

A copy of this preliminary prospectus has been filed with the securities regulatory authorities in British Columbia and Alberta 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.

This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended, and, subject to certain exceptions, may not be offered, sold or delivered, directly or indirectly in the United States of America, its territories or possessions. See "Plan of Distribution".

INITIAL PUBLIC OFFERING

April 21, 2006

PRELIMINARY PROSPECTUS

BCM RESOURCES CORPORATION

(the "Company")

1814 – 1177 West Hastings Street, Vancouver, British Columbia, V6E 2K3

Telephone: (604) 646-0144 Facsimile: (604) 646-0142

\$1,500,000

2,000,000 Flow-Through Common Shares at \$0.50 per Share

1,000,000 Non Flow-Through Units at \$0.50 per Unit

BCM Resources Corporation (the "Company") is hereby offering to purchasers resident in the provinces of British Columbia and Alberta through its agent, Haywood Securities Inc., (the "Agent"), 2,000,000 flow-through Common Shares (the "FT Shares") at a price of \$0.50 per FT Share and 1,000,000 units (the "Units") at a price of \$0.50 per Unit, each Unit consisting of one non flow-through Common Share (the "Shares") and one-half of a common share purchase warrant (the "Warrant"), each whole Warrant exercisable for the purchase of one additional Common Share (the "Warrant Shares") for one year at \$0.75 per share (the "Offering"). This Prospectus qualifies the distribution of the FT Shares, the Units, the Shares, the Warrants and the Warrant Shares.

	Price To Public ⁽¹⁾	Agent's Fee ⁽²⁾	Net Proceeds to Company ⁽³⁾
Per FT Share	\$0.50	\$0.0375	\$0.4625
Per Unit	\$0.50	\$0.0375	\$0.4625
Total Offering	\$1,500,000	\$112,500	\$1,387,500

- (1) The offering price of the Shares and the terms of the Offering have been determined by negotiation between the Company and the Agent.
- (2) The Company has agreed to pay the Agent a cash commission equal to 7.5% of the gross proceeds from the sale of the FT Shares and the Units under the Offering (the "Agent's Commission") and to grant the Agent non-transferable options (the "Agent's Options") entitling the Agent to purchase that number of units of the Company which is equal to 8% of the total number of FT Shares and Units sold under the Offering (the "Agent's Units") exercisable within one year from the Closing Date at a price of \$0.50 per Agent's Unit, each having the same terms as the Units. The Company will also pay the Agent a corporate finance fee of \$25,000

plus GST, payable as to \$12,500 in cash and 25,000 additional units (the "Corporate Finance Units"), having the same terms as the Units, for corporate finance services related to the Offering. This Prospectus qualifies the distribution of the Agent's Options, the Agent's Units, the Corporate Finance Units and Common Shares, share purchase warrants and any subsequent Common Shares issued as part of, or on exercise of the same. The Company has also agreed to pay the Agent's expenses in connection with the Offering, including legal expenses and the Agent's reasonable out-of-pocket expenses. See "Plan of Distribution".

- (3) Before deducting the balance of the expenses of the Offering, estimated to be \$40,000.

There is currently no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this Prospectus. Investments in natural resource issuers involve a significant degree of risk. The degree of risk increases substantially where the issuer's properties are in the exploration as opposed to the development stage. All of the properties of the Company are in the exploration or pre-exploration stage and are without a known body of commercial ore. An investment in these securities should only be made by persons who can afford the total loss of their investment. See "Risk Factors".

The TSX Venture Exchange (the "Exchange") has conditionally approved the listing of the Common Shares. Listing will be subject to the Company fulfilling all of the listing requirements of the Exchange.

The Agent, as exclusive agent of the Company for the purposes of the Offering, conditionally offers the FT Shares and Units on a commercially reasonable efforts basis, subject to prior sale, if, as and when issued by the Company and accepted by the Agent in accordance with the Agency Agreement referred to under "Plan of Distribution". Subscriptions for the FT Shares and the Units offered hereunder will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Certificates representing the FT Shares and Units will be available for delivery following closing of the Offering.

Certain legal matters relating to the securities offered hereby will be passed upon by Stephen K. Winters Law Corporation on behalf of the Company and by McCullough O'Connor Irwin LLP, on behalf of the Agent.

**HAYWOOD SECURITIES INC.
Commerce Place
Suite 2000 - 400 Burrard Street
Vancouver, British Columbia
V6C 3A6**

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GLOSSARY OF TERMS

“2006 Plan” means the Company’s stock option plan adopted on February 2, 2006 by the Company’s board of directors and providing for the granting of incentive options to the Company’s directors, officers, employees and consultants in accordance with the rules and policies of the Exchange;

“Agency Agreement” means the Agency Agreement dated _____, 2006 between the Agent and the Company relating to the Offering;

“Agent” means Haywood Securities Inc.;

“Agent’s Commission” means the fee equal to 7.5% of the gross proceeds from the sale of the FT Shares and the Units under the Offering payable to the Agent by the Company;

“Agent’s Options” means the options granted to the Agent in connection with the Offering to purchase up to 240,000 Agent’s Units. See “Plan of Distribution”;

“Agent’s Units” mean units issuable on exercise of the Agent’s Options, such units having the same terms and conditions as the Units;

“Carter” means Nicholas Carter;

“Closing” means the closing of the Offering;

“Closing Date” means such date or dates that the Company and the Agent mutually determine to close the sale of the FT Shares and the Units offered pursuant to this Prospectus;

“Common Share” means a common share in the capital of the Company;

“Company” means BCM Resources Corporation;

“Corporate Finance Units” means 25,000 units to be issued to the Agent as part payment of its corporate finance fee pursuant to the Agency Agreement, such units having the same terms and conditions as the Units;

“Effective Date” means the date on which the Securities Commission that is the principal regulator under National Policy 43-201 “Mutual Reliance Review System for Prospectuses and AIFs” issues a decision document evidencing that receipts for this Prospectus have been issued by the Securities Commissions;

“Exchange” means the TSX Venture Exchange;

“Founders’ Share Escrow Agreement” means the escrow agreement dated December 21, 2005 between the Company, Pacific Corporate Trust Company, Dale McClanaghan and Scott Steeds;

“FT Shares” means the 2,000,000 flow through Common Shares offered for sale under this Prospectus;

“IPO Date” or **“Listing Date”** means the date on which the Common Shares of the Company are listed for trading on the Exchange;

“NI 45-102” means National Instrument 45-102, “Resale of Securities”, of the Canadian Securities Administrators;

“**NSR**” means the 1.5% net smelter return royalty which will be payable to Carter pursuant to the Carter Property Agreement if commercial production is commenced on the Property;

“**NP 46-201**” means National Policy 46-201, “Escrow for Initial Public Offerings” of the Canadian Securities Administrators;

“**Offering**” means the Offering of 2,000,000 FT Shares and 1,000,000 Units of the Company as described in this Prospectus;

“**Offering Period**” means the 90-day period following the Effective Date;

“**Offering Price**” means \$0.50 per FT Share and \$0.50 per Unit;

“**Prospectus**” means this prospectus and any appendices, schedules or attachments hereto;

“**Property**” or “**Carter Property**” means the Company’s mineral claims acquired by the Company pursuant to the Carter Property Agreement;

“**Property Agreement**” or “**Carter Property Agreement**” means, the agreement dated June 15, 2005 between the Company and Nicholas Carter by which the Company acquired the Property;

“**Report**” means the Technical Report on the Molybdenum Creek Property dated February 20, 2006 and prepared by D.J. Hanson, P. Eng. in accordance with National Policy 43-101;

“**ROFR**” means the right of first refusal respecting the NSR granted to the Company pursuant to the Carter Property Agreement;

“**Securities Commissions**” means the British Columbia Securities Commission and the Alberta Securities Commission;

“**Selling Firms**” means licensed dealers, brokers and investment dealers retained by the Agent as sub-agents to assist in the placement of subscriptions for the FT Shares and the Units under the Offering;

“**Shares**” means the Common Shares issued as part of the Units;

“**Subscriber**” means a person or other entity that subscribes for FT Shares or Units under the Offering;

“**Unit**” means the Units offered for sale under this Prospectus consisting of one Share and one Warrant;

“**Warrant**” means each one-half share purchase warrant issued as part of the Unit; each whole warrant exercisable to purchase one Common Share for one year at \$0.75 per share;

“**Warrant Shares**” means the Common Shares issuable on exercise of the Warrants;

“**U.S. Person**” has the meaning ascribed to it in section 902(k) of Regulation S promulgated under the United States *Securities Act* of 1933, and includes, among other things, any natural person resident in the United States, any partnership or corporation organized or incorporated under the laws of the United States and any trust of which any trustee is a U.S. person.

PROSPECTUS SUMMARY

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

The Company: The Company is engaged in the business of exploration and development of mineral properties. The Company holds an interest in the Property described herein. The Company's objective is to explore and develop the Property. See "Narrative Description of the Business".

The Property: 11 mineral claims located near Terrace, British Columbia, in the Skeena and Omenica Mining Divisions, British Columbia. See "Significant Acquisitions and Dispositions".

The Offering: 2,000,000 FT Shares are being offered at a price of \$0.50 per FT Share and 1,000,000 Units at \$0.50 per Unit for aggregate gross proceeds of \$1,500,000. See "Plan of Distribution".

Use of Proceeds: The Company will receive aggregate gross proceeds of \$1,500,000 for the sale of the FT Shares and the Units pursuant to this Prospectus. Total proceeds added to the Company's working capital of approximately \$187,914 as at February 28, 2006, total \$1,687,914. The Company will apply the available funds as follows:

	Funds to be Used (\$)
To pay the balance of the estimated remaining costs of the Offering (including legal, audit and printing)	\$40,000
To pay the Agent's Commission	\$112,500
To pay the Agent's corporate finance fee and GST	\$14,250
To pay the Property payment to Nicholas Carter due on June 15, 2006	\$15,000
To pay for the Phase I exploration program expenditures on the Property, including mapping, prospecting, sampling and preliminary drill testing	\$715,000
To provide funding sufficient to meet administrative costs for 12 months	\$176,000
Other mineral exploration as yet undetermined	\$285,000
To provide general working capital to fund ongoing operations and expansion	\$330,164
Total:	\$1,687,914

All of the proceeds of the sale of the 2,000,000 FT Shares of \$1,000,000 will be

committed to exploration and kept in a separate bank account. All of the proceeds of the sale of the Units will be used to for administration and working capital including possibly to finance exploration. See “Use of Proceeds”. The Company intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where for sound business reasons a reallocation of funds may be necessary.

Risk Factors:

An investment in the FT Shares and the Units should be considered highly speculative and investors may incur a loss on their investment. The Company has no history of earnings and to date has not defined any commercial quantities of mineral reserves on the Property. While the Company has followed standard industry accepted due diligence procedures to ensure that it has valid title to the Property, there is no guarantee that the Company’s ownership interest is 100% certain or that it cannot be challenged by claims from unknown third parties claiming an interest in the Property. The Company and its assets may also become subject to uninsurable risks. The Company’s activities may require permits or licenses which may not be granted to the Company. The Company competes with other companies with greater financial resources and technical facilities. The Company may be affected by political, economic, environmental and regulatory risks beyond its control. The Company is currently largely dependent on the performance of its directors and officers and there is no assurance the Company can retain their services. In recent years both metal prices and publicly traded securities prices have fluctuated widely. See the section entitled “Risk Factors” for details of these and other risks relating to the Company’s business.

Summary of Financial Information:

The following selected financial information is subject to the detailed information contained in the financial statements of the Company and notes thereto appearing elsewhere in the prospectus. The selected financial information is derived from audited financial information for the Company. The Company has established August 31 as its fiscal year end.

	Year ended August 31, 2005	Period ended February 28, 2006
Revenues	Nil	Nil
Loss for the Period	\$19,539	\$72,224
Total Assets	\$12,417	\$331,652
Total Liabilities	\$31,956	\$25,415
Shareholders Equity (deficit)	(\$19,539)	\$306,237

See “Selected Financial Information and Management’s Discussion and Analysis”.

Currency:

Unless otherwise stated, all currency amounts are stated in Canadian Dollars.

CORPORATE STRUCTURE

Name and Incorporation

BCM Resources Corporation was incorporated under the *Business Corporations Act* (British Columbia) as 716576 B.C. Ltd. on February 15, 2005 and changed its name to BC Moly Ltd. on June 15, 2005. The Company subsequently changed its name to its present name on February 16, 2006.

The Company's registered office is located at Suite 1010, 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3. The Company's head office is located at 1814 – 1177 West Hastings Street, Vancouver, British Columbia, V6E 2K3.

Intercorporate Relationships

The Company has no subsidiaries.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

The Company is engaged in the business of exploration and development of mineral properties and its objective is to locate and develop economic mineral properties. The Company commenced operations in February, 2005, the month of its incorporation. On June 15, 2005 the Company entered into an agreement (the "Property Agreement" or the "Carter Property Agreement") with Nicholas Carter ("Carter") whereby the Company acquired a 100% right, title and interest, subject to a 1.5 percent net smelter return royalty (the "NSR"), in and to ten mineral claims located in the Skeena and Omineca Mining Divisions, British Columbia, (the "Property" or the "Carter Property").

In January of 2006, the Company completed an initial exploration program on the the Molybdenum Cr., Moly Ck. And Moly Ck. 2 claims which included a geophysical survey, mapping and compilation and site preparation at a cost of \$124,196.

To fund its exploration activities and to provide working capital the Company has relied on the sale of Common Shares from treasury. Since incorporation, the Company has raised \$435,500 privately through the sale of its Common Shares. The Company intends to raise additional funding under the Offering to carry out additional exploration on the Property as set out in the section entitled "Use of Proceeds."

Significant Acquisitions and Dispositions

The Carter Property Agreement

Pursuant to the Carter Property Agreement, Carter, who resides in Victoria, British Columbia granted the Company a 100% interest in the Carter Property, subject to the NSR, which consists of ten mineral claims. The Carter Property is made up of the Molybdenum Creek Property consisting of three mineral claims, the Lorne property consisting of three mineral claims, the Alder property consisting of two mineral claims and the Shan property consisting two mineral claims. A summary of the ten mineral claims is shown below:

Mineral Claim	Record Number	Area (hectares)	Mining Division	Expiry Date
Molybdenum Ck.	501170	281.266	Skeena	September 30, 2009
Moly Ck	514199	468.775	Skeena	September 30, 2009
Moly Ck 2	514243	262.561	Skeena	September 30, 2009
Lorne	501222	279.361	Omenica	January 12, 2007
Lorne 2	514208	465.605	Omenica	June 9, 2006
Lorne 3	514213	148.947	Omenica	June 9, 2006
Alder	501281	74.118	Skeena	January 12, 2007
Alder 2	514216	463.187	Skeena	June 9, 2006
Shan	504253	112.221	Omenica	September 30, 2009
Shan 2	514220	448.861	Omenica	September 30, 2009

As consideration the Company agreed to deliver to Carter the following payments, shares and royalties:

- (a) Payments to Carter
 - i. \$10,000 paid on execution of the Carter Property Agreement on June 15, 2005 (the “Agreement Date”);
 - ii. \$15,000 on date which is one year from the Agreement Date;
 - iii. \$20,000 on a date which is two years from the Agreement Date;
 - iv. \$20,000 on a date which is three years from the Agreement Date; and
 - v. \$25,000 on a date which is four years from the Agreement Date.

- (b) Fully paid and non assessable Common Shares to be issued to Carter at a deemed price of \$0.50 per share:
 - i. 75,000 Common Shares on the IPO Date;
 - ii. 75,000 Common Shares one year from the IPO Date;
 - iii. 100,000 Common Shares two years from the IPO Date;
 - iv. 100,000 Common Shares three years from the IPO Date;

The Company also granted Carter a royalty equal to 1.5% of the net smelter return (the “NSR”). The Company has the right to acquire one half of the net smelter return from Carter by paying to Carter \$750,000. The Company also has a right of first refusal on the remaining half of the NSR.

The Company is required to pay to Carter the following advance payments on the NSR:

- i. \$5,000 on a day which is four years from the Agreement Date;
- ii. \$10,000 on a date which is five years from the Agreement Date;
- iii. \$15,000 on a date which is six years from the Agreement Date;
- iv. \$20,000 on a date which is seven years from the Agreement Date;
- v. \$25,000 on a date which is eight years from the Agreement Date;
- vi. \$25,000 on a date which is nine years from the Agreement Date; and
- vii. \$50,000 on a date which is ten years from the Agreement Date.

Currently, the Company is the registered holder of all ten claims.

Pursuant to the Carter Property Agreement, if Carter locates and records any additional claim within five kilometers of any of the claims in the Carter Property Agreement after the date of the Carter Property Agreement, he shall notify the Company. The Company may within 30 days of receipt of such notice elect to require that any such newly located claim be included and be part of the Carter Property.

On January 14, 2006, Carter recorded an additional claim known as Alder 3, comprising 74.124 hectares, located in the Skeena Mining Division of British Columbia. The Company has notified Carter that Alder 3 is to be included as part of the Carter Property Agreement. The Company became the registered holder of Alder 3 on February 2, 2006. Alder 3 expires on January 14, 2007.

The Company is required to maintain the Property in good standing for a minimum of two years. See “Nature and Extent of Company’s Title”.

The Property comprises the only significant asset held by the Company.

Trends

There are no current trends in the Company’s business that are likely to impact on the Company’s performance.

MOLYBDENUM

The following is taken from the U.S. Geological Survey, Mineral Commodity Summaries, January 2006.

(Data in metric tons of molybdenum content unless otherwise noted)

Molybdenum (Mo) is a refractory metallic element used principally as an alloying agent in steel, cast iron, and superalloys to enhance hardenability, strength, toughness, and wear and corrosion resistance. To achieve desired metallurgical properties, molybdenum, primarily in the form of molybdic oxide or ferromolybdenum, is frequently used in combination with or added to chromium, columbium (niobium), manganese, nickel, tungsten, or other alloy metals. The versatility of molybdenum in enhancing a variety of alloy properties has ensured it a significant role in contemporary industrial technology, which increasingly requires materials that are serviceable under high stress, expanded temperature ranges, and highly corrosive environments. Moreover, molybdenum finds significant usage as a refractory metal in numerous chemical applications, including catalysts, lubricants, and pigments. Few of molybdenum’s uses have acceptable substitutions

Domestic Production and Use

In 2005, molybdenum, valued at about \$4.1 billion (based on average oxide price), was produced by eight mines. Molybdenum ore was produced at three primary molybdenum mines, one each in Colorado, Idaho, and New Mexico, whereas five copper mines (two in Arizona, one each in Montana, New Mexico, and Utah) recovered molybdenum as a byproduct. Three roasting plants converted molybdenite (MoS₂) concentrate to molybdic oxide, from which intermediate products, such as ferromolybdenum, metal powder, and various chemicals, were produced. Iron and steel, cast and wrought alloy, and superalloy producers accounted for about 75% of the molybdenum consumed.

Salient Statistics-United States:	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005(e)</u>
Production, mine	37,600	32,300	33,500	41,500	56,900
Imports for consumption	12,800	11,500	11,900	17,100	23,600
Exports	31,500	23,800	21,900	34,400	45,900
Consumption:					
Reported	15,800	15,300	16,400	17,400	19,200
Apparent	19,600	20,700	26,300	23,900	34,200
Price, average value, dollars per kilogram(1)	5.20	8.27	11.65	29.67	72.07
Stocks, mine and plant concentrates, product, and consumer materials	10,700	10,000	7,200	7,500	7,900

Employment, mine and plant, number	518	489	510	630	810
Net import reliance(2) as a percentage of apparent consumption	E	E	E	E	E

Recycling

Molybdenum in the form of molybdenum metal or superalloys was recovered, but the amount was small. Although molybdenum is not recovered from scrap steel, recycling of steel alloys is significant, and some molybdenum content is reutilized. The amount of molybdenum recycled as part of new and old steel and other scrap may be as much as 30% of the apparent supply of molybdenum.

Import Sources (2001-04)

Ferromolybdenum: China, 85%; United Kingdom, 11 %; and other, 4%. Molybdenum ores and concentrates: Canada, 41%; Mexico, 39%; Chile, 17%; and other, 3%.

