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

PROSPECTUS

Initial Public Offering **July 11, 2008**

MOLYSTAR RESOURCES INC.

(formerly AMH Mining Corp.)

Maximum Public Offering: $1,700,000
Minimum Public Offering: $1,500,000
Up to 6,800,000 Common Shares
Price: $0.25 per Share

Molystar Resources Inc. (the "**Corporation**") is offering (the "**Offering**") a minimum of 6,000,000 common shares (the "**Common Shares**") (the "**Minimum Offering**") and up to a maximum of 6,800,000 Common Shares (the "**Maximum Offering**") at a price of $0.25 per share (the "**Offering Price**") for total gross proceeds of a minimum of $1,500,000 and up to a maximum of $1,700,000. This Offering is being conducted on a commercially reasonable efforts basis by Global Securities Corporation (the "**Agent**") pursuant to the terms of the agency agreement dated November 8, 2006, as amended and restated November 30, 2006, March 30, 2007, July 25, 2007, March 18, 2008, and June 3, 2008 between the Agent and the Corporation (collectively, the "**Agency Agreement**").

The Offering Price and terms of this Offering was determined by negotiation between the Corporation and the Agent. This prospectus (the "**Prospectus**") qualifies the distribution of up to 6,800,000 Common Shares to the public in British Columbia, Alberta and Ontario.

	Number of Common Shares	Price to Public	Agent's Fee(1)(2)	Net Proceeds to the Corporation(3)
Per Common Share	1	$0.25	$0.025	$0.225
Maximum Offering	6,800,000	$1,700,000	$170,000	$1,530,000
Minimum Offering	6,000,000	$1,500,000	$150,000	$1,350,000

(1) The Agent will be paid a cash commission equal to 10% of the gross proceeds of the Offering.

(2) As additional consideration, the Agent will be issued non-transferable share purchase warrants (the "**Agent's Warrants**") entitling the Agent to purchase that number of Common Shares of the Corporation (the "**Agent's Warrant Shares**") that is equal to 10% of the total number of Common Shares sold under the Offering, at a price of $0.25 per Agent's Warrant Share for a period of 24 months from the closing date (the "**Closing Date**"). This Prospectus also qualifies the issue by the Corporation of the Agent's Warrants to the Agent. See "Plan of Distribution". The Corporation will also pay to the Agent a corporate finance fee of $25,000 (plus GST) (the "**Corporate Finance Fee**") of which $12,500 has been paid and the remaining $12,500 (plus GST) will be paid on the Closing Date.

(3) After deducting the Agent's Fee.

Agent's Position	Maximum Size or Number of Securities Available	Exercise Period or Acquisition Date	Exercise Price or Average Acquisition Price
Over-allotment option	N/A	N/A	N/A
Compensation option	680,000	24 months	$0.25
Any other option granted by Corporation or insider of Corporation to Agent	N/A	N/A	N/A
Total securities under option issuable to Agent	680,000	24 months	$0.25
Other compensation securities issuable to Agent	N/A	N/A	N/A

The Agent conditionally offers the Common Shares on a commercially reasonable efforts basis, subject to prior sale, if, as and when issued by the Corporation and delivered and accepted by the Agent subject to, and in accordance with the conditions contained in the Agency Agreement referred to under "Plan of Distribution," and subject to approval of certain legal matters by Lang Michener LLP on behalf of the Corporation and by Gowling Lafleur Henderson LLP on behalf of the Agent. 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. The Offering will remain open no longer than 90 days after a receipt is issued for this Prospectus unless an extension to this date is granted by the applicable regulatory authorities. If the Minimum Offering is not raised, subscription funds will be returned without interest or deduction. Certificates representing the Common Shares issuable pursuant to the Offering will be available for delivery following closing of the Offering.

The Corporation has agreed to use its commercially reasonable efforts to obtain a receipt from the British Columbia, Alberta and Ontario Securities Commissions for a prospectus qualifying the distribution of the Common Shares. The TSX Venture Exchange (the "**Exchange**") has conditionally approved the listing of the Common Shares. Listing will be subject to the Corporation fulfilling all of the listing requirements of the Exchange, including distribution of the Corporation's Common Shares to a minimum number of public shareholders and the Corporation meeting certain financial and other requirements.

There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this Prospectus. This may effect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. Investment in the Common Shares is speculative due to various factors, including the nature of the Corporation's business. An investment in these securities should only be made by persons who can afford the total loss of their investment. See "Risk Factors".

As at the date of this Prospectus, the Corporation does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

Global Securities Corporation
11th Floor, Three Bentall Centre
595 Burrard Street
P.O. Box 49049
Vancouver, British Columbia
V7X 1C4

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GLOSSARY OF TERMS

"**Ag**" means the elemental symbol for silver.

"**Agency Agreement**" means the agreement dated November 8, 2006, as amended and restated November 30, 2006, March 30, 2007, July 25, 2007, March 18, 2008, and June 3, 2008 between the Corporation and the Agent.

"**Agent**" means Global Securities Corporation, of 11th Floor, Three Bentall Centre 595 Burrard Street, P.O. Box 49049, Vancouver, British Columbia, V7X 1C4.

"Agent's Fee" means the 10% cash commission to be paid to the Agent.

"**Agent's Warrants**" means the non-transferable share purchase warrants of the Corporation granted to the Agent as described under the heading "Plan of Distribution."

"**Agent's Warrant Shares**" means the Common Shares issuable on exercise of the Agent's Warrants.

"**Au**" means the elemental symbol for gold.

"Authors" means Gregory R. Thomson, P.Geo. and Derrick Strickland, P.Geo, MBA, authors of the Technical Report.

"**Board**" means the Board of Directors of the Corporation.

"**BQ**" means a particular size of diamond drill hole.

"**Cadre**" means Cadre Capital Incorporated, a company wholly-owned by Andrew Molnar, a director of the Corporation.

"**Closing Date**" means such date that the Corporation and the Agent mutually determine to close the Offering.

"**Common Share**" means a Common Share without par value in the capital of the Corporation.

"**Computershare**" means Computershare Investor Services Inc.

"**Corporation**" means Molystar Resources Inc.

"**Cu**" means the elemental symbol for copper.

"**DDH**" means Diamond Drill Holes.

"Exchange" or "**TSX-V**" means the TSX Venture Exchange.

"**Expiry Time**" means 5:00 p.m. (Vancouver time).

"**Forster Property**" means that property located within the Golden Mining Division of south-east British Columbia which was abandoned by the Corporation on or about September 25, 2007.

"**Kisgegas Property**" means that property consisting of seven mineral claims with a total area of approximately 873 hectares, located within the Omineca Mining Division of north-central British Columbia.

"**Listing Date**" means the date that the Common Shares of the Corporation are listed for trading on the Exchange.

“**Mount Thomlinson Property**” means that property consisting of six mineral claims with a total area of approximately 3,900 hectares, located within the Omineca Mining Division of north-central British Columbia.

“**Mo**” means the elemental symbol for molybdenum.

“**MoS_2**” means the elemental symbol for molybdenum disulfide.

“**NSR**” means net smelter return.

“NI 43-101” means National Instrument 43-101 “Standards of Disclosure for Mineral Projects”.

“**NI 52-110**” means National Instrument 52-110 “Audit Committees”.

“**NTS**” means National Topographic System which provides general purpose topographic map coverage of Canada.

“**Offering**” has the meaning ascribed to it on the cover page of this Prospectus.

“**Offering Price**” means $0.25 per Common Share.

“**Pb**” means the elemental symbol for lead.

“**ppb**” means parts per billion.

“**ppm**” means parts per million.

“**Property Purchase Agreement**” means collectively, an agreement between the Corporation and Cadre executed on December 16, 2005, as amended September 7, 2007 and January 17, 2008, to purchase 100% of the Mount Thomlinson Property and the Forster Property for payment of $75,000, (of which $50,000 has been paid as of the date of this Prospectus), and the issuance of 1,000,000 Common Shares of the Corporation at a value of $0.05 per share, as well as an NSR of 2%. The Corporation will have the right to purchase 1% of NSR for $500,000 and the subsequent 1% NSR for $1,000,000.

“**Securities Commissions**” means the British Columbia Securities Commission, the Alberta Securities Commission and the Ontario Securities Commission.

“**SEDAR**” means www.sedar.com, which is the official website that provides access to public securities documents and information filed by public companies and investment funds as maintained by the Canadian Securities Administrators (CSA) in the SEDAR filing system.

“**Subscriber**” means a Subscriber for the Common Shares offered under this Offering.

“**Tax Act**” means the *Income Tax Act* (Canada) as amended from time to time, together with the rules and regulations promulgated thereunder.

“Technical Report” means a technical report entitled “*Technical Report on the Mount Thomlinson Property*” dated November 8, 2007 prepared for the Corporation by Gregory R. Thomson, P.Geo. and Derrick Strickland, P.Geo, MBA, in accordance with NI 43-101.

Metric Equivalents

To convert from metric	To imperial	Multiply by
hectares	acres	2.471
metres	feet	3.281
kilometres	miles	0.621
tonne (1,000 kilograms)	tons (2,000 pounds)	1.102
grams per tonne	ounces (troy)/ton	0.029
kilogram	ounces	32.151

PROSPECTUS SUMMARY

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

Corporation: The Corporation was incorporated pursuant to the *Business Corporations Act* (British Columbia) on November 17, 2005 under the name AMH Mining Corp. The Corporation changed its name to Molystar Resources Inc. on February 13, 2007.

The Corporation is a resource exploration company focused on the acquisition, evaluation and exploration of mineral resource properties. To date, the Corporation has focused its exploration activities in the Province of British Columbia, Canada. See "Description of the Business".

Management, Directors & Officers:

Peter R. Hughes	CEO
Jerry Bulman	Executive Chairman & Director
Robert W. Anderson	CFO & Director
Gary Zak	VP, Corporate Development
Kenneth W. Major	Director
Richard J. Mazur	Director
George M. Leary	Director
Andrew Molnar	Director

See "Directors and Executive Officers".

Properties: The Corporation' is engaged in the business of mineral exploration with a focus on the acquisition, evaluation and exploration of mineral resource properties. To date, the Corporation has concentrated its exploration activities in the Province of British Columbia. The Mount Thomlinson Property is the subject of a technical report entitled "*Technical Report on the Mount Thomlinson Property*" dated November 8, 2007 prepared for the Corporation by Gregory R. Thomson, P.Geo. and Derrick Strickland, P.Geo, MBA, in accordance with NI 43-101. See "Description of Business – Principal Property Description and Location – Mount Thomlinson Property".

The Offering: A Maximum Offering of 6,800,000 Common Shares and a Minimum Offering of 6,000,000 Common Shares, raising gross proceeds of a maximum of $1,700,000 and a minimum of $1,500,000. The Corporation has agreed to pay the Agent a commission equal to 10% of the gross proceeds of the Offering. The Agent will also receive Agent's Warrants entitling the Agent to purchase that number of Agent's Warrants Shares equal to 10% of the total number of Common Shares sold under this Offering, exercisable at a price of $0.25 per share for a period of 24 months from the Closing Date.

Price: $0.25 per Common Share.

Use of Proceeds: After deducting the Agent's Fee, the Corporation will receive maximum net proceeds of $1,530,000 if the Maximum Offering is completed, and $1,350,000 if the Minimum Offering is completed. As at June 30, 2008, the Corporation had a working capital deficit of $205,000. The Corporation currently has negative operating cash flow. Combined with the net proceeds of the Maximum Offering, the Corporation will have funds available of $1,325,000, and $1,145,000 under the Minimum Offering, which it intends to spend, in order of priority, as follows:

Principal Purposes	Funds Available Minimum Offering	Maximum Offering
To pay the balance of the estimated remaining costs of the Offering(1)(2)	$40,000	$40,000
To pay the estimated cost of the recommended exploration program on the Mount Thomlinson Property(3)	$679,250	$679,250
To pay the estimated general and administrative expenses for 12 months	$320,000	$320,000
Unallocated working capital	$105,750	$285,750
Total:	**$1,145,000**	**$1,325,000**

(1) Includes the $12,500 (plus GST) outstanding balance of the Corporate Finance Fee, legal, audit, regulatory, listing and printing fees.

(2) Excludes $12,500 of the $25,000 Corporate Finance Fee previously paid to the Agent.

(3) See "Recommended Exploration Work Program-Mount Thomlinson Property".

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

Risk Factors: An investment in Common Shares should be considered highly speculative and investors may incur a loss on their investment. The Corporation has no history of earnings and there are no known commercial quantities of mineral reserves on the Corporation's properties. There is also no guarantee of title to its properties. The Corporation and its assets may become subject to uninsurable risks. The Corporation's activities may require permits or licenses that may not be granted to the Corporation. The Corporation competes with other companies with greater financial resources and technical facilities. The Corporation is currently largely dependent on the performance of its directors and officers and there is no assurance the Corporation can maintain their services. In recent years both metal prices and publicly traded securities prices have fluctuated widely. See "Risk Factors".

Summary of Financial Information: The following table sets out selected information for and as of the periods indicated. The financial information is derived from the audited balance sheets as at December 31, 2005, 2006 and 2007 and the statements of operations and deficit for the years then ended as well as the unaudited balance sheet as at March 31, 2008 and the statement of operations and deficit for the period then ended. See "Financial Statements" as Schedule "A" to this Prospectus.

	Period from Incorporation on November 17, 2005 to December 31, 2005	Year ended December 31, 2006	Year ended December 31, 2007	Three Months ended March 31, 2008
Total Revenues	Nil	Nil	Nil	Nil
Total Assets at end of period	$100,174	$438,127	$655,414	$668,068
Expenses	$7,631	$312,260	$348,727	$65,420
Net Loss	$7,631	$312,260	$282,193	$52,625
Basic and Diluted Loss per Common Share[1]	$7,631	$0.05	$0.02	$0.01
Long-term debt at end of period	Nil	Nil	Nil	Nil

(1) The loss per share is computed by dividing income (loss) available to common shareholders by the weighted average number of Common Shares outstanding during the period. The weighted average number of shares outstanding at December 31, 2005 was 1; at December 31, 2006 was 5,709,923; at December 31, 2007 was 13,694,420; and for the three month period ended March 31, 2008 was 11,061,855.

Currency: Unless otherwise stated, all dollar amounts are stated in Canadian dollars.

CORPORATE STRUCTURE

Name, address and incorporation

The Corporation was incorporated pursuant to the *Business Corporations Act* (British Columbia) on November 17, 2005 under the name AMH Mining Corp. The Corporation changed its name to Molystar Resources Inc. on February 13, 2007.

The Corporation's head office is located at Suite 821, 475 Howe Street, Vancouver, British Columbia, V6C 2B3 and its registered office is located at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7.

Intercorporate Relationships

The Corporation has no subsidiaries.

DESCRIPTION OF BUSINESS

Description of Business

The Corporation is engaged in the business of mineral exploration with a focus on the acquisition, evaluation and exploration of mineral resource properties. To date, the Corporation has concentrated its exploration activities in the Province of British Columbia. The Corporation's strategy is to maximize shareholder value through successful exploration and development of its properties. The Corporation has one material property, the Mount Thomlinson Property, for which it has caused to be prepared the Technical Report. The Corporation intends to use a portion of the net proceeds of the Offering to carry out the recommended exploration work program.

Three-Year History

On January 29, 2007, the Corporation signed an exclusive option agreement to acquire the Kisgegas Property. The Corporation has deemed the Kisgegas Property a non-material property in regards of this Prospectus, based on its close proximity to the Corporation's sole material property, Mt. Thomlinson, and a review of non-NI 43-101 compliant information provided by the optionor. Total consideration, for the property, which will be staged over 10 years, consists of the issuance of 150,000 Common Shares on signing (issued), the issuance of 150,000 Common Shares 12 months after signing (issued), payments of $25,000 on the 2nd, 3rd and 4th anniversary of signing and then a payment at year 5 of $50,000, year 6 of $125,000, years 7 and 8 of $150,000 each, and years 9 and 10 of $200,000 each. The 300,000 Common Shares have a deemed value of $50,000. There is also a net smelter royalty of 2%. The Corporation can buy back ½% of the net smelter royalty for $1,000,000 and an additional ½% for an additional $2,000,000. The Kisgegas Property is located in the Atna Range near the headwaters of Goathead Creek, 58 kilometres north of Hazelton, British Columbia in the Omineca Mining Division and is comprised of seven mineral claims covering approximately 873 hectares. Six claims were registered directly in the name of the Corporation by agreement of the Corporation and the optionors, subject to the understanding of the parties that the Corporation will return these claims to the optionors should the Corporation decide in future it does not want to pursue exploration on them. The property has been drilled by previous operators and is prospective for porphyry-style molybdenite. The Kisgegas Property currently is not viewed as material and the Corporation is not planning to spend any of the proceeds of this Offering on exploration work on the Kisgegas Property. If, after further consideration, the Corporation decides to maintain the option agreement and proceed with an exploration program on the Kisgegas Property, the Corporation would proceed, subject to further financing.

On December 16, 2005, the Corporation entered into the Property Purchase Agreement with Cadre, as amended September 7, 2007 and January 17, 2008, to purchase 100% of the Mount Thomlinson Property and the Forster Property for payment of $75,000, of which $50,000 has been paid to date, and the issuance of 1,000,000 shares at a value of $0.05 as well as a NSR of 2%. The Corporation will have the right to purchase 1% of the NSR for $500,000 and the subsequent 1% NSR for $1,000,000. The Mount Thomlinson Property is located approximately 38 kilometres northeast of Hazelton, British Columbia and is comprised of six mineral claims covering approximately 3,900 hectares. A NI 43-101 compliant Technical Report for the Mount Thomlinson Property was completed on November 8, 2007. See “Description of Business – Mount Thomlinson Property”. The Forster Property was abandoned by the Corporation in September 2007.

In the next year, milestones for the Corporation include successfully completing this Offering, completing the work program on the Mount Thomlinson Property (as recommended in the Technical Report) and completing the analysis and interpretation of the data resulting from such work program. See “Risk Factors” for a discussion of competitive conditions.

Principal Property Description and Location - Mount Thomlinson Property

The Mount Thomlinson Property is located approximately 38 kilometres northeast of Hazelton, British Columbia. The property is approximately centered on latitude 55º 35’ N and longitude 127º 29’ W and is located on NTS map sheet 093M/11W and 093M/10W. The property is presently accessible by helicopter. Logging roads bring ground access to within 12 kilometres of the deposit area.

The Mount Thomlinson Property comprises six contiguous mineral claims covering an area of approximately 3900 hectares which lie within the Omineca Mining District. The Mount Thomlinson Property is 100% owned by the Corporation and its representative claims are registered with the Province of British Columbia as of the date of this Prospectus, see Table 1.

Table 1: Claim Status

Claim #	Name	Area (ha)	Expiration Date	Owner
515331		1,096.93	August 15th, 2010	Molystar Resources Inc.
515407		1,079.45	August 15th, 2010	Molystar Resources Inc.
518575	Thom 2	438.77	August 15th, 2010	Molystar Resources Inc
518998	Thom 3	438.7	August 15th, 2010	Molystar Resources Inc.
518999	Thom 4	438.52	August 15th, 2010	Molystar Resources Inc.
519001	Thom 5	420.14	August 15th , 2010	Molystar Resources Inc.
Total:	**-**	**3,912.51**	**-**	**-**

In order to maintain the claims, the Ministry of Mines requires $15,650.05 worth of work for the entire property to be completed and filed with an additional $1,565.00 in fees payable, for a total maintenance cost of $17,215.05 per calendar year, for the entire property.

In regards of the relevant work permits for the Mount Thomlinson Property, the Corporation, as of May 6, 2008, applied for the permits and expects to have this process completed in approximately two months from May 6, 2008.

The Corporation is party to the Property Purchase Agreement to purchase 100% of the Mount Thomlinson Property. The Corporation owns 100% of the Mount Thomlinson Property, and except for a NSR of 2%, the Mount Thomlinson Property is free from underlying interests or royalties.

The Technical Report was prepared by Gregory R. Thomson P.Geo. and Derrick Strickland P.Geo, MBA, (collectively, the “**Authors**”) on behalf of the Corporation in accordance with NI 43-101. Information about the Mount Thomlinson Property contained in this Prospectus is extracted from the Technical Report and included herein with the consent of Messrs. Thomson and Strickland, who are independent qualified persons under NI 43-101. The Technical Report is available under the Corporation’s profile on SEDAR.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Mount Thomlinson Property lies 38 kilometres northeast of Hazelton, British Columbia, within the Babine Mountain Range, a region of generally rugged topography. The main area of past exploration was carried out at about 1,850 metres elevation along a north trending ridge 4.5 kilometres north of the peak of Mount Thomlinson.

Access is by helicopter chartered from the town of Smithers, which is located 90 kilometres south of the Mount Thomlinson Property. Supplies and equipment can be flown from a staging area with logging road access located 15 kilometres northwest of the mineral showings or from farms located near Kispiox which lies 25 kilometres to the west of the Mount Thomlinson Property.

The topography of the Mount Thomlinson Property is moderate to extreme, with 850 metres of relief on the claims. The local tree line is about 1,350 metres or 500 metres below the surface mineral zones. Isolated rugged mountain peaks separated by broad wooded valleys, characterize the regional topography. Many of the peaks are over 2000 metres in elevation and are surrounded by ice and snowfields. The mountain slopes are steep and generally covered by rock talus.

The region has a cool temperate climate with moderate snowfall, with the mountainous areas generally covered with snow until mid-June. The exploration season lasts from mid-May to late November.

Future exploration of the Mount Thomlinson Property will require the building of a helicopter-supported camp as was established by previous operators of the Mount Thomlinson Property.

History

Exploration of the Mount Thomlinson Property has been carried out by several operators such as Buttle Lake Resources, Southwest Potash Corporation ("**Amax**") and TexasGulf Canada Ltd. ("**TexasGulf**"). The main periods of exploration occurred from 1963 to 1965 and 1980 to 1981.

Exploration programs carried out to date include geological mapping, prospecting, topographic surveying, rock sampling, blast-trenching, and diamond drilling. To the Authors' knowledge, there have been no grid-related soil geochemical surveys or geophysical surveys carried out over the Mount Thomlinson Property.

1962 To 1965 Programs

The reader should be cautioned with respect to the information for the 1962 to 1965 work programs. The information was obtained second hand from the history section of an assessment report from Delancy 1980. The Authors have been unable to locate the primary reference. However this information is included to give disclosure of what is known about the Mount Thomlinson Property.

