drilling and removal of material, environmental hazards, industrial accidents, periodic interruptions due to adverse weather conditions, labour disputes, political unrest and theft. The occurrence of any of the foregoing could result in damage to, or destruction of, mineral properties or interests, production facilities, personal injury, damage to life or property, environmental damage, delays or interruption of operations, increases in costs, monetary losses, legal liability and adverse government action. We do not currently carry insurance against these risks and there is no assurance that such insurance will be available in the future, or if available, at economically feasible premiums or upon acceptable terms. The potential costs associated with losses or liabilities not covered by insurance coverage may have a material adverse effect upon our financial condition.

Operating History and Financial Resources: While we have been incorporated since 1947, we have no recent history of operations or revenues and it is unlikely that we will generate any revenues from operations in the foreseeable future. We anticipate that our existing cash resources, together with the net proceeds of the Offering, will be sufficient to cover our projected funding requirements for the ensuing year. We will need to raise additional funds for the Phase 2 exploration program of the Teddy Glacier Property. If our exploration program is successful, additional funds will be required for further exploration and development to determine if any deposits are economic and, if economic, to possibly bring such deposits to production. Additional funds will also be required for us to acquire and explore other mineral interests. We have limited financial resources and there is no assurance that sufficient additional funding will be available to enable us to fulfill our obligations or for further exploration and development on acceptable terms or at all. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development and could cause us to forfeit our interests in some or all of our properties or to reduce or terminate our operations. Additional funds raised by us from treasury share issuances may result in further dilution to our shareholders or result in a change of control.

Competition: The mineral exploration business is competitive in all of its phases. We compete with numerous other companies and individuals, including competitors with greater financial, technical and other resources, in the search for and the acquisition of attractive mineral properties. Our ability to acquire properties in the future will depend not only on our ability to develop our present properties, but also on our ability to select and acquire suitable prospects for mineral exploration or development. In addition, the mining industry is currently facing a shortage of equipment and skilled personnel and there

may be intense competition for experienced geologists, field personnel and contractors. There is no assurance that we will be able to compete successfully with others in acquiring prospective properties, equipment or personnel.

Environmental Risks and Hazards: All phases of our operations are subject to extensive environmental regulations. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation, provide for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry activities and operations. They also set forth limitations on the generation, transportation, storage and disposal of hazardous waste. A breach of these regulations may result in the imposition of fines and penalties. In addition, certain types of mining operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the viability or profitability of operations. Environmental hazards may exist on the properties in which we hold our interests or on properties that will be acquired which are unknown to us at present and which have been caused by previous or existing owners or operators of the properties. Approximately 116 small, 10 gallon drums dating from the 1930's were observed in the general portal area. The author of the Shearer Report believes these can be disposed of, if required, to landfill facilities in Revelstoke or Naksup and also advises that there appears to be minor low pH and probable elevated heavy metal levels in small drainages around the main showings on our property. These appear entirely natural pending detailed sampling and analysis. Possible acidic conditions and metal leaching from mining activities are considered to be controllable. A lined pond, swale or other applications of limestone could be one method of adequate control but there can be no guarantee with respect to these strategies. There has also been considerable logging activity at much lower elevations in the general area in the past with the associated land disturbance and road building, along the Incomappleux River. Environmental authorities could require remediation in the area which might adversely affect our activities.

Government Regulations: Our current or future operations, including exploration and development activities and the commencement and continuation of commercial production, require licenses, permits or other approvals from various federal, provincial and local governmental authorities and such operations are or will be governed by laws and regulations relating to prospecting, development, mining, production, exports, taxes, labour standards, occupational health and safety, waste disposal, toxic substances, land use, water use, environmental protection, aboriginal land claims and other matters. We believe that we are in substantial compliance with all material laws and regulations which currently apply to our activities. There can be no assurance, however, that we will obtain on reasonable terms or at all the permits and approvals, and the renewals thereof, which we may require for the conduct of our current or future operations or that compliance with applicable laws, regulations, permits and approvals will not have an adverse effect on any mining project which we may undertake. Possible changes to mineral tax legislation and, regulations could cause additional expenses, capital expenditures, restrictions and delays to our planned exploration and operations, the extent of which cannot be predicted. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Title Risks: While we have exercised the usual due diligence with respect to determining title to our properties, there is no guarantee that title to such properties will not be challenged or impugned. Our properties have not been surveyed. Our properties may be subject to prior unregistered agreements or transfers or aboriginal land claims and title may be affected by undetected defects. If title defects do

exist, it is possible that we may lose all or a portion of our rights, title, estate and interest in and to the properties, when and if earned, to which the title defects relate. Aboriginal rights might be claimed on Crown properties or other types of tenure with respect to which mining rights have been conferred, and our Teddy Glacier Property is within the land claimed by the Ktunaxa Kinbasket Tribal Council as traditional territory. A successful claim of aboriginal title or granting of aboriginal rights may result, ultimately, in the loss of all or a portion of our rights, title and interest in and to the properties.

