This prospectus constitutes a public offering of the securities only in those jurisdictions where they may be lawfully offered for sale and, in such jurisdictions, 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.

PROSPECTUS

INITIAL PUBLIC OFFERING November 17, 2006

ALDER RESOURCES LTD.

(a capital pool Company)

Maximum Offering: $750,000 or 5,000,000 shares
Minimum Offering: $600,000 or 4,000,000 shares
Price: $0.15 per share

Alder Resources Ltd. (the "Corporation") hereby offers for sale to the public (the "Offering") through its agent, Leede Financial Markets Inc. (the "Agent"), a minimum of 4,000,000 common shares in the capital of the Corporation (the "Shares") for aggregate proceeds of $600,000 (the "Minimum Offering") and a maximum of 5,000,000 Shares for aggregate gross proceeds of $750,000 (the "Maximum Offering"). The purpose of this offering (the "Offering") is to provide the Corporation with a minimum of funds with which to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction, as hereinafter defined. Any proposed Qualifying Transaction must be approved by the TSX Venture Exchange Inc. (the "Exchange") and, in the case of a Non Arm's Length Qualifying Transaction, as hereinafter defined, must also receive Majority of the Minority Approval, as hereafter defined, in accordance with Policy 2.4 of the Exchange (the "CPC Policy"). The Corporation is a Capital Pool Company ("CPC"). It has not commenced commercial operations and has no assets other than a minimum amount of cash. Except as specifically contemplated in the CPC Policy, until the Completion of the Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a proposed Qualifying Transaction. See Item 3 "Business of the Corporation" and Item 4 "Use of Proceeds".

	Common Shares	**Price to Public**	**Agent's Commission(1)**	**Proceeds to Corporation(2)**
Per Share	1	$0.15	$0.015	$0.135
Maximum Offering	5,000,000	$750,000	$75,000	$675,000

	Common Shares	**Price to Public**	**Agent's Commission(1)**	**Proceeds to Corporation(2)**
Per Share	1	$0.15	$0.015	$0.135
Minimum Offering	4,000,000	$600,000	$60,000	$540,000

Notes:

(1) A commission of 10% of the gross proceeds of the Offering will be paid to the Agent. The Agent will also be paid a corporate finance fee of $8,000 (plus GST), will be reimbursed by the Corporation for its legal fees, and will be granted the Agent's Option referred to below. See Item 5.1 "*Plan of Distribution – Agent and Agent's Compensation*".

(2) Before deducting the costs of this issue estimated at $50,000 which includes legal and audit fees and other expenses of the Corporation, Agent's corporate finance fee, legal fees and disbursements and the listing fee payable to the Exchange. See Item 4 "*Use of Proceeds*".

This Offering is made on a "commercially reasonable efforts" basis by the Agent, and is subject to a Minimum Subscription of 4,000,000 Shares. The offering price of the Shares was determined arbitrarily by the Directors of the Corporation. All funds received from subscriptions for Shares will be held by the Agent pursuant to the terms of the Agency Agreement between the Corporation and the Agent. If the Offering is not fully subscribed for within 90 days of the issuance of a receipt for the final prospectus or such other time as may be consented to by the Agent and persons or companies who subscribed within that period, all subscription monies will be returned to subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent.

Pursuant to the Agency Agreement, the Agent will be granted a non-transferable option (the "Agent's Option") to purchase Shares, at a price of $0.15 per Share, expiring 24 months after the Listing Date. The number of shares covered by the Agent's Option will be 10% of the number of Shares sold by the Agent pursuant to this Offering. The Agent's Option is qualified for distribution under this prospectus. See Item 5 "Plan of Distribution".

Other than the initial distribution of the Shares pursuant to this prospectus, the grant of the Agent's Option and the grant of the Directors' Options, trading in all securities of the Corporation is prohibited during the period from the date of receipt for this Preliminary Prospectus until the Listing Date except, subject to prior acceptance by the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable securities regulatory authority grants a discretionary order.

The Corporation has applied to list its Shares on the Exchange. Listing will be subject to the Corporation fulfilling all the listing requirements of the Exchange.

Investment in the Shares offered by this prospectus is highly speculative due to the nature of the Corporation's business and its present stage of development. This Offering is suitable only to those investors who are prepared to risk the loss of their entire investment. See Item 15 "*Risk Factors*".

Leede Financial Markets Inc., as agent, conditionally offers these Shares, on a "commercially reasonable efforts" basis, if, as and when subscriptions are accepted by the Corporation, subject to prior sale, in accordance with the terms and conditions of the Agency Agreement referred to under Item 5.1 "*Plan of Distribution*". Pursuant to the CPC Policy, no purchaser of the Shares is permitted to directly or indirectly purchase more than 2% or 100,000 of the Maximum Offering under this prospectus. In addition, the maximum number of Shares that may directly or indirectly be purchased by that purchaser, together with any Associates or Affiliates of that purchaser, is 4% - 200,000 - of the Maximum Offering under this prospectus. Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that share certificates for the Shares evidencing the Shares in definitive form will be available for delivery on the Closing.

Leede Financial Markets Inc.
Suite 2300
777 – 8th Avenue S.W.
Calgary, Alberta T2P 3R5

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Glossary

Glossary - Definitions

"Affiliate" means a Company that is affiliated with another Company as described below.

A Company is an "Affiliate" of another Company if:

(a) one of them is the subsidiary of the other, or

(b) each of them is controlled by the same Person.

A Company is "controlled" by a Person if:

(a) voting securities of the Company are held, other than by way of security only, by or for the benefit of that Person, and

(b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the Company.

A Person beneficially owns securities that are beneficially owned by:

(a) a Company controlled by that Person, or

(b) an Affiliate of that Person or an Affiliate of any Company controlled by that Person.

"**Agency Agreement**" means the agency agreement dated October 20, 2006 between the Corporation and the Agent.

"Agent's Option" is the option which will be granted to the Agent to purchase up to 10% of the number of Shares sold pursuant to this Offering. For details see Item 8 "*Options to Purchase Securities*".

"Agreement in Principle" means any enforceable agreement or any other agreement or similar commitment which identifies the fundamental terms upon which the parties agree or intend to agree which:

(a) identifies assets or a business to be acquired which would reasonably appear to constitute Significant Assets and the acquisition of which would reasonably appear to constitute a Qualifying Transaction;

(b) identifies the parties to the Qualifying Transaction;

(c) identifies the consideration to be paid for the Significant Assets or otherwise identifies the means by which the consideration will be determined; and

(d) identifies the conditions to any further formal agreements to complete the transaction, and

in respect of which there are no material conditions to closing (other than receipt of shareholder approval and Exchange acceptance), the satisfaction of which is dependent upon third parties and beyond the reasonable control of the Non Arm's Length Parties to the CPC or the Non Arm's Length Parties to the Qualifying Transaction.

"Associate" when used to indicate a relationship with a Person or Company, means

(a) an issuer of which the Person or Company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer,

(b) any partner of the Person or Company,

(c) any trust or estate in which the Person or Company has a substantial beneficial interest or in respect of which a Person or Company serves as trustee or in a similar capacity,

(d) in the case of a Person, a relative of that Person, including

(i) that Person's spouse or child, or

(ii) any relative of the Person or of his spouse who has the same residence as that Person;

but

(e) where the Exchange determines that two Persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding Company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D with respect to that Member firm, Member corporation or holding Company.

"Closing Date" means the date the Offering is completed.

"Company" unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

"Completion of the Qualifying Transaction" means the date the Final Exchange Bulletin is issued by the Exchange.

"Control Person" means any Person or Company that holds or is one of a combination of Persons or companies that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

"CPC" means a corporation:

(a) that has been incorporated or organized in a jurisdiction in Canada,

(b) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities regulatory authorities in compliance with the CPC Policy; and

(c) in regard to which the Final Exchange Bulletin has not yet been issued.

"**CPC Policy**" means Policy 2.4 of the Exchange.

"Directors' Options" means the options to purchase up to 700,000 shares which will be granted to the Directors of the Corporation. See Item 8.1(b) "Options".

"Escrow Agent" means Computershare Trust Company of Canada;

"**Escrow Agreement**" means the escrow agreement dated August 15, 2006 among the Corporation, the Escrow Agent and the founding shareholders of the Corporation.

“Exchange” means the TSX Venture Exchange.

“Final Exchange Bulletin” means the Exchange Bulletin which is issued following closing of the Qualifying Transaction and the submission of all documentation and that evidences the final Exchange acceptance of the Qualifying Transaction.

“Final Receipt” means the written confirmation of the acceptance for filing of this Prospectus received from the B.C. and Alberta Securities Commissions.

“Insider” if used in relation to an issuer, means:

(a) a director or senior officer of the issuer;

(b) a director or senior officer of the Company that is an Insider or subsidiary of the issuer;

(c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the issuer; or

(d) the issuer itself if it holds any of its own securities.

“Listing Date” means the date the Shares are listed for trading on the Exchange.

“Majority of the Minority Approval” means the approval of a Non Arm’s Length Qualifying Transaction by the majority of the votes cast by shareholders, other than:

(a) Non Arm’s Length Parties to the CPC;

(b) Non Arm’s Length Parties to the Qualifying Transaction; and

(c) in the case of a Related Party Transaction:

  (i) if the CPC holds its own shares, the CPC, and

  (ii) a Person acting jointly or in concert with a Person referred to in paragraph (a) or (b) in respect of the transaction

at a properly constituted meeting of the Shareholders of the CPC.

“**NEX**” means the market on which former Exchange and Toronto Stock Exchange issuers that do not meet Exchange’s ongoing listing standards for Tier 2 issuers may continue to trade.

“Non Arm’s Length Party” means in relation to a Company, a promoter, officer, director, other insider or Control Person of that Company (including an issuer) and any Associates or Affiliates of any of such Persons. In relation to an individual, means any Associate of the individual or any Company of which the individual is a promoter, officer, director, insider or Control Person.