Tariff: Item	Number	Normal Trade Relations 12-31-05
Molybdenum ore and concentrates, roasted	2613.10.0000	12.8¢/kg + 1.8% ad val.
Molybdenum ore and concentrates, other	2613.90.0000	17.8¢/kg.
Molybdenum chemicals:		
Molybdenum oxides and hydroxides	2825.70.0000	3.2% ad val.
Molybdates of ammonium	2841.70.1000	4.3% ad val.
Molybdates, all others	2841.70.5000	3.7% ad val.
Molybdenum pigments:		
Molybdenum orange	3206.20.0020	3.7% ad val.
Ferroalloys:		
Ferromolybdenum	7202.70.0000	4.5% ad val.
Molybdenum metals:		
Powders	8102.10.0000	9.1 ¢/kg + 1.2% ad val.
Unwrought	8102.94.0000	13.9¢/kg + 1.9% ad val.
Wrought bars and rods	8102.95.3000	6.6% ad val.
Wrought plates, sheets, strips, etc.	8102.95.6000	6.6% ad val.
Wire	8102.96.0000	4.4% ad val.
Waste and scrap	8102.97.0000	Free.
Other	8102.99.0000	3.7% ad val.

Depletion Allowance: 22% (Domestic); 14% (Foreign).

Government Stockpile: None.

Events. Trends. And Issues

U.S. mine output of molybdenum in 2005 increased about 37% from that of 2004. U.S. imports for consumption increased an estimated 38% from those of 2004, while the U.S. exports increased 33% from those of 2004. The increase in exports reflects the return to full production levels by the beginning of 2005 of most byproduct molybdenum producers and increased production by primary producers. U.S. reported consumption increased 10% from that of 2004. Mine capacity utilization in 2005 was about 77%.

China continued its high level of steel production and consumption, thus providing strong demand for molybdenum. High copper prices and a deficit of refined copper allowed the Bagdad and Sierrita Mines in Arizona to return to full production capacity, thus increasing byproduct molybdenum production. The Bingham Canyon Mine near Salt Lake City, UT, optimized its mill operation to maximize molybdenum recovery and began mining a high-molybdenum zone of the deposit. The mine was expected to triple its output of molybdenum in 2005 as compared with that of 2004. With the continuing high price of nickel-bearing stainless steel in 2005, consumers increasingly considered use of duplex stainless steel, with higher molybdenum content.

World Mine Production, Reserves and Reserve Base:

	Mine Production		Reserves (thousand metric tons)	Reserve base (thousand metric tons)
	<u>2004</u>	<u>2005(e)</u>		
United States	41,500	56,900	2,700	5,400
Armenia	3,000	2,800	200	400
Canada	5,700	9,800	450	910
Chile	41,483	45,500	1,100	2,500
China	29,000	28,500	3,300	8,300
Iran	1,500	1,500	50	140
Kazakhstan	230	210	130	200
Kyrgyzstan	250	250	100	180
Mexico	3,700	3,500	90	230
Mongolia	1,700	1,300	30	50
Peru	9,600	9,700	140	230
Russia(e)	2,900	3,000	240	360
Uzbekistan(e)	<u>500</u>	<u>500</u>	<u>60</u>	<u>150</u>
World total (rounded)	141,000	163,000	8600	19,000

World Resources

Identified resources amount to about 5.4 million tons of molybdenum in the United States and about 13 million tons in the rest of the world. Molybdenum occurs as the principal metal sulfide in large low-grade porphyry molybdenum deposits and as an associated metal sulfide in low-grade porphyry copper deposits. Resources of molybdenum are adequate to supply world needs for the foreseeable future.

Substitutes

There is little substitution for molybdenum in its major application as an alloying element in steels and cast irons. In fact, because of the availability and versatility of molybdenum, industry has sought to develop new materials that benefit from the alloying properties of the metal. Potential substitutes for molybdenum include chromium, vanadium, columbium (niobium), and boron in alloy steels; tungsten in tool steels; graphite, tungsten, and tantalum for refractory materials in high-temperature electric furnaces; and chrome-orange, cadmium-red, and organic-orange pigments for molybdenum orange.

- “e” Estimated
- E Net exporter.
- 1 Time-average price per kilogram of molybdenum contained in technical-grade molybdic oxide, as reported by Platts Metals Week.
- 2 Defined as imports – exports + adjustments for Government and industry stock changes.

NARRATIVE DESCRIPTION OF THE BUSINESS

Stated Business Objectives

The principal business carried on and intended to be carried on by the Company is the acquisition, exploration and development of mineral resource properties. The Company's principal property, being the Molybdenum Creek Property, is in the exploration stage. The Company intends to expend existing working capital and net proceeds raised from the Offering to pay the balance of the estimated costs of the Offering, to carry out the planned Phase I geophysical program on the Property, to pay for administrative costs for the next twelve months and for working capital. See "Use of Proceeds". The Company has applied for permits and licenses required to carry out the initial portion of the proposed exploration program.

Property Description and Location

The Molybdenum Creek Property

A technical report dated February 20, 2006, was prepared for the Company on its Molybdenum Ck., Moly Ck. And Moly Ck. 2 claims in the Skeena Mining Division British Columbia, pursuant to the provisions of National Instrument 43-101 by D. J. Hanson, P.Eng., an independent qualified geological and engineering consultant (the "Report"). The following information has been included with the consent of D.J. Hanson, P. Eng. And is substantially a direct extract from the Report. Figures 1 to 6 from the Report are included in this Prospectus. The remaining Figures are contained in the Report which is expected to be made available under the Company's profile on the SEDAR Website at www.sedar.com.

Area and Location

The Molybdenum Creek Property (*Minfile* 103I 016) is located in the Skeena Mining Division of northwest British Columbia approximately eleven (11) kilometers northwest of the city of Terrace (see Figure 1). The approximate centre of the claims is at 54° 34' North Latitude and 128° 46' West Longitude on Trim Map 103I 057. The claims adjoin Sleeping Beauty Mountain Provincial Park to the north. The property consists of three "cell" claims covering a total area of 1012.7 hectares and the Company is the registered holder of all such claims. See "Significant Acquisitions and Dispositions". The details of the claim status are summarized in Table 1 and a topographic map of their location is shown in Figure 2.

Table 1 – Molybdenum Creek Property Information

Mineral Claim	Record Number	Area (hectares)	Mining Division	Expiry Date
Molybdenum Ck.	501170	281.266	Skeena	September 30, 2009
Moly Ck	514199	468.775	Skeena	September 30, 2009
Moly Ck 2	514243	262.561	Skeena	September 30, 2009

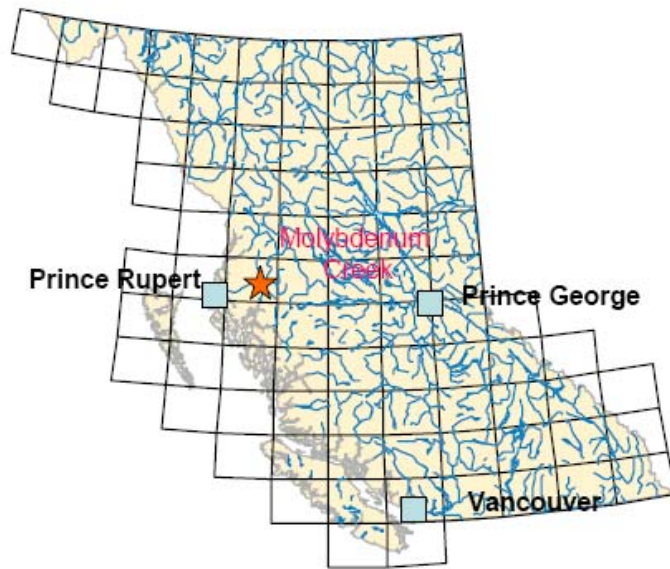
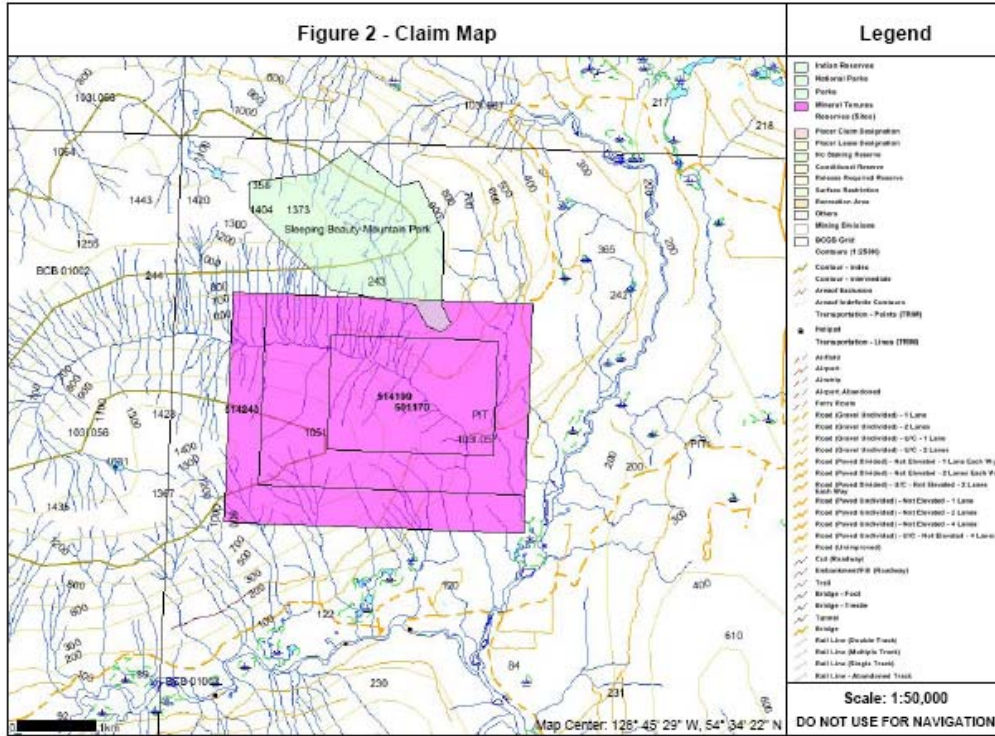


Figure 1 – Property Location



Nature and Extent of Company’s Title

The claims have not been legally surveyed. Other than as disclosed herein, the Company is not aware of any other agreements or encumbrances to which the Property is subject. The Company has not obtained a title opinion respecting the ownership of the claims, but has conducted industry standard due diligence respecting title to the claims, including searching ownership records respecting the claims at the Mineral Titles Branch of the British Columbia Ministry of Energy and Mines. While there can be no guarantee that there are no competing ownership claims or encumbrances respecting the claims, the Company is of the view that its due diligence procedures were thorough and were conducted in accordance with standard practice in the industry. See “Risk Factors”.

The anniversary date for each of the claims is stated above. See “Significant Acquisitions and Depositions”. On January 12, 2005, the Province of British Columbia revised its mineral titles management and switched to on-line staking and claim management. Under the new system assessment work required costs \$0.40 per hectare for the first three years, rising to \$0.80 per hectare thereafter. In addition, exploration and development work with a value of \$4.00 per hectare during each of the first three years and \$8.00 per hectare per year thereafter is required to maintain claims in good standing. Work must be completed and registered prior to the anniversary date of a claim in each year.

The Company has entered into consultation with First Nations groups regarding the project. If the proposed Phase I exploration program is successful and a larger program is planned then First Nations groups be consulted. See “Risk Factors”.

Royalties, Agreements and Encumbrances

The Property is subject to the payments of cash, shares and NSR royalties to Carter as contained in the Carter Property Agreement described above. See “Significant Acquisitions and Dispositions”.

Environmental Liabilities

There are no environmental liabilities to which the Property is subject of which the Company or the author of the Report is aware. There is, however, a small area of instability on the old logging road at Grid Line 6200 east. According to current B.C. Government policy, use of the road beyond here would mean accepting liability for remediation of the instability.

Permits

The author of the Report foresees no potential permitting problems for a drilling program providing the slide area is avoided. Drill sites on the north side of the Molybdenum Creek could be accessed by road while the south side could be accessed initially by helicopter. A License-to-Cut is required from the Ministry of Forests if greater than 50 cubic metres of timber is harvested. A Reclamation Permit from the Ministry of Energy, Mines and Petroleum Resources will also be required. The operator will be required to post a reclamation security (bond) as a condition of the Reclamation Permit.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The property is easily accessible by road from Terrace, a city of 15,000 with a resourced-based economy in northwest British Columbia. From Highway 16, take the Kalum Lake Road starting on the Kitsumkalum Reserve just west of Terrace and proceed north nine (9) kilometers. Turn left on the Erlandsen Forest Service Road and follow the signs to Sleeping Beauty Trail for seven (7) kilometers. The property can then be reached by four-wheel drive pick-up truck or ATV by taking the left fork in the road for two kilometers.

Climate in the Terrace area is intermediate between the north coast and the central interior. Winters are moderated by the coastal influence with temperatures of 0° to -10°C typical for the period from November to February. Average temperatures from May to September range from 10° to 20°C. Total precipitation averages 130 cm a year with snowfall averaging 375 cm.

Terrace is a major distribution centre for resource industries operating in northwest B.C. and is a desirable place to live. It has access to the CN rail-line, an airport with daily service to Vancouver, and road access to deep water ports in Prince Rupert and Kitimat. A skilled exploration work force is available locally and nearby in Smithers.

The transmission line to the Nass Valley runs within seven (7) kilometers of the property and access to both natural gas and telecommunications services is available in Terrace.

Topography is generally steep to locally precipitous with outcrops mainly confined to the canyon of Molybdenum Creek and road cuts. The remainder of the property is covered either with colluvium or with fluvio-glacial drift. Elevations range from 350 metres at the lower end of Molybdenum Creek to 1000 metres in the southwest portion of the claims. Most of the property is covered by coastal species of mature evergreen trees with local areas of regeneration that were logged by clear-cutting approximately 25 years ago.

History

Prior to 1979, the Molybdenum Creek area was prospected and the showings were sampled by various companies but no systematic exploration was conducted with the exception of a soil geochemistry survey of unknown size by Zymont Metals in 1973.

In 1979 Amax of Canada Limited conducted the first systematic and integrated exploration in the area of the Molybdenum Creek showings. Work completed between June and September included 10.7 kilometres of line-cutting, 6.5 kilometres of induced polarization geophysics, 875 hectares of geological mapping at a scale of 1:5000, and multi-element soil, rock and silt geochemistry (639 samples).

On January 12, 2005 the mineral rights to the area covering the main showings were acquired by N.C. Carter. Two additional claims were acquired by Carter on June 9, 2005 and on June 15, 2005 the claim package was acquired by B.C. Moly Ltd.

In July, 2005 S.J. Geophysics Ltd. Completed 6.95 line kilometres of 3D induced polarization geophysics on the north side of Molybdenum Creek.

In November, 2005 Fugro Airborne Surveys Corp. completed an aerial magnetometer survey over the entire claim group.

Geological Setting

Regional Geology

The Molybdenum Creek property is situated on the eastern margin of the Coast Plutonic Complex (CPC) between Alice Arm and Terrace where Tertiary granites of the CPC intrude Jurassic and Cretaceous volcanic and sedimentary rocks of the Hazelton and Bowser Groups (Figure 3 with legend in Appendix C). The CPC is a 1700 kilometre long crystalline terrane of granite and lesser meta-sedimentary and meta-volcanic rocks that extend the length of B.C. and into southeast Alaska. Radiometric K/Ar determinations give an age range of 43-51 Ma (Carter, 1981) for the granites of the CPC.

Proximal to the eastern margin of the CPC between Terrace and Alice Arm there are small quartz monzonite stocks of the Alice Arm Intrusions that have been dated by K/Ar at 49-54 Ma (Carter, 1981). These stocks intrude siltstones and greywackes of the Bowser Lake successor basin. Many are localized by the intersection of north-northwest and east-northeast faults of regional scale. The prominent, north-northwest trending Kitsumkalum-Kitimat River lineament lies 6 kilometres east of the property.

A number of molybdenum occurrences are known along the east flank of the CPC between Alice Arm and Terrace. Three distinct types of molybdenum mineralization have been recognized: mineralization within granitic rocks of the CPC, mineralization related to Alice Arm Intrusions, and mineralization hosted by felsic intrusions which cross-cut granitic rocks of the CPC.

The most significant type of molybdenum mineralization is associated with Early Tertiary (Eocene) age Alice Arm Intrusions. These intrusions occur in the form of small (less than 1 kilometre in diameter) plugs, stocks and dyke swarms of quartz monzonite porphyry which intrude Bowser Assemblage sedimentary rocks marginal to the CPC. Most of these intrusions feature several inter-mineral and post-mineral phases. Sedimentary rocks marginal to Alice Arm intrusions are metamorphosed to a distinctive brown, biotite hornfels. Molybdenite mineralization occurs in closely-spaced quartz veinlets, as coatings on dry fractures and as disseminations in some later intrusive phases. Typical alteration patterns include an inner potassic zone consisting of secondary K-feldspar rimming quartz veinlets and an outer quartz-

sericite-pyrite zone in which biotite hornfels marginal to porphyry intrusions is bleached to a cream or light green colour. The best documented example of a molybdenite-bearing Alice Arm intrusion is the Kitsault (Lime Creek) deposit where past mining operations between 1967-1972 and 1981-1982 processed 13.4 million t of ore yielding 13.6 million kilograms of molybdenum for a recovered grade of 0.101% Mo. The remaining resource is 104.3 million t of ore grading 0.11% Mo.

Property Geology

The Molybdenum Creek property straddles the contact between granitic intrusive rocks of the CPC and meta-sediments and meta-volcanics of the Bowser and/or Hazelton Groups. Geology from the Ministry of Energy, Mines and Petroleum Resources *MapPlace* website (Figure 4) places this contact on the north side of Molybdenum Creek. More detailed mapping by Amax (Figure 5), however, locates this contact on the south side of the creek although the contact is obscured by fluvio-glacial sand and gravel. The small Tertiary plug shown in Figure 4 may be represented by the dykes shown in the more detailed Amax mapping.

Quartz monzonite and granodiorite of the CPC is massive, medium-grained and equigranular with an average composition of 25% quartz, 60% feldspar, and 15% biotite.

Detailed mapping in the gorge of Molybdenum Creek by Amax identified meta-siltstone, porphyritic andesite and their hornfelsed equivalents as the dominant lithologies with minor amounts of meta-greywacke, argillite, dacite and basaltic andesite also present. The meta-siltstone is typically a fine-grained, dark grey rock with biotite and local garnet. The porphyritic andesite flows contain 20-45%, subhedral to euhedral plagioclase phenocrysts in fine grained to aphanitic, dark grey-green groundmass. The lithologic sequence was assigned to the Hazelton Group by Amax geologists.

The stratigraphic sequence and granitic rocks of the CPC have been intruded by feldspar-quartz±biotite porphyry dykes of the Alice Arm Intrusive suite. The rocks contain 15-20% euhedral, sericitized feldspar phenocrysts and 5-8% clear quartz phenocrysts. The dykes are spatially related to hornfels development and molybdenum mineralization. Although they are cross-cut by molybdenum-bearing quartz veins, Amax geologists concluded that the dykes may represent the mineralizing source.

Purple hornfels, produced as a result of contact metamorphism of sedimentary and volcanic rocks, is the dominant rock type in the upper section of the Molybdenum Creek gorge and also occurs intermittently in patches further down the creek and in tributary ravines northwest of the gorge. Molybdenum mineralization and the abundance of fine-grained disseminated pyrrhotite correlate directly with the degree of hornfels development.

Structure

No bedding was observed but, based on the outcrop pattern and two contact measurements, the litho-stratigraphic units are interpreted as striking east-west and dipping south.

A north-south striking foliation is present in volcanic rocks north of the gorge. Dips are variable from 20-40° east to 20-40° west.

Faults and/or zones of shearing and chloritization trend north-northeast with vertical to steep westerly dips. Right lateral movement of approximately 10 metres was observed at one location in the lower gorge.

Two steeply dipping, possible conjugate joint sets trend N32°E and N84°E.

Quartz-molybdenite veins up to 25cm wide are generally flat lying with dips ranging from 5-25°. Steeply

dipping quartz-molybdenite veining is less common. Veining intensity is variable, ranging from 1 to greater than 10 veins per metre.

