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The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933 or the securities laws of any state of the United States, and may not be offered or sold, directly or indirectly or delivered in the United States or to or for the account of a U.S. person unless registered under the 1933 Act. The Securities and Exchange Commission has not approved the securities, nor have any states' securities regulatory authorities passed upon or endorsed the merits of this offering or the adequacy or accuracy of these offering documents. The securities are subject to restrictions on transferability and resale and may not be transferred or resold in the United States or to a U.S. person unless they are registered under the 1933 Act and applicable States' securities laws or unless an exemption from such registration is available. Any representation to the contrary is unlawful.

INITIAL PUBLIC OFFERING

DATE: August 29, 2008

PROSPECTUS

ATOCHA RESOURCES INC.

Suite 880-609 Granville Street
Vancouver, B.C. V7Y 1G5
Phone Number: (604) 339-2243

INITIAL PUBLIC OFFERING:

5,000,000 COMMON SHARES AT A PRICE OF \$0.20 PER COMMON SHARE

Atocha Resources Inc. (the "**Company**") is hereby offering for sale to the public in British Columbia and Alberta (the "**Offering**") 5,000,000 common shares ("**Shares**") in the capital of the Company at a price of \$0.20 per Share.

	Number of Shares	Price to Public ⁽¹⁾	Gross Proceeds	Agent's Commission ⁽²⁾	Net Proceeds ⁽³⁾
Share Offering					
Offering	5,000,000	\$0.20	\$1,000,000	\$100,000	\$900,000

Notes:

1. The price of the Shares was determined by negotiation between the Company and Canaccord Capital Corporation (the "**Agent**").
2. Under the terms of an Agency Agreement between the Agent and the Company dated August 29, 2008, the Agent has agreed to use its commercially reasonable efforts to sell the Offering. Upon completion of the Offering, the Agent will receive agent's warrants (the "**Agent's Warrants**") entitling it to acquire up to 500,000 Shares, which represent 10% of the aggregate number of Shares sold under the Offering, at a price of \$0.20 per Share at any time on or before the second anniversary of the date on which the Shares are listed on the Exchange. This Prospectus qualifies the grant of the Agent's Warrants. The Agent will receive a commission equal to 10% of the gross proceeds of the Offering payable in cash. The Agent will also receive an administration fee of \$10,000 (the "**Administration Fee**") and 125,000 Shares (the "**CF Shares**") as a corporate finance fee. This Prospectus qualifies the issuance of the CF Shares. The CF Shares will be subject to a pooling agreement. See "Escrowed Shares". The Agent will also be reimbursed its legal fees, plus

disbursements, and its other reasonable expenses. The Agent has received a retainer of \$25,000 for such expenses. The fees, expenses and commission will be paid from the proceeds of sale of the Shares.

3. Before deduction of the costs of the Offering, estimated at \$80,000.

The completion of this Offering is subject to a subscription of 5,000,000 Shares. In the event that the minimum subscription is not attained, within 90 days from the date a final receipt is issued for the Prospectus, all funds raised hereunder will be refunded to investors without interest or deduction, unless an amendment is filed and the securities regulatory authorities have issued a receipt.

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

An investment in natural resource companies involves a significant degree of risk. The degree of risk increases substantially where the Company's properties are in the exploration as opposed to the development stage. The Company's mineral property is in the exploration stage and is without a known body of commercial ore. The proposed exploration program is an exploratory search for ore. Investors should not invest any funds in this Offering unless they can afford to lose their entire investment. Refer to "Risk Factors".

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

DILUTION

The Shares offered under this Prospectus will be subject to a dilution of \$0.07 per Share (35%) upon completion of the Offering.

Upon completion of this Offering, the issue will represent 44.93% of the Company's issued and outstanding Shares, and 26.51% of the Company's issued and outstanding Shares will be owned by the promoters, insiders and holders of escrow securities. One or more of the directors of the Company has an interest, direct or indirect, in other natural resource companies. Reference should be made to the item "Risk Factors" and "Conflicts of Interest" herein for a comment as to the resolution or possible conflicts of interest.

Canaccord Capital Corporation, as Agent, conditionally offers the Shares on a commercially reasonable efforts basis subject to prior sale if, as and when issued by the Company and accepted by the Agent in accordance with the conditions contained in the Agency Agreement referred to under "Plan of Distribution" of this Offering. No person is authorized to provide any information or make any representation in connection with the Offering other than as contained in this Prospectus.

CANACCORD CAPITAL CORPORATION

2200 – 609 Granville Street
Vancouver, B.C. V7Y 1H1
(604) 643-7300

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NON-TECHNICAL TERMS GLOSSARY

This glossary sets out the non-technical terms used in this Prospectus.

Administration Fee	means \$10,000 payable to the Agent upon completion of the Offering.
Agency Agreement	means an agreement between the Company and the Agent dated August 29, 2008.
Agent	means Canaccord Capital Corporation.
Agent's Warrant	means the warrant to be issued to the Agent entitling it to acquire 10% of the Shares sold under this Offering, at a price of \$0.20 per share at any time on or before the date which is two years after the listing of the Shares on the Exchange.
CF Shares	means the 125,000 common shares that will be issued to the Agent upon the closing of the Offering as payment for the corporate finance fee.
Company	means Atocha Resources Inc.
Escrow Agent	means Pacific Corporate Trust Company of 2nd Floor – 510 Burrard Street, Vancouver, British Columbia.
Escrow Agreement	means the escrow agreement dated August 28, 2007 among the Company the Escrow Agent and certain shareholders of the Company.
Escrowed Shares	means the 3,052,000 Shares are held in escrow under the Escrow Agreement.
Exchange	means the TSX Venture Exchange.
Management Agreement	means the consulting services agreement dated September 1, 2006 between the Company and Syndication Capital Corporation, a company owned by A. Salman Jamal, President, CEO and a director of the Company.
McGillivray Property	means the eleven mineral claims having a total area of 4,646.329 hectares located in the Kamloops Mining Division, British Columbia.
Offering	means the offering of 5,000,000 Shares under this Prospectus.
Option Agreement	means the agreement dated August 25, 2006 between the Company and Johan Shearer, who subsequently became a director of the Company, as amended by letter agreements dated November 19, 2006 and August 1, 2008, whereby the Company may acquire a 100% interest in the McGillivray Property.
Shares	means common shares in the capital of the Company.

TECHNICAL TERMS GLOSSARY

This glossary sets out the technical terms used in this Prospectus.

Amygdaloidal	Volcanic rocks which contain numerous gas cavities filled with secondary minerals.
As	Arsenic.
asl	above sea level.
alteration	chemical and mineralogical changes in a rock mass resulting from the passage of fluids or increases in pressure and temperature.
andesite	a volcanic rock composed of andesine feldspar and one or more mafic constituents.
anomalous	a sample or location that either (i) the concentration of an element(s) or (ii) geophysical measurement is significantly different from the average background values in an area.
anomaly	the geographical area corresponding to anomalous geochemical or geophysical values.
argillite	a rock derived either from siltstone, claystone or shale, that has undergone a somewhat higher degree of induration than is present in those rocks.
assay	an analysis to determine the quantity of one or more elemental components.
Au	gold.
Augite	a mineral group.
background	the average concentration of an element or typical geophysical response in an unmineralized area.
Bi	Bismuth.
breccia	a rock type with angular fragments of one composition surrounded by rock of another composition or texture.
chalcopyrite	copper sulfide mineral.
chip sample	a surface sample which has been collected by continuous sampling across a measured interval, and is considered to be representative of the area sampled.
chargeability	a measure of electrical capacitance of a rock that may indicate the presence of disseminated sulfide minerals but not all chargeability features are caused by such sulfides.
cm	centimetre or centimetre.

Copper	copper content.
Cp	chalcopyrite, a copper sulphide mineral.
Cu	copper.
diorite	a plutonic rock composed of sodic plagioclase feldspar and hornblende, biotite, or pyroxene.
EM	electromagnetic.
epithermal	ore deposits formed in and along fissures or other openings in rocks by depositions at shallow depth from ascending hot solutions.
fault	a fracture in a rock across which there has been displacement.
fracture	breaks in a rock, usually along a planar surface.
Gossanous	a deposit carrying iron oxide filling the upper parts of mineral veins or forming a superficial cover on masses of pyrite.
GPS	Global Positioning System.
grab sample	a sample of selected rock chips collected from within a restricted area of interest.
grade	the concentration of an ore metal in a rock sample, given either as weight per cent for base metals (e.g. Cu, Zn, Pb) or in grams per tonne (g/t) or ounces per short ton (oz/t) for precious or platinum group metals.
g/t	grams per tonne (metric tonne).
hectare or ha	an area totalling 10,000 square metres or 100 metres by 100 metres.
Hematitic	the principal ore of iron.
Hg	Mercury.
highly anomalous	an anomaly which is in approximately the 90 th percentile of the sample or measurement population.
intrusive	a rock mass formed below earth's surface from molten magma which was intruded into a pre-existing rock mass and cooled to a solid.
IP	Induced Polarization.
lapilli tuff	a rock of essential, accessory and accidental volcanic ejection.
limestone	a bedded sedimentary deposit consisting chiefly of calcium carbonate.
mafic	a rock type consisting of predominantly iron and magnesium silicate minerals with little quartz or feldspar minerals.

mineralization	minerals of value occurring in rocks.
mineral	that part of a measured mineral resource or indicated mineral resource.
m or mt	metre or meter.
Mo	molybdenum.
Ni	nickel.
NSR Royalty	net smelter returns royalty.
NTS	national topographic system.
ore	a natural occurrence of one or more minerals that may be mined and sold at a profit, or from which some part may be profitably separated. The word ore should only be used in situations where an extensive study of the deposit resources is complete, commercial processes to extract the minerals have been designed for the specific deposit and all of the capital and operating cost and environmental issues have been estimated by qualified persons.
outcrop	an exposure of rock at the earth's surface.
overburden	any material covering or obscuring rocks from view.
Pb	lead.
Phenocrysts	One of the relatively large and ordinarily conspicuous crystals of the earlier generation in a porphyritic igneous rock.
Po	pyrrhotite, an iron sulphide mineral.
porphyry	deposits characterized by huge size, uniform dissemination and low average per ton.
ppb	parts per billion.
ppm	a unit of measurement which is 1000 times larger than ppb (1ppm - 1000 ppb - 1 gram/Tonne).
Py	pyrite.
pyrite	an iron sulfide mineral.
Quartz-chalcedony	Cryptocrystalline quartz and much chert.
reserve	extracted legally and at a profit under economic conditions that are specified and generally accepted as reasonable by the mining industry and which is demonstrated by a preliminary feasibility study or feasibility study.
Sb	antimony.

Se	selenium.
silicification	complete or partial replacement of a rock by quartz, often during hydrothermal alteration.
(small)	deposition of minerals from hydrothermal fluids.
Te	tellurium.
tuff	a rock formed of compacted volcanic fragments, generally smaller than 4mm in diameter.
UTM	universal trans-mecator which is a square grid system of map position.
vein, veinlet	a tabular mineral deposit formed within or adjacent to faults or fractures by the deposition of minerals from hydrothermal fluids.
VLF	very low frequency.
Zn	zinc.

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.

Offering: 5,000,000 Shares at a price of \$0.20 per Share for gross proceeds of \$1,000,000 (a commission \$0.02 per Share will be paid to the Agent out of the gross proceeds of the sale of the Shares). The commission and Administration Fee to be paid to the Agent will be paid from the proceeds of the Shares.

Under the terms of an Agency Agreement between the Agent and the Company dated August 29, 2008, the Agent has agreed to use its commercially reasonable efforts to sell the Offering described in this Prospectus. Upon completion of the Offering, the Agent will receive Agent's Warrants entitling it to acquire up to 500,000 Shares, which represents 10% of the aggregate number of Shares sold under the Offering, at a price of \$0.20 per Share at any time on or before the second anniversary of the date on which the Shares are listed on the Exchange. This Prospectus qualifies the grant of the Agent's Warrants. The Agent will also receive a commission equal to 10% of the gross proceeds of the Offering payable in cash. The Agent will receive the Administration Fee of \$10,000 and a corporate finance fee of 125,000 CF Shares. This Prospectus qualifies the issuance of the CF Shares. The CF Shares will be subject to a pooling agreement. The Agent will also be reimbursed its legal fees, plus disbursements, and its other reasonable expenses. The Agent has received a retainer of \$25,000 for such expenses. The fees, expenses and commission will be paid from the proceeds of sale of the Shares.

Business: The Company is a natural resource company engaged in the acquisition and exploration of mining properties. The Company's main emphasis is on the exploration for copper and precious metals, in the Lytton Area of the Province of British Columbia, where the Company has an interest in the McGillivray Property which is located 34 kilometres south-southeast of Lillooet, British Columbia. The McGillivray Property is more specifically described below in this Prospectus under the heading "Property". The McGillivray Property consists of 11 mineral claims.

Management: A. Salman Jamal, the President, Chief Executive Officer and a director of the Company. Marcy Kiesman, Chief Financial Officer, Secretary and a director of the Company. Arif Merali, a director of the Company. Johan Thom Shearer, a director of the Company. Reference is made to the heading "Directors, Officers, Promoters and other Management" for further information concerning management.

Use of Proceeds: The gross proceeds to be received by the Company from the Offering after deduction of the Agent's commission, plus the Company's working capital deficiency of \$74,937 as at July 31, 2008 will result in available funds of \$825,063 upon completion of the Offering, which will be used as follows:

Description	Offering
To pay the balance of the estimated costs of the Offering ⁽¹⁾	\$45,000
To pay the cost of Phase 1 of the exploration program on the McGillivray Property ⁽²⁾	\$250,000
Administration costs for 12 months	\$130,000

Description	Offering
Further unallocated working capital (part of which may be applied towards the costs of a further exploration program on the McGillivray Property, if warranted by results of Phase 1)	\$400,063
TOTAL	\$825,063

Notes:

1. Includes the Administration Fee, the Agent's expenses and legal fees, the Company's legal and accounting fees and all regulatory filing fees.
2. See "Description of Business and Property".

See "Use of Proceeds".

Risk Factors

AN INVESTMENT IN NATURAL RESOURCE COMPANIES INVOLVES A SIGNIFICANT DEGREE OF RISK. THE DEGREE OF RISK INCREASES SUBSTANTIALLY WHERE THE COMPANY'S PROPERTIES ARE IN THE EXPLORATION AS OPPOSED TO THE DEVELOPMENT STAGE.

Risk factors associated with an investment in the Shares include:

In the event that the Company's exploration program as described in this Prospectus is successful, the Company will require additional financing in order to further develop the McGillivray Property. Currently, there is no market for the Shares. The McGillivray Property does not contain any known body of commercial ore. The marketability of natural resources which may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. The grade of any ore ultimately mined from a mineral deposit may differ from that produced from drilling results. Mining operations generally involve a high degree of risk. There is a degree of uncertainty attributable to the calculation of reserves, resources and corresponding grades being dedicated to future production. The title reports prepared with respect to the McGillivray Property cannot be construed as a guarantee of title. The McGillivray Property includes mineral claims which have not been surveyed and, therefore, the precise location of these mineral claims may be in doubt. The Company has only recently commenced operations and has no history of operating earnings. The Company operates at a loss and there is no assurance that the Company will ever be profitable.

The mineral exploration and mining business is competitive in all of its phases. The current or future operations of the Company, including exploration and development activities and commencement of production on the McGillivray Property or any future properties, require permits from various levels of government. Certain of the directors of the Company serve as directors of other companies or have significant shareholdings in other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The proposed expenditures from the proceeds raised by the Offering described in this Prospectus will not increase net tangible assets owned by the Company.

See "Risk Factors".

Summary and Analysis of Financial Operations

The following selected financial information is derived from the audited and unaudited financial statements for the period from incorporation to July 31, 2007 and the nine months ended April 30, 2008, and should be read in conjunction with those statements and notes thereto.

	Incorporation to July 31, 2007 (audited)	Nine Months ended April 30, 2008 (un-audited)
Revenue	Nil	Nil
General & Administrative Expenses	236,399	4,653
Net Income (Loss)	(207,991)	(4,653)
Basic loss per share	0.03	0.00
Diluted loss per share	0.03	0.00
Total Assets	253,857	278,861
Total Liabilities	23,756	80,413
Current Assets	141,778	33,791
Shareholders' Equity	230,101	198,448

CORPORATE STRUCTURE

Name and Incorporation

Atocha Resources Inc. (the “**Company**”) was incorporated on August 21, 2006 under the *Business Corporations Act* of British Columbia. The head office of the Company and the registered and records office of the Company is Suite 700 – 595 Burrard Street, Vancouver, B.C.

Intercompany Relationships

The Company has no subsidiaries.

GENERAL DEVELOPMENT OF BUSINESS

The Company was incorporated on August 21, 2006. It commenced operations in August 2006 when it entered into the Option Agreement for an option to acquire a 100% undivided interest, subject to a 2% NSR Royalty, in the McGillivray Property on August 25, 2006. Johan Shearer, the optionor under the Option Agreement (the “**Optionor**”) subsequently became a director of the Company. In order to earn the 100% interest, the Company must pay \$10,000 and issue 1,000,000 Shares to the Optionor and incur \$200,000 in exploration expenditures. The Optionor will retain a 2% NSR Royalty, which the Company can purchase for \$1,000,000. The Company has not made any significant dispositions or any other significant acquisitions.

DESCRIPTION OF BUSINESS AND PROPERTY

Business

The Company is a natural resource company engaged in the acquisition and exploration of mining properties. The Company’s main emphasis is on the exploration for copper and precious metals

in the Kamloops Mining Division, British Columbia where the Company has an option to acquire a 100% undivided interest in the McGillivray Property which is described below under the heading "Property". The Company commenced operations in August 2006. As at July 31, 2007, the Company has spent \$102,079 on the exploration of the McGillivray Property and paid \$5,000 to the Optionor. As of the date hereof, the Company has paid an additional \$5,000 and issued 200,000 Shares to the Optionor. Reference should be made to the disclosure under the headings "McGillivray Property" and under "Interest of Management and Others in Material Transactions".

Immediate Goals

The Company's immediate goal is to undertake follow-up exploration for copper and precious metal in the Kamloops Mining District, British Columbia where the Company has an option to acquire a 100% interest subject to the 2% NSR Royalty, in the McGillivray Property, which is described below under the heading "McGillivray Property".

McGillivray Property

Kamloops Mining Division, Province of British Columbia

By an agreement dated August 25, 2006 (the "**Option Agreement**") as amended on November 19, 2006 and August 1, 2008, the Company has an option to acquire a 100% undivided interest (subject to a 2% NSR Royalty) in 11 mineral claims (totalling 4646.329 hectares) known as the McGillivray Property situated on the eastern side of the Fraser Canyon, B.C. from the Optionor by making cash payments totalling \$10,000 and issuing a total of 1,000,000 Shares in stages as follows:

- pay \$5,000.00 on execution of the Option Agreement (paid);
- pay a further \$5,000.00 (which was paid), issue 200,000 Shares (issued) and incur exploration expenditures on the McGillivray Property of \$100,000.00 (incurred) on or before the first anniversary of the date of execution of the Option Agreement, which was August 25, 2007;
- issue a further 300,000 Shares and incur further exploration expenditures on the McGillivray Property of at least \$100,000.00 on or before November 30, 2008; and
- issue a further 500,000 Shares on or before the third anniversary of the date of execution of the Option Agreement, being August 25, 2009.