Commodity Prices: The price of our securities, our financial results and exploration, development and mining activities have previously been, or may in the future be, significantly adversely affected by declines in the price of precious or base metals. Precious or base metal prices fluctuate widely and are affected by numerous factors beyond our control such as the sale or purchase of precious or base metals by various dealers, central banks and financial institutions, interest rates, exchange rates, inflation or deflation, currency exchange fluctuation, global and regional supply and demand, production and consumption patterns, speculative activities, increased production due to improved mining and production methods, government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, environmental protection, the degree to which a dominant producer uses its market strength to bring supply into equilibrium with demand, and international political and economic trends, conditions and events. The prices of precious or base metals have fluctuated widely in recent years, and future price declines could cause continued development of our properties to be impracticable.

Price Volatility and Lack of Active Market: In recent years, the securities markets in Canada and elsewhere have experienced a high level of price and volume volatility, and the market prices of securities of many public companies have experienced significant fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any quoted market for our securities will be subject to such market trends and that the value of such securities may be affected accordingly. There is currently no market through which our common shares can be sold and there can be no assurance that one will develop or be sustained after the Offering. If an active market does not develop, the liquidity of your investment may be limited and the market price of our common shares may decline below the Offering price.

Reliance on Management and Experts: Our success will be largely dependent, in part, on the services of our senior management and long time directors, including Mr. Bryan D. Glen and Mr. Keith Sigvardsen. The contributions of these individuals include both technical and financial skills and assistance. Since our inception, we have financed substantially all of our operations through shareholder loans and equity investments from our shareholder group. The experience and continued financial contribution of these individuals will be an important factor contributing to our continued success and growth. We have not purchased any “key man” insurance nor have we entered into any non-competition or non-disclosure agreements with any of our directors, officers or key employees and have no current plans to do so. We may hire consultants and others for geological and technical expertise. Our current personnel may not include persons with sufficient technical expertise to carry out the future development of our properties. There is no assurance that suitably qualified personnel can be retained or will be hired for such development.

Concentration of Ownership: Immediately following the completion of the Offering our directors, major shareholders, executive officers and their respective associates will beneficially own approximately 63.2% (assuming that the maximum offering is fully subscribed) of our outstanding share capital. These shareholders could significantly influence the outcome of actions taken by management that require shareholder approval. For example, these shareholders could significantly influence the election of our directors and control changes in management.

Conflicts of Interest: Certain of our directors, officers and other members of management do, and may in the future, serve as directors, officers, promoters and members of management of other companies and, therefore, it is possible that a conflict may arise between their duties as a director, officer, promoter or

member of our management team and their duties as a director, officer, promoter or member of management of such other companies. Our directors and officers are aware of the laws governing accountability of directors and officers for corporate opportunity and the requirement of directors to disclose conflicts of interest. We will rely upon these laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of our directors or officers.

Dilution: Dilution per Share represents the amount by which the price per Share to be paid by a new investor will exceed the net tangible book value per Share immediately after the Offering is completed. The issue price of \$0.45 paid for each Share exceeds by \$0.45 per common share the net tangible book value per common share as at March 31, 2007. As a result, investors will incur a significant and immediate dilution of up to 87.3% in their investment assuming completion of the maximum offering.

PROMOTERS

Mr. Bryan D. Glen and Mr. Keith Sigvardsen may be considered to be promoters of Jazz in that they took the initiative to reactivate Jazz and to reorganize our business. As of the date of this Prospectus, Mr. Bryan D. Glen beneficially owns, directly or indirectly, or exercises control over, 5,335,473 common shares (5,106,853 of which are held by Glen Developments Ltd., a private company owned by Mr. Glen). Mr. Keith Sigvardsen owns, directly or indirectly, or exercises control over 2,504,960 common shares. These common shares will be subject to escrow and other restrictions. See "Escrow and Pooling Arrangements - Escrow Securities".

LEGAL PROCEEDINGS

As of the date hereof, we are not a party to, nor is there any threatened or pending legal, regulatory or arbitration proceedings against us which we believe would have a significant effect on our financial position.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as set out elsewhere in this Prospectus, none of our directors, executive officers, principal shareholders, or any associate or affiliate of any thereof, has or had any material interest in any transaction within the past three years or in any proposed transaction that has materially affected or will materially affect us.

