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

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

AMENDED AND RESTATED
PRELIMINARY PROSPECTUS

INITIAL PUBLIC OFFERING

Dated: November 16, 2005, as amended on January 27, 2006 and February 23, 2006

VITAL RESOURCES CORP.

OFFERING OF 2,250,000 COMMON SHARES
PRICE: $0.20 PER COMMON SHARE

AND
6,670,000 COMMON SHARES
ISSUABLE UPON THE EXERCISE OF 6,670,000 PREVIOUSLY ISSUED SPECIAL WARRANTS

Vital Resources Corp. (the "Company", "we", "us" or "our") hereby offers for sale to the public in British Columbia, Alberta and Ontario of 2,250,000 Common shares (the "Shares") of the Company at a price of $0.20 per Share (the "Offering Price") (the "Offering"). Completion of the Offering is subject to the sale of all 2,250,000 Shares on or before 90 days from the date of the final receipt of this Prospectus, unless consent is obtained from the securities commissions in each of British Columbia, Alberta and Ontario and those persons who have subscribed for Shares to extend the 90 day period.

	Number of Shares	Price to Public(1)	Agent's fees or commissions(2)	Net Proceeds to the Company(3)
Per Share	1	$0.20	$0.02	$0.18
Total Offering	2,250,000	$450,000	$45,000	$405,000

(1) The Offering Price was determined by management.

(2) Canaccord Capital Corporation (the "Agent") will receive a cash commission of 10% of the gross proceeds of the Offering as well as Agent's Warrants equal to 10% of the number of Shares sold by them under the Offering. Each Agent's Warrant will be exercisable into one common share of the Company at a price of $0.20 per share for a period of two years from the date that the Shares are listed for trading on the CNQ (an "Agent's Share"). This prospectus also qualifies the distribution of the Agent's Warrants. The Agent will also receive an administration fee of $20,000 cash.

(3) Before the deduction of the legal and administrative expenses of this Offering, estimated to be a minimum of $35,000. See "Use of Proceeds"

Special Warrant Offering

This prospectus also qualifies the distribution of a total of 6,670,000 common shares issuable, without the payment of any additional consideration, upon the exercise or deemed exercise of 4,300,000 Series "A" Special Warrants, 1,700,000 Series "B" Special Warrants, 620,000 Series "F" Special Warrants and 50,000 Series "P" Special Warrants, all of which Special Warrants were previously issued by the Company (the "Special Warrant Offering").

	Number issued	Price to Special Warrant Holder	Agent's fees or commissions	Net Proceeds to the Company
Series "A" Special Warrant	4,300,000(1)	$0.001	Nil	$4,300
Series "B" Special Warrant	1,700,000(2)	$0.05	Nil	$85,000
Series "F" Special Warrant	620,000(3)	$0.10	Nil	$62,000
Series "P" Special Warrants	50,000(4)	$0.05 (deemed)	Nil	$0(4)

(1) We issued 4,300,000 Series "A" Special Warrants in March and April, 2005 pursuant to a private placement. See "Plan of Distribution – Special Warrant Offering".

(2) We issued 1,700,000 Series "B" Special Warrants in April and May, 2005 pursuant to a private placement. See "Plan of Distribution – Special Warrant Offering".

(3) We issued 620,000 Series "F" Special Warrants pursuant to a private placement. See "Plan of Distribution – Special Warrant Offering".

(4) We issued 50,000 Series “P” Special Warrants pursuant to a property option agreement. See “Plan of Distribution – Special Warrant Offering”.

Each Series “A”, “B”, “F” and “P” Special Warrant (collectively, the “Special Warrants”) is exercisable into one Share of the Company (a “Special Warrant Share”). The Special Warrants are exercisable at any time at the option of the holder on or before the fifth business day after a receipt is issued by the last of the securities regulatory authorities in each of the Provinces of British Columbia, Alberta and Ontario for the final prospectus qualifying the issuance of the Special Warrant Shares on the exercise of the Special Warrants. Any Special Warrants not exercised on or before the fifth business day after a receipt is issued by the last of the securities regulatory authorities in each of the Provinces of Alberta, British Columbia and Ontario for the final prospectus qualifying the issuance of the Special Warrant Shares on the exercise of the Special Warrants will be deemed to have been exercised immediately prior to such date (the “Special Warrant Expiry Time”). The Special Warrants were issued pursuant to prospectus exemptions under applicable securities legislation.

An application has been made to list the securities offered hereunder on the Canadian Trading and Quotation System Inc. (the “CNQ”). Listing is subject to the Company fulfilling all of the listing requirements of the CNQ, which include becoming a reporting issuer.

An investment in the securities of the Company is subject to a number of risk factors which should be reviewed carefully by prospective purchasers. See “Risk Factors”.

There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under the prospectus.

The Agent conditionally offers the Shares on a commercially reasonable efforts basis, subject to prior sale, if, as and when issued by the Company and delivered and accepted by the Agent in accordance with the conditions contained in the Agency Agreement referred to under “Plan of Distribution”.

Subscriptions for Shares offered hereunder will be received subject to rejection or allotment in whole or in part and the Company and Agent reserve the right to close the subscription books at any time without notice. Certificates representing the Shares issuable pursuant to the Offering will be available for delivery following closing of the Offering.

AGENT

Canaccord Capital Corporation
Suite 2200, 609 Granville Street
Vancouver, British Columbia
V7Y 1H2

Table of Contents

SUMMARY OF PROSPECTUS

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

Our Business	Our business is to explore and develop natural resource properties. We currently have an option to acquire a 100% interest in and to the Horseshoe Island Property, located in the Red Lake Mining Division of Ontario, Canada, which is in the east central part of Birch Lake, Ontario (the "Horseshoe Island Property"). Our current objective is to conduct detailed exploration on the Horseshoe Island Property in an effort to further define the mineralization potential of the Horseshoe Island Property. The Horseshoe Island Property is being optioned from Perry English (c/o 1544230 Ontario Inc.) and Dan Patrie, the current recorded holders of the Horseshoe Island Property. See "Our Business" and "Our Property" at page 2.
The Offering	The Offering consists of 2,250,000 common shares (the "Shares") being offered to the public by the Agent at a price of $0.20 per Share (the "Offering Price"). The Company will pay the Agent a cash commission equal to 10% of the gross proceeds of the Offering, issue the Agent Agent's Warrants equal to 10% of the total number of Shares sold by them under the Offering and pay the Agent an administration fee of $20,000 cash. This prospectus qualifies the distribution of the Shares and the Agent's Warrants. **The Offering is subject to a minimum subscription of all 2,250,000 Shares.** See "Plan of Distribution" at page 21.
The Special Warrant Offering	The Special Warrant Offering consists of the issuance of 6,670,000 of the Company's common shares (the "Special Warrant Shares"), issuable, without the payment of any additional consideration, upon the exercise of 4,300,000 Series "A" Special Warrants, 1,700,000 Series "B" Special Warrants, 620,000 Series "F" Special Warrants and 50,000 Series "P" Special Warrants. Each Series "A", "B", "F" and "P" Special Warrant (collectively, the "Special Warrants") is exercisable into one Share of the Company (a "Special Warrant Share"). The Special Warrants were issued pursuant to prospectus exemptions under applicable securities legislation. The Special Warrants are exercisable at any time at the option of the holder on or before the fifth business day after a receipt is issued by the last of the securities regulatory authorities in each of the Provinces of British Columbia, Alberta and Ontario for the final prospectus qualifying the issuance of the Special Warrant Shares on the exercise of the Special Warrants (the "Special Warrant Expiry Time"). Any Special Warrants not exercised prior to the Special Warrant Expiry Time will be deemed to have been exercised immediately prior to the Special Warrant Expiry Time. This Prospectus qualifies the distribution of the Special Warrant Shares issuable on the exercise of the Series "A", "B", "F" and "P" Special Warrants. See "Plan of Distribution" at page 21.
Use of Proceeds	As at the month ended January 31, 2006, we had working capital of approximately $1,000. Accordingly, in the event that the Minimum Offering is sold, we will have $406,000, being the net proceeds of the Offering, plus our working capital, to expend on our principal purposes described below. We intend to spend the funds available to us as stated in this prospectus. There may be circumstances however, where for sound business reasons, a reallocation of the funds available may be necessary. The principal purposes for which the funds

<table>
<tr>
<td></td>
<td>
available are intended to be used, in order of their priority are:
<table>
<tr><th>Description</th><th>Amount</th></tr>
<tr><td>1. To pay the balance of the legal, audit and administrative costs associated with this listing</td><td>$ 35,000</td></tr>
<tr><td>2. To pay the second payment required on the Horseshoe Island Property Option Agreement</td><td>$ 20,000</td></tr>
<tr><td>3. To fund the initial exploration program on the Horseshoe Island Property</td><td>$ 32,200</td></tr>
<tr><td>4. To fund the second portion of the exploration program on the Horseshoe Island Property(1)</td><td>$166,100</td></tr>
<tr><td>5. To pay the estimated general and administrative expenses for 12 months</td><td>$ 50,000</td></tr>
<tr><td>6. Working capital to fund ongoing operations</td><td>$102,700</td></tr>
<tr><td>Total:</td><td>$406,000</td></tr>
</table>
(1) Contingent on the results of the initial exploration program.

If the Agent’s Warrants are exercised in full, the Company will receive additional proceeds of up to $45,000, which will be added to our working capital. Please see “Use of Proceeds” and “Plan of Distribution”.
</td>
</tr>
<tr>
<td>Risk Factors</td>
<td>
- An investment in the Company’s Common shares is highly speculative and suitable only for investors willing to risk the loss of their entire investment.
- We operate in a competitive industry and compete with other better established companies who have greater financial resources than us.
- We are in the business of exploring and developing natural resource properties which is a highly speculative endeavour.
- Our property is in the exploration stage and without a known body of ore. There is no guarantee that ore will be found or that, if it is found, it will be found in commercially minable quantities.
- Aboriginal rights may be claimed on Crown properties or other types of tenure with respect to which mining rights have been conferred.
- Our ability to generate revenue should we discover ore or continue to raise funds for the further exploration and development of our property will be highly dependent on the price of precious metals that have a history of wide fluctuations.
- All of our operations are subject to environmental regulations that can make operations expensive or prohibit them altogether.
- There may be challenges to the title of our property that, if successful, could impair our operations.
- We do not currently generate revenues and, as a consequence, if we require additional funds for exploration and development of our property, which is likely, we will have to seek equity or debt financing which may or may not be available.
- We depend on a number of key employees, the loss of any one of whom could have an adverse effect on us.
- There are a number of outstanding securities and agreements pursuant to which our common shares may be issued in the future. This will result in further dilution to our shareholders.
- We have not paid dividends in the past and do not expect to pay dividends in the near future.

See “Our Business” at page 1 and “Risk Factors” at page 22.
</td>
</tr>
</table>

Summary information	The information below was taken from the financial statements contained in this prospectus. Please refer to the financial statements at page 27 to put the following summary into context.		

		Audited for the first quarter ended January 31, 2006	Audited for year ended October 31, 2005	Audited for period from incorporation to October 31, 2004
	Revenues	Nil	Nil	Nil
	Net Income (loss)	($9,692)	($74,299)	($13,561)
	Net Income (loss) per share	($0.01)	($0.01)	($6.33)
	Net Income (loss) per share, on a fully diluted basis	($0.01)	($0.01)	($6.33)
	Total assets	$65,338	$72,927	$190
	Long term debt	Nil	Nil	Nil
	Total liabilities	$8,990	$6,887	$11,707
	Share Capital	$100(1)	$100(1)	$0
	Number of Common shares	100(2)	100(2)	Nil
	Number of Special Warrants	6,670,000	6,670,000	20,440
	Retained earnings (deficit)	($97,552)	($87,860)	($13,561)

(1) As at the year ended October 31, 2005 and the first quarter ended January 31, 2006, there were a total of 6,670,000 Series “A”, “B”, “F” and “P” Special Warrants and 100 common shares issued and outstanding.

(2) Upon the successful completion of the Offering and the conversion of the Special Warrants, a total of 8,920,100 common shares will be issued and outstanding, excluding the exercise of the Agent’s Warrants.

OUR CORPORATE STRUCTURE

Name and Incorporation

We were incorporated on April 20, 2004 under the *Canada Business and Corporations Act* under incorporation number 622351-6. We changed our name from "Vital Oil & Gas Corp." to "Vital Resources Corp." on February 4, 2005.

Our head office and registered and records office is located at Suite 1450, 789 West Pender Street, Vancouver, British Columbia, Canada, V6C 1H2.

We do not have any subsidiaries.

GENERAL DEVELOPMENT OF OUR BUSINESS

Three Year History

Since our incorporation in April, 2004, we have been in the business of exploring and developing natural resource properties. We currently have an option to acquire a 100% interest in 9 mineral claims located in the Red Lake Mining Division of Ontario, Canada, more specifically known as the Horseshoe Island Property (the "Horseshoe Island Property"). We are exploring for gold on the Horseshoe Island Property, which is in a preliminary stage of exploration and does not have a known commercial body of ore or minerals.

Properties Acquired by the Company

We entered into a Mineral Property Option Agreement with Perry English (c/o 1544230 Ontario Inc.) and Dan Patrie (the "Optionors") on May 1, 2005 pursuant to which we were granted an option to acquire a 100% undivided interest in the Horseshoe Island Property. Mr. Perry originally staked most of the mineral claims comprising the Horseshoe Island Property in 1996.

Under the terms of the Option Agreement, we were granted an option to acquire all of the Optionors' right, title and interest in and to the Horseshoe Island Property and assume all liabilities and obligations in respect thereof in consideration for paying to them a total of $140,000 cash and issuing a total of 150,000 Special Warrants (or common shares): $10,000 payable on the signing of the Agreement (paid) and the issuance of 50,000 of our Series "P" Special Warrants (issued); $20,000 and 50,000 common shares on or before May 1, 2006; $25,000 and 50,000 common shares on or before May 1, 2007; $35,000 on or before May 1, 2008 and $50,000 on or before May 1, 2009. Each Series "P" Special Warrant is exercisable into one common share of the Company at any time at the option of the holder on or before the fifth business day after a receipt is issued by the last of the securities regulatory authorities in each of the Provinces of British Columbia, Alberta and Ontario for the final prospectus qualifying the issuance of the Special Warrant Shares.

The Optionors were also granted a Royalty equal to 1.5% of the net smelter returns ("NSR") on minerals other than diamonds mined from the Horseshoe Island Property.

We have agreed to incur a minimum of $75,000 in exploration expenditures on the Horseshoe Island Property over the term of the Option Agreement: $25,000 on or before May 1, 2006, $25,000 on or before May 1, 2007 and $25,000 on or before May 1, 2008.

Trends

We do not know of any trends, commitment, events or uncertainty that are expected to have a material effect on our business, financial condition or results of operations other than as disclosed herein under "Risk Factors".

OUR BUSINESS

Stated Business Objectives

Using the funds to be raised in our Offering and from funds raised through our Special Warrant Offerings, our business objective is to conduct and complete the first phase of the exploration program recommended by Carl Huston in his technical report on the Horseshoe Island Property (see "Our Property" at page 2) by further surveying, mapping, sampling and prospecting, and if warranted, continue with the second phase of the exploration program Mr. Huston recommends.

Milestones

In order to accomplish our business objectives stated above, we are in the process of carrying out an initial exploration program, which is anticipated to be completed by April, 2006. Additional work on the Horseshoe Island Property will be contingent upon successful results being obtained from the preliminary exploration program.

Our Property

The Company commissioned and received an independent technical report on the Horseshoe Island Property, in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101"). The "Technical Report on the Horseshoe Island Property" dated July 12, 2005 and revised December 19, 2005 (the "Report") was prepared by Carl D. Huston, a Qualified Person as defined under NI 43-101. Mr. Huston visited the Horseshoe Island Property in June, 2005. The following technical disclosure is taken from the Report and is substantially a direct extract from the Report. A complete copy of the Report can be found on the Company's disclosure page at www.sedar.com.