Upon the Company earning a 100% interest in the claims comprised in the McGillivray Property, the Optionor will retain a 2% NSR Royalty, which the Company has the option to purchase for \$1,000,000.

The following information has been excerpted and summarized from a technical report prepared by Sean Butler, B.Sc., P.Geo. dated June 17, 2008 (the "**Report**"). During the period of the Offering, the Report is located at the registered office of the Company, 700 – 595 Burrard Street, Vancouver, B.C., where it may be examined during normal business hours. The Report will be available at www.Sedar.com on issuance of the final decision document for this Prospectus. The following information has been revised in respect to certain references.

Property Description and Location

The McGillivray Property is centered on McGillivray Creek and is located 34 kilometers east-southeast of Lillooet, British Columbia, Canada and is well served by roads and power. The claims are approximately midway between Lytton and Lillooet, on the east side of the Fraser River.

The McGillivray Property consists of 235 claim cells totaling 4,646 hectares, acquired by staking in 2005 and later to cover an historical copper porphyry target property with a large gossanous alteration zone to explore for its precious metal potential. The claim ownership was transferred to the Company on September 18, 2007 with a 2% NSR royalty remaining.

The McGillivray Property geology consists of fault bounded slices of dioritic and granodioritic intrusives of the Permian to Triassic age Mount Lytton Complex, with highly altered Lower Cretaceous andesitic volcanics of the Pimainus Formation of the Spences Bridge group. The western side of the McGillivray Property is next to the regional Fraser River fault. Within the fault bounded slices of altered volcanics are strong alteration zones with evidence of drusy quartz and anomalous silver soil samples. The mineral deposit type that is recommended to target for is for the exploration for epithermal precious metals.

The McGillivray Property is located near the recently discovered epithermal precious metal Skoonka Creek property. The McGillivray claims cover ground originally staked in the 1940's. Previous work in the area covered by the property outlined large zones of hydrothermal alteration and anomalous copper in soil geochemistry at the time when the focus of much exploration was toward porphyry copper targets.

The 2006 work program has indicated the potential for an epithermal precious metal mineralized system. The work consisted of grid development, preliminary geological mapping as well as soil and rock geochemistry. There are elevated silver values in soil and subcrop samples.

The next stage is to extend the existing grid and soil sampling to fill in between the grid and the ridge lines and trench the area of the anomalous samples from the 2006 program and any new targets outlined in the proposed soil sample program at a cost of \$250,000.

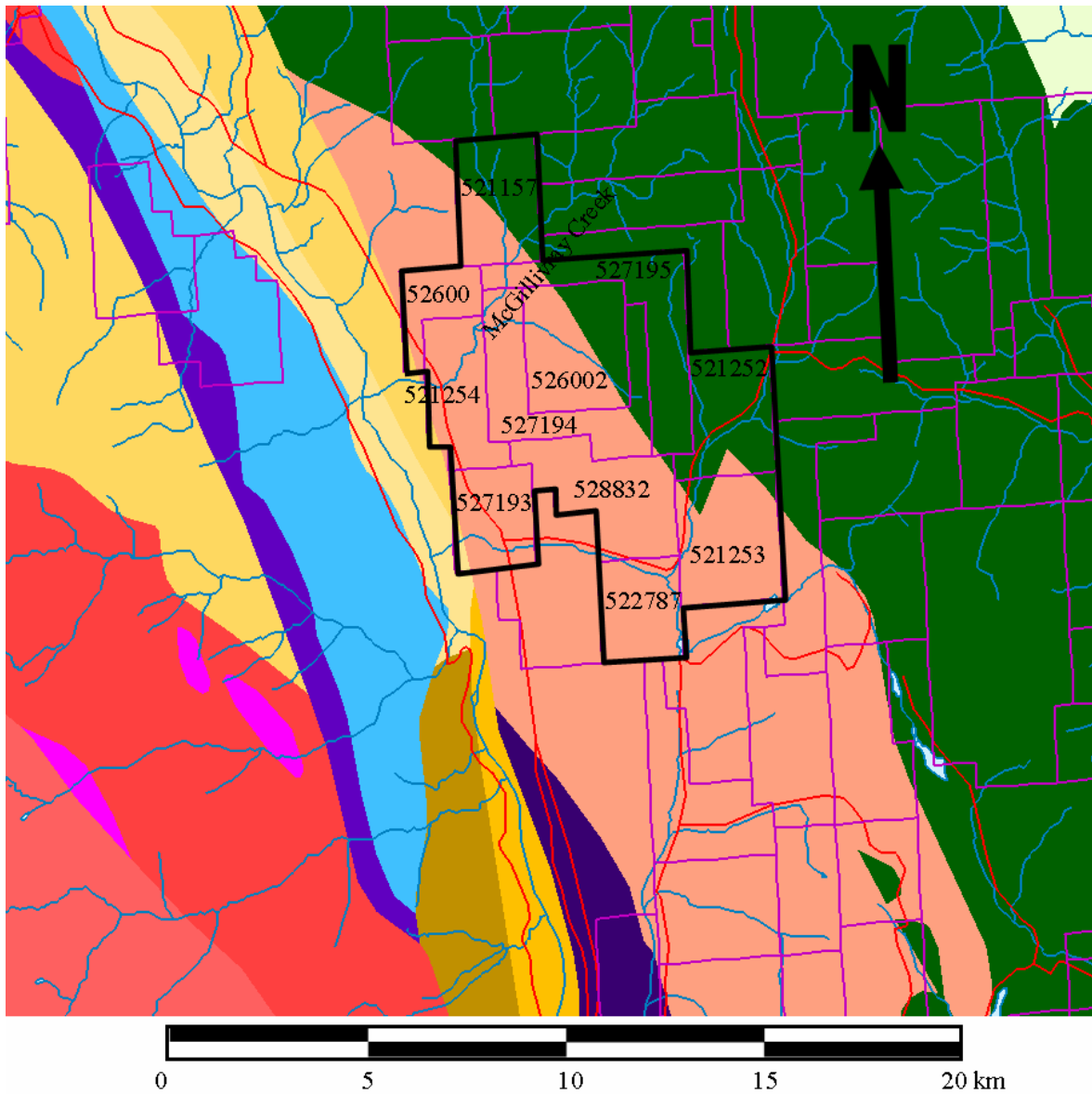
Figure 1 View of the gossanous slope at the south end of the 2006 exploration focus area from a helicopter. There was a line of soil samples collected along the ridge top and a grid of samples in the valley beyond. (Photo: Jo Shearer, 2002)



The McGillivray Property consists of 235 cell claims located in 2005 and 2006 under the Mineral Title Online claim system of British Columbia. The claims were originally registered in the name of Johan T. Shearer, of Port Coquitlam, BC and later transferred to the Company on September 18, 2007. Total area of the claims is 4,646 hectares. The claims are all in the Kamloops Mining Division of British Columbia. The “cell claim” boundaries are defined in the provincial database and referred to in the UTM NAD 83 coordinate system. This location based database allows title to be assured for geographic location and title is available online for confirmation. The claims are:

Tenure Number	Name	Registry Date	Expiry (as on July 21, 2008)	Size (cell Units)	Cell Area (ha)
521157	MCGILLIVERY CREEK NORTH	2005 Oct 14	2009 Oct 14	20	410.872
521252	SPENCES BRIDGE VOLCANIC 1	2005 Oct 15	2009 Oct 15	21	431.758
521253	SPENCES BRIDGE VOLCANIC 2	2005 Oct 15	2009 Oct 15	25	514.220
521254	MCGILLIVERY WEST 1	2005 Oct 15	2009 Oct 15	18	370.020
526001	MCGILL THREE	2006 Jan 21	2010 Jan 21	10	205.503
526002	MCGILLVERY CREEK ONE	2006 Jan 21	2010 Jan 21	25	513.858
527193	LAUWISSIAN ONE	2006 Feb 07	2010 Feb 07	16	329.053
527194	MCGILL 1	2006 Feb 07	2010 Feb 07	25	513.922
527195	MCGILL 2	2006 Feb 07	2010 Feb 07	25	513.830
528832	MCGILLIVRAY SOUTHEAST	2006 Feb 23	2010 Feb 23	25	514.121
542787	LAU-LU	2006 Oct 08	2010 Oct 08	25	329.172
			Total Area		4,646.329

In British Columbia, each cell claim equals about 20.55 hectares. All claim cells staked in British Columbia require approximately \$80 of assessment work to be undertaken in Years One to Three, (\$4.00 per ha per year), followed by about \$160 per cell per year thereafter (\$8.00 per ha per year).



McGillivray Creek Claims overlain on the geology, roads (red) and creeks/ivers (blue).
Claim numbers locate the claims (purple boundaries inside black property boundary)

Figure 2 Claims

A 100% interest, before the NSR, in the McGillivray Property is available to the Company following the completion of the following terms to the owner Jo Shearer according to the Option Agreement dated August 25, 2006 as amended. Additionally there is a 2% Net Smelter Royalty (NSR) to Mr. Shearer. The terms for completion of the agreement are:

Pay \$ 5,000.00 on execution of the Option Agreement.

Pay a further \$ 5,000.00, issue 200,000 Shares, and incur exploration expenditures on the Property of \$100,000.00 on or before the first anniversary of the date of execution of the Option Agreement.

Issue a further 300,000 Shares and incur exploration expenditures on the Property of a further \$100,000.00 on or before November 30, 2008.

Issue a further 500,000 Shares on or before the third anniversary of the date of execution of the Option Agreement.

The NSR is available to be purchased for \$1,000,000.00.

The claims are located in mapsheets 92I-042 and 92I-052. The latitude 50°29'20"N and longitude 121°40'30"W are near the center of the area that work was done in 2006. The claims are located about 95 kilometers west south west of Kamloops.

These claims are located on Crown Land and have no surface rights attached to the claims. There is crown land available for use by permit application through a permit for development of a mill and tailings if the project moves to this level.

The area is under one or more native land claims, as is most of the Province of BC and local native bands should be consulted as is the current practice for exploration companies. The McGillivray Property area is within the claimed traditional territories of the Cook's Ferry, Lytton and T'it'kit Indian Bands. The legal requirements for consultation and accommodations of First Nation rights, title and interest are still being debated in the courts. A proactive approach to dealing with issues and resource values and working with First Nations to ensure economic activity provides positive benefits is an important part of increasing business security throughout British Columbia. Citing previous success of other exploration projects in the general area, there are no obvious impediments to developing the McGillivray Property in a timely matter related to First Nation issues. The McGillivray Property is within the territorial land of the Lytton First Nations band. This band will need to be met with to discuss future work on the McGillivray Property. J. T. Shearer (property vendor), has initiated informal discussions with First Nations Bands resident near the property. These are the Fountain, Bonaparte and Lytton Bands.

There are no known new parks planned for any area contained within the McGillivray Property. No First Nations reserves are indicated on the claims maps within the boundaries of the McGillivray claims.

There is a network of logging roads and several clear-cut openings from previous logging operations. The environmental liabilities of this will be the responsibility of the logging companies. The creeks are often steep and the semi arid environment limits the amount of water in creeks. It is not known whether there are any fish in the claim area. Wildlife throughout the area is sparse and primarily comprises deer and rare, itinerant black bears. Hill slopes are seasonal range for cattle.

There is a description of a spring credited to a report by D.C. Malcolm by Pezzot and White (1983);

“A spring, at elevation 3,600 feet near McGillivray Creek, deposits a white precipitate which showed 1.19% silicon and 84.75% alumina.”

This is not felt to be a liability but should be noted as naturally occurring and recorded as such. To date the level of work has been minimal and there should no liability to the company.

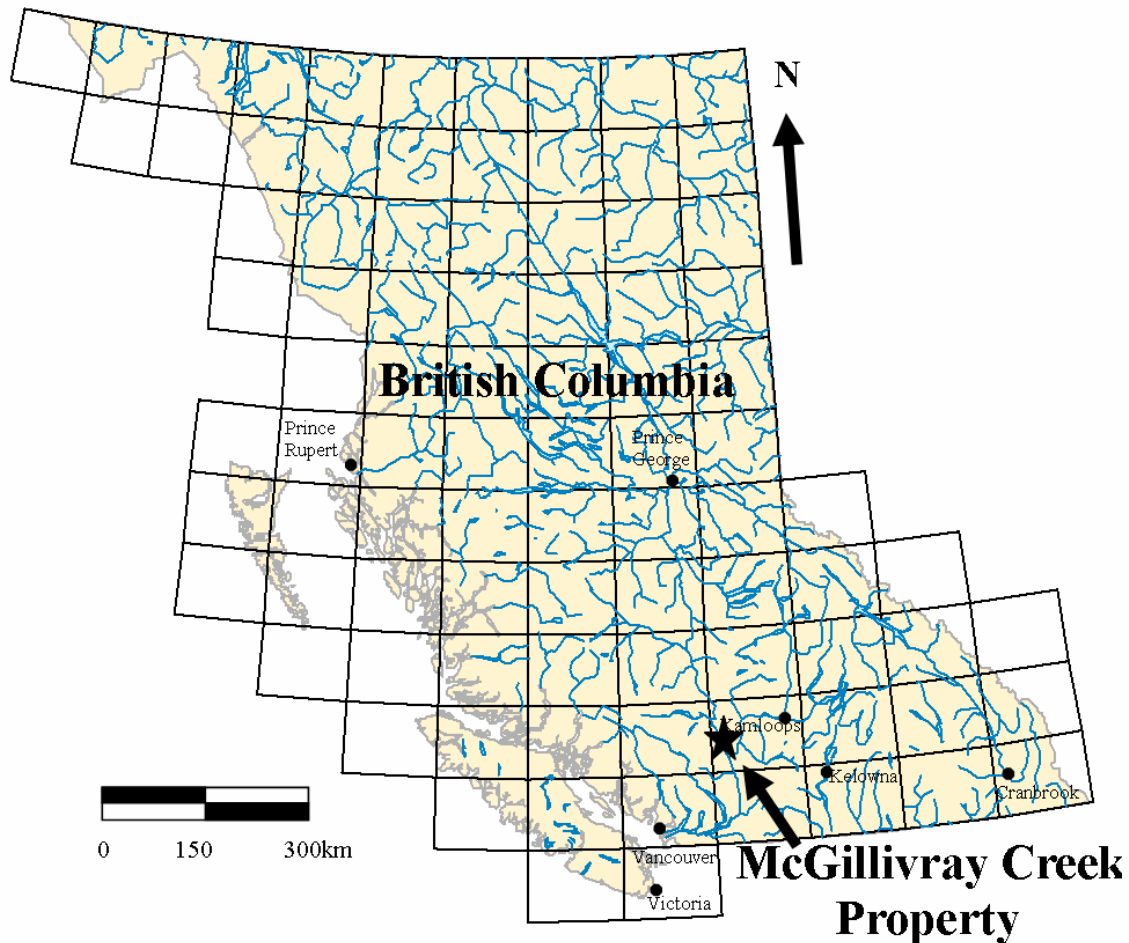


Figure 3 Location in British Columbia, Canada

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The McGillivray Property is located on the eastern side of the Fraser Canyon. Highway 12, which follows the river, crosses the western side of the McGillivray Property. There is a network of logging roads over the McGillivray Property, accessing the highway on the north side of the McGillivray Creek valley. The Laluwissin Creek valley is to the south end of the McGillivray Property and has a deactivated logging road in its lower valley leading to the Fraser River. The upper valley of the Laluwissin Creek road, along the eastern edge of the

claims, is accessed from Highway 12 in the Izman Creek valley to the south. This road connects up to a network of logging roads from Spences Bridge and Cache Creek on Highway 1 and near Pavilion on Highway 99. Most of the property is accessible by foot with cliff and landslide exposures limiting foot travel in a few areas.

Elevations range from 450m (1,500ft.) in the valley of the Fraser River to 1,800m (5,900ft.) on McGillivray Mountain. The area is mountainous with steep slopes. There are a couple of large natural slides and cliffs on the McGillivray Property, especially on the south facing slopes.

The area lies in the rain shadow of the Coast Mountains, therefore the climate is relatively dry; Lytton receives less than 40 cm precipitation per annum, of which 25% falls as snow during the winter months. Mean temperatures vary from -4°C in °winter to 30°C in the summer. At lower elevations, the vegetation is open pine forest. The north facing slopes have locally thick forests of pine and fir. The area is grazed by cattle during the summer months. Work can continue throughout the year although snow will likely be present on the ground throughout the winter limiting the activities and slowing access.

There are electrical power lines following Highway 12 on the western side of the McGillivray Property. McGillivray Creek and its tributaries had water sufficient for drilling in October after a long dry spell and should be sufficient for year round exploration. There is abundant water in the Fraser River for any need on the McGillivray Property.

Lillooet and Lytton are the major towns in the area, both on Highway 12. Lillooet the regional source of most required supplies, heavy equipment and services for exploration is 34 kilometers by highway to the north-north west. The regional population is about 50,000. The major industries include logging, ranching and hospitality. The distance to Lytton is about 30 kilometers to the south. There are major railroads, with access to the continental railroad networks, in both Lytton and Lillooet. Both communities would be the source of personnel for exploration or operations.

The McGillivray Property is underlain by crown land. It is used by the local rancher for grazing cattle in the summer. It has been logged in the past for timber. This has left a network of logging roads to access most areas of the McGillivray Property. The land is steep, but there are several areas locally that should be sufficient for a mill site and tailings impound.

History

In 1941 the Victory Claim was staked on the ridge between Laluwissin Creek and McGillivray Creek within the existing claims, according to Duffel and McTaggart, 1952. This is described to be located over the ridge located in the area where the work program of 2006 was done. It describes a northwesterly trending zone of faulting. There is a description of “inclusions” that are consistent with the body or bodies of altered volcanics seen in the 2006 mapping. It also mentions fine grained pyrite in a rusty fault zone.

In 1971 Cuda Resources, (Chisholm, 1972) did a copper soil geochemical and magnetometer study in the area of Laluwissin Creek and Highway 12 and south. This is about a kilometer southwest of the grid of the 2006 work. Geological mapping of these areas was completed in August of 1972 by Asano (1972) for Colt Resources Ltd. (renamed from Cuda Resources). He has mapped generally northerly trending bands of altered Nicola volcanics in Mount Lytton Complex diorite. The volcanics show varying levels of epidote and chlorite alteration. He correlates the magnetic highs to patches of gossan. There are several zones of copper mineralization described. The copper geochemistry and magnetometer survey were contoured

in a general northerly trend. There is a special correlation between copper in soils and magnetometer highs.

D.C. Malcolm undertook geological mapping of the McGillivray Creek basin in 1972 to 1976 for Acacia Mineral Development Corporation. Copies of his reports were not available to the author. The following is credited to Malcolm's report dated March 14, 1980 as recounted in the report of Pezzot and White (1986):

"The main deposits occur at the summit of a ridge and along its flanks between elevations 4,500 and 5,000 feet. On the north side of the ridge a number of small hand trenches expose sheared and brecciated feldspar porphyry and altered limy volcanics. Five samples over an area 200 feet by 200 feet, averaged 0.42% copper.

A road has been built from McGillivray Creek to the lower part of the deposit on the north slope of the ridge. Trenches have been roughed out partly across the deposit at elevations 4,650 and 4,800 feet.