On June 27, 2006, we settled an aggregate of \$668,751 in accounts payable to certain directors and officers (and companies related to these individuals) by the issuance of 6,687,510 of our common shares at a deemed price of \$0.10 per common share. This amount was comprised of \$510,255 payable to Glen Developments Ltd. and \$158,496 payable to Mr. Sigvardsen. See "Prior Sales".

AUDITORS, TRANSFER AGENT AND REGISTRAR

Our auditors are Davidson & Company LLP, Chartered Accountants, 1200 - 609 Granville Street, Vancouver, BC V7Y 1G6. Our registrar and transfer agent is Valiant Trust Company, 600-750 Cambie Street, Vancouver, BC V6B 0A2.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of our business, the only material contracts which we have entered into in the two years prior to the date of the Prospectus are the following:

1. Agency Agreement (as amended) made between Jazz and the Agent described under “Plan of Distribution”.
2. Escrow Agreement made between Jazz and the Escrow Agent described under “Escrow and Pooling Arrangements”.
3. Management Agreement made between Jazz and Glen Developments Ltd. described under “Statement of Executive Compensation”.
4. Stock Option Plan.
5. Registrar and Transfer Agency Agreement made between Jazz and Valiant Trust Company described under “Auditors, Transfer Agent and Registrar”.

Copies of the material contracts described above may be inspected during normal business hours for a period of 30 days after the date of this Prospectus at the offices of our lawyers, Thomas, Rondeau LLP, at Suite 1925 – 700 West Georgia Street, Vancouver, BC V7Y 1A1.

EXPERTS

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

1. J. T. Shearer, M.Sc., P. Geo., an independent consulting geologist and “qualified person” as defined in NI 43-101, is the author responsible for the preparation of the Shearer Report describing our mineral properties; and
2. The audited financial statements included with this Prospectus have been subject to audit by Davidson & Company LLP, Chartered Accountants and their audit report is included herein.

Based on information provided by the relevant persons named above, none of these persons or companies have received or will receive a direct or indirect interest in our property or, other than as disclosed below, have any significant beneficial ownership, direct or indirect, of our securities.

Mr. Shearer is independent of our company within the meaning of NI 43-101 and does not have a beneficial interest in our properties. As at the date hereof, none of the aforementioned persons or companies, nor any of the directors, officers, employees and partners thereof, beneficially own, directly or indirectly, any of our securities or our associates and affiliates other than Dale A. Rondeau, a principal of Thomas, Rondeau LLP, counsel to Jazz. Mr. Rondeau owns 40,000 of our common shares.

Davidson & Company LLP is our auditor and is independent with the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

Income tax consequences are not viewed as a material aspect of the Offering of the Shares hereunder. **Subscribers should consult their own tax advisors for advice with respect to the income tax consequences associated with their acquisitions of the Shares under this Prospectus.**

OTHER MATERIAL FACTS

There are no other material facts about the securities being distributed that are not disclosed elsewhere in this Prospectus.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in the provinces of British Columbia and Alberta provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a Prospectus and any amendment. The securities legislation further provides a purchaser with remedies for rescission or damages if the Prospectus and any amendment contain a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. 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 advisor.

AUDITORS' CONSENT

We have read the prospectus of Jazz Resources Inc. (the "Company") dated July 26, 2007 relating to the issue and sale of a minimum of 2,000,000 and a maximum of 2,500,000 common shares in the capital of the Company at a price of \$0.45 per common share. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above mentioned prospectus of our report to the directors of the Company on the balance sheets of the Company as at June 30, 2006, 2005 and 2004 and the statements of operations and deficit and cash flows for the years then ended. Our report is dated July 12, 2006 (except as to Note 2 which is as of June 26, 2007 and Note 11 which is as of July 26, 2007).

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Accountants

July 26, 2007

A Member of SC INTERNATIONAL

JAZZ RESOURCES INC.

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2007

AUDITORS' REPORT

To the Directors of
Jazz Resources Inc.

We have audited the consolidated balance sheets of Jazz Resources Inc. as at June 30, 2006, 2005 and 2004 and the consolidated statements of operations and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2006, 2005 and 2004 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

As described in Note 2, the consolidated financial statements of the Company as at June 30, 2006, 2005 and 2004 and for the years then ended on which we have previously reported on July 12, 2006 have been restated.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Accountants

July 12, 2006 (except as to Note 2
which is as of June 26, 2007 and
Note 11 which is as of July 26, 2007)

