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

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

The securities offered hereby have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and, unless registered under the U.S. Securities Act or pursuant to an applicable exemption from registration under the U.S. Securities Act, may not be offered, sold, reoffered, resold or delivered, directly or indirectly, in the United States or to U.S. Persons (as defined in Regulation S under the U.S. Securities Act). This Prospectus does not constitute an offer to sell or solicitation of an offer to buy any of the securities offered hereby within the United States.

PRELIMINARY PROSPECTUS

Initial Public Offering June 25, 2008

TREASURY METALS INC.

Up to 2,281,875 Common Shares and 912,750 Common Share Purchase Warrants Issuable on Automatic Exercise of 1,825,500 Previously Issued Unit Special Warrants and 652,607 Common Shares Issuable on Automatic Exercise of 652,607 Previously Issued Flow-Through Special Warrants

This prospectus (the "**Prospectus**") qualifies the distribution by Treasury Metals Inc. (the "**Company**"), of (i) up to 2,281,875 Unit Shares (as defined below) and 912,750 Warrants (as defined below) of the Company issuable upon the automatic exercise of 1,825,500 issued and outstanding "unit" special warrants (the "**Unit Special Warrants**"), (ii) 652,607 Flow-Through Shares (as defined below) issuable upon the automatic exercise of 652,607 issued and outstanding "flow-through" special warrants (the "**Flow-Through Special Warrants**"), and (iii) 161,077 Broker Warrants (as defined below) issuable upon the automatic exercise of 161,077 issued and outstanding Compensation Options (as defined below). This Prospectus also qualifies the distribution of up to 20,567,258 common shares in the capital of the Company by Laramide Resources Ltd. ("**Laramide**") to shareholders of Laramide by way of a return of capital (such common shares to be distributed, as determined by Laramide, are referred to as the "**ROC Shares**"). The Unit Special Warrants and Flow-Through Special Warrants are hereinafter referred to as the "**Special Warrants**".

An aggregate of 1,815,500 Unit Special Warrants and the Flow-Through Special Warrants were sold to subscribers on a private placement basis (the "**Private Placement**") on March 24, 2008 (the "**Closing Date**"), pursuant to prospectus exemptions under applicable securities legislation of the provinces of British Columbia and Ontario, and in other foreign jurisdictions, through a syndicate of agents led by Thomas Weisel Partners Canada Inc. (the "**Lead Agent**"), and including Dundee Securities Corporation and Haywood Securities Inc. (together with the Lead Agent, the "**Agents**") pursuant to an agency agreement (the "**Agency Agreement**") dated the Closing Date between the Company, Laramide and the Agents. In addition, on March 24, 2008, the Company issued 10,000 Unit Special Warrants at a purchase price of $2.00 per Unit Special Warrant for gross proceeds of $20,000 on a non-brokered basis (together with the Private Placement, the "**Offering**"). The Company received the net proceeds of the Offering on the Closing Date.

None of the Special Warrants are available for purchase pursuant to this Prospectus and no additional funds are to be received by the Company from the distribution of (i) the Unit Shares and Warrants issuable upon the automatic exercise of the Unit Special Warrants, or (ii) the Flow-Through Shares issuable upon the automatic exercise of the Flow-Through Special Warrants. The price of the Unit Special Warrants and the Flow-Through Special Warrants was, in each case, determined by arm's length negotiation between the Company and the Lead Agent. See "**Plan of Distribution**".

	Number of Common Shares	Number of Warrants	Price to Public	Agents' Fee (1)	Net Proceeds to the Company (2)
Per Unit Special Warrant	1	0.50	$2.00	$237,315	$3,413,685
Per Flow-Through Special Warrant	1	0	$2.30	$97,564	$1,403,432
Total Offering……..	2,639,184(3)	912,750	$5,151,996	$334,879	$4,817,117

Notes:

(1) *In connection with the Offering, the Company (i) paid a cash fee to the Agents and certain sub-agents in an amount equal to 6.5% of the aggregate gross proceeds of the Offering, and (ii) issued to the Agents and certain sub-agents compensation options ("**Compensation Options**") which will be automatically exercisable, for no additional consideration, on the earlier of: (A) the Qualification Date (as defined below), and (B) July 2, 2008, into that number of broker warrants ("**Broker Warrants**") equal to 6.5% of the aggregate number of Special Warrants sold under the Offering. Each Broker Warrant is exercisable, for 24 months from the Automatic Exercise Date (as defined below), for one common share of the Company (a "**Broker Warrant Share**") at $2.00 per share. The Company also reimbursed the Agents for their reasonable expenses and fees in connection with the Offering, including the reasonable fees and disbursements of legal counsel to the Agents. This Prospectus qualifies the distribution of the Broker Warrants. See "**Plan of Distribution**".*

(2) *After deducting the Agents' fee but before deducting the Agents' expenses of the Offering, estimated to be approximately $152,174. See "**Use of Proceeds**".*