“Non Arm’s Length Parties to the Qualifying Transaction” means the Vendor(s), any Target Company(ies) and includes, in relation to Significant Assets or Target Company(ies), the Non Arm’s Length Parties of the Vendor(s), the Non Arm’s Length Parties of any Target Company(ies) and all other parties to or associated with the Qualifying Transaction and Associates or Affiliates of all such other parties.

“Non Arm’s Length Qualifying Transaction” means a proposed Qualifying Transaction where the same party or parties or their respective Associates or Affiliates control the CPC and the Significant Assets which are the subject of the proposed Qualifying Transaction.

“**Offering**” means the offering of Common Shares in accordance with the terms of this prospectus.

“Person” means a Company or individual.

“Principal” means

(a) a Person or Company who acted as a promoter of the issuer within two years before the initial public offering (“IPO”) prospectus or Exchange Bulletin confirming final acceptance of a transaction (“Final Exchange Bulletin”);

(b) a director or senior officer of the issuer or any of its material operating subsidiaries at the time of the IPO prospectus or Final Exchange Bulletin;

(c) a **20% holder –** a Person or Company that holds securities carrying more than 20% of the voting rights attached to the issuer’s outstanding securities immediately before and immediately after the issuer’s IPO or immediately after the Final Exchange Bulletin for non IPO transactions;

(d) a **10% holder –** a Person or Company that

  (i) holds securities carrying more than 10% of the voting rights attached to the issuer’s outstanding securities immediately before and immediately after the issuer's IPO or immediately after the Final Exchange Bulletin for non IPO transactions; and

  (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the issuer or any of its material operating subsidiaries.

In calculating these percentages, include securities that may be issued to the holder under outstanding convertible securities in both the holder’s securities and the total securities outstanding.

A Company, trust, partnership or other entity more than 50% held by one or more principals will be treated as a principal. (In calculating this percentage, include securities of the entity that may be issued to the principals under outstanding convertible securities in both the principals’ securities of the entity and the total securities of the entity outstanding.) Any securities of the issuer that this entity holds will be subject to escrow requirements.

A principal’s spouse and their relatives that live at the same address as the principal will also be treated as principals and any securities of the issuer they hold will be subject to escrow requirements.

“Qualifying Transaction” means a transaction where a CPC acquires Significant Assets, other than cash, by way of purchase, amalgamation, merger or arrangement with another Company or by other means.

“Resulting Issuer” means the issuer that was formerly a CPC that exists upon issuance of the Final Exchange Bulletin.

“Significant Assets” means one or more assets or businesses which, when purchased, optioned or otherwise acquired by the CPC, together with any other concurrent transactions, would result in the CPC meeting the minimum listing requirements of the Exchange.

“Sponsor” has the meaning specified in Exchange Policy 2.2 – *Sponsorship and Sponsorship Requirements*.

“Target Company” means a Company to be acquired by the CPC as its Significant Asset pursuant to a Qualifying Transaction.

“Vendors” means one or all of the beneficial owners, of the Significant Assets (other than a Target Company).

1. Summary of Prospectus

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

1.1 Business of the Corporation:

The principal business of the Corporation will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Corporation has not commenced commercial operations and has no assets other than a minimum amount of cash. See Item 3 “Business of the Corporation”.

1.2 Offering:

A minimum of 4,000,000 Common Shares and a maximum of 5,000,000 Common Shares are being offered and qualified under this prospectus at a price of $0.15 per Common Share. In addition, the Corporation will grant to the Agent and any sub-agent an option to purchase that number of Common Shares equal to 10% of the aggregate number of Common Shares sold pursuant to this Offering, representing up to 400,000 Common Shares if the Minimum Offering is completed and up to 500,000 Common Shares if the Maximum Offering is completed, at a price of $0.15 per Common Share, which option may be exercised for a period of 24 months from the day the Common Shares of the Corporation are listed on the Exchange. The Agent's Option is qualified for distribution under this prospectus. This prospectus also qualifies for distribution the Stock Options to be granted at the Closing which entitle the holders to purchase an aggregate of 700,000 Common Shares at a price of $0.15 per Common Share and which options may be exercised for a period of 5 years from the date of grant.

1.3 Use of Proceeds:

The total net proceeds to the Corporation, accounting for total cash proceeds raised prior to this Offering and total proceeds of this Offering, net of all Offering expenses and expenses incurred to September 30, 2006, will be approximately $636,250 if the Minimum Offering is completed and $771,250 if the Maximum Offering is completed. The Corporation estimates incurring general and administrative costs until the Completion of the Qualifying Transaction of up to $71,250, which when added to (i) the estimated costs of the Minimum Offering of $110,000 will reduce the total net funds available for pursuing a Qualifying Transaction to approximately $565,000 if the Minimum Offering is completed and (ii) the estimated costs of the Maximum Offering of $125,000 will reduce the total net funds available for pursuing a Qualifying Transaction to approximately $700,000 if the Maximum Offering is completed. The net funds available will provide the Corporation with a minimum of funds with which to identify and evaluate assets or businesses, for acquisition with a view to completing a Qualifying Transaction. The Corporation may not have sufficient funds to secure such businesses or assets once identified and evaluated and additional funds may be required. Until Completion of the Qualifying Transaction and except as otherwise provided in the CPC Policy, a maximum of the lesser of $210,000 or up to 30% of the gross proceeds realized may be used for purposes other than evaluating businesses or assets.

1.4 Directors and Officers:

The directors officers and promoter of the Corporation – and the positions held by them – are as follows:

T.J. Malcolm Powell	Director, President, Chief Executive Officer, and Promoter
Carl R. Jonsson	Director, Secretary and Chief Financial Officer
Arthur Troup	Director
Lindsay Bottomer	Director

1.5 Escrow

All of the currently issued and outstanding Shares of the Corporation, being 2,150,000 Shares, have been deposited in escrow pursuant to the terms of an Escrow Agreement, as hereafter defined, and will be released from escrow in stages over a period of up to three years after the date of the Final Exchange Bulletin.

1.6 Risk factors:

Investment in the Shares must be regarded as highly speculative due to the proposed nature of the Corporation's business and its present stage of development. The Corporation was only recently incorporated and has no active business or assets other than cash. It does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the Completion of the Qualifying Transaction. The Offering is only suitable to investors who are prepared to rely entirely on the directors and management of the Corporation and can afford to risk the loss of their entire investment. The directors and officers of the Corporation will only devote part of their time and attention to the affairs of the Corporation and there are potential conflicts of interest to which the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. Assuming completion of the Maximum Offering, an investor will suffer an immediate dilution on investment of 28% or $0.042 per Share. There can be no assurance that an active and liquid market for the Corporation's Shares will develop and an investor may find it difficult to resell the Shares. Until Completion of the Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Corporation has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the CPC will be able to identify or complete a suitable Qualifying Transaction.

The Qualifying Transaction may involve the acquisition of a business or assets located outside of Canada. It may therefore be difficult or impossible to effect service or notice to commence legal proceedings upon any directors, officers and experts outside of Canada and it may not be possible to enforce against any such Persons or companies judgments obtained in Canadian courts predicated upon the civil liability provisions applicable to securities laws in Canada.

2. Corporate Structure

2.1 Name and Incorporation

(1) The full name of the Corporation is "Alder Resources Ltd.".

The Registered Office of the Corporation is located at 1710 – 1177 West Hastings Street, Vancouver, B.C., Canada V6E 2L3. The Head Office of the Corporation is located at 1400 – 570 Granville Street, Vancouver, B.C., Canada V6C 3P1

(2) The Corporation was incorporated pursuant to the British Columbia Business Corporations Act. There have been no amendments to its constatting documents since its incorporation on August 4, 2006.

3. Business of the Corporation

3.1. Preliminary Expenses

(a) The Corporation has incurred, and anticipates incurring prior to the closing of the Offering, preliminary expenses subsequent to its incorporation, of $41,680 – which are detailed in sub-clause (b) below. As the Corporation has working capital on hand of $119,570 it is not anticipated that any of the proceeds of this Offering will have to be utilized to satisfy any further expenses or any of the costs that relate to this Offering – all of which can be paid from the Corporation's existing working capital.

(b) To date the preliminary expenses which the Corporation has incurred have been for the following categories in the amounts indicated:

Costs of incorporation	$ 1,000
Legal fees	5,000
Auditor's fees	3,500
Advance to Agent against its legal fees	5,000
Agent's corporate finance fee	8,480
Other preliminary general and administrative expenses	3,000
Stock Exchange, Securities Commissions and SEDAR filing fees	15,700
TOTAL:	$ 41,680

3.2 Proposed Operations until Completion of a Qualifying Transaction

The Corporation proposes to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the Exchange and in the case of a Non Arm's Length Qualifying Transaction is also subject to Majority of the Minority Approval in accordance with the CPC Policy. The Corporation has not conducted any commercial operations. The Corporation currently intends to pursue a Qualifying Transaction in the mineral exploration or oil and gas sector but there is no assurance that this will, in fact, be the business sector of a proposed Qualifying Transaction of the Corporation following Completion of the Qualifying Transaction.

The Corporation has not commenced the process of identifying potential acquisitions that might be completed as a Qualifying Transaction.

Until completion of a Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction. With the consent of the Exchange this may include the raising of additional funds in order to finance an acquisition. The funds raised pursuant to this Offering and any subsequent financing will be utilized only for the identification and evaluation of potential Qualifying Transactions and not for any deposit, loan or direct investment in a potential acquisition.