On the south side of the ridge, 1,500 feet south of these trenches, chalcopryite occurs with magnetite in old trenches and malachite stained feldspar porphyry forms a slide in a dry gulch. One picked sample assayed 0.37 oz. silver, per ton and 7.16% copper.

On the road, at elevation 3,300 feet, a porphyry dike was exposed. Chalcopryite bearing limestone breccia float occurs near it.

Pyritic deposits occur over a large area east of the porphyry dikes and extend across the claims. Two outcrops have been sampled and assayed 0.095% and 0.15% copper."

The area described by Malcolm is consistent with the area that was the focus of the 2006 study.

A geochemical program was completed in 1978 (White, 1978) for Acacia Minerals. This is centered in the same basin as the 2006 work program of the Company. His conclusions read:

"The limonite gossans exposed in the southern portion of the survey area have a strong copper zinc geochemical expression which indicates they are part of a northerly trending mineralized zone.

They are heavily pyritized appear to be associated with a series of andesites, dacites, limestone breccias and tuffs. A strong copper, lead, silver and zinc anomaly occurs at 9 / 60s - OE at the head of a small stream which is seeping an alumina-rich white powder."

In 1983 Ryan Energy undertook an 80 line kilometer VLF – EM and Magnetics airborne survey (Pezzot and White, 1983) over the ACE 1 to 8 claims in the McGillivray Creek basin that was the area of focus of the 2006 work. The resulting magnetic lows were interpreted as:

"Two northwest-southeast trending magnetic lows are evident across the survey area. One follows a geologically defined fault across the southwest corner of the claims area. The second follows McGillivray Creek. Terrain clearance effects across the valley formed by McGillivray Creek are not influencing the magnetic field intensity in this area and it is likely that another fault is present.

A north-south trending magnetic high correlates with a mountain ridge on the east side of McGillivray Creek. No geological evidence of a lithology change is reported in this area. The magnetic data may be reflecting an unmapped facies change within the volcanic unit; possibly a dioritic phase or simply an increased content of higher magnetic

susceptibility materials. A closed magnetic high located on line 20 immediately west of this ridge is likely an outlier of the same rock unit.”

The VLF EM from the 1983 report is reported as:

“The VLF-EM data is presented in profile form over the same topographic and geological base map used to illustrate the magnetic contours. The Seattle frequency data ... shows a subtle shift in the field intensity which correlates with the G.S.C. defined fault crossing the southwest corner of the survey area. In addition, the northwest-southeast trending belt of limestone is reflected as a slight conductivity increase. This response extends further south than the unit as indicated by D.C. Malcolm.”

There is a small adit, with a tennantite showing within the existing McGillivray claims, above McGillivray Creek, on the north side, described in the BC Ministry of Mines, Geological Fieldwork (White, 1980) of historical work. There are reports of several small pits on the McGillivray Property near the highway described by Chisholm (1971). These were not visited by the author. There are several filled in bulldozer or excavator trenches at the end of the logging road that likely date from 1972 or 1973, near the center of the 2006 fieldwork area, that were visited.

There is no further recorded work found by the author until the program of 2006 by the Company. The location of the areas mentioned in this section is shown on Figure 4.

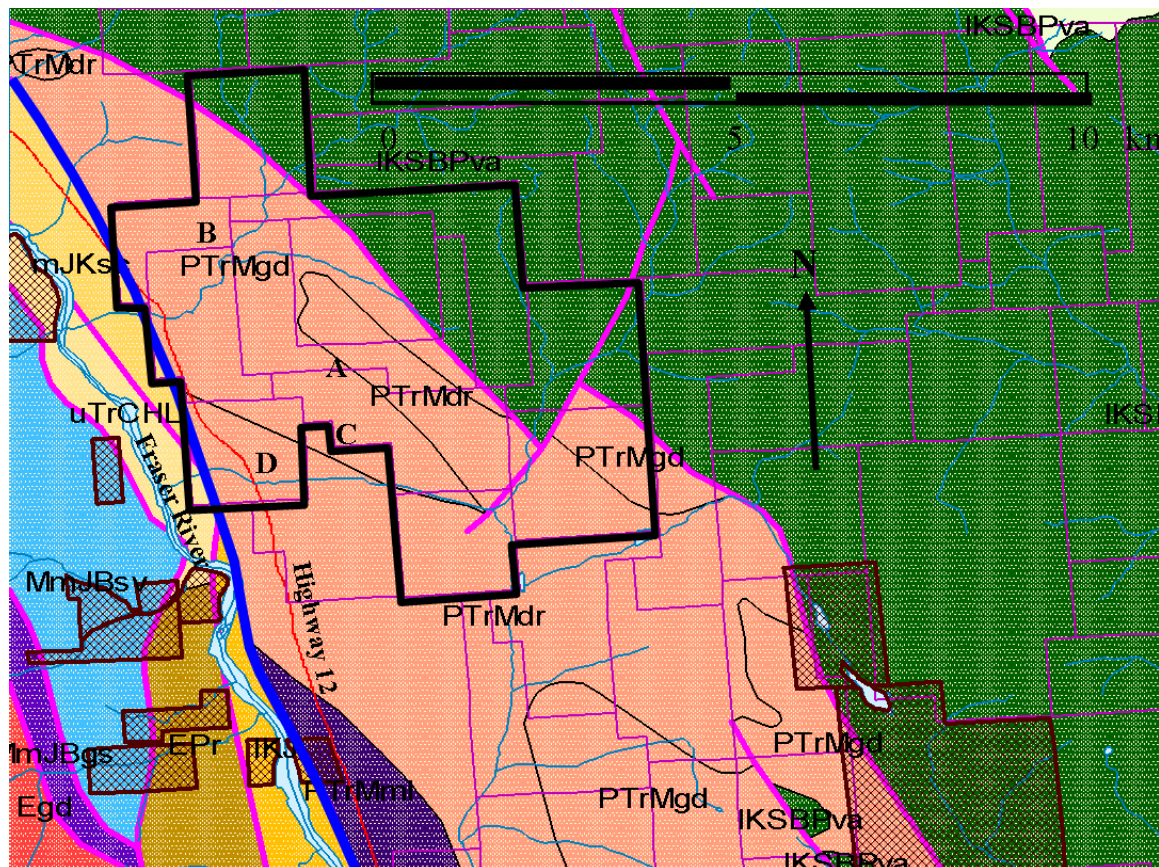
Geological Setting

The major rock formations on the McGillivray Property are dioritic and granodioritic intrusives of the Permian to Triassic age Mount Lytton Complex. The other major unit is the altered Lower Cretaceous andesitic volcanics of the Pimainus Formation of the Spences Bridge group. The Spences Bridge Group outcrops on the eastern side of the claims as well as fault controlled bands as inliers or roof pendants in the diorite on the western side. The 2006 program reportedly found sedimentary rocks on the eastern side of the McGillivray Property (Shearer pers. comm.). This is likely the interbedded volcanoclastic rocks of the Pimainus Formation.

There are bands of fault bounded northerly trending altered volcanics that have been mapped as gneisses and schists (Duffell and McTaggart, 1952). There are gneisses and schists defined to the south of the McGillivray Property on the geological map from the MapPlace, used in the Report. Locally the alteration was observed to be argillic to kaolinitic. These bands extend over the ridge and were mapped near Highway 12 (Asano, 1972) as well in the basin to the east (Shearer, 2006). The intensity of alteration varies greatly on a local basis. These are likely part of the Pimainus Formation of volcanics of the Spences Bridge Group. The geological map reproduced from the BC MEMPR MapPlace reproduced for the Report (Figure 4) does not show these bands of altered volcanics, but were observed during the field visit and reported in many property scale reports.

The regional Fraser Fault, a major north-north westerly trending structure, is located on the western boundary of the McGillivray Property. This strike slip fault may have 135 to 160 kilometers of dextral strike slip. This was determined by the correlation of Late Permian intrusives of the Mount Lytton Complex in the area of McGillivray Creek with the Farwell Pluton in the area of the mouth of the Chilcotin River as noted in Read (2000) crediting a GSC paper by Friedman and van der Heyden. The rocks to the west of this structure, the Fraser Fault, are not related geologically to the units found on the McGillivray Property and the geology and mineral deposit types are not reported by the author.

The close spatial relation to this fault has likely influenced the units on the McGillivray Property. The strong northerly trending faulting that separates the Mount Lytton intrusives and the altered volcanics, sub parallel to this fault is likely related to this fault. As well, deep faults like the Fraser Fault have acted as conduits of deep hydrothermal fluids in other regions.



Geology of the McGillivray Creek Property

PTrMdr	Permian to Triassic Mount Lytton Complex diorite
PTrMgd	Permian to Triassic Mount Lytton Complex granodiorite
PTrMnl	Permian to Triassic Mount Lytton Complex metamorphic rocks
IKSBPva	lower Cretaceous Spences Bridge Group—Pimainus Formation volcanics



Property Boundary

Fraser Fault

Source BC MEMPR MapPlace

- A Area of the 2006 Work Program. The majority of the work in the historical section of the report beginning in 1972 is located within the basin located here.
- B Location of the Adit showing with tennantite (White, 1980)
- C Area of the Victory Claim (1941)
- D Area of 1971 program of Cuda Resources

Figure 4 Local Geology and Location of Historical Zones

Deposit Types

The two major deposit types targeted on the McGillivray Property are historically copper porphyry and in 2006 epithermal precious metals. The early exploration of the McGillivray Property was for copper with copper porphyry targets investigated through the 1980s. Copper porphyry targets were very favorable following the discovery of several large deposits in

British Columbia including nearby Highland Valley and the improvements in technology to economically mine these deposits. Most of the early geochemistry recorded was for copper or copper and zinc, with little evidence of precious metal or multi element analyses in these projects.

The epithermal precious metal deposits are locally the most likely economic deposit type. The nearby Skoonka property was drilled in late 2005 and has indicated that this mineralization type is found in the Spences Bridge Group volcanics. This discovery has focused exploration in the region for precious metal deposits, in a rock formation previously considered to be a poor target for precious metal deposits. The outcropping of the Mount Lytton Complex intrusives in the south end of the Skoonka property may be significant.

Gold deposits related to sub-aerial volcanic activity are known as epithermal gold deposits. They commonly occur in island arcs and continental arcs associated with subduction. They are commonly also considered to have temperatures ranging from 50°-300°C under conditions of moderate pressure.

Most of the epithermal mineralization is found in veins, but can include irregular branching fissures, vesicle fillings, stockworks, breccia pipes and disseminations. The most common form of emplacement is open space fillings, in which textures include cockscomb textures, crustifications, drusy cavities and symmetrical banding. Colloform textures are also found, these are typical of a shallow volcanic environment which indicate low temperatures and the free circulation of hydrothermal fluids. Evidence for repeated mineralization is evident, this includes re-brecciation and multistage banding.

Ore minerals are usually fine grained but have coarse grained well crystallized overgrowths of gangue minerals. The ore assemblages include sulfantimonides, gold and silver tellurides, stibnite, cinnabar, native mercury, electrum, native gold, native silver, selenides and to a lesser extent galena, sphalerite and chalcopyrite. Typical gangue minerals found are quartz, calcite, fluorite, barite and pyrite. Dolomite, hematite, chlorite, rhodonite are sometimes found.

The alteration in country rocks around hydrothermal veins is usually extensive. High porosity and permeability values in wall rocks allow deep migration of the mineralization fluids. The difference in temperature between the cool country rocks and the hot invading fluids causes reactions which results in a new assemblage of minerals. The main products of this mineralization are chlorite, alunite, sericite, zeolites, clays, adularia, silica and pyrite. Propylitization is the main zone of alteration in which chlorite is the main mineral. Silica, chlorite, sericite and pyrite of the alteration halos are usually fine grained. Near the surface it is not uncommon to find a broad argillic zone of alteration often containing alunite. Some deposits are found to have an aluminous advanced argillic alteration zone in which Kaolinite, sericite, pyrophyllite and andalusite with minor corundum, topaz and diaspore is found. Carbonate minerals such as calcite, dolomite, ankerite and rhodochrosite are also products of alteration. Montmorillonite and kaolinite clays may be abundant forming zones parallel to the walls of veins.

There are two types of mineralizing fluids which are responsible for forming epithermal gold deposits, they have a different chemical composition and are from contrasting volcanic environments. The first is a low sulfidation (LS) fluid which is reduced and has a near neutral pH. It is a mixture of magmatic and meteoric waters. Gold is carried in solution and is precipitated out in veins near the surface at the zone of boiling.

The second type of mineralizing fluid is a high sulfidation (HS) fluid. This is an oxidized and acidic fluid which dominantly originates from a magmatic source. It deposits gold near the surface when the fluid cools or is diluted by meteoric waters. The gold in this type of deposit is hosted by leached silicic rock from acidic fluids which are generated in a volcanic hydrothermal environment.

With both LS and HS deposits, the mineralizing fluids ascend to the surface via fracture networks. Mineralization often occurs within these conduits. LS fluids usually deposit ore in large cavity filling veins, or in a series of finer veins known as stockworks. The more acidic HS fluids penetrate farther into the surrounding country rocks, which deposit ore in veins which may be scattered throughout the host rock.

Gold deposition in epithermal systems is inferred to result from boiling of auriferous solutions in prepared (fracture-hosted) conduits. Breccia textures and polyphase silica flooding (often referred to as silicification) are common. Both replacement and void-filling mineralization can occur.

Many epithermal deposits display a widespread demagnetization of the host rocks, due to transfer of potassium into the upper part of the epithermal system with reduced sulfur. Therefore airborne magnetic, radiometric and resistivity surveys are very useful in locating these deposits. On the ground, geochemical surveys based primarily on gold are of great importance in locating ore zones. Where there is sufficient outcrop or if exploration drilling has taken place the possibility of alteration could be very important. Also mapping of breccia types could provide a guide to the mineralization style and possible targets. Fluid inclusion thermometry is also useful in characterizing epithermal mineral deposits.

There are no reserves detailed on the McGillivray Property and no deposit types have been confirmed to occur on the McGillivray Property.

Mineralization

The historically described mineralization is largely disseminated and shear related copper and silver - lead with some, zinc reported. There is gold reported as a possible metal in the copper porphyry deposits described in the BC Minfile property descriptions on the McGillivray Property near the ridge. Strong topographic lineations were seen on the ground during the property visit and are also visible in the contour maps. These are probable fault boundaries to the altered volcanic units with the Mount Lytton Complex intrusives as described in several historical reports and suggested in the 2006 mapping of White. The high level and large surface extent of alteration seen indicates strong hydrothermal alteration. This alteration was evident as the author walked the McGillivray Property as well as seen in the large landslide visible from a distance near the highway.

Exploration

The field exploration program in 2006 (Shearer, 2006) included field grid development and soil and rock geochemistry. The 2006 soil geochemistry is outlined on two maps in Figures 5 and 6. There was some limited geological mapping of the north facing bowl that was the focus of the program. The Field Site grid was developed in this bowl and is shown on Figure 5. The other area of focus, titled the Ridge Area (Figure 6), is just south of this grid and is around the rim of a large gossanous landslide that faces southwest. This landslide is a landmark that is clearly visible from a distance and was one of the reasons that originally drew the attention of Jo Shearer to the McGillivray Property (see Figure 1). The field program was supervised by Mr. Jo

Shearer, P. Geo., with daily field supervision of an experienced field crew by Jon Stewart a prospector with over 40 years experience.

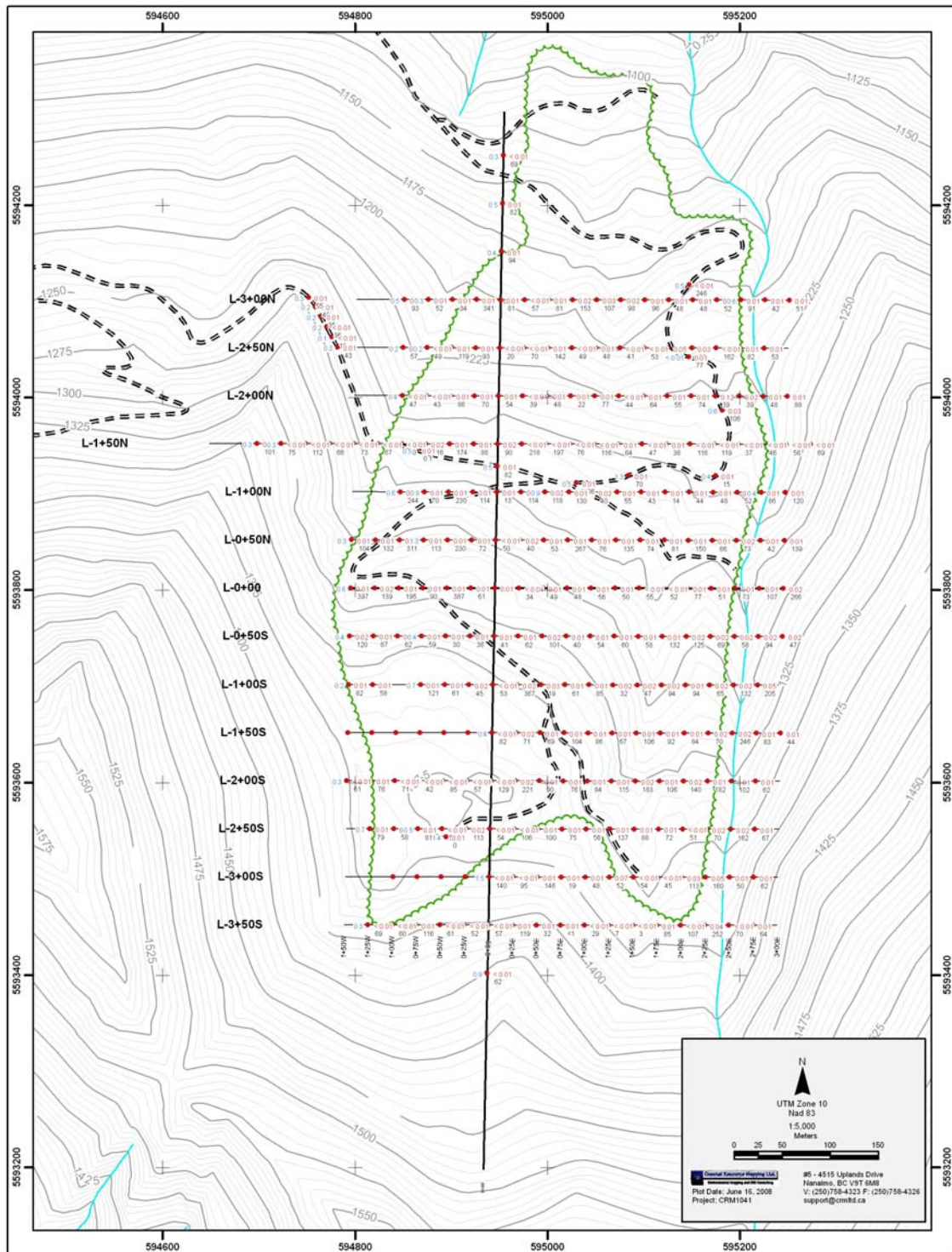


Figure 5 Soil Geochemistry on 2006 Grid (Au, Ag, Cu)

The work included development of systematic lines of geochemical soil sampling in a grid and lines along the ridge line and other geographic landmarks. A total of 453 soils and 40 rock samples were collected. The soil grid (Figure 5) shows an elongate pattern of anomalous silver and copper along the east side of the grid with values in the soil of up to 2.2ppm Ag.