(3) *Including the Broker Warrant Shares underlying the Broker Warrants.*

The Special Warrants were created and issued under a special warrant indenture (the "**Special Warrant Indenture**") made as of the Closing Date between the Company and Equity Transfer & Trust Company ("**Equity**"), as special warrant agent (the "**Special Warrant Agent**"). Each Unit Special Warrant will be automatically exercised, for no additional consideration and without any further action on the part of the holder, for one unit of the Company (each, a "**Unit**") and each Flow-Through Special Warrant will be automatically exercised, for no additional consideration and without any further action on the part of the holder, for one common share in the capital of the Company which qualifies as a "flow-through share" as defined in subsection 66(15) of the *Income Tax Act* (Canada) (the **"Tax Act**") (each, a "**Flow-Through Share**"), at 9:00 a.m. (Toronto time) on the earlier of: (i) the first business day following the date of issuance of a receipt for a final long form prospectus (the "**Final Prospectus**") qualifying the distribution

of the Units and Flow-Through Shares issuable upon the automatic exercise of the Special Warrants in a jurisdiction in Canada on which the common shares (the "**Common Shares**") of the Company are listed and posted for trading on either the Toronto Stock Exchange ("**TSX**") or the TSX Venture Exchange ("**TSX-V**") (such business day is referred to herein as the "**Qualification Date**"); and (ii) July 2, 2008 (the earlier of the Qualification Date and July 2, 2008 is referred to as the "**Automatic Exercise Date**"). Subject to adjustment as set-out below, each Unit consists of one Common Share (a "**Unit Share**") and one-half of one common share purchase warrant of the Company (each whole common share purchase warrant, a "**Warrant**"). Each Warrant entitles the holder to purchase one common share in the capital of the Company (a "**Warrant Share**") at an exercise price of $2.75 per Warrant Share for 24 months following the date of issuance of the Warrants.

If the Qualification Date does not occur on or before:

(I) April 30, 2008 (which it did not), each Unit will consist of 1.15 Unit Shares and one-half of one Warrant; and

(II) June 30, 2008, each Unit will consist of 1.25 Unit Shares and one-half of one Warrant.

The Warrants will be issued pursuant to a warrant indenture (the "**Warrant Indenture**"), made as of the Closing Date between the Company and Equity as warrant agent.

The Special Warrants are only exercisable automatically on the Automatic Exercise Date.

The Company and Laramide have agreed to use all reasonable commercial efforts to file this Prospectus qualifying the distribution of the Unit Shares and Warrants upon the automatic exercise of the Unit Special Warrants, the Flow-Through Shares upon the automatic exercise of the Flow-Through Special Warrants, the Broker Warrants upon the automatic exercise of the Compensation Options and the ROC Shares with the applicable regulatory authorities in the provinces of British Columbia and Ontario (collectively, the "**Qualifying Jurisdictions**") and obtain a receipt for this Prospectus from the principal regulator (the "**Principal Regulator**") pursuant to Multilateral Instrument 11-102 Passport System ("**MI 11-102**") as soon as possible following the Closing Date. In addition, the Company and Laramide have agreed to use all reasonable commercial efforts to list and post for trading the Common Shares (as defined herein), including the Unit Shares, Warrant Shares and Broker Warrant Shares, on the TSX or TSX-V by the time of receipt by the Company of a receipt for the Final Prospectus from securities regulatory authorities in the Qualifying Jurisdictions.

The Offering is subject to approval of certain legal matters by Irwin Professional Corporation, on behalf of the Company, and by Lang Michener LLP, on behalf of the Agents. See "**Plan of Distribution**".

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

AN INVESTMENT IN NATURAL RESOURCE ISSUERS INVOLVES A SIGNIFICANT DEGREE OF RISK. AN INVESTMENT IN SECURITIES OF THE COMPANY SHOULD ONLY BE MADE BY PERSONS WHO CAN AFFORD THE TOTAL LOSS OF THEIR INVESTMENT. SEE "RISK FACTORS".

Agent's Position	Maximum size or number of securities available	Exercise period or Acquisition date	Exercise price or average acquisition price
Compensation options	161,077 Compensation Options	Each Compensation Option will be automatically exercised on the Automatic Exercise Date for one Broker Warrant	Nil
Any other option granted by issuer or insider of issuer to Agents	161,077 Broker Warrants issued on the automatic exercise of the Compensation Options	Each Broker Warrant will be exercisable for 24 months from the Automatic Exercise Date into one Common Share	$2.00 per Broker Warrant
Total securities under option issuable to Agents	161,077 Common Shares issuable on the exercise of 161,077 Broker Warrants	-	$2.00 per Common Share (exercise price of Broker Warrants)

TABLE OF CONTENTS

SUMMARY OF PROSPECTUS

The following is a summary of the principal features of this Offering and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus. All references are in Canadian Dollars unless otherwise specified in this Prospectus.

Company: Treasury Metals Inc. (the "**Company**") is a mining exploration company engaged in the acquisition, exploration and development of mineral resource properties in Canada. The Company's activities are currently focused on two exploration projects, the "Goliath Project" near Dryden, Ontario, Canada with respect to the Thunder Lake Property (as defined below) and the "Lara Polymetallic Project" on Vancouver Island, British Columbia, Canada with respect to the Lara Property (as defined below). See "**The Properties**".

Properties: The following is a brief description of the Properties (as defined below):

Thunder Lake Property:	The Thunder Lake Property consists of 123 contiguous unpatented mining claim units in 116 claim blocks (4,920 ha) and 13 patented land parcels (557.1012 ha) that together comprise a total area of approximately 5,477 hectares.
Lara Property:	The Lara Property is owned by the Company and comprises 32 mineral claims covering 6,844 hectares. Eight mineral claims, previously held by Bluerock Resources Ltd., are subject to a 1% Net Smelter Royalty.

See "**The Properties"**.

Offering: The Company sold a total of 1,825,500 Unit Special Warrants and 652,607 Flow-Through Special Warrants, at a price of $2.00 per Unit Special Warrant and $2.30 per Flow-Through Special Warrant, for gross proceeds to the Company of $5,151,996. The Special Warrants were issued on the Closing Date by way of private placement pursuant to prospectus exemptions available under the applicable securities legislation of the Qualifying Jurisdictions and in other foreign jurisdictions.