The area was originally staked in 1962 by three prospectors (Neil Sterritt, Ward Marshall, and Harry Simpson) from Hazelton and optioned to Buttle Lake Mining (later Stampede International Resources Ltd). In 1963 the property was mapped, trenched, and sampled by Buttle Lake Resources. In August of 1963, Southwest Potash Corporation optioned the property. Loudon (1963) spent nine days on the property, produced a map, and recommended the option.

In 1964 and 1965, Southwest Potash Corporation conducted programs of geological mapping, surveying, geochemistry, and drilled nine BQ diamond drill holes totalling 2,459 metres. The core was not assayed for copper or gold at that time. The property was subsequently allowed to lapse and re-staked by Amax in 1975, which had changed its name from Southwest Potash Corporation.

In 1975, the British Columbia Department of Mines and Petroleum Resources published a table on the "Significant Undeveloped Molybdenum Bearing Deposits of the Canadian Cordillera" and one line on that table indicated that Amax had reported measured, indicated, and inferred submarginal reserves of 40.82 million tonnes of 0.12% MoS_2. There is no information available on the methodology how these reserves numbers were derived, therefore they are unreliable. Without information on the methodology of the how the historical numbers were generated a meaningful comparison on the terminology used in 1975 and what is used currently cannot be undertaken. The reader is also cautioned on the validity of the mineral reserve numbers. Under current guidelines nine drill holes and five surface trenches are neither of sufficient density nor of sufficient distribution to define a mineral deposit. None of the numbers published in regards to the Mount Thomlinson Property are to be relied upon and are presented here to inform the reader of the historical work on the property.

1979 Program

In 1979 the group was restaked as the Molly Tom claims by John Bot, an independent prospector from Smithers. Mr. Bot optioned the property to TexasGulf. On May 16, 1979, Delancy visited and examined the property in preparation for a planned drill program in 1980.

1980, 1981 Programs

Work performed by TexasGulf in 1980 included construction of a camp and drill site and diamond drilling of one NQ wire line hole that was abandoned at 213 metres, about 500 metres short of the projected target depth. This diamond drill hole TH-1-80, intersected strongly fractured Bowser Lake Group argillite/shales with sparse quartz, calcite veinlets and finely disseminated pyrite.

In 1981, TexasGulf drilled four NQ diamond drill holes totalling 1632.3 metres from a common set-up location. At that time the core samples were not assayed for gold.

Due to difficult ground conditions, only 2 of the 5 holes drilled by TexasGulf reached their target depths. Diamond drill hole T-2-81 was collared at -45° and intersected 357 metres of 0.115% MoS_2 and 0.11% Cu displaying mineralization to the end of the hole at 769.3 metres. Assay data is available for drill hole T-2-81. Drill holes T-1-80, T-1-81 and T-3-81 did not reach target depths, thus did not receive any sampling. The drill records indicated that drill hole T-4-81 received only sporadic sampling, with the interval from 570 metres to 591 metres (21meters) assaying 0.0265% MoS_2.

1993 Program

In 1993, W.R. Gilmour engaged Discovery Consultants to re-sample surface showings and select core samples located on the property for assay. This sampling work determined the presence of molybdenum and copper values in the drill core and in surface samples. Core re-sampling was carried out at regular intervals for drill hole T-2-81. The sampling was carried out at 10 metre intervals from 610 metres to the end of the hole at 769 metres, for a total of 17 samples. Within this sampled interval, 3 samples assayed from 485 ppm Mo to 580 ppm Mo and four samples assayed between 1,022 ppm Mo and 7,272 ppm Mo. Five samples within this interval assayed from 1,094 ppm copper to 3,417 ppm copper.

Seven samples were also analyzed from drill hole T-1-80 with negligible results.

The 1993 surface rock-sampling program consisted of 30 samples taken from three lines of 10 samples each. From the surface sampling program, 8 samples returned molybdenum values between 500 ppm Mo to 1000 ppm Mo, while 3 samples exceeded 1,000 ppm Mo to a maximum value of 1,575 ppm Mo. Surface rock sampling returned generally copper values of less than 400 ppm copper.

2004 Program

On July 1, 2004 and November 27, 2004, Cadre staked the area, resulting in the present claim configuration of the Mount Thomlinson Property.

2005 Program

In September 2005, Cadre performed a reconnaissance property exam, which resulted in the collection of 33 rock samples, in four different areas. Results from the program confirmed the presence of molybdenum, copper, and gold mineralization, and resulted in the verification of at least two additional mineralized areas to those previously described by TexasGulf.

Rock sampling consisted of samples taken from areas of mineralization located along the contact zone between the quartz monzonite stock and the surrounding Bowser Lake Group argillaceous sediments. The majority of samples were taken from mineralized areas within the contact zone quartz monzonites.

In sample area one, sixteen samples were collected along 500 metres of the northeast-striking contact zone, previously investigated by Amax and TexasGulf during the 1960's and 1980's. The majority of samples contain disseminated and veinrelated mineralization (pyrite, chalcopyrite, and molybdenite) within quartz monzonites immediately adjacent to the argillite contact. Some samples contain consistently anomalous molybdenum and copper values. Molybdenum values through this area ranged between 140 to 703 ppm Mo, with three samples returning values of 1,596 ppm Mo, 1,602 ppm Mo and 1,063 ppm Mo. Copper values throughout this part of the property ranged between 100 to 791 ppm Cu with two samples (37005 and 37016) returning values of 1,186 ppm and 1,466 ppm.

In sample area two, located 600 metres south-southeast of TexasGulf drill site T-1-81, T-2-81, T-3-81 and T-4-81, are four close-spaced samples. The area also lies on the contact zone between the quartz monzonite intrusion and surrounding argillites. Some samples contained strongly anomalous Mo and Cu; one sample returned 364 ppm Mo and 298 ppm Cu, and another nearby sample returned 2,495 ppm Mo and 3,081 ppm Cu.

In sample area three, samples 37028 and 370929 were collected 500 metres east-southeast of sample area two. Sample 37028 was a float sample and contained vein-related molybdenum with a value of 607 ppm Mo. Sample 37029 was linear to sample 37028 and contained sulphide mineralization high values in copper (2,841 ppm Cu), lead (24,070 ppm Pb), zinc (8,778 ppm Zn), silver (41.5 ppm Ag), and gold (282 ppb Au).

In sample area four, an area of prospecting and rock-sampling was carried out approximately one kilometre east-southeast of the TexasGulf drill-site location. Samples 37017 to 37022 were collected over an area of 250 metres by 125 metres. Float sample 37017 contained 745 ppb gold, 335 ppm copper, 1,727 ppm lead, 161 ppm silver and 515 ppm molybdenum. As this was the highest gold value collected during the 2005 sampling survey, this area of the property should be thoroughly prospected to locate the source of the multi-element mineralization, as indicated by sample 37017. The copper and molybdenum values associated with this mineralization have likely been scavenged from the monzonite host-rocks.

During 2005, five sections of the old TexasGulf drill core were collected and re-sampled. Samples 37023 to 37027 showed anomalous copper values of 2,482 ppm Cu and molybdenum values of 159 ppm Mo. During examination of the drill core, it was noted that the upper 318 metres of drill hole T-81-2 had not been sampled by TexasGulf, although sections of both molybdenum and chalcopyrite were clearly observed in the unsampled drill core.

Geological Setting

The main region surrounding the Mount Thomlinson Property is underlain primarily by rocks of the Stikinia Terrain and an overlap assemblage.

The Stikinia Terrane consists of the Lower to Middle Jurassic Hazelton Group and the Upper Triassic Stuhini (Takla) Group island arc volcanic rocks. These are intruded by the Late Triassic to Middle Jurassic Omineca, Francois Lake, and Topley intrusions. The overlap assemblage consists of the Middle Jurassic to Upper Cretaceous Bowser Lake, Lower Cretaceous Skeena, and Cretaceous Sustut groups. These mainly comprise clastic sedimentary and minor volcanic rocks deposited in local fault-bounded successor basins and in the Bowser basin, a portion of which underlies much of the north western portion of the Hazelton map area. Upper Cretaceous calc-alkaline volcanic rocks of the Kasalka Group extruded from several volcanic centers, while coeval plutonic rocks formed the

Bulkley Intrusions. During the Cenozoic Era, important igneous activity occurred in the Eocene stage, when the Babine, Kastberg and Nanika intrusions and the Ootsa Lake Group calc-alkaline volcanic suite formed. Structure is dominated by block faulting, which has controlled the location of the major mountain valley systems, as well as many of the intrusive rock suites and mineral deposits. Aside from contact effects near intrusive bodies, metamorphism is light, reaching prehnite-pumpellyite facies.

Property Geology

On the Mount Thomlinson Property area, massive black sediments of the Bowser Lake Group have been intruded by a roughly circular stock of pale buff to light pinkish white quartz monzonite porphyry. Outside the contact aureole, the sediments tend to be massive and black with conchoidal and blocky fractures or a poorly developed slaty cleavage. Near the contact the sedimentary rocks have been deformed and metamorphosed. In most areas there is a well-defined schistosity approximately parallel to the contact over a zone 100 to 150 metres wide. Most of the rocks in this zone are medium to dark brownish gray biotiferous schists. Biotite, muscovite, cordierite, andalusite, and apatite have formed in the contact aureole.

Wherever seen, the contact of the stock is very sharp. The margin is foliated for 100 to 200 metres from the contact, parallel to the schistosity in the intruded rocks. The foliation and schistosity were probably developed during intrusion of the stock. Coarse potash feldspar phenocrysts characteristic in the core of the stock are much less abundant and smaller in size in the foliated contact zone.

The core of the stock is marked by 1% to 3% of coarse, zoned potash phenocrysts, which can range up to over 5 cm at some localities. Quartz and plagioclase phenocrysts range up to 1.25 cm in diameter. The quartz monzonite porphyry is made up of 40-50% plagioclase and 10-25% potassic feldspar. The remaining constituents consist of quartz and accessory mafic minerals.

In many areas the stock is cut by narrow pale-buff to white aplite dikes. These dikes commonly occur in swarms and generally range from 2.5 to 10 cm in width and may be several metres long. One dike measures approximately 2 metres in width. The dikes occupy well-defined fractures, are mainly restricted to the stock itself, and do not occur outside the contact aureole.

Examination of the south western portion of the mineralized zone suggests that the movement and precipitation of the hydrothermal fluids was largely controlled by a structurally prepared zone of fracturing, faulting, and shearing. The zone is parallel to the primary foliation along the northwest contact, and orientation of the zone was probably controlled by these planes of weakness. The shearing appears to be centered along the southern end of the mineralized zone and extends south-westerly into the argillites. The zone becomes less well defined to the northeast and appears to split into several narrower zones in the Red Canyon area.

Exploration

Subsequent to the preparation of the technical report, the Corporation had an air magnetic survey flown on the Mount Thomlinson Property in December 2007 and has not received the data as of the date of this Prospectus. This magnetic survey, while completed in December 2007, was part of the recommended work program and provided for in the proposed budget of the Technical Report.

Mineralization

On the Mount Thomlinson Property, concentrations of molybdenite, chalcopyrite, and pyrite are associated with a system of quartz veins, fractures, and aplite dykes, which cut the porphyry along the north western contact. There is no direct correlation between the intensity of veining and intensity of mineralization. Molybdenite is most common as fine flakes in quartz veinlets and as smears along fracture planes. Locally it occurs as coarse flakes in quartz veins. Minor yellow ferrimolybdenite is noted along zones of oxidation. Previous authors had noted that chalcopyrite is found in the same general areas as molybdenite and the two sulphides occur independently of each other. Inspection of core stored on the property has shown that chalcopyrite and molybdenite do mix in DDH T-4-81.

Chalcopyrite, malachite, and azurite occur along fractures and veins. Pyrite (1-5%) is found as disseminations, fracture fillings, and patchy crystalline concentrations in the intrusive and adjacent argillites.

The mineralized zone is sub-parallel to the northwest argillite-porphyry contact (Az. 030^0 /65^0NW); the mineralized zones are several metres from the intrusive contact. Although mineralization is over 900 metres in strike length, the degree of mineralization varies considerably. The zone is complex and less well defined in the northeast with narrow sections of mineralized rock separated by barren rock. Of the five holes TexasGulf drilled, only one (T-2-81) completely crosscut the mineralized zone. The other four holes were either lost due to drilling problems or crossed south of the mineralized zone. Delancy (1980) states that "the mineralized zone is an irregular tabular zone, up to 100 metres wide, and dips at approximately 60^0 to the northwest". Further Delancy, 1980 states that "T-2-81 collared at -45^0 intersected 357 metres (true thickness 78.8 metres) of 0.115% MoS_2 (0.069% Mo) and 0.11 % Cu and was stopped in the argillites at 769.3 metres".

Deposit Types

Porphyry molybdenum deposits are typically related to complex, multiple intrusion events. Many individual deposits are hosted by cylindrical stocks that are 500 m or less in diameter. Others are related to larger epizonal zones (Quartz Hill, Alaska), swarms of porphyritic sills (Louise Lake) or dike swarms (Salal Creek). Some are genetically related to the youngest phases of batholiths (Endako, Adanac) or large stocks (Mount Tolman). Mineralization at Endako and Adanac is genetically linked to epizonal granites and related rocks that are the youngest phases of the Topley and Surprise Lake batholiths, respectively. In contrast, the 102 Ma quartz monzonite that hosts the Boss Mountain deposit cuts an unrelated 187 Ma granodiorite batholith. Deposits, like Kitsault, that are genetically associated with the 54 Ma to 48 Ma Alice Arm and related intrusive suites, generally occur in small quartz monzonite stocks with histories of multiple intrusion.

Molybdenite mineralization generally forms stockworks that are elliptical to crescentic in plan, and may be tabular and flat-lying in section (e.g., Quartz Hill). Mineralization occurs mainly in fractures and quartz veins in the genetically related intrusions, and often extends into hornfelsed country rocks. Alaskite dikes and intermineral intrusive breccias may accompany the mineralization (e.g., Boss Mountain). Molybdenum mineralization is typically polyphase, perhaps related to episodic doming (e.g., Endako). Molybdenite is typically deposited during either potassium feldspar or biotite alteration. At Endako, some molybdenite mineralization apparently accompanied argillic alteration. Phyllic alteration is peripheral to some deposits, and propyllitic alteration develops locally.

Molybdenite is generally the only ore mineral in these deposits, but some have potentially recoverable copper sulphides (Mount Tolman, Mount Thomlinson), and scheelite or wolframite. Other minerals that may be present are bismuth minerals, galena and sphalerite. Pyrite is common in, and fringing mineralized zones and magnetite may be present. Common gangue minerals are quartz, carbonate, sericite, biotite, chlorite, fluorite, gypsum, epidote and hornblende.

In British Columbia, porphyry molybdenum deposits are exclusively post-accretion. These deposits are widely distributed in the Cordillera and overlap in time and space with porphyry Cu-Mo-Au deposits. Metallogenic episodes are recognized at about 140 Ma, 110 Ma to 100 Ma, 80 Ma to 60 Ma and 50 Ma (related to Alice Arm intrusions in which Mount Thomlinson deposit is possibly correlated). Local metallogenic episodes occurred at 54 Ma to 48 Ma and 8 Ma. The oldest deposit, Endako is dated at 138 Ma, the youngest, Salal Creek at 8 Ma. Endako has been the major producing mine in the province, operating since 1965. The other significant producer was Boss Mountain, dated at about 100 Ma, and produced intermittently until 1983.

Drilling

The Corporation has not undertaken any drilling on the Mount Thomlinson Property.

Sampling and Analysis

In August 2006, Andrew Molnar accompanied Gregory Thomson on a site inspection. Mr. Thomson noted the locations of historic drill sites, as well as undertook a cursory examination of core stored on site from the TexasGulf drill program. Mr. Thomson randomly selected eight sections of core not previously sampled by TexasGulf.

Table 2 table below describes the eight core samples selected by Mr. Thomson. The table includes the drill hole number (location can be seen in Figure 3 of the Technical Report), interval of sample, description of the sample, and the resulting assay values.

Table 2: 2006 Core Re-sampling

Sample No.	Drill Hole	Interval	Description	Mo (ppm)	Cu (ppm)	Au (ppb)	Ag (ppm)
451054	T-2-81	670.9-671.4 m	qtz monzonite, 10-20% biotite, ~ 2-5% dissem cpy+/- py, 2-3% fine MoS_2 patches	1,119	674.5	7.7	1.9
451055	T-1-80	682.4-683.8 m	White-pinkish med-grained siliceous qtz monzonite. 3-5% anhedral pyroxene phenos (partially chloritized). 3-5% diss (1-3mm)+ fine clots of chalco (w/ tr py), 1-2% dissem blebs MoS_2 (1-2mm).	>2,000	1,479.4	17.9	3.1
451056	T-1-80	2,390-2,394'	quartz rich areas in argillites, dissem cpy, born, patchy MoS_2 rock is mainly finely foliated argillite w. fine (1mm) bands py+/- cpy often assoc w patchy MoS_2	1791	4,539.3	26.7	5.4
451057	T-1-80	93.7-94.7 m	msv gray QM, 1-2 % f.g biotite, sporadic blue and green mal/ azurite blebs to 1 cm, trc dissem MoS_2	19.4	475.9	4.9	0.7
451058	T-4-81	1,751-1,756'	pinkish gray altered QM, minor dissem MoS_2, previous sample taken after 1756'	76.3	1,149.5	4.2	6.4
451059	T-4-81	563.8-564.8 m	Mottled grayish-pinkish (qtz-kspar) flooded QM, minor perv dissem cpy +/- py and MoS_2	159	532.9	3.6	1.2
451060	T-4-81	568-569 m	Massive gray qtz w 3-5% intermixed dissem py, cpy, born, MoS_2	22.4	3,169.3	2.4	9

Data Verification

The 1964-65 Amax data which is the root of all subsequent exploration programs on the Mount Thomlinson Property and the methodology, spacing, density, sample recovery and quality of such a program are not available. Hence the data verification process becomes difficult if not impossible. The Authors have been unable to locate this core and verify this information. The recommended work program is designed to verify the 1964-65 Amax data.

Security of Samples

Eight rock samples were placed in poly ore bags and were sealed with a plastic zap strap. A witness sample of each rock sample was retained and is available for viewing. The samples were flown to Smithers, B.C., placed in labelled rice bags and double sealed with plastic zap straps for shipping. Samples were shipped by Greyhound Bus directly to Acme Laboratories Limited ("Acme") of Vancouver, British Columbia for 36-element ICP-MS analysis and Group 3B-Fire Geochem gold analysis.

The following is a summary of sample preparation procedures employed by Acme. All rock samples were crushed to -10 mesh followed by pulverizing a 250 gram split to -150 mesh (95%). A 30 gram cut of the -150 mesh material from each sample was then analyzed for 36 elements by ICP-MS analysis. All sample pulps and rejects are stored by Acme.

Adjacent Properties

The Thomlinson Creek mineral showing (MinFile No. 093M122) is located 11 kilometres east of Mount Thomlinson, 42 kilometres north-northeast of Hazelton. The Mount Thomlinson Property is underlain by carbonaceous sandstone, shale, and conglomerate of the Middle Jurassic to Lower Cretaceous Bowser Lake Group intruded by a small multi-phase intrusive body of Eocene Babine Intrusions, which intrude granodiorite, quartz monzonite, and biotite hornblende quartz diorite.

The intrusive body is 600 metres wide and at least 4 kilometres long. It is extensively fractured and mineralized with pyrrhotite and chalcopyrite as well as less common molybdenite and scheelite. Mineralization also extends into the hornfels zone, which is up to 300 metres wide adjacent to the intrusive.

Biotite feldspar porphyry and quartz porphyry dike rocks intrude the hornfels and quartz diorite. Silicification, together with kaolinitic, chloritic, and sericitic alteration, is characteristic of the Mount Thomlinson Property. Drill hole TC-8 1-6 returned an assay of 0.10% copper and 0.03% molybdenum over 72 metres.

The Laura property (Minfile No. 093M079), is located approximately 10 kilometres west-southwest of the Mount Thomlinson mineral prospect. The Laura property lies in a somewhat different geological environment to that of Mount Thomlinson. A two-phase granodioritic plug of Late Cretaceous Bulkley Intrusions cuts the sediments of the Bowser Lake Group. Low-grade molybdenum, copper, and tungsten mineralization is widespread in the granodiorite and locally in the hornfelsed sedimentary rocks adjacent to the stock with the best grades lying in the margins of the stock.

Four stages of mineralization are evident. An early disseminated and fracture-controlled pyrite mineralization with chalcopyrite and amphibole was succeeded by a quartz vein stockwork carrying pyrite, chalcopyrite, and molybdenite. The third phase consists of hairline quartz veins with pyrite, pyrrhotite, molybdenite, and chalcopyrite; and finally wide-spaced late vuggy flat-lying quartz-carbonate-feldspar veins carrying pyrite, arsenopyrite, sphalerite, chalcopyrite, and locally jamesonite and stibnite.

Mineral Resource and Mineral Reserve Estimates

There are currently no established mineral resources for the Mount Thomlinson Property.

Recommended Exploration Work Program – Mount Thomlinson Property

The Authors are unable to locate any data, or reports pertaining to geological, trenching, rock sampling, and diamond drill work carried out on the Mount Thomlinson project area by Buttle Lake Resources (1963) and Southwest Potash Limited (1964, 1965). The Authors have seen references to the above literature but have been unable to independently verify the information. Since the Authors cannot verify any of the information it has to be treated with caution and suspect. However, if the information is valid, it adds to the geological understanding of the Mount Thomlinson Property and can be used for future mineral exploration on the property.

During the early 1960’s and early 1980’s major exploration programs were carried out by Buttle Lake Resources, Amax, and TexasGulf. The original historical estimate of the mineral zone was determined through assay results obtained from nine BQ diameter drill holes carried out by Amax in the mid 1960’s. The drill hole results, in combination with sampling results obtained from surface trenches throughout the mineral zone, were combined to arrive at the recognized historical mineralization If such a drill program were to be undertaken on today’s currently regulatory environment Amax’s nine drill holes and trenches would not be in sufficient density or distribution to meet the current standards for a mineral deposit.