PROPERTY DESCRIPTION AND LOCATION

The Horseshoe Island Property is located on National Topographic System (NTS) map sheet 52 N/SE 7 and 8 and on the south boundary of Casummit Lake Claim Map G 1751 within the Red Lake Mining Division, District of Kenora, Ontario, Canada. The Horseshoe Island Property is centered at UTM coordinates of 539508 Easting and 5692045 Northing Zone 15, NAD 83 approximately 102 kilometres east northeast of the town of Red Lake, and 99 kilometres from Ear Falls, Ontario. The Horseshoe Island Property covers Horseshoe Island in the southwest-trending arm of Birch Lake.

The Horseshoe Island Property consists of nine (9) staked and duly recorded mineral claims containing 78 units totaling 1248 hectares. All claims are recorded on the Casummit Claim Map G 1751, Red Lake Mining Division, Ontario. The claims are items below in Table 1. Note: KRL refers to Kenora-Red Lake District.

Table 1: List of Claims

Claim Number	Expiry Date	Units	Owner
KRL 4205207	February 24, 2007	10	Perry Vern English
KRL 4205208	February 24, 2007	12	Perry Vern English
KRL 4205205	February 24, 2007	3	Perry Vern English
KRL 1210703	May 8, 2008	12	Perry Vern English
KRL 1234137	February 28, 2009	16	Perry Vern English
KRL 1234198	October 6, 2008	12	Perry Vern English (66.7%) Daniel F. Patrie (33.3%)
KRL 1234136	February 28, 2008	7	Perry Vern English
KRL 1210702	May 8, 2009	2	Perry Vern English
KRL 1210701	May 8, 2008	4	Perry Vern English

According to the Option Agreement dated May 1, 2005, the owners warrant that the claims have been duly and validly located and recorded pursuant to the laws of Ontario and are in good standing with respect to all filings, fees, taxes, assessments, work commitments or other conditions as of the date of the agreement.

Abstract of title for each claim is present in the Appendix and was obtained from the Ontario Department of Mines, Sudbury, Ontario. The records verify that all of the above claims are in good standing up to and beyond February 24, 2007. Mining claim KRL 1210703 has a dollar assessment credit of $680.00 and mining claim KRL 1234137 has a credit of $30.00 which can be applied for assessment work credits. All other claims have no dollar credits.

The Horseshoe Island Property is held under option by the Company.

The three known mineral zones, A, B and C Zones occur in the south and southeast part of Horseshoe Island. The three known mineral zones lie within the claim limits of mining claim KRL 1234198.

The writer of the Report is unaware of any environmental liabilities on the claims.

A permit is not required for exploration work that includes sampling, drilling, blasting or overburden stripping. For assessment purposes to keep claims in good standing, a work expenditure of $400/unit/year is required.

ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

During ice free months, the Horseshoe Island Property is accessible via float aircraft from the town of Red Lake, Ontario, Canada, 102 kilometres to the east northeast. Recently constructed logging roads from Ear Falls to South Bay Mine provide access in winter within 34 kilometres south of the Horseshoe Island Property or approximately 1 hour by snow machine from South Bay to the Horseshoe Island Property. The former South Bay Mines townsite is located 75 kilometres north of the town of Ear Falls, Ontario. This winter road traverses Confederation Lake, Swains Lake and onto the southwest end of Birch Lake a distance of 34 kilometres over land and water portage to the Horseshoe Island Property.

The climate is typical for northwestern Ontario where temperatures range from 10o C to 25o C during June through October. Temperatures during the winter months of November Technical Report on the Horseshoe Island Property through May range from 0o C -40o C. Rainfall is plentiful. Lakes freeze during the winter accompanied by abundant snowfall which permit snowmobile travel. Birch Lake is a fresh water lake with fairly abundant fish species of pickerel, northern pike and trout. Exploration can be conducted all year round with the exception of freeze-up and thaw.

Several outpost tourist camps are situated on Birch Lake. The Green Camp is the closest, located 1.6 kilometres south of Horseshoe Island. Generally, these camps are summer "fly-in camps" from either Red Lake or Ear Falls. Tourism is the principle means of support for the local area. No logging has occurred in the area to date although logging is in progress near the old South Bay Mines townsite.

The closest power source is Ontario Power Generation located at the old former South Bay Mines townsite 34 kilometres south of the Horseshoe Island Property. This power is generated at Ear Falls located on the English River system 75 kilometres from this townsite.

The nearest sources of labour and supplies are from either the town of Red Lake or from the town of Ear Falls. Daily air service to Red Lake is from the city of Winnipeg, Manitoba and Thunder Bay, Ontario. There are several companies with both float and land aircraft within the area which are available for charter.

The Horseshoe Island Property is about 50% covered by the waters of Birch Lake. The balance of the Horseshoe Island Property is low rounded hills with a maximum relief of 40 metres above the level of Birch Lake which is about 1160 metres above sea level. Outcrops of rock exposure on Horseshoe Island is less than 2% and generally limited to the southeastern portion of the island. Vegetation consists of boreal forest with, in decreasing order of abundance, black spruce, white spruce, poplar, jack pine and balsam. Less than 5% is covered by open marsh of spruce bog. The area has been glaciated with striations oriented in a northeast to north direction. Overburden is generally less than 2 metres.

Horseshoe Island is not large but if a development program was considered, there are level parts and adequate space amenable for a mill facility; however, a location for any tailings may be a problem and would require further investigation.

HISTORY

The author of the Report has examined the public records available in the assessment files at the Ministry of Mines office at Red Lake. An accurate but brief history of the Horseshoe Island Property is presented below.

In 1935 Harding (1936) mapped an east trending quartz vein on the south shore of Horseshoe Island also known as Pants Island.

In 1937 the Horseshoe Island Property was staked by E. McDougall in partnership with E. Bergstrand and Oscar Peterson. The Horseshoe Island Property consisted of a group of nine contiguous mineral claims numbered KRL 16615 to KRL 16623, each comprised of 40 acres. The Horseshoe Island Property was Technical Report on the Horseshoe Island Property sampled by Hudson Bay Mining & Smelting Company; however no records are available regarding assays and locations.

In 1939 the Horseshoe Island Property was sampled by Sylvanite Gold Mines Ltd.; however no records are available regarding assays and locations.

In 1944/46 Leta Exploration Ltd. (a joint venture between Leitch Gold Mines Ltd. and Moneta Gold Mines Ltd.) optioned the Horseshoe Island Property and diamond drilled 20 holes totaling 1418 metres. The Company outlined a zone of gold mineralization along the southeast shore of Horseshoe Island in the vicinity where two trenches exposed mineralization. A zone 374 metres long by 2.1 metres wide grading 6.69 grams per ton Au was reported to be outlined. No work reports, drill logs or assays are available.

In 1954 Mc Dougall's claims were allowed to lapse.

In 1957 the claims were re-staked by L. Staunton but work was not recorded and the claims were allowed to lapse.

In 1969 the Horseshoe Island Property was re-staked by K. Koezur. Canex Aerial Exploration Ltd. conducted an airborne magnetic, electro-magnetic and gamma-ray Spectrometer survey over a large group of claims immediately north of Horseshoe Island. Three holes totaling 793 metres in the Birch Lake area were completed but details, locations, logs and assays are unavailable.

In 1970 Sudbury Contact Mines Ltd. optioned the Horseshoe Island Property from K. Koezur and conducted ground magnetic and electro-magnetic (EM) (Aflec System) geophysical survey on their West Grid over the Horseshoe Island Property and diamond drilled six holes totaling 948 metres. The gridlines were 122 metres (400 feet) apart with instrument readings every 30 metres (100 feet). The magnetic survey showed very flat magnetics. Quite strong multiple EM conductors were identified and as they were aligned with topography they were interpreted to be caused by regional shearing. Many of the conductors show variable conduction along their trend. One significant conductor extended from the lake onto land and is within the general area of a reported copper-nickel showing. This anomaly was recommended for drilling. In 1971 six holes were completed totaling 948 metres. Drill logs area available with gold only assays on them but no laboratory certificates are included. The diamond drill holes were grouped in a northern cluster and a southern cluster on the West Grid. The northern cluster targeted an EM conductor located immediately north of Horseshoe Island. These four holes intersected intercalated coarse grained rhyolitic agglomerate, andesite tuff and feldspar porphyry, gabbro and diorite. Hole 2 intersected several mild copper-nickel values over short intervals (1.0-1.5 metres) of nil to 0.41% copper, nil to 0.34% nickel and trace to 0.07 ounces per ton Au in a gabbro body. Hole 3 intersected a 1.5 metre interval of 0.1 ounces per ton Au in a rhyolitic agglomerate. These holes were drilled about 2 kilometres north of the gold showing in the southern portion of the island. The south 2 holes intersected andesite, granite, tuff and diorite without significant elevations in base or precious metals. This Technical Report on the Horseshoe Island Property company also indicated that coarse "float" had been found from which assays had given up to 5% combined nickel-copper values plus some platinum content.

In 1974 the Horseshoe Island Property was staked by H. Sanders and transferred to Goldsearch Ltd. who conducted fluxgate ground magnetic and VLF surveys and electro-magnetic surveys over the known mineralized zones. The magnetic survey identified a strong positive anomaly that had a strike length of approximately 370 metres centered on the lake and is associated with the mineralized trenches in the southern part of the island. Other magnetic anomalies were centered 400 metres northeast along strike and 670 metres southwest along strike from the mineralized trenches. The VLF survey picked up three short conductors south and east of Horseshoe Island in Birch Lake. The claims were allowed to lapse in 1975.

In 1976 K. Koezur repeatedly re-staked the claims between 1976 and 1979.

In 1981 the Horseshoe Island Property was staked and sampled by Minorex Ltd. but the claims were allowed to lapse. No assay records or locations are available.

In 1982 St. Joe Canada Inc. staked 16 claims and conducted reconnaissance geological mapping, trenching, sampling, humus geochemical surveys and a waterborne induced polarization survey on and around Horseshoe Island.

In 1983 St. Joe Canada Inc. conducted detailed geological mapping of Horseshoe Island, completed a ground induced polarization and magnetic surveys and diamond drilled five BQ size core holes totaling 990 metres. Holes targeted coincident magnetic and chargeability anomalies and tested for the reported 375 metre long gold zone outlined by Leta Exploration Ltd. Of the five holes three holes reported a total of 10 intervals of elevated gold sections above 1 gram per tonne Au. Intercepts typically fell between 1 and 3 grams per tonne Au across 0.3-1.5 metres. Hole 5 reported 10.29 grams per tonne Au across 1 metre which was part of larger interval of 51.7 metres of 1.34 grams per tonne Au within the "Highly Altered and Deformed Granodiorite" unit. The entire 990 metres of core was split and sampled generally with 1.5 metre sample intervals. Drill logs and assay certificates (gold only) are reported.

In 1984 St. Joe Canada Inc. stepped up their activities on Horseshoe Island by conducting two campaigns of diamond drilling totaling 24 holes (HI84-06 through 29) in 4397 metres and a magnetic survey (19.86 kilometres) on the Horseshoe Island. They only reported holes 1-19 with detailed logs containing gold only assays but no certificates were submitted. These programs were successful in outlining an alteration zone 450 metres long. Within this alteration envelope two mineralized zones were recognized; Zone A and Zone B. Another mineralized zone was identified as C Zone. The main alteration zone is sub parallel (but locally coalesce) to the regional strike but does cut the major lithologies. Some of the better grades occur along the altered contacts of major lithologic units. The A-B alteration zone is characterized by sericitization, hematization and locally carbonitization. Zone C alteration is characterized by silicification. Pyrite is ubiquitous in both types of alteration and in a general way its content is directly Technical Report on the Horseshoe Island Property proportional to gold content. Accessory minerals are rare but include chalcopyrite and tourmaline and appear to be positive indicators of gold elevations. Visible gold is fairly common, but not necessarily a sure sign of significant assay results. The magnetic survey identified a coincident linear magnetic high with the A-B mineralized zones but suspected to be a particular granodiorite unit. Several other magnetic trends were identified. St. Joe made subsequent isolated submissions of single drill hole logs for assessment for hole 84-22, 27 and 28 where they reported only lithologies (no assays) with evidence that they sampled the entire hole with sample intervals of generally 1.5 metres. Drill hole plans and sections are included in the report.

In 1985 St. Joe Canada Inc. conducted more geological mapping, sampling and overburden stripping on Horseshoe Island and diamond drilling of eight BQ sized core holes totaling 978.5 metres to test lateral and downdip extensions of the A, B and C Zones. Detailed logs are included in the report with assays included on the logs for gold only with the exception of one hole which cut mostly gabbro which was assayed for Pt and Pd, Ni and Cu, Co, Ag. In this hole copper values was generally under 0.5%, nickel under 0.5% and platinum and palladium each under 200 parts per billion. For the program the entire hole was samples at generally 1.5 metres sample intervals. No mention was made of sample procedures. All holes but the gabbro hole intersected one or two enriched gold intercepts each. Typical intercepts were 1.5 to 3.0 metres long with grades between 1.37 and 3.78 grams per tonne Au. Two exceptional intercepts were 15.0 metres at 2.61 grams per tonne Au in hole HI 85-33 and 3.0 metres at 10.97 grams per tonne Au in hole HI85-36. Drill plans and sections are included in the report.

In 1986 St. Joe Canada Inc. drilled 59 holes totaling 11,114.48 metres at Horseshoe Island. They also performed a 1,706 line kilometre fixed-wing airborne vertical gradient magnetometer and VLF Electro-magnetic survey to detect and accurately locate magnetic features which relate to and add to the geological perspective in the Birch Lake area as well as any structures and conductivity patterns which could have a positive influence on polymetallic mineralization. It showed the rough northeast-southwest strike of the geology with lesser northwest-southeast features.

In 1987 St. Joe Canada Inc. diamond drilled 18 holes totaling 3,398.1 metres at Horseshoe Island. Only two drill logs are available from this drilling. It showed sample intervals generally 1.5 metres long and assaying for gold only. No anomalous values were observed in these two logs. At this time St. Joe Canada Inc. reported a historic mineral resource of 825,000 tons grading 0.13 ounces per ton Au. This is not a declared resource on the Horseshoe Island Property, and should not be relied upon but remain historic figures. The writer of the Report has not prepared nor confirmed this resource estimation. As it pre-dates National Instrument 43-101, it does not comply with NI 43-101 requirements for mineral resource estimation.

In 1988 Bond Gold Canada Inc., formerly St. Joe Canada Inc., conducted three diamond drill holes in the area, one on Horseshoe Island totaling 407 metres. The detailed log is available with a location plan. No assays are provided but the hole was well sampled with Technical Report on the Horseshoe Island Property sample intervals typically 1.5 metres long. The log suggests samples were analyzed for gold only.

In 1989 Noranda Exploration Co. Ltd. acquired the Horseshoe Island property from Bond Gold Canada Inc. and in 1990 conducted diamond drilling of three holes totaling 402.7 metres. They submitted for assessment only one hole with its plan location 500 metres east of Horseshoe Island with a detailed drill log but no assays. Noranda also submitted for assessment one 1986 and one 1987 diamond drill hole performed in 1986 and 1987 by St. Joe Canada Inc. totaling 914 metres where most of the hole was sampled but no assays were reported. Penciled notes in the margins of the 1986 hole indicated some evidence of elevations in gold in and proximal to the deformation zone and in the intercalated tuff package cut. Sampling intervals ranged from 0.4 to 1.5 metres long. The detailed log shows thin sections of silicification and quartz-carbonate alteration with disseminations up to 1% pyrite and trace chalcopyrite. In 1989 Hemlo Gold Mines Ltd. released a historic resource calculation of 892,872 tons grading 0.134 ounces per ton Au in their annual report. In 1990 a reference to an updated resource calculation was release in the Northwest Prospector March 1990 of 893,508 tones grading 0.14 ounces per ton Au. Neither of these figures is a declared resource on the Horseshoe Island Property, and should not be relied upon but remain historic figures. The writer of the Report has not prepared nor confirmed these resource estimations. As they pre-date National Instrument 43-101, they do not comply with NI 43-101 requirements for mineral resource estimation.