3.3 Method of Financing

The Corporation may use cash, the issuance of treasury shares, or public financing of debt or equity, or a combination of these, for the purpose of financing its proposed Qualifying Transaction. **A Qualifying Transaction financed by the issue of treasury shares could result in a change in the control of the Corporation and may cause the shareholders' interest in the Corporation to be further diluted.**

3.4 Criteria for a Qualifying Transaction

The board of directors of the Corporation must approve any proposed Qualifying Transaction. In exercising their powers and discharging their duties in relation to a proposed Qualifying Transaction, the directors will act honestly and in good faith with a view to the best interests of the Corporation and will exercise the care, diligence and skill that a reasonably prudent Person would exercise in comparable circumstances.

3.5 Filings and Shareholder Approval of a Non Arm's Length Qualifying Transaction

Upon the Corporation reaching an Agreement in Principle, the Corporation must issue a comprehensive news release, at which time the Exchange generally will halt trading in the Corporation's Shares until the filing requirements of the Exchange have been satisfied as set forth under Exchange Policy 2.9 "Trading Halts, Suspensions and Delisting". Within 75 days after issuance of such news release, the Corporation shall be required to submit for review to the Exchange either an information circular that complies with applicable corporate and securities laws or a filing statement that complies with Exchange requirements. An information circular must be submitted where there is a Non Arm's Length Qualifying Transaction or where shareholder approval is otherwise required. A filing statement must be submitted where the Qualifying Transaction is not a Non Arm's Length Qualifying Transaction or where shareholder approval is not otherwise required. The information circular or filing statement, as applicable, must contain prospectus level disclosure of the Target Company and the Corporation, assuming Completion of the Qualifying Transaction, and be prepared in accordance with the CPC Policy and Form 3B1 or Form 3B2. Upon acceptance by the Exchange, the Corporation must then either:

(a) file the filing statement on SEDAR at least seven business days prior to closing of the Qualifying Transaction, and issue a news release which discloses the scheduled closing date for the Qualifying Transaction as well as the fact that the filing statement is available on SEDAR, or

(b) mail the information circular and related proxy material to its shareholders in order to obtain the Majority of the Minority Approval of the Qualifying Transaction or other requisite approval, at a meeting of shareholders.

Unless waived by the Exchange, the Corporation will also be required to retain a Sponsor, who must be a member of the Exchange, and who will be required to submit to the Exchange a Sponsor Report prepared in accordance with the Policies of the Exchange. The Corporation will no longer be considered to be a CPC upon the Exchange having issued the Final Exchange Bulletin. The Exchange will generally not issue the Final Exchange Bulletin until the Exchange has received:

(i) in the case of a Non Arm's Length Qualifying Transaction, confirmation of Majority of Minority Approval of the Qualifying Transaction;

(ii) confirmation of closing of the Qualifying Transaction; and

(iii) all post-meeting or final documentation, as applicable, otherwise required to be filed with the Exchange pursuant to the CPC Policy.

Upon issuance of the Final Exchange Bulletin, the CPC Policy will generally cease to apply, with the exception of the escrow provisions of the CPC Policy and the restrictions in the CPC Policy precluding the Corporation from completing a reverse take-over for a period of one year from the Completion of the Qualifying Transaction.

3.6 Minimum Listing Requirements

The Corporation must satisfy the Exchange's minimum listing requirements for the particular industry sector in either Tier 1 or Tier 2 as prescribed under the applicable Policies of the Exchange.

3.7 Trading Halts, Suspension and Delisting

The Exchange will generally halt trading in the Shares from the date of the public announcement of an Agreement in Principle until all filing requirements of the Exchange have been satisfied, which includes the submission of a Sponsorship Acknowledgment Form, where the Qualifying Transaction is subject to sponsorship. In addition, Personal information forms for all individuals who may be directors, senior officers, promoters, or insiders of the Resulting Issuer must be filed with the Exchange and any preliminary background searches that the Exchange considers necessary or advisable, must also be completed, before the trading halt will be lifted by the Exchange.

Even if all filing requirements have been satisfied and preliminary background checks completed, the Exchange may continue or reinstate a halt in trading of the Shares for public policy reasons including:

(a) the unacceptable nature of the business of the Resulting Issuer; or

(b) the number of conditions precedent to, or the nature and number of deficiencies required to be resolved prior to, completion of the Qualifying Transaction, are so significant or numerous as to make it appear to the Exchange that the halt should be reinstated or continued.

A trading halt may also be imposed by the Exchange where the Corporation fails to file the supporting documents relating to the Qualifying Transaction within a period of 75 days after public announcement of the Agreement in Principle or if the CPC fails to file post-meeting or final documents as applicable, within the time required. A trading halt may also be imposed if a Sponsor terminates its sponsorship.

The Exchange may suspend from trading or delist the Shares of the Corporation where the Exchange has not issued a Final Exchange Bulletin to the CPC within 24 months of the date of listing. In the event that the Shares of the Corporation are delisted by the Exchange, within 90 days from the date of such delisting, the Corporation shall wind up and shall make a pro rata distribution of its remaining assets to its shareholders, unless shareholders, pursuant to a majority vote exclusive of the votes of Non Arm's Length Parties to the Corporation determine to deal with the issuer or its remaining assets in some other manner.

If the Corporation does not complete a Qualifying Transaction within 24 months of the date of listing, it may apply for listing on NEX rather than be delisted. In order to be eligible to list on the NEX, the Corporation must:

(a) either: (i) cancel all escrowed Common Shares purchased by Non Arm's Length Parties to the Corporation at a discount to the Offering price, in accordance with section 11.2(a) of the CPC Policy, as if the Corporation had delisted from the Exchange or (ii) subject to majority shareholder approval, cancel the escrowed Common Shares purchased by Non Arm's Length Parties to the Corporation so that the average cost of the remaining seed shares is at least equal to the Offering price; and

(b) obtain majority shareholder approval for the transfer to NEX, exclusive of the votes of Non Arms Length Parties of the Corporation.

If the Corporation lists the Common Shares on NEX it must continue to comply with all requirements and restrictions of the CPC Policy.

3.8 Refusal of Qualifying Transaction

The Exchange, in its sole discretion, may not accept a Qualifying Transaction where:

(a) the Resulting Issuer fails to satisfy the applicable minimum listing requirements of the Exchange;

(b) the aggregate number of securities of the Resulting Issuer owned, directly or indirectly, by

(i) a member firm of the Exchange;

(ii) registrants, unregistered corporate finance professionals, employee shareholders and partners of such member firm; and

(iii) associates of any such Person,

collectively, would exceed 20% of the issued and outstanding securities of the Resulting Issuer;

(c) the Resulting Issuer will be a financial institution, finance Company, finance issuer or mutual fund, as defined in the securities legislation;

(d) the majority of the directors and senior officers of the Resulting Issuer are not residents of Canada or the United States or are individuals who have not demonstrated positive association as directors or officers with public companies that are subject to a regulatory regime comparable to the companies listed on a Canadian exchange;

(e) notwithstanding the definition of a Qualifying Transaction, there is any other reason for denying acceptance of the Qualifying Transaction.

4. Use of Proceeds

4.1 Proceeds and Principal Purposes

The following indicates the principal uses to which the Corporation proposes to use the total funds available to it upon the completion of this Offering:

	Assuming Completion of Maximum Offering	**Assuming completion of Minimum Offering**
Cash proceeds raised prior to this Offering[1]	$ 161,250	$ 161,250
Expenses and costs relating to raising the cash proceeds	(15,000)	(15,000)
Cash proceeds to be raised pursuant to this Offering [2]	750,000	600,000
Expenses and costs relating to the Offering (including listing fees, Agent's commission, legal fees, audit fees and expenses)	(125,000)	(110,000)
Estimated funds available (on completion of the Offering)	**$ 771,250**	**$636,250**
Funds available for identifying and evaluating assets or business prospects [3]	700,000	565,000
Estimated general and administrative expenses until Completion of a Qualifying Transaction	71,250	71,250
TOTAL PROCEEDS:	$ 771,250	$636,250

(1) See Item 9 “Prior Sales”

(2) In the event the Agent exercises the Agent’s Option, or the directors, officers or technical consultants exercise their options there will be available to the Corporation additional funds which will be added to the working capital of the Corporation. There is no assurance that any of these options will be exercised.

(3) In the event that the Corporation enters into an Agreement in Principle prior to spending the entire amounts shown above on identifying and evaluating assets or businesses, the remaining funds may be used to finance or partially finance the acquisition of Significant Assets or for working capital after Completion of the Qualifying Transaction.

Until required for the Corporation’s purposes, the proceeds will only be invested in securities of, or those guaranteed by, the Government of Canada or any Province or territory of Canada or the Government of the United States of America, in certificates of deposit or interest-bearing accounts of Canadian chartered banks, trust companies or credit unions.

The proceeds form this Offering and any prior sale of Shares, after deducting the expenses associated with this Offering, will only be sufficient to identify and evaluate a finite number of assets and businesses, and additional funds may be required to finance any acquisition to which the Corporation may commit.

4.2 Permitted Use of Funds

Until the Completion of the Qualifying Transaction and except as otherwise specifically provided by the CPC Policy and described in Items 4.3, 4.4 and 4.5 “Restrictions on Use of Proceeds”, “Private Placements for Cash” and “Prohibited Payments to Related Parties, the gross proceeds realized form the sale of all securities issued by the Corporation will be used by the Corporation only to identify and evaluate businesses or assets and obtain shareholder approval for a proposed Qualifying Transaction.

The proceeds may be used for expenses incurred for the preparation of:

(i) valuations or appraisals;
(ii) business plans;
(iii) feasibility studies and technical assessments;
(iv) sponsorship reports;
(v) engineering or geological reports;
(vi) financial statements, including audited financial statements;
(vii) fees for legal and accounting services, and
(viii) agent’s fees, costs and commissions.

relating to the identification and evaluation of assets or businesses and in the case of a Non Arm’s Length Qualifying Transaction, the obtaining of shareholder approval for the Corporation’s proposed Qualifying Transaction.