If the historical work by previous operators is correct they may have demonstrated that the potential exists for a classic disseminated, low grade, porphyry Mo (low-F-type) mineralization. The true extent of this mineralization is not known for the following reasons:

(1) The geological reports for the 1960's drilling are not available in the public realm but are referenced in assessment reports by TexasGulf. Hence, these cannot be independently verified or relied upon;

(2) The 1960's geological information appears to have played an instrumental role in the current understanding of the mineralization on the property; and

(3) Without the 1960's drill logs and assay values the model of a classic disseminated low grade, porphyry (low-F-type) can be called into question.

The 1960's work programs play a crucial role in the geological understanding of the Mount Thomlinson Property and without it there would have been no reason for subsequent operators to explore the Mount Thomlinson Property. Therefore, it would stand to reason that the 1960's work should be redone to confirm or deny the extent of the mineralization.

It is recommended that work be conducted on the Mount Thomlinson Property. This work is designed to incorporate a review of the 1960's explorations programs. The main elements of this fieldwork include the following:

(1) 10 diamond drill holes totalling approximately 2,500 metres confirming/twining the 1963-1965 drilling data. This information is instrumental in confirming the previous drilling results;

(2) Re-establishment of 1960's surface trenches with commensurate geologic mapping and rock sampling. Further trenching, mapping and sampling to be carried out in additional areas as deemed necessary; and

(3) A ground magnetic survey and a three-dimensional induced polarization survey are recommended for the portion of the Mount Thomlinson Property containing the interpreted mineralization. The surveys will be useful in delineating areas of conductive mineralized rock masses and subsequent drill targets.

Proposed Budget

Pre-field data compilation, program planning, sourcing, permitting	$ 15,000
Camp purchase/rentals	$40,000
Food/Consumables	$30,000
Geochemical sampling/Rock blasting (follow-up)	$15,000
Diamond drilling (10 holes totalling 2,500m)	$275,000
Helicopter	$90,000
Vehicle/Rentals	$7,500
Assays	$25,000
Field Crew	$35,000
Field Consulting (mapping, core logging, etc)	$45,000
Communications	$10,000
Mobilization/Demobilization	$20,000
Reporting	$10,000
Sub-total	$**617,500**
Contingency	$61,750
Total:	**$679,250**(1)

(1) The Magnetic & 3D IP budget item documented in the Technical Report budget is not included here since the Corporation completed this work in December 2007.

USE OF PROCEEDS

Proceeds

After deducting the Agent's Fee, the Corporation will receive maximum net proceeds of $1,530,000 if the Maximum Offering is completed, and $1,350,000 if the Minimum Offering is completed. As at June 30, 2008, the Corporation had a working capital deficit of $205,000. The Corporation currently has negative operating cash flow. Combined with the net proceeds of the Maximum Offering, the Corporation will have funds available of $1,325,000, and $1,145,000 under the Minimum Offering, The Corporation anticipates that funds available after completion of the Offering will be used for the following principal purposes:

	Funds Available	
Principal Purposes	**Minimum Offering**	**Maximum Offering**
To pay the balance of the estimated remaining costs of the Offering(1)(2)	$40,000	$40,000
To pay the estimated cost of the recommended exploration program on the Mount Thomlinson Property(3)	$679,250	$679,250
To pay the estimated general and administrative expenses for 12 months	$320,000	$320,000
Unallocated working capital	$105,750	$285,750
Total:	**$1,145,000**	**$1,325,000**

(1) Includes the $12,500 (plus GST) outstanding balance of the Corporate Finance Fee, legal, audit, regulatory, listing and printing fees.

(2) Excludes $12,500 of the $25,000 Corporate Finance Fee previously paid to the Agent.

(3) See "Recommended Exploration Work Program - Mount Thomlinson Property".

The Corporation intends to carry out the recommended exploration program on the Thomlinson Property during 2008 and will seek other prospective mineral exploration properties for acquisition. See "Description of Business".

Upon completion of the Offering, the Corporation's working capital will be sufficient to fund its exploration program and to meet its administrative and operating costs for 12 months. The Corporation intends to spend the funds available to it as stated in this Prospectus. There may be circumstances however, where, for sound business reasons, a reallocation of funds may be necessary.

Estimated General and Administrative Expenses for the Next 12 Months

The following table provides a breakdown of estimated general and administrative expenses for the next 12 months:

Estimated General and Administrative Expenses for the Next 12 Months	Amount
Management Fees(1)	$120,000
Office Sharing Costs	$36,000
Legal Fees	$20,000
Audit Fees	$18,000
Accounting Fees	$9,000
Consulting Fees(1)	$72,000
Corporate and shareholder communication costs	$30,000
Transfer agent and filing fees	$15,000
Total:	**$320,000**

(1) Total yearly fees paid to Peter R. Hughes, Robert W. Anderson, and Jerry Bulman, all current directors of the Corporation, is $138,000, of which $120,000 is paid from management fees and the remainder is paid from consulting fees.

DIVIDENDS

The Corporation has neither declared nor paid any dividends on its Common Shares. The Corporation intends to retain its earnings to finance growth and expand its operations and does not anticipate paying any dividends on its Common Shares in the foreseeable future. Any decision to pay dividends on Common Shares in the future will be made by the directors of the Corporation on the basis of the earnings, financial requirements and other conditions existing at such time.

MANAGEMENT'S DISCUSSION AND ANALYSIS

General

The date of this Management Discussion and Analysis is the date of this Prospectus.

The following discussion and analysis is based on the Corporation's results of operations and financial position and should be read in conjunction with the interim financial statements and the annual financial statements included herein. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. This Prospectus contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Corporation and its projects, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation expenses, title disputes or claims and limitations of insurance coverage. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; actual results of reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of molybdenum; possible variations of ore grade; failure of equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed in the section entitled "Risk Factors" in this Prospectus. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this Prospectus and the Corporation disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Except as required by applicable securities law, the Corporation undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change.

Overall Performance

The following table sets forth summary financial information of the Corporation for the period from incorporation on November 17, 2005 to December 31, 2005, for the fiscal year ended December 31, 2006, for the fiscal year ended December 31, 2007 and for the three month period ended March 31, 2008.

The Corporation is currently in the exploration stage and therefore has no cash flow from operations.

The following table sets out selected information for and as of the periods indicated. The financial information is derived from the audited balance sheets as at December 31, 2005, 2006 and 2007 and the statements of operations and deficit for the periods then ended as well as the unaudited balance sheet as at March 31, 2008 and the statement of operations and deficit for the period then ended. See "Financial Statements" attached as Schedule "A" to this Prospectus.

	Period from Incorporation on November 17, 2005 to December 31, 2005	**Year ended December 31, 2006**	**Year ended December 31, 2007**	**Three Months ended March 31, 2008**
Total Revenues	Nil	Nil	Nil	Nil
Total Assets at end of period	$100,174	$438,127	$655,414	$668,068
Expenses	$7,631	$312,260	$348,727	$65,420
Net Loss	$7,631	$312,260	$282,193	$52,625
Basic and Diluted Loss per Common Share[(1)]	$7,631	$0.05	$0.02	$0.01
Long-term debt at end of period	Nil	Nil	Nil	Nil

(1) The loss per share is computed by dividing income (loss) available to common shareholders by the weighted average number of Common Shares outstanding during the period. The weighted average number of shares outstanding at December 31, 2005 was 1; at December 31, 2006 was 5,709,923; at December 31, 2007 was 13,694,420; and for the three month period ended March 31, 2008 was 11,061,855.

Selected Annual Information

	Period from incorporation to December 31, 2005	**Fiscal Year Ended December 31, 2006**	**Fiscal Year Ended December 31, 2007**
Financial results			
Net loss for period	$7,631	$312,260	$282,193
Basic and diluted loss per Common Share[(1)]	$7,631	$0.05	$0.02
Expenditures on mineral properties [(2)]	-	$45,643	$228,419
Balance sheet data			
Cash	$49,994	$184,166	$13,756
Exploration Expenditures -Mount Thomlinson Property [(2)]	-	$34,624	$171,955
Exploration Expenditures - Forster Property [(2)]	-	$11,019	$16,194
Exploration Expenditures - Kisgegas Property [(2)]	-	-	$40,270
Total Liabilities	$82,804	$37,400	$206,689
Long Term Liabilities	Nil	Nil	Nil
Shareholders' equity	$17,370	$400,727	$448,725

(1) The loss per share is computed by dividing income (loss) available to common shareholders by the weighted average number of Common Shares outstanding during the period. The weighted average number of shares outstanding at December 31, 2005 was 1; at December 31, 2006 was 5,709,923; and at December 31, 2007 was 13,694,420.

(2) Does not include property acquisition costs

Results of Operations

The Corporation was incorporated on November 17, 2005, so there is no same period data for this year with which to compare these results.

The loss for the year ended December 31, 2006 was $312,260, or $0.05 per Common Share. Of this, general and administrative expenses were $311,641 and were composed of consulting fees, management fees, professional fees and stock based compensation in preparation for the initial public offering of the Corporation's Common Shares and to support the evaluation and acquisition of the Corporation's mineral properties.

The loss for the year ended December 31, 2007 was $282,193, or $0.02 per Common Share. Of this, general and administrative expenses were $272,514 and were composed of consulting fees, management fees and professional fees in preparation for the initial public offering of the Corporation's Common Shares and to support the evaluation and acquisition of the Corporation's mineral properties.

The net loss for the three month period ended March 31, 2008 was $52,625, or $0.01 per Common Share. Of this, general and administrative expenses were $65,420, and were composed of bank charges and interest, consulting fees, investor relations, management fees, office and miscellaneous and professional fees in preparation for the initial public offering of the Corporation's Common Shares and to support the evaluation and acquisition of the Corporation's mineral properties.

The net loss for the three month period ended March 31, 2007 was $663, or $0.00 per Common Share. Of this, general and administrative expenses were $61,197, and were composed of bank charges and interest, consulting fees, investor relations, management fees, office and miscellaneous and professional fees in preparation for the initial public offering of the Corporation's Common Shares and to support the evaluation and acquisition of the Corporation's mineral properties.

Expenditures for capitalized mineral properties relating to property maintenance, reports and planning totalled for $253,419 for the year ended December 31, 2007; of this total $171,955 was spent in regards to the Mount Thomlinson Property which included $60,632 for a geophysical survey as part of the recommended exploration program for the Property, $65,270 was spent in regards to the Kisgegas Property including acquisition costs of $25,000 and a geophysical survey for $40,000. $16,194 was spent in regards to the Forster Property. At September 30, 2007, the Corporation abandoned the Forster Property and wrote-off the $52,213 carrying value.

Expenditures for capitalized mineral properties relating to property maintenance, reports and planning totalled for the three month period ended March 31, 2008 was $12,704 for the Mount Thomlinson Property and $26,051 for the Kisgegas Property. In September 2007, the Corporation abandoned the Forster Property and wrote-off the $52,213 carrying value. Expenditures for the three month period ended March 31, 2007 was $46,095 for the Mount Thomlinson Property and $25,000 for the Kisgegas Property.

Summary of Quarterly Results- unaudited

As at the date of this Prospectus, the Corporation is not a reporting issuer and has prepared interim financial as at and for the periods ended March 31, 2007, June 30, 3007, September 30, 2007, December 31, 2007 and March 31, 2008. This summary information should be read in conjunction with the Corporation's financial statements, including notes thereto, contained in this Prospectus.

	Quarter Ended March 31, 2007	Quarter Ended June 30, 2007	Quarter Ended September 30, 2007	Quarter Ended December 31, 2007	Quarter Ended March 31, 2008
Total Revenues	Nil	Nil	Nil	Nil	Nil
Total Assets at end of period	$649,364	$590,844	$437,067	$655,414	$668,068
Expenses	$67,197	$56,383	$178,518	$46,628	$65,420
Net Loss	$663	$56,383	$178,518	$46,628	$52,625
Basic and Diluted Loss per Common Share(1)	$0.00	$0.00	$0.02	$0.02	$0.01
Long-term debt at end of period	Nil	Nil	Nil	Nil	Nil

(1) The loss per share is computed by dividing income (loss) available to common shareholders by the weighted average number of Common Shares outstanding during the period. The weighted average number of shares outstanding at March 31, 2007 was 14,725,451; at June 30, 2007 was 14,971,535; at September 30, 2007 was 14,716,557; at December 31, 2007 was 13,694,420 and at March 31, 2008 was 11,061,855.

Liquidity and Capital Resources

The Corporation is currently in the exploration stage and therefore has no cash flow from operations. The Corporation's principal source of funds since incorporation has been from the sale of Common Shares. From the date of its incorporation on November 17, 2005, to the date of this Prospectus, the Corporation has raised $1,049,402 from the sale of Common Shares. The Corporation currently has 11,506,415 Common Shares outstanding.

As at December 31, 2007 the Corporation's current assets were $80,927 and current liabilities were $206,689 resulting in a working capital deficit of $125,762. As at December 31, 2007, current liabilities include a promissory note in the principal amount of $25,000 due in respect to the acquisition of the Mt. Thomlinson Property. As at December 31, 2007, the assets of the Corporation are its mineral exploration property interests in British Columbia, with a carrying value of $331,579 for the Mount Thomlinson Property and $65,270 for the Kisgegas Property.

As at March 31, 2008, the Corporation's current assets were $48,826 and current liabilities were $219,507 resulting in a working capital deficit of $170,681. As at March 31, 2008, current liabilities include a promissory note in the principal amount of $25,000 due in respect to the acquisition of the Mt. Thomlinson Property. As at March 31, 2008, the assets of the Corporation are its mineral exploration property interests in British Columbia, with a carrying value of $344,283 for the Mount Thomlinson Property and $91,321 for the Kisgegas Property. The recommended exploration program for the Mount Thomlinson Property will be funded from the net proceeds of this Offering. See "Description of Business" and "Use of Proceeds".

As at March 31, 2008, the Corporation's capital stock was 11,236,415 Common Shares issued and outstanding for gross proceeds of $1,068,681 and net proceeds of $977,693 after deducting $90,988 of share issuance costs. As at March 31, 2008, there was an accumulated deficit of $654,709.

The Corporation has no long-term debt.

Other than the financing activities since March 31, 2008 to the date of this Prospectus, there are no known trends affecting the Corporation's liquidity or capital resources. See "Financing Activities" below.

Common Share Transactions

From July 5, 2006 to December 31, 2006, the Corporation issued an aggregate of 13,311,665 Common Shares for gross proceeds of $731,500. Since December 31, 2006, the Corporation issued 7,834,750 Common Shares and cancelled 9,910,000 Common Shares. Subsequent to the three month period ended March 31, 2008, the Corporation issued an aggregate of 270,000 Common Shares to its directors and officers for gross proceeds of $40,500. For details of the issuances, see “Prior Sales”.

Financing Activities

On November 17, 2005, the Corporation issued one Common Share at an ascribed value of $1.00 per share; this share was repurchased by the Corporation on September 15, 2006.

Throughout 2006 and early 2007, the Corporation carried out three private placements at $0.10, $0.15 and $0.25 levels consisting of Common Shares. The placements closed in multiple closings, and the aggregate number of shares issued was: 2,685,000 at $0.10; 2,299,915 at $0.15; and 780,000 at $0.25.

On July 5, 2006, pursuant to the $0.10 private placement the Corporation issued 2,685,000 Common Shares at $0.10 per share, for gross proceeds of $268,500.

On July 14, 2006, pursuant to the $0.15 private placement, the Corporation issued 139,999 Common Shares at $0.15 per share; on July 21, 2006, the Corporation issued 99,999 Common Shares at $0.15 per share; on August 3, 2006, the Corporation issued 126,667 Common Shares at $0.15 per share; on September 25, 2006, the Corporation issued 133,333 Common Shares at $0.15 per share; on October 6, 2006, the Corporation issued 46,667 Common Shares at $0.15 per share; on January 19, 2007, the Corporation issued 1,213,250 Common Shares at $0.15 per share and on January 30, 2007 the Corporation issued 540,000 Common Shares at $0.15 per share for total gross proceeds of $344,988.

On December 7 and 14, 2006, pursuant to the $0.25 “flow through” private placement, the Corporation issued 400,000 and 380,000, respectively, Common Shares at $0.25, for total gross proceeds of $195,000.

On December 31, 2007, pursuant to the $0.25 “flow through” private placement, the Corporation allotted 150,000 Common Shares at $0.25, for total gross proceeds of $37,500. The Common Shares were issued subsequent to the year end upon confirmation of receipt of payment as a result there was a subscription receivable for the gross proceeds as at December 31, 2007.

On February 5, 2008, pursuant to the $0.15 private placement the Corporation issued 195,000 Common Shares at $0.15 per share for total gross proceeds of $29,250.

On February 12, 2008, pursuant to the Property Purchase Agreement the Corporation issued 1,000,000 Common Shares at a value of $0.05 per share.

On June 5, 2008, pursuant to the $0.15 private placement the Corporation issued 270,000 Common Shares at $0.15 per share for total gross proceeds of $40,500.

Transactions with Related Parties

For the three month period ended March 31, 2008, Corporation had the following related party transactions:

a) the Corporation paid fees of $10,400 to a company owned by Robert Anderson, CFO and Director of the Corporation for office sharing. This office sharing arrangement is ongoing with the Corporation and will be formalized by written contract soon after the completion of the Corporation’s IPO.

b) the Corporation paid management fees as follows: to Peter Hughes, CEO of the Corporation, $13,500; to Robert Anderson, CFO and Director of the Corporation, $15,000; and to Jerry Bulman, Executive Chairman and Director of the Corporation, $8,500. For the year ended December 31, 2007, the Corporation paid management fees as follows: to Peter Hughes, $55,500; to Robert Anderson, $54,500; to Jerry Bulman, $5,000; Gary Zak, VP, Corporate Development, $24,000. For the year ended December 31, 2006, the Corporation paid management fees as follows: Peter Hughes, $75,000 and to Robert Anderson $55,000. These management fees are ongoing and will be formalized by written contract soon after the completion of the Corporation’s IPO.

At the end of the three month period ended March 31, 2008, there was a balance due to related parties of $37,739. This is made up as follows: Peter Hughes $15,830, Robert Anderson $18,668, Gary Zak $3,113 and Andrew Molnar $128.

Changes in Accounting Procedures

Subsequent to December 31, 20087, the Corporation adopted four new presentation and disclosure standards that were issued by the Canadian Institute of Chartered Accountants: Handbook Section 1535, Capital Disclosures ("Section 1535"), Handbook Section 3031, Inventories ("Section 3031"), Handbook Section 3862, Financial Instruments – Disclosures ("Section 3862") and Handbook Section 3863, Financial Instruments – Presentation ("Section 3863").

Section 1535 requires the disclosure of both qualitative and quantitative information that enables users of financial statements to evaluate (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance. At the present time the Corporation does not expect that this policy will have much of an effect on its current business plan.

Section 3031 provides guidance on the determination of costs and their subsequent recognition as an expense, including any write-down to net realizable value. It also provides guidance on the types of costs that should be included in inventory. This standard had no impact on the Corporation's financial statements.

Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments – Disclosure and Presentation, revising and enhancing its disclosure requirements and carrying forward unchanged its presentation requirements for financial instruments. Sections 3862 and 3863 place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks. Fair values of financial assets and liabilities are made on the balance sheet date based on market information, if available, or other information about the financial instruments. The Corporation reviews the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk, interest rate risk and other price risks.

Effective January 1, 2009, the Corporation will adopt Section 3064 which establishes revised standards for recognition, measurement, presentation and disclosure of goodwill and intangible assets. Concurrent with the introduction of this standard, the CICA withdrew EIC 27, Revenues and Expenses during the Pre-operating Period. As a result of the withdrawal of EIC 27, the Corporation will not be able to defer costs and revenues incurred prior to commercial production at new mine operations. At the present time the Corporation does not expect that this policy will have much of an effect on its current business plan.

Investing Activities

For the three month period ended March 31, 2008, the Corporation expended $38,755 on its mineral property interests in British Columbia.

Additional disclosure for junior issuers

The Corporation will receive maximum net proceeds of $1,530,000 if the Maximum Offering is completed, and $1,350,000 if the Minimum Offering is completed. As at June 30, 2008, the Corporation had a working capital deficit of $205,000, which includes the payment to Cadre of $25,000 pursuant to the promissory note that is due 14 days after listing of the Common Shares of the Corporation on the Exchange. Combined with the net proceeds of the Maximum Offering, the Corporation will have funds available of $1,325,000 and $1,145,000 under the Minimum Offering, The Corporation anticipates that funds available after completion of the Offering will be used for the following principal purposes:

Principal Purposes	Funds Available	
	Minimum Offering	**Maximum Offering**
To pay the balance of the estimated remaining costs of the Offering[(1)(2)]	$40,000	$40,000
To pay the estimated cost of the recommended exploration program on the Mount Thomlinson Property[(3)]	$679,250	$679,250
To pay the estimated general and administrative expenses for 12 months	$320,000	$320,000
Unallocated working capital	$105,750	$285,750
Total:	**$1,145,000.00**	**$1,325,000.00**

(1) Includes the $12,500 (plus GST) outstanding balance of the Corporate Finance Fee, legal, audit, regulatory, listing and printing fees.

(2) Excludes $12,500 of the $25,000 Corporate Finance Fee previously paid to the Agent.

(3) See "Recommended Exploration Work Program - Mount Thomlinson Property".

Following the successful completion of this Offering, the Corporation will be well-financed to pursue exploration activities on the Mount Thomlinson Property. The Corporation's working capital will be sufficient to fund its exploration program and to meet its administrative and operating costs for 12 months. The Corporation intends to spend the funds available to it as stated in this Prospectus. There may be circumstances however, where, for sound business reasons, a reallocation of funds may be necessary.

The Corporation's ability to continue as a going concern is dependent upon its ability to achieve profitability and fund any additional losses it may incur. The financial statements were prepared on a going concern basis, which implies that the Corporation will realize its assets and discharge its liabilities in the normal course of business. The financial statements do not reflect adjustments to the carrying value of assets and liabilities that would be necessary if the Corporation were unable to achieve and maintain profitable operations.

Risk and Uncertainties

There are significant risks that might affect further development of the Corporation. These would include but not be limited to: exploration programs that may not result in a commercial mining operation; the ability to raise financing in the future for ongoing operations; market fluctuations in metal prices; government regulations; and other conditions that may not be in the Corporation's control. See "Risk Factors".

DESCRIPTION OF SECURITIES DISTRIBUTED

The Corporation will issue Common Shares under this Offering.