Figures 5 and 6 show the sample locations of the soil geochemistry on the Field Grid (gold, silver and copper) and the Ridge area (gold and silver). The elemental values on these maps are reported as follows; gold (g/mt), copper (ppm) and silver (ppm).

A significant series of anomalous samples extending along the ridge for 350 metres returned values ranging from 0.5ppm Ag to 42.0 ppm Ag. Lead values are also locally elevated. These highly anomalous silver values in soil (or more accurately deeply weathered bedrock) on the ridge crest may be associated with topographic linears trending northeast as represented by a subsidiary saddle along the ridge crest.

Prospecting of several other areas was completed to assess the outlying areas of the McGillivray Property.

Due to the recessive nature of rock outcrops in the altered area the mapping by Geoff White was of a preliminary nature and outlined the spatial location of the major fault boundaries and the major rock units. There was a network of fine quartz veinlets in a highly altered rusty possible volcanic rock found on the McGillivray Property in 2006 that was delivered to the author by Jo Shearer, P.Geo. This type of quartz along with the strong alteration seen around the bowl is indicators of possible epithermal zone deposits. Historically sampling programs were for copper and the recorded analyses were very limited for gold or silver and it is likely that a gold and/or silver zone could go undetected in historic studies.

Drilling

There were no records of drilling on the McGillivray Property found by the author.

Sampling Method and Approach

Two grab samples were collected by the author using a rock hammer to break chips off outcrops. The sample sites were marked with orange flagging with the sample number written on it. The samples were kept in his possession and hand delivered by the author directly to the laboratory. Descriptions of the samples are below:

McG1 – collected off the slope above the road. Creamy white, siliceous light grey, fractures are coated with limonite and white calcite. Fine grained pyrite (~1%) disseminated throughout.

McG2 – located on road about 4m from sample number 9 of 2006 project. Fine grained siliceous gray, creamy. 1 to 2 % fine grained disseminated pyrite. Limonite along fractures. Siliceous nodules about 2-3 mm across (possible remnant quartz grain). Siliceous alteration overprint.

The samples although collected from an area of strong alteration do not contain any significant values in any metallic elements. It is not uncommon to have sections of mineralized systems to have low or unmineralized sections along strike. The author's experience in other precious metal projects have shown visually similar material to return widely different values. Despite the low values returned the Spences Bridge Group Volcanics and sedimentary rocks are considered to be very prospective for epithermal precious metal mineralization when associated with strong hydrothermal alteration. The subject McGillivray Property contains numerous fault

zones. These fault zones and intensity of high level alteration indicates the good probability of a large hydrothermal system on the claims.

The 2006 field exploration samples were collected and handled as described below:

Soil Sampling: Field personnel collected soil samples from the “B” soil horizon which is the generally accepted location within the soil column that is commonly employed by the exploration industry. The samples were placed in water resistant craft soil bags. The samples were numbered in accordance with their station location in order to facilitate the return of persons other than the original sampler to the actual sample site. The author of the Report has supervised one of the soil samplers in the past. The author also observed the methods of sample collection and location marking and found it to be consistent with the industry standards.

Rock Sampling: Rock chip samples were collected by chipping across the width of the outcropping veins or structure in such a manner as to not duplicate any particular portion of the vein in order to mitigate against biasing or “high grading” the sample. The rock chips were placed in the standard heavy gauge plastic bags which were sealed using zip straps. The samples were also numbered in accordance with their station location so that for future reference or field observations could be made by a person other than the sampler. The person could readily return to the exact location where the sample was originally collected.

The samples were transported directly from the field to the laboratory by the contract field workers accompanied by work order forms listing the samples by number and specifying the analyses to be performed.

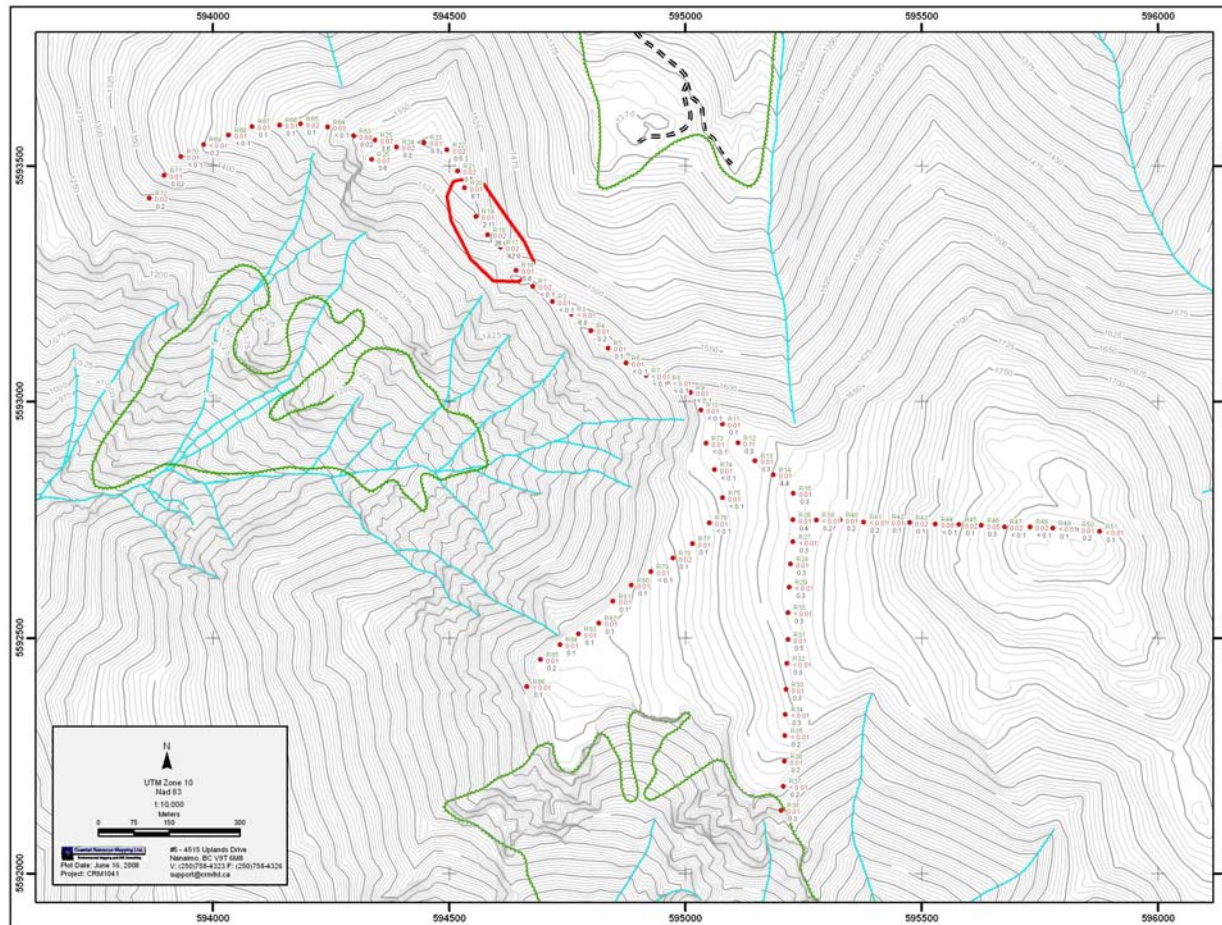


Figure 6 Soil Geochemistry in Ridge Area (Au (g/mt), Ag (ppm), Cu (ppm))

The area outlined in red is the location of the anomalous silver values in soil samples in the Ridge area. Scale bar is 300 meters long.

Sample Preparation, Analyses and Security

Two samples were collected by the author on October 5, 2006. These were placed in plastic sample bags and sealed. They remained in the author's possession until hand delivered by the author to ALS Chemex Laboratories in North Vancouver, BC a large laboratory used by many companies for analyses of geochemical samples.

The following is a description of the sample preparation and analysis methods by ALS Chemex.

Sample preparation:

CRU-31 Fine crushing the sample to 70% less than 2mm.

PUL-31 Pulverizing a split of up to 250 grams to 85% less than 75 um in a ring pulverizer.

Sample Analysis (units are indicated on the Analysis Certificate)

Au AA23 Au 30g FA AA Finish Gold analysis by fire assay and Atomic Absorption analyses. 30 g nominal sample weight.

ME-ICP41 34 elements analyzed by aqua-regia acid digestion and ICP-AES analysis. This has partial digestion of several elements.

No blanks or standards were inserted by the author into the sample stream due the limited number of samples. It is recommended that blanks and standards be used in future sampling programs, especially if there are more samples collected in these programs.

Samples collected by the Company in 2006 were transported directly from the McGillivray Property by J. Stewart, under the supervision of J. T. Shearer, M.Sc., P.Geo. to IPL Labs in Richmond. The laboratory is an accredited laboratory widely used by junior and major mining companies.

The soil samples were dried and screened to -80 mesh. Copper, lead, zinc, arsenic, silver were analyzed by standard Induction Coupled Plasma (ICP) methods for all samples. The ICP assay involves the digestion of 0.500 grams of the sample with 3ml of 3-1-2 HCl-HNO₃-H₂O acid at 95°C for one hour. This sample is then diluted to 10ml with water. The soils were also analyzed for gold by Atomic Absorption, by Acme Analytical Labs. Each batch of 15 samples were re-run by the Lab with standards inserted each 30 samples. Sample preparation, analyses and security of the work prior to 2006 was reviewed in past Assessment Reports, and past samples were processed by reputable laboratories using standard analytical methods.

Sample results for the 2006 program are mapped in Appendix I and the soil samples are included in Appendix 2. No employee, officer, director or associate of the issuer was involved in sample preparation.

The International Plasma Labs Ltd. Quality Assurance program includes specifications for sample preparation, analytical quality control using reference materials and standards to check equipment, sample blanks and internal duplicate samples processed at random intervals. Quality Assurance meetings with staff are held regularly to address issues that come up as a result of quality system failures, analytical equipment problems and issues raised by clients.

Soil field duplicate samples were not collected during the 2006 soil sampling program conducted by personnel contracted to the Company, primarily due to the programs limited scope, however, the author

recommends that one duplicate soil and/or rock chip sample be collected for every 10 samples collected during future exploration programs. The IPL website is www.IPL.ca.

Data Verification

In his work on the McGillivray Property, including a site visit, and research for the Report, the author has:

- Visited the site, on October 5, 2006
- Reviewed all past Assessment Reports, which are available from the BC government ARIS website
- Compared the 2006 soil sample results with past geochemical data.
- Reviewed the geological mapping done in the past.
- Compared some of the mineralized rock samples taken in 2006.
- Observed samples being collected by field crew
- Met the entire field crew on October 5, 2006 and discussed the findings of the program with them. Also reviewed the field crew's previous experience in similar projects and determined a long history of work on early stage exploration projects.

The October 5, 2006 property visit to the McGillivray Property by the author was during the field sampling program which concentrated on highly altered felsic porphyry dykes along some of the main faults structures. The author also discussed ongoing activities with the exploration crew and J. Shearer, M.Sc., P.Geo. The author ascertained that the field forman was J. Stewart, a fieldman of over 40 years experience, and the crew consisted of experienced soil samplers, geologists and prospectors. The author also examined the soil sampling technique of the soil samplers and found it to be satisfactory. The area sampled by the author consisted of sheared and brecciated feldspar porphyry within the gossanous trend. The recently recognized presence of sheared, infaulted blocks of Spences Bridge Group volcanics characterized the mineralized trend. The presence of previously identified mineralized zones also lends credibility to the discovery of new mineralized zones. The area is extremely steep in places and needs an experienced crew for the work.

Rock samples by the author assayed low in target metal values but variations along a vein system or mineralized zone is to be expected. The high soil (weathered subcrop) on top of the ridge assayed up to 42.0 ppm Ag can also be expected along strike of the hydrothermal system. This higher value zone on the ridge crest was not yet discovered at the time of the author's visit on October 5, 2006. Specimens of a banded siliceous epithermal character were examined at a lower elevation along strike on the main access road. Rock samples collected along the main access road of pyritic intrusive and volcanic rocks are geochemically anomalous ranging from 0.5ppm to 2.7ppm silver. Gold values in rock range from 21ppb to 78ppm Au.

Overall, the exposures of bedrock are limited to the very steep terrain and cliffs. The weathering and oxidation are relatively intense and that is why I have recommended trenching with an excavator. The anomalous part of the ridge is not isolated high values but rather is part of an anomalous trend over 350m of weathered subcrop on the ridge trace.

Due to the recessive nature of rock outcrops in the altered area the mapping by Geoff White was of a preliminary nature and outlined the spatial location of the major fault boundaries and the major rock units. There was a network of fine quartz veinlets in a highly altered rusty possible volcanic rock found on the McGillivray Property in 2006 that was delivered to the author by Jo Shearer, P.Geo. This type of quartz along with the strong alteration seen around the bowl is indicators of possible epithermal zone deposits. Historically sampling programs were for copper and the recorded analyses were very limited for gold or silver and it is likely that a gold and/or silver zone could go undetected in historic studies.

As a result of this review of the 2006 program and meeting the crew, and the author has no concerns about the reliability or of the samples taken or the assays completed. Future sample programs should use a Quality Assurance/Quality Control protocol of blank samples, duplicate samples and standard samples in the assay and geochemical stream.

Adjacent Properties

The following information is provided as background material for the reader. The author has not been able to independently verify the information contained although he has no reason to doubt the accuracy of the descriptions. The source of the information is without exception publicly available documents gained from the BC Ministry of Mines website and from company websites. The author has no affiliation with any of the properties or companies mentioned and has not visited any of the properties described.

The properties share geological formations, deposit type, and are located in the same region. They have been included to indicate the nearby presence of mineralized targets that are similar to the target mineralization in the proposed program.

The Skoonka Creek epithermal gold property of Almaden Resources and Strongbow Exploration Inc. is about 14 kilometers to the southeast of the McGillivray Property. This property was discovered in 2004. The showings are in the Pimainus Formation volcanics of the Spences Bridge Group. There are intrusives of the Mount Lytton Complex on the south end of this group of claims. The Pimainus Formation is thought to be the same formation as the altered volcanics of the McGillivray Property. An initial drilling program completed in October 2005 on this prospect returned high grade gold values including 20.2 g/t gold over 12.8 metres, 26.8 g/t Au over 3.31 metres and 7.5 g/t Au over 4.1 metres (Chang and Gale, 2006). They report the “alteration envelopes in host rocks adjacent to the JJ veins reach up to 4m and are bleached and highly fractured, with strong to locally intense argillic, silicic, and Fe/Mn oxide alteration. There are also clay-rich gouge zones incorporated within the vein as lenses, which comprise dominantly white to locally yellow clay minerals and fragments of altered wallrock.” The mineralization is epithermal quartz vein gold and silver with visible sulfides and rare visible precious metals.

To the north, about ten kilometres, on Blustry Mountain, is the Top Hat property. Ryan Exploration undertook a program of geology and soil geochemistry in 1984 (Richards, 1984). In 1987 Aerodat Ltd. of Mississauga, Ontario was commissioned by Kangold Resources to conduct an airborne geophysical survey over the property (Lechow, 1987). This survey consisted of a low level, helicopter supported programme which included a frequency VLF electromagnetic system, a high sensitivity caesium vapour magnetometer. The results of the geophysics were used to locate grids on the following project. In 1987 Mark Management Ltd. conducted a soil geochemical survey over a grid area of 900m x 100m in size. In general, anomalous values for Au, Ag, As, Cu, Hg, Mo, Sb, Pb and Zn outlined an open ended zone 650m long by 220m wide (Lechow, 1987). In 2003, Wyn Development completed geological mapping, prospecting, geochemistry and detailed Induced Polarization (IP). This property has several gold targets defined. The Top Hat zones are located in the Pimainus Formation volcanics of the Spences Bridge Group intruded by dykes and plugs of feldspar porphyry. The Pimainus Formation is felt to be same rock unit on the McGillivray Property.

Exploration has also occurred on Izman Creek, also known as the Bob and Cop showings, about 8 kilometres to the south. In 1972 there was an extensive soil sampling study (Jones, 1972a and b). This is a copper skarn or copper porphyry target. This property is underlain by the Mount Lytton Complex in contact with sediments, including crystalline limestone.

Small programs, including prospecting and local small grid geophysics and geochemistry, for copper and zinc, were done in this area, near the mouth of Izman Creek, on the Laurie claim by Weymark, 1980 and Allen (1988 and 1989).

There may or may not be any relation between the nearby property geology and mineralization and the McGillivray Property.

Due to the large dextral slip movement on the Fraser Fault the properties on the western side of the fault were not reviewed by the author.

Mineral Processing and Metallurgical Testing

There has been no metallurgical testing done on the McGillivray Property.

Mineral Resource and Mineral Reserve Estimate

There are no resources defined on the McGillivray Property.

Other Relevant Data and Information

There is no other relevant data known to the author not disclosed in the Report.

Interpretation and Conclusions

The historical data found, the work undertaken by the Company, as well as the discovery of the nearby Skoonka Creek epithermal system, leads to the conclusion that there is enough data to justify further exploration of the McGillivray Property for an epithermal precious metal system. The early work was focused toward base metals, largely copper. The earlier work found the fault bounded altered volcanics in contact with the Mount Lytton Complex intrusives. These fault zones and the high level of alteration indicates the probability of a large hydrothermal system. This alteration is what attracted the porphyry copper exploration.

The close proximity of the regionally significant Fraser fault, the Mount Lytton Complex intrusives and the Spences Bridge Group volcanics created a focus point for potential deep seated hydrothermal fluids to react in near surface rocks.

The McGillivray Property needs more work to determine if there is a shear zone epithermal precious metal deposit. It is under explored historically for the precious metal potential, having been focused on its copper potential. There has been little or no sampling for gold. The Spences Bridge Group volcanics were historically considered a low potential formation for precious metal deposits before the Skoonka Creek property was found. In light of this recent nearby discovery and the Top Hat property to the north east more work to determine the precious metal potential of the McGillivray Property is justified.

Bedrock within the area of strong alteration is limited to steep terrain and cliffs. The weathering and oxidation observed is relatively intense and is why it is recommended to trench with an excavator to bedrock. The anomalous part of the ridge is not isolated high values but rather is part of an anomalous trend over 350m of weathered subcrop on the ridge trace.

Recommendations

Government permits and approvals will be required for the next stages of exploration as well as field preparation. Any costs of gaining the approval of work on the McGillivray Property with First Nations are not budgeted due to variation from Nation to Nation.

The first step in the exploration of the McGillivray Property should be extending the existing grid from its present location to the south. This is recommended to allow for systematic geochemical sampling and control of geological mapping. The area behind the ridge, especially the area with the elevated values in silver in soil samples, should be the focus of the geochemistry. The sampling should extend out from here, filling the area between the two existing grids, and continue to the south toward Luluwissin Creek. As well some exploration of the area at the base of the landslide needs to be done to try and find extensions of the zone defined near the top of the ridge.