In 1995 Lac Minerals Ltd. conducted a short bedrock mapping and prospecting program that resulted in 19 samples being taken. No results are available.

In 1997 Freewest Resources Ltd. conducted linecutting, prospecting, rock sampling and a soil geochemical survey. No results are available. The Horseshoe Island Property was held under option from P. English.

In 1998 Colby Resources Corporation conducted a total of 2.1 kilometres of induced polarization geophysical survey (time domain pole dipole, 50 metre spacing) which indicated areas of high chargeability and low resistivity anomalies which they interpreted could be from massive sulfides or precious metals. They were encouraged enough to recommend a systematic grid over the whole property and conduct IP, magnetics and VLF surveys. Colby also cut out overgrown trenches and around core storage and attempted to pick up old drill hole collars but labels were no longer readable.

In 2000 Jonpol Exploration Ltd. and Wolfden Resources Ltd. drilled two holes for a total of 490.5 metres. No data is available for this work.

From May 2005 to present Vital Resources Corp. holds the Horseshoe Island Property under option from P. English. Several claims of this present group has been held by P. English since May 1996.

GEOLOGICAL SETTING

The region is underlain by Archean-aged supracrustal rocks from 2.9 to 2.7 billion years old. The region is part of the Birch-Uchi Greenstone Belt in the north-central part of the Uchi Subprovince of the Canadian Shield. The Birch-Uchi Volcanic Belt lies between the Red Lake Volcanic Belt and Pickle Lake. The later two areas are well known for rich shear-hosted or structurally hosted Archean gold deposits.

Within the Uchi Subprovince three cycles of volcanic rocks have been recognized within its sequence. The oldest, Cycle I, is composed of a basal pillow basalt overlain by felsic pyroclastics and sedimentary rocks followed by intermediate to basaltic rocks with lesser felsic pyroclastics and capped by marble. Cycle II overlies Cycle I with pillowed basalt and interbedded intermediate volcanics and sediments followed by felsic volcanics and capped by stromatolitic marble. Cycle III consists of pillow basalt with lesser andesite flows overlain by quartz-feldspar porphyry flows, tuffs, lapilli tuff and rhyolite.

The Horseshoe Island Property lies within the Birch-Uchi Greenstone Belt which consists of north trending volcanic and sedimentary rocks. The greenstone belt is approximately 32 kilometres wide by 84 kilometres long enclosed in an envelope of granitic rocks. Preliminary mapping of the area done by Thurston et al, (1981) and Beakhouse (1987, 1989) who locally outlined a 1.5 kilometre thick east trending sequence of greenschist facies intermediate to felsic pyroclastic rocks with minor intercalations of mafic meta volcanic and meta sedimentary rocks. This sequence is bounded to the north and south by a thick sequence of mafic meta volcanic rocks.

Archean-aged Cycle III mafic and felsic volcanic rocks and related sediments have been intruded by a late multi-phase gabbro to granodiorite intrusion, known as the Horseshoe Island Intrusion Complex. This intrusion is roughly ellipsoidal in plan, approximately 1.5 kilometres by 0.5 kilometres with the long axis perpendicular to regional strike. A gabbroic phase of the intrusion is situated north of Horseshoe Island (Cooper 1985; Beakhouse 1989). A feldspar porphyry unit which Cooper (1985) described as an intrusive phase of the stock, has also been interpreted as an intermediate feldspar crystal tuff (Beakhouse 1989).

Local workers have suggested the following Stratigraphic Table of Formations showing relative ages from oldest at the bottom younging upward.

Table 2: Stratigraphic Table of Formations

Horseshoe Island Intrusive Complex
    Highly Altered and Deformed Granodiorite
    Altered Granodiorite (Chloritized)
    Granodiorite
    Gabbro
        Intrusive Contact
Cycle III Volcanic Sequence
    Feldspar Porphyry
        Intrusive Contact
    Sediments, chiefly greywacke and turbidite
    Intermediate tuff and lapilli tuff
    Andesite Pyroclastics
    Mafic Volcanics

The “Highly Altered and Deformed Granodiorite” unit is the host for gold mineralization exposed in a series of old trenches on the south shore of Horseshoe Island. The bulk of the unit appears to be under Birch Lake. This unit is tectonically deformed and hydrothermally altered to intensely sericitized feldspar, quartz and carbonate. There is on average 1% disseminated pyrite and locally up to 10%. High gold values generally correspond to an increase in pyrite content. The “Highly Altered and Deformed Granodiorite” unit is not observed on surface outside the trench area in the southern part of the island. Here the unit trends east northeast. Thin-section work has identified secondary albite in rock from this unit.

The “Altered Granodiorite” unit is a lesser altered equivalent of the unit described above. This unit can have local pyritic (0.5-3%) silicified sections less than 1 metre wide and can carry elevated gold values.

The “Feldspar Porphyry” unit appears to be a sill-like sub-volcanic intrusive. A zone of silicification has been traced for 250 metres in a series of old trenches (C Zone). Gold values from grab samples can reach 4 grams per tonne Au from trenches, and hole HI83-03 assayed 0.67 grams per tonne Au across 3.2 metres. The relationship of gold mineralization in this unit and the “Highly Altered and Deformed Granodiorite” unit is unclear.

The “Sediment” unit chiefly of greywacke exhibit graded bedding, load casts and flame structures.

The “Intermediate tuff and lapilli tuff” unit varies from bedded to massive tuff to lapilli tuff with rounded lapilli to 3 centimetres and exhibiting an andesitic to dacitic composition.

The “Andesite Pyroclastics” unit appears to be a debris flow unit with several clast types and sizes from 1-10 centimetres often containing magnetite. The unit locally contains trace to 1-2% disseminated pyrite.

The “Mafic Volcanics” unit is thought to be a tuffaceous unit.

A principal structure known as the Swain Lake deformation Zone trends northeast along the north shore of Birch Lake, about 800 metres northwest of Horseshoe Island. A secondary splay off of the Swain Lake deformation Zone trends eastward and passes approximately 400 metres south of Horseshoe Island. The Horseshoe Island Property occurs in the wedge between these faults, a structurally favourable setting for gold deposition. The Horseshoe Island Property is also situated on the north flank of an east-trending synclinal fold axis (Beakhouse 1989; Mc Neil 1989; Beakhouse et al 1989). The granodiorite unit may form a buttress and rheological contrast that for favourable structural sites for gold deposition.

DEPOSIT TYPES

Beakhouse (1985) indicates that the area has high potential for the discovery of base metal massive sulfide and gold deposits.

The most favourable sites for potential gold mineralization are shear zones associated with major faults and deformation zones particularly where alteration veining and disseminated sulfides are present as well as areas within and marginal to the fine grained high level felsic intrusions. These deposits are generally steeply dipping high grade gold deposits often located on flexures along lateral fault splays off of principal crustal faults or breaks. Many shear-hosted Archean gold deposits occur with the Superior Province and the Uchi Subprovince. Examples are found at Pickle Lake and Red Lake such as Campbell, Dickenson, Musslewhite, Pickle Lake.

The sites most favourable for the base metal sulfide deposits are proximal to felsic metavolcanic centers or lenses. The deposit model that would apply here is Archean-aged syndepositional volcanogenic massive sulfides such as those found within the Superior Geological Province. Examples are Mattabi, Geco, Kidd Creek, Horn, Noranda and Amulet of Quebec and Ontario. These copper-zinc rich massive sulfide deposits were laid down in a submarine volcanic depositional environment proximal to volcanic vents often at or near the contact between a basal mafic unit and overlying felsic/sedimentary unit. These rock types are found in the sequence in the Birch-Uchi Volcanic Belt and in the Horseshoe Island area. Coarse-grained felsic pyroclastics cut by drilling on the Horseshoe Island Property indicate near volcanic venting, a positive environment for volcanogenic massive sulfides. The South Bay Mine 34 kilometres south of the Horseshoe Island Property and described below is one such deposit.

Gold has been the main mineral of interest found on the Horseshoe Island Property to date, however, some minor copper-nickel platinum has been recorded.

MINERALIZATION

Exploration for gold has been focused at or near the contact of the Horseshoe Island Intrusive Complex with the upper intermediate volcanics.

These programs were successful in outlining an intense pervasive alteration zone 450 metres long as part of a curvi-linear fault or deformation zone. Within this alteration envelope two mineralized zones were recognized; Zone A and Zone B. Another mineralized zone was identified as C Zone. The main alteration zone is sub parallel to the regional strike but does cut the major lithologies. Some of the better grades occur along the altered contacts of major lithologic units. The A-B Zone consists dominantly of sericite and carbonate (dolomite-ankerite) alteration with lesser epidote and hematite. Alteration at the C Zone is characterized silica (quartz), sericite, carbonate, epidote and albite (Cooper 1985). Secondary albite has been recognized in the intensely altered granodioritic rocks (J. Briscoe 1984). Pyrite is ubiquitous in both types of alteration and in a general way its content is directly proportional to gold content. Accessory minerals are rare but include chalcopyrite and tourmaline and appear to be positive indicators of gold elevations. Visible gold is fairly common, but not necessarily a sure sign of significant assay results.

The A-B Zone trends east to east northeast for approximately 450 metres along the south and southeast shore of Horseshoe Island. This zone is a linear feature, described as a “listric shear” (Cooper 1985) which trends parallel to the strike of bedding and has a moderate to strong tectonic foliation. Slickensides in the altered granodiorite plunge steeply to the northeast. The A and B Zones occurs along the south contact of the granodiorite stock and extends along strike into the stock and surrounding meta-volcanic rocks (Cooper 1985; Beakhouse 1989). Drilling shows that the A and B Zones are sub parallel but locally coalesce and dip north to northwest at about 65-70o and in places are separated by about 10-20 metres. The zones range from 1-10 metres thick.

The C Zone is located about 100 metres north of the A-B Zone and is hosted by feldspar crystal tuff. This zone has an irregular T-shape and is oriented parallel to the north trending margins of the stock and partly oriented parallel to the east trending stratigraphy. Although evidence of tectonic deformation has not been recognized in the C Zone (Cooper 1985; Beakhouse 1989) the zone is still likely structurally derived. The zone has a vague sub parallel trend to the A-B Zone and appears to terminate at the granodiorite contact. The granodiorite may form a buttress or rheological contrast, a favourable setting for gold deposition.

Disseminated magnetite and/or ilmenite are present in both the A-B and C Zones and occur as fragments and thin discontinuous bands in altered pyroclastic rocks. Pyrite is the dominant sulfide typically disseminated to 1%, but locally minor chalcopyrite is present (Lavigne Jr; and Atkinson 1988).

Elevated gold values are associated with intensely altered rocks and abundant sulfides. Visible gold is reported to be fairly common and generally associated with chloritic fractures (Beakhouse 1989).

Diamond drilling by Leta Exploration Ltd. outlined the A-B Zone as a mineralized zone 375 metres long and 2.15 metres wide with an average grade of 0.195 ounces per ton Au (6.7 grams per tonne Au) (H. Sanders, assessment files, Resident Geologist’s office, Red Lake). St. Joe Canada Inc. reported grades of 0.13 ounces per ton Au (4.6 grams per tonne Au) across 4.2 metres true thickness (see section on resources).

EXPLORATION

The assessment files have revealed that a considerable amount of detailed exploration has been conducted on this property in the past. This work has included geological mapping, trenching, geophysical surveys, soil and humus geochemical surveys and extensive diamond drilling.

Vital Resources Corp. has not performed any exploration work on the Horseshoe Island Property to date nor has any work been performed by the author of this Report.

DRILLING

The assessment files show that the Horseshoe Island property has received a considerable amount of diamond drilling. The table below summaries the extent of historic drilling. No diamond drilling has been performed by Vital Resources Corp.

Table 3: Summary of Historic Diamond Drilling

Company	Year	Number of Holes	Metres
Leta Exploration Ltd.	1944/6	20	1,418
Sudbury Contact Mines Ltd.	1970	6	948
St. Joe Canada Inc.	1983	5	990
St. Joe Canada Inc.	1984	24	4,398
St. Joe Canada Inc.	1985	8	979
St. Joe Canada Inc.	1986	59	11,115
St. Joe Canada Inc.	1987	18	3,398
Noranda Exploration Co.	1990	3	403
Jonpol Explor. / Wolfden Res.	2000	2	490
TOTALS		**145**	**24,139**

The above table is derived from a series reports, general references, summaries and assessment submissions on and in the immediate vicinity of Horseshoe Island totaling 145 drill holes in 24,139 metres. The data available is incomplete by today's standards and at times sketchy and selective. Companies often submitted only a fraction of the project data. The state of the available data is generalized below but more details for each campaign can be seen in the History section.

Detailed drill logs are only available for drilling post 1946. Not all drill logs of each drill campaign were submitted and available. For the drill logs submitted they contain detailed geological observations with and without assays. The vast majority of the drilling was analyses for gold only. It appears that in most cases the entire hole was sampled. Sample lengths were often 1.5 metre lengths although in places were between 0.3 and 1.0 metre on more interesting geological sections. There is very little description if any on sample preparation procedures, protocol and quality assurance/quality control. The St. Joe Canada Inc. drill campaigns reported splitting core in half, sending half for analyses and storing the other half on site for the early years but later years they describe that whole core was sent for analyses. As evident from the core storage facility there is a lot of core that was not split also. A small fraction of the drilling has accompanying laboratory certificates. Incomplete records of the locations of drill collars are available in plan form only. Logs did not report drill core recoveries. A complete compilation plan of the drilling would not be possible from the data available.

The deteriorated core storage facility and lack of legible labels make it impossible to piece back the drill history, cross-check or validate the past drilling. It should also be commented that it is also uncertain where all of the core that is stored in the Horseshoe Island diamond drill core facilities came from. It appears that the core from the drilling of the A, B and C Zones and probably from the general vicinity is stored there. Other zones of interest have been diamond drilled which can be seen from the reported assessment files. However, it is possible core from other projects is also stored there.

Drilling has successfully identified an alteration zone 450 metres long as part of a curvilinear fault or deformation zone. Within this alteration envelope two gold-bearing mineralized zones were recognized; A Zone and B Zone. Another gold-bearing mineralized zone was identified by drilling as C Zone. The main alteration zone is sub parallel to the regional strike but does cut the major lithologies. The A-B alteration zone is characterized by sericite-albite-hematite+/-ankerite alteration. Zone C alteration is characterized by silicification. Pyrite is ubiquitous in both types of alteration and in a general way its content is directly proportional to gold content. Visible gold is fairly common. The A-B Zone trends east to east northeast for approximately 450 metres along the south and southeast shore of Horseshoe Island. Drilling shows that the A and B Zones are sub parallel but do locally coalesce and dip north to northwest at about 65-70o and are in places separated by about 10-20 metres. The zones range from 1-10 metres thick. The C Zone is located about 100 metres north of the A-B Zone and is hosted by feldspar crystal tuff. This zone has an irregular T-shape and is oriented parallel to the north trending margins of the stock and partly oriented parallel to the east trending stratigraphy. Although evidence of tectonic deformation has not been recognized in the C, the zone is still likely structurally derived. The zone has a vague sub parallel trend to the A-B Zone and appears to terminate at the Granodiorite contact. Diamond drilling by Leta Exploration Ltd. identified the A-B Zone as a mineralized zone averaging 2.15 metres wide with an average grade of 0.195 ounces per ton Au. St. Joe Canada Inc. reported grades of 0.13 ounces per ton Au across 4.2 metres true thickness but generally reported drill intercepts between 1 and 10 metres thick. Without the complete reports of locations and collar orientations it is impossible to comment on true thicknesses of these 1-10 metre intercepts.