In consideration for the services performed by the Agents and sub-agents, the Company: (i) paid a cash commission equal to 6.5% of the gross proceeds of the Offering, and (ii) issued 161,077 Compensation Options that will be automatically exercisable, for no additional consideration, on the earlier of: (A) the Qualification Date, and (B) July 2, 2008, into 161,077 Broker Warrants (collectively, the "**Commission**"). Each Broker Warrant is exercisable for 24 months from the Automatic Exercise Date for one Broker Warrant Share at a price of $2.00 per Broker Warrant Share. The Company reimbursed the Agents for all reasonable out-of-pocket expenses incurred by them in connection with the Offering, including the reasonable fees and disbursements of legal counsel to the Agents and applicable taxes. See "**Plan of Distribution**" and "**Use of Proceeds**".

Use of Proceeds: The net proceeds from the Offering were $4,817,117, after deducting the cash portion of the Commission and prior to deducting the expenses of the Offering.

The proceeds from the sale of the Unit Special Warrants were used to fund the remaining cash payment owing by the Company under the purchase agreement (the "**Purchase Agreement**") made September 24, 2007 between Corona Gold Corporation ("**Corona**"), Teck Cominco Limited ("**Teck**"), Laramide and the Company, as amended on January 16, 2008 and March 3, 2008. The remainder of such proceeds and other available cash will be used to fund further exploration on the Properties and for general working capital. The Company will use the proceeds of the issue and sale of Flow-Through Special Warrants to incur Canadian Exploration Expenses (as defined below) in the amount of the gross proceeds received in respect of the Flow-Through Special Warrants. Actual use of these proceeds (except for the proceeds from the sale of Flow-Through Special Warrants) may vary, depending on the Company's operational and capital needs from time to time. See "**Use of Proceeds**".

Agents: Thomas Weisel Partners Canada Inc., Dundee Securities Corporation and Haywood Securities Inc.

Summary of Financial Information: The following provides a summary of certain financial information of the Company that is derived from the audited financial statements for the year ended December 31, 2007, and should be read in conjunction with the "Selected Financial Information" and "Management's Discussion and Analysis" and the financial statements of the Company and the notes thereto included elsewhere in this Prospectus:

		Year ended December 31, 2007
Income	$	Nil
Net loss	$	125,586
Net loss per share	$	0.04
Total assets	$	43,962,672
Total liabilities	$	12,430,091
Shareholders' equity	$	31,532,581

Risk Factors: There are risk factors that should be considered by persons proposing to make an investment in securities of the Company, which should be considered highly speculative, and investors may incur a loss on their investment. The Company has no history of earnings and to date has not defined any commercial quantities of mineral reserves on its Properties. While the Company has followed standard industry accepted due diligence procedures to ensure that it has valid title to its Properties, there is no guarantee that the Company's ownership interest is 100% certain or that it cannot be challenged by claims from unknown third parties claiming an interest in its Properties. The Company and its assets may also become subject to uninsurable risks. The Company's activities may require permits or licenses which may not be granted to the Company. The Company competes with other companies with greater financial resources and technical facilities. The

Company may be affected by political, economic, environmental and regulatory risks beyond its control. The Company is currently largely dependent on the performance of its directors and officers and there can be no assurance that the Company can retain their services. In recent years, both metal prices and publicly traded securities prices have fluctuated widely. The securities offered by the Company are speculative in nature. The Flow-Through Shares are subject to changes in the tax treatment of such shares by the government. Estimates of mineral resources are subject to numerous uncertainties. There is currently no public market for the Common Shares or Warrants. See "**Risk Factors**".

ELIGIBILITY FOR INVESTMENT

In the opinion of Irwin Professional Corporation, counsel to the Company, and Lang Michener LLP, counsel to the Agents, based on the provisions of the *Income Tax Act* (Canada) (the "**Tax Act**") and the regulations thereunder and the proposals to amend the Tax Act and the regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, if, as and when the Common Shares are listed on a designated stock exchange (which includes the TSX and the TSX-V), the Unit Shares and Warrants acquired upon the exercise of the Unit Special Warrants, the Flow-Through Shares acquired on the exercise of the Flow-Through Special Warrants and the ROC Shares distributed by way of a return of capital will be qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plans and deferred profit sharing plans (collectively, the **"Plans"**), provided that, in the case of the Warrants, the Company is not itself, and deals at arm's length with each person who is, an annuitant, a beneficiary, an employer, a holder or a subscriber under such Plan. Normally, Flow-Through Shares are not suitable investments for such Plans.

FORWARD-LOOKING STATEMENTS

This Prospectus contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company, and its projects, the exploration expenditures, costs and timing of future exploration, requirements for additional capital, government regulation of mining operations, environmental risks, limitations of insurance coverage and regulatory matters. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; the future price of gold; possible variations of ore grade or recovery rates; failure of the equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended.

Forward-looking statements contained herein are made as of the date of this Prospectus and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances, management's estimates or opinions should change, except as required by securities legislation. Accordingly, the reader is cautioned not to place undue reliance on forward-looking statements.

CONVERSION

The following table sets forth certain standard conversions from Standard Imperial Units to the International System of Units (or metric units).