A Member of *SC INTERNATIONAL*

JAZZ RESOURCES INC.
CONSOLIDATED BALANCE SHEETS

	March 31, 2007	June 30, 2006	June 30, 2005	June 30, 2004
	(Unaudited)	(Restated- Note 2)	(Restated – Note 2)	(Restated – Note 2)
ASSETS				
Current				
Cash	\$ 121,970	\$ 73,821	\$ -	\$ -
Security deposit	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
	126,970	73,821	-	-
Equipment (Note 4)	30,040	35,404	-	-
Mineral property and deferred exploration costs (Note 3)	<u>159,823</u>	<u>141,063</u>	<u>33,117</u>	<u>14,667</u>
	<u>\$ 316,833</u>	<u>\$ 250,288</u>	<u>\$ 33,117</u>	<u>\$ 14,667</u>

**LIABILITIES AND SHAREHOLDERS'
EQUITY (DEFICIENCY)**

Current

Accounts payable and accrued liabilities	\$ 90,000	\$ 14,984	\$ 30,989	\$ 24,724
Due to related parties (Note 5)	<u>85,354</u>	<u>28,000</u>	<u>668,751</u>	<u>614,813</u>
	<u>175,354</u>	<u>42,984</u>	<u>699,740</u>	<u>639,537</u>

Shareholders' equity (deficiency)

Capital stock (Note 6)	3,021,464	2,877,924	1,950,483	1,950,483
Share subscriptions received (Note 6)	-	60,000	-	-
Deficit	<u>(2,879,985)</u>	<u>(2,730,620)</u>	<u>(2,617,106)</u>	<u>(2,575,353)</u>
	<u>141,479</u>	<u>207,304</u>	<u>(666,623)</u>	<u>(624,870)</u>
	<u>\$ 316,833</u>	<u>\$ 250,288</u>	<u>\$ 33,117</u>	<u>\$ 14,667</u>

Nature and continuance of operations (Note 1)

Subsequent event (Note 11)

On behalf of the Board:

“Bryan Glen”

Director

“Keith Sigvardsen”

Director

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

JAZZ RESOURCES INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

	Nine Months Ended March 31, 2007	Nine Months Ended March 31, 2006	Year Ended June 30, 2006	Year Ended June 30, 2005	Year Ended June 30, 2004
	(Unaudited)	(Unaudited) (Restated- Note 2)	(Restated- Note 2)	(Restated – Note 2)	(Restated – Note 2)
GENERAL AND ADMINISTRATIVE EXPENSES					
Amortization	\$ 8,296	\$ -	\$ 6,248	\$ -	\$ -
Office and miscellaneous	4,912	2,190	2,753	222	124
Professional fees	173,922	73,480	99,833	22,577	14,597
Rent	12,600	12,600	16,800	16,800	16,800
Salaries and benefits	2,938	3,431	4,711	2,154	5,906
Transfer agent fees	6,273	-	5,720	-	-
Travel and entertainment	<u>1,884</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Loss before other items and income tax	<u>(210,825)</u>	<u>(91,701)</u>	<u>(136,065)</u>	<u>(41,753)</u>	<u>(37,427)</u>
OTHER ITEMS					
Interest income	-	-	252	-	-
Gain on settlement of accounts payable	<u>-</u>	<u>-</u>	<u>10,989</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>11,241</u>	<u>-</u>	<u>-</u>
Loss before income taxes	(210,825)	(91,701)	(124,824)	(41,753)	(37,427)
Future income tax recovery (Note 10)	<u>61,460</u>	<u>11,310</u>	<u>11,310</u>	<u>-</u>	<u>-</u>
Net loss for the period	(149,365)	(80,391)	(113,514)	(41,753)	(37,427)
Deficit, beginning of period	<u>(2,730,620)</u>	<u>(2,617,106)</u>	<u>(2,617,106)</u>	<u>(2,575,353)</u>	<u>(2,537,926)</u>
Deficit, end of period	<u>\$ (2,879,985)</u>	<u>\$ (2,697,497)</u>	<u>\$ (2,730,620)</u>	<u>\$ (2,617,106)</u>	<u>\$ (2,575,353)</u>
Basic and diluted loss per common share	<u>\$ (0.01)</u>	<u>\$ (0.03)</u>	<u>\$ (0.05)</u>	<u>\$ (0.02)</u>	<u>\$ (0.02)</u>
Weighted average number of common Shares outstanding	<u>11,223,879</u>	<u>2,372,896</u>	<u>2,442,720</u>	<u>2,372,896</u>	<u>2,372,896</u>