The holders of Common Shares are entitled to receive notice of and attend and vote at all shareholder meetings. Each Common Share shall confer the right to one vote in person or by proxy at all meetings of the shareholders of the Corporation. The holders of the Common Shares, subject to the prior rights, if any, of any other class of shares of the Corporation, are entitled to receive such dividends in any financial year as the Board may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Corporation, the remaining property and assets of the Corporation.

CONSOLIDATED CAPITALIZATION

The following table summarizes the Corporation's capitalization as at the date of this Prospectus and after giving effect to this Offering.

Description	Authorized	Outstanding as at March 31, 2008	Outstanding as at the Date of this Prospectus	Outstanding After Giving Effect to the Minimum Offering[(1)]	Outstanding After Giving Effect to the Maximum Offering[(2)]
Common Shares	Unlimited	11,236,415	11,506,415[(4)]	17,506,415[(3)]	18,306,415[(3)]
Convertible Securities[(5)]	-	1,685,000	1,660,000	2,260,000[(6)]	2,340,000[(6)]
Long-Term Debt	-	Nil	Nil	Nil	Nil

(1) The Corporation will issue 6,000,000 Common Shares assuming completion of the Minimum Offering.

(2) The Corporation will issue 6,800,000 Common Shares assuming completion of the Maximum Offering.

(3) As partial consideration for the sale of the Common Shares pursuant to this Prospectus, the Agent will receive that number of Agent's Warrants equal to 10% of the number of Common Shares sold pursuant to this Offering exercisable at a price of $0.25 per Agent's Warrant Share for a period of 24 months from the Closing Date. This Prospectus qualifies the distribution of the Agent's Warrants to the Agent. The Agent's Warrants Shares are not reflected in these figures.

(4) Subsequent to March 31, 2008, the Corporation issued 270,000 Common Shares pursuant to a private placement. See "Management's Discussion and Analysis".

(5) The Corporation granted stock options on December 11, 2006, as amended on November 28, 2007, to its directors, officers and consultants.

(6) Includes the Agent's Warrants to be issued to the Agent upon closing of the Offering.

OPTIONS TO PURCHASE SECURITIES

Stock Option Plan

A Stock Option Plan (the "**Plan**") was approved and adopted by the Board on July 5, 2006. The purpose of the Plan is to give directors, officers, employees and consultants of the Corporation, as additional compensation, the opportunity to participate in the success of the Corporation. The Plan provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance will be 10% of the number of Common Shares of the Corporation issued and outstanding from time to time on a non-diluted basis.

The Plan will be administered by the management of the Corporation; however the Board will have full and final authority with respect to the granting of all options thereunder. As at the date of this Prospectus, the Corporation has granted an aggregate of 1,660,000 stock options (the "**Options**").

Options may be granted under the Plan to such service providers of the Corporation and its affiliates, if any, as the Board may from time to time designate. The exercise prices shall be determined by the Board, but shall, in no event, be less that the closing market price of the Corporation's Common Shares on the Exchange less allowable discounts at the time of grant. The Plan provides that the number of Common Shares that may be reserved for issuance to any one individual shall not exceed 5% of the issued Common Shares within a 12-month period. The term of any Options authorized under the Plan shall be determined by the Board at the time of grant but, subject to earlier termination in the event of dismissal for cause, termination other than for cause or in the event of death, the term of any options authorized under the Plan may not exceed five years. If desired by the Board, Options authorized under the Plan may be subject to vesting. Options authorized under the Plan are not transferable or assignable. Subject to certain exceptions, in the event that a director or officer ceases to hold office, Options authorized to such director or officer under the Plan will expire at the earlier of the expiry date or 90 days after such director or officer ceases to hold office. Subject to certain exceptions, in the event that an employee, consultant or management company employee ceases to act in that capacity in relation to the Corporation, Options authorized to such employee, consultant or management company employee under the Plan will expire at the earlier of the expiry date or 90 days after such individual or entity ceases to act in that capacity in relation to the Corporation. Options authorized to optionees engaged in investor relations activities on behalf of the Corporation expire at the earlier of the expiry date or 30 days after such optionee cease to perform such investor relations activities for the Corporation. In the event of termination for cause, all Options, vested and unvested, are cancelled immediately. In the event of death or disability (as defined in the Plan) of an option holder, vested Options authorized under the Plan expire at the earlier of the expiry date or one year from the date of the death or disability of the option holder.

The following Options have been granted as of the date of this Prospectus:

Category of Optionee	Number of Optionees	Number of Options	Option Exercise Price
Directors(1)	4	600,000	$0.25
Officers(2)	4	960,000	$0.25
Consultants(3)	1	100,000	$0.25
Total:	**9**	**1,660,000**	

(1) Kenneth W. Major, Richard J. Mazur, George M. Leary, and Andrew Molnar.

(2) Peter R. Hughes, Jerry Bulman, Robert W. Anderson, and Gary Zak.

(3) Ron McMillan.

PRIOR SALES OF SECURITIES

The following table summarizes the sales of securities of the Corporation from incorporation to the date of this Prospectus. The figures below reflect prices and numbers of securities as at the date of issuance.

Date	Price per share	Number of Securities (Common Shares)	Reason for Issuance
November 17, 2005	$1.00	1	Incorporation
July 5, 2006	$0.02	3,000,000	Private Placement
July 5, 2006	$0.02	5,000,000	Property Acquisition
July 5, 2006	$0.10	2,685,000	Private Placement
July 14, 2006	$0.15	139,999	Private Placement
July 21, 2006	$0.02	300,000	Private Placement
July 21, 2006	$0.15	99,999	Private Placement
August 3, 2006	$0.15	126,667	Private Placement
September 15, 2006	$1.00	(1)	Repurchase of incorporation share
September 25, 2006	$0.15	133,333	Private Placement
October 6, 2006	$0.15	46,667	Private Placement
November 30, 2006	$0.02	500,000	Private Placement
December 1, 2006	$0.02	500,000	Private Placement
December 7, 2006	$0.25	400,000(1)	Private Placement
December 14, 2006	$0.25	380,000(1)	Private Placement
January 19, 2007	$0.15	1,213,250	Private Placement
January 29, 2007	$0.16667	150,000	Kisgegas Option
January 30, 2007	$0.15	540,000	Private Placement
September 7, 2007	$0.02	(4,000,000)	Renegotiated Property Purchase Agreement

Date	Price per share	Number of Securities (Common Shares)	Reason for Issuance
October 31, 2007	$0.02	(4,300,000)	Cancellation of founders' shares
October 31, 2007	$0.02857	3,010,000	Reissuance of founders' shares
November 27, 2007	$0.15	816,500	Private Placement
December 31, 2007	$0.25	150,000(1)	Private Placement
January 31, 2008	$0.02857	(1,610,000)	Cancellation of founders' shares
January 31, 2008	$0.02857	940,000	Reissuance of founders' shares
January 31, 2008	$0.05	345,000	Reissuance of founders' shares
January 31, 2008	$0.06	325,000	Reissuance of founders' shares
February 5, 2008	$0.15	195,000	Private Placement
February 11, 2008	$0.16667	150,000	Kisgegas Option
February 12,2008	$0.02	(1,000,000)	Renegotiated property purchase agreement
February 12, 2008	$0.05	1,000,000	Renegotiated property purchase agreement
June 5, 2008	$0.15	270,000	Issuance to directors and officers
Total Common Shares issued as at the date of this Prospectus:		**11,506,415**	

(1) issued on a "flow-through" basis as such term is defined in the Tax Act.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

Escrowed Securities

46-201 Escrow Agreement

In accordance with National Policy 46-201 ("**NP 46-201**") - Escrow for Initial Public Offerings, all common shares of an issuer owned or controlled by its Principals (as defined below) are required to be placed in escrow at the time of the issuer's initial public offering, unless the shares held by the Principal or issuable to the Principal, upon conversion of convertible securities held by the Principal, collectively represent less than 1% of the total issued and outstanding shares of the issuer after giving effect to the initial public offering.

"**Principals**" include all persons or companies that, on the completion of the initial public offering, fall into one of the following categories:

(a) directors and senior officers of the Corporation at the time of the initial public offering;

(b) promoters of the Corporation during the two years preceding the initial public offering;

(c) those who own and/or control, directly or indirectly, more than 10% of the Corporation's voting securities (on a fully diluted basis) immediately before and immediately after completion of the initial public offering and if they also have elected or appointed or have the right to elect or appoint a director or senior officer of the Corporation;

(d) those who own and/or control more than 20% of the Corporation's voting securities (on a fully diluted basis) immediately before and immediately after completion of the initial public offering; and

(e) associates and affiliates of any of the above.

Pursuant to NP 46-201, the Principals of the Corporation have entered into a 46-201 escrow agreement dated June 5, 2008 (the "**Escrow Agreement**") with the Corporation and Computershare, as escrow agent, effective the date of completion of the Offering, and a total of 3,555,000 Common Shares (the "**Escrowed Securities**") held by the Principals of the Corporation will be deposited into escrow on closing of the Offering, pursuant to the Escrow Agreement.

As at the date of this Prospectus, the number of securities of each class of the Corporation held, to the knowledge of the Corporation, in escrow or that is subject to a contractual restriction on transfer and the percentage that number represents of the outstanding securities of that class is as follows:

Designation of class	Number of Securities Held in Escrow or that are Subject to a Restriction on Transfer	Percentage of Class
Common Shares	3,555,000[(1)(2)]	30.9%[(3)]

(1) The Escrow Agreement will provide that 355,500 Common Shares will be released from escrow on the Listing Date. The remaining 3,199,500 Common Shares of the Corporation, which will be held in escrow immediately following the Listing Date, will represent 18.3% of the Common Shares of the Corporation issued and outstanding immediately following the completion of the Minimum Offering, or 17.5% following completion of the Maximum Offering, and will be released in equal blocks of 15% at six month intervals.

(2) Shares subject to escrow will be deposited with Computershare upon completion of the Offering.

(3) Based on the issued and outstanding share capital of the Corporation of 11,506,415 Common Shares as at the date of this Prospectus.

At the time of an initial public offering, an issuer is classified for the purposes of NP 46-201 escrow as an "**exempt issuer**", an "**established issuer**" or an "**emerging issuer**." Uniform terms of automatic timed-release escrow apply to principals of issuers carrying out initial public offerings, differing only according to the classification of the issuer. The Corporation will be classified as an "emerging issuer" under NP 46-201 upon closing of the Offering, and accordingly the Escrow Agreement will provide for release of the Escrowed Securities over the 36 months following the Listing Date, with an initial 10% released upon the Listing Date, and the balance of a Principal's Escrowed Securities released from escrow in equal blocks of 15% at six month intervals.

If the Corporation achieves "established issuer" status during the terms of the Escrow Agreement, the release schedule will change. If the Corporation becomes an established issuer 18 months or more after its Listing Date, all Escrowed Securities will be released immediately. If the Corporation becomes an established issuer within 18 months of its Listing Date, there will be a catch-up release of all Escrowed Securities that would have been released had the Corporation been an established issuer as of its Listing Date, and remaining Escrowed Securities will be released in equal instalments on the day that is 6 months, 12 months and 18 months after the Listing Date.

The Escrow Agreement will provide for transferability of Escrowed Securities within escrow to an individual who is a director or senior officer of the Corporation, subject to the approval of the Board, or to a person or company that before the proposed transfer holds more than 20% of the voting rights attached to the Corporation's outstanding securities, or to a person or company that after the proposed transfer will hold more than 10% of the voting rights attached to the Corporation's outstanding securities and that has the right to elect or appoint one or more directors or senior officers of the Corporation.

The Escrow Agreement will provide that upon the bankruptcy of a holder of escrowed securities, the Escrowed Securities may be transferred within escrow to the trustee in bankruptcy or other person legally entitled to such securities, as well as to a financial institution where the Escrowed Securities are being realized upon as collateral for a loan. Escrowed Securities may also be transferred within escrow to an RRSP, RRIF or other similar registered plan or fund with a trustee where the annuitant or beneficiaries, as the case may be, are limited to the Principal or his or her spouse, children or parents, or where the Principal is the trustee of such a registered plan or fund, to the annuitant or beneficiary, as the case may be, or his or her spouse, children or parents. Upon the death of a holder of Escrowed Securities, all securities of the deceased holder will be released from escrow to the deceased holder's legal representative.

Value Security Escrow Agreement

The Company has also entered into an Exchange Form 5D – Value Escrow Agreement dated January 31, 2008 (the "**Value Escrow Agreement**") with Computershare and certain non-Principal shareholders of the Corporation. A total of 90`0,000 Common Shares held by those shareholders will be deposited into escrow on closing of the Offering, pursuant to the Value Escrow Agreement. Common Share held under the Value Escrow Agreement will be released on the same schedule as the Principal's Escrowed Securities.

The following table sets out, as of the date of this Prospectus, the number of Common Shares of the Corporation held pursuant to the Value Escrow Agreement certain shareholders of the Corporation:

Name	Number of Common Shares	Percentage of Issued Shares as at the Date of this Prospectus[(1)]	Percentage of Issued Shares on Completion of Minimum Offering[(2)]	Percentage of Issued Shares on Completion of Maximum Offering[(3)]
David J. Cowan	235,000	2.0%	1.3%	1.3%
George Heard	87,500	0.8%	0.5%	0.5%
Karen Kirschmiller	70,000	0.6%	0.4%	0.4%
Ashiff Jivraj	350,000	3.0%	2.0%	2.0%
Edward Nixon	70,000	0.6%	0.4%	0.4%
Mayan Minerals Ltd.[(4)]	87,500	0.8%	0.5%	0.5%
Total:	**900,000**	**7.8%**	**5.1%**	**5.1%**

(1) Based on the issued and outstanding share capital of the Corporation of 11,506,415 Common Shares as at the date of this Prospectus.

(2) Based on the issued and outstanding share capital of the Corporation of 17,506,415 Common Shares assuming completion of the Minimum Offering.

(3) Based on the issued and outstanding share capital of the Corporation of 18,306,415 Common Shares assuming completion of the Maximum Offering.

(4) Mayan Minerals Ltd. is a company beneficially owned by Terry Heard.

Other Restricted Securities

Seed shares (being all shares issued by the Corporation prior to the Offering which are not subject to the above escrow restrictions) are subject to the Exchange's seed share resale restrictions (the "**SSRRs**") as outlined in Exchange Policy 5.4. The application of the SSRRs and the duration of any hold period is dependent upon the length of time the seed shares have been held and the price paid for the seed shares relative to the Offering Price. Applying the SSRRs to the seed shares of the Corporation results in 325,000 Common Shares (these shares refer to shares issued at a price of $0.06 per share on January 31, 2008), such seed shares being subject to a hold period of four months with 20% released each month with the first release on the Closing Date. See "Prior Sales of Securities".

PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and officers of the Corporation, as of the date of this Prospectus no person beneficially owns or exercises control or direction over more than 10% of the votes attached to the Corporation's Common Shares.

DIRECTORS AND EXECUTIVE OFFICERS

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

Name and Municipality of Residence and Position with the Corporation	Director/Officer Since	Principal Occupation for the Past Five Years	Common Shares Beneficially Owned Directly or Indirectly (as at the Date of this Prospectus)(1)
Peter R. Hughes Vancouver, BC *CEO*	November 17, 2005	Co-founder of Pirie Hughes Consulting (2001), a firm specializing in business management and consulting. Business Development Manager of Palcan Fuel Cells Ltd. from Feb 2004 to September 2004. Self-employed business consultant from September 2004 to November 2005. CEO and director of Major Gold Ltd. from September 2006 to present. CEO and Director of Big Sky Uranium Inc. since May 2007.	450,000
Jerry Bulman(2) Calgary, AB *Executive Chairman and Director*	October 17, 2007	CEO of Parkvalley Consulting Ltd. from 1977 to present. Director of Kernow Resources and Development Ltd. From September 07 to present. Director of Alto Minerals from March 1996 to April 2004. Director of Major Gold Ltd. from October 17, 2007 to present.	490,000
Robert W. Anderson Maple Ridge, BC *CFO and Director*	November 17, 2005	President of RWA Management Services Ltd. from November 2004 to present. CFO and Secretary of Algis Autograding Inc. from April 1, 2005 to present. CFO of Brazilian Diamonds Limited from September 2004 to March 2006 and Secretary of Brazilian Diamonds Limited from September 1998 to March 2006. CFO of Piper Capital Inc. from January 2005 to October 2005. CFO of Forum Development Corp. from June 2004 to October 2005. CFO and Secretary of Alto Ventures Ltd. from April 2004 to October 2005. Director of Big Sky Uranium Inc. since February 2007. Director of Major Gold Ltd. from December 12, 2005 to present.	450,000
Gary Zak Vancouver, BC *VP, Corporate Development*	November 28, 2007	Self-employed as a business development consultant. Director of Bold Ventures Inc. from February 2008 to present. Director of Exchequer Resources from May 2001 to present. Chairman and Director of TAC Capital Corp. from September 2005 to present. VP Corporate Development of Forum Development Corp. from July 2005 to August 2006. Director of Beaufield Consolidated Resources Inc. from December 1994 to December 2005. President of Forum Development Corp. from May 1987 to July 2004. Director of Alto Ventures Ltd. From August 1994 to July 2004.	370,000
Kenneth W. Major(2) Maple Ridge, BC *Director*	November 17, 2005	Self-employed as a crushing and milling systems consultant. Project Manager/P. Engineer of Hatch Engineering from February 1994 to July 2006. Director of Coast Mountain Power from 2002 to 2006. Director of Major Gold Ltd. from December 12, 2005 to present.	235,000

Name and Municipality of Residence and Position with the Corporation	Director/Officer Since	Principal Occupation for the Past Five Years	Common Shares Beneficially Owned Directly or Indirectly (as at the Date of this Prospectus)(1)
Richard J. Mazur(2) Delta, BC *Director*	November 17, 2005	President/Partner of Mirador Management Co from April 1999 to present. President, director and CEO of Alto Ventures Ltd. from April 2004 to March 2007. President, CEO and director of Forum Uranium Corp. (formerly Forum Development Corp.) from May 2004 to present. Director, President and Secretary of Impact Silver Corp. from April 1992 to present. Director of Tanqueray Resources Ltd. from June 19, 2007 to present and director of Major Gold Ltd. from December 12, 2005 to present.	350,000
George M. Leary Calgary, AB *Director*	November 17, 2005	President/Director/CEO of Bayswater Uranium Corporation (formerly Bayswater Ventures Corp.) since January 2003. President/ Chairman/CEO of Jalna Minerals Ltd. from September 2006 to July 2006. President/Chairman/CEO of Jalna Resources Limited from April 2003 to September 2006. Chairman /CEO Of Traderadius Online Inc. from August 2001 to April 2003.	210,000
Andrew Molnar Vancouver, BC *Director*	November 28, 2007(3)	President of Rio Minerals Ltd. from June 1996 to present. Director of Major Gold Ltd. from November 2, 2007 to present.	1,000,000(4)

(1) The information as to securities beneficially owned, controlled or directed has been furnished by the directors as of the date of this Prospectus. These shares are subject to the principal escrow regime under NP 46-201. See “Escrowed Securities”.

(2) Denotes a member of the Audit Committee of the Corporation.

(3) Mr. Molnar was a director and Chairman of the Corporation from November 17, 2005 to August 20, 2007. He rejoined the Board on November 28, 2007.

(4) These shares are held by Cadre, which is a company wholly-owned by Andrew Molnar, a director of the Corporation.

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

Directors and officers of the Corporation as a group, beneficially own, directly and indirectly, or exercise control or direction 3,555,000 Common Shares, representing 30.9% of the issued and outstanding Common Shares of the Corporation as of the date of this Prospectus on a non-diluted basis.

The following is a brief description of the backgrounds of the above individuals, none of whom have entered into non-compete agreements or non-disclosure agreements with the Corporation.

Peter R. Hughes, B.Sc. –CEO

Mr. Hughes (age 46) has been the CEO of the Corporation since November 17, 2005. He is responsible for the Corporation’s day-to-day operations as well as strategic planning and the raising of capital to fund the Corporation’s operations. Mr. Hughes has over 20 years business experience at the executive level in a variety of industries; including pharmaceuticals and alternative energy. Mr. Hughes co-founded Pirie Hughes Consulting, a firm specializing in business development, marketing, financing and strategic management. He has completed the Canadian Securities Course and the Directors and Officers Course. Mr. Hughes expects to devote approximately 50% of his time to managing the Corporation. He is an independent contractor to the Corporation.

Jerry Bulman – Executive Chairman & Director

Mr. Bulman(age 65) has been the Chairman of the Board and a director of the Corporation since October 17, 2007. His responsibilities include leading the Board, assisting the CEO to oversee all the operational aspects involved in managing the Corporation, which include project planning and development. Mr. Bulman is the CEO and founder of Parkvalley Consulting Ltd. a private company based in Calgary, Alberta that provides consulting services to the resource sector. With over 30 years of senior management experience, Mr. Bulman has been involved with the exploration and development of a diverse range of projects. These include conventional oil & gas, coal bed methane, and oil sands developments as well as several projects in the mining sector. In addition, Mr. Bulman is currently providing senior consulting services to two major international energy companies in support of their North American exploration operations. He is also a director of Kernow Resources and Developments Ltd. (TSX-V:KRD) and Bold Ventures Inc. (TSX-V:BOL). Mr. Bulman expects to devote approximately 25% of his time to managing the Corporation. He is an independent contractor to the Corporation.

Robert (Bob) W. Anderson - CFO and Director

Mr. Anderson (age 54) has been the CFO and a director of the Corporation since November 17, 2005. His responsibilities include maintaining the financial reporting systems of the Corporation, provide accurate financial information to senior management and directors, establish and maintain positive working relationships with bankers, insurance providers, directors and auditors, ensure that all statutory and regulatory filings are made on a timely basis, and liase with regulatory authorities as required with respect to financial matters. Mr. Anderson is an accountant with more than 28 years of experience in the mining industry, of which 17 years were spent with the Canadian operations of Amax. He has been Controller, CFO, and Secretary for a number of public mining and exploration companies with both domestic and international operations as well as completed many TSX-V and BCSC workshops on Corporate Governance, Timely Disclosure, Directors Liability and others. Mr. Anderson is the President of RWA Management Services Ltd. ("**RWA**"), which provides accounting and management services to public and private companies. He is also CFO and Secretary for Algis Autograding Inc. Mr. Anderson expects to devote approximately 50% of his time to managing the Corporation. He is an independent contractor to the Corporation.