SAMPLING METHOD AND APPROACH

No sampling has been done by Vital Resources Corp. or by the author of the Report as of the date of the Report.

Scarce information is available regarding surface sampling. The scarcity of outcrop is a limitation to evaluating the Horseshoe Island Property. Two 30-50 metre long trenches are noted on plans (50 metres apart) in the southern part of the island crossing and exposing the deformation zone and A-B Zones. The sample location, density, number, method, type, size or assays are not available for these trenches.

A complete compilation plan of the drilling would not be possible from the data available. However, with the aid of some drill plans and the shear number of drill holes on the island it would appear that the drilling on the A, B and C Zones ranged from 50 to 100 metre centers and possibly tighter in places.

Detailed drill logs are only available for drilling post 1946. Not all drill logs of each drill campaign were submitted and available. For the drill logs submitted they contain detailed geological observations with and without assays. The vast majority of the drilling was analyses for gold only. It appears that in most cases the entire hole was sampled. Sample lengths were often 1.5 metre lengths as a routine basis and regardless of rock type, although in places samples between 0.3 and 1.0 metre were selected to respect similar geological sections such as increased quartz or sulfide content. There is very little description if any on sample preparation procedures, protocol and quality assurance/quality control. The St. Joe Canada Inc. drill campaigns reported splitting core in half, sending half for analyses and storing the other half on site for the early years but later years they describe that whole core was sent for analyses. A small fraction of the drilling has accompanying laboratory certificates. Incomplete records of the locations of drill collars are available in plan form only. Logs did not report drill core recoveries.

It could be assumed that the drill sampling by the professional geologists involved in drill campaign on this property was done in a professional and careful way in terms of samples selected to be representative of the mineralization, the supervision of core handling/splitting and its logging, however, the author of the Report has made no attempt to verify this.

Of the assays reported, the elevated gold tenor commonly ranged between 1 and 10 grams per tonne Au. Having said that, visible gold is reported to be fairly commonly observed but there is no comments on the sample selection and handling of these intervals nor of any reported high grade values. It appears the companies selectively reported drill results probably closely guarding high grade sections if they occurred.

Diamond drilling by Leta Exploration Ltd. outlined the A-B Zone as a mineralized zone averaging 2.15 metres wide with an average grade of 0.195 ounces per ton Au. St. Joe Canada Inc. reported grades of 0.13 ounces per ton Au across 4.2 metres true thickness but generally reported drill intercept between 1 and 10 metres thick. Without the complete reports of locations and collar orientations it is impossible to comment on true thicknesses of these 1-10 metre intercepts.

SAMPLE PREPARATION, ANALYSES AND SECURITY

No sampling has been done by Vital Resources Corp. or by the author of the Report as of the date of this Report.

The only reference to sample preparation, analyses and security in the historic records was reported by St. Joe Canada Inc. In all other reports and campaigns this information is absent. However, it can be presumed that these drilling campaigns were supervised by professional geologists and engineers from reputable companies who would implement appropriate procedures.

In appears that the 1983 St Joe drilling followed appropriate industry sampling and analytical standards, split core and fire assay –AA method with regular check assays made and repeated assays on pulps with high assays. The check assays and repeats are not reported. Assays and certificates were provided by Swastika Lab, Swastika, Ontario, and Bondar-Clegg, Ottawa, Ontario, both certified laboratories. The remaining half core was stored at Horseshoe Island. Only gold was assayed for this 1983 core. Drill logs are available for this program. The 1984 drill core was analyzed at Custom Fire Assay, Cochenour, Ontario using standard fire assay methods of ½ assay ton charges. All the core was sampled (unsplit) with the pulps and rejects stored in Cochenour, Ontario.

Other assay results provided in the assessment database are only available on the drill logs so the laboratory used is unknown.

There is no information as to whether any of the sample preparation of any of the drilling campaigns on this property was conducted by an employee, officer, director or associate of their company.

DATA VERIFICATION

The author of the Report has examined the extensive assessment files for work recorded on the Horseshoe Island Property located in the public files in the geological department of the Ontario Department of Mines, Red Lake, Ontario, Canada which data along with the author of the Report's extensive knowledge of the area forms the basis for the report.

All grades of ore and tonnages as contained in this report are the result of other calculations by assumed experts and the author of this Report takes no responsibility for same. Assays of the diamond drill core from this drilling are only selectively reported in the public record and as a result no economic appraisal of this previous work can be done. Further, as the present deteriorated drill core storage area and lack of legible labels, the diamond drill core remaining cannot be relied on for cross-checking and verification.

A thorough attempt has been made to identify all available data on the Horseshoe Island Property but not to verify sampling and assays. Much of the data is available in summary form which cannot be verified. However, the information provided by reputable companies with professional geologists such as Sudbury Contact Mines Ltd., St. Joe Canada Inc./Bond Gold Canada Inc., and Noranda Exploration Co. Ltd. is considered to be of a high quality. The site visit has satisfied the author of the Report on property geology by general observations from the core stored on site. The core facilities demonstrated orderly storage at the time of handling. Where split, the core appears to be properly handled and representatively split.

ADJACENT PROPERTIES

The past producing South Bay Mine 34 kilometres south of Horseshoe Island is hosted in Cycle III volcanics. This was a volcanogenic massive sulfide deposit that produced 1.6 million tons grading 11.06% zinc, 1.8% copper, and 2.12 ounces per ton silver. The deposit was discovered in 1969. The South Bay orebody occurs at the contact of the rhyolite quartz-feldspar porphyry dome and overlying rhyolite vent collapse breccia. The orebody occurs in several lenses and in places is underlain by a chloritic alteration pipe (Lichtblau et al.).

The Argosy Gold Mine (New Jason Mine) was a former gold producer located on Casummit Lake, a distance of some 13 kilometres northeast of the Horseshoe Island property. The deposit was developed in the 1930's on a vertical shaft and a decline shaft to about 300 metres depth on a blue quartz vein. Grades were reported to be 0.5 ounces per ton gold (Lichtblau et al.).

MINERAL PROCESSING AND METALLURGICAL TESTING

No mineral processing or metallurgical testing has been reported by previous workers on mineralization from Horseshoe Island. Neither Vital Resources Corp nor the author of the Report has performed any testing or processing on mineralization from Horseshoe Island.

MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

A number of resource estimates have been done by various workers and mentioned here as historical records only. A list is provided below of the author and their calculations. The resource estimates figures were reported in summary form without qualification as to the extent and integrity of the database or parameters and methods used in their calculations.

These resource estimate figures are not declared resources on the Horseshoe Island Property and should not be relied upon but remain as historic figures. As the information is only available in summary form it is impossible for this writer to prepare or confirm these resource estimations. As the historic resource estimates pre-date National Instrument 43-101, they do not comply with NI 43-101 requirements for mineral resource estimation. As the information is only available in summary form it is impossible to classify these figures based on current CIM standards on mineral resources and reserves. The resources on their own do not currently demonstrate economic viability. The specific author's of these historic resource estimates are not known to this writer or Vital Resources Corp. nor is there any association with them and the writer of the Report or Vital Resources Corp. The qualifications of the specific author's to these historic resource estimates are not known.

Table 4: List of Historic Resource Estimates

Author	Source	Date	Tons	Au Grade (ounces per ton)	Parameters or Method Used
St Joe Canada Inc.	George Cross News Letter, Nov 1987	1987	825,000	0.13	unknown
Hemlo Gold Mines Inc.	1989 Annual Report	1989	892,872	0.134	unknown
Hemlo Gold Mines Inc.	Northwest Prospector, March 1990	1990	893,508	0.14	unknown

All the above reported gold reserves has been calculated from drilling of three mineralized zones namely the A, B and C Zones located along the southeast shore of Horseshoe Island on mining claim KRL 1234198. The A and B Zones do partly extend under the waters of Birch Lake. Due to the proximity to the shoreline and off-shore, further exploration would best be done in the winter. This would be a preferred time in order to minimize water contamination of Birch Lake from these activities. Due to the isolated nature of this location the author of the Report is unaware of any impact the resources may be affected by environmental, permitting, legal, title, taxation and socio-economic factors. The isolated nature of the location with its restricted access or limited infrastructure would add additional cost to exploring and developing this prospect. Due to the steep orientation of the mineralization and its near water location it is presumed that only underground mining could be contemplated should the prospect be economically viable.

There is no mineral reserve on this property.

The author of the Report is unaware of any further data or relevant information that could be considered of any practical use in this report. The author of this Report is not aware of any material fact or material change with respect to the subject matter of the Technical Report that is not reflected in the Technical Report, the omission to disclose which makes the Technical Report misleading.

INTERPRETATION AND CONCLUSIONS

The Horseshoe Island Property is a significant gold prospect. It is located in a positive regional setting, within the Archean-aged Uchi Subprovince known to host significant gold deposits. The local geology, particularly structurally, is favourable with the presence of a deformation zone that locally hosts gold mineralization. The Horseshoe Island Property is located in the Birch-Uchi Volcanic Belt between the Red Lake Volcanic Belt and Pickle Lake, the later two areas well known for rich shear-hosted or structurally hosted Archean gold deposits.

The Horseshoe Island Property has received 145 diamond drill hole in 24,139 metres by a number of companies. Drilling has successfully identified an alteration zone 450 metres long as part of a curvi-linear fault or deformation zone. Within this alteration envelope two goldbearing mineralized zones were recognized; A Zone and B Zone. Another gold-bearing mineralized zone was identified by drilling as C Zone. The main alteration zone is sub parallel to the regional strike but does cut the major lithologies. The A-B alteration zone is characterized by sericite-albite-hematite+/-ankerite alteration. Zone C alteration is characterized by silicification. Pyrite is ubiquitous in both types of alteration and in a general way its content is directly proportional to gold content. Visible gold is fairly common. The A-B Zone trends east to east northeast along the south and southeast shore of Horseshoe Island. Drilling shows that the A and B Zones are sub parallel but locally coalesce and dip north to northwest at about 65-70o and in places are separated by about 10-20 metres.

The zones range from 1-10 metres thick. The C Zone is located about 100 metres north of the A-B Zone and is hosted by feldspar crystal tuff. This zone has an irregular T-shape and is oriented parallel to the north trending margins of the stock and partly oriented parallel to the east trending stratigraphy. The zone has a vague sub parallel trend to the A-B Zone and appears to terminate at the Granodiorite contact. The gold tenor of the zones hover around 4.5-6.7 grams per tonne gold. It can only be assumed from this partial exploration record, that drill density characterizing these mineralized zones were probably 50-100 metre spacing and locally tighter. For gold deposits, this density is an inadequate test.

Unfortunately the public records of work done on this property are too incomplete to properly characterize and evaluate this interesting mineralization. The author of the Report has no reason to believe the data recorded on this property to be false in anyway as they were provided by professional geologist with reputable exploration companies. But, the tendency for companies to withhold valuable exploration data is a handicap to advancing projects such as this. The extent of drilling by multiple companies attests to the encouraging results exploration companies were having on this property, particularly by St. Joe Canada Inc. The observation that visible gold was fairly common yet not reflected in the assessment submitted data suggests that higher grade intercepts may have been made but that the companies were reluctant to disclose to the public record.

The grade and size of the historic resource is sub economic. Having said that, there is significant potential to build the mineralized system within its known limits as well as down dip and along strike by drilling. There is potential for improving the grade with infill drilling with larger size diameter core. This speaks to the current wide spaced drilling pattern that is inadequate to characterize a gold deposit as well as the nuggety nature of gold and the small core size used in the historic drilling. Most if not all drilling was done with BQ core. HQ diameter core provides a larger more representative sample than can reduce the nugget effect of gold.

The Horseshoe Island Property also has the potential of hosting a volcanogenic massive sulfide deposit, perhaps more zinc rich so as to be undetected by the geophysical surveys conducted to date there. The stratigraphy indicates a favourable geological setting for this type of deposit, particularly near the coarse-grained agglomeratic rhyolite units which have been observed in drill core. The volcanogenic massive sulfide deposit mined out at the South Bay Mine 34 kilometres south of Horseshoe Island lends support to the potential of the region for this type of deposit. These types of deposits are known to form in clusters within mineral districts.

RECOMMENDATIONS

The Horseshoe Island Property is a significant gold prospect that warrants further work. The extent of drilling even though the records are incomplete indicates the encouragement that some companies had on this the Horseshoe Island Property, particularly St. Joe Canada Inc. It is recommended to delve deeper into private sources of the historic drill data in order to retrieve additional valuable data. Contacting the companies that performed work there may yield fruit. From additional information a better compilation of the drilling could be achieved to avoid costly repeated efforts and to focus exploration dollars. This compilation effort is expected to cost $8,000 and is included as part of Phase I recommendations in Table 5 below.

The several types of geophysical surveys completed on the Horseshoe Island Property have indicated conductive areas of possible further interest for follow-up diamond drilling. Some of these conductors have no doubt been tested by diamond drilling however the economic results are unknown. In addition, the A, B and C Zones contain disseminated pyrite and should respond well to Induced Polarization (IP). As it has been 10 or more years since geophysical surveys have been done on the Horseshoe Island Property, more modern systems may provide a better product and better definition of anomalies. An IP and magnetics survey is recommended over the A, B and C Zone and beyond their known limits to try to extend the length of the trend and to potentially get better depth signatures over the zones. This ew geophysical data needs to be compiled with the historic data to have the best picture possible going forward. A digital compilation should be completed to aid further targeting. This part of the Phase I program is expected to cost $21,300 and is itemized below in Table 5. Full Phase I is expected to cost $32,200.

Contingent on positive results obtained from the Phase I work, a Phase II program of drilling is recommended to complete some in-fill drilling with larger diameter core, HQ, in order to confirm and possibly improve the grade of the zones. The isolated location of this prospect will require higher grade to generate interest and encouragement. The bservation of visible gold in core is an encouraging feature that may not have been properly evaluated by the BQ core size of previous drilling. Since the gold bearing A-B vein is located along the shoreline of the island, conventional prospecting such as overburden stripping and trenching would not be practical. Further diamond drilling would be required to explore the potential further. Drilling should be conducted during winter months.

Recommended Phase I Cost Estimate

(1)	Data Compilation	$ 8,000.00
(2)	Linecutting – 10 kms X $500.00	$ 5,000.00
(3)	Induced polarization & magnetic survey 10 kms X $400.00/km	$ 4,000.00
(4)	Air transportation to and from property	$ 3,000.00
(5)	Accommodation (see note)	$ 2,500.00
(6)	Groceries	$ 1,000.00
(7)	Travel	$ 1,000.00
(8)	Geophysical Report	$ 2,000.00
(9)	Engineering & Supervision	$ 2,000.00
(10)	Equipment – snow machine rental	$ 800.00
	Subtotal	$29,300.00
(11)	Contingencies @ 10%	$ 2,900.00
	TOTAL	**= $32,200.00**

Note: A tourist lodge is located near the Horseshoe Island Property and winter accommodation might be arranged with the owner, Green Airways of Red Lake.

Recommended Phase II Cost Estimate

(1)	Diamond drilling-1000 meters @ $90,00	$ 90,000.00
(2)	Mob-de mob	$ 25,000.00
(3)	Camp-accommodation	$ 10,000.00
(4)	Sampling and assaying	$ 5,000.00
(5)	Core splitting-helper	$ 6,000.00
(6)	Engineering and Consulting	$ 15,000.00
	Subtotal	$151,000.00
(7)	Contingencies @ 10%	$ 15,100.00
	TOTAL	**= $166,100.00**

USE OF PROCEEDS

Funds Available

As at January 31, 2006, the Company had raised $100 through the issuance of 100 common shares, $4,300 through the issuance of Series "A" Special Warrants, $85,000 through the issuance of Series "B" Special Warrants and $62,000 through the issuance of Series "F" Special Warrants, for total proceeds to the Company of $151,400. The Company also issued 50,000 Series "P" Special Warrants at a deemed price of $0.05 per Series "P" Special Warrant in connection with the option on the Horseshoe Island Property.