The road up the hill ends before the ridge line. Trail access to the area of the ridge samples will be beneficial using an excavator. This will assist in sampling, give access for the proposed trenching and allow for future diamond drilling if targets are developed. The trenching should be focused near the area of the anomalous silver values found in soils on the rim and any other targets developed by the geological mapping and sampling recommended in this project. Due to the strong alteration and recessive rock outcrop there is very little rock exposed and an excavator is required to ensure that the bedrock can be sampled. This trail has been flagged in the field and is slightly longer than originally envisaged. A permit has been issued to the Company for this proposed program (MX-4-480).

The cost of field personnel and equipment has increased since the author's field visit and the budget has been revised to reflect some of these increases. The next program at \$250,000.00 should consist of more detailed geological mapping, geochemical soil and rock sampling, and expansion of anomalous zones, IP geophysics, extension of a trail from the end of the road and trenching of targets to expose the bedrock. The goal of this proposed program is to develop diamond drill targets to continue the exploration of the McGillivray Property.

Proposed Project Costs	Days	Daily Rate	Cost
Permits, approvals & project planning			\$6,500
Senior Geologist	40	\$800	\$32,000
Geotechnician	40	\$475	\$19,000
Geotechnician	40	\$375	\$15,000
Laborer	40	\$300	\$12,000
IP Geophysics			\$40,000
Equipment Rental			
(2) 4x4 Trucks	40	\$90	\$3,600
(2) 4-Trax	40	\$60	\$2,400
Camp @ \$3,000/month			\$4,500
Excavator - Trail Building			\$30,000
Excavator - Trenching			\$20,000
Petrographic Work			\$5,000
Food and Fuel, Mob/Demob			\$6,000
Assays and Geochemistry 2000 samples at \$15 each			\$30,000
Field Supplies (pickets, tags, sample bags, flagging, etc.)			\$4,000
Drafting and Report Writing			\$20,000

TOTAL – Proposed Program Cost			\$250,000
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There is no known body of commercial ore on the McGillivray Property and the proposed program is an exploratory search for ore. See “Risk Factors”.

SUMMARY AND ANALYSIS OF FINANCIAL OPERATIONS

The following selected financial information is derived from the audited and unaudited financial statements for the period from the date of incorporation to July 31, 2007 and the nine months ended April 30, 2008, and should be read in conjunction with those statements and the notes thereto.

	Incorporation to July 31, 2007 (audited)	Nine Months ended April 30, 2008 (unaudited)
Revenue	Nil	Nil
General & Administrative Expenses	236,399	4,653
Net Income (Loss)	(207,991)	(4,653)
Basic loss per share	0.03	0.00
Diluted loss per share	0.03	0.00
Total Assets	253,857	278,861
Total Liabilities	23,756	80,413
Current Assets	141,778	33,791
Shareholders’ Equity	230,101	198,448

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management’s discussion and analysis have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

Period from Incorporation to July 31, 2007

Nature of Business

The Company was incorporated on August 21, 2006 under the laws of the Province of British Columbia and is engaged in the business of exploring precious and base mineral properties in Canada. At January 31, 2008, the Company is considered an exploration stage company.

During the period from incorporation to July 31, 2007, the Company’s primary focus has been to raise funds from the sale of its Shares, to acquire and explore the McGillivray Property, and to prepare for a listing on the Exchange. See “Description of Business and Property – McGillivray Property” for more information regarding the McGillivray Property.

Results of Operations

The Company had administration expenses of \$236,399 for the period from incorporation to July 31, 2007. Significant expenditures during this period included consulting fees paid to directors of the Company totalling \$106,403, \$13,014 for professional fees, and \$16,982 for office and miscellaneous

expenses. The Company's administration expenses include a one-time cost for stock based compensation of \$100,000. This reflects the estimated cost to the Company of issuing 4,000,000 Shares to the directors and officers of the Company, being the difference between the fair value of such Shares (determined to be \$139,900) and the amount paid for such Shares (an aggregate of \$40,000).

Liquidity and Capital Resources

Current liabilities consisted of accounts payable and accrued liabilities of \$23,756.

At present, there are no known demands, commitments, events or uncertainties that would adversely affect the trends and expected fluctuations in the Company's liquidity. Upon completion of the Offering, it is expected that the Company will have available funds of approximately \$825,063. The Company believes that this amount will be adequate to meet its business objectives and projected working capital and other cash requirements for at least 12 months following completion of the Offering. However, there can be no assurance that these funds will be sufficient and the Company may have to evaluate additional means of financing, including additional debt or equity financings. See "Risk Factors".

The Company does not have a dividend policy as yet.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed to as at July 31, 2007.

Transactions with Related Parties

The directors have been granted options to purchase an aggregate of 600,200 Shares at a price of \$0.20 per Share for two years after the listing of the Company's Shares on the Exchange.

The Optionor of the McGillivray Property is Johan T. Shearer, now a director of the Company. During the fiscal period, the Company paid \$5,000 and issued 200,000 Shares to Mr. Shearer pursuant to the Option Agreement. The Company also paid \$102,079 in exploration expenses to a company controlled by Mr. Shearer.

Syndicated Capital Corporation (principal - A. Salman Jamal) entered into the Management Agreement with the Company on September 1, 2006 under which it receives consulting fees of \$5,000 per month. During the fiscal period, the Company paid consulting fees of \$55,000 to Mr. Jamal's company. During the fiscal period, the Company paid mineral property exploration fees of \$9,000 to a company controlled by a director of the Company.

During the fiscal period, the Company paid/accrued \$32,603 to Kiesman Capital for administration and accounting services, which is a company owned by the spouse of Marcy Kiesman, a director of the Company.

At July 31, 2007, the Company owed \$15,256 to companies controlled by directors, which is included in accounts payable and accrued liabilities.

See "Interest of Management and Others in Material Transactions" and "Description of Business and Property – McGillivray Property".

Proposed Transactions

Pursuant to the Agency Agreement with the Agent, the Company has prepared and filed this prospectus to qualify the Offering at a price of \$0.20 per Share to raise gross proceeds of \$1,000,000. See “Plan of Distribution”.

Nine Months Ended April 30, 2008

As at April 30, 2008, the Company has not recognized revenue, has accumulated operating losses of \$212,644 since its inception, and has not yet determined whether its properties contain mineral reserves that are economically recoverable. The continuation of the Company is dependent upon the continuing financial support of shareholders, obtaining long-term financing to complete exploration and development, and the existence of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims and upon future profitable production. While the Company is expending its best efforts to achieve the above plans, there is no assurance that any such activity will generate funds for exploration or to bring the projects to development.

Results of Operations

The Company is in the mineral exploration business and has no revenues. To date, funding for the Company's exploration activities has been provided by private equity offerings.

During the period ended April 30, 2008, professional fees were \$762 (April 30, 2007 – \$13,014). The difference is mainly due to the fees recorded as deferred costs while the involvement of the Company's auditor and legal counsel while undergoing IPO and listing application process. Business consulting fees were \$63,572 for the period ended April 30, 2008 (April 30, 2007 – \$66,653). This figure includes the \$45,000 commitment as discussed in note 6 of the annual financial statements, and the balance is for administration and accounting that have been incurred during the Company's application process on the Exchange.

Administration expenses incurred for the period ended April 30, 2008 amount to \$4,653 (April 30, 2007 – \$188,997). Significant expenditures in this period are: professional fees of \$762 (April 30, 2007 - \$13,014) due to the increased reliance upon legal and auditor involvement with the prospectus and listing process, and business consulting fees of \$63,572 (April 30, 2007 - \$66,653). Current assets were \$33,791 compared to \$141,778 in the most recent completed year end. Total liabilities were \$80,413 up from \$23,756 at the year ended July 31, 2007 mainly due to professional fees and accrued business consulting.

Summary of Quarterly Results

	2008			2007			2006		
	Q3 30-Apr	Q2 31-Jan	Q1 31-Oct	Q4 31-Jul	Q3 30-Apr	Q2 31-Jan	Q1 31-Oct	Q4 31-Jul	Q3 30-Apr
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net gain (loss)	(50,035)	64,653	(19,271)	(37,565)	(31,882)	(22,852)	(115,692)		
Loss per share	\$ (0.01)	\$ 0.01	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.02)		

The quarterly results for the seven periods shown above are relatively uniform with the exception of the first quarter in 2006 when \$100,000 was expensed in stock compensation due to the difference between the fair value and the cash received for the founders' escrowed Shares.

Administrative expenses for the period were \$4,653, compared to \$188,997 in the prior year period of August 21, 2006 to April 30, 2007. The decrease is primarily due to a stock compensation expense of \$100,000 incurred in the first quarter ended October 31, 2006, which was later reversed in the amount of \$67,000 due to the cancellation of the shares.

Liquidity and Capital Resources

The Company has financed its operations primarily through the proceeds of the sale of its Shares. The Company has incurred a total of \$10,000 for mineral property acquisition costs under the Option Agreement and \$105,043 for exploration expenditures on the McGillivray Property to April 30, 2008. Share issuances for option payments for the McGillivray Property totalled a value of \$40,000. Reference should be made under the heading "Interest of Management and Others in Material Transactions".

As at April 30, 2008, the Company's working capital was \$(46,622). To date, the Company has relied entirely upon the sale of Shares to generate working capital for exploration activities and to fund the administration of the Company. Since the Company does not expect to generate any revenues in the near future, it will continue to rely primarily upon the sale of Shares to raise capital. There can be no assurance that financing will be available to the Company when required.

The Company's ability to meet its obligations as they come due is mainly dependent on its ability to continue to fund operations through equity and/or debt financings. The Company has a cash balance of \$20,237 and other current assets total \$13,554 as at April 30, 2008.

The McGillivray Property is not in production and accordingly, it does not generate cash from operations. To date, the Company finances its activities by raising capital through private investors. The Company has a commitment totalling \$20,000 as of April 30, 2008, expiring August 31, 2008 pertaining to management services of a company owned by the Company's President and CEO.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed to as at April 30, 2008.

Transactions with Related Parties

During the period ended April 30, 2008, the Company paid or accrued to a company owned by the Company's President and CEO \$45,000 (July 31, 2007 - \$55,000) in consulting fees under the Management Agreement, details of which are contained in note 8 of the annual financial statements.

During the period ended April 30, 2008, the Company paid \$5,000 (July 31, 2007 - \$5,000), issued 200,000 shares at \$0.20 per share to Johan Shearer, a director of the Company, pursuant to the mineral property option agreement and incurred \$2,964 (July 31, 2007 - \$102,079) to a company controlled by Mr. Shearer for geological consulting services.

During the period ended April 30, 2008, the Company paid or accrued \$18,572 (July 31, 2007 - \$32,603) to Kiesman Capital for administration and accounting services, which is a company owned by the spouse of Marcy Kiesman, a director of the Company.

In accounts payable and accrued liabilities at April 30, 2008, \$56,774 (July 31, 2007 - \$15,256) was due to directors of the Company. The amounts due to related parties are non-interest bearing, have no specific terms of repayment, and are unsecured.

The above transactions are conducted in the normal course of business and are measured at the exchange amount, which is the consideration established and amount agreed to by the related parties.

Critical Accounting Estimates

Management is required to make judgments, assumptions and estimates in the application of generally accepted accounting principles that have a significant impact on the financial results of the Company. Amounts recorded for depletion, depreciation, stock based compensation and taxation are based on estimates. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements from changes in such estimates in future years could be significant.

Financial Instruments and Other Instruments

The carrying value of cash, amounts receivable, and accounts payable and accrued liabilities approximate their fair values due to the short maturity of those instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial statements.

Other MD&A Requirements

Disclosure of Outstanding Share Data ⁽¹⁾

Issued	Number of Shares	Amount (After Deduction of Issue Costs)	Contributed Surplus
Balance at the beginning of the fiscal period	7,690,001	\$338,093	\$100,000
Shares issued for property ⁽²⁾	200,000	\$40,000	-
Shares cancelled ⁽³⁾	(2,360,000)		\$(67,000)
Shares issued ⁽³⁾	472,000		-
Balance at the end of the fiscal period	6,002,001	\$378,093	\$33,000

Notes:

1. The Company is authorized to issue 100,000,000 Shares without par value.
2. Please see "Description of Business and Property" for more information.
3. Please see "Prior Sales" for more information.

Commitments

Share Purchase Warrants: No share purchase warrants were outstanding as at April 30, 2008. The Company has entered into the Agency Agreement with the Agent and will grant the Agent's Warrants equal to 10% of the total number of Shares sold under the Offering, exercisable at \$0.20 per Share for a period of 2 years from the date of listing of the Shares on the Exchange.

Options: The Company has adopted an incentive stock option plan. Shares reserved under the plan for issuance on exercise of options must not exceed in aggregate 10% of the issued and outstanding Shares at the time of grant. The Company has entered into stock option agreements with its directors and officers

under which they have been granted options to purchase up to a total 600,200 Shares. The options are exercisable at a price of \$0.20 per Share for a period of two years from the date on which the Shares are listing on the Exchange. See “Options to Purchase Securities”.

ADMINISTRATION

During the first year after completion of this Offering, the Company estimates that the aggregate monthly cost of administration will be approximately \$10,833 and the total aggregate annual cost will be approximately \$130,000. These annual costs are comprised of management fees (\$60,000), transfer agent fees (\$10,000), professional fees (\$30,000) and other costs (travel, government fees, office and miscellaneous costs of \$30,000).

PLAN OF DISTRIBUTION

The Company, by the Agency Agreement, has appointed the Agent to offer for sale on a commercially reasonable efforts basis in British Columbia and Alberta 5,000,000 Shares at a price of \$0.20 per Share.

All subscription proceeds received by the Agent or other registered dealers or brokers authorized by them, will be held by the Agent or sub-agent pending the closing of the Offering. The Offering will be made on a day to be agreed upon between the Company and the Agent. The closing of the Offering is subject to, among other things, subscriptions being received for all the 5,000,000 Shares within 90 days from the issuance of the final receipt for this Prospectus. Until the Offering is reached, subscription funds for the Shares will be held in trust by the Agent pursuant to the terms of the Agency Agreement. If the Offering is not sold within the 90 days from the issuance of the final receipt for this Prospectus, then the subscription funds will be refunded to the subscribers in full, without deduction or interest, unless an amendment is filed and the securities regulatory authorities have issued a receipt.

The Exchange has conditionally approved the listing of the Shares distributed under this Prospectus. Listing will be subject to the Company fulfilling all the listing requirements of the Exchange and will take place immediately after the Closing of the Offering.

The Agent will receive a commission of 10% of the gross proceeds of Shares sold. The commission will be paid from the proceeds raised from the Shares. Upon completion of the Offering, the Agent will receive Agent’s Warrants entitling it to acquire up to 500,000 Shares, which represents 10% of the aggregate number of Shares sold under the Offering, at a price of \$0.20 per Share at any time on or before the second anniversary of the date on which the Shares are listed on the Exchange. This Prospectus qualifies the grant of the Agent’s Warrants and the issuance of the CF Shares.

Any Shares acquired by the Agent pursuant to the exercise of the Agent’s Warrants, may be resold by the Agent without further qualification through the facilities of the Exchange at the market price of the time of sale. The Company will not receive any of the proceeds from the sale of any such securities by the Agent.

The Company will pay or issue to the Agent, on completion of the Offering, an Administration Fee of \$10,000 and a corporate finance fee of 125,000 CF Shares. The Agent will also be reimbursed for reasonable expenses and the legal fees of its counsel including taxes and disbursements in relation to the Offering. The Agent has received a retainer of \$25,000 towards such expenses. The CF Shares will be subject to a pooling agreement with 62,500 CF Shares released from pool four months from closing of the Offering and 62,500 CF Shares released six months from closing of the Offering.

The obligations of the Agent under the Agency Agreement may be terminated prior to closing of the Offering at the Agent’s discretion on the basis of its assessment of the state of the financial markets and may also be terminated at any time upon the occurrence of certain stated events.

Other than as disclosed in this Prospectus, there are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder or any other person or Company in connection with the Offering.

The directors, officers and other insiders of the Company may purchase Shares under this Offering.

The price of the Shares and the Agent's commission was set by negotiations between the Company and the Agent.

RISK FACTORS

AN INVESTMENT IN NATURAL RESOURCE COMPANIES INVOLVES A SIGNIFICANT DEGREE OF RISK. THE DEGREE OF RISK INCREASES SUBSTANTIALLY WHERE THE COMPANY'S PROPERTIES ARE IN THE EXPLORATION AS OPPOSED TO THE DEVELOPMENT STAGE.

The Shares offered by this Prospectus must be considered speculative, generally because of the nature of the Company's business. In particular:

1. The purpose of the present Offering is to raise funds to carry out further exploration on the McGillivray Property with the ultimate objective of establishing ore reserves of commercial tonnage and grade. If the Company's exploration program is successful, additional funds will be required for the development of an economic ore body and to place it in commercial production. The only source of future funds presently available to the Company is through the sale of equity capital. The only alternative for the financing of further exploration would be the offering by the Company of an interest in the McGillivray Property to be earned by another party or parties carrying out further exploration or development thereof, which is not presently contemplated. There is no assurance that such sources of financing will be available on acceptable terms, if at all.
2. There is currently no market for the Shares offered by the Company and there can be no assurance that an active market will develop or be sustained after the Offering. The lack of an active public market could have a material adverse effect on the price of the Company's Shares. The price of the Shares and the commission to the Agent was established by negotiation between the Company and the Agent, and may not be indicative of fair market value or future market prices. The market price of a publicly-traded stock is affected by many variables not directly related to the corporate performance of the Company, including the market in which it is traded, the strength of the economy generally, the availability of the attractiveness of alternative investments, and the breadth of the public market for the stock. The effect of these and other factors on the market price of the Shares on the Exchange in the future cannot be predicted.
3. Exploration for minerals is a speculative venture necessarily involving substantial risk. The program proposed by the Company is an exploratory search for ore on the McGillivray Property. There is no certainty that the expenditures to be made by the Company in the acquisition and exploration of the interests described herein will result in discoveries of commercial quantities of ore. The McGillivray Property does not contain any known body of commercial ore and the development will occur only if satisfactory exploration results are obtained.
4. Resource exploration and development is a speculative business and involves a high degree of risk. The marketability of natural resources which may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. Currency fluctuations may affect the

cash flow which the Company may realize from its operations since most mineral commodities are sold in a world market in US dollars. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

5. The grade of any ore ultimately mined from a mineral deposit may differ from that produced from drilling results. Production volumes and costs can be affected by such factors as the proximity and capacity of processing facilities, permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. Short-term factors relating to ore reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on the results of operations. Moreover, there can be no assurance that minerals recovered in small scale laboratory tests will be achieved under production scale conditions. Although precautions to minimize risks will be taken, processing operations are subject to hazards such as equipment failure or failure of tailings impoundment facilities, which may result in environmental pollution and consequent liability.

6. Mining operations generally involve a high degree of risk. Hazards such as unusual or unexpected formations and other conditions are involved. The Company may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material adverse effect on the Company's financial position.

7. There is a degree of uncertainty attributable to the calculation of reserves, resources and corresponding grades being dedicated to future production. Until reserves or resources are actually mined and processed, the quantity of reserves or resources and grades must be considered as estimates only. In addition, the quantity of reserves or resources may vary depending on metal prices. Any material change in the quantity of reserves, resource grade or stripping ratio may affect the economic viability of the Company's properties. In addition, there can be no assurance that mineral recoveries in small scale laboratory tests will be duplicated in large tests under on-site conditions or during production.