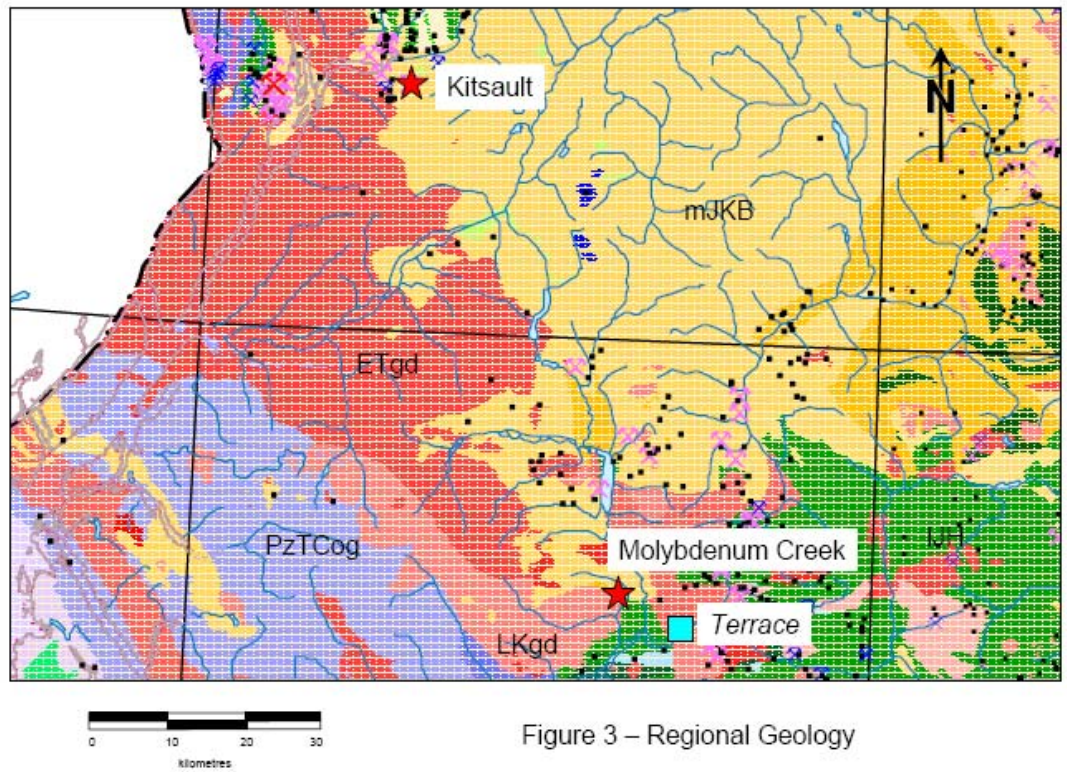


Figure 3 – Regional Geology

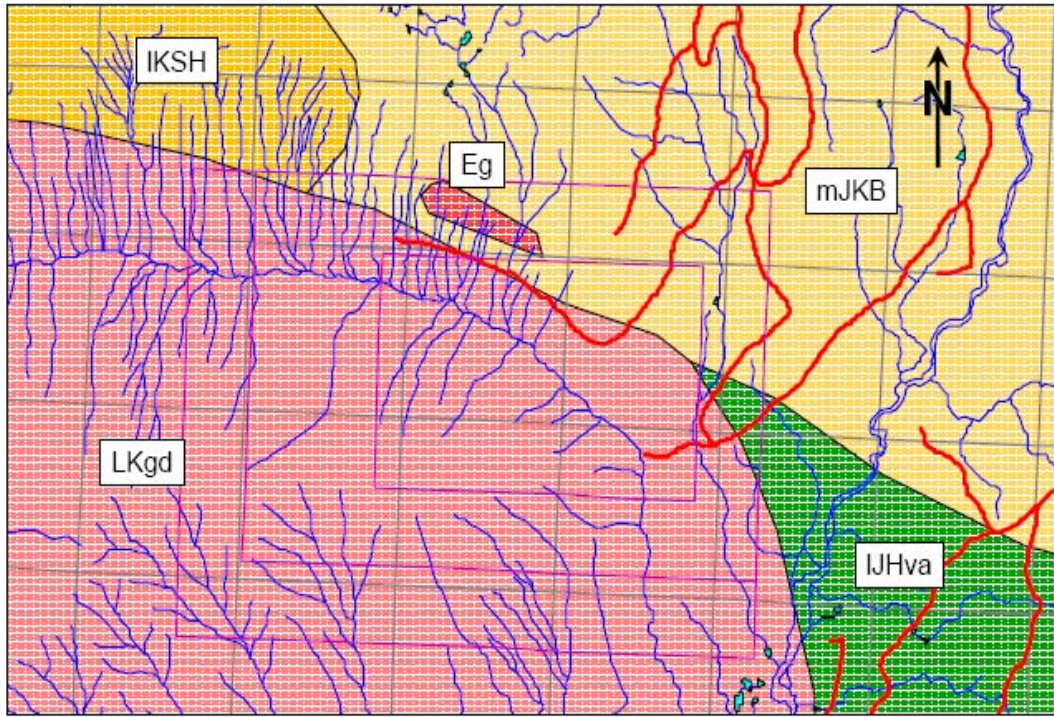
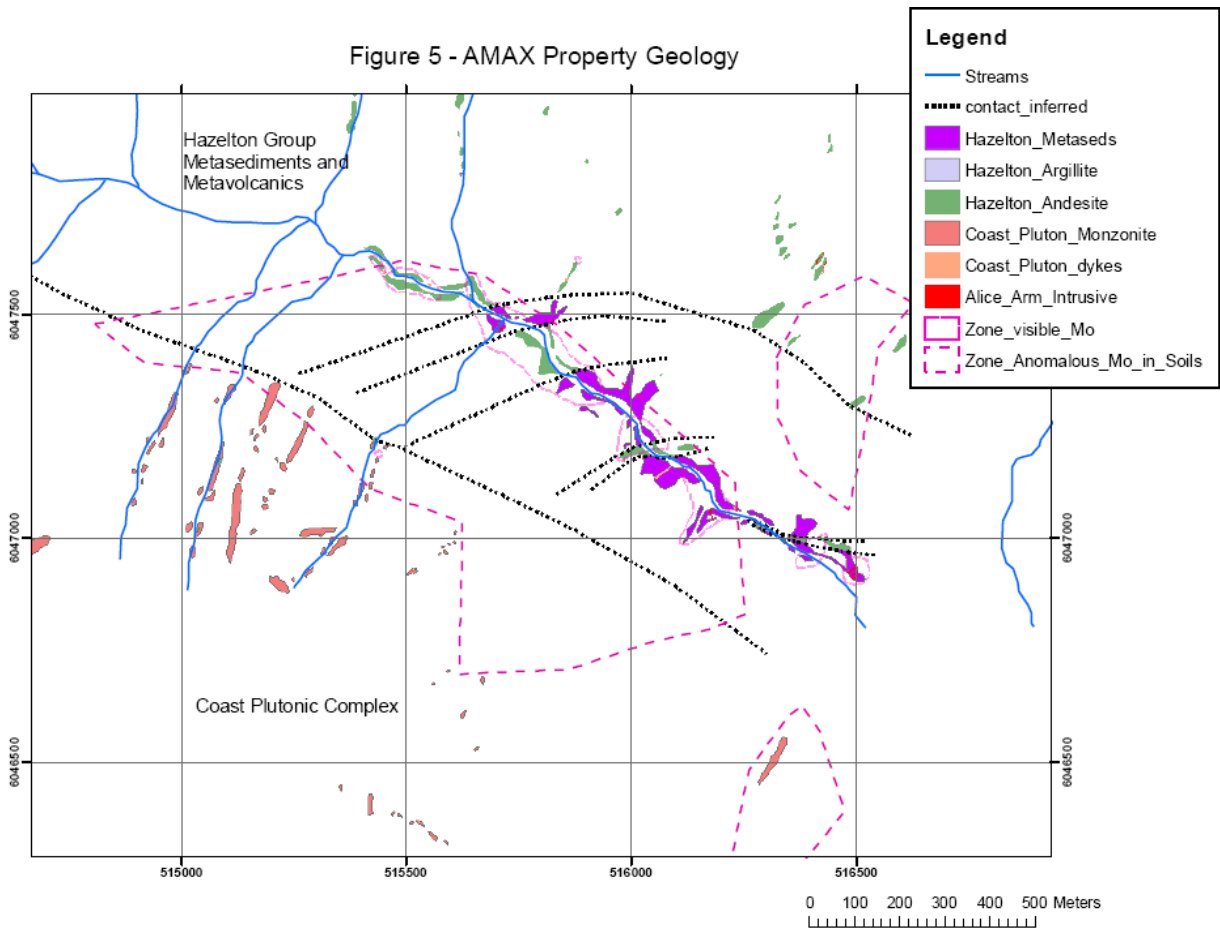


Figure 4 – *MapPlace* Property Geology
(see Appendix C for legend)



Mineralization

Molybdenum mineralization has been observed discontinuously along the entire length of the Molybdenum Creek gorge in a zone approximately 1300 metres long, 200 metres wide and 150 metres in vertical extent. Molybdenite occurs in discontinuous dark grey bands within, and as selvages along, quartz veins in hornfels and feldspar-quartz porphyry dykes. Pyrite is present in all molybdenite bearing quartz veins in amounts ranging from 5-90%. Chalcopyrite and/or magnetite may also be present. Scheelite is locally present in trace amounts. Amax reported assay results for 19 grab and chip samples ranging from 0.017 to 0.618% MoS₂ and from 0.01 to 1.90% copper. The samples were not analyzed for gold.

In addition to quartz veins, molybdenite occurs less commonly adjacent to “dry” chloritic fractures in less intensely hornfelsed rock peripheral to areas of intense quartz veining.

Potassium feldspar and chlorite occur commonly in molybdenite-bearing quartz veins and along vein margins.

Purple hornfels is often “bleached” to a pale green, silicic rock with up to 5% disseminated pyrite adjacent to quartz veins for up to twice the width of the vein. Fine-grained, disseminated pyrrhotite is present in purple hornfels in amounts up to 3%. The abundance of pyrrhotite is directly related to the intensity of quartz veining.

Deposit Models

Porphyry Molybdenum

On the Molybdenum Creek property, molybdenum and copper mineralization occur in a style typical of Porphyry Molybdenum (low F type) deposits in the Cordillera of British Columbia, Yukon and Alaska. Some of the better-known deposits in this class are Endako (336 Mt of 0.087% Mo) and Kitsault (108 Mt of 0.115% Mo) in British Columbia, and Quartz Hill (793 Mt of 0.091% Mo) in Alaska.

Sinclair (1995) characterizes this type of deposit as follows:

- molybdenite mineralization with subordinate chalcopyrite, scheelite and galena is structurally controlled in cross-cutting fractures and quartz veinlets
- gangue minerals are typically quartz, pyrite, potassium feldspar, biotite and sericite
- host rocks are commonly tertiary aged, porphyritic quartz-monzonite intrusions and hornfelsed country rock
- alteration of the host rocks is concentrically zoned with an inner potassic and silicic core surrounded by a phyllic (quartz-sericite) zone which is in turn surrounded by a propylitic (chlorite-epidote) zone
- deposits vary in shape but typically are either cylindrical or irregular or form an inverted cup
- dimensions are typically 100s of metres in horizontal and vertical extent
- multiple stages of intrusion and mineralization are common

Geochemistry and geophysics combined with geological mapping are the best exploration guides for porphyry molybdenum deposits. Rocks proximal and overlying the deposit are typically anomalous in Cu, Mo and W while more distal rocks tend to be anomalous in Pb and Zn and Ag. Stream sediments may be anomalous in Mo, Cu, W, Pb, Zn and Ag; heavy mineral concentrates may be anomalous in Mo, W and Pb. Induced polarization and resistivity surveys can detect pyrite occurring as disseminations, fracture fillings and in veinlets; magnetic surveys can detect magnetite and pyrrhotite mineralization; and airborne radiometric surveys can detect potassic alteration zones.

Intrusion-Related Gold

Based on the regional geological setting, there is also potential for intrusion-related gold mineralization on the Molybdenum Creek property. A neighbouring property on the east side of the Kitsumkalum-Kitimat River lineament has a molybdenum showing in a Tertiary granodiorite plug proximal to gold-tungsten-quartz and bismuth-quartz veins. See “Adjacent Properties”. The Wadsworth vein, in particular, has the characteristic Au-Ag-W-Mo-Bi geochemical signature of an “intrusive-related gold deposit”¹. Well-known deposits in this classification include Fort Knox (158.3 Mt grading 0.83 g/t gold) and Pogo (10.7 Mt grading 17.82 g/t gold) both in Alaska.

There is no record that Amax analyzed for gold or for any of the pathfinder elements listed above. In fact, since the “intrusion-related” gold model has been only recently recognized, it is doubtful that Amax considered the gold potential of the Molybdenum Creek property.

There are no known mineral reserves or resources on the Property. The level of exploration completed to date is insufficient to define any preliminary resources.

¹ Wojdak et al, 1999

Adjacent Properties

There are no adjoining properties but the neighbouring Clear Creek property may have a bearing on the potential of the Molybdenum Creek property to host “intrusion-related” gold mineralization.

The following information has been excerpted from Wojdak et al (1999). The authors of the publication have no interest in either B.C. Moly or the Clear Creek property. **The information presented here is not necessarily indicative of the mineralization on the Molybdenum Creek property.**

The Clear Creek property is located on the east side of the Kitsumkalum-Kitimat River lineament approximately 43 kilometres north of the Molybdenum Creek property. On the property, the Wadsworth Vein is spatially related to a molybdenum-bearing, granodiorite plug of Tertiary age that intrudes Bowser Group sediments. The vein, consisting of quartz, native gold, scheelite and sphalerite, has the characteristic Au-Ag-W-Mo-Bi geochemical signature of “intrusion-related” gold mineralization.

Interpretation and Conclusions

The results of the 1979 Amax soil geochemical surveys identified spotty anomalous molybdenum and copper values over a large area on the south side of Molybdenum Creek. Amax concluded that these results were difficult to evaluate due to thick layers of fluvio-glacial drift along the creek.

The 1979 Amax induced polarization survey outlined a 1600 metre by 300 to 600 metre frequency effect anomaly that is roughly coincident with the mapped area of quartz-pyrite ± molybdenite veining in the gorge of Molybdenum Creek. Amax concluded that the anomaly reflects the occurrence of pyrrhotite in the hornfels zone.

The results of the 2005 induced polarization and resistivity surveys are presented in Appendix A. In summary, the survey identified a chargeability-high anomaly at the 150 metre below surface depth that overlaps a northwest-southeast trending resistivity-low anomaly. The chargeability anomaly is approximately oval in plan view, with apparent dimensions of 750 by 500 metres, and is open to the southwest across Molybdenum Creek. These anomalies and the geology as mapped by Amax in 1979 are consistent with the interpretation of a buried intrusive body with disseminated and/or fracture-controlled sulphides that is bordered by a zone of mineralized hornfels. Molybdenum-copper mineralization in this porphyry setting could be hosted either by the hornfels or the intrusive near the hornfels contact.

Due to the steepness of the terrain in the gorge of Molybdenum Creek and timing of the program, the 2005 survey failed to close off the south-western extent of the chargeability anomaly.

Exploration and Development

Based on the results of the work completed to date and in the author’s opinion, the property immediately merits two phases of work. The Phase 1 program should include:

1. 14 diamond drill holes 3600 metres to test chargeability and resistivity anomalies (see Table 2 and Figure 6) – nine of the holes recommended require access by helicopter to avoid building trail on steep terrain;
2. extending the induced polarization and resistivity survey 500 metres to the southwest between L5800E and L6800E;
3. verifying the geology of the Molybdenum Creek gorge;
4. re-sampling of the mineralization exposed in the gorge;

5. systematic heavy mineral concentrate stream sediment sampling of all Molybdenum Creek tributaries;
6. analyzing all rock and stream sediment samples for a full suite of ICP elements plus gold; and
7. compiling all existing data into a GIS format.

Table 2 – Phase 1 Proposed Drill Holes

Hole	grid_east	grid_north	UTM_Easting	UTM_Northing	dip	az	length (m)
1	6600	4900	516302	6047507	45	295	250
2	6600	4700	516227	6047334	45	295	250
5	6400	4750	516105	6047430	60	205	275
6	6400	4860	516145	6047520	60	25	250
7	6400	4860	516145	6047520	60	205	275
8	6600	4620	516195	6047260	60	205	225
9	6000	5000	515845	6047755	50	150	250
10	6200	4925	516007	6047636	60	205	275
12	6200	4925	516007	6047636	60	25	275
13	6200	4825	515970	6047545	60	205	275
16	6400	4640	516065	6047340	60	205	250
17	6200	4700	515925	6047445	60	205	250
22	6000	4730	515745	6047530	60	205	250
23	5800	4740	515580	6047605	60	205	250
						Total	3600

A Phase 2 drilling program of 5100 metres is proposed conditional upon the results of Phase 1 and the induced polarization survey. It is assumed that holes drilled on the south side of Molybdenum Creek will require helicopter access.

A cost estimate for both programs is presented in Table 3.

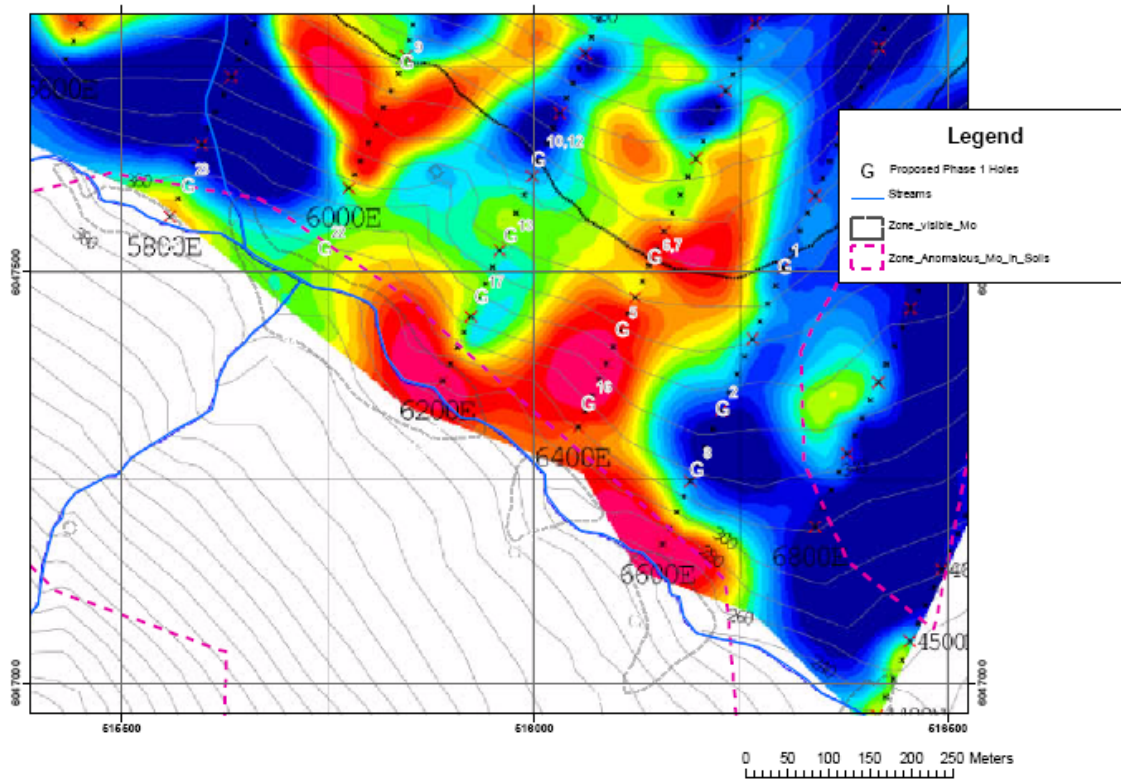
Table 3 - Cost Estimate

Phase	Proposed Work	Estimated Cost		Budget
1	Diamond Drilling* (NQ), including helicopter support	3,600 meters	Unit price \$150.00 per meters	\$540,000
	Geological field work and supervision	40 days	\$450.00 per day	\$18,000
	Induced Polarization survey**			\$55,000
	Heavy mineral sampling	30 days	\$250.00 per day	\$7,500
	Geochemical analysis			\$14,500
	Data compilation, reporting, travel, etc.			\$15,000
			Sub-total	\$650,000
		10% contingency	\$65,000	
		Total Phase 1	\$715,000	
2	Diamond Drilling* (NQ), including helicopter support	5,100 meters	\$150.00 per meters	\$765,000
	Geological field work and supervision, days	60 days	\$450.00 per day	\$27,000
	Data compilation, reporting, travel, etc.			\$10,000
			Sub-total	\$802,000
			10% contingency	\$80,200
		Total Phase 2	\$882,200	
		Total Phases 1 & 2	\$1,597,200	

*Diamond Drilling includes mobilization and de-mobilization from Smithers, drill-site preparation and access, pad construction, and core splitting

**Induced Polarization Survey includes line-cutting, mobilization and de-mobilization from Vancouver, interpretation and report

Figure 6 - Proposed Phase 1 Drill Holes (Chargability at 25 m depth)



Other Property

The other properties described below are not the subject matter of an independent technical report. The descriptions have been prepared by the management of the Company. The Company intends, subject to available funds, to carry out additional exploration work on certain of the other properties with funds derived from the Offering. The work will be preliminary in nature due to the early stage of exploration of each property, and the extent of the work will be contingent on the results received. The Company has not budgeted any portion of the proceeds from this Offering for such work.