In addition, with the prior acceptance of the Exchange, up to an aggregate of $225,000 may be advanced as a refundable deposit or secured loan by the Corporation to a Vendor or Target Company, as the case may be, for a proposed arm's length Qualifying Transaction that has been publicly announced at least 15 days prior to the date of such advance, due diligence with respect to the Qualifying Transaction is well underway and either a Sponsor has been engaged or sponsorship has been waived. A maximum aggregate amount of $25,000 may also be advanced as a non-refundable deposit, unsecured deposit or advance to a Vendor or Target Company, as the case may be, to preserve assets without the prior acceptance of the Exchange.

4.3 Restrictions on Use of Proceeds

Until Completion of a Qualifying Transaction, not more than 30% of the gross proceeds from the sale of all securities issued by the Corporation will be used for purposes other than those described above. For greater certainty, expenditures which are not included as "Permitted Use of Funds" (detailed in Item 4.1) include:

(a) listing and filing fees (including SEDAR fees);

(b) other costs for the issuance of securities (including legal, accounting and audit expenses) relating to the preparation and filing of this prospectus; and

(c) administrative and general expenses of the Corporation, including:

    (i) office supplies, office rent and related utilities;

    (ii) printing costs (including the printing of this prospectus and share certificates);

    (iii) equipment leases; and

    (iv) fees for legal advice and audit expenses, other than those described above under Permitted Use of Funds.

No proceeds will be used to acquire or lease a vehicle.

4.4 Private Placements for Cash

After the closing of the Offering and until the Completion of the Qualifying Transaction, the Corporation will not issue any securities unless written acceptance of the Exchange is obtained before issuance. Prior to the Completion of the Qualifying Transaction, the Exchange generally will not accept a private placement by the Corporation where the gross proceeds raised from the issuance of securities both prior to and pursuant to the Offering, together with any proceeds anticipated to be raised upon closing of the private placement, will exceed $2,000,000. The only securities issuable pursuant to such a private placement will be Shares. Subject to certain limited exceptions, any Shares issued will be pursuant to the private placement to Non Arm's Length Parties to the Corporation and to Principals of the Resulting Issuer will be subject to escrow.

4.5 Prohibited Payments to Non Arm's Length Parties

Except as described in Item 8 "Options to Purchase Securities" and Item 4.3 "Restrictions on Use of Proceeds" the Corporation has not made, and until the Completion of the Qualifying Transaction will not make, any payment of any kind, directly or indirectly, to a Non Arm's Length Party to the Corporation or a Non Arm's Length Party to the Qualifying Transaction, or to a Person engaged in investor relations activities, by any means, including:

(a) remuneration, which includes but is not limited to, salaries, consulting fees, management contract fees or directors' fees, finders' fees, loans, advances and bonuses, and

(b) deposits and similar payments.

Further, no such payment will be made on or after the Completion of a Qualifying Transaction if such payment relates to services rendered or obligations incurred prior to or in connection with the Qualifying Transaction.

Notwithstanding the above, the Corporation may reimburse a Non Arm's Length Party to the Corporation for reasonable expenses for office supplies, office rent and related utilities, equipment leases (excluding vehicle leases), and legal services (provided that neither the lawyer providing the legal services nor any member of the law firm providing the services is a promoter of the Corporation or in the case of a law firm, no member of the firm, owns greater than 10% of the outstanding Shares of the Corporation), and the Corporation may also reimburse a Non Arm's Length Party to the Corporation for reasonable out-of-pocket expenses incurred in pursuing the business of the Corporation described in Item 2.2 "Permitted Use of Funds".

The foregoing restrictions on the use of proceeds and prohibitions on payments to Non Arm's Length Parties and persons engaged in investor relations activities continue to apply until the Completion of the Qualifying Transaction.

5. Plan of Distribution

5.1 Agent and Agent's Compensation

Pursuant to an agency agreement (the "Agency Agreement") dated October 20, 2006 between the Corporation and the Agent, the Corporation has appointed the Agent as its agent to offer for sale on a commercially reasonable efforts basis to the public a minimum of 4,000,000 Shares and a maximum of 5,000,000 Shares as provided in this prospectus, at a price of $0.15 per Share, for gross proceeds of up to $750,000 (assuming completion of the Maximum Offering), subject to the terms and conditions in the Agency Agreement. The Agent will receive a commission of 10% of the aggregate gross proceeds from the sale of the Shares. In addition, the Corporation will pay to the Agent a corporate finance fee of $8,000 plus GST and will pay the Agent's legal fees and expenses (estimated at $8,000).

The Corporation has also agreed to grant to the Agent a non-transferable option (the "Agent's Option") to purchase a further number of Shares equal to 10% of the number of shares sold pursuant to this Offering, exercisable at a price of $0.15 per Share during the period of 24 months measured from the Listing Date. The Agent's Option is qualified under this prospectus. The Agent intends to sell to the public any Shares received by it upon the exercise of its option. Not more than 50% of the Shares received on the exercise of the Agent's Option may be sold by the Agent prior to the Completion of the Qualifying Transaction. The remaining 50% may be sold after the Completion of the Qualifying Transaction. The Agent has agreed to use its best efforts to secure subscriptions for the Common Shares offered hereunder on behalf of the Corporation and may make co-brokerage arrangements with other investment dealers at no additional cost to the Corporation. The obligations of the Agent under the Agency Agreement may be terminated at its discretion on the basis of its assessment of the state of financial markets and may also be terminated on the occurrence of certain events as stated in the Agency Agreement.

5.2 Commercially Reasonable Best Efforts Offering and Minimum Distribution

The Agent has agreed to use its commercially reasonable efforts to secure subscriptions for the Shares offered hereunder on behalf of the Corporation and may make co-brokerage arrangements with other investment dealers at no additional cost to the Corporation. The obligations of the Agent under the Agency Agreement may be terminated at its discretion on the basis of its assessment of the state of financial markets and may also be terminated on the occurrence of certain events as stated in the Agency Agreement.

The Minimum Offering is 4,000,000 Shares, for gross proceeds of $600,000, and the Maximum Offering is 5,000,000 Shares for total gross proceeds of $750,000. Under the CPC Policy, no purchaser of the Shares is permitted to purchase more than 100,000 Shares. In addition, the maximum number of Shares permitted to be purchased by that purchaser together with any Associates or Affiliates of that purchaser is 4% of the total number of Shares sold under the Offering. The funds received from the Offering will be held by the Agent and will not be released until the full amount has been paid to the Agent. The total subscription must be raised within 90 days of the date a receipt for the prospectus is issued, or such other time as may be consented to by Persons or companies who subscribed within that period and the Agent and the Corporation, failing which the Agent will remit the funds collected to the original subscribers without interest or deduction, unless subscribers have otherwise instructed the Agent.

5.3 Other Securities To Be Distributed

The Corporation has granted options to purchase 715,000 Shares to directors of the Corporation in accordance with the policies of the Exchange, which options are qualified for distribution under this prospectus. The options will be exercisable at $0.15 per Share until August 30, 2011.

5.4 Determination of Price

The offering price hereunder was determined arbitrarily by the directors of the Corporation.

5.5 Listing Application

The Corporation has applied to list its Shares on the Exchange. Listing will be subject to the Corporation fulfilling all the listing requirements of the Exchange.

5.6 Restrictions on the Agent

Neither the Agent, nor any of its directors, officers, employees or contractors or any Associate or Affiliate of the foregoing:

(i) has subscribed for Shares of the Corporation, or

(ii) are permitted to subscribe for Shares of the Corporation pursuant to this distribution; and

until Completion of the Qualifying Transaction, the aggregate number of Shares permitted to be owned directly or indirectly by the participants referred to above is 20% of the issued and outstanding Shares of the Corporation exclusive of Shares reserved for issuance at a future date.

5.7 Restrictions on Trading

Other than the initial distribution of the Shares pursuant to this prospectus, the grant of the Agent's Option and the grant of options to the directors, officers and technical consultants of the Corporation no securities of the Corporation will be permitted to be issued during the period between the date a receipt for the preliminary prospectus is issued by the British Columbia and Alberta Securities Commissions and the time the Shares are listed for trading on the Exchange, except subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable securities regulatory authorities grant a discretionary order.

6. Description of the Securities Distributed

The Shares offered hereby are voting common shares in the capital of the Corporation. They do not bear any special rights or restrictions. The holders of Common Shares are entitled to dividends, if, as and when declared by the board of directors, to one vote per share at meetings of the shareholders of the Corporation and, upon dissolution, to share equally in such assets of the Corporation as are distributable to the holders of Common Shares. All Common Shares to be outstanding after completion of this Offering will be fully paid and non-assessable.

7. Capitalization

Column 1	**Column 2**	**Column 3**	**Column 4**	**Column 5**	**Column 5**
Shares	Amount authorized	Amount outstanding at date of attached balance sheet – September 30, 2006	Amount outstanding at date of prospectus – November 17, 2006	Amount to be outstanding if only Minimum Offering is sold	Amount to be outstanding if Maximum Offering is sold
Common	Unlimited	$161,250	$161,250	$761,250(2)	$911,250 (2)

		(2,150,000 Shares)	(2,150,000 Shares)	(6,150,000 shares)[(1)]	(7,150,000 Shares)[(1)]

(1) The figure given does not anticipate the exercise of any of the options referred to in Item 8 below – which will be granted to the Agent and to the Directors. The Agent's Option will expire 24 months after the Listing Date and the Directors' Options will expire August 30, 2011.

(2) The maximum gross proceeds from the sale of the Offering will be $750,000 - before deducting the Agent's commission and the fees, expenses and other costs of the Offering – estimated at $125,000. The gross proceeds, if only the Minimum Offering is sold will be $600,000 and the offering costs are estimated at $110,000.

8. Options to Purchase Securities

8.1 Options

(1) The Corporation has granted options as detailed below. The options granted to the Directors are pursuant to the Option Plan dated August 25, 2006 which the Company has adopted. Notwithstanding the number of options granted to the Directors, options cannot be exercised by them prior to the Completion of the Qualifying Transaction as to more than 10% of the number of shares the Company has issued following the completion of this Offering.