Gary Zak – VP Corporate Development

Mr. Zak (age 52) has been VP, Corporate Development of the Corporation since November 28, 2007. His responsibilities include sourcing investor relations, after-market support and business opportunities. Mr. Zak has over 27 years' experience as a director and/or officer of various early stage resource and technology based companies. Mr. Zak has helped to restructure companies in the past to bring them into good standing on the Exchange. He is currently Chairman and director of TAC Capital Corp. (TSX-V:TACP), director of Bold Ventures Inc. (TSX-V:BOL) and Exchequer Resources Corp. (NEX:EXQ). He is also on the advisory board of Beaufield Resources Inc. (TSX-V:BFD). Mr. Zak expects to devote approximately 5% of his time to managing the Corporation. He is an independent contractor to the Corporation.

Kenneth W. Major, P. Eng. - Director

Mr. Major (age 54) has been a director of the Corporation since November 17, 2005. He has over 30 years experience in operations, design, and project management of minerals processing facilities for gold, silver, base metals, and coal; in particular carbon column and carbon in pulp circuit engineering, design, and commissioning, including 13 years with Hatch Engineering. He is currently self-employed as a crushing and milling systems consultant. Mr. Major was a director of Coast Mountain Power Corp. (TSX-V:MW) from its inception until they were bought out by NovaGold Resources Inc. Mr. Major has also worked with the following companies; Bateman Engineering Pacific, Kilborn Engineering Pacific, Newmont Mines, and Sherritt Gordon Mines (a subsidiary of Newmont Mines). Mr. Major expects to devote approximately 5% of his time on the affairs of the Corporation. He is an independent contractor to the Corporation.

Richard J. Mazur, P.Geo, MBA - Director

Mr. Mazur (age 55) has been a director of the Corporation since November 17, 2005. He is a geoscientist who, for over 30 years has held the positions of project geologist in the international mineral exploration and mining industry for Cominco Ltd., Lacana Mining Corp., Shell Canada Resources Ltd., Pan Ocean Oil Ltd., Xcal Resources Ltd., and CEGB Exploration Canada Ltd. Mr. Mazur has also worked as a financial analyst, and senior executive on uranium, gold, base metal, coal, and industrial minerals projects in North and South America. Mr. Mazur served as a director and senior manager for Southwestern Resources Corp. (TSX-V:SWG) and its affiliated companies. He is currently the President & CEO of Forum Uranium Corp. (TSX-V:FDC), a uranium exploration company. Mr. Mazur expects to devote 5% of his time on the affairs of the Corporation. He is an independent contractor to the Corporation.

George M. Leary, M.Sc., P.Eng. - Director

Mr. Leary (age 66) has been a director of the Corporation since November 17, 2005. He is currently serving as president, CEO, and director of Bayswater Uranium Corporation (formerly Bayswater Ventures Corp.) (TSX-V:BAYV) since January, 2003. He has extensive experience in the mineral exploration industry since 1964 in North and South America, and Russia, and has been managing and financing public companies since 1983. Mr. Leary has a bachelor’s degree with honours in geology and a master’s degree in geology from the University of British Columbia, graduating in 1970. Mr. Leary is a registered Professional Engineer in the Province of British Columbia and a registered Professional Geologist in Alberta. It is anticipated Mr. Leary expects to devote approximately 5% of his time on the affairs of the Corporation. He is an independent contractor to the Corporation.

Andrew Molnar – Director

Mr. Molnar (age 42) has been a director of the Corporation from November 17, 2005 to August 20, 2007, and subsequently rejoined the Board on November 28, 2007. He has been involved in the minerals exploration industry for the past 17 years. He has been president of Rio Minerals Limited, an international mining exploration firm for the past 10 years. Mr. Molnar was responsible for the co-discovery and promotion of the Blu-Starr Sapphire deposit in central British Columbia, the development and promotion of the Khul Morit and Shandi Projects in Mongolia and the discovery and promotion of the RM Epithermal Gold Zone in central British Columbia. Mr. Molnar specializes in management and implementation of mining exploration projects in North and South America, Europe, and Asia. Mr. Molnar has agreed to provide project management services on a consulting basis to the Corporation. It is anticipated Mr. Molnar expects to devote approximately 5% of his time on the affairs of the Corporation. He is an independent contractor to the Corporation.

Corporate Cease Trade Orders or Bankruptcies

Other than as disclosed herein, to the best of the Corporation’s knowledge, no existing or proposed director, executive officer, or promoter is, or within 10 years before the date of this Prospectus, has been a director, chief executive officer or chief financial officer of any other company that, while that person was acting in that capacity or resulted from an event that occurred while that person was acting in that capacity, was the subject of a cease trade or similar order, or an order that denied such issuer access to any statutory exemptions for a period of more than 30 consecutive days, other than as set forth below.

Gary Zak, was President of Forum Development Corp. (“**Forum**”), an Exchange reporting issuer (TSX-V:FDC). The Exchange suspended Forum from April 18, 2002 to August 20, 2002 for failing to maintain Tier 2 Maintenance Requirements and for being designated an Inactive Issuer for a period greater than 18 months pursuant to Exchange policy. Effective August 21, 2002, the Exchange reinstated trading in Forum securities.

To the Corporation’s knowledge, no director, executive officer, promoter or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation is or within 10 years before the date of this prospectus, has been a director or executive officer that became bankrupt during or within one year of that person acting in that capacity, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets

Penalties or Sanctions

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

(a) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

To the Corporation's knowledge, no director or officer of the Corporation, nor any shareholder holding sufficient securities of the Corporation to affect materially the control of the Corporation, nor any personal holding company of any such person has, within the 10 years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Conflicts of Interest

The directors of the Corporation are required by law to act honestly and in good faith with a view to the best interests of the Corporation and to disclose any interests that they may have in any project or opportunity of the Corporation. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter. To the best of the Corporation's knowledge, and other than disclosed herein, there are no existing or potential conflicts of interest among the Corporation, its promoters, directors and officers or other members of management of the Corporation or of any proposed promoter, director, officer or other member of management as a result of their outside business interests, except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Corporation and their duties as a director or officer of such other companies.

EXECUTIVE COMPENSATION

Executive Compensation

"**Named Executive Officer**" means each Chief Executive Officer, each Chief Financial Officer and each of the three most highly-compensated executive officers, other than the Chief Executive Officer and the Chief Financial Officer, who were serving as executive officers at the end of the most recently completed fiscal year and whose total salary and bonus exceeds $150,000, and any additional individuals for whom disclosure would have been provided, except that the individual was not serving as an officer of the Corporation at the end of the most recently completed financial year end.

Peter R. Hughes, the Corporation's Chief Executive Officer, and Robert W. Anderson, the Corporation's Chief Financial Officer, are the "Named Executive Officers" of the Corporation for the purposes of the following disclosure. The following table sets out the compensation paid to the Named Executive Officers for the period since the Corporation's incorporation on November 17, 2005 to December 31, 2005, and for the fiscal years ended December 31, 2006, and 2007:

Summary Compensation Table

NAMED EXECUTIVE OFFICERS Name and Principal Position	Year	Annual Compensation			Long Term Compensation Awards	All other Compensation ($)	
		Salary ($)	Bonus ($)	Other Annual Compensation ($)[1]	Securities Under Options/SARs Granted (#)		
Peter R. Hughes CEO	2007	Nil	Nil	$55,500	290,000[2]	Nil	Nil
	2006	Nil	Nil	$75,000	Nil	Nil	Nil
	2005	Nil	Nil	Nil	Nil	Nil	Nil
Robert W. Anderson CFO	2007	Nil	Nil	$54,500	290,000[2]	Nil	Nil
	2006	Nil	Nil	$55,000	Nil	Nil	Nil
	2005	Nil	Nil	Nil	Nil	Nil	Nil

(1) Consulting fees.

(2) Options are exercisable for Common Shares at a price of $0.25 per share with an expiration date five years from the listing date and no vesting provisions.

Effective February 1, 2007, pursuant to an oral agreement, Peter R. Hughes receives $4,500 per month from the Corporation for his services as CEO. Effective February 1, 2007, RWA receives $7,500 per month, of which $3,000 is allocable to rent, office services and overhead, and $4,500 is allocable to Robert W. Anderson for his services to the Corporation as CFO and manager of the Corporation.

Long-Term Incentive Plan Awards

The Corporation did not have any long-term incentive plans during the years ended December 31, 2005, 2006 and 2007.

Option/SAR Grants

As at the date of this Prospectus, an aggregate of 580,000 Options have been granted to the following Named Executive Officers:

NEO	Securities under Option	% of Total Options Granted in Year	Exercise Price or Base Price $ / Security	Market Value of Shares on Grant Date Underlying Option	Expiry Date
Peter R. Hughes	290,000	17.2%	$0.25	N/A	Five years from Listing Date
Robert W. Anderson	290,000	17.2%	$0.25	N/A	Five years from Listing Date
Total:	**580,000**				

Termination of Employment, Changes in Responsibility and Employment Contracts

There is no written employment contract between the Corporation and any Named Executive Officers. The Corporation anticipates entering into an employment agreement with Peter R. Hughes, the terms of which will be consistent with industry standards for companies of similar size.

There are no compensatory plans, contracts or arrangements, with respect to the Named Executive Officers requiring payments in the event of the resignation, retirement or any other termination of the Named Executive Officers' employment with the Corporation or, a change of control of the Corporation, or a change in the Named Executive Officers responsibilities following a change in control.

Compensation of Directors

There are no arrangements under which directors of the Corporation were compensated by the Corporation, during the most recently completed financial year, for their services as directors, consultants, or experts, except as disclosed herein.

Since the end of the most recently completed financial year, the Corporation has not granted any Options to its directors, except as disclosed herein. See “Options to Purchase Securities”.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date of this Prospectus no director or executive officer of the Corporation or any associate of any such individual is indebted to the Corporation.

AUDIT COMMITTEE

As of the date of this Prospectus, the members of the Audit Committee of the Corporation are composed of three directors of the Corporation: Kenneth W. Major, Richard J. Mazur, and Jerry Bulman. Kenneth W. Major and Richard J. Mazur are “independent” as that term is defined in NI 52-110. All of the members of the Audit Committee are “financially literate”. The Audit Committee met three times during the financial year ended December 31, 2007.

Audit Committee Charter

Pursuant to NI 52-110, the Corporation’s Audit Committee is required to have a charter. The full text of the Corporation’s audit committee charter is attached as Schedule “B” to this Prospectus.

Relevant Education and Experience

All of the members of the Corporation’s Audit Committee have gained their education and experience by participating in the management of publicly traded companies and they are all financially literate. They all have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

Audit Committee Oversight

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

Reliance on Certain Exemptions

At no time since the commencement of the Corporation’s most recently completed financial year has the Corporation relied on the exemption in section 2.4 of NI 52-110 Audit Committees (De Minimis Non-Audit Services) or an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions) of that Instrument.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

Audit Fees and Audit-Related Fees

"Audit Fees" are fees billed by the Corporation's external auditor for services provided in auditing the Corporation's financial statements for the financial year. "Audit-Related Fees" are fees not included in Audit Fees that are billed by the auditor for assurance and related services that are reasonably related to performing the audit or reviewing the Corporation's financial statements.

The aggregate fees unbilled/billed by the Corporation's external auditor for the financial year ended December 31, 2007 for audit and assurance and related services were approximately $39,500. For the financial year ended December 31, 2006 such fees were approximately $24,000.

Tax Fees

There were no fees billed for tax compliance, tax advice and tax planning services by the Corporation's external auditor for the financial year ended December 31, 2007.

All Other Fees

"All Other Fees" are fees billed by the auditor for products and services not included in the previous categories. No fees were billed by the Corporation's external auditor for the financial year ended December 31, 2006 for review of unaudited interim financial statements, compilation of consolidated financial statements and related services.

Exemption

The Corporation is relying upon the exemption in section 6.1 of NI 52-110, which exempts issuers whose shares are listed only on the Exchange from the requirements of Part 3 (*Composition of Audit Committee*) and Part 5 (*Reporting Obligations*).

CORPORATE GOVERNANCE

Board of Directors

The independent members of the Board are Richard J. Mazur, Kenneth W. Major, George M. Leary and Andrew Molnar. The non-independent members are Robert W. Anderson and Jerry Bulman, since they are officers of the Corporation.

Directors of the Corporation Holding Directorships in Reporting Issuers

The following table lists the current directorships of reporting issuers that are held by the directors of the Corporation.

Directors of the Corporation	Other Directorships
Jerry Bulman	Kernow Resources and Development Ltd. Bold Ventures Inc.
Richard J. Mazur	Forum Uranium Corp. Alto Ventures Ltd. Southwestern Resources Corp. Tanqueray Resources Ltd. Impact Silver Corp.
George M. Leary	Bayswater Uranium Corporation

Orientation and Continuing Education

The Corporation has not yet developed an official orientation or training program for new directors. As required, new directors will have the opportunity to become familiar with the Corporation by meeting with the other directors and with officers and employees. Orientation activities will be tailored to the particular needs and experience of each director and the overall needs of the Board.

Ethical Business Conduct

The Board monitors the ethical conduct of the Corporation and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges. The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

Nomination of Directors

The full Board will be involved in nomination of new candidates for board positions. Board members would be asked for recommendations of people that they know of or have heard of that would contribute to the success of the Corporation if added to the Board.

Compensation

The Corporation does not have a compensation committee as the Board is responsible for determining all forms of compensation, including long-term incentive in the form of stock options, to be grated to the Chief Executive Officer of the Corporation and the directors, and for reviewing the Chief Executive Officer's recommendations respecting compensation of the other officers of the Corporation, to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining the compensation of its officers, the Board considers: (i) recruiting and retaining executives critical to the success of the Corporation and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and the Corporation's shareholders; and (iv) rewarding performance, both on an individual basis and with respect to operations in general.

Other Board Committees

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

Assessments

Any committee of the Board and individual directors are assessed on an ongoing basis by the Board. The Board has not, as yet, adopted formal procedures for assessing the effectiveness of the Board, its Audit Committee or individual directors.

PLAN OF DISTRIBUTION

Offering

The Maximum Offering consists of 6,800,000 Common Shares and the Minimum Offering consists of 6,000,000 Common Shares at the Offering Price of $0.25 per share, to raise gross proceeds of $1,700,000, assuming completion of the Maximum offering, or $1,500,000, assuming completion of the Minimum Offering.

Agent's Obligations

Pursuant to the Agency Agreement, the Corporation engaged the Agent as its exclusive Agent for the purposes of the Offering, and the Corporation, through the Agent, hereby offers for sale to the public under this Prospectus, on a commercially-reasonable efforts basis, the Common Shares to be issued and sold at $0.25 per share, subject to prior sale if, as and when issued.

Subscriptions for shares will be payable in cash to the Corporation against delivery of certificates representing the securities. Subscriptions for Common Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Offering Price was established through negotiation between the Corporation and the Agent. The Agent has agreed to use its commercially-reasonable efforts to secure subscriptions for the shares offered pursuant to the Offering in the provinces of British Columbia, Alberta and Ontario. This Prospectus qualifies the distribution of the Common Shares to the Subscribers in those jurisdictions. The Agent may, in connection with the Offering and in its sole discretion, retain one or more licensed dealers, brokers and investment dealers (referred to herein as the "**Selling Firms**") as sub-Agents and may receive subscriptions for shares from such Selling Firms.

The Closing Date will not occur later than the date that is 90 days after a receipt is issued for the final Prospectus unless an extension to this date is granted by the applicable regulatory authorities.

If subscriptions for the Minimum Offering are not received on or before the later of 90 days after the date of issue of the receipt for the final Prospectus and the expiration date of any extension thereof granted by the applicable authorities, all subscription funds will be returned to the subscribers promptly without interest or deduction. Subscription proceeds will be held by the Agent pending the Closing Date.

Unless an amendment to the final Prospectus is filed and a receipt has been issued for the amendment, the distribution must cease within 90 days after the date of the receipt for the final Prospectus. Unless a further amendment to the final Prospectus is filed and a receipt has been issued for the further amendment, the distribution must cease within 90 days after the date of the receipt for the amendment to the final Prospectus. The distribution must not end more than 180 days from the date of receipt for the final Prospectus.

The Agent is not obligated to purchase shares in connection with this Offering. The duties and obligations of the Agent under this Offering are subject to the Agency Agreement, which may be terminated at any time in the Agent's discretion on the basis of its assessment of the state of the financial markets, and may also be terminated upon the occurrence of certain other events.

Agent's Compensation

In consideration for its services in connection with the Offering, the Corporation has agreed to pay the Agent a cash commission equal to 10% of the gross proceeds of the Offering. The Agent will also receive a Corporate Finance Fee in the amount of $25,000 (plus GST), of which $12,500 has been paid by the Corporation, with the balance of $12,500 (plus GST) payable on the Closing Date of the Offering. In addition, the Agent is entitled to receive, upon successful completion of the Offering, as part of its remuneration, Agent's Warrants entitling the Agent to purchase that number of Agent's Warrant Shares that is equal to 10% of the number of Common Shares sold pursuant to this Offering. The Agent's Warrants will be exercisable to acquire Agent's Warrant Shares at a price of $0.25 per Agent's Warrant Share for a period of 24 months after the Closing Date. This Prospectus qualifies the distribution of the Agent's Warrants to the Agent.

Listing Application

The Corporation has applied to list the Common Shares under this Prospectus on the Exchange. The listing will be subject to the Corporation fulfilling the listing requirements of the Exchange.

As at the date of this Prospectus, the Corporation does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto

Stock Exchange, a U.S. marketplace, or a marketplace outside Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

RISK FACTORS

The securities offered hereunder must be considered highly speculative due to the nature of the Corporation's business and its present stage of development. Prospective investors should carefully consider the information presented in this Prospectus before purchasing the Common Shares offered under this Prospectus, which includes, but is not limited to, the following risk factors:

Limited Operating History

The Corporation has no history of earnings. The Corporation's properties are in the exploration stage and there are no known commercial quantities of mineral reserves on the Corporation's properties. The purpose of this Offering is to raise funds to carry out exploration and development on the Mount Thomlinson Property with the objective of establishing economic quantities of mineral reserves.

Title Risks

Although the Corporation has exercised the usual due diligence with respect to determining title to properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Corporation's mineral property interests may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. Surveys have not been carried out on any of the Corporation's mineral properties in accordance with the laws of the jurisdiction in which such properties are situated; therefore, their existence and area could be in doubt. Until competing interests in the mineral lands have been determined, the Corporation can give no assurance as to the validity of title of the Corporation to those lands or the size of such mineral lands.

Exploration and Development

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

All of the claims owned by or in which the Corporation has a right to acquire an interest, are in the exploration stage and are without a known body of commercial ore. Development of the subject mineral properties would follow only if favourable exploration results are obtained.

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. There is no assurance that the Corporation's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Corporation's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors.

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

Uninsurable Risks

Exploration, development and production of mineral properties is subject to certain risks, and in particular, unexpected or unusual geological operating events including rock bursts, cave-ins, fires, floods and earthquakes. It is not always possible to insure fully against such risks and the Corporation may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise, they could have an adverse impact on the Corporation's operations and could reduce or eliminate any future profitability and result in increased costs and a decline in the value of the securities of the Corporation. The Corporation does not currently have insurance.

Environmental Regulations, Permits and Licenses

The Corporation's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Corporation intends to comply fully with all environmental regulations.

The current or future operations of the Corporation, including development activities and commencement of production on its properties, may require the Corporation to obtain permits from various federal, provincial or territorial and local governmental authorities and agencies, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

There can be no assurance, however, that all permits that the Corporation may require for its operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations will not have an adverse effect on any mining project which the Corporation might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Corporation and cause an increase in capital expenditures or production costs, or a reduction in production levels for producing properties, or require abandonment or delays in the development of new mining properties.

To the best of the Corporation's knowledge, it is operating in compliance with all applicable rules and regulations.

Competition

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

Management

The success of the Corporation is currently largely dependent on the performance of its directors and officers. There is no assurance the Corporation can maintain the services of its directors and officers or other qualified personnel required to operate its business. The loss of the services of these persons could have a material adverse affect on the Corporation and its prospects.

Fluctuating Metal Prices

The Corporation's success will be linked to the price of precious and base metal prices as its revenues will be derived primarily from mining. Precious and base metal prices are affected by numerous factors which are beyond the Corporation's control, including central bank sales, producer hedging activities, the relative exchange rate of the U.S. dollar with other major currencies, global and regional demand and political and economic conditions. Worldwide precious and base metal production levels also affect prices. In addition, the price of precious and base metals has on occasion been subject to rapid short-term changes due to speculative activities.

Future Financings

The continued operation of the Corporation will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financings can be obtained on terms acceptable to the Corporation. Failure to obtain additional financing on a timely basis may cause the Corporation to postpone development plans, forfeit rights in some or all of its properties or joint ventures, or reduce or terminate some or all of its operations.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of volatility, and the market prices of securities of many companies have experienced wide fluctuations that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends and conditions generally, notwithstanding any potential success of the Corporation in creating revenues, cash flows or earnings. The value of securities distributed hereunder will be affected by market volatility.

Before this Offering, there has been no public market for the Corporation's Common Shares. An active public market for the Common Shares might not develop or be sustained after this Offering. The initial public offering price of the Common Shares has been determined by negotiation between the Corporation and the Agent and this price will not necessarily reflect the prevailing market price of the Common Shares following this Offering. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline below the initial public offering price.

Conflicts of Interest

Some of the directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other companies, and situations may arise where these directors and officers will be in direct competition with the Corporation. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the *Business Corporations Act* (British Columbia).

Tax Issues

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

Dividends

The Corporation has not paid any dividends on its Common Shares since incorporation and does not anticipate paying any dividends on its Common Shares in the foreseeable future. The Corporation has a limited operating history and there can be no assurance of its ability to operate its projects profitably.

PROMOTERS

Peter R. Hughes, the CEO of the Corporation, and Robert W. Anderson, the CFO and director of the Corporation, are the promoters of the Corporation within the meaning of applicable securities legislation. See “Directors and Executive Officers” for voting and equity securities of the Corporation held by Peter R. Hughes and Robert W. Anderson.

Peter R. Hughes and Robert W. Anderson each receive $4,500 per month for their services as CEO and CFO, respectively. See “Interest of Management And Others In Material Transactions.” As of the date of this Prospectus, each of Peter R. Hughes and Robert W. Anderson owns 450,000 Common Shares, representing 3.9%, respectively, of the issued and outstanding Common Shares of the Corporation. See “Director and Executive Officers”.