Alder Claims

Pursuant to the Carter Property Agreement, the Company acquired a 100% interest in two mineral claims comprising 537.305 hectares, located in the Skeena Mining Division of British Columbia, known as the Alder Property. An additional claim was located and recorded by Carter on January 14, 2006, known as Alder 3 and this claim is now included as part of the Alder Property. See “Significant Acquisitions and Dispositions”.

The Alder prospect, is situated immediately west of Lava Lake 60 kilometres north of Terrace. Logging roads branching off the Nass highway 3 kilometres south of Lava Lake extend to within 0,5 kilometre of the claims. Elevations within the claims area range from 300 to 700 metres above sea level.

The claims cover a prominent gossan which is visible from the Nass highway. A northwest-striking body of granodiorite porphyry intrudes hornfelsed Bowser Assemblage siltstones 1 kilometre north of the Coast Plutonic Complex contact. The intrusion is typical of the Alice Arm type and molybdenite and lesser chalcopyrite and bornite occur in drusy quartz veinlets and hairline fractures best developed near the contacts between the porphyry intrusion and hornfelsed siltstones. Pyrite is widely disseminated in both the intrusion and hornfelsed sediments.

Only limited hand trenching some soil sampling was carried out on this prospect in the early 1970s.

Lorne Claims

Pursuant to the Carter Property Agreement, the Company acquired a 100% interest in three mineral claims comprising 893.913 hectares, located in the Omenica Mining Division of British Columbia, known as the Lorne Property. See “Significant Acquisitions and Dispositions”.

The Lorne Property is situated on South Lorne Creek 10 kilometres east of Kalum Lake and 40 kilometres north of Terrace. Logging roads from the Nass highway extend to within 10 kilometres of the property. The claims are in alpine terrain and elevations range from 1050 to 1675 metres above sea level.

A prominent gossan is exposed in the south-facing slope above South Lorne Creek and the molybdenum potential of the immediate area was indicated by a 1979 regional stream sediment geochemical survey which identified 40 ppm Mo in a sample collected from South Lorne Creek.

Central to the prominent gossan is an elongate, 500 x 250 metres plug and peripheral dykes of feldspar-hornblende porphyry which intrude hornfelsed Bowser Assemblage sedimentary rocks several kilometers north of the Coast Plutonic Complex contact. The environment is typical of Alice Arm intrusions.

Molybdenite occurs in quartz veinlet stockworks developed in both the intrusive and hornfelsed sedimentary rocks. A broad zone of +100 ppm Mo in soils and talus fines is centred on the south margin of the porphyry plug.

Exploratory work by Newmont in 1979 and 1980 included the drilling of two vertical holes several hundred metres apart. One of these, collared adjacent to South Lorne Creek and south of the intrusive contact, intersected quartz veinlet stockworks in hornfelsed sediments; a 12 metres interval returned values of 0.032% Mo. It is thought that a hole inclined toward the intrusive contact would have provided a more useful assessment of the potential of the property.

Shan Claims

Pursuant to the Carter Property Agreement, the Company acquired a 100% interest in two mineral claims comprising 561.082 hectares, located in the Omenica Mining Division of British Columbia, known as the Shan Property. See “Significant Acquisitions and Dispositions”

The Shan property, covers molybdenite mineralization hosted by late granitic phases of the Coast Plutonic Complex 2.5 kilometres west of the CN railway some 20 kilometres northeast of Terrace. The area is below tree line; elevations range from 750 to 1000 metres above sea level.

Molybdenite occurs in northwest-striking, steeply-dipping quartz veins and veinlets in porphyritic and equigranular granodiorites commonly featuring K-feldspar and quartz-clay-sericite alteration. Irregular aplite bodies also host some disseminated molybdenite. Mineralization is best developed within granitic rocks within several hundred metres of their contact with older volcanic rocks.

This property was initially explored by way of underground workings in the 1920s. 1655 metres of diamond drilling in the mid-1960s included 10 inclined and one vertical hole collared within a 450 x 300 metres area. All holes intersected molybdenite mineralization with five of the holes intersecting intervals of between 15 and 110 metres with Mo grades of between 0.032% and 0.131%.

1979 and 1980 work by Riocanex included geochemical and geophysical (IP, magnetometer) surveys.

USE OF PROCEEDS

Funds Available

The Company will receive aggregate gross proceeds of \$1,500,000 from the Offering. Net proceeds of \$1,387,500 from these funds will be combined with the Company’s working capital of approximately \$187,914 as at February 28, 2006 for a total of \$1,575,414 in available funds upon completion of the Offering.

Principal Purposes

The principal purposes for which the funds available to the Company upon completion of the Offering will be used are as follows:

	Funds to be Used (\$)
To pay the balance of the estimated remaining costs of the Offering (including legal, regulatory, audit and printing expenses)	\$40,000
To pay the Agent's corporate finance fee and GST	\$14,250
To pay the Agent's Commission	\$112,500
To pay the property payment to Nicholas Carter due on June 15, 2006	\$15,000
To pay for the Phase 1 exploration program on the Property (mapping, prospecting sampling and preliminary drill testing). ⁽¹⁾	\$715,000
To provide funding sufficient to meet administrative costs for 12 months	\$176,000
To provide general working capital to fund ongoing operations	\$330,614
Other mineral exploration as yet undetermined	\$285,000
Total:	\$1,687,914

- (1) See table in preceding section under heading "Exploration and Development" for a summary of the work to be undertaken and a breakdown of the estimated costs.

Upon completion of the Offering, the Company's working capital available to fund ongoing operations will be sufficient to meet its administrative costs and exploration expenditures for twelve months. Administrative expenditures for the following twelve months are comprised of the following:

Administrative Costs for 12 Months	(\$)
Management fees to Dale McClanaghan	\$30,000
Consulting fees to Scott Steeds	\$30,000
Corporate and office support	\$24,000
Rent	\$36,000
Miscellaneous – office supplies, phone & fax	\$12,000
Transfer Agent	\$6,000
Legal, Exchange, corporate filings – fees and costs	\$20,000
Accounting and audit expenses	\$10,000
TOTAL:	\$176,000

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

Until required for the Company's purposes, the proceeds realized from the sale of securities under this Prospectus will be invested only in securities of, or those guaranteed by, the Government of Canada or any province of Canada, in certificates of deposit or interest bearing accounts of Canadian chartered banks or trust companies or in prime commercial paper.

**SELECTED FINANCIAL INFORMATION AND MANAGEMENT
DISCUSSION AND ANALYSIS**

Summary of Financial Information

The following table sets forth summary financial information for the Company for the period from incorporation on February 15, 2005 to August 31, 2005 and to February 28, 2006. This information has been summarized from the Company's audited financial statements for the period. This summary financial information should only be read in conjunction with the Company's financial statements, including the notes thereto, included elsewhere in this Prospectus.

	Year Ended August 31, 2005	Period Ended February 28, 2006
Revenues	Nil	Nil
Interest Income	Nil	Nil
Mineral Exploration Cost	\$683	\$129,445
Administrative Expenses	\$19,539	\$72,224
Loss for the period	\$19,539	\$72,224
Deficit (end of period)	\$19,539	\$91,763
Loss per share		
Assets:		
Current Assets	\$1,049	\$190,829
Resource Properties	\$11,368	\$140,823
Total Assets	\$12,417	\$331,652
Liabilities		
Long Term Debt	Nil	Nil
Shareholders Equity (deficit)		
Cash Dividends per Share	Nil	Nil

Quarterly Information

As of the date of this Prospectus the Company is not a reporting issuer. Accordingly, the Company was not required to and did not prepare quarterly financial statements for any period prior to the date of this Prospectus.

Dividends

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

Management's Discussion and Analysis

The following discussion of the operating results and financial position of the Company should be read in conjunction with the audited financial statements and related notes for the period ended August 31, 2005.

Period from February 15, 2005 to February 28, 2006

During the period ended February 28, 2006, the Company's net loss from operations was \$72,224. The Company's loss included significant expenditures as follows: management and consulting fees of \$35,000

and accounting and legal of \$33,633. The Company also incurred property acquisition costs of \$10,000 and \$11,368 in deferred exploration expenditures on the Company's properties, \$88,593 in mapping and compilation and \$35,603 in site preparation.

Liquidity and Capital Resources

Since inception, the Company's capital resources have been limited to amounts raised from the sale of Common Shares. In 2005 the Company incurred a total of \$152,191 in expenses related to the acquisition of the Property and initial exploration work on the Property.

At February 28, 2006 the Company had \$165,414 in working capital. To date the Company has relied entirely upon the sale of Common Shares to generate working capital for exploration activities and to fund the administration of the Company. Since the Company does not expect to generate any revenues in the near future, it will continue to rely primarily upon sale of Common Shares to raise capital. There can be no assurance that financing will be available to the Company when required.

Other than as described under the headings "Significant Acquisitions and Dispositions", "Use of Proceeds" and "Principal Purposes", the Company does not have any commitments for material expenditures over either the near or long term and none are presently contemplated over and above normal operating requirements. The estimated remaining cost of the Public Offering of \$40,000 and the estimated general and administrative costs to be incurred by the Company during the 12 months following the Public Offering of \$176,000 will be paid from the proceeds from the Offering and from the Company's otherwise available working capital. There was no long-term debt on February 28, 2006 and current accounts payable was \$25,415.

DESCRIPTION OF SECURITIES DISTRIBUTED

Authorized and Issued Share Capital

The authorized share capital of the Company consists of unlimited Common Shares. As of the date of this Prospectus, 3,236,000 Common Shares were issued and outstanding as fully paid and non-assessable shares. The holders of the Common Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Company and each Common Share confers the right to one vote in person or by proxy at all meetings of the shareholders of the Company. The holders of the Common Shares, subject to the prior rights, if any, of any other class of shares of the Company, are entitled to receive such dividends in any financial year as the board of directors of the Company may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Company, the remaining property and assets of the Company.

Share Purchase Warrants

As of the date of this Prospectus, the Company had 317,000 share purchase warrants outstanding, and that number of Common Shares have been reserved for issuance upon the exercise of these warrants, if any. Each share purchase warrant entitles the holder to acquire one additional Common Share at an exercise price of \$0.30 per Common Share for one year. Of these warrants, 155,000 expire on December 30, 2006 and 162,000 expire on February 6, 2007. Common Shares issued on exercise of the share purchase warrants will be subject to a four month restricted period.

There are a total of 350,000 common shares reserved for issuance to Nicholas Carter pursuant to the Carter

Property Agreement. See “Significant Acquisitions and Dispositions”.

CONSOLIDATED CAPITALIZATION

The following table summarizes changes in the Company's capitalization since February 28, 2006 and after giving effect to the Offering.

Description	Authorized December 31, 2005	Authorized At the date of this Prospectus	Outstanding as at February 28, 2006 (Audited)	Outstanding at the date of this Prospectus	Outstanding after giving effect to the Offering ⁽¹⁾⁽²⁾⁽³⁾
Common Shares	Unlimited	Unlimited	3,236,000	3,236,000	6,236,000
Long Term Debt	N/A	Nil	Nil	Nil	Nil

Notes:

- (1) As partial consideration for the sale of the FT Shares and the Units under the Offering the Company has agreed to grant the Agent non-transferable options (the “Agent’s Options”) entitling the Agent to purchase that number of units of the Company which is equal to 8% of the total number of FT Shares and Units sold under the Offering (the “Agent’s Units”) exercisable within one year from the Closing Date at a price of \$0.50 per Agent’s Unit, each having the same terms as the Units. As partial payment for the Agent’s corporate finance fee the Company will also issue 25,000 additional units having the same terms as the Units (the “Corporate Finance Units”). The Common Shares issuable on exercise of the Agent’s Options, the Corporate Finance Units and exercise of the share purchase warrants granted as part of the Agent’s Units and the Corporate Finance Units are not reflected in the table.
- (2) As of the date of this Prospectus there were 275,000 Common Shares reserved for issuance upon the exercise of outstanding options. See “Options to Purchase Securities”. The Common Shares issuable on exercise of the options are not reflected in the table.
- (3) As of the date of this Prospectus there were 317,000 Common Shares reserved for issuance upon the exercise of outstanding warrants granted as part of the seed capital financing. These warrants may be exercised at a price of \$0.30 per share for one year. Of these warrants, 155,000 expire on December 30, 2006 and 162,000 expire on February 6, 2007. The Common Shares issuable on exercise of the warrants are not reflected in the table.

OPTIONS TO PURCHASE SECURITIES

Outstanding Options

The following table summarizes the options of the Company outstanding as of the date of this Prospectus.

Name	No. of Options	Securities Under Option	Grant Date	Expiry Date	Exercise Price per Common Share	Market Value of Common Shares on Grant Date	Market Value of Common Shares as of _____, 2006
Dale McClanaghan	50,000	Common Shares	February 16, 2006	(1)	\$0.40	N/A	N/A
Scott Steeds	50,000	Common Shares	February 16, 2006	(1)	\$0.40	N/A	N/A
Allan Anderson	50,000	Common Shares	February 16, 2006	(1)	\$0.40	N/A	N/A
Lindsay Bottomer	75,000	Common Shares	February 16, 2006	(1)	\$0.40	N/A	N/A
Nicholas Carter	30,000	Common Shares	February 16, 2006	(1)	\$0.40	N/A	N/A
Fiona Child	20,000	Common Shares	February 16, 2006	(1)	\$0.40	N/A	N/A

Notes:

- (1) Five (5) years from the date the Company's Common Shares are listed for trading on the Exchange.

All of the options listed in the table above were granted pursuant to the Company's 2006 stock option plan (the "2006 Plan"). The 2006 Plan was adopted by the Company's board of directors on February 2, 2006. The purpose of the 2006 Plan is to advance the interests of the Company and its shareholders and subsidiaries by attracting, retaining and motivating the performance of selected directors, officers, employees or consultants of the Company of high caliber and potential and to encourage and enable such persons to acquire and retain a proprietary interest in the Company by ownership of its stock. The 2006 Plan provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance, set aside and made available for issuance under the 2006 Plan may not exceed 10% of the issued and outstanding shares of the Company at the time of granting of options (including all options granted by the Company to date). The number of Common Shares which may be reserved in any 12 month period for issuance to any one individual upon exercise of all stock options held by that individual may not exceed 5% of the issued and outstanding Common Shares of the Company unless the Company has obtained disinterested shareholder approval. The number of Common Shares which may be reserved in any 12 month period for issuance to any one employee or consultant engaged in investor relations activities may not exceed 2% of the issued and outstanding Common Shares of the Company. The 2006 Plan provides that options issued to consultants performing investor relations activities will vest in stages over 12 months with no more than ¼ of the options vesting in any three month period.

The 2006 Plan will be administered by the board of directors of the Company, which will have full and final authority with respect to the granting of all options thereunder. Options may be granted under the 2006 Plan to such directors, officers, employees or consultants of the Company and its affiliates, if any, as the board of directors may from time to time designate. Options may also be granted to employees of management companies providing management services to the Company. The exercise price of any options granted under the 2006 Plan shall be determined by the board of directors, but may not be less than the market price of the Company's shares on the Exchange on the date of the grant (less any discount permissible under Exchange rules). The term of any options granted under the 2006 Plan shall be

determined by the board of directors at the time of grant but, subject to earlier termination in the event of dismissal for cause, termination other than for cause or in the event of death, the term of any options granted under the 2006 Plan may not exceed five years (ten years if the Company becomes a Tier 1 Issuer under Exchange Policies). If desired by the Board, options granted under the 2006 Plan may be subject to vesting. Options granted under the 2006 Plan are not to be transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession. Subject to certain exceptions, in the event that a director or officer ceases to hold office, options granted to such director or officer under the 2006 Plan will expire 90 days after such director or officer ceases to hold office. Subject to certain exceptions, in the event that an employee, consultant or management company employee ceases to act in that capacity in relation to the Company, options granted to such employee, consultant or management company employee under the 2006 Plan will expire 90 days after such individual or entity ceases to act in that capacity in relation to the Company. Options granted to optionees engaged in investor relations activities on behalf of the Company expire 30 days after such optionees cease to perform such investor relations activities for the Company. In the event of death of an option holder, options granted under the 2006 Plan expire one year from the date of the death of the option holder.

PRIOR SALES

The following table summarizes the Common Shares that have been issued by the Company within the twelve months prior to the date of this Prospectus.

Date	Price per Security	Number of Common Shares	Reason for Issuance
December 30, 2005	\$0.001	1,500,000	Private Placement / Founder's Shares
December 30, 2005	\$0.25	1,412,000	Private Placement / Seed Capital Financing
February 6, 2006	\$0.25	324,000	Private Placement / Seed Capital Financing
Total		3,236,000	

As part of the seed capital financing the Company also issued 317,000 warrants, each warrant exercisable to purchase one common share at \$0.30 per share for one year. Of these warrants, 155,000 expire on December 30, 2006 and 162,000 expire on February 6, 2007.

ESCROWED SHARES

In accordance with National Policy 46-201 ("NP 46-201") - Escrow for Initial Public Offerings, all common shares of an issuer owned or controlled by its principals are required to be placed in escrow at the time of the issuer's initial public offering, unless the shares held by the principal or issuable to the principal upon conversion of convertible securities held by the principal collectively represent less than 1% of the total issued and outstanding shares of the issuer after giving effect to the initial public offering. At the time of an initial public offering, an issuer is classified for the purposes of NP 46-201 escrow as either an "exempt issuer", an "established issuer" or an "emerging issuer". Uniform terms of automatic timed-release escrow apply to principals of issuers carrying out initial public offerings, differing only according to the classification of the issuer. The Company will be classified as an "emerging issuer" by virtue of being listed on Tier 2 of the Exchange.

The Company issued pre-IPO shares to its founders, Dale McClanaghan and Scott Steeds (the "Founders"). A total of 1,500,000 Common Shares were acquired by the Founders at a price of \$0.001 per

share. Pursuant to an escrow agreement entered into on December 21, 2005 (the “Founders’ Share Escrow Agreement”) among the Company, the Founders and Pacific Corporate Trust Company (the “Escrow Agent”), the 1,500,000 Common Shares were deposited in escrow.

The following automatic timed releases will apply to the securities held under the Founders’ Share Escrow Agreement.

- 10% of each Principal’s holdings will be released from escrow on the Listing Date;
- 15% of each Principal’s holdings will be released from escrow 6 months following the Listing Date;
- 15% of each Principal’s holdings will be released from escrow 12 months following the Listing Date;
- 15% of each Principal’s holdings will be released from escrow 18 months following the Listing Date;
- 15% of each Principal’s holdings will be released from escrow 24 months following the Listing Date;
- 15% of each Principal’s holdings will be released from escrow 30 months following the Listing Date;
- and
- 15% of each Principal’s holdings will be released from escrow 36 months following the Listing Date.

If within 18 months of the Listing Date the Company achieves “established issuer” status, under the terms of the Founders’ Share Escrow Agreement it will “graduate” resulting in a “catch-up” release and accelerated release of any securities remaining in escrow under the 18 month schedule applicable to established issuers as if the Company had originally been classified as an established issuer.

The following Common Shares of the Company are held by, and are subject to the terms of the Founders’ Share Escrow Agreement:

Name	No. of Common Shares	Percentage of Issued Shares on Completion of the Offering⁽¹⁾
Dale McClanaghan	750,000	12
Scott Steeds	750,000	12
Total	1,500,000	

(1) Assumes 6,326,000 Common Shares are issued and outstanding on the completion of the Offering.

Pursuant to the terms of the Founders’ Share Escrow Agreement, the securities of the Company held in escrow may be transferred within escrow to an individual who is a director or senior officer of the Company or of a material operating subsidiary of the Company, subject to the approval of the Company’s board of directors, or to a person or company that before the proposed transfer holds more than 20% of the voting rights attached to the Company’s outstanding securities, or to a person or company that after the proposed transfer will hold more than 10% of the voting rights attached to the Company’s outstanding securities and that has the right to elect or appoint one or more directors or senior officers of the Company or of any of its material operating subsidiaries.