We will receive net proceeds from the Offering of $405,000 which, together with our $1,000 in working capital, will result in approximately $406,000 to be expended as detailed below.

Principal Purposes

The principal purposes for which the funds available are intended to be used, in order of priority, are as follows:

	Description	Minimum Offering
1.	To pay the balance of the audit and administrative costs associated with this listing.	$35,000
2.	To pay the second payment required on the Horseshoe Island Property Option Agreement	$20,000
3.	To fund the initial portion of the exploration program on the Horseshoe Island Property.	$32,200
4.	To fund the second portion of the exploration program on the Horseshoe Island Property[(1)]	$166,100
5.	To pay the estimated general and administrative expenses for 12 months	$50,000
6.	To general working capital	$102,700
	Total	$406,000

(1) Contingent on the results of the initial exploration program.

The Company has also agreed to grant the Agent Agent's Warrants equal to 10% of the number of Shares sold by them under the Offering. Each Agent's Warrant is exercisable into one common share of the Company at a price of $0.20 per Agent's Warrant. Any money derived from the exercise of the Agent's Warrants will be added to the Company's general working capital.

The principal purposes for which the funds from the Common Shares and Series "A", "B" and "F" Special Warrant offerings were used are as follows:

	Description	Proceeds
1.	Payment of the cash portion of the purchase price of the Horseshoe Island Property	$10,000
2.	Payment of deferred exploration costs	$6,455
3.	Payment of general, administration and management expenses since incorporation	$80,973
4.	Cash on hand, pre-paids and receivables as at October 31, 2005	$53,972
	Total	$151,400

We intend to spend the funds available to us as stated in this prospectus. There may be circumstances, however, where, for sound business reasons, a reallocation of funds may be necessary.

SELECTED CONSOLIDATED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Information

The following is a summary of certain selected financial information which is qualified by the more detailed information appearing in the financial statements included in this Prospectus. The Company has declared October 31 as its fiscal year end.

	Audited for the first quarter ended January 31, 2006	Audited for the year ended October 31, 2005	Audited for the period starting April 20, 2004 (incorporation) to October 31, 2004
Revenues	Nil	Nil	Nil
Net income (loss)	($9,692)	($74,299)	($13,561)
Net income (loss) per share	($0.01)	($0.01)	($6.33)
Net income (loss) per share, fully diluted	($0.01)	($0.01)	($6.33)
Total assets	$65,338	$72,927	$190
Long term debt	Nil	Nil	Nil
Total Liabilities	$8,990	$6,887	$11,707
Share Capital	$100(1)	$100(1)	$0
Number of Common shares	100	100	Nil
Number of Special Warrants	6,670,000	6,670,000	20,440
Retained earnings (deficit)	($97,552)	($87,860)	($13,561)

(1) Includes the 100 common shares currently issued and outstanding and the 6,670,000 common shares that are issuable on exercise of the outstanding Series "A", "B", "F" and "P" Special Warrants.

Dividends

We have not paid dividends in the past and do not anticipate paying dividends in the near future. We expect to retain our earnings to finance future growth and, when appropriate, retire debt.

Management Discussion and Analysis

Results of Operations

First Quarter ended January 31, 2006

During the quarter ended January 31, 2006, the Company did not generate any revenue. Expenses during this period were $9,692, and consisted mostly of filing fees.

Year ended October 31, 2005

During the year ended October 31, 2005, the Company did not generate any revenue.

Expenses during this period were $74,299, primarily due to an increase in management fees and rent and administration fees in preparation for the Company's initial public offering.

During the year ended October 31, 2005, the Company pre-paid administration and management fees totaling $27,578.

During the year ended October 31, 2005, the Company incurred expenditures of $18,955 in acquisition costs and expenditures on the Horseshoe Island Property.

Year ended October 31, 2004

During the year ended October 31, 2004, the Company did not generate any revenue.

Expenses during this period were $13,561 and consisted mostly of administration, consulting and management fees.

Liquidity and Capital Resources

Since incorporation, the Company's capital resources have been limited. The Company has had to rely upon the sale of equity securities for the cash required for capital acquisitions, exploration and administration, among other things.

The Company will continue to require funds for ongoing exploration work on the Horseshoe Island Property, as well as to meet its ongoing day-to-day operating requirements and will have to continue to rely on equity and debt financing during such period. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company. The Company does not have any other commitments for material capital expenditures over either the near or long term or none are presently contemplated other than as disclosed above and/or over normal operating requirements.

From incorporation to the year ended October 31, 2004, the Company completed a private placement offering of Series "F" Special Warrants for total proceeds to the Company of $2,044. Each Series "F" Special Warrant is exercisable into one common share of the Company at any time at the option of the holder on or before the fifth business day after a receipt is issued by the last of the securities regulatory authorities in each of the Provinces of British Columbia, Alberta and Ontario for a prospectus qualifying the issuance of the Special Warrant Shares on exercise of the Special Warrants (the "Qualification Date").

During the fiscal year ended October 31, 2005, the Company completed private placement offerings of Series "A", "B" and "F" Special Warrants, for total proceeds of $149,256. Each Series "A" and "B" Special Warrant is exercisable into one common share of the Company at any time at the option of the holder on or before the Qualification Date. As well, during the fiscal year ended October 31, 2005, the Company also paid $10,000 in cash in consideration for the Horseshoe Island Property and issued the Optionors 50,000 Series "P" Special Warrants at a deemed price of $0.05 per share.

Upon receiving the final receipt for this Prospectus by the Alberta, British Columbia and Ontario securities commissions qualifying the issuance of all of the Special Warrant Shares and on completion of the minimum Offering of 2,250,000 Shares, the Company will have a total of 8,920,100 common shares issued and outstanding. Please see "Consolidated Capitalization" and "Plan of Distribution".

DESCRIPTION OF SECURITIES DISTRIBUTED

Authorized Share Capital

The Company has one class of shares outstanding: common shares (a "Share"). Our authorized share capital consists of an unlimited number of Shares without par value. As at the date of this Prospectus, we had a total of 100 Shares issued and outstanding.

Common Shares

Under the Offering, we will be issuing common shares at a price of $0.20 per Share.

All of the Shares of the Company rank equally as to voting rights, participation in a distribution of the assets of the Company on a liquidation, dissolution or winding-up of the Company and the entitlement to dividends. The holders of the Shares are entitled to receive notice of all meetings of shareholders and to attend and vote the Shares at the meetings. Each Share carries with it the right to one vote.

In the event of the liquidation, dissolution or winding-up of the Company or other distribution of its assets, the holders of the Shares will be entitled to receive, on a pro rata basis, all of the assets remaining after the Company has paid out its liabilities. Distribution in the form of dividends, if any, will be set by the board of directors.

Special Warrants

The Company issued a total of 6,670,000 Special Warrants, pursuant to prospectus exemptions under applicable securities legislation:

Series "A", "B" and "F" Special Warrants. The Company issued 4,300,000 Series "A" Special Warrants, 1,700,000 Series "B" Special Warrants and 620,000 Series "F" Special Warrants in 2004 and 2005, pursuant to non-brokered private placements.

Series "P" Special Warrants. The Company issued 50,000 Series "P" Special Warrants in May, 2005 pursuant to the acquisition of the Horseshoe Island Property.

Each Series "A", "B", "F" and "P" Special Warrant is exercisable into one Share of the Company and will be exercised or be deemed to have been exercised immediately prior to the Special Warrant Expiry Time.

This prospectus qualifies the issuance of the Series "A", "B", "F" and "P" Special Warrants.

Agent's Warrants

The Company has agreed to grant the Agent Agent's Warrants equal to 10% of the number of Shares distributed under the Offering. Each Agent's Warrant is exercisable into one common share of the Company at a price of $0.20 per share for a period of two years from the closing date of the Offering.

The Agent's Warrants will contain, amongst other things, anti-dilution provisions and provision for the appropriate adjustment for the class, number and price of shares issuable pursuant to any exercise thereof upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Company's common shares or the payment of stock dividends or the amalgamation with another company.

This prospectus qualifies the issuance of the Agent's Warrants. The Agent may sell any of the common shares it acquires on exercise of the Agent's Warrants without further qualification, the proceeds of which will not accrue to us.

CONSOLIDATED CAPITALIZATION

The following table details materials changes to the share and loan capital of the Company from the date of incorporation to January 31, 2006 and to the date of this Prospectus. Please refer to "Prior Sales" following for further details on the prior issuances of securities.

Designation of Security	Number authorized	Outstanding as at January 31, 2006 (audited) and as at the date hereof		Outstanding after giving effect to the Offering	
		Amount	Number	Amount	Number
Common shares	unlimited	$100	100	$603,900	8,920,100
Series "A" Special Warrants	4,300,000	$4,300	4,300,000	Nil	Nil
Series "B" Special Warrants	1,700,000	$85,000	1,700,000	Nil	Nil
Series "F" Special Warrants	620,000	$62,000	620,000	Nil	Nil
Series "P" Special Warrants	50,000	$2,500	50,000	Nil	Nil
Total Capitalization		$153,900	6,670,100	$603,900	8,920,100

The Company will also grant the Agent Agent's Warrants equal to 10% of the number of Shares sold by them under the Offering. As the Offering is subject to a minimum subscription of all of the 2,250,000 Shares being offered to the public, the Company has authorized and reserved a total of 225,000 common shares for issuance to the Agent on exercise of the Agent's Warrants. Should the Agent exercise the Agent's Warrants prior to their expiry, the Company will receive additional proceeds of $45,000.

OPTIONS TO PURCHASE SECURITIES

Options

We have not granted any options to purchase our securities to executive officers, directors, employees, consultants or any other person however the Company does have a stock option plan in place.

Under the stock option plan, the Company can issue up to 10% of the total issued and outstanding common shares as incentive stock options to directors, officers, insiders, employees, and other service providers of the Company. The stock option plan limits the number of stock options which may be granted to any one individual to not more than 5% of the total issued shares of the Company in any 12 month period. The number of options granted to any one consultant, or a person employed to provide investor relations activities, in any 12 month period must not exceed 2% of the total issued shares of the Company. As well, stock options granted under the plan may be subject to such vesting provisions as determined by the Board of Directors.

PRIOR SALES

There were a total of 100 common shares and 6,649,560 Special Warrants issued by the Company within the past 12 months, particulars of which are as follows:

	Number issued	Price per security	Total consideration	Date Issued
Common shares	100	$1.00	$100.00	March, 2005
Special Warrants:				
Series "A"	4,300,000	$0.001	$4,300	March/April, 2005
Series "B"	1,700,000	$0.05	$85,000	April/May, 2005
Series "F"	599,560	$0.10	$59,956	February-August, 2005
Series "P"	50,000	$0.05 (deemed)	$2,500	May, 2005
	6,649,660		$151,856	

ESCROWED SECURITIES

Securities held by principals of the Company are held in escrow pursuant to National Policy 46-201 *Escrow for Initial Public Offerings* (the "Escrow Policy") for a period of time following the Company's offering as an incentive for the principals to devote their time and attention to the Company's business while they are securityholders. Principals include all persons or companies that, on the completion of the Company's offering, fall into one of the following categories:

a) Directors and senior officers or the directors and senior officers of a material operating subsidiary;

b) Promoters during the two years preceding the offering;

c) Those who own and/or control more than 10% of the Company's voting securities immediately after completion of the offering if they also have appointed or have the right to appoint one or more of the Company's directors or senior officers or one or more of the directors or senior officers of a material operating subsidiary;

d) Those who own and/or control more than 20% of the Company's voting securities immediately after completion of the offering; and

e) Associates and affiliates of any of the above.

The following table sets out the number of common shares of the Company which will be held in escrow upon the exercise or deemed exercise of the Special Warrants:

Name of Shareholder	Number of securities to be held in escrow	Percentage of class[1]
International Zimtu Technologies Inc.	1,300,000	14.57%
Lawrence A. Dick	500,000	5.61%
J. Christopher Grove	1,050,000	11.77%
Robert Bick	250,000	2.80%
Rudy de Jonge	1,250,000	14.01%
David Eaton	920,000	10.31%
Total:	5,270,000	59.08%

(1) Based on the 8,920,100 common shares that will be issuable on the completion of the Offering and conversion of the special warrants.

The common shares will be held in escrow pursuant to an Escrow Agreement dated January 26, 2005 between the Company, Pacific Corporate Trust Company and the shareholders.

As the Company will be considered an 'emerging issuer' as that term is defined under the Escrow Policy, a principal's escrowed securities will be released according to the following schedule:

On _______, 2____, the date the Company's securities are listed on a Canadian exchange **(the listing date)**	1/10 of the escrowed securities
6 months after the listing date	1/6 of the remaining escrowed securities
12 months after the listing date	1/5 of the remaining escrowed securities
18 months after the listing date	1/4 of the remaining escrowed securities
24 months after the listing date	1/3 of the remaining escrowed securities
30 months after the listing date	1/2 of the remaining escrowed securities
36 months after the listing date	the remaining escrowed securities

*In the simplest case, where there are no changes to the escrow securities initially deposited and no additional escrow securities, the release schedule outlined above results in the escrow securities being released in equal tranches of 15% after completion of the release on the listing date.

PRINCIPAL SHAREHOLDERS

The following table sets out the number of common shares owned by our principal shareholders as at the date of this Prospectus, including the number of all classes of our securities to be owned by our principal shareholders after the exercise or deemed exercise of the Special Warrants and the percentages of each class of securities known to us to be owned by our principal shareholders before and after the completion of the distribution contemplated hereunder:

Name of Principal Shareholder	Number and class of securities owned before completion of the Offering	Percentage of class before completion of the Offering	Number and class of securities owned after completion of the Offering[1]	Percentage of class after completion of the Offering
International Zimtu Technologies Inc.[3]	1 common share 1,300,000 Series "A" Special Warrants	1% 30.23%	1,300,001 common shares[2]	14.57%
J. Christopher Grove	1,050,000 Series "A" Special Warrants	24.42%	1,050,000 common shares[2]	11.77%
Lawrence Dick	500,000 Series "A" Special Warrants	11.63%	500,000 common shares[2]	5.61%
Robert Bick	200,000 Series "A" Special Warrants 50,000 Series "F" Special Warrants	4.65% 8.06%	250,000 common shares[2]	2.80%
Rudy De Jonge	1,250,000 Series "A" Special Warrants	29.07%	1,250,000 common shares[2]	14.01%
David Eaton	900,000 Series "B" Special Warrants 20,000 Series F" Special Warrants	52.94% 3.23%	920,000 common shares	10.31%

(1) Common shares owned beneficially and of record after completion of the Offering and the deemed exercise of all of the Special Warrants.
(2) These shares will be held in escrow pursuant to the Escrow Agreement dated January 26, 2006.
(3) International Zimtu Technologies Inc. ("Zimtu") is a reporting company and is publicly traded on the CNQ. Messrs. David Hodge, Shaun Ledding and Jason Birmingham are the directors of Zimtu. Mr. Hodge is also the President of Zimtu and Alicia Cumming is the corporate

secretary of Zimtu. None of the directors or officers of Zimtu hold any securities of the Company, other than Alicia Cumming, who owns 99 common shares. Zimtu does not have any significant shareholdings in any other reporting issuers that could potentially create a conflict of interest between the Company, Zimtu and those related companies.

DIRECTORS AND OFFICERS

Name, Address, Occupation and Security Holding

The following table sets information regarding each of our directors and officers, including the municipality of residence, the position and office held and the period of time served in this position, their principal occupation for the previous 5 years, and the number and percentage of securities beneficially owned, directly or indirectly, or over which control or direction is exercised.