To Convert From	To	Multiply By
Feet	Metres	0.3048
Metres	Feet	3.2808
Miles	Kilometres	1.6093
Kilometres	Miles	0.6214
Acres	Hectares	0.4047
Hectares	Acres	2.4711
Grams	Ounce (troy)	0.03215
Ounce (troy)	Grams	31.1035
Tonnes	Short tons	1.10231
Short tons	Tonnes	0.90718
Long tons	Kilograms	1016.046
Tonnes	Long tons	0.98421
Long tons	Tonnes	1.016046
Grams per tonne	Ounces (troy) per ton	0.02917
Ounces (troy) per ton	Grams per tonne	34.2857

GLOSSARY OF TERMS RELATING TO MINING AND MINERAL PROPERTIES

"Ag"	means silver.
"Au"	means gold.
"Cu"	means copper.
"DDH"	means diamond drillhole.
"E"	means east.
"EM"	means electromagnetic.
"g/t"	means grams per tonne.
"ha"	means Hectare.
"IP"	means induced polarization – a type of geophysical survey well suited to define zones of disseminated sulphide mineralization.
"km"	means kilometre.
"m"	means metre.
"Mt"	means millions of tonnes.
"N"	means north.
"NE"	means northeast.
"NI"	means National Instrument.
"NTS"	means National Topographic System.
"NW"	means northwest.
"NSR"	is an acronym for net smelter return, which means the amount actually paid to the mine or mill owner from the sale of ore, minerals and other materials or concentrates mines and removed from mineral properties, after deducting certain expenditures as defined in the underlying property agreements.
"oz/t"	means ounces per ton.
"Pb"	means lead.
"ppm"	means parts per million.
"S"	means south.
"SE"	means southeast.
"SW"	means southwest.
"t"	means tonnes (metric measurement).
"True width"	means the thickness of a geological unit measured at 90 degrees to its dip.
"UTM"	means Universal Transverse Mercator.
"VLF"	means an electromagnetic survey system utilizing very low frequencies.
"W"	means west.
"Zn"	means zinc.

CORPORATE STRUCTURE

The Company

The Company was incorporated under the name Divine Lake Exploration Inc. by Articles of Incorporation dated December 31, 1997 under the *Business Corporations Act* (Ontario). The articles of the Company were amended on November 13, 2007 to change the name of the Company to Treasury Metals Inc. and on March 20, 2008 to remove certain restrictions on the transfer of the Common Shares.

The registered and head office of the Company is located at The Exchange Tower, 130 King Street West, Suite 3680, Box 99, Toronto, Ontario M5X 1B1.

Inter-corporate Relationships

The Company has no subsidiaries.

GENERAL DEVELOPMENT OF THE BUSINESS

General Development

History

The Company is a mining exploration and development company engaged in the acquisition, exploration and development of mineral resource properties in Canada.

Prior to the completion of the Offering, the Company was a wholly owned subsidiary of Laramide. The only business or operations of the Company from the time of its incorporation to September 2007 when the Company entered into the Purchase Agreement, was to hold and carry on exploration activities on the Goliath Property (as defined below), which is contiguous to the Thunder Lake Property. See "**General Development of the Business - Purchase Agreement**" and "**The Properties - Goliath Property**". The acquisition of the Thunder Lake Property by the Company pursuant to the Purchase Agreement was completed in October 2007. In addition, as part of the transactions contemplated by the Purchase Agreement, Laramide agreed to transfer (the "**Spin-off Transaction**") to the Company certain of its non-uranium assets, including: (i) the Lara Property; (ii) the Goliath Property; (iii) the lesser of (A) one million shares of Aquiline Resources Inc., or (B) that number of common shares of Aquiline Resources Inc. having a market value of $8,500,000 (941,307 common shares of Aquiline Resources Inc. having a fair market value of $8,500,00 were transferred upon completion of the transfer of the Spin-off Assets from the Laramide to the Company as set out below); (iv) 6,500,000 common shares of Sierra Minerals Inc. and 2,500,000 common shares of Alliance Pacific Resources (now Radiant Resources Inc.); (v) Laramide's net smelter royalty on gold production of the Sierra Minerals Cerro Colorado mine located in Mexico; and (iv) $2 million cash (collectively, the "**Spin-off Assets**").

As part of the Spin-off Transaction, Laramide announced that it proposed to distribute a portion of the Common Shares held by it to its shareholders. On June 27, 2007, Laramide's shareholders passed a resolution authorizing a reduction of Laramide's stated capital and a return of capital by Laramide in an amount not less than the value of the Common Shares distributed to Laramide shareholders. Following the Qualification Date and subject to compliance with applicable securities laws, Laramide proposes to reduce its stated capital through a distribution to the shareholders of Laramide of up to 20,567,258 ROC Shares held by Laramide by an amount that is not less than the value of the ROC Shares distributed. The shareholders of record of Laramide on a date to be determined by the board of directors of Laramide (the

"**Record Date**") will be eligible to receive the ROC Shares, in proportion to the number of shares of Laramide held by them on that date as determined by Laramide. It is anticipated that the Record Date will be the day that is seven days after the Company becomes a reporting issuer in any province of Canada. The precise number of ROC Shares to be distributed by Laramide shall be determined by the board of directors of Laramide and announced prior to the Record Date.

Thunder Lake Property Acquisition

Purchase Agreement

On September 24, 2007, the Company entered into the Purchase Agreement with respect to the acquisition of the Thunder Lake Property from Corona and Teck (collectively, the "**Vendors**"). The Purchase Agreement was amended on January 16, 2008 and on March 3, 2008.

Acquisition of Thunder Lake Property

In accordance with the Purchase Agreement, the Vendors agreed to sell, transfer and assign all of their respective interests in certain unpatented mining claims, patented surface rights, patented mineral rights and an option to purchase, with respect to certain properties located near Dryden, Ontario, which properties are more particularly described under the heading "The Properties - Thunder Lake Property Description and Ownership" below. The purchase and sale of such assets closed on October 3, 2007.