Pursuant to the terms of the Founders’ Share Escrow Agreement, upon the bankruptcy of a holder of escrowed securities, the securities held in escrow may be transferred within escrow to the trustee in bankruptcy or other person legally entitled to such securities. Upon the death of a holder of escrowed securities, all securities of the deceased holder will be released from escrow to the deceased holder’s legal representative.

Pursuant to the terms of the Founders’ Share Escrow Agreement, 150,000 Common Shares will be

released from escrow on the Listing Date. The Common Shares of the Company which will be held in escrow immediately following the Listing Date will represent 21.6% of the Common Shares of the Company issued and outstanding immediately following the completion of the Offering.

The complete text of the Founders' Share Escrow Agreement is available for inspection at the office of the Company's legal counsel, Suite 1010-1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3.

Shares Subject to Resale Restrictions

Canadian securities legislation generally requires that shares issued by a company during its private stage, commonly referred to as "seed shares", not be resold until the expiration of certain hold periods. The legislation which imposes and governs these hold periods in most instances and in most jurisdictions (including British Columbia) is National Instrument 45-102 ("NI 45-102"). Pursuant to NI 45-102, securities of an issuer issued prior to an initial public offering are subject to a "restricted period" lasting 4 months from the date of distribution of the securities and/or a "seasoning period" of 4 months from the date an issuer becomes a reporting issuer. The 4-month restricted period usually runs concurrently with a 4-month seasoning period while in some instances the seasoning period is the only applicable hold period under NI 45-102. During either a seasoning period or a restricted period securities may not be resold except pursuant to an exemption from applicable prospectus and registration requirements.

All of the 1,736,00 Common Shares of the Company issued prior to the date of this prospectus are subject to the "restricted period" and the "seasoning period".

PRINCIPAL SHAREHOLDERS

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

Name	Prior to the Offering		After Giving Effect to the Offering ⁽¹⁾⁽²⁾	
	Number of Common Shares Beneficially Owned Directly or Indirectly	Percentage of Common Shares Held	Number of Common Shares Beneficially Owned Directly or Indirectly	Percentage of Common Shares Held
Dale McClanaghan	750,000	23.17	750,000	12.0
Scott Steeds	750,000	23.17	750,000	12.0

(1) Assuming 6,236,000 Common Shares outstanding

(2) Assuming the exercise of the all 317,000 outstanding Share Purchase Warrants, but not of the Agent's Options, the outstanding stock options (275,000) and shares reserved for issuance to Nicholas Carter (315,000) (see "Significant Acquisitions and Dispositions"), Dale McClanaghan and Scott Steeds will each own 11.4% of the 6,553,000 outstanding Common Shares on a fully diluted basis.

DIRECTORS AND OFFICERS

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

Name and Municipality of Residence and Position with the Company	Director/ Officer Since	Principal Occupation for the Past Five Years	Common Shares Beneficially Owned Directly or Indirectly (1)(3)
Dale McClanaghan, MBA (2) Vancouver, BC Director, President, Chief Executive Officer and Chief Financial Officer	February 16, 2005	President and sole shareholder of Dale McClanaghan Inc. from June, 2002 to present; Director, CEO and President of Petaquilla Minerals Ltd. (formerly Adrian Resources Ltd) from April, 2004 to December, 2004; President and CEO of VanCity Enterprises Ltd. from June, 1995 to December, 2001	750,000
Allan Anderson, MBA (2) North Vancouver, BC Director	April 25, 2005	Treasury Manager, BC Hydro from December, 1999 to present.	12,000
Lindsay Bottomer (2) North Vancouver, BC Director	February 15, 2006	VP Corporate Development of Entrée Gold Inc. from November 2005 to present; Director of Entrée Gold Inc. from June 2002 to present; Director of Silver Quest Resources Ltd. from July 2001 to present; Director of Altima Resources Ltd. from November 2003 to present; Director of Amera Resources Corp. from February 2004 to present; Director of Titan Uranium Inc. from February 2005 to present; Director of Centrasia Mining Corp. from September 2005 to present; President and CEO of Southern Rio Resources Ltd. from July 2001 to November 2005; and VP Exploration of IMA Exploration Inc. from May 1999 to July 2001; Independent Geological Consultant from April 2001 to July 2001.	30,000
Scott Steeds Vancouver, BC Director	February 16, 2006	Licensed stock broker, Canaccord Capital Corporation from November 1989 to July 2003 and a self employed consultant involved in financing exchange listed companies from July 2003 to present.	750,000

Notes:

- (1) Does not include options to purchase Common Shares held by directors and officers. See "Options to Purchase Securities".
- (2) Denotes a member of the Audit Committee of the Company

Dale McClanaghan, 49, Director, President, CEO and CFO

Mr. McClanaghan has been President and sole shareholder of Dale McClanaghan Inc., a real estate consulting company, from June, 2002 to present. He was a director, CEO and President of Petaquilla Minerals Ltd. (formerly Adrian Resources Ltd), a mineral exploration company listed on the TSX Exchange, from April 16, 2004 to December 14, 2004. His previous experience includes President and CEO of VanCity Enterprises Ltd. and wholly owned by VanCity Credit Union, from June, 1995 to December, 2001, a company engaged in real estate development. Mr. McClanaghan worked in Corporate Banking at the Bank of Montreal from 1981 to 1987. Mr. McClanaghan has an MBA from the University of British Columbia (1981).

Allan Anderson, 59, Director

Mr. Anderson is a banking and finance executive. He has been Treasury Manager for BC Hydro since 1999. Prior to that from 1998 to 1999, he was Treasurer (Acting) at BC Hydro. From 1990 to 1998, he was Treasury Manager Cash Management and Banking at BC Hydro. Mr. Anderson worked in Corporate Banking at the Bank of Montreal from 1981 to 1990. Mr. Anderson has an MBA from the University of British Columbia and a Bachelor of Commerce from the University of Alberta.

Lindsay Bottomer, 57, Director

Mr. Bottomer has over 30 years experience in mineral exploration and mine development. He is currently Director and Vice President of Corporate Development of TSX-V listed Entrée Gold Inc., a mineral exploration company. He was President and CEO of TSX-V listed Southern Rio Resources Ltd. (now Silver Quest Resources Ltd.) from July 2001 to November 2005 and is still currently a director. He is also currently a director of five other public companies. Since moving to Vancouver, he has held senior positions with Prime Explorations (Pezim Group) from 1989-1994, Echo Bay Mines from 1994-1997, and since 1998 has consulted to numerous Vancouver-based companies worldwide. From 1998-2000 he was President of the BC & Yukon Chamber of Mines, and is currently serving a second two-year term as a councilor of the Association of Professional Engineers and Geoscientists of British Columbia.

Scott Steeds, 49, Director

Mr. Steeds was employed as a registered representative with Canaccord Capital Corporation from November, 1989 to July, 2003, where he was involved with the financing of numerous junior mineral exploration companies public offerings on both the TSX Exchange and TSX Venture Exchange. Since then, as a self employed consultant, he has been involved in the financing of companies traded on these exchanges.

Of all the directors and officers of the Company, only Mr. McClanaghan and Scott Steeds have entered into non-disclosure agreements with the Company. See "Termination of Employment, Changes in Responsibilities and Employment Contracts".

The term of office of the directors expires annually at the time of the Company's annual general meeting. The term of office of the officers expires at the discretion of the Company's directors.

The directors and officers of the Company anticipate that they will dedicate the following percentage of their time to the affairs of the Corporation: Dale McClanaghan, 50%; Scott Steeds 50%, Allan Anderson, 5%; and Lindsay Bottomer, 5%.

As at the date of this Prospectus, the directors and officers of the Company as a group owned beneficially, directly or indirectly or exercised control or discretion over an aggregate of 1,542,000 Common Shares of the Company, which is equal to 47.65% of the Common Shares currently issued and outstanding.

Corporate Cease Trade Orders or Bankruptcies

Other than as disclosed herein, to the best of the Company's knowledge, no existing or proposed director, officer of the Company, nor any shareholder holding sufficient securities of the Company to affect materially the control of the Company is, or within the ten years prior to the date hereof has been, a director or officer of any other corporation that, while that person was acting in the capacity of director or officer of that other corporation, was the subject of a cease trade order or similar order or an order that

denied the corporation access to any statutory exemptions for a period of more than 30 consecutive days, 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 other corporation.

Penalties or Sanctions

Other than as disclosed herein, to the best of the Company's knowledge, no director or officer of the Company, nor any shareholder holding sufficient securities of the Company to materially affect control of the Company has:

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

Personal Bankruptcies

To the Company's knowledge, no director or officer of the Company, nor any shareholder holding sufficient securities of the Company to affect materially the control of the Company, nor any personal holding company of any such person has, within the ten years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Conflicts of Interest

The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests, which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter.

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

EXECUTIVE COMPENSATION

The following table discloses compensation paid to or awarded to the Company's Chief Executive Officer and the Company's Chief Financial Officer (the "Named Executive Officers") for the period from incorporation (February 15, 2005) to February 28, 2006 for services rendered to the Company or a subsidiary of the Company.

Summary Compensation Table

Name and Principal Position	Year	Salary (1)	Annual Compensation		Long Term Compensation			
			Bonus	Other Annual Compensation	Awards		Payouts	
					Securities Under Options/SARs Granted (#)	Restricted Shares or Restricted Share Units	LTIP Payouts	All other Compensation
Dale McClanaghan, CEO, President and Director	2005	\$17,500	Nil	Nil	50,000	Nil	Nil	Nil

- (1) These funds were paid to Mr. McClanaghan pursuant to a services agreement dated July 1, 2005, as described under the heading "Termination of Employment, Changes in Responsibility and Employment Contracts".

Long-Term Incentive Plan Awards During the Most Recently Completed Financial Year

The Company did not have any long-term incentive plans during the period from incorporation (February 15, 2005) to the date of this Prospectus.

Option/SAR Grants During the Most Recently Completed Financial Year

Stock options to purchase 50,000 Common Shares were granted to the Named Executive Officers, during the period from incorporation (February 15, 2005) to the date of this Prospectus.

Aggregated Options/SAR Exercises in Last Financial Year and Financial Year-End Option/SAR Values

None of the Named Executive Officers, directors or officers of the Company exercised any options in respect of the Company's Common Shares during the period from incorporation (February 15, 2005) to February 28, 2006.

Termination of Employment, Changes in Responsibility and Employment Contracts

On July 1, 2005 the Company entered into an employment agreement with Dale McClanaghan whereby the Company agreed to employ Mr. McClanaghan as President and CEO of the Company. The employment agreement is for a one year term. Mr. McClanaghan or a holding company as Mr. McClanaghan shall decide, is paid \$2,500 per month for his services commencing July 1, 2005.

On July 1, 2005 the Company entered into a consulting agreement with Scott Steeds, a director of the Company whereby the Company agreed to pay Mr. Steeds \$2,500 per month for providing services in the area of corporate development for a period of one year. Mr. Steeds or a holding company as Mr. Steeds shall decide, is to be paid \$2,500 per month for his services.

As part of these agreements, Mr. McClanaghan and Mr. Steeds have agreed to confidentiality and non-disclosure provisions.

Compensation of Directors

The only arrangements the Company has, standard or otherwise, pursuant to which directors are compensated by the Company for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultant or expert during the most recently completed financial year or subsequently, are by the issuance of stock options. Since the end of the most recently completed financial year, the Company has issued incentive stock options to Dale McClanaghan, Allan Anderson, Lindsay Bottomer and Scott Steeds. See "Options to Purchase Securities".

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No existing or proposed director, executive officer or senior officer of the Company or any associate of any of them, was indebted to the Company as at February 28, 2006, or is currently indebted to the Company.

PLAN OF DISTRIBUTION

Pursuant to the Agency Agreement to be entered into between the Company and the Agent, 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, 2,000,000 FT Shares at a price of \$0.50 per FT Share and 1,000,000 Units at \$0.50 per Unit, each Unit consisting of one non flow-through Common Share (the "Share") and one-half of a common share purchase warrant (the "Warrant"), each whole share purchase warrant exercisable for the purchase of one additional Common Share (the "Warrant Shares") for one year from the Closing Date at \$0.75 per share (the "Offering"). This Prospectus qualifies the distribution of the FT Shares, the Units, the Shares, the Warrants and the Warrant Shares. The aggregate gross proceeds of the Offering are \$1,500,000 subject to prior sale if, as and when issued.

The Offering Price was established through negotiation between the Company and the Agent. The Agent has agreed to use commercially reasonable efforts to secure subscriptions for the FT Shares and the Units offered pursuant to the Offering in the provinces of British Columbia and Alberta. This Prospectus qualifies the distribution of the FT Shares and the Units to the Subscribers in British Columbia and Alberta. The Agent may, in connection with the Offering and in its sole discretion, retain one or more licensed dealers, brokers and investment dealers (referred to herein as the "Selling Firms") as sub-agents and may receive subscriptions for the FT Shares and the Units from such Selling Firms. The Agent is not obligated to purchase any of the FT Shares and the Units in connection with the Offering.

The Closing of the Offering (the "Closing") will take place on a day determined by the Agent and will be on or before the earlier of the day which is 90 days from the date (the "Effective Date") a decision document for the final prospectus is issued by the Securities Commission that is the principal regulator for the filing of the Prospectus under National Policy 43-201, "Mutual Reliance Review System for Prospectuses and AIFs", and the day that is 12 months after the date a decision document for the preliminary prospectus is issued by the Securities Commission that is the principal regulator under National Policy 43-201. The Offering will continue for a maximum period of 90 days after the Effective Date (the "Offering Period"). During the Offering Period, funds received from subscriptions will be held by the Agent. If the Offering is not subscribed for during the Offering Period, subscription funds will be returned to the Subscribers (unless the Subscribers have otherwise instructed the Agent). If the Offering is

subscribed for during the Offering Period, then subject to the terms of the Agency Agreement, all subscription proceeds deposited with the Agent will be delivered to the Company at the Closing.

Closing of this Offering is conditional upon the sale of a minimum of 2,000,000 FT Shares and 1,000,000 Units within 90 days of the Effective Date.

Pursuant to the terms of the Agency Agreement, the Company has agreed to pay in cash to the Agent the Agent's Commission equal to 7.5% of the gross proceeds from the sale of the FT Shares and the Units under the Offering. The Company has also agreed to pay the Agent a corporate finance fee of \$25,000 plus GST. The Company has also agreed to pay the Agent's expenses in connection with the Offering, including legal expenses and the Agent's reasonable out-of-pocket expenses.

In addition, the Company has agreed to issue the Agent's Options to the Agent (or, as directed by the Agent, to other Selling Firms) upon completion of the Offering. The Agent's Options will entitle the holder(s) thereof to purchase that number of units of the Company which is equal to 8% of the number of FT Shares and Units sold pursuant to the Offering (the "Agent's Units"), exercisable within one year of the Closing Date at a price of \$0.50 per Agent's Unit, each having the same terms as the Units. As payment for \$12,500 of the corporate finance fee the Company will issue to the Agent 25,000 additional units (the "Corporate Finance Units") having the same terms as the Units. This Prospectus qualifies the distribution of the Agent's Options, the Agent's Units, the Corporate Finance Units and the Common Shares, share purchase warrants and any subsequent Common Shares issued as part of, or on exercise of the same.

The Company has granted the Agent a right of first refusal respecting the conduct of any brokered equity financings carried out by the Company during the twelve month period following the Closing Date.

The FT Shares and Units offered hereby have not been and will not be registered under the United States *Securities Act of 1933*, as amended, and may not be offered or sold within the United States or to U.S. persons except in certain transactions exempt from the registration requirements of the United States *Securities Act of 1933*.

Subscriptions will be received for the FT Shares and Units offered hereby subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time. Upon rejection of a subscription, or in the event that the Offering does not complete within the time required, the subscription price and the subscription will be returned to the subscriber forthwith without interest or deduction.

The FT Shares

Each purchaser of FT Shares will be entitled to certain tax benefits provided under an agreement that the Company will enter into with each purchaser. The flow through agreement will set out the terms and conditions for the renunciation for the Canadian exploration expenses as defined in the *Income Tax Act*. See "Tax Considerations". Subscriptions for the FT Shares will be made pursuant to one or more subscription agreements to be made between the Company and the purchasers of FT Shares but executed by the Agent or one or more subagents of the Agent, as agent for, on behalf of and in the name of the purchasers of the FT Shares, the form of which is attached hereto as Schedule "A" (the "Subscription Agreements"). PURCHASERS WHO PLACE AN ORDER TO PURCHASE FT SHARES WITH THE AGENT, OR ANY SUBAGENT OF AN AGENT, WILL BE DEEMED TO HAVE AUTHORIZED THE AGENT OR SUCH SUBAGENT TO EXECUTE AND DELIVER, AS AGENT ON THEIR BEHALF, THE SUBSCRIPTION AGREEMENTS. The execution and delivery of the Subscription Agreements by the Agent or the subagent of the Agent on behalf of the purchasers will bind such purchaser to the terms thereof as if such purchaser had executed the Subscription Agreements personally and the Subscription Agreements will be deemed to be made and entered into by the purchasers with the Company at the time they are accepted by the Company. See "Risk Factors - Tax Issues".

Listing of Common Shares

The Exchange has conditionally approved the listing of the Common Shares. Listing is subject to the Company fulfilling all of the listing requirements of the Exchange.

RISK FACTORS

General

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

Limited Operating History

The Company has no history of earnings. There are no known commercial quantities of mineral reserves on the Property. The purpose of the Offering is to raise funds to carry out exploration and development with the objective of establishing economic quantities of mineral reserves. There is no guarantee that economic quantities of mineral reserves will be discovered on the Property.

Exploration and Development

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital.

There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

Acquisition Of Additional Mineral Properties

If the Company loses or abandons its interest in the Property, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the Exchange. There is also no guarantee that the Exchange will approve the acquisition of any additional properties by the Company, whether by way of option or otherwise, should the Company wish to acquire any additional properties.

Commercial Ore Deposits

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

Uninsurable Risks

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

Permits And Government Regulations

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

Environmental And Safety Regulations And Risks

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

Mineral Titles

The Company has not obtained a title opinion in respect of the Property. The claims on the Property have not been legally surveyed. The Property may be subject to prior unregistered agreements, transfers or claims and title may be affected by undetected defects. The Company is satisfied, however, that evidence of title to the Property is adequate and acceptable by prevailing industry standards with respect to the current stage of exploration on the Property.

First Nations Land Claims

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

Loss Of Interest In Properties

The Company's ability to maintain an interest in the Property will be dependent on its ability to raise additional funds by equity financing. Failure to obtain additional financing may result in the Company being unable to make the periodic payments required for the acquisition of the Property and could result in a delay or postponement of further exploration and the partial or total loss of the Company's interest in the Property.

Fluctuating Mineral Prices

The Company's revenues, if any, are expected to be in large part derived from the extraction and sale of precious and base minerals and metals. Factors beyond the control of the Company may affect the marketability of minerals and metals discovered, if any. Mineral prices have fluctuated widely, particularly in recent years. Consequently, the economic viability of any of the Company's exploration projects cannot be accurately predicted and may be adversely affected by fluctuations in mineral prices.

Competition

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

Management

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

Financing Risks

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

Resale of Shares

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

Price Volatility of Publicly Traded Securities

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

Conflicts of Interest

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

1. participation in other business ventures offered to the directors will be allocated between the various companies and on the basis of prudent business judgment and the relative financial abilities and needs of the companies to participate;
2. no commissions or other extraordinary consideration will be paid to such directors and officers;

- and
3. business opportunities formulated by or through other companies in which the directors and officers are involved will not be offered to the Company except on the same or better terms than the basis on which they are offered to third party participants.

Tax Issues

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

Dividends

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

TAX CONSIDERATIONS

Canadian Federal Income Tax Considerations

In the view of Smythe Ratcliffe, Chartered Accountants, the following discussion is a fair and adequate summary of the principal Canadian federal income tax considerations relevant to an investment in the securities to be issued under this Offering by investors who are resident in Canada, deal at arm's length with the Company and hold the securities offered hereunder, as capital property, all within the meaning of the *Income Tax Act* (Canada) (the "Tax Act"). The securities offered hereunder will generally constitute capital property to an investor unless the investor holds such securities in the course of carrying on the business of trading or dealing in securities or otherwise as part of a business of buying and selling securities or has acquired such securities in a transaction or transactions considered to be an adventure in the nature of trade. This summary does not apply to investors who are partnerships or trusts (including trusts governed by deferred income plans such as registered retirement savings plans), who are subject to the "mark-to-market" provisions of the Tax Act, who are principal business corporations within the meaning of the Tax Act or whose business includes trading or dealing in rights, licences or privileges to explore for, drill for or take minerals, oil, natural gas or other related hydrocarbons, or to investors an investment in which would constitute a "tax shelter" within the meaning of the Tax Act.