8. While the Company has obtained the usual industry standard title report with respect to its McGillivray Property, this should not be construed as a guarantee of title. The McGillivray Property may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects.

9. The McGillivray Property includes mineral claims which have not been surveyed, and therefore, the precise location of the mineral claims may be in doubt.

10. The Company has only recently commenced operations and has no operating earnings. The likelihood of success of the Company must be considered in light of the problems, expenses and difficulties, complications and delays frequently encountered in connection with the establishment of any business. The Company has limited financial resources and there is no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfil its obligations under applicable agreement. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the McGillivray Property with the possible dilution or loss of such interest. Further, revenues, financings and profits, if any, will depend upon various factors, including the success, if any, of exploration programs and general market conditions for natural resources. There is no assurance that the Company can operate profitably or that it will successfully implement its plans.

11. The Company is dependent on a relatively small number of key personnel, the loss of any one of whom could have an adverse effect on the Company. The Company does not maintain key-person insurance on the lives of any of its key personnel. In addition, while certain of the Company's officers and directors have experience in the exploration of mineral producing properties, the Company will remain highly dependent upon contractors and third parties in the performance of its exploration and development activities. There can be no guarantee that such contractors and third parties will be available to carry out such activities on behalf of the Company or be available upon commercially acceptable terms.

12. The Company operates at a loss and there is no assurance that the Company will ever be profitable.

13. The mineral exploration and mining business is competitive in all of its phases. The Company competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than the Company, in the search for and the acquisition of attractive mineral properties. The ability of the Company to acquire properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable properties or prospects for mineral exploration. There is no assurance that the Company will continue to be able to compete successfully with its competition in acquiring such properties or prospects.

14. The current or future operations of the Company, including exploration and development activities and commencement of production on the McGillivray Property or any future properties, requires permits from various levels of government. 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. The Company believes it is in substantial compliance with all material laws and regulations that currently apply to its activities. There can be no assurance however, that all permits which the Company may require for construction of mining facilities and conduct of mining operations, particularly environmental permits, will be obtainable on reasonable terms or that compliance with such laws and regulations would not have an adverse effect on the profitability of any mining project that the Company might undertake.

Failure to comply with applicable laws, regulations and permit requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations 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 Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

15. Mining, like many other extractive natural resource industries, is subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products occurring as a result of mineral exploration and production. Environmental liability may result from mining activities conducted by others prior to the Company's ownership of the McGillivray Property. To the extent the Company is subject to uninsured environmental liabilities, the payment of such liabilities would reduce funds otherwise available of the Company and could have a material adverse effect on the Company.

Should the Company be unable to fund fully the cost of remedying an environmental problem, the Company might be required to suspend operations or enter into interim compliance measures.

16. Directors of the Company will not be devoting all of their time to the affairs of the Company. Certain of the directors of the Company serve as directors of other companies or have significant shareholdings in other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a Board of Directors meeting, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular Company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the Company making the assignment. In accordance with the laws of the Province of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time. See "Conflict of Interest" below.

17. The Shares offered under this Prospectus will be subject to a dilution of \$0.07 per Share (35%) if the Offering is sold.

18. The Company does not have insurance to adequately protect itself against certain risks associated with mineral exploration. Even if it were to obtain insurance, the Company will remain at risk and will be potentially subject to liability for hazards which it cannot insure against or which it may elect not to insure against because of premium cost or other reasons.

19. The McGillivray Property is situated in an area under one of more native land claims. The legal requirements for consultation and accommodations of First Nation rights, title and interest are still being debated in the courts.

USE OF PROCEEDS

The net proceeds after deduction of the Agent's commission to be derived from this Offering will be \$900,000. The Company had a working capital deficiency of \$74,937 as at July 31, 2008. The principal purposes for which the gross proceeds of the Offering after deduction of the Agent's commission and the Company's working capital deficiency as at July 31, 2008 are as follows:

Description	Offering
To pay the balance of the costs of the Offering ⁽¹⁾	\$45,000
To pay the cost of Phase 1 of the exploration program on the McGillivray Property ⁽²⁾	\$250,000
Administration costs for 12 months ⁽³⁾	\$130,000
Further unallocated working capital (part of which may be applied towards the costs of a further exploration program, if warranted by results of Phase 1)	\$400,063
TOTAL	\$825,063

Notes:

1. Includes the Administration Fee, the Agent's expenses and legal fees, the Company's legal and accounting fees and all regulatory filing fees.
2. See "Description of Business and Property".
3. Includes management fees which will be paid to Syndicated Capital Corporation (principal A. Salman Jamal) pursuant to the Management Agreement (see "Payments to Insiders and Promoters" "Administration" and "Material Contracts" (\$60,000), transfer agent fees (\$10,000), professional fees (\$30,000), and other costs (travel, government fees, office and miscellaneous costs of \$30,000).

The Company will spend the funds available on the completion of this Offering to carry out its proposed exploration program as set out in "Description of Business and Property". There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. The Company will only redirect the funds to other properties on the basis of a written recommendation from an independent professional geologist or engineer.

The Company's working capital plus allocation for administration expenses available to fund ongoing operations will be sufficient to meet its administration costs for more than 12 months.

DESCRIPTION OF SECURITIES OFFERED

The authorized capital of the Company consists of 100,000,000 Shares without par value. As of the date of this Prospectus 6,002,001 Shares are issued and outstanding.

All Shares rank equally as to dividends, voting powers and participation in assets. No Shares have been issued subject to call or assessment. Provisions as to the modification, amendment or variation of such rights or such provisions are contained in the *Business Corporations Act* (British Columbia).

This Prospectus also qualifies the distribution and issuance of the Agent's Warrants and the CF Shares. Refer to "Plan of Distribution".

DIRECTORS, OFFICERS, PROMOTERS AND OTHER MANAGEMENT

Each director of the Company holds office until the next annual general meeting of the shareholders of the Company or until his successor is duly elected or appointed, unless his office is earlier vacated in accordance with the articles of the Company or he becomes disqualified to act as a director.

The names, municipality of residence, age and principal business or occupations of each of the directors, officers, promoters, and other members of the management of the Company are as follows:

Name and Municipality of Residence	Age	Office Held	Date of Appointment	Principal Occupation for Past Five Years
A. Salman Jamal * Vancouver, British Columbia	35	President, CEO, Director	August 21, 2006	Self-Employed Businessman and Consultant with Syndicated Capital Corporation
Arif Merali * Burnaby, British Columbia.	39	Director	August 31, 2006	Self-Employed Investor
Johan Thom Shearer * Port Coquitlam, British Columbia	56	Director	March 21, 2007	Self-Employed Professional; Geologist and Consultant with Homegold Resources Ltd.
Marcy Kiesman Steveston, British Columbia	33	CFO, Secretary, Director	August 31, 2006	Self-Employed Certified Management Accountant and Consultant with Kiesman Capital

Name and Municipality of Residence	Age	Office Held	Date of Appointment	Principal Occupation for Past Five Years
				Inc.

* Member of the Company's Audit Committee.

The directors and officers beneficially own the following Shares:

Name	Number of Shares	Percentage of Class after the Offering ⁽²⁾
A. Salman Jamal	883,600 ⁽¹⁾	7.94%
Arif Merali	633,600 ⁽¹⁾	5.69%
Johan T. Shearer	1,083,600 ⁽¹⁾	9.73%
Marcy Kiesman	351,200 ⁽¹⁾	3.15%
TOTAL	2,952,000	26.51%

Notes:

1. These Shares are held in escrow. See "Escrowed Shares".
2. Upon completion of the Offering assuming no exercise of the Agent's Warrants or options granted to directors and officers, but including the CF Shares, there will be 11,127,001 Shares issued and outstanding.

The Company has granted options to purchase the number of Shares set out opposite the name of each director or officer below, exercisable at a price of \$0.20 per Share for a period of two years after the date of listing of the Shares on the Exchange:

Optionee	Number of Shares Underlying Grant
A. Salman Jamal	200,227
Arif Merali	75,025
Johan T. Shearer	200,227
Marcy Kiesman	124,721
TOTAL	600,200

Please see "Options to Purchase Securities" for further details.

The percentage of Shares (beneficially owned, directly or indirectly), held by all directors, promoters, officers and other members of management and their dependants as a group, upon the completion of the Offering is 26.51%.

A. Salman Jamal, President, Chief Executive Officer and Director – Mr. Jamal is responsible for the management of the Company and will provide general management services, including advising the Company regarding debt/equity financing, aiding in the negotiation of new business ventures, and acting as liaison between the Company and the investment community. Mr. Jamal has experience in public/private company finance with a background in economics. Since March, 2002, Mr. Jamal, through his consulting firm Syndicated Capital Corporation, has provided investor relations services to several listed companies ranging from mining, oil and gas, technology and industrials. Mr. Jamal was previously a director of Electra Gold Ltd., a junior mining company currently in production. Mr. Jamal has a

Bachelor of Arts Degree from McMaster University (1994). Mr. Jamal will spend approximately fifty percent of his time on the Company's business. Mr. Jamal has entered into a non-disclosure and non-competition agreement with the Company.

Arif Merali, Director – Mr. Merali will act as a member of the audit committee and spend approximately fifteen percent of his time on the Company's business. Mr. Merali has been a self-employed investor since 2001. He is the manager of 663312 B.C. Ltd. (since 2004), a private company engaged in the business of providing daycare services which is owned and operated by Mr. Merali's wife. On May 29, 2008, he became a director of Dentonia Resources Ltd., a company listed on the Exchange. He was a director of Monte Christo Capital Inc., a company listed on the Exchange (1997 to 2003). He was a registered representative at Canaccord Capital Corporation from 1999 to 2001. Mr. Merali has entered into a non-disclosure and non-competition agreement with the Company.

Johan Thom Shearer, Director – Mr. Shearer is responsible for the exploration activities of the Company. Mr. Shearer is a registered Professional Geologist (since 1992) and Fellow of Canadian Institute of Mining Metallurgy (since 1973). Mr. Shearer has been the President of Homegold Resources Ltd., a private geological consulting company (since 1986). From March 2003 to the present, Mr. Shearer has been President and a director of Electra Gold Ltd., a company listed on the Exchange, and is a director of Centurion Minerals Ltd. since September, 2006. Mr. Shearer has a Bachelor of Science Degree from the University of British Columbia (1973) and a Master of Science Degree from the University of London (1977). Mr. Shearer will spend fifteen percent of his working time on the Company's business. He has entered into a non-disclosure and non-competition agreement with the Company.

Marcy Kiesman, Chief Financial Officer, Secretary and Director – Mrs. Kiesman is responsible for the accounting activities of the Company. Mrs. Kiesman is a self-employed consultant and, since 2004, has provided consulting services to Kiesman Capital Inc. She is CFO of Electra Gold Ltd. Mrs. Kiesman was the CFO of St. Eugene Mining Corporation (2008) and Consolidated Ecoprogress Technologies Inc. in 2005. Mrs. Kiesman has a Business Administration Diploma from Northwest Community College (1998). She is a Certified Management Accountant (CMABC) (2006) and will spend forty percent of her working time on the Company's business. She has entered into a non-disclosure and non-competition agreement with the Company.

Corporate Cease Trade Orders and Bankruptcies

None of the directors, officers, promoters or shareholders holding a sufficient number of securities of the Company to affect materially the control of the Company is, or within the ten years prior to the date of this Prospectus, has been a director, officer or promoter of any other issuer or reporting company which have been struck from the Registrar of Companies by the B.C. Registrar of Companies or other similar authority or was subject to a cease trade or similar order, or an order that denied the other issuer access to any statutory exemptions, or suspension order for a period of more than 30 consecutive days.

None of the directors, officers, promoters or other members of management has been a director officer or promoter of any other issuer or reporting company which was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislative authority relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that reporting company.

Penalties and Sanctions

None of the directors, officers, promoters or shareholders holding a sufficient number of securities of the Company to affect materially the control of the Company has been the subject of any penalties or

sanctions imposed by a court or securities regulatory authority relating to trading in securities, the promotion, formation or management of a publicly traded company or involving theft or fraud.

Individual Bankruptcies

No director, officer, promoter or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company has, within the ten years prior to the date of the Prospectus, been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Conflicts of Interest

There are no existing conflicts of interest as a result of outside business interests at the present time. See paragraph 15 under the heading “Risk Factors” on page 35 in respect to potential conflicts of interest.

Mr. Johan T. Shearer is the Optionor of the McGillivray Property to the Company. To the extent that Mr. Shearer and the Company have business relations, the obligations of Mr. Shearer to the Company on the one hand, may conflict with his personal interests. Mr. Shearer did not become a director of the Company until 2007, after the optioning of the McGillivray Property had commenced. Mr. Shearer has and will continue to manage the conflict by disclosing it to the Board of the Company and abstaining from voting in his capacity as a director of the Company in any regard to the Option Agreement. See “Risk Factors”.

INDEBTEDNESS OF DIRECTORS, OFFICERS, PROMOTERS AND OTHER MANAGEMENT

No director, officer, promoter or other member of management nor their respective associates or affiliates has been indebted to the Company at any time.

PAYMENTS TO INSIDERS AND PROMOTERS

Executive Compensation

The Company has two executive officers, namely A. Salman Jamal and Marcy Kiesman. The following table sets forth the compensation paid to the Company’s Named Executive Officers (as defined in National Instrument 51-102F6) during the period from incorporation to July 31, 2007.

Annual Compensation					Long Term Compensation			
					Awards		Payouts	
Name and Principal Position	Year	Salary	Bonus (\$)	Other Annual Compensation (\$)	Under Options/ SARs Granted (#)	Securities Restricted Shares or Restricted Share Units (\$)	LTIP Payouts (\$)	All Other Compensation (\$)
A. Salman Jamal President, CEO & Director	2007	55,000 ⁽¹⁾	N/A	Nil	200,227	N/A	N/A	9,000
Marcy Kiesman CFO, Secretary & Director	2007	N/A	N/A	Nil	124,721	N/A	N/A	32,603

Note:

1. Pursuant to a Management Agreement dated September 1, 2006.

Stock Options

The following table sets forth information on options granted to the Named Executive Officers during the year ended July 31, 2007.

Name and Principal Position	Securities Under Option	% of Total Options Granted to Employees in Financial Year	Exercise Price	Market Value of Securities Underlying Options on Date of Grant	Expiration Date
A. Salman Jamal President, CEO & Director	200,227	33.36%	\$0.20	N/A	Two years after the date of listing of the Shares on the Exchange
Marcy Kiesman CFO, Secretary & Director	124,721	20.78%	\$0.20	N/A	Two years after the date of listing of the Shares on the Exchange

Compensation of Directors

The Company has no plans pursuant to which it compensates its directors for services in their capacity as directors other than the granting of stock options. See “Options to Purchase Securities”. Syndicated Capital Corporation, which is a company wholly owned by A. Salman Jamal, has received and will continue to receive \$5,000 per month for its management services pursuant to the Management Agreement. See “Material Contracts”.

Related Party Transactions

The directors have been granted options to purchase an aggregate of 600,200 Shares at a price of \$0.20 per Share for two years after the listing of the Shares on the Exchange. The Optionor of the McGillivray Property is Johan T. Shearer, who has since become a director of the Company (2007), and has received \$10,000 and will receive 1,000,000 Shares pursuant to the Option Agreement (of which 200,000 Shares have been issued). See “Interest of Management and Others in Material Transactions” and “Description of Business and Property – McGillivray Property”.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The directors have been granted options to purchase an aggregate of 600,200 Shares at a price of \$0.20 per Share for two years after the listing of the Shares on the Exchange. The Optionor of the McGillivray Property is Johan T. Shearer, who has since become a director of the Company, and has received \$10,000 and will receive 1,000,000 Shares pursuant to the Option Agreement (of which 200,000 Shares have been issued). The Company has incurred exploration expenditures on the McGillivray Property in the amount of \$105,043. This amount was paid by the Company to Homegold Resources Ltd., the company that carried out the exploration work on the McGillivray Property and which is wholly owned by Johan T. Shearer, a director of the Company and the Optionor under the Option Agreement. See “Description of Business and Property – McGillivray Property”.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as at April 30, 2008 on an actual basis and adjusted to give effect to the Offering. The authorized capital of the Company consists of 100,000,000 Shares without par value.

	As at April 30, 2008	After giving effect to the Offering
Common Shares	\$428,501 6,002,001 Shares	\$1,378,093 11,127,001 Shares
Agent’s Warrants	-	\$100,000 500,000 Shares
Stock Options	\$120,040 600,200 Shares	\$120,040 600,200 Shares

The following table sets out the number and percentage of securities of the Company proposed to be outstanding on a fully diluted basis after giving effect to the Offering.

	Offering	
	Number of Shares	Percentage of Total ⁽¹⁾
Issued and Outstanding as at the date of the Prospectus	6,002,001	49.09%
Issuable pursuant to the Offering	5,000,000	40.89%
Issuable as CF Shares	125,000	1.02%
Reserved for issuance pursuant to stock options ⁽²⁾	600,200	4.91%
Reserved for issuance pursuant to the Agent's Warrants	500,000	4.09%
Total Shares outstanding on a fully diluted basis	12,227,201	100.00%

Notes:

1. Assuming exercise of the Agent's Warrant, and the options issued to the directors and officers of the Company.
2. The stock options are exercisable from the Listing Date. See "Options to Purchase Securities".

Purchasers of the Shares under this Prospectus will suffer an immediate dilution or 35% per cent of the offering price or \$0.07 per Share on the basis of there being 11,127,001 Shares issued and outstanding following completion of the Offering.

Dilution has been computed on the basis of total gross proceeds to be raised under this Prospectus and from sales of securities prior to filing this Prospectus, without deduction of commissions or related expenses incurred by the Company in connection with the offering.

Dilution per Share ⁽¹⁾	Offering
Gross proceeds from the sale of Shares prior to the Offering	\$428,501
Gross proceeds under the Offering	\$1,000,000
Total gross proceeds	\$1,428,501
Offering price per Share	\$0.20
Gross proceeds per share after this Offering	\$0.13
Dilution per Share to purchaser	\$0.07
Percentage of dilution in relation to offering price	35%

Note:

1. These calculations do not include shares issuable on exercise of the Agent's Warrant or options granted to directors and officers.

OPTIONS TO PURCHASE SECURITIES

Incentive Stock Options

As at the date of this Prospectus, the Company has issued the following options, warrants or other rights to purchase securities:

Category	Shares Issuable	Exercise Price	Market Value of Securities Underlying Options on the Date of Grant (\$/Security) ⁽¹⁾	Expiration Date
Options held by all Named Executive Officers (2 individuals)	324,948	\$0.20	N/A	Two years after the listing of the Shares on the Exchange
Options held by all directors and officers who are not also Named Executive Officers (2 individuals)	275,252	\$0.20	N/A	Two years after the listing of the Shares on the Exchange

Note:

1. As the Company's Shares were not listed on the Exchange at the date of grant, the market value of the securities underlying the options on the date of grant is not available.

The stock option agreements provide that the option exercise price is \$0.20 per share and that the options are exercisable up to two years from the listing of the Company's Shares on the Exchange. There are no other options to purchase securities of the Company other than as disclosed in this Prospectus.