LEGAL PROCEEDINGS

The Corporation is not a party to any material legal proceedings and does not know of any such proceedings that are contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as set out herein, the directors, senior officers and principal shareholders of the Corporation or any associate or affiliate of the foregoing have had no material interest, direct or indirect, in any transaction in which the Corporation has participated since its incorporation, or will have any material interest in any proposed transaction, which has materially affected or will materially affect the Corporation.

During the period from incorporation to the present, RWA, a company wholly-owned by Robert W. Anderson, the CFO and a director of the Corporation, has provided office, administrative and accounting services to the Corporation under an oral agreement. Effective February 1, 2007, RWA receives $7,500 per month, of which $3,000 is allocable to rent, office services and overhead, and $4,500 is allocable to Mr. Anderson for his services to the Corporation as CFO and manager.

Pursuant to an oral agreement effective February 1, 2007, Peter R. Hughes, the CEO of the Corporation receives $4,500 per month for his services to the Corporation as CEO.

Pursuant to an oral agreement effective October 17, 2007, Jerry Bulman, the Executive Chairman of the Board of the Corporation, receives $2,500 per month for his services to the Corporation as Executive Chairman.

Pursuant to the Property Purchase Agreement, the Corporation is acquiring 100% of the Mount Thomlinson Property from Cadre, a company wholly-owned by Andrew Molnar, a director of the Corporation. See “Description of Business”.

RELATIONSHIP BETWEEN THE CORPORATION AND AGENT

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

AUDITORS, TRANSFER AGENT AND REGISTRAR

Auditors

The current auditors of the Corporation are PricewaterhouseCoopers LLP, Chartered Accountants, of Suite 700-250 Howe Street, Vancouver, British Columbia, V6C 3S7. The auditors for the fiscal year ended December 31, 2005 were Staley, Okada & Partners, Chartered Accountants, who joined PricewaterhouseCoopers LLP in 2006.

PricewaterhouseCoopers LLP report that they are independent of the Corporation in accordance with the Professional Rules of Conduct of the Institute of Chartered Accountants of British Columbia. Staley, Okada & Partners, Chartered Accountants, the former auditors, report that they are independent of the Corporation in accordance with the Professional Rules of Conduct of the Institute of Chartered Accountants of British Columbia.

Transfer Agent and Registrar

The transfer agent and registrar of the Corporation is Computershare Investor Services Inc., of 510 Burrard Street, 3rd Floor, Vancouver, British Columbia, V6C 3B9.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Corporation to the date this Prospectus which are considered to be material:

1. Escrow Agreement dated June 5, 2008 among the Corporation, Computershare and certain shareholders of the Corporation.

2. Agency Agreement dated November 8, 2006, as amended and restated November 30, 2006, March 30, 2007, July 25, 2007, March 18, 2008, and June 3, 2008 between the Corporation and the Agent.

3. Value Security Escrow Agreement dated January 31, 2008 among the Corporation, Computershare and certain shareholders of the Corporation.

4. Option Agreement dated January 29, 2007 among the Corporation, Dr. Ronald Hugh McMillan and Mr. Ronald Ross Blusson.

5. Registrar and Transfer Agent Agreement dated July 6, 2006 between the Corporation and Computershare.

6. Property Purchase Agreement dated December 16, 2005, as amended September 7, 2007 and January 17, 2008, between the Corporation and Cadre.

A copy of any material contract and the Technical Report may be inspected during the period that the Common Shares are offered under this Prospectus and for a period of 30 days thereafter during normal business hours at the Corporation's offices at Suite 821 – 475 Howe Street, Vancouver, British Columbia, V6C 2B3.

EXPERTS

Names

Certain legal matters related to this Offering will be passed upon on behalf of the Corporation by Lang Michener LLP, and on behalf of the Agent by Gowling Lafleur Henderson LLP.

Gregory R. Thomson, P.Geo. and Derrick Strickland, P.Geo, MBA prepared the Technical Report in accordance with NI 43-101 on behalf of the Corporation.

Interest of Experts

Except as disclosed below, there is no beneficial interest, direct or indirect, in any securities in excess of one percent of the Corporation's issued capital, or in the property of the Corporation or of an associate or affiliate of the Corporation, held by a professional person as referred to in section 106(2) of the Rules under the *Securities Act* (British Columbia), a responsible solicitor or any partner of a responsible solicitor's firm or by any person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Prospectus or prepared or certified a report or valuation described or included in this Prospectus. No such person is or is expected to be elected, appointed or employed as a director or employee of the Corporation.

As at the date hereof, David J. Cowan, a partner of Lang Michener LLP, directly owns 350,000 Common Share of the Corporation which represents 3.0% total and outstanding issued Common Shares of the Corporation.

OTHER MATERIAL FACTS

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

PURCHASERS' STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

Securities legislation in certain provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, 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 or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

FINANCIAL STATEMENT DISCLOSURE FOR CORPORATION

Attached to and forming a part of this Prospectus are the balance sheets of the Corporation as at December 31, 2005, December 31, 2006 and December 31, 2007, and for the three month period ended March 31, 2008 (unaudited), and the statements of loss and deficit and cash flows for the years ended December 31, 2006, and for the three month period ended March 31, 2008 (unaudited).

SCHEDULE "A"

MOLYSTAR RESOURCES INC.
(the "Company")

FINANCIAL STATEMENTS

Molystar Resources Inc.

(formerly AMH Mining Corp.)
(an exploration stage company)

Interim Financial Statements
Three month period ended March 31, 2008
(expressed in Canadian dollars)
(unaudited)

Molystar Resources Inc.
(formerly AMH Mining Corp.)
(an exploration stage company)
Interim Balance Sheet
(expressed in Canadian dollars)
(unaudited)

	March 31, 2008 $	December 31, 2007 $
Assets		
Current assets		
Cash	11,993	13,756
Accounts receivable and prepaid expenses	36,833	24,671
Due from a related party	-	5,000
Subscriptions receivable	-	37,500
	48,826	80,927
Deferred share issuance costs (note 3)	171,638	165,638
Reclamation bonds (note 4)	12,000	12,000
Mineral properties (note 4)	435,604	396,849
	668,068	655,414
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	156,768	162,497
Due to related parties	37,739	19,192
Promissory note payable (note 4)	25,000	25,000
	219,507	206,689
Shareholders' Equity		
Share subscriptions	-	37,500
Share capital (note 5)	1,049,402	959,441
Contributed surplus – stock options (note 5(b))	53,868	53,868
Deficit	(654,709)	(602,084)
	448,561	448,725
	668,068	655,414

Going concern (note 1)

Subsequent events (note 9)

Approved by the Board of Directors

"Robert W. Anderson" Director

"Richard J. Mazur" Director

See accompanying notes.

Molystar Resources Inc.

(formerly AMH Mining Corp.)
(an exploration stage company)
Interim Statement of Operations, Comprehensive Loss and Deficit
(expressed in Canadian dollars)
(unaudited)

	Three months ended March 31, 2008 $	Three months ended March 31, 2007 $
General and Administrative Expenses		
Amortization	-	412
Bank charges and interest	68	1,527
Consulting (note 6)	7,500	5,500
Investor relations	-	605
Management fees	33,070	24,474
Office and miscellaneous	11,389	10,126
Professional fees	12,000	16,371
Travel	1,393	2,182
Loss before other items	65,420	61,197
Other expenses		
General exploration	-	6,000
Loss before income taxes	65,420	67,197
Future income tax recovery (note 5(a))	(12,795)	(66,534)
Loss and comprehensive loss for the period	52,625	663
Deficit - Beginning of period	602,084	319,891
Deficit - End of period	654,709	320,554
Basic loss per share	0.01	0.00
Weighted average number of common shares	11,061,855	14,725,451

See accompanying notes.

Molystar Resources Inc.

(formerly AMH Mining Corp.)
(an exploration stage company)
Interim Statement of Cash Flows
(expressed in Canadian dollars)
(unaudited)

	Three months ended March 31, 2008 $	Three months ended March 31, 2007 $
Cash flows from operating activities		
Loss for the period	(52,625)	(663)
Items not affecting cash		
Amortization	-	412
Future income tax recovery on flow through shares	(12,795)	(66,534)
	(65,420)	(66,785)
Change in non-cash working capital		
Accounts receivable and prepaid expenses	(7,162)	(16,943)
Accounts payable and accrued liabilities	53,428	16,684
	(19,154)	(67,044)
Cash flows from investing activities		
Mineral property expenditures	(13,755)	(51,422)
	(13,755)	(51,422)
Cash flows from financing activities		
Shares issued for cash	77,756	239,250
Share issuance costs	(46,610)	(2,500)
	31,146	263,750
Net increase (decrease) in cash and cash equivalents	(1,763)	118,284
Cash and cash equivalents - Beginning of period	13,756	184,166
Cash and cash equivalents - End of period	11,993	302,450
Supplementary schedule of non-cash transactions		
Shares issued for services	-	23,738
Shares issued for mineral properties	25,000	25,000

See accompanying notes.

1 Organization, going concern and basis of presentation

The Company was incorporated as AMH Mining Corp. by a Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (British Columbia) on November 17, 2005. On February 7, 2007, the Company received shareholder approval to change its name, and on February 13, 2007, the name was officially changed to Molystar Resources Inc. Its principal business activities are the exploration and development of resource properties. All of the Company's properties are located in British Columbia.

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

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Several adverse conditions cast substantial doubt on the validity of this assumption. The Company has incurred operating losses over the past fiscal periods (period ended March 31, 2008 - $52,625; year ended December 31, 2007 - $282,193; year ended December 31, 2006 - $312,260) with an accumulated deficit of $654,709. At March 31, 2008 the Company has a working capital deficit of $170,681 and has limited financial resources, no source of operating cash flow, and no assurances that sufficient funding, including adequate financing, will be available to conduct further exploration and development of its mineral property projects.

The Company's ability to continue as a going concern is dependent upon its ability to obtain additional financing (note 9). However, there can be no assurance that management's actions will be successful.

If the going concern assumption were not appropriate for these financial statements then adjustments would be necessary in the carrying value of assets, liabilities, the reported income and expenses and the balance sheet classifications used. These adjustments could be material.

These financial statements of the Company have been prepared in accordance with generally accepted accounting principles in Canada (GAAP). In the opinion of management, all adjustments considered necessary for fair presentation have been included in the financial statements.

2 Significant accounting policies

These interim financial statements of Molystar Resources Inc. have been prepared in accordance with accounting principles generally accepted in Canada and follow the same accounting policies and methods of their application as the most recent annual financial statements.

The interim financial statements do not conform in all respects with the requirements of annual financial statements and should be read in conjunction with the Company's financial statements for the year ended December 31, 2007. In the opinion of management, all of the adjustments necessary to fairly present the interim financial statements set forth herein have been made. The interim results are not necessarily indicative of results for a full year.

During the quarter, the Company adopted four new presentation and disclosure standards that were issued by the Canadian Institute of Chartered Accountants: Handbook Section 1535, Capital Disclosures ("Section 1535"), Handbook Section 3031, Inventories ("Section 3031"), Handbook Section 3862, Financial Instruments – Disclosures ("Section 3862") and Handbook Section 3863, Financial Instruments – Presentation ("Section 3863").

Section 1535 requires the disclosure of both qualitative and quantitative information that enables users of financial statements to evaluate (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance. See Note 7 to these unaudited interim financial statements for disclosures relating to Section 1535.

Section 3031 provides guidance on the determination of costs and their subsequent recognition as an expense, including any write-down to net realizable value. It also provides guidance on the types of costs that should be included in inventory. This standard had no impact on the Company's financial statements.

Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments – Disclosure and Presentation, revising and enhancing its disclosure requirements and carrying forward unchanged its presentation requirements for financial instruments. Sections 3862 and 3863 place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks. See Note 8 to these unaudited interim financial statements for disclosures relating to Sections 3862 and 3863.

Effective January 1, 2009, the Company will adopt Section 3064 which establishes revised standards for recognition, measurement, presentation and disclosure of goodwill and intangible assets. Concurrent with the introduction of this standard, the CICA withdrew EIC 27, Revenues and Expenses During the Pre-operating Period. As a result of the withdrawal of EIC 27, the Company will not be able to defer costs and revenues incurred prior to commercial production at new mine operations.

(expressed in Canadian dollars)

3 Deferred share issuance costs

As at March 31, 2008, the Company paid or accrued a total of $171,638 in financing costs, consisting of $16,000 in accounting fees, $18,410 in regulatory fees, and $124,728 for legal and $12,500 for corporate financing fees related to the initial public offering (IPO). Costs will be charged against the gross proceeds raised from the IPO or charged to operations if the offering does not complete.

4 Mineral properties

	December 31, 2007 $	Acquisition costs $	Deferred exploration costs $	March 31, 2008 $
Mount Thomlinson	331,579	-	12,704	344,283
Kisgegas	65,270	25,000	1,051	91,321
	396,849	25,000	13,755	435,604

A breakdown of the exploration expenditures by type incurred during the period is as follows:

	Mount Thomlinson $	Kisgegas $
Balance - December 31, 2007	331,579	65,270
Acquisition costs	-	25,000
Claim renewals	1,565	1,051
Management and planning	5,584	-
Storage	5,555	-
Balance - March 31, 2008	344,283	91,321

On December 16, 2005, the Company signed an agreement with Cadre Capital Incorporated (Cadre), a company with a director in common, to purchase a 100% interest in the Mount Thomlinson molybdenum/copper project which is located northwest of Hazelton, British Columbia and the Forster Creek project which is located west of Invermere, British Columbia, through an issuance of 5,000,000 shares valued at $100,000 and a $50,000 payment to Cadre.

Management has allocated $125,000 to Mount Thomlinson and $25,000 to the Forster property as acquisition costs. During the prior year, the Company and Cadre renegotiated the payment terms of the purchase agreement with the number of shares issued for the properties reduced from 5,000,000 to 1,000,000 common shares, the addition of a 2% Net Smelter Royalty (NSR) and the issuance of a promissory note of $25,000 This promissory note is non-interest bearing with a repayment term of one year. The Company has a right to repurchase the entire NSR for $500,000 for the first 1% and $1,000,000 for the second 1% for a total purchase price of $1,500,000. The Company has accounted for this transaction as a renegotiation of the payment terms without impacting the fair value of the property, therefore share capital has been reduced upon the issuance of the promissory note payable. During the previous year, the Company wrote-off the Forster claims as they no longer fit the business plan.

On January 29, 2007, the Company entered into an option agreement with Ron McMillan and Ross Blusson for the purchase of the Kisgegas and associated properties located just north of Mount Thomlinson. The terms of the agreement call for an issuance of 150,000 common shares on signing (issued), the issuance of 150,000 common shares on or before January 29, 2008 (issued), payments of $25,000 on or before January 29, 2009, 2010 and 2011 and then payments on or before January 29, 2012 of $50,000, on or before January 29, 2013 of $125,000, on or before January 29, 2014 and 2015 of $150,000 each, and on or before January 29, 2016 and 2017 of $200,000 each. The option agreement also includes a NSR of 2%.

The exploration permits for the Mount Thomlinson and Kisgegas properties call for a refundable reclamation bond of $6,000 each for the exploration site and camp (paid). The bonds are held by the Ministry of Energy, Mines and Petroleum Resources.

(expressed in Canadian dollars)

5 Share capital

Authorized

Unlimited common shares without par value

Issued and fully paid

	Number of shares	Amount $
Cash	1	1
Balance - December 31, 2005	1	1
Repurchase	(1)	(1)
Issued and fully paid		
Cash	8,208,665	629,200
Acquisition of mineral property	5,000,000	100,000
Shares issued for services	103,000	2,300
Share issuance costs	-	(64,750)
Balance - December 31, 2006	13,311,665	666,750
Issued and fully paid		
Cash	2,411,500	361,725
Acquisition of mineral property	150,000	25,000
Shares issued for finders' fees	158,250	23,738
Renegotiation of acquisition of mineral property (note 4)	(4,000,000)	(25,000)
Roll back of founders shares by 30%	(1,290,000)	-
Flow-through share renunciation - tax effect	-	(66,534)
Share issuance costs	-	(26,238)
Balance - December 31, 2007	10,741,415	959,441
Cash	345,000	77,756
Acquisition of mineral property	150,000	25,000
Flow-through share renunciation - tax effect	-	(12,795)
Balance - March 31, 2008	11,236,415	1,049,402

a) Share capital

During the period, the Company issued 195,000 common shares at $0.15 per share with total proceeds of $29,250. The Company issued 150,000 common shares allotted at year end for gross proceeds of $37,500.The Company issued 150,000 common shares at $0.1667 per share in connection with the option on the Kisgegas project and received $11,006 for re-pricing of founders shares.

During the year ended December 31, 2007, the Company raised a total of $37,500 through the issuance of flow –through shares, which funds have been expended on qualifying expenditures and renounced, for income tax purposes, to the flow-through investors with an effective date of renunciation of December 31, 2007. This transaction was accounted for in the current period as the renunciation was made in this fiscal period. Income tax recovery of 12,795 has been recorded in the statement of operations.

During the prior year, the Company issued 2,411,500 common shares at $0.15 per share with total proceeds of $361,725. The Company issued 150,000 common shares at $0.1667 per share in connection with the option on the Kisgegas project and issued 158,250 common shares at $0.15 per share for finders' fees.

During the prior year, the Company issued 4,197,000 common shares at $0.02 per share with total proceeds of $83,700; 2,050,000 shares were subscribed by directors and officers of the Company. The Company also issued 5,000,000 common shares at $0.02 per share in connection with the purchase of Mount Thomlinson. Due to changes in the TSX policies, the property purchase shares were renegotiated down by 4,000,000 shares to 1,000,000 shares and the founders cancelled 1,290,000 of their shares to comply with the new policy.

During the prior year, the Company issued 2,685,000 common shares at a price of $0.10 per share for total gross proceeds of $268,500.

During the prior year, the Company issued 546,665 common shares for at a price of $0.15 per share for total proceeds of $82,000.

During the prior year, the Company issued 780,000 flow-through shares for at a price of $0.25 per share for total proceeds of $195,000.

During the prior year, the Company issued 103,000 shares for a deemed value of $2,300.

b) Stock options

On November 28, 2007, the Company revised the granted stock options in accordance with its share option plan to directors, officers and consultants exercisable to 1,685,000 common shares in the Company at a price of $0.25 per share for five years from date of listing. The options vest contingent on the IPO. Due to the changing share structure and directors and officers over the previous two years this grant superseded all previous granting of options. This was accounted as a modification with no incremental addition to the fair value for the stock options granted in the year 2006.

On June 18, 2007, the Company granted stock options in accordance with its share option plan to directors, officers and consultants exercisable for up to 500,000 common shares in the Company at a price of $0.25 per share for five years from date of listing.

On December 11, 2006, the Company granted stock options in accordance with its share option plan to directors, officers and consultants exercisable for up to 1,250,000 common shares in the Company at a price of $0.25 per share for five years. The estimated fair value of the options was $53,868. Assumptions used were expected volatility 0%, risk free rate 3.82%-4.62%, expected life 5 years and dividend yield of nil.

6 Related party balances and transactions

Except as disclosed elsewhere in these financial statements, related party transactions are as follows:

a) During the current period, $10,400 (2007 - $32,500) was paid to a company owned by a director of the company for office sharing.

b) During the current period, Nil (2007 - $60,440) was paid to a company owned by a director of the Company for geological consulting services.

c) During the current period, management fees of $37,000 (2007 - $139,000) were paid or accrued to an officer, a director, and a company with a director in common.

d) At the period end there was a balance due to related parties of $37,739.

7 Capital Management

a) The capital structure of the Company consists of equity attributable to common shareholders and includes share capital, contributed surplus, accumulated other comprehensive income and deficit.

b) The Company manages its capital to maximize its ability to be able to continue as a going concern and have sufficient capital to develop its mining projects and take them to production. The Company's present overall capital risk management strategy remains unchanged from 2007.

c) The Company is not subject to any externally imposed capital requirements

8 Financial Instruments

The fair values of financial instruments at March 31, 2008 and December 31, 2007 is summarized as follows:

	March 31, 2008		December 31, 2007	
Financial Assets	**Estimated Fair Value**	**Carrying Value**	**Estimated Fair Value**	**Carrying Value**
Cash	11,993	11,993	13,756	13,756
Accounts Receivable	36,833	36,833	24,671	24,671
Due from a related party	-	-	5,000	5,000
Subscriptions receivable	-	-	37,500	37,500
Reclamation bonds	12,000	12,000	12,000	12,000
Financial Liabilities				
Accounts payable	156,768	156,768	162,497	162,497
Due to related parties	37,739	37,739	19,192	19,192
Promissory note payable	25,000	25,000	25,000	25,000

Fair values of financial assets and liabilities are made on the balance sheet date based on market information, if available, or other information about the financial instruments.

The Company reviews the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk, interest rate risk and other price risks.

Credit Risk
Credit risk is the risk that one party to a financial instrument will fail to fulfill an obligation and cause the other party to incur a financial loss. The Company's credit risk is limited to cash and other receivables. The Company invests its cash balances in high grade Canadian securities, and not asset-backed commercial paper, in accordance with its Board approved investment policy. Other receivables represent amounts owed to the Company by the Canadian Revenue Agency for GST refunds, all of which are expected to be collected in 2008.

Currency Risk
The Company principally operates in Canada. and is therefore not exposed to currency fluctuations denominated in currencies other than the Canadian dollar, the Company's functional currency. The Company's cash and other receivables, and accounts payable are held in Canadian dollars and are therefore not subject to fluctuations.

Interest Rate Risk
The Company's interest rate risk is limited to the risk that the fair value of future cash flows from a financial instrument will fluctuate as a result of changes in market prices. The Company's financial assets and liabilities are not exposed to significant interest rate risk due to their short-term nature. The Company's investment policy focuses on the preservation of capital and limits investments of excess cash into high grade Canadian debt securities.

Liquidity Risk
Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company has a planning and budgeting process in place to determine the funds required to support its ongoing operating requirements and capital expenditure plans. The Company manages liquidity by appropriately raising equity, if required, to meet its short-term operating requirements, and holdings of cash . The Company does not invest in asset-backed commercial paper.

Commodity Price Risk
The Company is still in the exploration stage and is not subject to commodity price risk.