This summary is based on the Tax Act and the regulations enacted thereunder (the "Regulations") taking into account all published proposals for the amendment thereof to the date hereof (the "Proposed Amendments") and upon counsel's understanding of the current administrative practices of the Canada Revenue Agency ("CRA"). This summary does not otherwise take into account or anticipate any change in law or administrative practice. Except as expressly stated herein, this summary does not take into account provincial or territorial tax laws of Canada or tax laws of any foreign country. No assurances can be given that the Proposed Amendments will be enacted as proposed or that legislative, judicial or administrative changes will not modify or change the statements expressed herein.

This summary assumes that (i) the Company has and will make all necessary tax filings in respect of the issue of the FT Shares issuable hereunder and in respect of the renunciation of Canadian exploration expense ("CEE"), as more particularly defined in the Subscription Agreements (see "The FT Shares"), in the manner and within the time limits required by the Tax Act and the Subscription Agreements; (ii) the Company is, and at all relevant times will be, a "principal-business corporation" within the meaning of the Tax Act; (iii) the FT Shares are not "prescribed shares" within the meaning of the Regulations; and (iv) the Company will incur sufficient CEE to enable it to renounce to investors in the FT Shares all of the CEE covenanted to be renounced by the Issuer.

The federal income tax consequences to a particular investor will vary according to a number of factors including the particular province in which the investor resides, carries on business or has a permanent establishment, the amount that would be the investor's taxable income but for the investment in the FT Shares issuable hereunder and the manner in which the proceeds from the FT Shares are expended. This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular investor. Accordingly, each investor should obtain independent advice regarding the income tax consequences to them in their particular circumstances.

Allocation of Unit Cost

Each Unit will be issued at a price of \$0.50. Persons acquiring Units will be required to allocate the price between the Share and the Warrant comprising the Unit. The Company will allocate \$0.49 received for each Unit entirely to the Share and \$0.01 to the related Warrant. The Company believes such allocations to be reasonable but it will not be binding on CRA.

Exercise, Expiry or Disposition of Warrants

No gain or loss will be realized by a holder of a Warrant upon the exercise of a Warrant and consequent acquisition of an additional Common Share. When Warrants are exercised, the holder's cost of the additional Common Shares acquired thereby will generally be the aggregate of the holder's adjusted cost base of the Warrant and the exercise price paid for the additional Common Share which cost must then be averaged with the adjusted cost base of all other of the holder's shares of the same class for the purposes of subsequently computing the adjusted cost base of each such share of the holder. In the event of the expiry of an unexercised Warrant, the holder of the Warrant will realize a capital loss equal to the adjusted cost base of the Warrant to such holder.

A disposition or deemed disposition of a Warrant (other than on the exercise or the expiry thereof) will give rise to a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition, net of disposition costs, exceed (or are less than), the adjusted cost base of the Warrant to the holder.

Paid-Up Capital Adjustment

The paid-up capital of the issued common shares of the Corporation will be increased upon the issuance of the FT Shares and Units offered hereunder and upon the issuance of additional Common Shares on the exercise of the Warrants. For purposes of the Tax Act, the Company must reduce the paid-up capital of all its issued common shares by an amount equal to 50% of the CEE renounced in respect of the FT Shares. As paid-up capital represents an amount that the Company may potentially return to its shareholders without being characterized as a dividend, the reduction in paid-up capital could result in increased tax payable if there were ever to be a return of capital to shareholders.

Disposition of Common Shares and FT Shares

An investor who disposes of or is deemed to dispose of a Common Share or FT Share (other than to the Company) will realize a capital gain (or a capital loss) in the taxation year of the disposition equal to the amount by which the proceeds of disposition in respect of such share exceed (or are less than) the aggregate of the investor's adjusted cost base of such share and reasonable costs of disposition. The cost of FT Shares issued hereunder is deemed to be nil and must be averaged with the cost of all shares of the same class held by the investor for the purpose of calculating capital gains or capital losses on subsequent dispositions of such shares.

One-half of any capital gain (a taxable capital gain) must be included in computing the income of the investor for the year in which the disposition takes place, while one-half of any capital loss (an allowable capital loss) generally may be deducted against taxable capital gains realized by the investor in that year. Allowable capital losses not deducted in the year in which they arise may be deducted by the investor from taxable capital gains realized in any of the three preceding years, or any subsequent year, subject to the detailed provisions of the Tax Act in that regard.

An investor that is a Canadian-controlled private corporation within the meaning of the Tax Act will be liable to pay a refundable tax of 6 2/3% determined by reference to its aggregate investment income which is defined in the Tax Act to include an amount in respect of taxable capital gains.

Renunciation of CEE

An amount not exceeding the amount of the proceeds from the issue of the FT Shares, to the extent used by the Corporation to incur CEE, may, in certain circumstances be renounced by the Corporation to the extent permitted by and in accordance with the Tax Act. Such CEE as is properly renounced to an investor will be deemed to have been incurred by that investor on the effective date of the renunciation.

Certain CEE incurred pursuant to a flow-through share agreement and within 12 months after the end of a calendar year can be treated as if incurred in the preceding calendar year, provided that the subscription price for the relevant flow-through shares has been paid for in money during the preceding calendar year, the investor deals at arm's length with the issuing corporation throughout the 12 month period and the renunciation has been duly made within 90 days after the end of such preceding calendar year. For example, certain CEE incurred by the Company after entering into the agreement for the issuance of the FT Shares and before December 31, 2007 and renounced by the Company to investors by March 31, 2007 with effect on December 31, 2006 may be deemed to be CEE incurred by the investors in the 2006 calendar year. Any expenses not incurred by December 31, 2007 will result in an adjustment of the amount previously renounced, which may result in an income tax reassessment of the investor.

Generally speaking, the Company will be entitled to renounce CEE incurred by it from the closing of this Offering until 24 months after the end of the month during which the closing occurred less any previous renunciations with respect to such expenses, any portion of those expenses which are prescribed under the Regulations as relating to Canadian exploration and development overhead expense as defined in the Tax Act, certain seismic expenses and any assistance that the Company has received, is entitled to receive, or may reasonably be expected to receive at any time which is reasonably related to those expenses. The Company may not renounce to investors an amount in excess of the amount paid by the investors for the FT Shares. Further, the Company will not be entitled to renounce CEE to the extent that such renunciation, if effective, would cause the Company's own cumulative CEE ("CCEE") account to be a negative amount. The Tax Act also restricts the amount of CEE which the Company can renounce to the extent that, but for the renunciation, the Company would be entitled to claim a deduction in respect of the CEE so renounced in computing its income for purposes of the Tax Act. CRA's published administrative position is that this restriction would not apply merely because the Corporation has insufficient income to otherwise claim the CEE deduction.

An investor in FT Shares issuable hereunder to whom the Company renounces CEE will have such CEE added to such investor's CCEE account. The CCEE account of an investor will be reduced by the amount of any assistance that the investor receives or is entitled to receive in respect of CEE previously included in the CCEE account. The CCEE account of an investor, at any time in a taxation year, will be reduced by the amount of the 15% federal non-refundable tax credit claimed by the investor for the preceding year. See "Investment Tax Credit" below. The investor may deduct in computing his or her income from all sources for a taxation year an amount not exceeding 100% of the balance of his or her CCEE account at

the end of that taxation year. Deductions claimed by an investor reduce the account. To the extent that an investor does not deduct the balance of his CCEE account at the end of the taxation year, the balance will be carried forward and the investor will be entitled to claim deductions in respect thereof in subsequent taxation years in accordance with the provisions of the Tax Act, except as restricted on an acquisition of control and on certain amalgamations and liquidations of a corporate investor. If at the end of a taxation year the deductions in calculating an investor's CCEE account exceed the additions thereto (which may occur should an investor receive or become entitled to receive assistance payments in that taxation year which relate to CEE incurred in a prior year, including the 15% federal non-refundable investment tax credit), the excess must be included in computing the investor's income for that year and the account will thereupon have a nil balance. The disposition of the FT Shares issuable hereunder will not reduce the balance in an investor's CCEE account.

One-half of the amount of the CEE renounced to an investor will be added to the investor's cumulative net investment loss ("CNIL") account, within the meaning of the Tax Act. An investor's CNIL account may impact an investor's ability to access the \$500,000 capital gains exemption available on the disposition of certain qualifying business corporation shares and farm property.

Investment Tax Credit

Up until December 31, 2005, individual investors (other than trusts) who acquired FT Shares were entitled to a nonrefundable investment tax credit equal to 15% of CEE renounced to them that related to certain "grass roots" mining exploration expenses actually, or deemed incurred with effect, before 2006. As of the date of this prospectus, the federal government has not indicated whether or not these provisions will be extended. If extended beyond December 31, 2005, the investment tax credit may be applied to offset federal income tax payable for a taxation year to the extent it exceeds alternative minimum tax for that year and may be applied in the year CEE is renounced to the individual, the following 10 years, and, in limited circumstances, in the prior 3 years. The individual's CCEE balance in a year will be reduced by the investment tax credit claimed in the preceding year. The investment tax credit is available for expenses ("flow-through mining expenditures") of conducting mining exploration activity from or above the surface of the earth for the purpose of determining the existence or location of a base or precious metal deposit including expenses for prospecting, carrying out geological, geophysical or geochemical surveys, drilling or trenching, but not including digging test pits and preliminary sampling (other than specified sampling) or trenching for that purpose.

An additional 20% non-refundable tax credit is available to reduce an individual investor's British Columbia income tax. The credit applies to flow-through mining expenditures actually or deemed incurred before 2017 in conducting mining exploration activity in British Columbia that are renounced to investors under Subscription Agreements. The provincial tax credit will reduce the investor's CCEE (and the amount that is eligible for the federal tax credit) and any unused credit at the end of a taxation year may be carried back three years or carried forward ten years.

Application for the provincial tax credit must be made in prescribed form and manner. An individual investor will not be entitled to the tax credit if the application is not filed within one year of the investor's filing due date for the taxation year in which the related expenditures are renounced. Individual investors are urged to consult their own tax advisors in regard to claiming any investment tax credits.

Interest on Money Borrowed to Purchase Units and FT Units

In light of the Company's stated dividend policy it is unlikely that an investor would succeed in a claim of a deduction in arriving at taxable income for the amount of interest paid or payable by such investor on money borrowed to purchase FT Shares or Units.

Minimum Tax

Under the Tax Act, a minimum tax is payable by an individual (other than certain trusts) equal to the amount by which the minimum tax exceeds the tax otherwise payable under Part I of the Tax Act. Minimum tax under the Tax Act is calculated by applying a flat rate of 15% to adjusted taxable income. Adjusted taxable income is taxable income as otherwise determined plus certain additional amounts, which were deducted in arriving at taxable income. Such additions include thirty percent (30%) of capital gains, any deduction for CEE (to the extent that the deduction exceeds the individual's resource income before deducting CEE) and carrying charges which relate to an investment in flow-through shares (to the extent that the deduction for such carrying charges exceeds the individual's resource income after deductions for resource expenses, including CEE).

Whether or not and to what extent the tax liability of an individual investor will be increased by the minimum tax will depend on the amount of his or her income, the sources from which it is derived, and the nature and amount of any deduction he or she claims. To the extent that minimum tax exceeds tax otherwise payable in a particular year, such excess may be applied in any of the seven following years to reduce tax otherwise payable under Part I of the Tax Act.

THIS SUMMARY SHALL IN NO MANNER BE CONSTRUED BY ANY INVESTOR AS AN ASSURANCE THAT THE EXPENSES INCURRED BY THE COMPANY WILL BE OF THE TYPE WHICH WILL ENSURE THE TAX TREATMENT DESCRIBED.

PROMOTERS

Dale McClanaghan and Scott Steeds are promoters of the Company and each of them beneficially owns 750,000 Common Shares.

Other than as disclosed in the Prospectus, no person who was a promoter of the Company within the last two years:

- (a) received anything of value directly or indirectly from the Company or a subsidiary;
- (b) sold or otherwise transferred any asset to the Company or a subsidiary within the last 2 years;
- (c) has been a director, officer or promoter of any company that during the past 10 years was the subject of a cease trade order or similar order or an order that denied the company 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 been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets;
- (d) has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority;
- (e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision; or

- (f) has within the past 10 years become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets.

LEGAL PROCEEDINGS

The Company is not a party to any legal proceedings and is not aware of any such proceedings known to be contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed below or described elsewhere in this Prospectus, no director, officer, principal shareholder or associate or affiliate of them, has any material interest, direct or indirect, in any transaction since incorporation or in any proposed transaction that has materially affected or will materially affect the Company.

The Company paid and accrued to Dale McClanaghan \$20,000 from incorporation to February 28, 2006 for executive and management services provided by Mr. McClanaghan to the Company pursuant to the employment agreement. The Company paid and accrued to Scott Steeds \$20,000 from incorporation to February 28, 2006 for consulting services provided by Mr. Steeds to the Company pursuant to a consulting agreement. See "Termination of Employment, Changes in Responsibility and Employment Contract".

The Company issued 750,000 Common Shares to each of Dale McClanaghan and Scott Steeds as founder's seed shares. See "Prior Sales". In addition, certain directors and officers were granted stock options under the Company's 2006 Stock Option Plan. See "Options to Purchase Securities".

RELATIONSHIP BETWEEN THE COMPANY AND AGENT

The Company is not a related party or connected party to the Agent as such terms are utilized in the *Securities Act* (British Columbia).

Deborah Goldbloom is an employee of the Agent and the spouse of Scott Steeds, a director of the Company.

AUDITORS

The auditors of the Company are Smythe Ratcliffe, Chartered Accountants, of 7th Floor, 355 Burrard Street, Vancouver, British Columbia, V6C 2G8.

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent of the Company is Pacific Corporate Trust Company of 510 Burrard Street, 3rd Floor, Vancouver, British Columbia, Canada V6C 3B9. The register of transfers of the Common Shares is located in Vancouver, British Columbia.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Company within two years prior to the date hereof which are currently in effect and considered to be currently material:

1. Agency Agreement between the Company and Haywood Securities Inc. dated _____, 2006 referred to under “Plan of Distribution”;
2. Founders’ Share Escrow Agreement between the Company, Pacific Corporate Trust Company, Dale McClanaghan and Scott Steeds dated December 21, 2005 referred to under “Escrowed Shares”;
3. Property Agreement dated for reference June 15, 2005 between the Company and Nicholas Carter referred to under “Narrative Description of the Business”.
4. Stock Option Agreements referred to under “Options to Purchase Securities”;
5. Employment Agreement dated July 1, 2005 between the Company and Dale McClanaghan referred to under “Termination of Employment, Changes in Responsibility and Employment Contracts”; and
6. Consulting Agreement dated July 1, 2005 between the Company and Scott Steeds referred to under “Termination of Employment, Changes in Responsibility and Employment Contracts”.

Copies of all material contracts may be inspected during distribution of the securities being offered under this Prospectus at the Company’s registered office at Suite 1010-1030 West Georgia Street, Vancouver, BC V6E 2Y3 during normal business hours.

EXPERTS

Legal Matters

Certain legal matters related to the Offering have been passed upon on behalf of the Company by Stephen K. Winters Law Corporation and on behalf of the Agent by McCullough O’Connor Irwin LLP.

Tax Consequences

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

Interest of Experts

Except for 44,000 Common Shares owned by Stephen K. Winters Law Corporation purchased at \$0.25 per share and warrants pursuant to which this firm may acquire up to 22,000 Common Shares at \$0.30 per share on or before February 6, 2007, there is no beneficial interest, direct or indirect, in any securities in excess of one percent of the Company’s issued capital or property of the Company or of an associate or affiliate of the Company, held by a professional person as referred to in section 106(2) of the Rules under the *Securities Act* (British Columbia), a responsible solicitor or any partner of a responsible solicitor's firm or by any person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Prospectus or prepared or certified a report or valuation described or included in this Prospectus. No such person is or is expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

OTHER MATERIAL FACTS

There are no other material facts other than as disclosed herein.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in the Provinces of British Columbia and Alberta provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. The securities legislation further provides a purchaser with remedies for rescission or damages if the prospectus and any amendment 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 for the particulars of these rights or consult with a legal adviser.

FINANCIAL STATEMENTS

The Company's audited financial statements for the periods ended August 31, 2005 and February 28, 2006 are attached as Schedule "B".

**SCHEDULE "A"
TO THE PROSPECTUS OF**

**BCM RESOURCES CORPORATION
DATED _____, 2006
FLOW-THROUGH SHARE AGREEMENT**

THIS AGREEMENT dated reference _____, 2006

BETWEEN:

**THE PERSONS LISTED AS PURCHASERS IN APPENDIX I TO THIS
AGREEMENT**

(the "Purchasers");

AND:

BCM RESOURCES CORPORATION, Suite 1814, 1177 West Hastings Street,
Vancouver, British Columbia, V6E 2K3

(the "Issuer");

WHEREAS each of the Purchasers has agreed to purchase, and the Issuer has agreed to sell, the number of flow-through shares (the "Flow-Through Shares") set forth across from the Purchaser's name on Appendix I to this Agreement;

NOW THEREFORE, upon payment for the Flow-Through Shares by the Purchasers, and execution of this agreement by Haywood Securities Inc., as agent for the Purchasers and by the Issuer, the Purchasers and the Issuer hereby irrevocably agree to be bound by the terms and conditions set forth in Appendix II to this Agreement with respect to the Flow-Through Shares.

EXECUTED by Haywood Securities Inc., as agent for the Purchasers, this _____ day of _____, 2006.

HAYWOOD SECURITIES INC.

Per: _____
Authorized Signatory

EXECUTED by the Issuer this _____ day of _____, 2006

BCM RESOURCES CORPORATION

Per: _____
Authorized Signatory

APPENDIX II TO THE FLOW-THROUGH SHARE AGREEMENT

TERMS AND CONDITIONS GOVERNING FLOW-THROUGH SHARES

WHEREAS:

A. BCM Resources Corporation (the "Issuer") will be, on closing of its initial public offering as contemplated under the Prospectus, listed on the Exchange and subject to the regulatory jurisdiction of the Exchange and the Commissions;

B. The Issuer has certain interests in natural resource properties situated in Canada (collectively, the "Property");

C. The Issuer is a "principal-business corporation" as that phrase is defined in subsection 66(15) of the *Income Tax Act* of Canada (the "ITA");

D. It is the intention of the Issuer, either alone or in conjunction with others, to carry out or participate in an exploration program on the Property for the purpose of determining the existence, location, extent and quality of the mineral resources located thereon (the "Exploration Program");

E. The expenses incurred in performing the Exploration Program will:

(a) qualify as:

(i) "Canadian exploration expense" as described in paragraph (f) of the definition thereof in subsection 66.1 (6) of the ITA (other than expenditures which constitute "Canadian exploration and development overhead expense" ("CEDOE") as prescribed for the purposes of paragraph 66(12.6)(b) of the ITA and seismic expenses specified in paragraph 66(12.6)(b.1) of the ITA);

(ii) "flow-through mining expenditures" for the purposes of subsection 127(9) of the ITA (the "FTME Tax Credit"), to the extent such expenses are incurred (or deemed to be incurred) before 2006 or, if applicable, the last day of any period of time thereafter which may in future be allowed by the Canadian income tax authorities as the period on or before which the Issuer may incur such expenditures so as to allow a Purchaser to claim an FTME Tax Credit (the "FTME Deadline"); and

(iii) "BC flow-through mining expenditures" for the purposes of an individual Purchaser qualified to claim a 20% BC mining flow-through share tax credit pursuant to subsections 4.721(2) and (3) of the *Income Tax Act* (British Columbia), to the extent such expenses are incurred before the FTME Deadline or the last day of such shorter or longer period of time which may in future be allowed by the British Columbia income tax authorities as the period on or before which the Issuer may incur such expenditures so as to allow an individual Purchaser to claim a BC mining flow-through share tax credit (the "FTME BC Deadline"), all of which expenditures the Issuer will incur in respect of mining exploration activity all or substantially all of which is conducted in British Columbia for the purpose of determining the existence, location, extent or quality of a

mineral resource (as that phrase is referred to in paragraph (a) of the definition of "flow-through mining expenditure" in section 127(9) of the ITA) in British Columbia; and

- (b) to the extent such expenses are incurred before the FTME Deadline and the FTME BC Deadline, be incurred by conducting mining exploration activities from or above the surface of the earth for the purpose of determining the existence, location, extent or quality of a mineral resource described in paragraph (a) or (d) of the definition of "mineral resource" in subsection 248(1) of the ITA which in paragraph (a) of the definition is a base or precious metal deposit, or a mineral deposit in respect of which:
 - (i) the federal Minister of Natural Resources has certified that the principal mineral extracted is an industrial mineral contained in a non-bedded deposit,
 - (ii) the principal mineral extracted is ammonite gemstone, calcium chloride, diamond, gypsum, halite, kaolin or sylvite, or
 - (iii) the principal mineral extracted is silica that is extracted from sandstone or quartzite;

and which is not an expense in respect of:

- (iv) trenching, if one of the purposes of the trenching is to carry out preliminary sampling (other than Specified Sampling),
- (v) digging test pits (other than digging test pits for the purpose of carrying out Specified Sampling), and
- (vi) preliminary sampling (other than Specified Sampling)

which qualifying expenses are hereinafter referred to as "Qualifying Expenses";

F. Certain persons (individually, the "Purchaser") have agreed to fund, in part, the Exploration Program by purchasing Flow-Through Shares in accordance with the terms of this Agreement; and

G. The Issuer has agreed to apply the Flow-Through Funds to carry out the Exploration Program and to renounce the Qualifying Expenses associated therewith to the Purchaser in accordance with the terms of this Appendix.