These options expire 30 days after a director and/or officer ceases to be a director or officer of the Company.

Agent's Warrant

Upon completion of the Offering, the Agent will receive Agent's Warrants entitling it to acquire up to 500,000 Shares, which represents 10% of the aggregate number of Shares sold under the Offering, at a price of \$0.20 per Share at any time on or before the second anniversary of the date on which the Shares are listed on the Exchange. This Prospectus qualifies the grant of the Agent's Warrants. The Agent will receive a commission equal to 10% of the gross proceeds of the Offering payable in cash.

There are no assurances that the options, warrants, or other rights described above will be exercised in whole or in part.

Stock Option Plan

The Board of Directors of the Company has adopted an incentive stock option plan (the "**Stock Option Plan**") which reserves for issuance, a maximum of 10% of the Company's issued and outstanding share capital at the time of a grant of options under the Stock Option Plan. The Stock Option Plan is subject to regulatory approval, with such changes as may be required by such regulatory authorities and requires shareholder approval annually pursuant to the policies of the Exchange. The Stock Option Plan permits the grant of stock options to directors, officers, employees and consultants and their respective permitted assigns of the Company, or any of the Company's affiliates. Any Shares subject to a share option which for any reason is cancelled or terminated without having been exercised will again be available for grant under the Stock Option Plan.

The Stock Option Plan provides that eligible persons thereunder include any director, officer, employee (full or part-time), consultant or management company employee of the Company or any affiliate of the Company designated by the directors under the Stock Option Plan. The definition of consultant is the same as that contained in the policies of the Exchange. Within a one year period, options may be granted:

- a) to any one optionee who is an insider and any associates of such insider and will not exceed 5% of the outstanding issue;
- b) to any one consultant, no more than 2% of the issued Shares; and
- c) to employees conducting investor relations activities, no more than an aggregate of 2% of the issued Shares.

The Stock Option Plan will be administered by the board of directors or a committee thereof. The board of directors will have the authority to determine, among other things, the persons to whom options are granted and the number of such options. After the Shares are listed on the Exchange and at the time an option is granted, the board will also determine the exercise price of the option which, subject to a minimum price of \$0.05 will be equal to the closing price of the Shares on the Exchange on the day immediately preceding the date of grant, and any vesting criteria or other restrictions with respect to the exercisability of the option. Subject to any restrictions contained in the Stock Option Plan, the board may also impose such other terms and conditions as it deems necessary or advisable at the time of grant.

The term of the options will be determined by the board, but in any case must be no more than five years from the date of grant. Options are not transferable other than by will or the laws of descent and distribution. If an optionee ceases to be an eligible person for any reason whatsoever other than cause, the option (to the extent that it has vested at the time of termination) is exercisable for a period of 30 days or until the options expiration date, whichever is earlier, after which time the options will terminate and be of no further force and effect. If the optionee ceases to be an eligible person for cause, the option ceases forthwith. If an optionee dies, the legal representative of the optionee may exercise the option (to the extent that it has vested at the time of death) until the earlier of 120 days after the date of death and the option's expiration date.

The Stock Option Plan provides that the maximum number of Shares which may be reserved for issuance to any participant pursuant to options may not exceed 5% of the Shares outstanding at the time of grant (on a non-diluted basis) less the aggregate number of Shares reserved for issuance to such person under any other option to purchase Shares under any other share compensation arrangement. Under the Stock Option Plan, the maximum number of Shares that may be issued to any participant, or to one insider and the insider's associates, within a one year period pursuant to option exercises may not exceed 5% of the outstanding issue.

The maximum number of Shares which may be reserved for issuance to all the insiders of the Company pursuant to share options is limited to 10% of the Shares outstanding at the time of the grant (on a non-diluted basis) less the aggregate number of Shares reserved for issuance to insiders under any other share compensation arrangement.

The Company will not provide any optionee with financial assistance in order to enable such optionee to exercise share options granted under the Stock Option Plan.

PRINCIPAL HOLDERS OF SECURITIES

As of the date of this Prospectus, the only persons known by the Company to have direct or indirect beneficial ownership of, control or direction over, or a combination of direct or indirect beneficial ownership of and control or direction over, voting securities that will constitute more than 10% of any class of such securities upon completion of the Offering are as follows:

Name and Municipality of Residence	Number of Shares (of record and beneficial)	Percentage of Shares Outstanding Prior to Offering	Percentage of Shares Outstanding after Offering Undiluted ⁽³⁾	Percentage of Shares Outstanding after Offering Fully Diluted ⁽⁴⁾
A. Salman Jamal Vancouver, B.C.	883,600 ⁽¹⁾⁽²⁾	14.72%	7.94%	8.86%
Arif Merali Burnaby, B.C.	633,600 ⁽¹⁾⁽²⁾	10.56%	5.69%	5.80%
Johan T. Shearer ⁽⁵⁾ Port Coquitlam, B.C.	1,083,600 ⁽¹⁾⁽²⁾	18.05%	9.74%	10.50%

Notes:

1. These Shares are held in escrow. See “Escrowed Shares”.
2. Assuming none of these persons purchase Shares under the Offering.
3. Upon completion of the Offering there will be 11,127,001 Shares outstanding not including Shares issuable under the Agent’s Warrants or stock options granted.
4. Upon completion of the Offering there will be 12,227,201 Shares outstanding assuming exercise of the Agent’s Warrants and all stock options granted.
5. Johan T. Shearer will be issued an additional 300,000 Shares on or before November 30, 2008 and a further 500,000 Shares on or before August 25, 2009, pursuant to the Option Agreement.

ESCROWED SHARES

As of the date of this Prospectus there are 3,052,000 Escrowed Shares pursuant to the terms and conditions of the Escrow Agreement. The Escrow Agreement provides that the Escrowed Shares may not be traded in, dealt with in any manner whatsoever or released, nor may the Company, its transfer agent or the escrow holders make any transfer or record any trading of the Escrowed Shares without the consent of the securities regulators of the jurisdiction in which the Company is a reporting issuer or the Exchange.

The complete text of the Escrow Agreement is available for inspection at the registered office of the Company at 700 – 595 Burrard Street, Vancouver, B.C.

Designation of Class	Number of Shares Held in Escrow	Percentage of Class upon Completion of the Offering ⁽¹⁾
Common	3,052,000	27.43%

Note:

1. There will be 11,127,001 Shares outstanding upon completion of the Offering. This does not include Shares issuable on exercise of the Agent’s Warrants or the stock options granted.

The Escrowed Shares will not be released unless listing of the Company’s Shares is completed by the Company. As the Company is an “Emerging Company” as defined in National Policy B.C. 46-201, the original number of all Escrowed Shares may be released as to 10% on the date on which the Company’s Shares are listed on the Exchange (the “**Listing Date**”) and as to 15% every six months after the initial release so that all Escrowed Shares will have been released three years after the Listing Date. The Exchange may approve an accelerated release schedule if the Company, after the Listing Date meets “Tier 1 Company” listing requirements or establishes itself as an “Established Company” as described in National Policy 46-201F.

The Escrow Agreement restricts the sale, assignment, hypothecation and transfer of all Escrowed Shares except as set out in Part 5 of the Escrow Agreement. The Escrow Agreement permits a transfer of Escrowed Shares to directors, senior officers or other principals of the Company as defined therein. In the event of the bankruptcy or death of a holder of Escrowed Shares, the Escrow Agent, may transmit such holders' Escrowed Shares to the trustee in bankruptcy, executor, administrator or such other person as is legally entitled to become the registered owner of the Escrowed Shares. Escrowed Shares transferred upon death will be released from escrow to the applicable legal representative unless the Exchange objects. The Escrow Agreement allows the holders to transfer Escrowed Shares to other parties upon a realization of pledged, mortgaged or charged Escrowed Shares or into the escrow holders' Registered Retirement Savings Plans, Registered Retirement Income Funds or similar registered plans, subject to the Escrow Agent receiving satisfactory supporting documentation in accordance with the Escrow Agreement.

In addition, the CF Shares issued to the Agent on completion of the Offering are subject to a pooling agreement whereby 62,500 CF Shares will be released four months after closing of the Offering and 62,500 CF Shares will be released six months after closing of the Offering.

RESALE RESTRICTIONS ON THE SEED SHARES

There were 2,950,001 Shares issued to non-Principals prior to the Initial Public Offering (“Seed Shares”) which are not subject to the Escrow Agreement but are subject to the Exchange's Seed Share Resale Restrictions as outlined in Policy 5.4 of the Exchange. Of these Seed Shares, 550,000 Shares were issued at a price of \$0.07 per Share representing 35% of the Offering price and 2,400,000 Shares were issued at a price of \$0.10 per Share representing 50% of the Offering price, and all such Seed Shares were issued from September through December 2006, which is more than one year before the date of the Company's preliminary prospectus. Accordingly, none of the Seed Shares will be subject to a hold period imposed under the Exchange's Seed Share Resale Restrictions.

PRIOR SALES

Date of Issue	Number of Issued Shares	Price per Security	Total Consideration
August 21, 2006	1	\$1.00	\$1
September 11, 2006	4,000,000 ^{(1) (4)}	\$0.01	\$40,000
September 13, 2006	900,000 ⁽²⁾	\$0.07	\$63,000
November 1, 2006	250,000	\$0.07	\$17,500
November 27, 2006	2,000,000	\$0.10	\$200,000
December 15, 2006	400,000	\$0.10	\$40,000
April 30, 2007	140,000 ^{(1) (3)}	\$0.20	\$28,000
August 23, 2007	200,000 ^{(1) (3)}	\$0.20	\$40,000
January 30, 2008	(2,360,000) ⁽⁴⁾	\$0.01	(\$23,600)
January 30, 2008	472,000 ⁽¹⁾	\$0.05	\$23,600
TOTAL	6,002,001	-	\$428,501

Notes:

1. All of these Shares are held in escrow. Of the 4,000,000 escrowed Shares issued at \$0.01 per Share, 2,360,000 escrowed Shares were cancelled and in their place, 472,000 escrowed Shares were issued at \$0.05 per Share. See Note 4 below and see also “Escrowed Shares”.

2. 600,000 of these Shares are held in escrow. See “Escrowed Shares”.
3. These Shares were issued pursuant to the Option Agreement at a deemed price of \$0.20 per share.
4. On January 30, 2008 2,360,000 of these Shares were cancelled and 472,000 shares at \$0.05 per Share were issued on a pro-rata basis to the shareholders. These Shares are held in escrow. See “Escrowed Shares”.

PROMOTERS

The present directors and officers of the Company are the promoters of the Company. See “Directors, Officers, Promoters and Other Management” and “Executive Compensation”.

The directors have been granted options to purchase an aggregate of 600,200 Shares at a price of \$0.20 per Share for two years after the listing of the Company’s Shares on the Exchange. The Optionor of the McGillivray Property is Johan T. Shearer, who has since become a director of the Company, and has received \$10,000 and will receive 1,000,000 Shares pursuant to the Option Agreement (of which 200,000 Shares have been issued). See “Interest of Management and Others in Material Transactions” and “Description of Business and Property – McGillivray Property”.

DIVIDEND RECORD

The Company has not, since its incorporation on August 21, 2006, paid any dividends on any of its Shares. The Company has no present intention to pay dividends. The future dividend policy will be determined by the Board of Directors on the basis of earnings, financial requirements and other relevant factors.

LEGAL PROCEEDINGS

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

RELATIONSHIP BETWEEN THE COMPANY AND THE AGENT

The Company is neither a connected issuer nor a related issuer of the Agent as defined in National Instrument 33-105.

EXPERTS

None of the persons defined as experts have any direct or indirect interest in the property of the Company. The only expert by definition is Sean Butler, B.Sc. P.Geo., who is the author of the geological report on the McGillivray Property.

MATERIAL CONTRACTS

There are no material contracts entered into by the Company and currently in effect other than as disclosed in this Prospectus as follows:

1. Agency Agreement dated August 29, 2008 between the Company and Canaccord Capital Corporation, please see “Plan of Distribution”;
2. Stock Option Agreements dated May 31, 2007 between the Company and its directors and officers, please see “Options to Purchase Securities”;
3. Escrow Agreement dated August 28, 2007 between Pacific Corporate Trust Company and certain shareholders of the Company, please see “Escrowed Shares”;

4. Management Agreement dated September 1, 2006 between Syndicated Capital Corporation and the Company, please see “Payments to Insiders and Promoters”;
5. Transfer Agent Agreement dated May 31, 2007 between the Company and Pacific Corporate Trust Company;
6. Option Agreement dated August 25, 2006 as amended on November 19, 2006 and August 1, 2008 between the Company and Johan T. Shearer, please see “Property”; and
7. Pooling Agreement dated August 29, 2008 between the Company and Canaccord Capital Corporation.

Material contracts may be inspected at the offices of Boughton Law Corporation at 700 – 595 Burrard Street, Vancouver, B.C. during normal business hours during the period of distribution of the securities being offered under this Prospectus and for a period of 30 days thereafter.

OTHER MATERIAL FACTS

There are no other material facts relating to the offering of securities under this Prospectus other than as disclosed herein.

TRANSFER AGENT AND REGISTRAR AND AUDITOR

The Registrar and Transfer Agent for the Company is Pacific Corporate Trust Company of 2nd Floor – 510 Burrard Street, Vancouver, B.C. V6C 3B9. The Company’s auditor is MacKay LLP, of 1100 - 1177 West Hastings Street, Vancouver, B.C. V6E 4T5.

FINANCIAL STATEMENTS

Audited financial statements prepared for the 344 day period ending July 31, 2007 and unaudited financial statements for the nine months ended April 30, 2008 are included in this Prospectus.

PURCHASERS’ STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

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

AUDITOR'S CONSENT

We have read the Prospectus dated August 29, 2008 of Atocha Resources Inc. (the "Company") relating to an offering of 5,000,000 of the Company at \$0.20 for gross proceeds of \$1,000,000. 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 auditors' report to the directors of the Company on the balance sheet of the Company as at July 31, 2007 and the statements of operations and deficit and cash flows for the period from incorporation on August 21, 2006 to July 31, 2007, which report is dated August 31, 2007, except as to Note 8 which is dated August 29, 2008.

MacKay LLP
Chartered Accountants

"MacKay LLP" _____

Vancouver, BC
August 29, 2008

**ATOCHA RESOURCES INC.
(An Exploration Company)
INTERIM FINANCIAL STATEMENTS**

NINE MONTHS ENDED APRIL 30, 2008

(Unaudited, prepared by management)

With audited comparative figures for
the period ended July 31, 2007

Auditors' Report

**To the Directors of
Atocha Resources Inc.**

We have audited the balance sheet of Atocha Resources Inc. as at July 31, 2007 and the statements of operations and deficit, and cash flows for the period from incorporation on August 21, 2006 to July 31, 2007. 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 disclosure in these 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 July 31, 2007, and the results of its operations and its cash flows for the period from incorporation on August 21, 2006 to July 31, 2007 in accordance with Canadian generally accepted accounting principles.

**Vancouver, Canada
August 31, 2007 except for
note 8 dated August 29, 2008**

***"MacKay LLP"*
Chartered Accountants**

Atocha Resources Inc.
(An Exploration Stage Company)
Balance Sheets

	April 30, 2008 (Unaudited)	July 31, 2007 (Audited)
Assets		
Current		
Cash	\$ 20,237	\$ 135,894
Goods and services tax recoverable	13,554	5,384
Prepaid expenses	-	500
	<u>33,791</u>	<u>141,778</u>
Mineral properties and deferred exploration costs (Note 3)	155,043	107,079
Reclamation bond	5,000	5,000
Deferred financing costs	<u>85,027</u>	<u>-</u>
	<u>\$ 278,861</u>	<u>\$ 253,857</u>
Liabilities and Shareholders' Equity		
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 80,413	\$ 23,756
Shareholders' equity		
Share capital (Note 4)	378,093	338,093
Share subscription receivable	(1)	(1)
Contributed surplus (Note 4)	33,000	100,000
Deficit	<u>(212,644)</u>	<u>(207,991)</u>
	<u>198,448</u>	<u>230,101</u>
	<u>\$ 278,861</u>	<u>\$ 253,857</u>

Continuing operations (Note 1)
Commitments (Notes 2 and 8)

On behalf of the Board:

"MARCY KIESMAN"
Director

"A. SALMAN JAMAL"
Director

Atocha Resources Inc.
(An Exploration Stage Company)
Statements of Operations and Deficit

	Nine months ended April 30 2008 (unaudited)	August 21, 2006 (Incorporation) to April 30 2007 (unaudited)	August 21, 2006 (Incorporation) to July 31 2007 (audited)
Administrative expenses			
Business Consultants	\$ 63,572	\$ 66,653	\$ 106,403
Internet and Website	150	214	5,264
Meals	275	1,388	2,028
Office Supplies	881	727	1,877
Printing	85	354	376
Professional Development	-	1,641	1,641
Professional Fees	762	13,014	13,014
Rent	2,450	2,250	2,500
Stock Compensation	(67,000)	100,000	100,000
Travel	1,130	2,756	2,756
Transfer Agent	2,348	-	540
Loss before income taxes	(4,653)	(188,997)	(236,399)
Future income tax recovery	-	-	28,408
Net and comprehensive loss for the period	\$ (4,653)	\$ (188,997)	\$ (207,991)
Deficit, beginning of the period	(207,991)	-	-
Deficit, end of the period	\$ (212,644)	\$ (188,997)	\$ (207,991)
Basic and diluted loss per share	\$ (0.00)	\$ (0.03)	\$ (0.03)
Weighted average number of shares outstanding	7,252,337	5,580,062	6,653,605

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

Atocha Resources Inc.
(An Exploration Stage Company)
Statements of Cash Flow

	Nine months ended April 30 2008 (unaudited)	August 21, 2006 (Incorporation) to April 30 2007 (unaudited)	August 21, 2006 (Incorporation) to July 31 2007 (audited)
Cash provided by (used in)			
Operating activities			
Net income (loss) for the period	\$ (4,653)	\$ (188,997)	\$ (207,991)
Items not affecting cash			
Future income tax recovery	-	-	(28,408)
Stock based compensation	(67,000)	100,000	100,000
	(71,653)	(88,997)	(136,399)
Changes in non-cash working capital balances			
Goods and services tax recoverable	(8,170)	(2,481)	(5,384)
Prepaid expenses	(14,500)	-	(500)
Accounts payable and accrued liabilities	56,656	22,539	23,756
	(37,667)	(68,939)	(118,527)
Investing activities			
Acquisition cost of mineral properties	(5,000)	(5,000)	(5,000)
Deferred exploration costs	(2,963)	(99,644)	(102,079)
Reclamation bond	-	-	(5,000)
	(7,963)	(104,644)	(112,079)
Financing activities			
Proceeds on issuance of common shares	-	360,500	388,500
Share issue costs	-	(22,000)	(22,000)
Deferred financing costs	(70,027)	-	-
	(70,027)	338,500	366,500
Increase (decrease) in cash	(115,657)	164,917	135,894
Cash, beginning of period	135,894	-	-
Cash, end of period	\$ 20,237	\$ 164,917	\$ 135,894
Supplemental cash flow information (note 7)			
Interest paid	\$ -	\$ -	\$ -
Income taxes paid	\$ -	\$ -	\$ -

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

Atocha Resources Inc.
(An Exploration Stage Company)
Notes to the Interim Financial Statements
(Unaudited – Prepared by Management)

April 30, 2008

1. Nature of Business and Ability to Continue as a Going Concern

The Company was incorporated on August 21, 2006 under the laws of the Province of British Columbia and is engaged in the business of exploring precious and base mineral properties in Canada. At April 30, 2008, the Company is considered an exploration stage company.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles with the assumption that the Company will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. As at April 30, 2008, the Company has not recognized revenue, has accumulated operating losses of \$212,644 since its inception, and has not yet determined whether its properties contain mineral reserves that are economically recoverable. The continuation of the Company is dependent upon the continuing financial support of shareholders, obtaining long-term financing to complete exploration and development and the existence of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims and upon future profitable production. While the Company is expending its best efforts to achieve the above plans, there is no assurance that any such activity will generate funds available for exploration or to bring the projects to development.