Name, Municipality of Residence and Position held	Date Appointed	Principal Occupation in the previous 5 years	Number and Percentage of Securities Held[1]
Lawrence Dick [2] North Vancouver, BC Chief Executive Officer, President and Director	May 20, 2004	Director, President and CEO of the Company since May, 2004; Director, President and CEO, Evolving Gold Corp. since October, 2003; Director, President and CEO, Continuum Resources Ltd. since March, 2002; Executive Vice-President and Director, General Minerals Corporation from 1995 to 2001. Manager of Exploration in Chile, Chevron Resources from 1979 to 1995.	500,000 Series “A” Special Warrants (5.61%)
Robert Bick [2] Toronto, Ontario Director	June 13, 2005	Director of the Company since June, 2005; President of Fruits of the Earth Importers Limited, a private British Columbia company.	200,000 Series “A” Special Warrants 50,000 Series “F” Special Warrants (2.8%)
J. Christopher Grove [2] North Vancouver, BC Chief Financial Officer and Director	May 20, 2004	Director of the Company since May, 2004; Director of Providence Diamond Corp. from June, 2003 to June, 2005. Corporate communications for International Zimtu Technologies since July, 2004. Director of Cougar Minerals Corp. since April, 2004. Professional Narrator, University of British Columbia, January, 1990 to June, 2004.	1,050,000 Series “A” Special Warrants (11.7%)
Alicia Cumming Burnaby, BC Secretary	April 20, 2004	Secretary of the Company since April, 2004; Independent securities and corporate consultant.	99 common shares (0%)

(1) Calculated based on the total number of shares that will be issued and outstanding after the exercise of the Special Warrants and completion of the Minimum Offering.

(2) Member of our Audit Committee.

All of our directors will hold office until the next annual general meeting of our shareholders, which must be held by April 30, 2006.

As at the year ended October 31, 2005 and the date hereof, the Company had a total of 100 common shares issued and outstanding, and 6,670,000 Special Warrants issued, of which the directors and senior officers of the Company owned or held control or direction over, as a group, directly or indirectly, 99 common shares and 1,750,000 Series “A” Special Warrants and 50,000 Series “F” Special Warrants (equal to 99% of the issued and outstanding common shares and approximately 26.99% of the issued and outstanding Special Warrants). Upon the exercise or deemed exercise of the Special Warrants, the directors and senior officers will own as a group, directly or indirectly, an aggregate of 1,800,099 common shares.

Corporate Cease Trade Orders or Bankruptcies

None of our directors, officers or principal shareholders are, or have been within the last 10 years, directors or officer of any other issuer that, while that person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than 30 consecutive days or 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 of that issuer.

Penalties or Sanctions

None of our directors, officers or principal shareholders are, or have been within the last 10 years, the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

None of our directors, officers or principal shareholders, or personal holding company of such persons, has, within the last 10 years, become bankrupt or 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 its assets.

Conflicts of Interest

The transactions in which directors, senior officers, promoters or principal holders of our securities have had an interest in are described under the headings "Interest of Management and Others in Material Transactions", "Options to Purchase Securities" and "Executive Compensation". Other than as described under these headings, there are no material transactions with the directors, senior officers, promoters or principal holders of our securities that have occurred since incorporation.

Certain of our directors and officers also serve as directors and/or officers of companies which may enter into contracts with the Company in the future. In the event that this occurs, a conflict of interest will exist. Directors in a conflict of interest position are required to disclose such conflicts to the Company.

Management of Junior Issuers

The persons forming our management team and our directors and officers are described briefly below.

Lawrence Dick, P. Geol., age 54, is the President, Chief Executive Officer and a Director of the Company. He is also the President, Chief Executive Officer and a director of Evolving Gold Corp., a CNQ and OTCBB listed company as well as Continuum Resources Ltd., a TSX Venture Exchange listed company. Mr. Dick received a Ph.D. in Economic Geology from Queen's University and has experience in the exploration and evaluation of base and precious metals deposits worldwide. Mr. Dick will be responsible for the supervision of all exploration programs carried out by the Company and evaluate properties for potential acquisition. Mr. Dick will devote approximately 40% of his time to the Company. Mr. Dick has not entered into non-competition or non-disclosure agreement with the Company.

Robert Bick, age 58, is a Director of the Company. Mr. Bick is also the President of Fruits of the Earth Importers Limited, a private British Columbia incorporated company. Mr. Bick will be responsible for all aspects of the Company's activities, including project management. Mr. Bick will devote approximately 30% of his time to the Company. Mr. Bick has not entered into non-competition or non-disclosure agreement with the Company.

J. Christopher Grove, age 49, is a Director of the Company. Mr. Grove, a former professional narrator with the University of British Columbia, provides corporate and shareholder communications at International Zimtu Technologies Inc., a publicly traded company. Mr. Grove is also a director of Cougar Minerals Corp., a private British Columbia mineral exploration company. Mr. Grove was also a director of Providence Diamond Corp. (now known as CIC Mining Resources Ltd.), a CNQ listed company involved in mineral exploration and development in China. Mr. Grove will provide management support in all aspects of the Company's activities and will devote approximately 50% of his time to the Company. Mr. Grove has not entered into non-competition or non-disclosure agreement with the Company.

Alicia Cumming, age 31, is the Corporate Secretary of the Company. Ms. Cumming, an independent corporate and securities consultant, is also the corporate secretary of International Zimtu Technologies Inc., Commerce Resources Corp. and Ordorado Resources Corp. Ms. Cumming will be responsible for the corporate and regulatory compliance aspects of the Company. Ms. Cumming will devote approximately 30% of her time to the Company. Ms. Cumming has not entered into a non-competition or non-disclosure agreement with the Company.

EXECUTIVE COMPENSATION

Compensation of Directors

Set out below are particulars of the compensation paid to the Named Executive Officers of the Company. Named Executive Officers are:

(a) the Company's Chief Executive Officer, despite the amount of compensation of that individual;

(b) each of the Company's four most highly compensated executive officers, other than the CEO, who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonus exceeds $150,000 per year; and

(c) any additional individuals for whom disclosure would have been provided under (b) but for the fact that the individual was not serving as an executive officer of the Company at the end of the most recently completed financial year.

As at January 31, 2006, the Company had one Named Executive Officer, Lawrence Dick. Mr. Dick is the President and Chief Executive Officer of the Company.

Summary of Compensation

The following table is a summary of compensation paid to the Named Executive Officers for each of the Company's three most recently completed fiscal years.

		Annual Compensation			Long Term Compensation			
					Awards		Payouts	
Name and principle position of Named Executive Officer	Fiscal Year Ending	Salary	Bonus	Other Annual Compensation	Securities Under Options / SARs(1) Granted	Restricted Shares or Restricted Share Units	LTIP(2) Pay-Outs	All Other Compensation
Lawrence Dick President and CEO	2005 2004 2003	Nil Nil -	Nil Nil -	Nil Nil -	Nil Nil -	Nil Nil -	Nil Nil -	Nil Nil -

(1) Stock Appreciation Rights.
(2) Long term incentive plans.

Long-Term Incentive Plans, Options and SARs Awards in Most Recently Completed Fiscal Year

During the most recently completed fiscal year, there were no incentive stock options and SARs (stock appreciation rights) granted to the Named Executive Officer. The Company has no long-term incentive plans in place and therefore there were no awards made under any long-term incentive plan to the Named Executive Officer during the Company's most recently completed fiscal year. A "Long-Term Incentive Plan" is a plan under which awards are made based on performance over a period longer than one fiscal year, other than a plan for options, SARs (stock appreciation rights) or restricted share compensation.

Name	Securities Under Options/SARs Granted (#)	% of Total Options/SARs Granted to Employees in Fiscal Year	Exercise or Base Price ($/Security)	Market Value of Securities Underlying Options/SARs on the Date of Grant ($/Security)	Expiration Date
Lawrence Dick	Nil	Nil	Nil	Nil	Nil

Aggregated Option/SAR Exercises During the Most Recently Completed Fiscal Year and Fiscal Year End Option/SAR Values

During the most recently completed fiscal year, there were no incentive stock options or SARs exercised by the Named Executive Officer.

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (#)[1]	Unexercised options at Fiscal Year End Exercisable/Unexercisable (#)	Value of Unexercised In-the-Money Options at Fiscal Year End ($) Exercisable/Unexercisable
Lawrence Dick	Nil	Nil	Nil	Nil

(1) Based on the difference between the option exercise price and the closing market price of the Company's shares, on the date of exercise.
(2) In-the-Money Options are those where the market value of the underlying securities as at the most recent fiscal year end exceeds the option exercise price.

Termination of Employment, Change in Responsibilities and Employment Contracts

There are no other compensatory plans or arrangements with respect to the Named Executive Officer resulting from the resignation, retirement or other termination of employment or from a change of control of the Company.

Administrative and Services Agreement

The Company entered into an agreement with Woodsford Capital Ltd. ("Woodsford") whereby Woodsford was paid $52,000 to provide office space and administration to the Company. The agreement commenced on August 1, 2004 and will continue until that day which is three months following the date that the Company receives a receipt for its final prospectus from the British Columbia Securities Commission. Woodsford is beneficially owned by Rudy de Jonge and David Eaton, principal shareholders of the Company.

Compensation of Directors

Compensation for the Named Executive Officer has been disclosed above. No cash compensation was paid to any director of the Company for the director's services as a director.

The Company has no standard arrangement pursuant to which directors are compensated by the Company for their services in their capacity as directors, except for the granting from time to time of incentive stock options. The Company has not granted any incentive stock options to directors.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of our directors and executive officers and their associates were indebted to us from incorporation to the year ended October 31, 2005 and the first quarter ended January 31, 2006.

PLAN OF DISTRIBUTION

The Company is currently seeking conditional approval to list the securities distributed under this prospectus on the Canadian Trading and Quotation System Inc. (the "CNQ"). Listing will be subject to fulfilling all of the requirements of the CNQ, which includes becoming a reporting issuer.

Shares

The Company is offering to the public 2,250,000 Shares at a price of $0.20 per Share, to raise gross proceeds of $450,000.

The Shares will be offered at a price of $0.20 each for a period ending on the earlier of 12 months from the date of issuance of a receipt for the preliminary prospectus or 90 days following the date of the receipt issued by the Commissions for the final prospectus, unless consent for an extension is obtained from the securities commissions in British Columbia, Alberta and Ontario and those persons who have subscribed for Shares within the 90 day period.

The Offering will not continue for a period of more than 90 days following the date of the receipt for the final prospectus of the Company if subscriptions representing the minimum amount of funds are not obtained within that period, unless each of the persons or companies who have subscribed within that period have consented to the continuation.

Pursuant to an Agency Agreement between the Company and Canaccord Capital Corporation dated December 7, 2005 (the "Agency Agreement"), the Company has engaged the Agent as its exclusive agent for the purposes of the Offering and the Company, through the Agent, hereby offers for sale to the public under this Prospectus, on a commercially-reasonable efforts basis, the Shares to be issued and sold under this Offering. Subscriptions for the Shares will be payable in cash against delivery of the Share certificates representing the Shares. Subscriptions for Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

The price of the Shares was established arbitrarily by the Company after reference to the stage of development of the Company and the sale-ability and general market conditions for the Offering. The Agent has agreed to use its commercially-reasonable efforts to secure subscriptions for the Shares in the provinces of British Columbia, Alberta and Ontario and this Prospectus qualifies the distribution of the Shares to Subscribers in those jurisdictions.

The Offering is subject to a minimum subscription of 2,250,000 Shares.

Agent's Compensation

The Company has agreed to pay the Agent a cash commission equal to 10% of the proceeds raised under the Offering, for a commission of $45,000. The Company has also agreed to grant to the Agents Agent's Warrants equal to 10% of the total number of Shares distributed under the Offering. Each Agent's Warrants is exercisable into one common share of the Company at a price of $0.20 per share for a period of two years following the date of the listing of the Shares on the CNQ (an "Agent's Share"). The Company has also paid the Agent an administration fee of $20,000.

The Agency Agreement provides that, upon the occurrence of certain stated events or at the discretion of the Agent on the basis of its assessment of the state of financial markets or the market for the Shares, the Agent may terminate the Offering and the obligations of subscribers to purchase the Shares will then cease. The Agent may also terminate the Agency Agreement if a final receipt for the Prospectus is not issued within 120 days from the date of the Agency Agreement.

The Agent has also been granted the right of first refusal to provide all future debt or equity financing of the Company for a period of 12 months from the date of the listing of the Shares on the CNQ. The Agent will also have the right of first refusal to provide sponsorship services (if required) for any qualifying transaction or listing on an exchange for a period ending 24 months from the date of the listing of the Shares on the CNQ.

This Prospectus qualifies the distribution of the Agent's Warrants.

The Special Warrant Offering

The Special Warrant Offering consists of the issuance of a total 6,670,000 common shares which are issuable, without the payment of any additional consideration, upon the exercise of the Series "A", "B", "F" and "P" Special Warrants (the "Special Warrant Offering"), particulars of which are as follows:

Series "A", "B" and "F" Special Warrants: The Company issued 4,300,000 Series "A" Special Warrants, 1,700,000 Series "B" Special Warrants and 620,000 Series "F" Special Warrants, pursuant to non-brokered private placements. Each Series "A", "B" and "F" Special Warrant is exercisable into one Special Warrant Share on or before the Special Warrant Expiry Time. The Company will not receive any additional proceeds with respect to the Series "A", "B" or "F" Special Warrant Shares distributed on exercise under the Special Warrant Offering. The Series "A", "B" and "F" Special Warrants were issued pursuant to prospectus exemptions under applicable securities legislation.

Series "P" Special Warrants: The Company issued 50,000 Series "P" Special Warrants in May, 2005 pursuant to a mineral property option agreement with Messrs. Perry English and Dan Patrie (see "General Description of the Business"). Each Series "P" Special Warrant is exercisable into one Special Warrant Share, on or before Special Warrant Expiry Time. The Company will not receive any additional proceeds with respect to the Special Warrant Shares distributed on exercise of the Special Warrants under the Special Warrant Offering. The Series "P" Special Warrants were issued pursuant to prospectus exemptions under applicable securities legislation.

The price for each Special Warrant issuance was established arbitrarily by the Company after reference to the stage of development of the Company and the sale-ability and general market conditions for such issuance.

This prospectus qualifies the distribution of the Special Warrant Shares issuable on exercise of the Series "A", "B", "F" and "P" Special Warrants.

RISK FACTORS

The securities of the Company should be considered a highly speculative investment and investors should carefully consider all of the information disclosed in this prospectus prior to making an investment in our securities. In addition to the other information presented in this prospectus, the following risk factors should be given special consideration when evaluating an investment in any of our securities.

The investment involves a high degree of risk and should only be considered by those persons who can afford a total loss of their investment.

Exploration and Development: The Horseshoe Island Property is in an exploration stage only and is without a known body of commercial ore. Development of the Horseshoe Island Property will only follow upon obtaining satisfactory results. Exploration and development of natural resources involve a high degree of risk and few properties which are explored are ultimately developed into producing properties. There is no assurance that the Company's exploration and development activities will result in any discoveries of commercial bodies of ore. The long term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors.

Substantial expenditures are required to establish reserves through drilling, to develop processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that resources will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis.

Interest in Horseshoe Island Property: The Company does not own the Horseshoe Island Property, and only has the right to earn an interest in the Horseshoe Island Property pursuant to the option agreement. If the Company fails to make any of the required payments, expenditures or share issuances required under the option agreement, the Company may lose its right to earn such interest.

Operating History: The Company has a very limited history of operations, is in the early stage of development and must be considered a start-up. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. There is no assurance that the Company will ever be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

Operating Hazards and Risks: Exploration for natural resources involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of resources, any of which could result in work stoppages, damage to persons or property and possible environmental damage. Although the Company has or will obtain liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable against, or the Company might not elect to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a material adverse effect upon its financial condition.