As part of the purchase and sale transaction, the Company also agreed to use its commercially reasonable best efforts to complete a Going Public Transaction as soon as practicable and in any event before April 30, 2008. Under the Purchase Agreement, a **"Going-Public Transaction"** means (a) an initial public offering of Common Shares pursuant to a prospectus filed under Canadian securities legislation; (b) a dividend in specie, spin-off or other comparable transaction which results in the shareholders of Laramide receiving Common Shares and under which the Company becomes a reporting issuer under Canadian securities legislation and the Common Shares become listed on the TSX or the TSX-V; or (c) a "reverse take-over" transaction under which the Company or its shareholders receive shares of a corporation which is a reporting issuer under Canadian securities legislation and whose common shares are listed on the TSX or the TSX-V.

Agreement to transfer Spin-off Assets to the Company

As indicated above, under the Purchase Agreement, Laramide agreed to transfer the Spin-off Assets to the Company. The transfer of the Spin-off Assets, for the purchase price of $29,245,656.42, was completed on December 27, 2007. In consideration for the transfer of the Spin-off Assets and the payment by Laramide of two Cash Installments (as defined below under the heading "Consideration"), the Company agreed to pay $2,025,000 in cash and issued 17,199,611 Common Shares to Laramide at a deemed issue price of $1.582632 per share.

Consideration

As consideration for the transfer of the Thunder Lake Property under the Purchase Agreement, as amended, the Company agreed to pay the Vendors an aggregate of $18,411,687 in three equal cash instalments ("**Cash Installments**"). In addition, the Vendors are entitled to receive 12.27% of the outstanding Common Shares, issuable as to 10% to Corona and as to 2.27% to Teck (the "**Treasury Shares Requirement**") upon the completion of the Going Public Transaction and after giving effect to any related equity financing by the Company to fund any portion of the Cash Installments. The first two Cash Installments were paid to the Vendors by Laramide on the Company's behalf (in exchange for

which the Company issued 7,216,520 Common Shares to Laramide) and the third Cash Installment was paid to the Vendors directly by the Company. As security for the obligation of the Company to pay the purchase price for the transfer of the Thunder Lake Property (of which only the Treasury Shares Requirement currently remains outstanding), the Company issued a debenture to the Vendors. The debenture mortgages and charges the right, title and interest of the Company in and to the Thunder Lake Property.

In addition, the Company paid the Vendors' extension fees of $61,372 and $76,883 in connection with the Vendors' agreement to extend the date for payment of the third Cash Installment from February 3, 2008 to April 30, 2008.

The Purchase Agreement provides that, if a Going Public Transaction is not completed by April 30, 2008 (which it was not), each of the Vendors shall have the option (the "**Laramide Share Option**") at any time thereafter by notice in writing to the Company and Laramide to require: (i) the Company to issue to such Vendor, in the case of Corona, 10% of the Common Shares issued and outstanding after giving effect to such issuance and, in the case of Teck, 2.27% of the Common Shares issued and outstanding after giving effect to such issuance, and (ii) Laramide to exchange with such Vendor all of the Common Shares so issued for that number of common shares of Laramide equal to the number obtained by dividing, in the case of Corona, $5,000,000 and, in the case of Teck, $1,135,000, by the weighted average trading price of the common shares of Laramide for the 20 trading days prior to April 30, 2008. If a Vendor does not deliver such notice to Laramide and the Company on or before the completion of the Going Public Transaction, such Vendor shall be deemed to have elected not to exercise the Laramide Share Option. As of the date of this Prospectus, Laramide and the Company have not received such a notice from either Vendor. However, there is no assurance that either one or both of the Vendors will not deliver such notice to Laramide and the Company prior to the completion of the Going Public Transaction.

Vendors' Right to Company Shares and Pre-emptive Right

The Purchase Agreement provides that, until such time as the Company has received aggregate proceeds from the issuance of Common Shares of $7,500,000 (exclusive of the Common Shares issued pursuant to or in connection with the Going Public Transaction), the Vendors shall receive, for no additional consideration, that number of Common Shares sufficient for each Vendor to maintain its respective percentage interest in the Common Shares. With the completion of the Offering in the aggregate amount of $5,151,996 and the issue by the Company to Laramide of 2,367,647 flow-through Common Shares at a price of $1.70 per share for aggregate proceeds of $4,025,000, the Company has satisfied its fundraising obligations under this provision of the Purchase Agreement. Accordingly, the Company has no obligation under the Purchase Agreement to issue Common Shares to the Vendors other than to satisfy the Treasury Shares Requirement. Under the Purchase Agreement the Vendors have been granted a pre-emptive right to participate, subsequent to the completion of the Going Public Transaction, in any future offering of the Common Shares in order to give the Vendors an opportunity to maintain their respective percentage interests in the Common Shares.

DESCRIPTION OF THE BUSINESS

Business Objectives

The Company is a mining exploration and development company engaged in the acquisition, exploration and development of mineral resource properties in Canada. The Company's primary business objective is to conduct further exploration work exploring for precious (primarily gold) and base metals on its properties in Ontario and British Columbia. See "**The Properties**".

Depending upon the availability of necessary financing, the Company may also determine to seek out, evaluate and acquire other mineral exploration properties and projects.

Milestones

The Company intends to carry out the recommended exploration programs with respect to the Properties described herein. In particular, during the Company's current financial year, the Company expects to continue its diamond drilling program on the Thunder Lake Property to confirm a NI 43-101 (as defined below) mineral resource (as such term is defined in NI 43-101) estimate and carry out exploration and confirmatory diamond drilling on the Lara Property. The Company also plans to conduct data compilation, structural and geochemical studies, and re-sampling and assaying of the historical drill core in connection with the Thunder Lake Property during the current financial year. See "**Principal Purposes**". There can be no assurance that the proposed exploration programs will lead to any production on the Properties. See "**Risk Factors**".