9 Subsequent events

a) Subsequent to the quarter end the Company issued 270,000 common shares at $0.15 per share for total proceeds of $40,500.

b) The Company is in the process of filing a prospectus with the British Columbia, Alberta and Ontario Securities Commissions offering a minimum 6,000,000 and a maximum 6,800,000 common shares at $0.25 per share as an initial public offering to raise gross proceeds of between $1,500,000 and $1,700,000. Pursuant to a term sheet with Global Securities Corporation (the "Agent"), the Agent will receive a cash commission of 10% of the gross proceeds, be paid a corporate finance fee of $25,000, will be reimbursed by the Corporation for its reasonable expenses and legal fees plus disbursements and be granted Agent's warrants, equal to 10% of the total shares sold, at a price of $0.25 per common share which may be exercised for a period of 24 months from closing date. The proposed transaction is subject to regulatory approval.

PRICEWATERHOUSECOOPERS

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July 11, 2008

AUDITOR'S CONSENT

We have read the prospectus of Molystar Resources Inc. (formerly AMH Mining Corp.) dated July 11, 2008 relating to the issuance and sale of a maximum of 6,800,000 Common Shares and a minimum of 6,000,000 Common Shares at $0.25 per share. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above-mentioned prospectus of our report to the directors of the Corporation on the balance sheets of the Corporation as at December 31, 2006 and 2007, and the statement of operations, comprehensive loss, deficit and cash flows for the year ended December 31, 2006 and 2007. Our report is dated June 6, 2008.

PricewaterhouseCoopers LLP

Chartered Accountants
Vancouver, Canada
July 11, 2008

AUDITORS' CONSENT

We have read the prospectus of Molystar Resources Inc. (formerly AMH Mining Corp.) dated July 11, 2008 relating to the issuance and sale of a maximum of 6,800,000 Common Shares and a minimum of 6,000,000 Common Shares at $0.25 per share. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above-mentioned prospectus of our report to the directors of the Corporation on the balance sheet of the Corporation as at December 31, 2005, and the statement of loss and deficit and cash flows for the period ended December 31, 2005. Our report is dated July 5, 2006.

"Staley, Okada & Partners"

Vancouver, B.C.
July 11, 2008

STALEY, OKADA & PARTNERS
CHARTERED ACCOUNTANTS

Molystar Resources Inc.

(formerly AMH Mining Corp.)
(an exploration stage company)

Financial Statements
December 31, 2007 and 2006
(expressed in Canadian dollars)

PRICEWATERHOUSECOOPERS

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Chartered Accountants
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Auditors' Report

To the Directors of
Molystar Resources Inc.

We have audited the balance sheets of **Molystar Resources Inc.** as at December 31, 2007 and 2006 and the statements of operations, comprehensive loss and deficit and cash flows for the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2007 and 2006 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants
Vancouver

June 6, 2008

Molystar Resources Inc.

(formerly AMH Mining Corp.)
(an exploration stage company)
Balance Sheet
(expressed in Canadian dollars)

	December 31, 2007 $	December 31, 2006 $
Assets		
Current assets		
Cash	13,756	184,166
Accounts receivable and prepaid expenses	24,671	4,396
Due from a related party (note 7)	5,000	-
Subscriptions receivable	37,500	-
	80,927	188,562
Deferred share issuance costs (note 3)	165,638	40,500
Reclamation bonds (note 5)	12,000	6,000
Equipment (note 4)	-	7,422
Mineral properties (note 5)	396,849	195,643
	655,414	438,127
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	162,497	37,400
Due to related parties (note 7)	19,192	-
Promissory note payable (note 5)	25,000	-
	206,689	37,400
Shareholders' Equity		
Share subscriptions	37,500	-
Share capital (note 6)	959,441	666,750
Contributed surplus - stock options (note 6(b))	53,868	53,868
Deficit	(602,084)	(319,891)
	448,725	400,727
	655,414	438,127

Going concern (note 1)

Subsequent events (note 9)

See accompanying notes.

Molystar Resources Inc.
(formerly AMH Mining Corp.)
(an exploration stage company)
Statement of Operations, Comprehensive Loss and Deficit
For the years ended December 31, 2007 and 2006
(expressed in Canadian dollars)

	2007 $	2006 $
Expenses		
Amortization	1,649	825
Bank charges and interest	6,197	276
Consulting	69,247	70,590
Investor relations	9,874	2,000
Management fees	100,710	112,307
Office and miscellaneous	37,041	33,341
Professional fees	35,900	33,296
Regulatory fees	5,993	2,471
Stock-based compensation (note 6(b))	-	53,868
Travel	5,903	2,667
Loss before other items	272,514	311,641
Other expenses		
General exploration	24,000	619
Write-off of mineral properties (note 5)	52,213	-
Loss before income taxes	348,727	312,260
Future income tax recovery (note 8)	(66,534)	-
Loss and comprehensive loss for the year	282,193	312,260
Deficit - Beginning of year	319,891	7,631
Deficit - End of year	602,084	319,891
Basic loss per share	0.02	0.05
Weighted average number of common shares	13,694,420	5,709,923

Molystar Resources Inc.
(formerly AMH Mining Corp.)
(an exploration stage company)
Statement of Cash Flows
(expressed in Canadian dollars)

	2007 $	2006 $
Cash flows from operating activities		
Loss and comprehensive loss for the year	(282,193)	(312,260)
Items not affecting cash		
Amortization	1,649	825
Consulting services paid with shares	-	2,300
Stock-based compensation	-	53,868
Write-off of mineral properties	52,213	-
Loss on sale of equipment	773	
Future income tax recovery (note 8)	(66,534)	-
	(294,092)	(255,267)
Change in non-cash working capital		
Accounts receivable ,prepaid expenses and due from related party	(25,275)	(4,216)
Accounts payable, accrued liabilities and due to related party.	71,633	29,596
	(247,734)	(229,887)
Cash flows from investing activities		
Mineral property expenditures	(217,851)	(45,643)
Purchase of property and equipment	-	(8,247)
Reclamation bonds paid	(6,000)	(6,000)
	(223,851)	(59,890)
Cash flows from financing activities		
Deferred share issuance costs	(58,050)	(40,500)
Promissory note payable	-	(50,000)
Shareholder advances	-	(25,000)
Repurchase of shares	-	(1)
Share subscriptions	-	(25,000)
Shares issued for cash	361,725	629,200
Share issuance costs	(2,500)	(64,750)
	301,175	423,949
(Decrease) increase in cash	(170,410)	134,172
Cash - Beginning of period	184,166	49,994
Cash - End of period	13,756	184,166

Molystar Resources Inc.

(formerly AMH Mining Corp.)
(an exploration stage company)
Statement of Cash Flows
(expressed in Canadian dollars)

Supplementary schedule of non-cash transactions

Shares issued for services	-	2,300
Shares issued for finders' fees	23,738	-
Shares issued for mineral properties	25,000	100,000
Stock-based compensation	-	53,868
Promissory note payable	25,000	-
Subscriptions receivable	37,500	-
Changes to Accounts Payable relating to investing activities	10,568	

1 Organization, going concern and basis of presentation

The Company was incorporated as AMH Mining Corp. by a Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (British Columbia) on November 17, 2005. On February 7, 2007, the Company received shareholder approval to change its name, and on February 13, 2007, the name was officially changed to Molystar Resources Inc. Its principal business activities are the exploration and development of resource properties. All of the Company's properties are located in British Columbia.

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

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Several adverse conditions cast substantial doubt on the validity of this assumption. The Company has incurred operating losses over the past fiscal periods (year ended December 31, 2007 - $282,193; year ended December 31, 2006 - $312,260) with an accumulated deficit of $602,084. At December 31, 2007 the Company has a working capital deficit of $125,762, and no assurances that sufficient funding, including adequate financing, will be available to conduct further exploration and development of its mineral property projects.

The Company's ability to continue as a going concern is dependent upon its ability to obtain additional financing (note 9). However, there can be no assurance that management's actions will be successful.

If the going concern assumption were not appropriate for these financial statements then adjustments would be necessary in the carrying value of assets, liabilities, the reported income and expenses and the balance sheet classifications used. These adjustments could be material.

These financial statements of the Company have been prepared in accordance with generally accepted accounting principles in Canada (GAAP). In the opinion of management, all adjustments considered necessary for fair presentation have been included in the financial statements.

2 Significant accounting policies

Fiscal period

The Company's fiscal year-end is December 31.

Cash and cash equivalents

For the purposes of reporting cash flows, the Company considers cash and cash equivalents to include amounts held in banks and highly liquid investments with maturities at the date of purchase of 90 days or less. The Company places its cash with institutions of high credit worthiness.

Mineral properties

Costs related to the acquisition, exploration, and development of mineral properties are capitalized by property until the commencement of commercial production. If commercially profitable reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit-of-production method. If, after management review, it is determined that capitalized acquisition, exploration and development costs are not recoverable over the estimated economic life of the property, or the property is abandoned, or management deems there to be an impairment in value, the property is written down to its net realizable value.

The amounts shown for mineral properties do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and the future profitable production or proceeds from the disposition thereof. Title to resource properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many resource properties. The Company has investigated title to all of its resource properties and, to the best of its knowledge, title to all of its properties is in good standing.

Amortization

Equipment is recorded at cost and amortized over its estimated useful life on the straight-line basis as follows: Furniture and fixtures **-** 5 years, with 50% in year of acquisition and disposal.

Impairment of long-lived assets

When events or changes in circumstances indicate that the carrying amounts of mineral properties and equipment may not be recoverable, management of the Company reviews and evaluates the carrying value of each asset for impairment. If the total estimated future cash flows on an undiscounted basis are less than the carrying amount of the asset, an impairment loss is measured and assets are written down to fair value which is normally the discounted value of future cash flows. Where estimates of future net cash flows are not available and where other conditions suggest impairment, management assesses whether the carrying value can be recovered by considering alternative methods of determining fair value. When it is determined that an asset is impaired, it is written down to its estimated fair value.

Asset retirement obligations

The Company accounts for asset retirement obligations (ARO) by recognizing the fair value of a liability for an ARO in the period in which it is incurred if a reasonable estimate of fair value can be made. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset. The Company has determined that it has no AROs at December 31, 2007 and December 31, 2006.

Loss per share

Basic loss per share is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings per share by application of the treasury stock method. At December 31, 2007 and December 31, 2006, the Company had no items that would have a dilutive effect on loss per share.

Fair value of financial instruments

The Company's financial instruments consist of cash, accounts receivable, due to/from related parties, subscription receivable, reclamation bonds, accounts payable and promissory note payable. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from the financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity for prompt liquidation.

Stock-based compensation

The Company applies the fair value method of accounting for all share options granted. Under this method, stock-based compensation on options granted to employees, directors and consultants is recorded as an expense or a charge to mineral properties in the period the options are vested, based on the estimated fair value at the measurement date using the Black-Scholes option pricing model.

Income taxes

Income taxes are calculated using the asset and liability method. Temporary differences arising from the difference between the tax basis of an asset or liability and its carrying amount on the balance sheet are used to calculate future income tax liabilities or assets. Future income tax assets and liabilities are measured using tax rates and laws that are expected to apply when the temporary differences are expected to reverse. Assets are recognized only to the extent it is more likely than not that they will be realized. A valuation allowance is provided against future income tax assets to the extent it is considered not likely that the future income tax assets will be realized.

Use of estimates

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the amounts reported in these financial statements and accompanying notes. Significant areas of estimation relate to the assessment of impairment of mineral claim interests and related deferred exploration costs, future site restoration costs and the future income tax asset valuation allowance. Actual results could differ from those estimates. By their nature, these estimates are subject to a degree of uncertainty, and the impact on the financial statements of future changes in such estimates could be material.

Share capital

The proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company.

Share capital issued for non-monetary consideration is recorded at an amount based on fair market value.

Deferred costs

Costs related to shares not yet issued are recorded as deferred costs. Deferred costs consist primarily of corporate finance fees and professional fees. These costs will be deferred until the issuance of the shares to which the costs relate, at which time, the costs will be charged against the related capital stock or charged to operations if the shares are not issued. Any financing costs, that do not directly relate to the issuance of shares are expensed as incurred.

Flow-through shares

The Company provides certain share subscribers with a flow-through component for tax benefits available on qualifying Canadian exploration expenditures. Upon renunciation to the shareholders, the Company reduces share capital and records a temporary future income tax liability for the amount of the tax deduction renounced to shareholders. In instances where the Company has sufficient deductible temporary differences available to offset the future income tax liability created from renouncing qualifying expenditures, the realization of the deductible temporary differences will be shown as a recovery in operations in the period of renunciation.

Recent accounting pronouncements

Effective January 1, 2007, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants (“CICA”).

(a) Section 3855, Financial Instruments – Recognition and Measurement and Section 3861, Financial Instruments – Disclosure and Presentation, prescribe the criteria for recognition and presentation of financial instruments on the balance sheet and the measurement of financial instruments according to prescribed classifications. These sections also address how financial instruments are measured subsequent to initial recognition and how the gains and losses are recognized.

The Company is required to designate its financial instruments into one of the following five categories: held for trading; available-for-sale; held to maturity; loans and receivables; and other financial liabilities. All financial instruments are to be initially measured at fair value. Financial instruments classified as held for trading or available-for-sale are subsequently measured at fair value with any change in fair value recorded in net earnings and other comprehensive income, respectively. All other financial instruments are subsequently measured at amortized cost.

The Company has designated its financial instruments as follows:

(i) Cash is classified as “Held-for-trading”.

(ii) Accounts receivable, due from related party, subscriptions receivable and reclamation bonds are classified as “Loans and Receivables”. These financial assets are recorded at values that approximate their amortized cost using the effective interest method.

(iii) Accounts payable and accrued liabilities, due to related parties and promissory note payable are classified as “Other Financial Liabilities”. These financial liabilities are recorded at values that approximate their amortized cost using the effective interest method.

(b) Section 1530, Comprehensive Income, introduces a new financial statement “Statement of Comprehensive Income” and provides guidance for the reporting and display of other comprehensive income. Comprehensive income represents the change in equity of an enterprise during a period from transactions and other events arising from non-owner sources including gains and losses arising on translation of self-sustaining foreign operations, gains and losses from changes in fair value of available-for-sale financial assets and changes in the fair value of the effective portion of cash flow hedging instruments. This standard did not impact the Company for the period ended December 31, 2007.

(c) Section 3865, Hedges, specifies the criteria under which hedge accounting may be applied, how hedge accounting should be performed under permitted hedging strategies and the required disclosures. This standard did not impact the Company for the period ended December 31, 2007.

Accounting Changes

Effective January 1, 2007, the Company adopted the revised CICA Handbook Section 1506 “Accounting Changes”, which requires that: (a) a voluntary change in accounting principals can be made if, and only if, the changes result in more reliable and relevant information, (b) changes in accounting policies are accompanied with disclosures of prior period amounts and justification for the change and (c) for changes in estimates, the nature and amount of the change should be disclosed. The Company has not made any voluntary change in accounting principles since the adoption of the revised standard.

General Standards on Financial Statement Presentation

CICA Handbook Section 1400, General Standards on Financial Statement Presentation, has been amended to include requirements to assess and disclose a company’s ability to continue as a going concern. The changes are effective for interim and annual financial statements beginning January 1, 2008. The Company does not expect the adoption of these changes to have an impact on its financial statements.

Capital Disclosures

CICA Handbook Section 1535, Capital Disclosures, establishes standards for disclosing information about the company's capital and how it is managed. Under this standard the Company will be required to disclose the following, based on the information provided internally to the company's key management personnel:

(i) qualitative information about its objectives, policies and processes for managing capital.
(ii) summary quantitative data about what it manages as capital.
(iii) whether during the period it complied with any externally imposed capital requirements to which it is subject.
(iv) when the company has not complied with such externally imposed capital requirements, the consequences of such non-compliance.

This standard is effective for interim and annual financial statements beginning on January 1, 2008. The Company has not yet determined the impact of the adoption of this change on the disclosure in its financial statements.

Goodwill and Intangible Assets

CICA Handbook Section 3064, Goodwill and Intangible Assets, establishes revised standards for recognition, measurement, presentation and disclosure of goodwill and intangible assets. Concurrent with the introduction of this standard, the CICA withdrew EIC 27, Revenues and Expenses during the preoperating period. As a result of the withdrawal of EIC 27, companies will no longer be able to defer costs and revenues incurred prior to commercial production at new mine operations. The changes are effective for interim and annual financial statements beginning January 1, 2009. The Company has not yet determined the impact of the adoption of this change on the disclosure in its financial statements.

Financial Instruments Disclosures

In March 2007, the CICA issued section 3862 *Financial Instruments – Disclosures* and Section 3863 *Financial Instruments – Presentation,* which together comprise a complete set of disclosure and presentation requirements that revise and enhance current disclosure requirements. Section 3862 requires disclosure of additional detail by financial asset and liability categories. Section 3863 establishes standards for presentation of financial instruments and non-financial derivatives. The standard deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset. These sections are effective January 1, 2008 but are not expected to have an impact on the Company's disclosure and presentation.

(expressed in Canadian dollars)

3 Deferred share issuance costs

As at December 31, 2007, the Company paid or accrued a total of $165,638 in financing costs, consisting of $16,000 in accounting fees, $18,410 in regulatory fees, and $118,728 for legal and $12,500 for corporate financing fees related to the initial public offering (IPO). Costs will be charged against the gross proceeds raised from the IPO or charged to operations if the offering does not complete.

4 Equipment

	December 31, 2007				December 31, 2006
	Cost $	Accumulated amortization $	Disposals $	Net $	Net $
Furniture and fixtures	8,246	2,474	(5,772)	-	7,422

All of the Company's furniture and equipment were sold at fair value to a company owned by a director of the company.

5 Mineral properties

	December 31, 2006 $	Acquisition costs $	Deferred exploration costs $	Write-off $	December 31, 2007 $
Mount Thomlinson	159,624	-	171,955	-	331,579
Forster	36,019	-	16,194	(52,213)	-
Kisgegas	-	25,000	40,270	-	65,270
	195,643	25,000	228,419	(52,213)	396,849

(expressed in Canadian dollars)

A breakdown of the exploration expenditures by type incurred during the year is as follows:

	Mount Thomlinson $	**Forster $**	**Kisgegas $**
Balance - December 31, 2006	159,624	36,019	-
Acquisition	-	-	25,000
Assays	51,792	-	-
Claim renewals	-	16,194	-
Geophysics	60,632		40,000
Management and planning	28,443	-	-
Maps and reports	16,371	-	270
Storage	14,717	-	-
Write-off	-	(52,213)	-
Balance - December 31, 2007	331,579	-	65,270

On December 16, 2005, the Company signed an agreement with Cadre Capital Incorporated (Cadre), a company with a director in common, to purchase a 100% interest in the Mount Thomlinson molybdenum/copper project which is located northwest of Hazelton, British Columbia and the Forster Creek project which is located west of Invermere, British Columbia, through an issuance of 5,000,000 shares valued at $100,000 and a $50,000 payment to Cadre.

Management has allocated $125,000 to Mount Thomlinson and $25,000 to the Forster property as acquisition costs. During the year, the Company and Cadre renegotiated the payment terms of the purchase agreement with the number of shares issued for the properties reduced from 5,000,000 to 1,000,000 common shares, the addition of a 2% Net Smelter Royalty (NSR) and the issuance of a promissory note of $25,000. This promissory note is non-interest bearing with a repayment term of one year. The Company has a right to repurchase the entire NSR for $500,000 for the first 1% and $1,000,000 for the second 1% for a total purchase price of $1,500,000. The Company has accounted for this transaction as a renegotiation of the payment terms without impacting the fair value of the property, therefore share capital has been reduced upon the issuance of the promissory note payable. During the year, the Company wrote-off the Forster claims as they no longer fit the business plan.

On January 29, 2007, the Company entered into an option agreement with Ron McMillan and Ross Blusson for the purchase of the Kisgegas and associated properties located just north of Mount Thomlinson. The terms of the agreement call for an issuance of 150,000 common shares on signing (issued), the issuance of 150,000 common shares on or before January 29, 2008 (subsequently issued), payments of $25,000 on or before January 29, 2009, 2010 and 2011 and then payments on or before January 29, 2012 of $50,000, on or before January 29, 2013 of $125,000, on or before January 29, 2014 and 2015 of $150,000 each, and on or before January 29, 2016 and 2017 of $200,000 each. The option agreement also includes a NSR of 2%.

The exploration permits for the Mount Thomlinson and Kisgegas properties call for a refundable reclamation bond of $6,000 each for the exploration site and camp (paid). The bonds are held by the Ministry of Energy, Mines and Petroleum Resources.

(expressed in Canadian dollars)

6 Share capital

Authorized
Unlimited common shares without par value

Issued and fully paid

	Number of shares	Amount $
Cash	1	1
Balance - December 31, 2005	1	1
Repurchase	(1)	(1)
Issued and fully paid		
Cash	8,208,665	629,200
Acquisition of mineral property	5,000,000	100,000
Shares issued for services	103,000	2,300
Share issuance costs	-	(64,750)
Balance - December 31, 2006	13,311,665	666,750
Issued and fully paid		
Cash	2,411,500	361,725
Acquisition of mineral property	150,000	25,000
Shares issued for finders' fees	158,250	23,738
Renegotiation of acquisition of mineral property (note 5)	(4,000,000)	(25,000)
Roll back of founders shares by 30%	(1,290,000)	-
Flow-through share renunciation - tax effect (note 8)	-	(66,534)
Share issuance costs	-	(26,238)
Balance - December 31, 2007	10,741,415	959,441
Allotted but not issued – flow-through shares	150,000	37,500
Balance - December 31, 2007	10,891,415	996,941

a) Share capital

During the year, the Company issued 2,411,500 common shares at $0.15 per share with total proceeds of $361,725. The Company issued 150,000 common shares at $0.1667 per share in connection with the option on the Kisgegas project and issued 158,250 common shares at $0.15 per share for finders' fees.

During the prior year, the Company issued 4,197,000 common shares at $0.02 per share with total proceeds of $83,700; 2,050,000 shares were subscribed by directors and officers of the Company. The Company also issued 5,000,000 common shares at $0.02 per share in connection with the purchase of Mount Thomlinson. Due to changes in TSX policies the property purchase shares were renegotiated down by 4,000,000 shares to 1,000,000 shares and the founders cancelled 1,290,000 of their shares to comply with the new policy.

During the prior year, the Company issued 2,685,000 common shares at a price of $0.10 per share for total gross proceeds of $268,500.

During the prior year, the Company issued 546,665 common shares at a price of $0.15 per share for total proceeds of $82,000.