Fluctuating Prices: The Company's revenues, if any, are expected to be in large part derived from the extraction and sale of base and precious metals such as gold. The price of those commodities has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company's control including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors on the price of base and precious metals, and therefore the economic viability of any of the Company's exploration projects, cannot accurately be predicted.

Environmental Factors: All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. 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. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Aboriginal Rights: Aboriginal rights may be claimed on Crown properties or other types of tenure with respect to which mining rights have been conferred. The Company is not aware of any aboriginal land claims having been asserted or any legal actions relating to native issues having been instituted with respect to any of the minerals claims in which the Company has an interest.

Competition: The resource industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself. Competition could adversely affect the Company's ability to acquire suitable properties for exploration in the future.

Options and Joint Ventures: The Company may, in the future, be unable to meet its share of costs incurred under option or joint venture agreements to which it is a party and the Company may have its interest in the properties subject to such agreements reduced as a result. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the cost required to complete recommended programs.

Government approvals and regulations: Government approvals and permits are currently, and may in the future be, required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be restricted or prohibited from proceeding with planned exploration or development activities. 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 indude 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 be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permitting requirements, or more stringent application of existing laws, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reductions in levels of production at producing properties or require abandonment or delays in development of properties.

Title: No assurances can be given that title defects to the Horseshoe Island Property do not exist. The Horseshoe Island Property may be subject to prior unregistered agreements, interests or land claims and title may be affected by undetected defects. If title defects do exist, it is possible that the Company may lose all or a portion of its right, title estate and interest in and to the Horseshoe Island Property.

Political and Economic Instability: The Company may be affected by possible political or economic instability. The risks include, but are not limited to, terrorism, military repression, extreme fluctuations in currency exchange rates and high rates of inflation. Changes in resource development or investment policies or shifts in political attitude in certain countries may adversely affect the Company's business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. The effect of these factors cannot be accurately predicted.

Management: The Company is dependent on a relatively small number of key employees, the loss of any of whom could have an adverse effect on the Company.

Exchange Rate Fluctuation: The profitability of the Company may be adversely affected by fluctuations in the rate of exchange of Canadian dollars into U.S. dollars. The Company does not currently take any steps to hedge against currency fluctuations.

Requirement of New Capital: As an exploration company without revenues, the Company typically needs more capital than it has available to it or can expect to generate through the sale of its products. In the past, the Company has had to raise funds, by way of equity financing, to meet its capital needs. There is no guarantee that the Company will be able to continue to raise funds needed for its business. Failure to raise the necessary funds in a timely fashion will limit the Company's growth.

Dividends: The Company has not paid dividends in the past and does not anticipate paying dividends in the near future. The Company expects to retain its earnings to finance further growth and, when appropriate, retire debt.

Value of Company: The Company's assets are of indeterminate value. For further particulars see the financial statements scheduled hereto.

Liquidity: The common shares of the Company are subject to certain trade restrictions, which may include a hold period restricting the trading of the securities.

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

PROMOTERS

We do not have any written or verbal contracts or any other arrangement in effect with any person to provide promotional or investor relations services.

LEGAL PROCEEDINGS

There are no legal proceedings or pending legal proceedings to which we are or are likely to be a party to or of which our property is likely to be the subject of.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The following is a description and approximate amount of any transaction between the Company and any director or senior officer of the Company, any principal shareholder, and their associates or affiliates since the date of incorporation of the Company:

1. The Company entered into an Administrative Services and Rental Agreement dated August 1, 2004 with Woodsford Capital Ltd. (“Woodsford”). Woodsford is a private British Columbia company owned by Rudy de Jonge and David Eaton. Pursuant to the Administrative Services and Rental Agreement, the Company agreed to pay rent and administration fees of $52,000 (plus GST) to Woodsford for the entire duration of the agreement. The agreement commenced on August 1, 2004 and is to continue until that day which is three months following the Company receiving a receipt for its final prospectus from the British Columbia Securities Commission. Woodsford has been paid in full. Mr. de Jonge currently owns 1,250,000 special warrants of the Company, which, upon conversion of the special warrants into common shares, will be held in escrow. Mr. Eaton currently owns 1,020,000 special warrants of the Company.
2. Alicia Cumming, the Secretary of the Company, is also the corporate secretary of International Zimtu Technologies Inc. (“Zimtu”), a principal shareholder of the Company. Alicia Cumming currently owns 99 common shares of the Company. Ms. Cumming provides securities and corporate consulting services to both the Company and Zimtu.
3. Christopher Grove, a Director and a principal shareholder of the Company, is also an employee of Zimtu. Mr. Grove currently owns 1,050,000 Series “A” Special Warrants of the Company, which, upon conversion of the special warrants into common shares, will be held in escrow.

RELATIONSHIP BETWEEN THE COMPANY AND THE AGENT

The Company is not a related party or connected party to the Agent, as such terms are defined in National Instrument 33-105 “Underwriting Conflicts”.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

Auditor

The Company’s auditor is Charlton & Company, Chartered Accountants, located at Suite 1735, 555 Burrard Street, Vancouver, British Columbia.

Transfer Agent and Registrar

The transfer agent and registrar of the Company’s common shares is Pacific Corporate Trust Company, located at 10th Floor, 625 Howe Street, Vancouver, British Columbia.

MATERIAL CONTRACTS

The following are the material contracts entered into by the Company since incorporation:

1. Management Services Agreement dated October 1, 2004 between the Company and Cortu Capital Corp.
2. Administrative Services and Rental Agreement dated August 1, 2004 between the Company and Woodsford Capital Ltd.
3. Mineral Property Option Agreement dated May 1, 2005 between the Company, 1544230 Ontario Inc. and Dan Patrie.
4. Agency Agreement dated December 7, 2005 between the Company and Canaccord Capital Corporation.

5. Registrar and Transfer Agreement dated January 17, 2006 between the Company and Pacific Corporate Trust Company.

6. Escrow Agreement dated January 26, 2006 between the Company, Pacific Corporate Trust Company and certain shareholders (see: "Escrowed Securities").

These material contracts can be inspected at our office, Suite 1450, 789 West Pender Street, Vancouver, British Columbia, during normal business hours during the distribution of the common shares offered hereunder and for a period of thirty days thereafter.

EXPERTS

The information on the Horseshoe Island Property is summarized from the report titled the "Technical Report on Horseshoe Island Property" dated July 12, 2005 and revised December 19, 2005, prepared by Qualified Person Carl D. Huston, P. Eng. A copy of this report can be found on the Company's disclosure page on www.sedar.com. Mr. Huston is an independent consulting geologist and does not have any interest in the Horseshoe Island Property and does not own any securities of the Company.

OTHER MATERIAL FACTS

There are no other material facts relating to the securities offered in this Prospectus that have not been disclosed elsewhere in this Prospectus.

CONTRACTUAL RIGHTS OF RESCISSION

In the event that a holder of Series "A", "B", "F" and "P" Special Warrants, who acquires Special Warrant Shares upon the exercise or deemed exercise of such Special Warrants as provided for in this Prospectus, is or becomes entitled under applicable securities legislation to the remedy of rescission by reason of this prospectus or any amendment thereto containing a misrepresentation, such holder shall be entitled to rescission not only of the holder's exercise of its Special Warrants but also of the private placement transaction pursuant to which the Special Warrants were initially acquired, and shall be entitled in connection with that rescission to a full refund of all consideration paid to the Company on the acquisition of the Special Warrants. In the event that such holder is a permitted assignee of the interest of the original Special Warrants subscriber, such permitted assignee shall be entitled to exercise the rights of rescission and refund granted to the original Special Warrant subscriber as if such permitted assignee was such original subscriber. The foregoing is a direct contractual right extended by the Company alone (but specifically not by the directors, officers or other agents of the Company) to holders of Special Warrants, permitted assignees of such holders and holders of Special Warrant Shares acquired by such holders on exercise of Special Warrants and are in addition to any other right or remedy available to a holder of Special Warrants under section 168 of the *Securities Act* (Alberta), section 131 of the *Securities Act* (British Columbia) and/or the securities legislation of the holder's province or otherwise at law. The purchaser should refer to any applicable provisions of the securities legislation of its province for the particulars of these rights or consult with a legal adviser. The foregoing contractual rights of action for rescission, being based on the availability of a remedy of rescission by reason of this prospectus or any amendment thereto containing a misrepresentation, is subject to the defence described under section 168(3) of the *Securities Act* (Alberta) and section 131(4) of the *Securities Act* (British Columbia) and the corresponding provisions of any other applicable legislation, which defence is incorporated herein by reference, *mutatis mutandis* and, for similar reasons, no action may be commenced to enforce the foregoing rights of action for rescission more than 180 days after the date of original issuance of the Special Warrants.

PURCHASER'S STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

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

VITAL RESOURCES CORP.
(formerly VITAL OIL & GAS CORP.)

FINANCIAL STATEMENTS

AND AUDITORS' REPORT

OCTOBER 31, 2005

Vital Resources Corp.
(formerly Vital Oil & Gas Corp.)

October 31, 2005

Index

AUDITORS' REPORT

To: the Shareholders of
Vital Resources Corp. (formerly Vital Oil & Gas Corp.)

We have audited the balance sheets of Vital Resources Corp. (formerly Vital Oil & Gas Corp.) as at October 31, 2005 and 2004 and the statements of operations and deficit and cash flows for the year ended October 31, 2005 and the period from date of incorporation April 20, 2004 to October 31, 2004. 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 financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2005 and 2004, and the results of its operations and cash flows for the year ended October 31, 2005 and the period from date of incorporation April 20, 2004 to October 31, 2004 in accordance with Canadian generally accepted accounting principles.

CHARTERED ACCOUNTANTS

Vancouver, British Columbia
November 10, 2005

Vital Resources Corp.
(formerly Vital Oil & Gas Corp.)
Balance Sheet
As at October 31, 2005

ASSETS		**2005**		**2004**
Current				
Cash	$	21,834	$	190
Accounts receivable		4,560		-
Prepaid expenses		27,578		-
		53,972		190
Resource property (Note 4)		18,955		-
	$	72,927	$	190

LIABILITIES AND SHAREHOLDERS' EQUITY

Current				
Accounts payable and accrued liabilities	$	6,887	$	11,707
Shareholders' equity				
Share capital (Note 5(b))		100		-
Special warrants (Note 5(c))		153,800		2,044
Deficit, per accompanying statement		(87,860)		(13,561)
		66,040		(11,517)
	$	72,927	$	190

Continuance of operations (Note 1)

Commitment (Note 8)

Approved by the Board:

"Lawrence A. Dick" — Director

"J. Christopher Grove" — Director

See accompanying notes.

Vital Resources Corp.
(formerly Vital Oil & Gas Corp.)
Statement of Operations and Deficit
Year Ended October 31, 2005

		Year Ended October 31, 2005		Date of Incorporation April 20, 2004 to October 31, 2004
Expenses				
Accounting and audit	$	6,000	$	-
Administration		32,832		8,208
Bank charges		317		132
Consulting		2,713		1,500
Filing fees		221		221
Management fees		32,000		3,500
Office		216		-
		74,299		13,561
Loss for the year		(74,299)		(13,561)
Deficit, beginning of year		(13,561)		-
Deficit, end of year	$	(87,860)	$	(13,561)
Loss per share (Note 3(c))	$	(0.01)	$	(6.33)

See accompanying notes.

Vital Resources Corp.
(formerly Vital Oil & Gas Corp.)
Statement of Cash Flows
Year Ended October 31, 2005

	Year Ended October 31, 2005	Date of Incorporation April 20, 2004 October 31, 2004
Cash flows provided by (used in)		
Operating activities		
Loss for the year	$ (74,299)	$ (13,561)
Changes in non-cash working capital items, net		
Increase in accounts receivable	(4,560)	-
Increase in prepaid expenses	(27,578)	-
Increase (decrease) in accounts payable and accrued liabilities	(4,820)	11,707
	(111,257)	(1,854)
Investing activity		
Resource property expenditures	(16,455)	-
Financing activities		
Issuance of shares	100	-
Issuance of special warrants	149,256	2,044
	149,356	2,044
Increase in cash during the year	21,644	190
Cash, beginning of year	190	-
Cash, end of year	$ 21,834	$ 190

Supplemental disclosure with respect to non-cash transactions (Note 5(c))

See accompanying notes.

1. **Continuance of Operations**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to a going concern which assume that the Company will realize its assets and discharge its liabilities in the normal course of business. Realization values may be substantially different from the carrying values as shown in the financial statements should the Company be unable to continue as a going concern.

2. **Nature of Operations**

The Company was federally incorporated under the Canada Business Corporations Act on April 20, 2004 under the name of Vital Oil & Gas Corp. The Company changed its name to Vital Resources Corp. on February 4, 2005.

The Company is in the process or exploring its resource property and has not determined whether this property contains mineral reserves which are economically recoverable.

The recoverability of amounts shown for the resource property and related deferred costs are dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and future profitable production from the property or proceeds from its disposition.

3. **Significant Accounting Policies**

(a) **Resource property**

Acquisition costs of the resource property together with direct exploration and development expenditures thereon are deferred in the accounts. When production is attained these costs will be amortized using the unit of production method based upon estimated proven recoverable reserves. When deferred expenditures on individual producing property exceeds the estimated net realizable value, the property is written down to the estimated value. Costs relating to properties abandoned are written off when the decision to abandon is made.

(b) **Use of 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 amount of revenues and expenses during the year. Actual results could differ from these estimates.

3. **Significant Accounting Policies** (continued)

(c) **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 earnings 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.

Loss per share is calculated using the weighted average number of shares and special warrants outstanding during the year.

(d) **Values**

The amounts shown for oil and gas properties, mineral properties, and deferred development costs represent costs to date, and do not necessarily represent present or future values, as they are entirely dependent upon the economic recovery of current and future reserves

(e) **Cost of maintaining resource properties**

The Company does not accrue the estimated future costs of maintaining its resource properties in good standing.

(f) **Stock-based compensation**

The Company accounts for options granted under its fixed stock option plan using the fair value based method of accounting for stock-based compensation. Accordingly, the fair value of the options at the date of the grant is accrued and charged to operations, with an offsetting credit to contributed surplus, on a straight-line basis over the vesting period. If and when the stock options are ultimately exercised, the applicable amounts of contributed surplus are transferred to share capital.

(h) **Impairment of long-lived assets**

The Company has adopted the recommendations outlined in the CICA Handbook Section 3063 These recommendations provide accounting guidance for the recognition, measurement and disclosure of impairment of long-lived assets, including property, plant and equipment and intangible assets with finite useful lives. They require the recognition of an impairment loss for a long-lived asset when events or changes in circumstances causes its carrying value to exceed the total undiscounted future cash flows expected from its use and eventual disposition. The impairment loss is calculated by deducting the fair value of the asset from its carrying value.

(i) **Environmental expenditures**

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

3. **Significant Accounting Policies** (continued)

(j) **Revenue recognition**

Revenue is recognized when the requirements as to performance for transactions involving sales or services are met and ultimate collection is reasonably assured at the time of performance.

(k) **Income taxes**

Future income taxes are recorded using the asset and liability method. Using the asset and liability method, 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 year that substantive enactment occurs. To the extent that the Company does not consider it more likely than not a future tax asset will be recovered, it provides a valuation allowance against the excess.

(l) **Asset retirement obligations**

The Company has adopted the new recommendations of the CICA with respect to accounting for asset retirement obligations. This standard requires that the fair value of a liability for an asset retirement obligation be recognized in the year in which it is incurred if a reasonable estimate of fair value can be made. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset and subsequently amortized over the asset's useful life. This change in accounting policy has been applied prospectively. Adoption of this recommendation has no effect on these financial statements.