Optionee	Number of Shares Optioned*	Exercise Price	Expiry Date
Leede Financial Markets Inc. (the Agent)	500,000	$0.15	24 months after Listing Date
T.J. Malcolm Powell	303,375	"	August 30, 2011
Arthur Troup	151,650	"	"
Carl R. Jonsson	151,650	"	"
Lindsay Bottomer	108,325	"	"
TOTAL	1,215,000		

* Assuming the Maximum Offering is sold.

(2) The options to purchase 1,215,000 Shares, to be granted as detailed above, are qualified for distribution pursuant to this Prospectus.

8.2 Stock Option Terms

The Board of Directors of the Corporation may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers and technical consultants to the Corporation, non-transferable options to purchase Shares under the Option Plan, provided that the number of Shares reserved for issuance will not exceed 10% of the issued and outstanding Shares, exercisable for a period of up to 5 years from the date of grant. The number of Shares reserved for issuance to any individual director or officer will not exceed five percent

(5%) of the issued and outstanding Shares and the number of Shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding Shares. Options may be exercised the greater of 12 months after the Completion of the Qualifying Transaction and no later than 30 days following cessation of the optionee's position with the Corporation, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. Any Shares acquired pursuant to the exercise of options prior to the Completion of the Qualifying Transaction must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued. See Item 10 – Escrowed Securities.

9. Prior Sales

Since the date of incorporation of the Corporation – August 4, 2006 - Shares have been issued as follows:

Date	Number of Shares	Issue Price per Share	Aggregate Issue Price	Consideration Received
August 10, 2006	2,150,000	$0.075	$ 161,250	$ 161,250

10. Escrowed Securities

10.1 Securities Escrowed Prior to the Completion of the Qualifying Transaction

1. All of the 2,150,000 Shares issued prior to this Offering, and all Shares that may be acquired by Non Arm's Length Parties of the Corporation either under the Offering or otherwise prior to Completion of the Qualifying Transaction will be deposited with the escrow agent under an escrow agreement dated August 15, 2006 (the "Escrow Agreement").

   All Shares acquired on exercise of stock options prior to the Completion of a Qualifying Transaction, must also be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued.

   In addition, all Shares of the Corporation acquired in the secondary market prior to the Completion of a Qualifying Transaction by any Person or Company who becomes a Control Person are required to be deposited in escrow. Subject to certain exemptions permitted by the Exchange, all securities of the Corporation held by Principals of the Resulting Issuer, will also be escrowed.

2. The following table sets out, as at the date hereof, the number of Shares of the Corporation which are held in escrow.

Name and Municipality of	Shares Owned	Number of Shares held	Percentage of Shares prior to	Percentage of Shares after	Percentage of Shares after

Residence of Shareholder		in escrow	giving effect to the Offering	giving effect to the Offering (assuming the Minimum Offering is sold	giving effect to the Offering (assuming the Maximum Offering is sold)
Arbutus Enterprises Ltd. [(1)] Richmond, B.C.	700,000	700,000	32.56	11.38	9.79
Carl R. Jonsson Vancouver, B.C.	350,000	350,000	16.28	5.7	4.9
Arthur Troup West Vancouver, B.C.	350,000	350,000	16.28	5.7	4.9
John MacPherson North Vancouver , B.C.	500,000	500,000	23.26	8.1	6.99
Lindsay Bottomer, North Vancouver, B.C.	250,000	250,000	11.63	4.0	3.5
	2,150,000	2,150,000	100	34.88	30.07

(1) 100% of the issued shares of Arbutus Enterprises Ltd. are owned by the Corporation's President T.J. Malcolm Powell.

3. Where the Shares of the Corporation which are required to be held in escrow are held by a non-individual (a "holding Company"), each holding Company pursuant to the Escrow Agreement has agreed, or will agree, not to carry out any transactions during the currency of the Escrow Agreement which would result in a change of control of the holding Company, without the consent of the Exchange. Any holding Company must sign an undertaking to the Exchange that, to the extent reasonably possible, it will not permit or authorize any issuance of securities or transfer of securities which could reasonably result in a change of control of the holding Company. In addition, the Exchange may require an undertaking from any control Person of the holding Company not to transfer the shares of that Company.

4. Under the Escrow Agreement, 10% of the escrowed Shares will be released from escrow on the issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release.

5. If the Corporation meets the Exchange's Tier 1 minimum listing requirements either at the time the Final Exchange Bulletin is issued or subsequently, the release of the escrowed Shares will be accelerated. An accelerated escrow release will not commence until the Corporation has made application to the Exchange for listing as a Tier 1 issuer and the Exchange has issued a bulletin that announces the acceptance for filing of the Corporation on Tier 1 of the Exchange.

The Exchange's prior consent must be obtained before a transfer within escrow of escrowed Shares. Generally, the Exchange will only permit a transfer within escrow to be made to incoming Principals in connection with a proposed Qualifying Transaction.

6. If a Final Exchange Bulletin is not issued, the Shares will not be released. Under the Escrow Agreement each Non Arm's Length Party to the Corporation who holds escrowed Shares acquired at a price below the Offering Price under this prospectus has irrevocably authorized and directed the Escrow Agent to immediately cancel all of those escrowed Shares upon the issuance by the Exchange of a bulletin delisting the Shares of the Corporation.

   Alternatively, if the Corporation lists on NEX, either cancel all escrowed Common Shares purchased by Non Arm's Length Parties to the Corporation at a discount from the Offering price, in accordance with section 11.2(a) of the CPC Policy; or subject to majority shareholder approval, cancel an amount of the escrowed Common Shares purchased by Non Arm's Length Parties to the Corporation so that the average cost of the remaining escrowed shares purchased by Non Arm's Length Parties is at least equal to the Offering Price. See "*Trading Halts, Suspensions and Delisting*".

10.2 Escrowed Securities On Qualifying Transaction

Generally, if at least 75% of the securities issued pursuant to the Qualifying Transaction are "Value Securities", then all of the securities issued to Principals of the Resulting Issuer pursuant to the Qualifying Transaction will be deposited into escrow pursuant to a value security agreement (the "Value Security Escrow Agreement"). "Value Securities" are securities issued pursuant to a transaction, for which the deemed value of the securities at least equals the value ascribed to the asset, using a valuation method acceptable to the Exchange, or securities that are otherwise determined by the Exchange to be Value Securities and required to be placed in escrow under a Value Security Escrow Agreement. However, if at least 75% of the securities issued pursuant to the Qualifying Transaction are not Value Securities, all securities issued pursuant to the Qualifying Transaction will be deposited into a surplus security escrow agreement (a "Surplus Security Escrow Agreement").

The principal distinction between a Value Security Escrow Agreement and a Surplus Security Escrow Agreement is the time period for release of securities from escrow. In the case of a Resulting Issuer that will be a Tier 2 issuer when the Final Exchange Bulletin is issued, the Value Security Escrow Agreement provides for a three year escrow release mechanism with 10% of the escrowed securities being releasable at the time of the Final Exchange Bulletin, and 15% of the escrowed securities being releasable every 6 months thereafter, on each of the 6, 12, 18, 24, 30 and 36 month anniversaries of the Final Exchange Bulletin. In the case of a Resulting Issuer that will be a Tier 2 issuer, when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement provides for a six year escrow release mechanism with:

(a) 5% of the escrowed securities being releasable in 6 month intervals on each of the 6, 12, 18 and 24 month anniversaries of the Final Exchange Bulletin; and

(b) 10% of the escrowed securities being releasable in 6 month intervals on each of the 30, 36, 42, 48, 54, 60, 66 and 72 months after the Final Exchange Bulletin.

In the case of a Resulting Issuer that will be a Tier 1 issuer when the Final Exchange Bulletin is issued, the Value Security Escrow Agreement provides for an 18 month escrow release mechanism with 25% of the escrowed securities being releasable at the time of the Final Exchange Bulletin, with 25% of the escrowed securities being releasable every 6 months thereafter. In the case of a Resulting Issuer that will be a Tier 1 issuer when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement provides for a three year escrow release mechanism with:

(a) 10% of the escrowed securities being releasable upon the issuance of the Final Exchange Bulletin, and

(b) 15% of the escrowed securities being releasable in 6 month intervals on each of the 6, 12, 18, 24, 30 and 36 months after the Final Exchange Bulletin.

Securities issued pursuant to a private placement to Principals of the Corporation and the proposed Resulting Issuer will generally be exempt from escrow requirements where:

(a) the private placement is announced at least five trading days after the news release announcing the Agreement in Principle and the pricing for the financing is at not less than the discounted market price, as determined in accordance with the Policies of the Exchange; or

(b) the private placement is announced concurrently with the Agreement in Principle and

  (i) at least 75% of the proceeds from the private placement are not from Principals of the Corporation or the proposed Resulting Issuer,

  (ii) if subscribers, other than Principals of the Corporation or the proposed Resulting Issuer, will obtain securities subject to hold periods, then in addition to any resale restrictions under applicable securities legislation, any securities issued to such Principals will be subject to a four month hold period, and

  (iii) none of the proceeds of the private placement are allocated to pay compensation or to settle indebtedness owing to Principals of the Resulting Issuer.”

11. Principal Shareholders

The following table lists those Persons who own 10% or more of the issued and outstanding Shares of the Corporation as at the date hereof – being 100% of the shareholders of the Corporation.