1. DEFINITIONS

In this Appendix, the following words have the following meanings unless otherwise indicated:

- (a) "Agent" means Haywood Securities Inc. or one of its sub-agents;
- (b) "Agreement" means the agreement between the Issuer and the Purchaser dated for reference pursuant to which they irrevocably agreed to be bound by the terms and conditions set forth in this Appendix and, for greater certainty, includes this Appendix;
- (c) "Appendix" means this Appendix II;
- (d) "CRA" has the meaning set out in the provisions under the heading ISSUER TO FILE PRESCRIBED FORM IN RESPECT OF RENUNCIATIONS WITH THE CANADA REVENUE AGENCY below;
- (e) "CEDOE" has the meaning set forth in recital E above;
- (f) "Closing" means the completion of the sale and purchase of the Flow-Through Shares;
- (g) "Closing Year" means the calendar year in which the Closing takes place;
- (h) "Commissions" means the British Columbia Securities Commission, and the Alberta Securities Commission and the Ontario Securities Commission;
- (i) "Exchange" means the TSX Venture Exchange;
- (j) "Exploration Account" has the meaning set out in the provisions under the heading FLOW-THROUGH SHARES below;
- (k) "Exploration Program" has the meaning set forth in recital D above;
- (l) "Flow-Through Funds" has the meaning set out in the provisions under the Heading SUBSCRIPTION PRICE below;
- (m) "Flow- Through Shares" means the previously unissued common shares of the Issuer that constitute "flow-through shares" as defined in subsection 66(15) of the ITA and having the special "flow-through" features described in this Appendix and in the Prospectus, which Flow-Through Shares are to be listed on the Exchange;

- (n) "ITA" has the meaning set forth in recital C above;
- (o) "Notice Requirement" has the meaning set out in the provisions under the heading SCHEDULE FOR INCURRING QUALIFYING EXPENSES below;
- (p) "Property" has the meaning set forth in recital B above;
- (q) "Purchaser" has the meaning set forth in recital F above;
- (r) "Qualifying Expenses" has the meaning set forth in recital E above;
- (s) "Prospectus" means the prospectus of the Issuer dated _____, 2006;
- (t) "Specified Sampling" means the collecting and testing of samples in respect of a "mineral resource" (as that phrase is defined in the ITA) except that specified sampling does not include
 - (i) the collecting or testing of a sample that, at the time the sample IS collected, weighs more than 15 tonnes, and
 - (ii) the collecting or testing of a sample collected at any time in a calendar year in respect of anyone "mineral resource" if the total weight of all such samples collected (by the Issuer, any partnership of which it is a member or any combination of the Issuer and any such partnership) in the period in the calendar year that is before that time (other than samples each of which weighs less than one tonne) exceeds 1,000 tonnes;

2. ALLOCATION OF SUBSCRIPTION PRICE

The subscription price is \$0.50 per Flow-Through Share (the "Flow-Through Funds").

3. FLOW-THROUGH SHARES

Following receipt by the Issuer of the Flow-Through Funds from the Purchaser and on acceptance of this Agreement by the Issuer, the Issuer will:

- (a) deposit the Flow-Through Funds in a bank account (the "Exploration Account") established by the Issuer for the purpose of financing the Exploration Program; and
- (b) issue to the Purchaser the number of Flow-Through Shares subscribed and paid for by the Purchaser.

4. ADDITIONAL PURCHASERS TO PARTICIPATE IN THE PROGRAM

The Purchaser acknowledges that the Issuer has entered into and will be entering into agreements similar to the Agreement with other persons in respect of Flow-Through Shares. Such agreements will be made and be dated for reference the same date as the Agreement. Any Flow-Through Funds paid to the Issuer pursuant to the terms of such agreements will also be deposited in the Exploration Account. If the Issuer, however, sells rights to acquire, or issues, "flow-through" common shares pursuant to private placements or pursuant to other public offerings, any subscription funds received from such private placements or public offerings will be deposited into a bank account separate from the Exploration Account and will not be commingled with the funds deposited in the Exploration Account, it being the intention of the Issuer that a separate subscriber's Exploration Account be established for each such private placement or public offering. The Issuer will expend each subscriber's Exploration Account in the order of:

- (a) the reference date of any private placement "flow-through" subscription agreements entered into for such private placements; and
- (b) the date of closing of such public offerings,

such that the subscription funds from the oldest "flow-through" financing will always be spent first and renunciation made in respect of such expenditures before any renunciations are made in respect of any Qualifying Expenses that are financed from subsequent "flow-through" financings.

5. APPLICATION OF EXPLORATION ACCOUNT

Subject to the Issuer's right to revise the Exploration Program as provided in the provisions under the heading REVISION OF EXPLORATION PROGRAM below, the Issuer will apply the Flow-Through Funds deposited in the Exploration Account exclusively for the purpose of performing the Exploration Program and the Issuer will only apply such funds to incur expenditures which are Qualifying Expenses.

6. ACCRUED INTEREST ON EXPLORATION ACCOUNT

The Purchaser acknowledges that any interest accruing on Flow-Through Funds in the Exploration Account will accrue to the sole benefit of the Issuer and may be applied by the Issuer for general corporate purposes.

7. SCHEDULE FOR INCURRING QUALIFYING EXPENSES

7.1 Unless the Purchaser gives notice to the Issuer or the Issuer gives notice to the Purchaser to the contrary (the "Notice Requirement") during the period of time described in paragraphs (a) or (b) of the second section under this heading SCHEDULE FOR INCURRING QUALIFYING EXPENSES, for the purposes of this Agreement the Purchaser will be deemed to be dealing with the Issuer at "arm's length", as that term is used in the ITA.

7.2 The Issuer will expend as much of the Flow-Through Funds in the Exploration Account as is commercially reasonable between the date the Agreement is entered into and:

- (a) the end of the year after the Closing Year, if the Notice Requirement has not been fulfilled prior to December 31 of the Closing Year; or

- (b) December 31 of the Closing Year, if the Notice Requirement has been fulfilled prior to December 31 of the Closing Year and, thereafter, until the end of the year after the Closing Year.

7.3 The Issuer will expend the Flow-Through Funds in the Exploration Account on or before the last day of the twenty-fourth month after the end of the month that includes the date this Agreement was entered into as described under the heading ISSUER'S ACCEPTANCE below.

8. ISSUER TO RENOUNCE QUALIFYING EXPENSES IN FAVOUR OF PURCHASER

8.1 Subject to the provisions of the second and third sections under this heading ISSUER TO RENOUNCE QUALIFYING EXPENSES IN FAVOUR OF PURCHASER, the Issuer will, within the times set out below and in accordance with the provisions of subsections 66(12.6) and 66(12.66) of the ITA, take all necessary steps to renounce in favor of the Purchaser, the amount of Qualifying Expenses incurred by it using the Flow-Through Funds in the Exploration Account under the Exploration Program during the periods specified below less the amount, if any, of the assistance, as that latter term is defined in subsection 66(15) of the ITA, that the Issuer received or may reasonably be expected to receive in respect of such Qualifying Expenses:

- (a) on or after March 15 and before March 31 of the year following the Closing Year, if the Purchaser has paid the price in money for Flow-Through Shares in the Closing Year the Issuer will renounce, effective December 31 of the Closing Year, Qualifying Expenses it has incurred between the date of Closing and the end of February of the year following the Closing Year;
- (b) on or after March 15 and before March 31 of the year following the Closing Year, if the Purchaser has paid the price in money for Flow-Through Shares in the Closing Year the Issuer will renounce, effective December 31 of the Closing Year, Qualifying Expenses it has incurred or plans to incur between March 1 and December 31 of the year following the Closing Year; and
- (c) with respect to Qualifying Expenses which are not renounced in accordance with paragraphs (a) or (b) immediately above, the Issuer will renounce those expenditures effective as of the earliest possible calendar year and, in any event, before March of the calendar year following the date which is 24 months after the end of the month that includes the date this Agreement was entered into as described under the heading ISSUER'S ACCEPTANCE below.

8.2 Should the Notice Requirement be fulfilled prior to March 15 of the year after the Closing Year, the term "February of the year following" will be deleted from paragraph (a) in the preceding section, the provisions of paragraph (b) in the preceding section will be deleted, paragraph (c) will become paragraph (b) and the term "paragraphs (a) or (b)" therein will be replaced with "paragraph (a)".

8.3 The aggregate Qualifying Expenses renounced to the Purchaser will not be less than nor exceed the aggregate consideration paid by the Purchaser for Flow-Through Shares.

8.4 The Purchaser acknowledges that if the Issuer renounces Qualifying Expenses pursuant to

paragraph (b) of the first section under this heading ISSUER TO RENOUNCE QUALIFYING EXPENSES IN FAVOUR OF PURCHASER and does not incur all or part of the Qualifying Expenses which it planned to incur during the period specified therein, the Issuer will be required to reduce the amount of Qualifying Expenses renounced pursuant to that paragraph and, as a result, the Purchaser:

- (a) may be subject to increased income tax liabilities for the year in respect of which the excess renunciation was made; and
- (b) may be required to file appropriate amendments to the Purchaser's income tax return for that and other years.

9. ISSUER TO FILE PRESCRIBED FORM IN RESPECT OF RENUNCIATIONS WITH THE CANADA REVENUE AGENCY

The Issuer will file, in respect of each renunciation made pursuant to this Agreement, before the last day of the month following the date of making such renunciation, such information returns with the Canada Revenue Agency ("CRA") as are prescribed by subsection 66(12.7) of the ITA and will send concurrently a copy of such information returns to the Purchaser.

10. ISSUER TO FILE COPY OF AGREEMENT WITH CANADA REVENUE AGENCY

The Issuer will file, together with a copy of the Prospectus (or other selling instrument) or the Agreement, the prescribed form referred to in subsection 66(12.68) of the ITA with the CRA on or before the last day of the month following the earlier of:

- (a) the month in which the Issuer's acceptance under the provisions under the heading ISSUER'S ACCEPTANCE below occurs; and
- (b) the month in which the Prospectus (or other selling instrument) is first delivered to a potential investor.

11. ISSUER TO FILE PART XII.6 RETURN WITH THE CANADA REVENUE AGENCY

The Issuer will file with the CRA, before March of the year following a particular year, any return required to be filed under Part XII.6 of the ITA in respect of the particular year, and will pay any tax or other amount owing in respect of that return on a timely basis. Any amounts paid in respect of such tax amount will not be paid from the Exploration Account.

12. ISSUER TO FILE PRESCRIBED FORM WITH THE CANADA REVENUE AGENCY IN RESPECT OF EXCESS

Where an amount that the Issuer has purported to renounce to the Purchaser effective December 31 of the Closing Year pursuant to paragraph (a) or (b) of the first section under the heading ISSUER TO RENOUNCE QUALIFYING EXPENSES IN FAVOUR OF PURCHASER (otherwise than as amended pursuant to the second section under that heading) exceeds the amount that it can renounce on that effective date because it did not actually incur Qualifying Expenses within the period of time specified in that paragraph, and at the end of the year following the

Closing Year the Issuer knew or ought to have known of all or part of such excess renunciation, the Issuer will file a statement with the CRA in prescribed form before March of the second year following the Closing Year, all as required by subsection 66(12.73) of the ITA. A copy of such statement will be sent concurrently to the Purchaser.

13. WARRANTIES

13.1 The Purchaser acknowledges, represents, warrants and covenants to and with the Issuer that, as at the effective date of the Prospectus and at the Closing:

(a) the Purchaser is at arm's length (as that term is used in the ITA) with the Issuer and, notwithstanding the fulfillment or non-fulfillment of the Notice Requirement, the Purchaser acknowledges that if at any time during the year following the Closing Year, the Purchaser is not at arm's length with the Issuer and the Issuer renounces Qualifying Expenses it incurs or plans to incur pursuant to paragraph (a) or (b) of the first section under the heading ISSUER TO RENOUNCE QUALIFYING EXPENSES IN FAVOUR OF PURCHASER (otherwise than as amended pursuant to the second section under that heading) above, notwithstanding the provisions of those paragraphs, the renunciation will not be effective December 31 of the Closing Year and, as a result, the Purchaser:

(i) may be subject to increased income tax liabilities for the Closing Year; and

(ii) may be required to file appropriate amendments to the Purchaser's income tax return for the Closing Year and other years; and

if:

(i) the Issuer has not accepted the subscription by the Purchaser for Flow-Through Shares pursuant to the provisions under the heading ISSUER'S ACCEPTANCE below, or

(ii) the Purchaser has not paid in money the Flow-Through Funds to the Issuer,

on or before December 31 of a particular year, the Purchaser will not be entitled to have any Qualifying Expenses which are incurred after the particular year renounced to the Purchaser effective December 31 of the particular year, pursuant to the first section under the heading ISSUER TO RENOUNCE QUALIFYING EXPENSES IN FAVOUR OF PURCHASER above (otherwise than as amended pursuant to the second section under that heading) and, as a result, the Purchaser:

(iii) may be subject to increased tax liabilities for the particular year; and

(iv) may be required to file appropriate amendments to the Purchaser's income tax return for the particular year and other years,

and the Purchaser agrees that the above acknowledgements, representations, warranties and covenants in this subsection will be true and correct both as of the Purchaser's

execution of the Agreement and as of the Closing.

13.2 The Issuer represents, warrants and covenants that, as of the effective date of the Prospectus and at the Closing:

- (a) the Issuer is, and at all material times will remain, a "principal-business corporation" within the meaning prescribed by subsection 66(15) of the ITA;
- (b) the Flow-Through Shares will qualify as "flow-through shares" as defined in subsection 66(15) of the ITA and in particular will not be prescribed shares as defined in section 6202.1 of the regulations to the ITA;
- (c) if the Issuer amalgamates or otherwise merges with anyone or more companies, any shares issued to or held by the Purchaser as a replacement for Flow-Through Shares as a result of such amalgamation or merger will qualify, whether by virtue of subsection 87(4.4) of the ITA or otherwise, as "flow-through" shares as described in subsection 66(15) of the ITA and in particular will not be prescribed shares as defined in section 6202.1 of the regulations to the ITA; and
- (d) the Issuer will incur expenses which are Qualifying Expenses in an amount which equals the gross proceeds derived from the sale of Flow-Through Shares to the Purchaser, renounce that amount to the Purchaser and otherwise comply with its obligations as set forth in this Appendix,

and the Issuer agrees that the above representations, warranties and covenants in this subsection will be true and correct both as of the Issuer's execution of the Agreement and as of the Effective Date.

14. NO RENUNCIATION TO THIRD PARTIES, AND ALLOCATION OF RENOUNCED AMOUNTS

The Issuer will not renounce any Qualifying Expenses in respect of its Exploration Program in favor of any person other than the Purchaser and the other purchasers who purchase Flow-Through Shares. For the purpose of determining the extent to which the Flow-Through Funds received by the Issuer from the Purchaser have been the subject of renunciation under the ITA, the total amount expended from the Exploration Account on Qualifying Expenses will be allocated among the Purchaser and the other purchasers who purchase Flow-Through Shares, on a basis *pro rata* to the relative amounts of their respective contributions of flow-through funds, as described in the provisions under the heading SUBSCRIPTION PRICE, and as set forth in the information returns required by subsection 66(12.7) of the ITA.

15. ISSUER NOT TO CLAIM A DEDUCTION OR CREDIT IN RESPECT OF RENOUNCED QUALIFYING EXPENSES

The Issuer acknowledges that it has no right to claim any deduction or credit for Canadian exploration expense, or depletion of any sort, in respect of any Qualifying Expenses that the Issuer renounces in favour of the Purchaser pursuant to this Agreement and covenants not to claim any such deduction or credit when preparing its tax returns from time to time.

16. ISSUER'S ACCOUNTS AND INCOME TAX FILINGS

The Issuer will maintain proper accounting books and records, and will make all income tax filings as and when required under the ITA, relating to the Qualifying Expenses it incurs and renounces pursuant to this Agreement.

17. NO DISSEMINATION OF CONFIDENTIAL INFORMATION

The Issuer will be entitled to hold confidential all exploration information relating to any program on which any portion of the Flow-Through Funds is expended pursuant to this Agreement and it will not be obligated to make such information available to the Purchaser except in the manner and at such time as it makes any such information available to its shareholders or to the public pursuant to the rules and policies of any stock exchange or laws, regulations or policies of any province.

18. REVISION OF EXPLORATION PROGRAM

While it is the present intention of the Issuer to undertake the Exploration Program, it is the nature of mining exploration that data and information acquired during the conduct of an exploration program may alter the initially proposed Exploration Program and the Issuer expressly reserves the right to alter the Exploration Program on the advice of its technical staff or consultants and further reserves the right to substitute other exploration programs on which to expend part of the Flow-Through Funds, provided such programs entail the incurrence of exploration expenses which are described in paragraph 66(12.66)(b) of the ITA and are otherwise capable of renunciation by the Issuer to the Purchaser pursuant to this Agreement.

19. INDEMNITY BY ISSUER

The Issuer will indemnify the Purchaser against any loss or damages incurred by the Purchaser in an amount up to but not exceeding any amount of tax payable by the Purchaser under the ITA or the laws of a province as a consequence of the failure of the Issuer to renounce Qualifying Expenses to the Purchaser within the time and otherwise as required by the ITA, or as a consequence of a reduction, pursuant to subsection 66(12.73) of the ITA, by the tax authorities of an amount purported to be renounced to the Purchaser in respect of the Flow-Through Shares.

20. OTHER FLOW-THROUGH SHARE SALES

The Purchaser acknowledges that there may be other sales of Flow-Through Shares, some or all of which may occur after the acquisition of Flow-Through Shares by the Purchaser. The Purchaser further acknowledges that there is a risk that insufficient funds may be raised from the sale of Flow-Through Shares to fund the Issuer's objectives described in the Prospectus, if any, and that it is possible that no Flow-Through Shares may be purchased after the Purchaser has done so.

21. ISSUER'S ACCEPTANCE

The Agreement, when executed by the Agent on the Purchaser's behalf and delivered to the Issuer, will constitute a subscription for Flow-Through Shares which will not be binding on the Issuer until accepted by the Issuer by executing this Agreement in the space provided on the first page of the Agreement and, notwithstanding the reference date on that page, if the Issuer accepts the subscription by the Purchaser, the Agreement will be entered into on the date of such execution by the Issuer.

22. MISCELLANEOUS

22.1 The Purchaser hereby irrevocably authorizes the Agent, in its sole discretion:

- (a) to act as the Purchaser's representative to receive certificates for Flow-Through Shares subscribed for and to execute in his, her or its name and on his, her or its behalf all closing receipts and documents required; and
- (b) to waive, in whole or in part, any representations, warranties, covenants or conditions for the benefit of the Purchaser contained herein or in any agreement or document ancillary or related thereto.

22.2 The Agreement is not assignable or transferable by either

22.3 Time is of the essence of this Appendix and will be calculated in accordance with the provisions of the *Interpretation Act* (British Columbia).

22.4 Except as expressly provided in this Appendix and in the Prospectus, agreements, instruments and other documents contemplated or provided for herein, the Agreement contains the entire agreement between the parties with respect to Flow-Through Shares and there are no other terms, conditions, representations or warranties whether expressed, implied, oral or written, by statute, by common law, by the Issuer, by the Agent, or by anyone else.

22.5 The parties to the Agreement may amend the Agreement only in writing.

22.6 The Agreement enures to the benefit of and is binding upon the parties to the Agreement and their successors and permitted assigns.