4. **Resource Property**

Horseshoe Island Property, Ontario

During the year, the Company entered into an option agreement to acquire a 100% working interest in certain mineral claims located in the Casummit Lake area, Ontario. To eam its interest, the Company must pay cash of $140,000, and issue 150,000 special warrants or shares, over four years. The Company has paid $10,000 in cash and issued 50,000 special warrants at a deemed value of $0.05 each. In addition, the Company is required to incur exploration expenditures of $25,000 per annum for the first three years.

In addition, upon commencement of commercial production, the Company shall pay a royalty equal to 1.5% of the net smelter royalty on minerals other than diamonds.

4. **Resource Property** (continued)

Acquisition costs and deferred exploration expenditures during the year were as follows:

Property acquisition costs		
Balance, beginning of year	$	-
Additions		12,500
		12,500
Deferred exploration costs.		
Balance, beginning of year	$	-
Geological reports		5,761
Transportation costs		694
		6,455
Total resource property costs	$	18,955

5. **Share Capital**

(a) Authorized:

Unlimited common shares without par value

(b) Issued:	Number of Shares		Amount
Balance, beginning of year	-	$	-
Issued for cash	100		100
Balance, end of year	100	$	100

(c) Special warrants	Number of Warrants		Amount
Balance, beginning of year	20,440	$	2,044
Issued for cash	6,599,560		149,256
Issued for resource property (Note 4)	50,000		2,500
Balance, end of year	6,670,000	$	153,800

The special warrants are convertible into one common share any time at the option of the holder on or before the fifth business day after approval of certain regulatory authorities at which time they will be deemed exercised.

Upon the exercise or deemed exercise of the special warrants, 4,300,000 common shares will be held in escrow subject to a time release over thirty-six months.

6. **Income Taxes**

During the year ended October 31, 2005 and the period ended October 31, 2004, the Company incurred operating losses of $74,299 and $13,561 which, if unutilized, will begin expiring in 2014. Future tax benefits which may arise as a result of this loss have not been recognized in these financial statements, as their realization is not judged likely to occur.

A reconciliation of income taxes at the statutory rate with the reported taxes follows:

Loss for the year	$	(74,299)
Income taxes at statutory rate of 35.6%	$	(26,450)
Unrecognized benefits of non-capital losses		26,450
Total income taxes	$	-

Details of future income taxes are as follows:

Future income tax assets

Net operating tax loss carryforwards	$	(31,278)
Valuation allowance for future tax assets		31,278
	$	-

In addition, the Company has undeducted exploration and development expenditures totalling $18,955 that are available to reduce taxable income of future years. The valuation allowance for future tax assets is equal to any potential benefit.

7. **Financial Instruments**

The Company's financial instruments consist of accounts receivable and accounts payable. 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 instruments payable approximates their carrying value due to short term to maturity.

The maximum credit risks exposure for all financial assets is the carrying value of these assets.

8. **Commitment**

The Company entered into an administrative services and rental agreement to pay a company controlled by a shareholder. The agreement is for $52,000 per term, and is renewable on an annual basis. The initial term commenced August 1, 2004 and ends three months after the receipt date of the final prospectus date.

9. **Subsequent Event**

The Company has made an application to list its securities on the Canadian Trading and Quotation Systems Inc. (CNQ). The Company is in the process of filing a prospectus to issue a minimum of 750,000 common shares and a maximum of 2,250,000 common shares at a price of $0.20 per share, as well as the qualification of 6,670,000 common shares issuable upon the exercise of the Special Warrants (Note 5).

VITAL RESOURCES CORP.
(formerly VITAL RESOURCES OIL & GAS CORP.)

FINANCIAL STATEMENTS

AND AUDITORS' REPORT

JANUARY 31, 2006

Vital Resources Corp.
(formerly Vital Resources Oil & Gas Corp.)

January 31, 2006

Index

charlton

p | 604.683.3277
f | 604.684.8464

Charlton & Company
CHARTERED ACCOUNTANTS

SUITE 1735, TWO BENTALL CENTRE
555 BURRARD STREET
BOX 243
VANCOUVER, BC V7X 1M9

AUDITORS' REPORT

To: the Shareholders of
Vital Resources Corp. (formerly Vital Resources Oil & Gas Corp.)

We have audited the balance sheets of Vital Resources Corp. (formerly Vital Resources Oil & Gas Corp.) as at January 31, 2006 and October 31, 2005 and the statements of operations and deficit and cash flows for the three months ended January 31, 2006 and for the year ended October 31, 2005. 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 financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2006 and October 31, 2005, and the results of its operations and cash flows for the three months ended January 31, 2006 and the year ended October 31, 2005 in accordance with Canadian generally accepted accounting principles.

"Charlton & Company"

CHARTERED ACCOUNTANTS

Vancouver, British Columbia
February 20, 2006

Vital Resources Corp.
(formerly Vital Resources Oil & Gas Corp.)
Balance Sheets
As at January 31, 2006

ASSETS		January 31, 2006		October 31, 2005
Current				
Cash	$	-	$	21,834
Accounts receivable		5,396		4,560
Prepaid expenses		37,576		27,578
		42,972		53,972
Resource property (Note 4)		22,366		18,955
	$	65,338	$	72,927

LIABILITIES AND SHAREHOLDERS' EQUITY

Current				
Accounts payable and accrued liabilities	$	8,990	$	6,887
Shareholders' equity				
Share capital (Note 5(b))		100		100
Special warrants (Note 5(c))		153,800		153,800
Deficit, per accompanying statement		(97,552)		(87,860)
		56,348		66,040
	$	65,338	$	72,927

Continuance of operations (Note 1)

Commitments (Note 8)

Approved by the Board:

"Lawrence A. Dick" ____________________ Director

"J. Christopher Grove" ____________________ Director

See accompanying notes.

Vital Resources Corp.
(formerly Vital Resources Oil & Gas Corp.)
Statements of Operations and Deficit
Three Months Ended January 31, 2006

	Three Months Ended January 31, 2006	Year Ended October 31, 2005
Expenses		
Accounting and audit	$ 250	$ 6,000
Administration	-	32,832
Bank charges	39	317
Consulting	-	2,713
Filing fees	9,403	221
Management fees	-	32,000
Office	-	216
	9,962	74,299
Loss for the period	(9,692)	(74,299)
Deficit, beginning of period	(87,860)	(13,561)
Deficit, end of period	$ (97,552)	$ (87,860)
Loss per share (Note 3(c))	$ (0.01)	$ (0.01)

See accompanying notes.

Vital Resources Corp.
(formerly Vital Resources Oil & Gas Corp.)
Statement of Cash Flows
Three Months Ended January 31, 2006

	Three Months Ended January 31, 2006	Year Ended October 31, 2005
Cash flows provided by (used in)		
Operating activities		
Loss for the period	$ (9,692)	$ (74,299)
Changes in non-cash working capital items, net		
Increase in accounts receivable	(836)	(4,560)
Increase in prepaid expenses	(9,998)	(27,578)
Increase (decrease) in accounts payable and accrued liabilities	2,103	(4,820)
	(18,423)	(111,257)
Investing activity		
Resource property expenditures	(3,411)	(16,455)
Financing activities		
Issuance of shares	-	100
Issuance of special warrants	-	149,256
	-	149,356
Increase (decrease) in cash during the period	(21,834)	21,644
Cash, beginning of period	21,834	190
Cash, end of period	$ -	$ 21,834

Supplemental disclosure with respect to non-cash transactions (Note 5(c))

See accompanying notes.

1. **Continuance of Operations**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to a going concern which assume that the Company will realize its assets and discharge its liabilities in the normal course of business. Realization values may be substantially different from the carrying values as shown in the financial statements should the Company be unable to continue as a going concern.

2. **Nature of Operations**

The Company was federally incorporated under the Canada Business Corporations Act on April 20, 2004 under the name of Vital Oil & Gas Corp. The Company changed its name to Vital Resources Corp. on February 4, 2005.

The Company is in the process or exploring its resource property and has not determined whether this property contains mineral reserves which are economically recoverable.

The recoverability of amounts shown for the resource property and related deferred costs are dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and future profitable production from the property or proceeds from its disposition.

3. **Significant Accounting Policies**

(a) **Resource property**

Acquisition costs of the resource property together with direct exploration and development expenditures thereon are deferred in the accounts. When production is attained these costs will be amortized using the unit of production method based upon estimated proven recoverable reserves. When deferred expenditures on individual producing property exceeds the estimated net realizable value, the property is written down to the estimated value. Costs relating to properties abandoned are written off when the decision to abandon is made.

(b) **Use of 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 amount of revenues and expenses during the year. Actual results could differ from these estimates.

3. **Significant Accounting Policies** (continued)

(c) **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 earnings 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.

Loss per share is calculated using the weighted average number of shares and special warrants outstanding during the year.

(d) **Values**

The amounts shown for oil and gas properties, mineral properties, and deferred development costs represent costs to date, and do not necessarily represent present or future values, as they are entirely dependent upon the economic recovery of current and future reserves

(e) **Cost of maintaining resource properties**

The Company does not accrue the estimated future costs of maintaining its resource properties in good standing.

(f) **Stock-based compensation**

The Company accounts for options granted under its fixed stock option plan using the fair value based method of accounting for stock-based compensation. Accordingly, the fair value of the options at the date of the grant is accrued and charged to operations, with an offsetting credit to contributed surplus, on a straight-line basis over the vesting period. If and when the stock options are ultimately exercised, the applicable amounts of contributed surplus are transferred to share capital.

(h) **Impairment of long-lived assets**

The Company has adopted the recommendations outlined in the CICA Handbook Section 3063 These recommendations provide accounting guidance for the recognition, measurement and disclosure of impairment of long-lived assets, including property, plant and equipment and intangible assets with finite useful lives. They require the recognition of an impairment loss for a long-lived asset when events or changes in circumstances causes its carrying value to exceed the total undiscounted future cash flows expected from its use and eventual disposition. The impairment loss is calculated by deducting the fair value of the asset from its carrying value.

(i) **Environmental expenditures**

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

3. **Significant Accounting Policies** (continued)

(j) **Revenue recognition**

Revenue is recognized when the requirements as to performance for transactions involving sales or services are met and ultimate collection is reasonably assured at the time of performance.

(k) **Income taxes**

Future income taxes are recorded using the asset and liability method. Using the asset and liability method, 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 year that substantive enactment occurs. To the extent that the Company does not consider it more likely than not a future tax asset will be recovered, it provides a valuation allowance against the excess.

(l) **Asset retirement obligations**

The Company has adopted the new recommendations of the CICA with respect to accounting for asset retirement obligations. This standard requires that the fair value of a liability for an asset retirement obligation be recognized in the year in which it is incurred if a reasonable estimate of fair value can be made. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset and subsequently amortized over the asset's useful life. This change in accounting policy has been applied prospectively. Adoption of this recommendation has no effect on these financial statements.

4. **Resource Property**

Horseshoe Island Property, Ontario

During the year ended October 31, 2005, the Company entered into an option agreement to acquire a 100% working interest in certain mineral claims located in the Casummit Lake area, Ontario. To earn its interest, the Company must pay cash of $140,000, and issue 150,000 special warrants or shares, over four years. The Company has paid $10,000 in cash and issued 50,000 special warrants at a deemed value of $0.05 each. In addition, the Company is required to incur exploration expenditures of $25,000 per annum for the first three years.

In addition, upon commencement of commercial production, the Company shall pay a royalty equal to 1.5% of the net smelter royalty on minerals other than diamonds.

4. **Resource Property** (continued)

Acquisition costs and deferred exploration expenditures during the year were as follows:

Property acquisition costs		
Balance, November 1, 2004	$	-
Additions		12,500
Balance, October 31, 2005 and January 31, 2006		12,500
Deferred exploration costs.		
Balance, November 1, 2004	$	-
Geological reports		5,761
Transportation costs		694
Balance, October 31, 2005		6,455
Geological reports		3,411
Balance January 31, 2006		9,866
Total resource property costs	$	22,366

5. **Share Capital**

(a) Authorized:

Unlimited common shares without par value

	Number of Shares		Amount
(b) Issued:			
Balance, November 1, 2004	-	$	-
Issued for cash	100		100
Balance, October 31, 2005 and January 31, 2006	100	$	100

	Number of Warrants		Amount
(c) Special warrants			
Balance, November 1, 2004	20,440	$	2,044
Issued for cash	6,599,560		149,256
Issued for resource property (Note 4)	50,000		2,500
Balance, October 31, 2005 and January 31, 2006	6,670,000	$	153,800

The special warrants are convertible into one common share any time at the option of the holder on or before the fifth business day after approval of certain regulatory authorities at which time they will be deemed exercised.

Upon the exercise or deemed exercise of the special warrants, 5,270,000 common shares will be held in escrow subject to a time release over thirty-six months.

(d) Agent's Warrants

See Note 8(b).

6. **Income Taxes**

The Company has incurred operating losses to date of $97,552 which, if unutilized, will begin expiring in 2014. Future tax benefits which may arise as a result of these losses have not been recognized in these financial statements, as their realization is not judged likely to occur.

A reconciliation of income taxes at the statutory rate with the reported taxes follows:

	Three Months Ended January 31, 2006	Year Ended October 31, 2005
Loss for the period	$ (9,692)	$ (74,299)
Income taxes at statutory rate of 35.6%	$ (3,450)	$ (26,450)
Unrecognized benefits of non-capital losses	3,450	26,450
Total income taxes	$ -	$ -

Details of future income taxes are as follows:

Future income tax assets		
Net operating tax loss carryforwards	$ (34,729)	$ (31,278)
Valuation allowance for future tax assets	34,729	31,278
	$ -	$ -

In addition, the Company has undeducted exploration and development expenditures totalling $22,366 that are available to reduce taxable income of future years. The valuation allowance for future tax assets is equal to any potential benefit.

7. **Financial Instruments**

The Company's financial instruments consist of accounts receivable and accounts payable. 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 instruments payable approximates their carrying value due to short term to maturity.

The maximum credit risks exposure for all financial assets is the carrying value of these assets.

8. **Commitments**

(a) The Company has entered into an administrative services and rental agreement to pay a company controlled by a shareholder. The agreement is for $52,000 per term, and is renewable on an annual basis. The initial term commenced August 1, 2004 and ends three months after the receipt date of the final prospectus date.

8. **Commitments** (continued)

(b) The Company has entered into an agency agreement with Canaccord Capital Corporation (Canaccord) and has agreed o pay a cash commission equal to 10% of funds raised under the offering (Note 9) for a commission of $45,000. In addition, the Company has agreed to grant Canaccord agent's warrants equal to 10% of the total number of shares distributed under the offering at a price of $0.20 per share for a period of two years.

9. **Subsequent Event**

The Company has made an application to list its securities on the Canadian Trading and Quotation Systems Inc. (CNQ). The Company is in the process of filing a prospectus to issue a minimum of 2,250,000 common shares at a price of $0.20 per share, as well as the qualification of 6,670,000 common shares issuable upon the exercise of the Special Warrants (Note 5).

CERTIFICATE OF THE COMPANY

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), by Part 8 of the *Securities Act* (Alberta), and by Part XV of the *Securities Act* (Ontario) and the respective regulations made thereunder.

DATED: February 23, 2006

"Lawrence Dick"

Lawrence Dick
Chief Executive Officer, President and Director

"J. Christopher Grove"

J. Christopher Grove
Chief Financial Officer

ON BEHALF OF THE BOARD

"Lawrence Dick"

Lawrence Dick
Director

"Robert Bick"

Robert Bick
Director

CERTIFICATE OF THE AGENT

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), by Part 8 of the *Securities Act* (Alberta), and by Part XV of the *Securities Act* (Ontario) and the respective regulations made thereunder.

DATED: February 23, 2006

CANACCORD CAPITAL CORPORATION

Per: "*Michael Greenwood*"

Authorized Signatory