These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might arise from this uncertainty.

2. Significant Accounting Policies

The financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP").

Financial Instruments

All financial instruments are classified into one of five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments are measured in the balance sheet at fair value initially. Subsequent measurement and changes in fair value will depend on their initial classification. Held-for-trading financial assets and liabilities are measured at fair value and changes in fair value are recognized into net income. Available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income. Loans and receivables, held-to-maturity investments and other financial liabilities which are subsequently measured at amortized cost.

Atocha Resources Inc.
(An Exploration Stage Company)
Notes to the Interim Financial Statements
(Unaudited – Prepared by Management)

April 30, 2008

2. Significant Accounting Policies (continued)

Mineral Properties

The Company is in the exploration stage in respect to its mineral properties. Acquisition, exploration and development costs relating to mineral properties are deferred until such time as mineral properties are brought into commercial production, abandoned, or sold. If brought into commercial production, they will be amortized over the estimated life of the property on a unit of production basis using proven and probable reserves. Revenue incidental to exploration and development activities, including the proceeds on sales of partial properties, is credited against the cost of properties. Aggregate costs related to abandoned properties are charged to operations at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment.

Where the Company has entered into option agreements for the acquisition of an interest in mineral properties which provides for periodic payments, such amounts unpaid are not recorded as a liability since they are payable entirely at the Company's discretion.

Although the Company has taken steps to verify title to the mineral property in which it has an interest, these procedures do not guarantee the Company's title. The property may be subject to prior undetected agreements or transfers and title may be affected by such defects.

Exploration costs renounced due to flow-through share subscription agreements remain capitalized. However, for corporate income tax purposes, the Company has no right to claim these costs as tax-deductible expenses.

Income Taxes

Income and resource taxes are accounted for by the liability method. Under this method, income and resource taxes reflect the deferral of such taxes to future years. The deferral is a result of temporary differences which arise when certain costs, principally deferred exploration costs, and operating losses carried forward are claimed for tax purposes in different time periods than the related amounts are amortized or written off in the accounts. To the extent that the Company does not consider it more likely than not that a future income tax asset will be realized, it provides a valuation allowance against the excess. Future tax liabilities or assets are calculated using the tax rates anticipated to apply in the periods that the temporary differences are expected to reverse.

Atocha Resources Inc.
(An Exploration Stage Company)
Notes to the Interim Financial Statements
(Unaudited – Prepared by Management)

April 30, 2008

2. Significant Accounting Policies (continued)

Asset retirement obligations Asset retirement obligations are recognized for expected obligations related to the retirement of long-lived assets that arise from the acquisition, construction, development or normal operation of such assets. A liability for an asset retirement obligation must be recognized in the period in which it is incurred and when a reasonable estimate of the fair value of the liability can be made. Furthermore, a corresponding asset retirement cost should be recognized by increasing the carrying value of the related long-lived asset. The asset retirement cost is subsequently charged to operations in a rational and systematic manner over the underlying asset's useful life. The initial fair value of the asset retirement liability is accreted, by charges to operations, to its estimated future value.

**Share Capital and Flow
Through Shares**

The Company occasionally issues flow-through shares to finance some of its exploration activities. Such shares are issued for cash in exchange for the Company giving up the tax benefits arising from the exploration expenditures. The amount of these tax benefits are renounced to investors in accordance with Canadian tax legislation. The Company records such share issuances by crediting share capital for the full value of cash consideration received.

Upon renunciation to the shareholders, the Company reduces share capital and records a temporary future income tax liability for the amount of the tax benefit 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 income in the period of renunciation.

Loss Per Share

The Company applies the "Treasury Stock Method" to calculate loss per common share. Under this method, the basic loss per share is calculated based on the weighted average aggregate number of common shares outstanding during each period. The diluted loss per share assumes that the outstanding stock options and share purchase warrants had been exercised at the beginning of the period.

Atocha Resources Inc.
(An Exploration Stage Company)
Notes to the Interim Financial Statements
(Unaudited – Prepared by Management)

April 30, 2008

2. Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of fair values of mineral properties, and expected tax rates for future income taxes recoveries. Actual results could differ from management's best estimates as additional information becomes available in the future.

Share Issue Costs

Share issue costs incurred on the issue of the Company's shares are charged directly to share capital. Deferred costs are the direct costs incurred to prepare the prospectus and perform the public offering. Upon completion of this transaction the balance will be a charge to share capital. Failure to complete the offering will result in a charge to earnings.

Measurement Uncertainty

The amounts recorded for the future recovery of the recorded costs of the mineral properties is based on an estimate. By its nature, this estimate is subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

Stock-based Compensation

All stock-based awards are measured and recognized using the fair-value method as determined by the Black-Scholes option pricing model. Awards that the Company has the ability to settle with stock are recorded as equity, whereas awards that the Company is required to, or has the practice of settling in cash are recorded as liabilities. Compensation expense is recorded in the statement of operations over the vesting period.

Accounting Changes

Effective August 1, 2007, the Company implemented the new CICA Handbook Section 1506 "Accounting Changes". Under these new recommendations, voluntary changes in accounting policy are permitted only when they result in the financial statements providing reliable and more relevant information. This section requires changes in accounting policy to be applied retrospectively unless doing so is impracticable, requires prior period errors to be corrected retrospectively and requires enhanced disclosures about the effects of change in accounting policies, estimates and error on the financial statements.

Atocha Resources Inc.
(An Exploration Stage Company)
Notes to the Interim Financial Statements
(Unaudited – Prepared by Management)

April 30, 2008

2. Significant Accounting Policies (continued)

These recommendations also require the disclosure of new primary sources of generally accepted accounting principles that have been issued that the company has not adopted because they are not yet in effect.

Recent Accounting Standards

General standards for Financial Statement Presentation

The CICA has amended Handbook Section 1400 “General standards of financial presentation, effective for periods beginning on or after January 1, 2008 to include requirements to assess and disclose the Company’s ability to continue as a going concern. The adoption of this new section is not expected to have a significant impact on the Company’s financial statements.

Capital Disclosures

In December 2006, the CICA issued Handbook section 1535 “Capital disclosures” which is effective for years beginning on or after October 1, 2007. The section specifies the disclosure of (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. This new Section relates to disclosures and is not expected to have an impact on the Company’s financial results when adopted on August 1, 2008.

Financial Instruments

In December 2006, the CICA issued Handbook Section 3862, “Financial Instruments – Disclosures” and Section 3863, “Financial Instruments – Presentation” to replace Section 3861. These sections apply to interim and annual financial statements for fiscal periods beginning on or after October 1, 2007.

Section 3862 establishes standards for disclosures about financial instruments and non-financial derivatives and identifies the information that should be disclosed about them. Section 3863 establishes standards for presentation of financial instruments and non-financial derivatives. These sections apply to interim and annual financial statements for fiscal periods beginning on or after October 1, 2007 and will be adopted by the Company on August 1, 2008. Transitional provisions are complex and vary based on the type of financial instruments under the consideration. The effect on the Company’s financial statements is not expected to be material.

Atocha Resources Inc.
(An Exploration Stage Company)
Notes to the Interim Financial Statements
(Unaudited – Prepared by Management)

April 30, 2008

2. Significant Accounting Policies (continued)

International Financial Reporting Standards

In January 2006, the CICA Accounting Standards Board (AcSB) adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for public companies are expected to converge with International Financial Reporting Standards ("IFRS") by the end of 2011. The impact of the transition to IFRS on the Company's financial statements has not yet been determined.

3. Mineral Properties and Deferred Exploration Costs

	McGillivray BC
Mineral properties, at cost	
Balance, August 21, 2006	\$ -
Additions during the period	5,000
Balance, July 31, 2007	5,000
Additions during the period	45,000
Balance, April 30, 2008	50,000
Deferred exploration costs incurred during the period	
Balance, August 21, 2006	-
Additions during the period	
Assay	16,997
Filing fees for claims	5,581
Mapping	11,305
Maps	136
Petrology	6,555
Professional Services	36,100
Subcontractors	14,387
Travel	8,860
Truck Rental	5,122
Balance, July 31, 2007	105,043
Additions during the period	-
Balance, April 30, 2008	105,043
Total	\$ 155,043

Atocha Resources Inc.
(An Exploration Stage Company)
Notes to the Interim Financial Statements
(Unaudited – Prepared by Management)

April 30, 2008

3. Mineral Properties and Deferred Exploration Costs (continued)

McGillivray, British Columbia claims

The McGillivray property consists of 235 claim cells acquired to cover a historical copper porphyry target property with a large gossanous alteration zone to explore for precious metal potential at a cost of \$5,000 to initiate the agreement on August 25, 2006. By August 25, 2007 the Company must pay \$5,000, (paid) agrees to spend a minimum of \$100,000 on exploration expenditures (incurred) and to issue an allotment of 200,000 common shares (issued at a fair value of \$0.20 per share). By November 30, 2008 the Company must incur additional exploration expenditures of \$100,000 (minimum) and issue an allotment of 300,000 common shares. By August 25, 2009 the Company must issue an allotment of 500,000 common shares to the Optionor of the agreement. An option to purchase the net smelter returns of two percent can be purchased for \$1,000,000 at any time.

4. Share Capital

	Number of Shares	Amount	Contributed Surplus
Authorized			
100,000,000 number of common shares without par value			
Issued			
Balance, beginning of period	-	\$ -	\$ -
Issued for cash			
Incorporation (a)	1	1	-
Private placements (b)	7,690,000	388,500	-
Less: Share issue costs, cash	-	(22,000)	-
Value of tax costs related to flow through shares (d)	-	(28,408)	
Contributed surplus (e)	-	-	100,000
Balance, July 31, 2007	7,690,001	338,093	100,000
Shares issued for mineral property (c)	200,000	40,000	-
Cancellation of founders shares	(2,360,000)	-	(67,000)
Issue new shares at \$0.05	472,000	-	-
Balance, April 30, 2008	6,002,001	\$ 378,093	\$ 33,000

- a. On August 21, 2006, the Company issued one share at a price of \$1 per share.

Atocha Resources Inc.
(An Exploration Stage Company)
Notes to the Interim Financial Statements
(Unaudited – Prepared by Management)

April 30, 2008

4. Share Capital (continued)

- b. During the period ended July 31, 2007, the Company completed six private placements.
- (i) 4,000,000 shares were issued at \$0.01 per share totaling \$40,000 on September 11, 2006, the "Founders shares". These common shares are held in escrow and will be released pro-rata to the shareholders with 10% of the escrow securities being released upon the date the common shares are listed for trading on the TSX Venture Exchange, 1/6 of remainder being released after 6 months, 1/5 of remainder being released after 12 months, 1/4 of remainder being released after 18 months, 1/3 of remainder being released after 24 months, 1/2 of remainder being released after 30 months and the remaining being released after 36 months from listing.

The fair value of the 4,000,000 escrow shares issued to the founders of the Company at \$0.01 was determined to be \$140,000, by calculating the estimated present value discounted over the escrow release period at a risk-free interest rate of 4.24%. As a result, \$100,000, being the difference between the fair value and the cash received, was recorded as stock-based compensation and credited to contributed surplus in fiscal 2007. During the period ended April 30, 2008 a total of 2,360,000 of these shares were cancelled and 472,000 at \$0.05 were issued (see note 4 c(ii)).
 - (ii) 900,000 flow-through shares were issued at \$0.07 per share totaling \$63,000 on September 13, 2006.
 - (iii) 250,000 flow-through shares were issued at \$0.07 per share totaling \$17,500 on November 1, 2006.
 - (iv) 2,000,000 shares were issued at \$0.10 per share totaling \$200,000 on November 27, 2006. The share issuance costs on this placement were \$22,000.
 - (v) 400,000 shares were issued at \$0.10 per share totaling \$40,000 on December 8, 2006.
 - (vi) 140,000 shares were issued at \$0.20 per share totaling \$28,000 on April 30, 2007.
- c. During the period ended April 30, 2008, the Company:
- (i) issued 200,000 shares on August 23, 2007 at an estimated fair value of \$0.20 per share for the mineral property.
 - (ii) Cancelled 2,360,000 Founders shares, originally issued at \$0.01 for cash of \$23,600 with a fair value of \$82,600. 472,000 shares were then issued to the founders at \$0.05 for cash proceeds of \$23,600. As a result, the stock based compensation of \$67,000 originally attributed to these shares has been recovered.

Atocha Resources Inc.
(An Exploration Stage Company)
Notes to the Interim Financial Statements
(Unaudited – Prepared by Management)

April 30, 2008

4. Share Capital (continued)

- d. The Company renounced income tax benefits totaling \$28,408 related to the issue of 1,150,000 flow-through shares.

- e. Escrow shares

Currently, 3,052,000 shares are held in escrow.

- f. Stock option plan

The Company has adopted an incentive stock option plan, whereby options may be granted from time to time to directors, officers, employees and consultants of the Corporation with common shares to be reserved for issuance as options not to exceed 10% of the issued and outstanding common shares with no one individual being granted more than 5% of the issued and outstanding common shares after the closing of the Offering. Upon completion of the IPO, the Company will grant an aggregate of 600,200 options to purchase common shares, exercisable at a price of \$0.20 per share for a period of two years from the date of grant, expected to be the Listing date (as defined). The stock option plan and the granting of the options are subject to regulatory approval.

5. Income Taxes

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	For the period ended July 31, 2007
Net loss for the period before income tax	\$ (236,399)
Combined federal and provincial tax rate	35.29%
Income tax recovery at statutory rates	(83,425)
Unrecognized items for tax purposes	37,629
Effects of tax rate change	1,325
Incorporation costs incurred	(268)
Realization of tax benefits on non-capital losses	(26,927)
Valuation allowance	43,258
Future income taxes recovery	\$ (28,408)

Atocha Resources Inc.
(An Exploration Stage Company)
Notes to the Interim Financial Statements
(Unaudited – Prepared by Management)

April 30, 2008

5. Income Taxes (continued)

The significant components of the Company's future tax assets and liabilities are as follows:

	July 31, 2007
Future income tax assets	
Cumulative eligible capital	\$ 254
Share issue costs	5,887
Non-capital losses	44,880
	<u>51,021</u>
Future income tax liabilities	
Mineral properties and exploration costs	<u>(26,927)</u>
	24,094
Valuation allowance	<u>(24,094)</u>
	<u>\$ -</u>

As of July 31, 2007, the Company has available non-capital losses of \$134,170 for Canadian income tax purposes which may be carried forward to reduce taxable income in future years. If not utilized, the non-capital losses expire in 2027.

The Company has share issue costs totaling \$17,600 which have not been claimed for income tax purposes.

Future tax benefits, which may arise as a result of applying these deductions to taxable income, have not been recognized in these accounts, except for a recovery created by the renouncement of a benefit on the issuance of flow through shares.

6. Related Party Transactions

The following transactions with related parties have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties:

- a. During the period ended April 30, 2008, the Company incurred consulting fees of \$45,000 (July 31, 2007 - \$55,000) with a Company controlled by A. Salman Jamal, a director of the Company.
- b. During the period ended April 30, 2008, the Company paid \$5,000 (July 31, 2007 - \$5,000), issued 200,000 shares at \$0.20 per share to Jo Shearer, a Director pursuant to the mineral property option agreement (note 3), and incurred \$2,964 in exploration expenses with a Company controlled by this Director, (July 31, 2007 - \$102,079).
- c. During the period ended April 30, 2008, the Company paid/accrued \$18,572 (July 31, 2007- \$32,603) to Kiesman Capital for financial consulting and accounting, which is a company owned by a spouse of the Director, Marcy Kiesman.

Atocha Resources Inc.
(An Exploration Stage Company)
Notes to the Interim Financial Statements
(Unaudited – Prepared by Management)

April 30, 2008

6. Related Party Transactions (continued)

In accounts payable and accrued liabilities at April 30, 2008, \$56,774 (July 31, 2007 - \$15,256) was due to director(s). The amounts due to the related parties are non-interest bearing, unsecured and have no specified terms of repayment, accordingly the fair value cannot be readily determined.

7. Non-cash Transactions

The Company had the following non-cash financing and investing activities:

	Nine months ended April 30 2008	August 21, 2006 (Incorporation) to April 30 2007	August 21, 2006 (Incorporation) to July 31 2007
Non-cash financing activity			
Issuance of shares for mineral property	\$ 40,000	\$ -	\$ -
Non-cash investing activity			
Acquisition cost of mineral property	\$ (40,000)	\$ -	\$ -

8. Commitment

The Company entered into a contract on September 1, 2006 with A. Salman Jamal, a Director with the Company. The contract obligates the Company to pay \$5,000 per month for management services for a term of 24 months upon which it is renewable under mutual agreement.

9. Proposed Transactions

Pursuant to an agency agreement with Canaccord Capital Corporation dated August 29, 2008, the Company has filed a prospectus qualifying the issuance to the public of 5,000,000 common shares at a price of \$0.20 for gross proceeds of \$1,000,000. The Company will pay the Agent a cash commission of 10% of the gross proceeds of the offering. In addition, the Company will: (a) pay the Agent an administration fee of \$10,000 and 125,000 common shares of the Company; (b) reimburse the Agent for its reasonable expenses and legal fees plus disbursements towards which a retainer of \$25,000 has been paid and the amount has been recorded as deferred financing costs; and (c) grant Agent's warrants equal to 10% of the aggregate number of shares sold under the offering, exercisable at \$0.20 per share for a period of 2 years from the date the Company's shares are listed on the TSX Venture Exchange.

CERTIFICATE OF THE COMPANY

DATED: August 29, 2008

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

(signed) "A Salman Jamal"

A. SALMAN JAMAL
Chief Executive Officer

(signed) "Marcy Kiesman"

MARCY KIESMAN
Chief Financial Officer

On behalf of the Board of Directors

(signed) "Arif Merali"

ARIF MERALI
Director

(signed) "Johan T. Shearer"

JOHAN T. SHEARER
Director

CERTIFICATE OF PROMOTERS

DATED: August 29, 2008

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

(signed) "A. Salman Jamal"

A. SALMAN JAMAL

Promoter

(signed) "Arif Merali"

ARIF MERALI

Promoter

(signed) "Johan T. Shearer"

JOHAN T. SHEARER

Promoter

(signed) "Marcy Kiesman"

MARCY KIESMAN

Promoter

CERTIFICATE OF THE AGENT

DATED: August 29, 2008

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

CANACCORD CAPITAL CORPORATION

Per: (signed) “*Steve Swaffield*”

Steve Swaffield
Managing Director, Investment Banking