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

JAZZ RESOURCES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended March 31, 2007 (Unaudited)	Nine Months Ended March 31, 2006 (Unaudited)	Year Ended June 30, 2006	Year Ended June 30, 2005	Year Ended June 30, 2004
CASH FLOWS FROM OPERATING ACTIVITIES					
Net loss for the period	\$ (149,365)	\$ (80,391)	\$ (113,514)	\$ (41,753)	\$ (37,427)
Items not affecting cash:					
Amortization	8,296	-	6,248	-	-
Gain on settlement of accounts payable	-	-	(10,989)	-	-
Future income tax recovery	(61,460)	(11,310)	(11,310)	-	-
Changes in non-cash working capital items:					
Increase (decrease) in accounts payable and accrued liabilities	76,734	(20,000)	(6,735)	6,265	2,237
Increase in due to related parties	5,354	4,381	-	-	-
Net cash used in operating activities	<u>(120,441)</u>	<u>(107,320)</u>	<u>(136,300)</u>	<u>(35,488)</u>	<u>(35,190)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of equipment	(2,932)	(41,652)	(41,652)	-	-
Increase in security deposit	(5,000)	-	-	-	-
Mineral property and deferred exploration costs	<u>(20,478)</u>	<u>(4,035)</u>	<u>(106,227)</u>	<u>(18,450)</u>	<u>(14,647)</u>
Net cash used in investing activities	<u>(28,410)</u>	<u>(45,687)</u>	<u>(147,879)</u>	<u>(18,450)</u>	<u>(14,647)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Increase in due to related parties	52,000	-	28,000	53,938	49,837
Share subscriptions received	-	-	60,000	-	-
Proceeds from issuance of capital stock	<u>145,000</u>	<u>230,000</u>	<u>270,000</u>	<u>-</u>	<u>-</u>
Net cash provided by financing activities	<u>197,000</u>	<u>230,000</u>	<u>358,000</u>	<u>53,938</u>	<u>49,837</u>
Increase in cash during the period	48,149	76,993	73,821	-	-
Cash, beginning of period	<u>73,821</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash, end of period	<u>\$ 121,970</u>	<u>\$ 76,993</u>	<u>\$ 73,821</u>	<u>\$ -</u>	<u>\$ -</u>

Supplemental disclosure with respect to cash flows (Note 9)

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

JAZZ RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2007

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated under the laws of the Province of British Columbia and is in the business of exploration and development of mineral properties. To date, the Company has not earned any revenues and is considered to be in the exploration stage.

The Company is in the process of exploring and developing its mineral properties and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and related deferred exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, or other business and financial transactions which would assure continuation of the Company's operations and exploration programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing.

There can be no assurance that the Company will be able to continue to raise funds, in which case the Company may be unable to meet its obligations. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the balance sheets.

	March 31, 2007	June 30, 2006	June 30, 2005	June 30, 2004
	(Unaudited)			
Working capital (deficiency)	\$ (48,384)	\$ 30,837	\$ (699,740)	\$ (639,537)
Deficit	(2,879,985)	(2,730,620)	(2,617,106)	(2,575,353)

2. SIGNIFICANT ACCOUNTING POLICIES

Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Jazz Mining 05 Inc., which is incorporated under the laws of British Columbia, Canada.

Significant inter-company transactions were eliminated upon consolidation.

JAZZ RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2007

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Equipment

Equipment is recorded at cost less accumulated amortization. Amortization is being provided for using the following rates and methods:

Vehicle	30% declining balance
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Mineral properties

All costs related to the acquisition, exploration and development of mineral properties are capitalized by property. If economically recoverable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. When a property is abandoned, all related costs are written off to operations. If, after management review, it is determined that the carrying amount of a mineral property is impaired, that property is written down to its estimated net realizable value. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

The amounts shown for mineral properties do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

Asset retirement obligations

The Company recognizes the fair value of a liability for an asset retirement obligation in the year in which it is incurred when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability.

Changes in the liability for an asset retirement obligation due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and an accretion expense in the statement of operations. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset.

Flow-through shares

Canadian tax legislation permits a company to issue flow-through shares whereby the deduction for tax purposes relating to qualified resource expenditures is claimed by the investors rather than the Company. Recording these expenditures for accounting purposes gives rise to taxable temporary differences.

When flow-through expenditures are renounced, a portion of the future income tax assets that were not recognized in previous years, due to the recording of a valuation allowance, are recognized as a recovery of income taxes in the statement of operations.

JAZZ RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2007

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. The Company has no potentially dilutive options or warrants outstanding.

Basic loss per share is calculated using the weighted-average number of common shares outstanding during the year.