Name and Municipality of Residence	Number of Shares[(3)]	Percentage of Shares Owned Before	Percentage Owned After Offering completed -	Percentage owned after completion of Offering -	Percentage Owned after completion of Offering –

		Offering	undiluted[(1)]	fully diluted[(2)] - assuming the Minimum Offering is sold	fully diluted[(2)] - assuming the Maximum Offering is sold
Arbutus Enterprises Ltd. Richmond, B.C.	700,000	32.56	9.79	13.8	11.9
Carl R. Jonsson Vancouver, B.C.	350,000	16.28	4.9	6.91	6.0
John MacPherson North Vancouver, B.C.	500,000	23.26	6.99	6.88	5.98
Arthur Troup West Vancouver, B.C.	350,000	16.28	4.9	6.91	6.0
Lindsay Bottomer North Vancouver, B.C.	250,000	11.63	3.5	4.93	4.28
	2,150,000	100	30.07	39.43	34.16

(1) The figures given in this column do not anticipate the exercise of any of the options which the Company will grant as disclosed in Item 8 “Options”.

(2) The figures given in these columns assume that the options described in Item 8 “Options” have been fully exercised – which would result in 8,365,000 Shares then being issued if the Maximum Offering has been sold - 7,265,000 shares being issued if only the Minimum Offering has been sold.

(3) All of the shareholdings shown are held directly by the shareholders named.

12. Directors, Officers and Promoters

12.1 Name, Address, Occupation and Positions with Corporation

(1)

T.J. Malcolm Powell Richmond, B.C.	Director, President, Chief Executive Officer and Promoter
Carl R. Jonsson Vancouver, B.C.	Director, Secretary and Chief Financial Officer
Arthur Troup West Vancouver, B.C.	Director
Lindsay Bottomer North Vancouver, B.C.	Director

(2) In addition to any other requirements of the Exchange, the Exchange expects management of the Corporation to meet a high management standard. The directors and officers

of the Corporation believe that, on a collective basis, management possesses the appropriate experience, qualifications and history to be capable of identifying, investigating and acquiring a Significant Asset.

(3) For particulars of the shareholdings of the directors and officers see Item 11.1 “Principal Shareholders”. For particulars of the occupations of the directors and officers see sub-clause 5 below. The Directors and Officers of the Corporation, as a group, own 1,650,000 Shares, being 100% of the issued shares of the Corporation. Malcolm Powell, the Promoter of the Corporation, owns 700,000 Shares, being 32.56% of the issued shares of the Corporation.

(4) The Board of Directors of the Corporation has established only one committee, being the Audit Committee – which is comprised of Arthur Troup and Lindsay Bottomer.

(5) The following information with respect to each of the directors, officers and promoters of the Corporation is given:

T.J. Malcolm Powell:

- Positions – Director, President, Chief Executive Officer and Promoter

- Age - 67

- Education – high school graduation from Hove College, England

- Responsibilities with Corporation – To act as the manager and chief executive officer of the Corporation, on a part-time basis. It is anticipated that Mr. Powell’s involvement with the Corporation will be approximately 10% of his time, on average.

- Principal occupations or employment during past 5 years – owner/manager of Arbutus Enterprises Ltd. which has been engaged in providing corporate communications and public relations services, and advice with respect to the raising of equity financing to other publicly traded companies. Director, President and Chief Executive Officer of Acrex Ventures Ltd. from May 1986 to January 1995 and again from August 2000 to the present date and of Altima Resources Ltd. from November, 2003 until July, 2006.

- Experience in proposed industry group – since August 2000 Mr. Powell has been active on a part-time basis in managing Acrex Ventures Ltd. which has negotiated the acquisition of mineral exploration properties and raised funding by private placements and a prospectus offering to finance exploration work on the properties.

Carl R. Jonsson:

- Positions – Director, Secretary and Chief Financial Officer. Mr. Jonsson also acts as the Company’s Solicitor

- Age - 71

- Education – graduated University of British Columbia Law School with Bachelor of Laws Degree

- Responsibilities with Corporation – Mr. Jonsson's primary responsibility will be acting as the Corporation's lawyer and looking after all its legal requirements and matters. He will also act as the Corporate Secretary of the Company and its Chief Financial Officer, on a part-time basis. It is anticipated that Mr. Jonsson's involvement with the Corporation will be approximately 5% of his time, on average.

- Principal occupations or employment during past 5 years – principal of the Vancouver law firm of Tupper Jonsson & Yeadon, as a result of which he has acted as the lawyer for a number of public companies, some of which have been involved in mineral and oil and gas exploration.

- Experience in proposed industry group – Mr. Jonsson, as a Solicitor, has specialized in securities, corporate and mining and oil and gas exploration work for more than 35 years. During this time he has held director and officer positions with many of his clients which has resulted in his being involved in a wide variety of aspects of the mining and oil and gas exploration industry.

Arthur Troup:

- Position – Director

- Age – 63

- Education – holds Bachelor of Science in Geology Degree and Master of Science in Geology Degree granted by McMaster University, Hamilton, Ontario

- Responsibilities with Corporation – to act as a director, on a part-time basis. It is anticipated that Mr. Troup's involvement with the Corporation will be less than 5% of his time on average.

- Principal occupations or employment during past 5 years – Vice-President, Exploration, of Lang Mining Corporation from January 1997 to December 2001. From January 2002 to present, Vice-President Exploration of LMC Management Services Ltd. President of Sultan Minerals Ltd. from June 1997 to present; Vice-President Exploration of Cream Minerals Ltd. September 1997 to present; Vice-President Exploration of Emgold Mining Corporation September 1993 to present; Vice-President Exploration of ValGold Resources Ltd. (formerly Valerie Gold Resources Ltd.) from June 1996 to present.

- Experience in proposed industry group – Mr. Troup has been extensively involved in mineral and geological exploration since 1969 and, during the past 5 years, at a Vice-President, Exploration level for western Canadian companies involved in mineral exploration.

Lindsay Bottomer

- Position - Director

- Age - 57

- Education – Graduate with B.Sc. (Honours) from University of Queensland; Graduate with M.Sc. (Applied) from McGill University.

- Responsibilities with Corporation – to act as Director, on a part-time basis. It is anticipated that Mr. Bottomer's involvement with the Corporation will be less than 5% of his time, on average.

- Principal occupations or employment during past 5 years: President and Chief Executive Officer of Southern Rio Resources Ltd. from July, 2001 to November, 2005; Vice-President, Corporate Development of Entree Gold Corp. from November 2005 to present.

- Experience in proposed industry group – Mr. Bottomer has extensive executive level experience in natural resource exploration as a result of holding the various positions listed above. He has been involved in mineral exploration and project evaluations worldwide since 1971 for both major and junior companies.

12.2 Other Reporting Issuer Experience

The following table sets out the directors, officers and promoters of the Corporation that are, or have been within the last five years, directors, officers or promoters of other issuers that are or were reporting issuers in any Canadian jurisdiction:

Name	**Name of Reporting Issuer**	**Name of Exchange or Market (if applicable)**	**Positions**	**From**	**To**
T.J. Malcolm Powell	Acrex Ventures Ltd.	TSX Venture	Director, President and Chief Executive Officer	August 2000	Present
	Altima Resources Ltd.	TSX Venture	Director, President and Chief Executive Officer	November 2003	July 2006
Carl R. Jonsson	Novitas Energy Ltd.	TSX Venture	Director	October 2001	Present
	Bonterra Energy Income Trust (and its predecessors)	TSX	Director	February 1998	Present
	Caledonia Mining Corp.	TSX, NASD OTC BB & LSE AIM	Director	February 1992	Present
	Comaplex Minerals	TSX	Director	From prior	Present

	Corp. (and its predecessors)			to 1997	
	Comet Industries Ltd.	TSX Venture	Director	September 1996	Present
	Global CT & T Telecommunications Ltd.	TSX Venture	Director and Secretary	August 1987	August 2003
	Guildhall Minerals Ltd. (formerly Global Net Entertainment Corp.	TSX Venture	Director and Secretary	September 29, 2000	Present
	Acrex Ventures Ltd.	TSX Venture	Director. Secretary and Chief Financial Officer	February 1998	Present
	TelcoPlus Enterprises Ltd.	TSX Venture	Director	August 1995	Feb. 2005
	Dolly Varden Resources Ltd.	TSX Venture	Director	May 2001	Present
	Altima Resources Ltd.	TSX Venture	Director, Secretary and Chief Financial Officer	November 2003	June 2006
	Pine Cliff Energy Ltd.	TSX Venture	Director	November 2004	Present
	Emissions Differentials Ltd.	NASD OTC BB	Director	July 2006	Present
Arthur Troup	Acrex Ventures Ltd.	TSX Venture	Director	September 2001	Present
	Emgold Mining Corporation	TSX Venture	Vice-President, Exploration	September 1993	June 2005
	Cream Minerals Ltd.	TSX Venture	Director and Vice-President Exploration	September 1987	Present
	Sultan Minerals Inc.	TSX Venture	Director President	June 1989 June 1997	Present Present
	Slovakian Gram Minerals Corp.	TSX Venture	Director	October 1997	Nov. 2001
	ValGold Resources Ltd. (formerly Valerie Gold Resources Ltd.)	TSX Venture	Vice-President, Explorations	June 1996	January 2005
	Altima Resources Ltd.	TSX Venture	Director	November 2003	June 2006
Lindsay Bottomer	Entrée Gold Inc.	TSX	Director; V-P Corporate Development	June, 2002 November 2005	Present Present
	Silver Quest Resources (formerly Southern Rio Resources Ltd.)	TSX Venture	President Director	July 2001 July 2001	Nov. 2005 Present
	Altima Resources Ltd.	TSX Venture	Director	November 2003	May 2006

	Pacific North West Capital Corp.	TSX	Director	May, 1998	August 2005
	Strategem Capital Corp.	TSX Venture	Director	June 2003	Sept. 2006
	CRMnet.com Inc.	TSX Venture	Director	August 2003	April 2004
	Yale Resources Ltd.	TSX Venture	Director	December 2005	Present
	Amera Resources Ltd.	TSX Venture	Director	February 2004	Present
	TitanUranium Inc.	TSX Venture	Director	February 2005	Present
	Centrasia Mining Corp.	TSX Venture	Director	September 2005	Present
	BCM Resources Corp.	TSX Venture	Director	September 2006	Present

12.3 Corporate Cease Trade Orders or Bankruptcies

None of the directors, officers, insiders or promoters of the Corporation have been directors, officers, insiders or promoters of other public companies during the past 10 years which were the subject of cease trade or similar orders with the exception of:

> Mr. Jonsson was, during that period, a director and, in two instances, secretary of three companies, Global CT & T Telecommunications Ltd., Global Net Entertainment Corporation (now Guildhall Minerals Ltd.) and TelcoPlus Enterprises Inc., which have been cease-traded for more than 30 days as a result of the non-filing of audited financial statements on a timely basis. Two of the cease trade orders are still outstanding and the order against TelcoPlus Enterprises Inc. has been revoked.