Competitive Conditions

The mineral exploration and mining industry is competitive in all phases of exploration, development and production. The Company competes with a number of other entities and individuals in the exploration of, search for and the acquisition of attractive mineral properties. As a result of this competition, much of which is with corporations with greater financial resources than the Company, the Company may not be able to obtain funding for its exploration projects, obtain and maintain the necessary resources to carry out such exploration or acquire attractive properties in the future on terms it considers acceptable. The Company competes with other resource companies, many of whom have greater financial resources and/or more advanced properties that are better able to attract equity investment and other capital. The ability of the Company to acquire attractive mineral properties in the future depends not only on its success in exploring and developing its present properties but also on its ability to select, acquire and bring into production or otherwise deal with suitable properties or prospects for exploration, mining and development. Factors beyond the control of the Company may affect the marketability of any minerals mined or discovered by the Company. See "**Risk Factors**".

Trends

There are significant uncertainties regarding the prices of gold and other minerals and the availability of equity financing for the purposes of mineral exploration and development. For instance, the price of gold and other minerals has fluctuated widely in recent years and wide fluctuations may continue. Apart from the risk factors noted under the heading "**Risk Factors**", management is not aware of any other trends, commitments, events or uncertainties that would have a material adverse effect on the Company's business, financial condition or results of operations.

THE PROPERTIES

Introduction

The Company currently has two exploration and development projects known as the Goliath Project with respect to the Thunder Lake Property (as described in detail below under the heading "**Thunder Lake Property**") and the Lara Polymetallic Project with respect to the Lara Property (as described in detail below under the heading "**Lara Property**"). The Thunder Lake Property and the Lara Property are referred to collectively as the "**Properties**".

For an explanation of certain technical terms used in this Prospectus, see "**Glossary of Terms Relating to Mining and Mineral Properties**".

Technical Reports

Caracle Creek International Consulting Inc. ("**CCIC**") was retained by the Company to prepare an independent technical evaluation reports of the Thunder Lake Property and the Lara Property, in each case, within the meaning of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*, adopted by the Canadian Securities Administrators ("**NI 43-101**"). Information in this section of a scientific or technical nature in respect of the Properties is based upon the technical reports prepared by CCIC. The technical report in respect of the Thunder Lake Property (the "**Thunder Lake Technical Report**") is entitled "Independent Technical Report Thunder Lake Property Goliath Project", is dated February 1, 2008 and is prepared by Stephen Wetherup, B.Sc., P.Geo. and Iain Kelso, H.B.Sc., P.Geo., each of whom is a "Qualified Person" as such term is defined in NI 43-101 and independent of the Company. The Thunder Lake Technical Report is based on work performed to approximately November 9, 2007.

The technical report in respect of the Lara Property (the "**Lara Technical Report**", which together with the Thunder Lake Technical Report are referred to collectively as the "**Technical Reports**") is entitled "Independent Technical Report and Resource Estimation Lara Polymetallic Property", is dated April 2, 2008 and is prepared by Stephen Wetherup, B.Sc., P.Geo. and Iain Kelso, H.B.Sc., P.Geo., each of whom is a "Qualified Person" as such term is defined in NI 43-101 and independent of the Company. The Lara Technical Report is based on work performed to approximately November 9, 2007.

The following summary has been prepared with the consent of CCIC and, in some cases, is a direct extract from the Technical Reports.

The Technical Reports have been filed with certain Canadian securities regulatory authorities pursuant to NI 43-101 and are available for review on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") developed by Canadian Securities Administrators, which is accessible to investors online at www.sedar.com. A copy of the Technical Reports may be inspected during distribution of the securities being offered under this Prospectus and for 30 days thereafter during normal business hours at the Company's offices at The Exchange Tower, 130 King Street West, Suite 3680, Box 99, Toronto, Ontario M5X 1B1, Toronto, Ontario and at the offices of its legal counsel, Irwin Professional Corporation, Suite 2700, 130 Adelaide Street West, Toronto, Ontario, M5H 3P5.

Mineral Resource and Reserve Estimates

All resource estimates presented in this Prospectus are historical in nature and non-compliant with NI 43-101 and should therefore not be relied upon. Neither the Company nor CCIC is aware of any current NI 43-101 compliant resource on the Thunder Lake Property.

Thunder Lake Property

Property Location and Description

Location

The Thunder Lake Property is located in the Kenora Mining District in north-western Ontario, 125 km east of the City of Kenora, 20 km east of the City of Dryden, and 325 km northwest of the port City of Thunder Bay (Figures 4–1 and 4–2). The area is covered by National Topographic System ("**NTS**") map

sheets 52F/09, 10, 15 and 16 and straddles Zealand and Hartman townships and the Southworth Area. The Thunder Lake Property is centred at approximately 532441mE and 5511624mN (NAD83 Zone 15N; 49°45'22" N, 92°32'58" W).

Description and Ownership

The Thunder Lake Property consists of 123 contiguous unpatented mining claim units in 116 claim blocks (4,920 ha) and 13 patented land parcels (557.1012 ha) that together comprise a total area of approximately 5,477 hectares (Tables 4-1, 4-2 and 4-3; Figure 4-3). The Thunder Lake Property was originally divided into two parts known as "Thunder Lake West" and "Thunder Lake East" by Teck but is now referred to as the Thunder Lake Property. Certain underlying royalties and payment obligations remain on 11 of the 13 patented land parcels (Table 4-4). The Company has continuing payment obligations under four option agreements with respect to the Thunder Lake Property. Annual carrying costs for the Thunder Lake Property are approximately $109,400 and include advanced royalty payments (which accrue toward NSR production payments), option payments (until 2011) and the required provincial, school board and local road board taxes.