Future income taxes

Future income taxes are recorded using the asset and liability method whereby future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs. To the extent that the Company does not consider it more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

Restatement

The Company at the request of the British Columbia Securities Commission (BCSC) has restated its financial statements for the years ended June 30, 2006, 2005 and 2004 on the basis that the Company had complied with the filing requirements of a reporting issuer in British Columbia since the date of its last audited financial statements, June 30, 1988. The request by the BCSC was due to an impairment in value due to a lack of exploration and development activity with respect to the Company's mineral property interests. As a result the Company has written off capitalized mineral property acquisition and deferred exploration costs which it had capitalized up to June 30, 2003. Mineral property and deferred exploration costs on the balance sheet has decreased by \$1,058,924 and deficit has increased by the same amount for the years ended June 30, 2006, 2005 and 2004. The Company has recommenced with the capitalization of deferred exploration costs incurred during the years presented.

The effect of these adjustments on total assets and shareholders equity (deficiency) as at June 30, 2006, 2005 and 2004 and for the years then ended were as follows:

	As restated			As previously reported		
	June 30, 2006	June 30, 2005	June 30, 2004	June 30, 2006	June 30, 2005	June 30, 2004
Total assets	\$ 141,063	\$ 33,117	\$ 14,667	\$1,199,987	\$1,092,041	\$1,073,591
Shareholders equity (deficiency)	\$ 207,304	\$ (666,623)	\$ (624,870)	\$1,266,228	\$ 392,301	\$ 434,054

JAZZ RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2007

3. MINERAL PROPERTY AND DEFERRED EXPLORATION COSTS

The Company owns two mineral properties, the Teddy Glacier Property and the Spider Property, both located in the Province of British Columbia ("B.C."). The Teddy Glacier Property is located in the Revelstoke Mining Division in B.C., comprising of claims that are 100% owned by the Company through staking. The Spider Property is comprised of certain Crown granted mineral claims and several land lots in fee simple within the township of Camborne, B.C.

The following table summarizes mineral property expenses, by property.

	Teddy Glacier	Spider	Total
Balance, June 30, 2003	\$ -	\$ -	\$ -
Mineral property and deferred exploration costs			
Contractors	8,860	-	8,860
Property and mining taxes	-	2,947	2,947
Site exploration	<u>2,860</u>	<u>-</u>	<u>2,860</u>
Balance, June 30, 2004	<u>11,720</u>	<u>2,947</u>	<u>14,667</u>
Mineral property and deferred exploration costs			
Property and mining taxes	-	2,707	2,707
Site exploration	<u>15,743</u>	<u>-</u>	<u>15,743</u>
	<u>15,743</u>	<u>2,707</u>	<u>18,450</u>
Balance, June 30, 2005	<u>27,463</u>	<u>5,654</u>	<u>33,117</u>
Mineral property and deferred exploration costs			
Camp operation	1,151	-	1,151
Contractors	72,000	-	72,000
Property and mining taxes	-	2,119	2,119
Site exploration	<u>32,676</u>	<u>-</u>	<u>32,676</u>
	<u>105,827</u>	<u>2,119</u>	<u>107,946</u>
Balance, June 30, 2006	<u>133,290</u>	<u>7,773</u>	<u>141,063</u>
Mineral property and deferred exploration costs			
Assay	2,272	-	2,272
Contractors	9,863	-	9,863
Site exploration	<u>6,625</u>	<u>-</u>	<u>6,625</u>
	<u>18,760</u>	<u>-</u>	<u>18,760</u>
Balance, March 31, 2007 (unaudited)	<u>\$ 152,050</u>	<u>\$ 7,773</u>	<u>\$ 159,823</u>

JAZZ RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2007

3. MINERAL PROPERTY AND DEFERRED EXPLORATION COSTS (cont'd...)

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

4. EQUIPMENT

	March 31, 2007 (Unaudited)		
	Cost	Accumulated Amortization	Net Book Value
Vehicle	\$ 44,583	\$ 14,543	\$ 30,040

	June 30, 2006			June 30, 2005 and 2004		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Vehicle	\$ 41,652	\$ 6,248	\$ 35,404	-	-	-

The title to the vehicle is registered to a director of the Company.

5. RELATED PARTY TRANSACTIONS

As at and for the period ended March 31, 2007:

Amounts due to related parties at March 31, 2007 totalling \$85,354 (unaudited) are to a company controlled by a common director, of which \$80,000 are advances received and \$5,354 are accrued fees on management services and rent. The amounts are non-interest bearing and have no fixed term of repayment.

During the nine month period ended March 31, 2007, the Company paid or accrued accounting fees of \$10,040 (unaudited) (March 31, 2006 - \$9,064 (unaudited)) to a senior officer of the Company.

As at and for the years ended June 30, 2006, 2005 and 2004:

JAZZ RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2007

5. RELATED PARTY TRANSACTIONS (cont'd...)

Amounts due to related parties at June 30, 2006 totalling \$28,000 are to a former director of the Company. Amounts due to related parties at June 30, 2005 totalling \$668,751 (2004 - \$614,813) are owing to a director and a private company controlled by a director of the Company. The amounts are non-interest bearing, unsecured and have no fixed terms of repayment.