During the prior year, the Company issued 780,000 flow-through shares at a price of $0.25 per share for total proceeds of $195,000.

During the prior year, the Company issued 103,000 shares for a deemed value of $2,300

b) Stock options

On November 28, 2007, the Company revised the granted stock options in accordance with its share option plan to directors, officers and consultants exercisable to 1,685,000 common shares in the Company at a price of $0.25 per share for five years from date of listing. The options vest contingent on the IPO. Due to the changing share structure and directors and officers over the previous two years this grant superseded all previous granting of options. This was accounted as a modification with no incremental addition to the fair value for the stock options granted in the year 2006.

On June 18, 2007, the Company granted stock options in accordance with its share option plan to directors, officers and consultants exercisable for up to 500,000 common shares in the Company at a price of $0.25 per share for five years from date of listing.

On December 11, 2006, the Company granted stock options in accordance with its share option plan to directors, officers and consultants exercisable for up to 1,250,000 common shares in the Company at a price of $0.25 per share for five years. The estimated fair value of the options was $53,868. Assumptions used were expected volatility 0%, risk free interest rate 3.82%-4.62%, expected life 5 years and dividend yield of nil.

(expressed in Canadian dollars)

7 Related party balances and transactions

Except as disclosed elsewhere in these financial statements, related party transactions are as follows:

a) During the current period, $32,500 (2006 - $30,000) was paid to a company owned by a director of the company for office sharing. Also the Company sold office furniture and equipment to this company for $5,000.

b) During the current period, $60,440 (2006 - $25,651) was paid to a company owned by a director of the Company for geological consulting services.

c) During the current period, management fees of $139,000 (2006 - $112,307) were paid or accrued to officers, a director, and a company with a director in common.

d) At the year end there was a balance due to related parties of $19,192.

8 Income taxes

a) Reconciliation of Canadian income taxes at statutory rates with the reported taxes is as follows:

	December 31, 2007 $	December 31, 2006 $
Loss before income taxes	348,727	312,260
Statutory tax rate	34.12%	34.12%
Provision for recovery of taxes at statutory rates	(118,985)	(106,543
Tax benefit not recognised on current year losses	34,421	86,972
Non-deductible and other items for tax purposes	18,030	19,571
Income tax recovery	(66,534)	-

Flow-through shares are shares issued by a company that incurs certain resource expenditures and renounces them for tax purposes thereby allowing the expenditures to flow-through to the subscriber who purchased the shares. Subscribers may in turn claim the expenditure as a deduction on their personal or corporate tax returns.

(expressed in Canadian dollars)

The total amount of funds raised through the sale of the flow-through shares must be spent on qualified mineral exploration. The proceeds from the flow-through common shares are restricted in use for certain qualifying Canadian Exploration Expenditures (CEE) under Canadian tax legislation.

During the year ended December 31, 2006, the Company raised a total of $195,000 through the issuance of flow-through shares, which funds have been expended on qualifying expenditures and renounced, for income tax purposes, to the flow-through investors with an effective date of renunciation of December 31, 2006. This transaction was accounted for in the current period as the renunciation was made in this fiscal year.

b) The significant components of future tax assets and liabilities are as follows:

	December 31, 2007 $	**December 31, 2006 $**
Long-term future tax assets		
Financing costs	18,328	-
Operating loss carryforwards	171,052	90,760
Less: income tax recovery	(66,534)	-
Total long-term future tax assets	122,846	90,760
Less: Valuation allowance	(122,846)	(90,760)
	-	-

c) The Company has non-capital loss carry forwards available to reduce future taxable income as follows:

Year of Expiry	Amount
2015	$7,631
2026	$311,815
2027	$314,080
Total	$633,526

In addition, the Company has Canadian exploration and development expenditures approximating $254,000 (2006- $195,000), which are available to reduce future taxable income.

9 Subsequent events

a) The Company is in the process of filing a prospectus with the British Columbia, Alberta and Ontario Securities Commissions offering a minimum 6,000,000 and a maximum 6,800,000 common shares at $0.25 per share as an initial public offering to raise gross proceeds of between $1,500,000 and $1,700,000. Pursuant to a term sheet with Global Securities Corporation (the Agent), the Agent will receive a cash commission of 10% of the gross proceeds, be paid a corporate finance fee of $25,000, be reimbursed by the Company for its reasonable expenses and legal fees plus disbursements and be granted Agent's warrants, equal to 10% of the total shares sold, at a price of $0.25 per common share which may be exercised for a period of 24 months from the closing date. The proposed transaction is subject to regulatory approval.

b) Subsequent to the year end, the Company re-priced 325,000 of the founders' shares at $0.06 and 345,000 at $0.05 for gross proceeds of $17,600 to comply with the new listing rules of the TSX-Venture Exchange.

c) Subsequent to the year end, the Company issued 150,000 common shares with a deemed value of $0.16667 per share as the 1st year anniversary for the Kisgegas option agreement.

d) Subsequent to the year end, the Company issued 195,000 common shares by way of a private placement at $0.15 per share for gross proceeds of $29,250.

e) Subsequent to the year end, the Company issued 270,000 common shares by way of a private placement at $0.15 per share for gross proceeds of $40,500.

Molystar Resources Inc.

(formerly AMH Mining Corp.)
(an exploration stage company)

Financial Statements
December 31, 2005
(expressed in Canadian dollars)

Staley, Okada & Partners
CHARTERED ACCOUNTANTS

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AUDITORS' REPORT

To the Directors of AMH Mining Corp.:

We have audited the balance sheet of AMH Mining Corp. (the "Company") (An Exploration Stage Company) as at December 31, 2005 and the statements of loss and deficit and cash flows for the period from inception (November 17, 2005) to December 31, 2005. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our 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 December 31, 2005 and the results of its operations and its cash flows for the period from inception (November 17, 2005) to December 31, 2005 in accordance with Canadian generally accepted accounting principles.

"Staley, Okada & Partners"

Vancouver, BC
July 5, 2006

STALEY, OKADA & PARTNERS
CHARTERED ACCOUNTANTS

AMH Mining Corp.
(An Exploration Stage Company)
Balance Sheet

Statement 1

As at December 31, 2005

Canadian Funds

ASSETS		
Current		
Cash	$	49,994
GST receivable		180
		50,174
Mineral Properties (Note 3)		50,000
	$	100,174
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$	7,804
Promissory note payable (Note 3)		50,000
Due to related parties (Note 5)		25,000
		82,804
Going Concern (Note 1)		
SHAREHOLDERS' EQUITY		
Share Subscription (Note 4)		25,000
Share Capital (Note 4)		1
Deficit - Statement 2		(7,631)
		17,370
	$	100,174

APPROVED BY THE BOARD OF DIRECTORS:

"Robert W. Anderson", Director

"Richard J. Mazur", Director

- See Accompanying Notes -

AMH Mining Corp.
(An Exploration Stage Company)
Statement of Loss and Deficit

Statement 2

For the Period from Inception (November 17, 2005) to December 31, 2005

Canadian Funds

Expenses		
Bank charges and interest	$	7
Professional fees		7,624
Loss for the Period, Deficit - End of Period	$	7,631
Loss per share	$	7,631
Weighted Average Number of Common Shares		1

- See Accompanying Notes -

AMH Mining Corp.
(An Exploration Stage Company)
Statement of Cash Flows

Statement 3

For the Period from Inception (November 17, 2005) to December 31, 2005

Canadian Funds

Cash Provided By (Used In):		
Operations:		
Loss for the period	$	(7,631)
Change in non-cash working capital:		
GST receivable		(180)
Accounts payable & accrued liabilities		7,804
		(7)
Financing:		
Share issued for cash		1
Shareholder advances		25,000
Share subscriptions		25,000
		50,001
Cash - Beginning of Period		-
Net increase in cash		49,994
Cash - End of Period	$	49,994
Supplementary Schedule of Non-Cash Transactions:		
Promissory note issued for mineral properties	$	50,000

- See Accompanying Notes -

1. Organization and Going Concern

The Company was incorporated by a Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (British Columbia) on November 17, 2005. Its principal business activities are the exploration and development of resource properties. All of the Company's properties are located in British Columbia.

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

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles on a going concern basis, which presume the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Company's ability to continue as a going concern is dependent upon achieving profitable operations and upon obtaining additional financing. While the Company is expending its best efforts in this regard, the outcome of these matters cannot be predicted at this time.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate because management believes that the actions already taken or planned (see Note 7) will mitigate the adverse conditions and events which raise doubts about the validity of the going concern assumption used in preparing these financial statements.

If the going concern assumption were not appropriate for these financial statements then adjustments would be necessary in the carrying value of assets and liabilities, the reported revenue and expenses and the balance sheet classifications used.

2. Significant Accounting Policies

a) Fiscal Period

The company's fiscal year-end is December 31.

2. Significant Accounting Policies - *Continued*

b) Mineral Properties

Costs related to the acquisition, exploration, and development of mineral properties are capitalized by property until the commencement of commercial production. If commercially profitable reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized on the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration, and development costs are not recoverable over the estimated economic life of the property, or the property is abandoned or management deems there to be an impairment in value, the property is written down to its net realizable value.

The amounts shown for mineral properties do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and the future profitable production or proceeds from the disposition thereof. Title to resource properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many resource properties. The Company has investigated title to all of its resource properties and, to the best of its knowledge, title to all of its properties is in good standing.

c) Amortization

Property, plant and equipment are amortized over their estimated useful lives on the straight line basis as follows: Furniture and fixtures – 5 years, with 50% in year of acquisition and disposal. No property plant and equipment at December 2005.

d) Impairment of Long-Lived Assets

The Company follows the CICA Handbook Section 3063, "Impairment of Long-Lived Assets" ("HB 3063"). HB 3063 requires the Company to assess the impairment of long-lived assets, which consist primarily of property, plant and equipment, whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying value of the asset to its fair value. If such assets are considered to be impaired, the amount of the impairment is measured by the amount by which the carrying amount of the asset exceeds its fair value.

2. Significant Accounting Policies - *Continued*

e) Asset Retirement Obligations

CICA Handbook Section 3110, *Asset Retirement Obligations*, requires recognition of a legal liability for obligations relating to retirement of property, plant, and equipment, and arising from the acquisition, construction, development, or normal operation of those assets. Such asset retirement cost must be recognized at fair value, when a reasonable estimate of fair value can be estimated, in the period in which it is incurred, added to the carrying value of the asset, and amortized into income on a systematic basis over its useful life.

f) Earnings (Loss) per Share

Basic earnings (loss) per share is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuances would have a dilutive effect on earnings per share. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings per share by application of the treasury stock method.

g) Fair Value of Financial Instruments

The Company's financial instruments consist of cash, GST receivable, accounts payable, promissory note payable and shareholder advances. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from the financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

h) Stock-Based Compensation

All stock-based awards made to employees and non-employees are measured and recognized using a fair value based method. For employees, the fair value of the options is measured at the date of the grant. For non-employees, the fair value of the options is measured on the earlier of the date at which the counterparty performance is complete or the date the performance commitment is reached or the date at which the equity instruments are granted if they are fully vested and non-forfeitable. For employees and non-employees, the fair value of options is accrued and charged to operations, with the offsetting credit to contributed surplus, on a straight-line basis over the vesting period. If and when the stock options are ultimately exercised, the applicable amounts of contributed surplus are transferred to share capital.

2. Significant Accounting Policies - *Continued*

i) Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method of tax allocation, future income tax assets and liabilities are determined based on differences between the financial statement carrying values and their respective income tax basis (temporary differences). Future income tax assets and liabilities are measured using the tax rates expected to be in effect when the temporary differences are likely to reverse. The effect on future income tax assets and liabilities of a change in tax rates is included in operations in the period in which the change is enacted or substantially assured. The amount of future income tax assets recognized is limited to the amount of the benefit that is more likely than not to be realized.

j) Use of Estimates

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

k) Share Capital

i) The proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company.

ii) Share capital issued for non-monetary consideration is recorded at an amount based on fair market value.

3. Mineral Properties

Details are as follows:

	Acquisition Cost	Deferred Exploration	Write-down/ Depreciation	December 31, 2005
Mt. Thomlinson	$ 25,000	$ -	$ -	$ 25,000
Forester	25,000	-	-	25,000
	$ 50,000	$ -	$ -	$ 50,000

On December 16, 2005, the Company signed an agreement with Cadre Capital Incorporated ("Cadre"), a company with a director in common, to purchase a 100% interest in the Mount Thomlinson molybdenum/copper project which is located 35 kilometers northwest of Hazelton, British Columbia and the Forester Creek Project which is located 26 kilometers west of Invermere, British Columbia and consists of 21 contiguous claims having an area of 7,900 hectares. The agreement required a payment of $50,000 (Management has allocated $25,000 to Mount Thomlinson and $25,000 to the Forester property as acquisition costs) and issuance of 5,000,000 shares valued at $100,000.

During the period, the Company issued a $50,000 promissory note to Cadre. The promissory note will accrue interest at bank prime plus one (1%) if it is not paid within six months of the issue date. Subsequent to year end, the shares were issued and the Company paid the promissory note in full.

4. Share Capital

Details are as follows:

	Number of Shares	Amount
Authorized:		
Unlimited common shares without par value		
Issued and fully paid:		
Issued for cash	1	$ 1
	1	$ 1

Share subscriptions represent cash received in advance for shares. These shares (1,250,000 common shares at $0.02 per share with total proceeds of $25,000 of which 750,000 shares were subscribed by directors and officer of the Company) were issued subsequent to year end on July 5, 2006.

No options and warrants were issued during the period.

5. Related Party Balance and Transaction

Related party transactions not disclosed elsewhere in these financial statements are as follows:

During the period, $25,000 was advanced to the Company by two of its directors. These amounts are non-interest bearing, unsecured and have no specific repayment terms. Subsequent to period-end, these amounts were paid in full.

This transaction is in the normal course of operations and is measured at the exchange amount of consideration established and agreed to by the related parties.

6. Income Taxes

As at December 31, 2005, the Company has potential non-capital losses of approximately $7,631, which may be applied against future income for Canadian income tax purposes. The potential future tax benefits from these losses have not been recorded in these financial statements.

Future Income Tax Assets		2005
Statutory tax rate		34.10%
Non-capital losses	$	7,631
		2,602
Less: Valuation allowances		(2,602)
	$	-

7. Subsequent Events

Subsequent to the period-end, the Company issued 3,000,000 common shares at a price of $0.02 per share for gross proceeds of $60,000, and 5,000,000 common shares at a price of $0.02 per share for the Mount Thomlinson property purchase.

Subsequent to the period-end, the Company issued by way of private placement 2,685,000 common shares at a price of $0.10 per share for total gross proceeds of $268,500.

The Company is in the process of filing a prospectus with the British Columbia, Alberta and Ontario Securities Commissions offering a minimum of 800,000 non flow-through common shares at $0.25 per share, up to a maximum of 2,750,000 flow-through common shares at $0.40 per share and 6,000,000 non flow-through shares at $0.25 per share as an initial public offering. Pursuant to a term sheet with Global Securities Corporation (the "Agent"), the Agent will receive a cash commission of 10% of the gross proceeds, will be paid a corporate finance fee of $25,000, will be reimbursed by the Corporation for its reasonable expenses and legal fees plus disbursements and be granted Agent's warrants, equal to 10% of the total shares sold, at a price of $0.25 per common share which may be exercised for a period of 24 months from closing date. The proposed transaction is subject to regulatory approval.

SCHEDULE "B"

MOLYSTAR RESOURCES INC.
(the "Company")

AUDIT COMMITTEE CHARTER

1. Mandate

The audit committee will assist the board of directors (the "Board") in fulfilling its financial oversight responsibilities. The audit committee will review and consider in consultation with the auditors the financial reporting process, the system of internal control and the audit process. In performing its duties, the audit committee will maintain effective working relationships with the Board, management, and the external auditors. To effectively perform his or her role, each audit committee member must obtain an understanding of the principal responsibilities of audit committee membership as well and the Company's business, operations and risks.

2. Composition

The Board will appoint from among their membership an audit committee after each annual general meeting of the shareholders of the Company. The audit committee will consist of a minimum of three directors.

2.1 Independence

A majority of the members of the audit committee must not be officers, employees or control persons of the Company.

2.2 Expertise of Committee Members

Each member of the audit committee must be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the committee. At least one member of the audit committee must have accounting or related financial management expertise. The Board shall interpret the qualifications of financial literacy and financial management expertise in its business judgment and shall conclude whether a director meets these qualifications.

3. Meetings

The audit committee shall meet in accordance with a schedule established each year by the Board, and at other times that the audit committee may determine. The audit committee shall meet at least annually with the Company's Chief Financial Officer and external auditors in separate executive sessions.

4. Roles and Responsibilities

The audit committee shall fulfill the following roles and discharge the following responsibilities:

4.1 External Audit

The audit committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor's report, including the resolution of disagreements between management and the external auditors regarding financial reporting and audit scope or procedures. In carrying out this duty, the audit committee shall:

(a) recommend to the Board the external auditor to be nominated by the shareholders for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;

(b) review (by discussion and enquiry) the external auditors' proposed audit scope and approach;

(c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;

(d) review and recommend to the Board the compensation to be paid to the external auditors; and

(e) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards.

4.2 Internal Control

The audit committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Company. In carrying out this duty, the audit committee shall:

(a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Company; and

(b) ensure that the external auditors discuss with the audit committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

4.3 Financial Reporting

The audit committee shall review the financial statements and financial information prior to its release to the public. In carrying out this duty, the audit committee shall:

General

(a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions; and

(b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate.

Annual Financial Statements

(a) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;

(b) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered; and

(c) review management's discussion & analysis respecting the annual reporting period prior to its release to the public.

Interim Financial Statements

(a) review and approve the interim financial statements prior to their release to the public; and

(b) review management's discussion & analysis respecting the interim reporting period prior to its release to the public.

Release of Financial Information

(a) where reasonably possible, review and approve all public disclosure, including news releases, containing financial information, prior to its release to the public.

4.4 Non-Audit Services

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Company or any subsidiary of the Company shall be subject to the prior approval of the audit committee.

Delegation of Authority

(a) The audit committee may delegate to one or more independent members of the audit committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the audit committee at its next scheduled meeting.

De-Minimis Non-Audit Services

(a) The audit committee may satisfy the requirement for the pre-approval of non-audit services if:

(i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Company and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or

(ii) the services are brought to the attention of the audit committee and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals has been delegated.

Pre-Approval Policies and Procedures

(a) The audit committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:

(i) the pre-approval policies and procedures are detailed as to the particular service;

(ii) the audit committee is informed of each non-audit service; and

(iii) the procedures do not include delegation of the audit committee's responsibilities to management.

4.5 Other Responsibilities

The audit committee shall:

(a) establish procedures for the receipt, retention and treatment of complaints received by the company regarding accounting, internal accounting controls, or auditing matters;

(b) establish procedures for the confidential, anonymous submission by employees of the company of concerns regarding questionable accounting or auditing matters;

(c) ensure that significant findings and recommendations made by management and external auditor are received and discussed on a timely basis;

(d) review the policies and procedures in effect for considering officers' expenses and perquisites;

(e) perform other oversight functions as requested by the Board; and

(f) review and update this Charter and receive approval of changes to this Charter from the Board.

4.6 Reporting Responsibilities

The audit committee shall regularly update the Board about audit committee activities and make appropriate recommendations.

5. Resources and Authority of the Audit Committee

The audit committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to

(a) engage independent counsel and other advisors as it determines necessary to carry out its duties;

(b) set and pay the compensation for any advisors employed by the audit committee; and

(c) communicate directly with the internal and external auditors.

6. Guidance – Roles & Responsibilities

The following guidance is intended to provide the audit committee members with additional guidance on fulfilment of their roles and responsibilities on the committee:

6.1 Internal Control

(a) evaluate whether management is setting the goal of high standards by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities;

(b) focus on the extent to which external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of an IT systems breakdown; and

(c) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

6.2 Financial Reporting

General

(a) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements; and

(b) ask management and the external auditors about significant risks and exposures and the plans to minimize such risks; and

(c) understand industry best practices and the Company's adoption of them.

Annual Financial Statements

(a) review the annual financial statements and determine whether they are complete and consistent with the information known to committee members, and assess whether the financial statements reflect appropriate accounting principles in light of the jurisdictions in which the Company reports or trades its shares;

(b) pay attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;

(c) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses; warranty, professional liability; litigation reserves; and other commitments and contingencies;

(d) consider management's handling of proposed audit adjustments identified by the external auditors; and

(e) ensure that the external auditors communicate all required matters to the committee.

Interim Financial Statements

(a) be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;

(b) meet with management and the auditors, either telephonically or in person, to review the interim financial statements; and

(c) to gain insight into the fairness of the interim statements and disclosures, obtain explanations from management on whether:

> (i) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;
>
> (ii) changes in financial ratios and relationships of various balance sheet and operating statement figures in the interim financials statements are consistent with changes in the company's operations and financing practices;
>
> (iii) generally accepted accounting principles have been consistently applied;
>
> (iv) there are any actual or proposed changes in accounting or financial reporting practices;
>
> (v) there are any significant or unusual events or transactions;

(vi) the Company’s financial and operating controls are functioning effectively;

(vii) the Company has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreement; and

(viii) the interim financial statements contain adequate and appropriate disclosures.

6.3 Compliance with Laws and Regulations

(a) periodically obtain updates from management regarding compliance with this policy and industry “best practices”;

(b) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements; and

(c) review the findings of any examinations by securities regulatory authorities and stock exchanges.

6.4 Other Responsibilities

(a) review, with the Company’s counsel, any legal matters that could have a significant impact on the Company’s financial statements.

CERTIFICATE OF THE CORPORATION

Dated July 11, 2008

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

"*Peter R. Hughes*"
Peter R. Hughes
Chief Executive Officer

"*Robert W. Anderson*"
Robert W. Anderson
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

"Jerry Bulman"
Jerry Bulman
Director

"*Richard J. Mazur*"
Richard J. Mazur
Director

CERTIFICATE OF PROMOTERS

"*Peter R. Hughes*"
Peter R. Hughes

"*Robert W. Anderson*"
Robert W. Anderson

CERTIFICATE OF THE AGENT

Dated: July 11, 2008

To the best of our knowledge, information and belief, this Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of British Columbia, Alberta, and Ontario.

GLOBAL SECURITIES CORPORATION
Per:

"Douglas R. Garrod"
Douglas R. Garrod, President