The Thunder Lake Property is bound by two provincial parks: Lola Lake Provincial Reserve ("**Lola Lake**") located at the northern boundary and Aaron Provincial Park ("**Aaron**") at the western boundary on the south shore of Thunder Lake (Figure 4-3). Lola Lake was regulated in 1985 from a Provincial Park as a nature reserve class park whereas Aaron is a serviced recreation-class park, operated in co-operation with the City of Dryden.

Table 4–1. Unpatented (staked) mining claims, Zealand Township, Thunder Lake Property.

HISTORIC NAME	CLAIM	UNITS	AREA (acres)	DUE DATE
Thunder Lake West	1106347-1106352	6	240	October 13, 2010
Thunder Lake West	1145300-1145301	6	240	June 23, 2010
Thunder Lake East	1144557-1144569	13	520	February 26, 2010
Thunder Lake West	1144570	1	40	February 26, 2010
Thunder Lake West	1144573-1144576	4	160	February 26, 2010
Thunder Lake East	1144577-1144588	12	480	February 26, 2010
Thunder Lake West	1119531-1119532	2	80	October 26, 2010
Thunder Lake West	1119537-1119538	2	80	October 26, 2010
Thunder Lake West	1119541-1119552	12	480	October 26, 2010
Thunder Lake East	1119553-1119556	4	160	October 26, 2010
Thunder Lake West	1119557-1119562	6	240	October 26, 2010
Thunder Lake East	1119563-1119566	4	160	October 26, 2010
Thunder Lake West	1119567-1119568	2	80	October 26, 2010
	TOTAL:	**74**	**2,960**	

Table 4–2. Unpatented (staked) mining claims, Hartman Township, Thunder Lake Property.

HISTORIC NAME	CLAIM	UNITS	AREA (acres)	DUE DATE
Thunder Lake East	1144513-1144556	44	1,760	February 26, 2010
Thunder Lake East	1211082	4	160	April 02, 2010
Thunder Lake East	1210898	1	40	April 02, 2010
	TOTAL:	**49**	**1,960**	

Figure 4–1. Location of the Thunder Lake Property (Goliath Project), north-western Ontario.

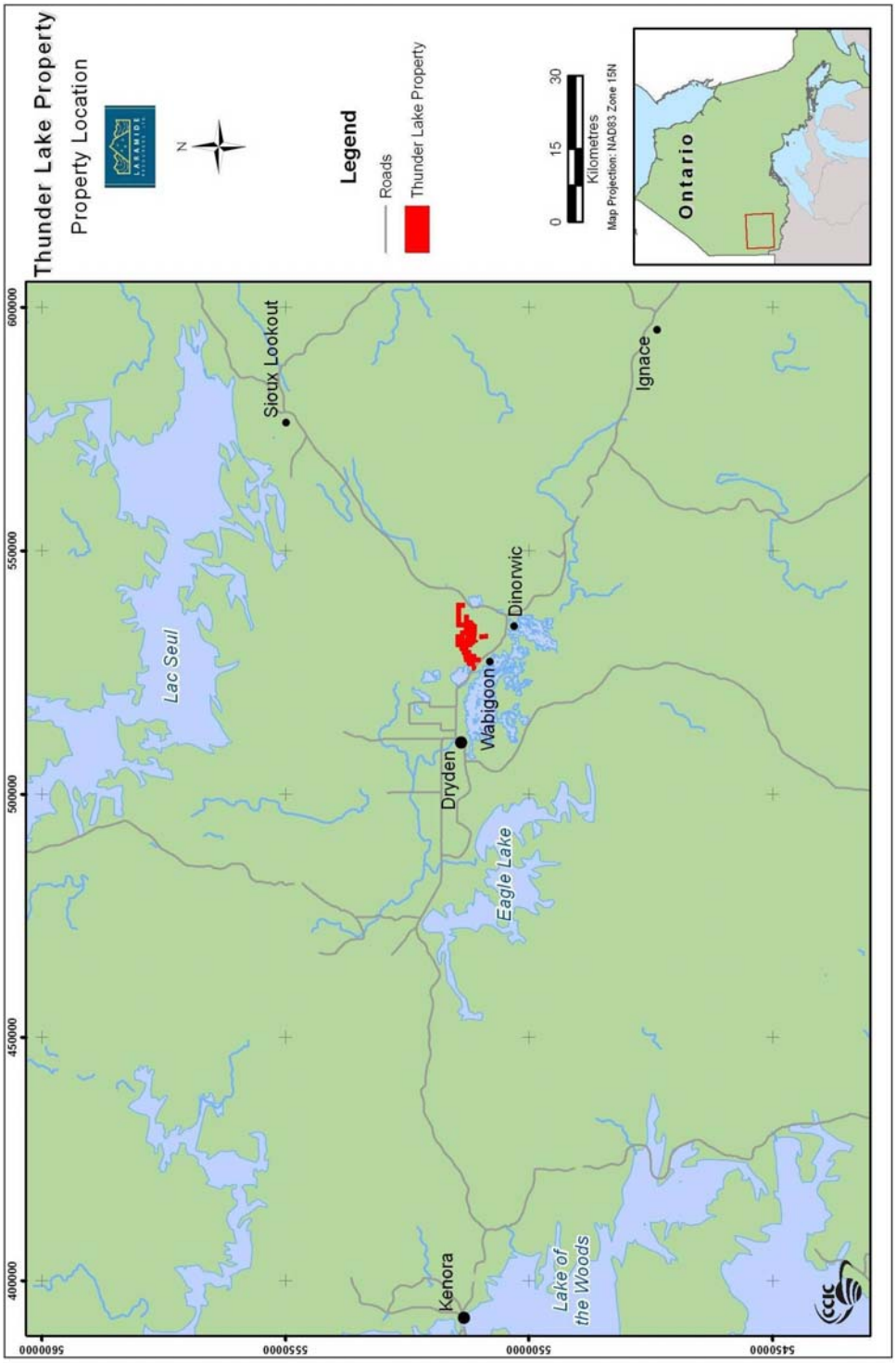

Figure 4–2. Location of the Thunder Lake Property (red), north-western Ontario.