During the year ended June 30, 2006, the Company settled outstanding debt in the amount of \$668,751 by the issuance of 6,687,510 shares to a director and a private company controlled by a director of the Company. As part of the debt settlement, \$28,000 owed to a former director was assumed by another director who received shares in settlement of the debt and advanced to the Company \$28,000, which during the six month period ended December 31, 2006, was paid to the former director in satisfaction of the amount assumed.

During the year ended June 30, 2006, the Company paid accounting fees of \$11,819 (2005 - \$5,377; 2004 - \$Nil) to an officer of the Company.

The Company paid or accrued to a management company ("the Manager") controlled by a director of the Company the following:

	Nine Months Ended March 31, 2007 (Unaudited)	Nine Months Ended March 31, 2006 (Unaudited)	Year Ended June 30, 2006	Year Ended June 30, 2005	Year Ended June 30, 2004
Rent	\$ 12,600	\$ 12,600	\$ 16,800	\$ 16,800	\$ 16,800
Professional fees	-	5,000	5,000	-	-
Office and miscellaneous	2,547	727	1,566	-	-
Salaries and benefits	2,938	3,907	4,711	2,154	5,906
Travel and entertainment	384	-	-	-	-
Deferred exploration costs	-	535	-	-	-
	<u>\$ 18,469</u>	<u>\$ 22,769</u>	<u>\$ 28,077</u>	<u>\$ 18,954</u>	<u>\$ 22,706</u>

During the nine month period ended March 31, 2007, the Company entered into a management agreement with the Manager. The Company has agreed to pay \$6,500 per month to the Manager as remuneration for services provided, commencing on the date the Company is listed on the TSX Venture Exchange.

The amounts charged to the Company for the services provided have been determined by negotiation among the parties and in certain cases, by signed agreements. These transactions were in the normal course of operations and were measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

JAZZ RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2007

6. CAPITAL STOCK

	Number of Shares	Amount
Authorized		
Unlimited common voting shares, no par value		
Common shares issued		
Balance, June 30, 2003, 2004 and 2005	2,372,896	\$ 1,950,483
Conversion of debt	6,687,510	668,751
Private placement	1,799,999	270,000
Future income taxes on exploration expenditures renounced to shareholders	-	(11,310)
	10,860,405	2,877,924
Balance, June 30, 2006		
Private placement	820,000	205,000
Future income taxes on exploration expenditures renounced to shareholders	-	(61,460)
	11,680,405	\$ 3,021,464
Balance, March 31, 2007 (Unaudited)		

Share issuances

During the nine month period ended March 31, 2007, the Company:

- i) completed a non-brokered private placement by issuing 820,000 flow-through common shares at a price of \$0.25 per share for total proceeds of \$205,000.

During the year ended June 30, 2006, the Company:

- i) issued 1,799,999 shares at \$0.15 per share for total proceeds of \$270,000 pursuant to a non-brokered private placement.
- ii) issued 6,687,510 shares for settlement of debts to a director and a private company controlled by a director of the Company in the amount of \$668,751.

Share subscriptions received

During the year ended June 30, 2006, the Company received advances totalling \$60,000 for flow-through share subscriptions at \$0.25 per share. Subsequent to year end, 240,000 shares were issued for proceeds totalling \$60,000.

JAZZ RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2007

6. CAPITAL STOCK (cont'd...)

Stock Option Plan

During the three month period ended March 31, 2007, the Company adopted a stock option plan (the "Stock Option Plan") under which it can grant up to a maximum of 2,336,081 options. The purpose of the Stock Option Plan is to encourage ownership of the Company's common shares by persons who are directors, senior officers and employees of, as well as consultants, and employees of management companies providing services to the Company. The term of any option granted under the Stock Option Plan may not exceed 5 years. The vesting periods for all options granted pursuant to the Stock Option Plan will be determined at the discretion of the Board of Directors at the time of the grant. The vesting schedule shall provide for a vesting period of at least 18 months and that the options will vest equally on a quarterly basis over the vesting period. The number of options granted to any one person may not exceed 5% of the outstanding listed common shares in a 12 month period.

7. FINANCIAL INSTRUMENTS

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

8. SEGMENTED INFORMATION

The Company primarily operates in one reportable operating segment, being the acquisition and development of mineral properties in Canada.

9. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	March 31, 2007	March 31, 2006	June 30, 2006	June 30, 2005	June 30, 2004
	(Unaudited)	(Unaudited)			
Cash paid during the period for interest	\$ -	\$ -	\$ -	\$ -	\$ -
Cash paid during the period for Income taxes	\$ -	\$ -	\$ -	\$ -	\$ -

The significant non-cash transactions during the nine month periods ended March 31, 2007 and 2006 were the recognition of future income tax recovery of \$61,460 (2006 - \$11,310) due to the issuance of flow-through shares and the renunciation of exploration expenditures.

The significant non-cash transaction during the year ended June 30, 2006 was the issuance of 6,687,510 common shares for settlement of debts in the amount of \$668,751 with a director and a private company controlled by a director of the Company.

JAZZ RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2007

9. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS (cont'd...)

Included in mineral property costs at June 30, 2006 is \$1,718 incurred through accounts payable and accrued liabilities.

There were no significant non-cash transactions for the years ended June 30, 2005 and 2004.

10. INCOME TAXES

Income tax expense (recovery) varies from the amount that would be computed by applying the combined federal and provincial income tax rates as follows:

	Nine Months Ended March 31, 2007 (Unaudited)	Nine Months Ended March 31, 2006 (Unaudited)	Year Ended June 30, 2006	Year Ended June 30, 2005	Year Ended June 30, 2004
Loss before income tax	\$ (210,825)	\$ (91,701)	\$ (124,824)	\$ (41,753)	\$ (37,427)
Expected income tax (recovery) at statutory rates	(74,042)	(34,039)	(47,062)	(14,864)	(13,324)
Non-deductible expenses	2,914	-	2,423	-	-
Unrecognized benefits of non capital losses	9,668	22,729	33,329	14,864	13,324
Future income tax recovery	\$ (61,460)	\$ (11,310)	\$ (11,310)	\$ -	\$ -

Details of future income tax assets are as follows:

	March 31, 2007 (Unaudited)	June 30, 2006	June 30, 2005	June 30, 2004
Future income tax assets				
Non-capital loss carry forwards	\$ 158,000	\$ 86,000	\$ 92,000	\$ 80,000
Valuation allowance	(158,000)	(86,000)	(92,000)	(80,000)
Net future income tax assets	\$ -	\$ -	\$ -	\$ -

The Company has available for deduction against future taxable income non-capital losses of approximately \$509,000 (Unaudited). These losses, if not utilized, will expire through to 2027. Subject to certain restrictions, the Company also has resource expenditures available to reduce taxable income in future years. Future tax benefits which may arise as a result of these non-capital losses, resource expenditures and other tax assets have not been recognized in these financial statements and have been offset by a valuation allowance.

JAZZ RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2007

10. INCOME TAXES (cont'd...)

During the nine month period ended March 31, 2007, the Company issued common shares on a flow-through basis for gross proceeds of \$205,000 (Unaudited), of which \$30,000 was received during the year ended June 30, 2006. The Company renounced certain deductions for Canadian exploration purposes incurred on the Company's resource properties resulting in a future income tax liability of \$11,310 during the year ended June 30, 2006 and \$61,460 during the nine month period ended March 31, 2007. This future income tax liability has been offset against future income tax assets resulting in a future income tax recovery.

11. SUBSEQUENT EVENT

The Company is filing a prospectus with the British Columbia and Alberta Securities Commissions offering a minimum of 2,000,000 and a maximum of 2,500,000 common shares at \$0.45 per share. Pursuant to an Agency Agreement between the Company and Global Securities Corp. (the "Agent"), the Agent will receive a commission equal to 10% of the gross proceeds, be paid a corporate finance fee of \$32,000 and be issued Agent's share purchase warrants to acquire shares equal to 10% of the number of shares sold under the offering exercisable at a price of \$0.45 per share for a period of 18 months from the closing date. The proposed transaction is subject to regulatory approval.

CERTIFICATE OF THE COMPANY

Dated: July 26, 2007

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part 9 of the *Securities Act* (British Columbia) and Part 9 of the *Securities Act* (Alberta), and the respective regulations thereunder.

“Bryan D. Glen”

Bryan D. Glen
President and Chief Executive Officer

“Byron Nutting”

Byron Nutting
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

“Keith W. Sigvardsen”

Keith W. Sigvardsen
Director

“Sean P. Butler”

Sean P. Butler
Director

ON BEHALF OF THE PROMOTERS

“Bryan D. Glen”

Bryan D. Glen

“Keith W. Sigvardsen”

Keith W. Sigvardsen

CERTIFICATE OF THE AGENT

Dated: July 26, 2007

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part 9 of the *Securities Act* (British Columbia) and Part 9 of the *Securities Act* (Alberta), and the respective regulations thereunder.

GLOBAL SECURITIES CORPORATION

“Douglas R. Garrod”

Douglas R. Garrod
President