12.4 Penalties or Sanctions

None of the directors, officers, insiders, or promoters of the Corporation have been the subject of any penalties or sanctions by any self-regulatory authority with the exception of Mr. Jonsson, who was the subject of a cease trade order issued by the B.C. Securities Commission from March 1984 to April 1984 as a result of the late filing of an Insider Report.

12.5 Conflicts of Interest

There are potential conflicts of interest to which all of the directors, officers, insiders and promoters of the Corporation will be subject in connection with the operations of the Corporation. All of the directors, officers, insiders and promoters are engaged in and will continue to be engaged in corporations or businesses which may be in competition with the search by the Corporation for businesses or assets in order to close a Qualifying Transaction. Accordingly, situations may arise where all of the directors, officers, insiders and promoters will be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies as provided under the British Columbia Business Corporations Act.

13. Executive Compensation

13.1 Remuneration

Except as set out below or otherwise disclosed in this prospectus, prior to Completion of a Qualifying Transaction, no payment of any kind has been made, or will be made, directly or indirectly, by the Corporation to a Non Arm's Length Party to the Corporation or a Non Arm's Length Party to the Qualifying Transaction, or to any Person engaged in investor relations activities in respect of the securities of the Corporation or any Resulting Issuer by any means, including:

(a) remuneration, which includes but is not limited to:
  (i) salaries;
  (ii) consulting fees;
  (iii) management contract fees or directors' fees;
  (iv) finders fees;
  (v) loans, advances, bonuses; and

(b) deposits and similar payments.

However, the Corporation may reimburse Non Arm's Length Parties for the Corporation's reasonable allocation of rent, secretarial services and other general administrative expenses, at fair market value ("Permitted Reimbursement"). No reimbursement may be made for any payment made to lease or buy a vehicle. The Vancouver, B.C. law firm of Tupper Jonsson & Yeadon, of which Mr. Jonsson is a principal, has been performing the required legal services for the Corporation – and that law firm will be paid its normal fees for such services. To the date of this prospectus charges have been incurred with Tupper Jonsson & Yeadon of $6,108 for legal fees and disbursements.

The directors and officers of the Corporation may also be granted stock options.

Following Completion of the Qualifying Transaction, it is anticipated that the Corporation shall pay compensation to its directors and officers. However, no payment other than the Permitted Reimbursements will be made by the Corporation or by any party on behalf of the Corporation, after Completion of the Qualifying Transaction, if the payment relates to services rendered or obligations incurred or in connection with the Qualifying Transaction.

14. Dilution

Purchasers of Shares under this prospectus will suffer an immediate dilution of 28% or $0.042 upon the completion of this Offering if the Maximum Offering is sold. Dilution has been computed on the basis of total gross proceeds to be raised by this prospectus and from sales of securities prior to filing this prospectus, without deduction of commissions or related expenses incurred by the Corporation. The dilution will be less if less than the Maximum Offering is sold.

15. Risk Factors

A purchase of Shares of the Corporation will be highly speculative and the purchaser's investment and the Corporation are subject to substantial risks, being:

(a) the Corporation was only recently incorporated, has not commenced commercial operations and has no assets other than cash. It has no history of earnings, and shall not generate earnings or pay dividends until at least after Completion of the Qualifying Transaction;

(b) investment in the Shares offered by the prospectus is highly speculative given the proposed nature of the Corporation's business and its present stage of development;

(c) the Corporation is relying solely on its past business success of its directors and officers to identify a Qualifying Transaction of merit. The success of the Corporation is dependent upon the efforts and abilities of its management team. The loss of any member of the management team could have a material adverse effect upon the business and prospects of the Corporation. In such event, the Corporation will seek satisfactory replacements but there can be no guarantee that appropriate personnel may be found.

(d) the directors and officers of the Corporation will only devote a portion of their time to the business and affairs of the Corporation and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time;

(e) assuming completion of the Maximum Offering, an investor will suffer an immediate dilution to his investment of 28% or $0.042 per Share;

(f) there can be no assurance that an active and liquid market for the Corporation's Shares will develop and an investor may find it difficult to resell its Shares;

(g) until Completion of a Qualifying Transaction, the Corporation is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions;

(h) the Corporation has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Corporation will be able to identify a suitable Qualifying Transaction;

(i) even if a proposed Qualifying Transaction is identified, there can be no assurance that the Corporation will be able to successfully complete the transaction;

(j) Completion of a Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and in the case of a Non Arm's Length Qualifying Transaction, Majority of the Minority Approval;

(k) unless the shareholder has the right to dissent and be paid fair value in accordance with applicable corporate or other law, a shareholder who votes against a proposed Non Arm's Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Corporation of fair value for the Shares;

(l) upon public announcement of a proposed Qualifying Transaction, trading in the Shares of the Corporation will be halted and will remain halted for an indefinite period of time, typically until a Sponsor has been retained and certain preliminary reviews have been conducted. The Shares of the Corporation will be reinstated to trading before the Exchange has reviewed the transaction and before the Sponsor has completed its full review. Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Corporation completing the proposed Qualifying Transaction;

(m) trading in the Shares of the Corporation may be halted at other times for other reasons, including for failure by the Corporation to submit documents to the Exchange in the time periods required;

(n) the Exchange will generally suspend trading in the Corporation's Shares or delist the Corporation in the event that the Exchange has not issued a Final Exchange Bulletin within 24 months from the date of listing;

(o) neither the Exchange nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction;

(p) in the event that management of the Corporation resides outside of Canada or the Corporation identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such Persons, judgments obtained in Canadian courts;

(q) the Qualifying Transaction may be financed in all or part by the issuance of additional securities by the Corporation and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Corporation; and

(q) subject to prior Exchange acceptance, the Corporation may be permitted to loan or advance up to an aggregate of $250,000 of its proceeds to a target business without requiring shareholder approval and there can be no assurance that the Corporation will be able to recover that loan.

As a result of these factors, the Offering is only suitable to investors who are willing to rely solely on management of the Corporation and who can afford to lose their entire investment. Those investors who are not prepared to do so should not invest in the Shares. Risk factors are also discussed on pages ii and iii.

16. Legal Proceedings

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

17. Relationship between the Corporation and the Agent

The Corporation is not a related or connected issuer (as such terms are defined in National Instrument 33-105, *"Underwriting Conflicts")* to the Agent.

18. Relationship between CPC and Professional Persons

Carl R. Jonsson, Director, Secretary and Chief Financial Officer of the Company, is a principal of the Vancouver, British Columbia law firm of Tupper Jonsson & Yeadon – which acts as the Solicitors for the Company. Mr. Jonsson is the solicitor in that Firm who is responsible for all of the legal work done, and to be done, on behalf of the Corporation. Mr. Jonsson and the other Directors have all acquired Shares as disclosed in Item 11 – "Principal Shareholders".

19. Auditors, Transfer Agents and Registrars

19.1 Auditors

Manning Elliott LLP, Chartered Accountants, 11th Floor, 1050 West Pender Street, Vancouver, B.C. V6E 3S7.

19.2 Transfer Agent and Registrar

Computershare Trust Company of Canada, 510 Burrard Street, Vancouver, B.C.

19.3 Material Contracts

The Corporation has entered into no material contracts other than the following:

(a) Agency Agreement dated October 20, 2006 between the Corporation and the Agent. See Item 5 "Plan of Distribution".

(b) Escrow Agreement dated August 15, 2006 between the Corporation, Computershare Investor Services Inc. and the Principal Shareholders. See Item 10 "Escrow Securities".

(c) Transfer Agency Agreement between the Corporation and Computershare Investor Services Inc. dated August 15, 2006.

(d) Stock Option Agreements with the Company's four Directors dated October 2nd, 2006. See Item 8 "Options to Purchase Securities".

Copies of these agreements – and of the Company's Stock Option Plan dated August 30, 2006 – are available for inspection at the registered office of the Corporation located at 1710 – 1177 West Hastings Street, Vancouver, B.C. during ordinary business hours while the Shares offered by this prospectus are in the course of distribution and for a period of 30 days thereafter.

20. Promoter

Malcolm T. Powell is considered to be the Promoter of the Corporation in that he took the initiative in founding and organizing the Corporation.

21. Other Material Facts

To management's knowledge, there are no other material facts about the Common Shares being distributed that are not otherwise disclosed in this prospectus, or are necessary in order for the prospectus to contain full, true and plain disclosure of all material facts relating to the Common Shares being distributed.

22. Eligibility for Investment

In the opinion of Tupper Jonsson & Yeadon, counsel for the Corporation, the Common Shares, if the Corporation is a public corporation at the time of investment, will be qualified investments for a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered education savings plan or a deferred profit sharing plan under the *Income Tax Act* (Canada) (the "ITA") and the regulations made under the ITA. The Corporation qualifies as a public corporation at a particular time if at that time any class of its shares, including the Common Shares, is listed on a prescribed stock exchange (which includes the Exchange). Where the Corporation has become a public corporation on or before the day on which its first income tax return is to be filed, the Corporation will be deemed to have been a public corporation from the beginning of the year until the time when it actually became a public corporation provided the Corporation so elects.