22.7 A party to the Agreement will give all notices to or other written communications with the other party to the Agreement concerning the Agreement by hand or by registered mail addressed to such party, in the case of the Issuer to the address given on the Prospectus and in the case of the Purchaser, c/o the Agent at its address given on the Prospectus.

22.8 This Appendix is to be read with all changes in gender or number as required by the context.

22.9 The Agreement will be governed by and construed in accordance with the laws of British Columbia, and the parties hereto irrevocably attorn and submit to the jurisdiction of the courts of British Columbia with respect to any dispute related to the Agreement.

END OF SCHEDULE A

BCM RESOURCES CORPORATION
(Formerly BC Moly Ltd.)

Financial Statements
February 28, 2006

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AUDITORS' REPORT

TO THE DIRECTORS OF BCM RESOURCES CORPORATION (FORMERLY BC MOLY LTD.)

We have audited the balance sheets of BCM Resources Corporation (formerly BC Moly Ltd.) as at February 28, 2006 and August 31, 2005 and the statements of operations and deficit and cash flows for the six-month period ended February 28, 2006 and initial 198-day period ended August 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 February 28, 2006 and August 31, 2005 and the results of its operations and its cash flows for the six-month period ended February 28, 2006 and initial 198-day period ended August 31, 2005 in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

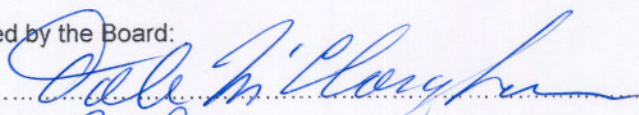
Vancouver, British Columbia
March 31, 2006, except as to note 10
which is as of _____.

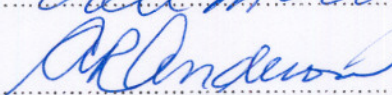
BCM RESOURCES CORPORATION
(Formerly BC Moly Ltd.)
Balance Sheets (note 1)

	February 28, 2006	August 31, 2005
Assets		
Current		
Cash	\$ 10,829	\$ 1,049
Short-term investment	202,500	0
	213,329	1,049
Resource Property (note 4)	140,823	11,368
	\$ 354,152	\$ 12,417
Liabilities		
Current		
Accounts payable and accrued liabilities (note 7)	\$ 25,415	\$ 8,956
Due to shareholders (note 6)	0	23,000
	25,415	31,956
Shareholders' Equity		
Capital Stock (note 5)	435,500	1,500
Subscription Receivable (note 5)	(15,000)	(1,500)
Deficit	(91,763)	(19,539)
	328,737	(19,539)
	\$ 354,152	\$ 12,417

Commitments (note 8)

Approved by the Board:

.....  Dale McClanaghan, Director

.....  Allan Anderson, Director

BCM RESOURCES CORPORATION
 (Formerly BC Moly Ltd.)
 Statements of Operations and Deficit

	Six-Month Period Ended February 28, 2006	Initial 198-Day Period Ended August 31, 2005
Expenses		
Professional fees	\$ 33,633	\$ 8,500
Consulting fees	12,500	5,000
Management fees	12,500	5,000
Filing and transfer agent fees	5,024	0
Office, telephone and miscellaneous	4,117	46
Travel, promotion and entertainment	2,467	904
Dues and subscriptions	2,059	0
Bank charges and interest, net	(76)	89
Net Loss for Period	72,224	19,539
Deficit, Beginning of Period	19,539	0
Deficit, End of Period	\$ 91,763	\$ 19,539

BCM RESOURCES CORPORATION
(Formerly BC Moly Ltd.)
Statements of Cash Flows

	Six-Month Period Ended February 28, 2006	Initial 198-Day Period Ended August 31, 2005
Operating Activities		
Net loss	\$ (72,224)	\$ (19,539)
Changes in Non-Cash Working Capital		
Accounts payable and accrued liabilities	16,459	8,956
Due to shareholders	(23,000)	23,000
	(6,541)	31,956
Cash Provided by (Used in) Operating Activities	(78,765)	12,417
Investing Activities		
Resource property costs	(129,455)	(11,368)
Short-term investment	(202,500)	0
Cash Used in Investing Activities	(331,955)	(11,368)
Financing Activities		
Issue of common shares	419,000	0
Share subscription receivable	1,500	0
Cash Provided by (Used in) Financing Activities	420,500	0
Inflow of Cash	9,780	1,049
Cash, Beginning of Period	1,049	0
Cash, End of Period	\$ 10,829	\$ 1,049
Supplemental Cash Flow Information		
Interest paid	\$ 55	\$ 90

See notes to financial statements.

BCM RESOURCES CORPORATION

(Formerly BC Moly Ltd.)

Notes to Financial Statements

Initial 198-Day Period Ended August 31, 2005 and Six-Month Period Ended February 28, 2006

1. NATURE AND CONTINUANCE OF OPERATIONS

BCM Resources Corporation (the "Company") was incorporated on February 15, 2005 under the Canada Business Corporations Act under the name 716576 B.C. Ltd. This name was changed to BC Moly Ltd. on June 15, 2005 and to BCM Resources Corporation on February 16, 2006. The Company is in the business of acquiring, exploring and evaluating mineral resource properties. At February 28, 2006, the Company was in the exploration stage and had interests in resource properties located in the Skeena and Omineca Mining Divisions in British Columbia.

The recoverability of amounts shown for the resource property is dependent upon the discovery of economically recoverable reserves, continuation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain financing to complete its development, and future profitable production or disposition thereof.

The financial statements have been prepared using Canadian generally accepted accounting principles applicable for a going-concern, which assumes that the Company will realize its assets and discharge its liabilities in the ordinary course of business. The Company has accumulated losses of \$91,763 (initial 198-day period ended August 31, 2005 - \$19,539) since its inception. Its ability to continue as a going-concern is dependent upon the ability of the Company to obtain the necessary financing to meet its obligations and pay its liabilities arising from normal business operations when they come due.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

(a) Short-term investment

Short-term investment consists of an interest bearing guaranteed investment certificate.

(b) Resource property

The Company capitalizes the cost of acquiring, maintaining its interest, exploring and developing mineral properties until such time as the properties are placed into production, abandoned, sold or considered to be impaired in value. Costs of producing properties will be amortized on a unit-of-production basis and costs of abandoned properties are written-off. Proceeds received on the sale of interests in mineral properties are credited to the carrying value of the mineral properties, with any excess included in operations. Write-downs due to impairment in value are charged to operations.

The Company is in the process of exploring and developing its mineral properties and has not yet determined the amount of reserves available. Management reviews the carrying value of mineral properties on a periodic basis and will recognize impairment in value based upon current exploration results, the prospect of further work being carried out by the Company, the assessment of future probability of profitable revenues from the property or from the sale of the property. Amounts shown for properties represent costs incurred to date, and are not intended to represent present or future values.

BCM RESOURCES CORPORATION

(Formerly BC Moly Ltd.)

Notes to Financial Statements

Initial 198-Day Period Ended August 31, 2005 and Six-Month Period Ended February 28, 2006

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, current income taxes are recognized for the estimated income taxes payable for the current period. Future income tax assets and liabilities are recognized for temporary differences between the tax and accounting basis of assets and liabilities as well as for the benefit of losses available to be carried forward to future years for tax purposes only if it is more likely than not that they can be realized.

(d) Loss per share

Loss per share computations are based on the weighted average number of common shares outstanding during the period. Diluted loss per share has not been presented separately as the outstanding options and warrants are anti-dilutive for each of the periods presented. Shares held in escrow at period-end that are held based on a contingency other than the passage of time are not included in the calculation of weighted average number of common shares.

(e) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and would impact future results of operations and cash flows.

(f) Stock-based compensation

The Company uses the fair value based method of accounting for employee stock options as required under the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3870, "*Stock-Based Compensation and Other Stock-Based Payments*". Under the fair value based method, compensation cost of a stock option is measured at fair value at the date of grant and is expensed over the vesting period of the stock option with a corresponding increase to contributed surplus. When the stock options are exercised, the proceeds, together with the amount recorded in contributed surplus, are recorded in capital stock.

BCM RESOURCES CORPORATION

(Formerly BC Moly Ltd.)

Notes to Financial Statements

Initial 198-Day Period Ended August 31, 2005 and Six-Month Period Ended February 28, 2006

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Asset retirement obligation

Section 3110 of the CICA Handbook requires companies to recognize an estimate of the liability associated with an asset retirement obligation ("ARO") in the financial statements at the time the liability is incurred. The estimated fair value of the ARO is recorded as a long-term liability, with a corresponding increase in the carrying amount of the related asset. The capitalized amount is depleted on a unit-of-production basis over the life of the proved reserves. The liability amount is increased each reporting period due to the passage of time and the amount of accretion is charged to earnings in the period. The ARO can also increase or decrease due to changes in the estimates of timing of cash flows or changes in the original estimated undiscounted cost. Actual costs incurred upon settlement of the ARO are charged against the ARO to the extent of the liability recorded.

(h) Flow-through shares

The resource expenditure deductions for income tax purposes related to exploratory and development activities funded by flow-through share arrangements are renounced to investors in accordance with tax legislation. The estimated tax benefits transferred to shareholders are recorded as a future income tax liability and a reduction to capital stock at the time of renunciation.

3. FINANCIAL INSTRUMENTS

(a) Fair value

The carrying values of cash, short-term investment, and accounts payable and accrued liabilities approximate their fair values because of the short maturity of these financial instruments.

The carrying value of short-term investment approximates fair value.

(b) Interest rate risk

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary current assets and current liabilities.

(c) Credit risk

The Company is exposed to credit risk with respect to its cash; however, this is minimized as cash is placed with major financial institutions.

BCM RESOURCES CORPORATION

(Formerly BC Moly Ltd.)

Notes to Financial Statements

Initial 198-Day Period Ended August 31, 2005 and Six-Month Period Ended February 28, 2006

4. RESOURCE PROPERTY

The investment in and expenditures on resource properties comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

(a) Carter Property, located in the Skeena and Omineca Mining Divisions, British Columbia

By a resource property acquisition agreement dated June 15, 2005, the Company agreed to purchase a 100% interest in ten mineral properties, collectively referred to as the Carter Property, located in the Skeena and Omineca Mining Divisions in British Columbia, Canada. As consideration, the Company must pay \$90,000 cash (\$10,000 paid) and issue 350,000 common shares at specified dates.

In addition, a royalty of 1.5% of the net smelter return, consisting of seven advance payments must be paid. The Company shall have the right at any time and from time to time to acquire one half of the net smelter return from Carter by paying \$750,000 to Carter.

The Company has agreed to maintain the claims in good standing for a minimum of two years. The parties have estimated that the total assessment work required for the claims for the first two years would be approximately \$4,000.

BCM RESOURCES CORPORATION

(Formerly BC Moly Ltd.)

Notes to Financial Statements

Initial 198-Day Period Ended August 31, 2005 and Six-Month Period Ended February 28, 2006

4. RESOURCE PROPERTY (Continued)

- (a) Carter Property, located in the Skeena and Omineca Mining Divisions, British Columbia (Continued)

Dateline	Cash payments	Shares (at deemed value of \$0.50 per share)	Net smelter return prepayments
On date of Initial Public Offering	\$ 10,000 *	75,000	
First anniversary	15,000	75,000	
Second anniversary	20,000	100,000	
Third anniversary	20,000	100,000	
Fourth anniversary	25,000		\$ 5,000
Fifth anniversary			10,000
Sixth anniversary			15,000
Seventh anniversary			20,000
Eighth anniversary			25,000
Ninth anniversary			25,000
Tenth anniversary			50,000
Total	\$ 90,000	350,000	\$ 150,000

* Paid

- (b) Deferred resource property expenditures

	Six-Month Period Ended February 28, 2006	Initial 198-Day Period Ended August 31, 2005
Balance, beginning of period	\$ 11,368	\$ 0
Acquisition costs	0	10,000
Mapping and compilation	88,593	683
Site preparation	35,603	0
Consulting	5,259	685
Balance, end of period	\$ 140,823	\$ 11,368

BCM RESOURCES CORPORATION

(Formerly BC Moly Ltd.)

Notes to Financial Statements**Initial 198-Day Period Ended August 31, 2005 and Six-Month Period Ended February 28, 2006****5. CAPITAL STOCK**

(a) Authorized
Unlimited common shares without par value

(b) Issued and allotted

	Shares	Amount
Allotted during period for subscriptions receivable	1,500,000	\$ 1,500
Balance, August 31, 2005	1,500,000	1,500
Issued for cash		
Private placements	1,736,000	434,000
Balance, February 28, 2006	3,236,000	\$ 435,500

- (i) On February 18, 2005, 2 common shares, at a price of \$0.25 per share for cash proceeds of \$0.50, were allotted to a director of the Company in regards to the incorporation of the Company. The shares were issued in December 2005.
- (ii) On May 5, 2005, 1,499,998 common shares were allotted at a price of \$0.001 per share for cash proceeds of \$1,499. These founders' shares will be held in escrow; 10% will be released on the date of listing on the TSX Venture Exchange and 15% every six months thereafter. The shares were issued in December 2005.
- (iii) On December 30, 2005, the Company completed a non-brokered private placement consisting of 1,102,000 flow-through common shares at a price of \$0.25 per share for cash proceeds of \$275,500. These shares are subject to a 180-day hold period on the date of listing on the TSX Venture Exchange.
- (iv) On December 30, 2005, the Company completed a non-brokered private placement consisting of 310,000 units at a price of \$0.25 per unit for cash proceeds of \$77,500; each unit consists of one common share and one-half share purchase warrant. Each whole warrant will entitle the holder, on exercise, to purchase an additional common share of the Company at a price of \$0.30 per share within a one-year period from the date of issue. These units are subject to a 180-day hold period on the date of listing on the TSX Venture Exchange.
- (v) On February 6, 2006, the Company completed a non-brokered private placement consisting of 324,000 units at a price of \$0.25 per unit for cash proceeds of \$81,000; each unit consists of one common share and one-half share purchase warrant. Each whole warrant will entitle the holder, on exercise, to purchase an additional common share of the Company at a price of \$0.30 per share within a one-year period from the date of issue of the warrant. These units are subject to a 180-day hold period on the date of listing on the TSX Venture Exchange.

BCM RESOURCES CORPORATION

(Formerly BC Moly Ltd.)

Notes to Financial Statements

Initial 198-Day Period Ended August 31, 2005 and Six-Month Period Ended February 28, 2006

5. CAPITAL STOCK (Continued)

(c) Stock option activity

During the period ended February 28, 2006, the Company adopted a stock option plan (the "Stock Option Plan") as initially approved by the Board of Directors on February 2, 2006. Pursuant to the policies of the TSX Venture Exchange, the Company may grant incentive stock options to officers, directors, employees and other service providers of the Company. Stock options must be non-transferable and the aggregate number of shares that may be reserved for issuance may not exceed 10% of the issued shares at the time of grant and to each individual may not exceed 5% of the issued shares. The exercise price of stock options is determined by the Board of Directors of the Company at the time of grant and may not be less than the average closing price of the Company's shares for the ten trading days immediately preceding the day on which the option is granted and publicly announced, and may not be less than the minimum price permitted by the TSX. Options have a maximum term of five years and terminate 30 days following the termination of the optionee's employment, except in the case of retirement, death or disability, in which case they terminate one year after the event. Vesting of the options is determined at the time of granting of the options at the discretion of the Board of Directors. Once approved and vested, options are exercisable at any time.

On February 16, 2006, subject to regulatory approval, the Company has granted 275,000 incentive stock options, exercisable at the offering price per share of the initial public offering of the Company any time up to and including the fifth anniversary of the date on which the common shares of the Company are listed for trading on the TSX.

(d) Warrants

As at February 28, 2006, the Company has warrants outstanding and exercisable for the purchase of a total of 317,000 common shares as follows:

Expiry Date	Exercise Price	Outstanding, August 31, 2005	Issued	Exercised	Expired	Outstanding, February 28, 2006
December 30, 2006	\$ 0.30	0	155,000	0	0	155,000
February 6, 2007	\$ 0.30	0	162,000	0	0	162,000
		0	317,000	0	0	317,000

BCM RESOURCES CORPORATION

(Formerly BC Moly Ltd.)

Notes to Financial Statements

Initial 198-Day Period Ended August 31, 2005 and Six-Month Period Ended February 28, 2006

6. DUE TO SHAREHOLDERS

Amounts due to shareholders are unsecured, non-interest bearing and without stated terms of repayment.

7. RELATED PARTY TRANSACTIONS

- (a) During the period, the Company paid \$12,500 (initial 198-day period ended August 31, 2005 - \$5,000) for management fees to a director and an officer of the Company.
- (b) During the period, the Company paid \$12,500 (initial 198-day period ended August 31, 2005 - \$nil) for consulting fees to a director of the Company.
- (c) Included in accounts payable is \$4,720 (initial 198-day period ended August 31, 2006 - \$nil) payable to a director and an officer of the Company for general administrative expenditures incurred on behalf of the Company.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration agreed to between the parties.

8. COMMITMENTS

- (a) The Company entered into a service agreement commencing July 1, 2005 to pay \$2,500 per month for twelve months for management services to a director and officer of the Company.
- (b) The Company entered into a consulting agreement commencing July 1, 2005 to pay \$2,500 per month for twelve months for consulting services to a director of the Company.

BCM RESOURCES CORPORATION

(Formerly BC Moly Ltd.)

Notes to Financial Statements

Initial 198-Day Period Ended August 31, 2005 and Six-Month Period Ended February 28, 2006

9. INCOME TAXES

The components of the future income tax assets are as follows:

	Six-Month Period Ended February 28, 2006	Initial 198-Day Period Ended August 31, 2005
Future income tax assets		
Non-capital loss carry-forwards	\$ 91,763	\$ 19,539
Unused cumulative Canadian exploration expenses	0	1,368
Unused cumulative Canadian development expenses	10,000	10,000
	101,763	30,907
Approximate Canadian tax rate	34.12%	35.62%
	34,712	11,009
Valuation allowance	(34,712)	(11,009)
Net future income tax assets	\$ 0	\$ 0

The valuation allowance reflects the Company's estimate that the tax assets more likely than not will not be realized.

BCM RESOURCES CORPORATION

(Formerly BC Moly Ltd.)

Notes to Financial Statements**Initial 198-Day Period Ended August 31, 2005 and Six-Month Period Ended February 28, 2006****9. INCOME TAXES (Continued)**

The non-capital losses that may be carried forward to apply against future years' income for Canadian income tax purposes will expire as follows:

Available to	Amount
2015	\$ 19,539
2016	\$ 72,224

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

	2006	2005
	34.12%	35.62%
Income tax benefit computed at Canadian statutory rates	\$ 24,643	\$ 6,960
Permanent differences	(134)	0
Unrecognized tax losses	(24,509)	(6,960)
	\$ 0	\$ 0

10. SUBSEQUENT EVENTS

- (a) Subsequent to February 28, 2006, the Company is preparing a prospectus for listing ("IPO") its shares for trading on the TSX and issuing 2,000,000 flow-through common shares at \$0.50 per share, and up to 1,000,000 units for \$0.50 per unit for gross proceeds of \$1,500,000. Each unit consists of one common share and one-half of one purchase warrant, with each full warrant exercisable at \$0.75 for one year following the date of the IPO. As compensation for managing the IPO, the Company will pay the agent a due diligence and administrative fee of \$25,000 in the form of \$12,500 cash and 25,000 additional units, a 7.5% cash commission on gross proceeds of the offering, and options equal to 8% of the total number of units and shares sold under the offering. Each option shall entitle the agent to purchase one unit at \$0.50 per unit for a period of 12 months following the closing date of the offering.
- (b) The Company and the holders of 1,500,000 shares (note 5(b)), acquired by the Company's principals as founders' shares and issued at a price of \$0.001 per share, have entered into an agreement whereby those shares will be held in escrow; 10% will be released on the date of listing on the TSX and 15% every six months thereafter.

CERTIFICATE OF BCM RESOURCES CORPORATION

Dated: April 21, 2006

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

“Dale McClanaghan”

DALE MCCLANAGHAN
President and Chief Executive Officer

“Dale McClanaghan”

DALE MCCLANAGHAN
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

“Lindsay Bottomer”

LINDSAY BOTTOMER
Director

“Scott Steeds”

SCOTT STEEDS
Director

CERTIFICATE OF THE AGENT

Dated: April 21, 2006

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

HAYWOOD SECURITIES INC.

“Frank Stronach”

G. Frank Stronach
Vice-President, Corporate Finance