23. Purchasers' Statutory Rights of Withdrawal and Rescission

Securities legislation in the Provinces of British Columbia, Alberta and Ontario 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 of the said Provinces further provides a purchaser with remedies for rescission and 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 Provinces of British Columbia, Alberta and Ontario for the particulars of these rights or consult with a legal adviser.

November 17, 2006

To: British Columbia Securities Commission
Alberta Securities Commission
Ontario Securities Commission

Re: Alder Resources Ltd. (the "Company")

We refer to the Final Prospectus (the "Prospectus") of the Company dated November 17, 2006 relating to the sale and issue of up to 5,000,000 shares of the Company for aggregate gross proceeds of $750,000.

We consent to the use in the above-mentioned Prospectus of our report dated October 10, 2006, except as to Note 7 which is dated as of November 17, 2006, to the Company's directors on the following financial statements:

Balance sheet as at September 30, 2006;
Statements of operations, deficit and cash flows for the period ended September 30, 2006.

We report that we have read the Prospectus and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the financial statements upon which we have reported or that are within our knowledge as a result of our audit of such financial statements.

This letter is provided solely for the purpose of assisting the securities regulatory authorities to which it is addressed in discharging their responsibilities and should not be used for any other purpose. Any use that a third party makes of this letter, or any reliance or decisions made based on it, are the responsibility of such third parties. We accept no responsibility for loss or damages, if any, suffered by any third party as a result of decisions made or actions taken based on this letter.

Yours truly

Manning Elliott LLP

CHARTERED ACCOUNTANTS

24. Financial Statements

Financial Statements of the Corporation, audited as of September 30, 2006, with attached Auditors' Report dated October 10, 2006 except as to Note 7 to the Financial Statements which is dated as of November 17, 2006.

ALDER RESOURCES LTD.

FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION,

AUGUST 4, 2006, TO SEPTEMBER 30, 2006

MANNING ELLIOTT
CHARTERED ACCOUNTANTS
11th floor, 1050 West Pender Street, Vancouver, BC, Canada V6E 3S7
Phone: 604. 714. 3600 Fax: 604. 714. 3669 Web: manningelliott.com

AUDITORS' REPORT

To the Directors of
Alder Resources Ltd.

We have audited the balance sheet of Alder Resources Ltd. as at September 30, 2006 and the statements of operations and deficit and cash flows for the period from the date of incorporation, August 4, 2006, to September 30, 2006. 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 audit.

We conducted our audit 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 September 30, 2006, and the results of its operations and its cash flows for the period from the date of incorporation, August 4, 2006, to September 30, 2006 in accordance with Canadian generally accepted accounting principles.

/s/ MANNING ELLIOTT LLP

Chartered Accountants

Vancouver, British Columbia

October 10, 2006, except as to Note 7 which is dated as of November 17, 2006

ALDER RESOURCES LTD.

BALANCE SHEET

AS AT SEPTEMBER 30, 2006

ASSETS

CURRENT ASSETS		
Cash	$	146,740
Deferred share issuance costs		13,000
	$	159,740

LIABILITIES

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$	8,543
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 3)		161,250
DEFICIT		(10,053)
		151,197
	$	159,740

Approved by the Board:

"Malcolm Powell" Director

"Carl R. Jonsson" Director

ALDER RESOURCES LTD.

STATEMENT OF OPERATIONS AND DEFICIT

FOR THE PERIOD FROM INCORPORATION, AUGUST 4, 2006, TO SEPTEMBER 30, 2006

EXPENSES		
Legal fees	$	6,108
Accounting fees		3,500
Other		445
NET LOSS AND DEFICIT, END OF PERIOD	$	(10,053)
NET LOSS PER SHARE	$	0.00
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		1,742,241

ALDER RESOURCES LTD.

STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM INCORPORATION, AUGUST 4, 2006, TO SEPTEMBER 30, 2006

CASH FROM (USED IN):		
OPERATING ACTIVITIES		
Net loss for the period	$	(10,053)
Change in non-cash working capital items		
Accounts payable and accrued liabilities		8,543
		(1,510)
FINANCING ACTIVITIES		
Share capital issued		161,250
Deferred share issuance costs		(13,000)
		148,250
INCREASE IN CASH AND CASH, END OF PERIOD	$	146,740

1. NATURE OF OPERATIONS

The Company was incorporated under the Business Corporations Act of British Columbia on August 4, 2006 and is in the process of applying for status as a Capital Pool Company as defined by Policy 2.4 of the TSX Venture Exchange (the"TSX").

The Company is in the process of identifying and evaluating business opportunities with the objective of completing a "qualifying transaction" under TSX rules. Under these rules, a qualifying transaction must been entered into within 24 months of listing.

Future operations are dependent upon the Company's ability to acquire and finance future business ventures.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Deferred share issuance costs

Deferred share issuance costs consist of financing fees related to an intended public offering of securities. These costs have been deferred and will be charged against share capital upon completion of the prospectus.

b) Financial instruments

The Company's financial instruments consist of cash and accounts payable which are short term in nature. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from its financial instruments and that their fair values approximate their carrying values, unless otherwise noted.

c) Stock based compensation

The Company recognizes an expense for the fair value of options granted. The Company uses the Black-Scholes option pricing model to estimate the fair value of each stock option at the date of grant. Any consideration received on the exercise of stock options is credited to share capital.

d) Income taxes

Future income taxes relate to the expected future tax consequences of differences between the carrying amount of balance sheet items and their corresponding tax values. Future income tax assets, if any, are recognized only to the extent that, in the opinion of management, it is more likely than not that future income tax assets will be realized. Future income tax assets and liabilities are adjusted for the effects of changes in tax laws and rates at the date of enactment or substantive enactment.

e) Earnings per share

The Company utilizes the treasury stock method in computing earnings per share amounts. Under this method, basic earnings per share is computed by dividing earnings available to common shareholders by the weighted average number of common shares outstanding during the period.

f) Use of estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions about future events that affect the reported amounts of assets, liabilities, revenues and expenses as at the end of or during the reported period. Management believes that the estimates used are reasonable and prudent, however, actual results could differ from those estimates.

3. SHARE CAPITAL

The Company has authorized share capital of an unlimited number of common voting shares without par value. The shares issued are as follows:

	Number	Amount
Shares issued for cash	2,150,000	$ 161,250

The 2,150,000 shares are held in escrow. Under the escrow agreement, 10% of the shares will be released on the issuance of the Final Exchange Bulletin (the TSX's acceptance of the Qualifying Transaction) and an additional 15% will be released on each of the dates which are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the initial release.

4. STOCK OPTION PLAN

On August 25, 2006, the Company adopted a stock option plan applicable to directors, officers, and technical consultants, under which the total outstanding stock options are limited to 10% of the outstanding common shares of the Company at any one time. Under the plan, the exercise price of an option shall not be less than the discounted market price at the time of granting, or as permitted by the policies of the TSX Venture Exchange, and an option's maximum term is five years from the grant date.

As of September 30, 2006, no options had been granted.

5. RELATED PARTY TRANSACTIONS

The following table summarizes the Company's related party transactions for the period:

Legal charges incurred - for fees and disbursements - from a law firm of which a director is a member. Accounts payable includes the same amount due to the law firm	$ 6,108

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

6. INCOME TAXES

The following table reconciles the amount of income tax recoverable on application of the statutory Canadian federal and provincial income tax rates :

Canadian statutory income tax rate		34.12%
Income tax recovery at statutory rate	$	3,430
Effect of income taxes of:		
Valuation allowance		(3,430)
Income tax recoverable	$	-

The Company has non-capital losses for income tax purposes of $10,053 which may be carried forward and offset against future taxable income. These losses expire as follows:

2013	$	10,053

The Company has not recognized any future income tax assets. The Company has recorded a valuation allowance against its future income tax assets based on the extent to which it is more likely than not that sufficient taxable income will not be realized during the carryforward periods to utilize all future tax assets.

7. SUBSEQUENT EVENTS

Public-offering - Pursuant to a final prospectus dated November 17, 2006 filed with the TSX Venture Exchange and an Agency Agreement between the Company and Leede Financial Markets Inc. (the "Agent"), the Company has agreed to offer, through the Agent (the "Offering") a minimum of 4,000,000 and a maximum of 5,000,000 common shares at a price of $0.15 per common share. In connection with the Offering the Company has agreed to pay the Agent a commission equal to 10% of the gross proceeds, a corporate finance fee of $8,000 and will reimburse the Agent for it's legal fees. The Company has also granted to the Agent a non-transferable option to purchase up to10% of the number of shares sold by the Agent in the Offering, exercisable at $0.15 per share, expiring 24 months from the date the shares are listed on the TSX. The Offering is conditional upon the Company having a Prospectus accepted for filing by the Securities Commissions of the Province of British Columbia, Alberta and Ontario and having the shares of the Company conditionally accepted for filing by the TSX.

Stock Options - On October 2, 2006, the Company granted stock options to Directors for 715,000 common shares at an exercise price of $0.15 expiring 5 years from the date of grant. Shares issued to Directors pursuant to the exercise of options prior to the Company's completion of a Qualifying Transaction must be escrowed, until the completion of the Qualifying Transaction, pursuant to the Escrow Agreement referred to in Note 3.

CERTIFICATE OF THE COMPANY

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

Dated: November 17, 2006.

"T.J. Malcolm Powell

T.J. Malcolm Powell
President, Chief Executive Officer
and Promoter

"Carl R. Jonsson"

Carl R. Jonsson
Secretary and Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

"Lindsay Bottomer"

Lindsay Bottomer
Director

"Arthur G. Troup"

Arthur G. Troup
Director

CERTIFICATE OF THE AGENT

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

Dated: November 17, 2006.

LEEDE FINANCIAL MARKETS INC.

"Victor Taboika"

Per: ____________________________________