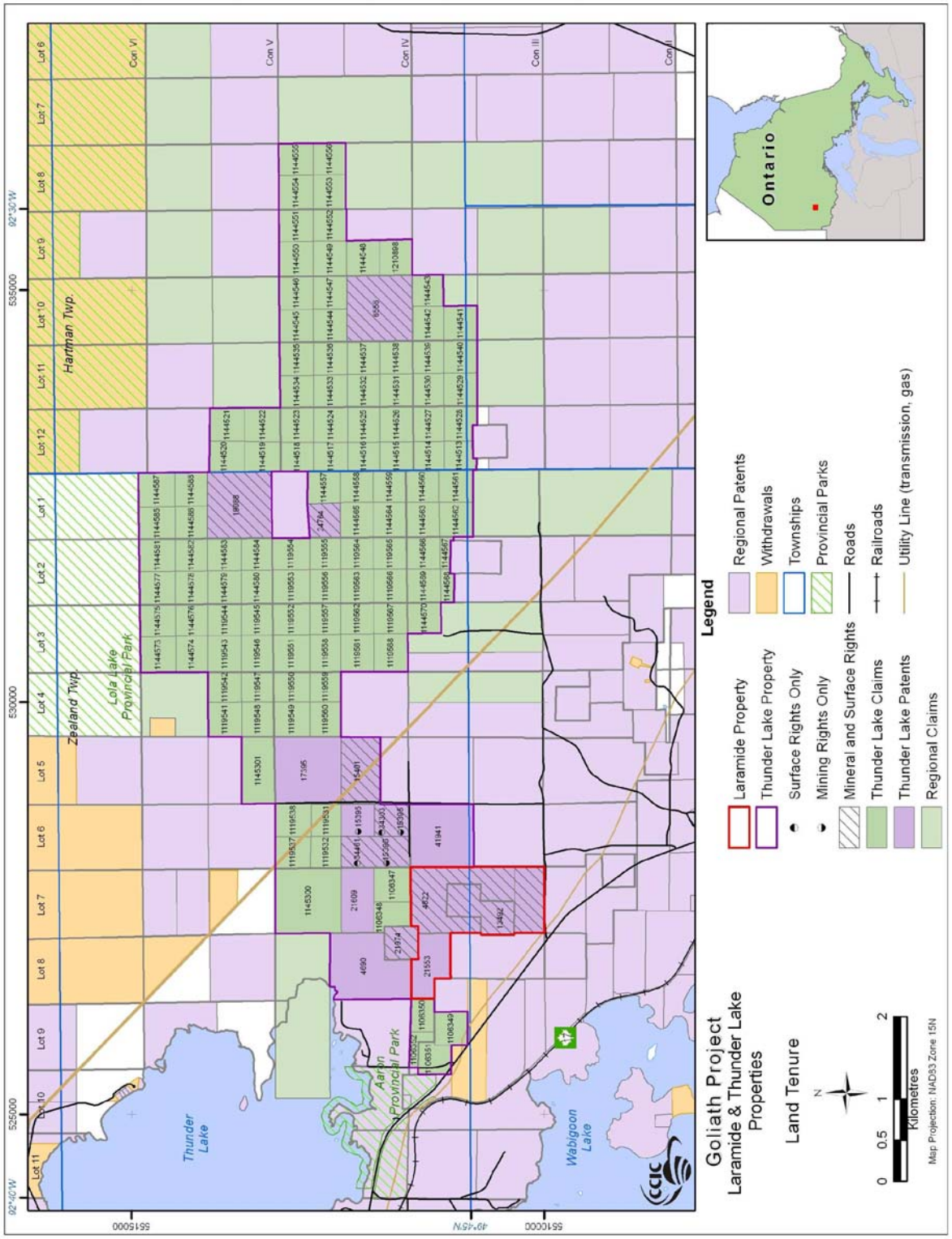

Figure 4–3. Land tenure of the Thunder Lake Property (purple outline) and Goliath Property (red outline), near Wabigoon, Ontario (as of November 15, 2007: Ontario Provincial Recording Office (Ministry of Northern Development and Mines)).

Table 4–3. Patented land parcels (optioned and owned private lands), Thunder Lake Property.

TOWNSHIP	PARTY	PARCEL	LOT/CONCESSION	AREA (acres)	*RIGHTS
Zealand[1]	Lundmark	41941	N ½ Lot 6, Con III	164.5	MRO
Zealand[1]	Collins	17395	N ½ Lot 5, Con IV	164.0	MRO
Zealand[1]	Sheridan	21374	S.V. 200, Con III	40.0	M+SR
Zealand[1]	Johnson	15401	N ½ of S ½ Lot 5, Con IV	80.0	M+SR
Zealand[1]	Hudak	21609	N part of S ½ Lot 7, Con IV	78.0	M+SR
Zealand[1]	Fraser	15395	S ½ Lot 6, Con IV	163.0	MRO
Zealand[1]	Fraser	15395	NE ¼ of S ½ Lot 6, Con IV	41.0	SRO
Zealand[1]	Betker	34461	W ½ of S ½ Lot 6, Con IV	81.0	SRO
Zealand[1]	LeClerc	34303	SE ¼ of S ½ Lot 6, Con IV	41.0	SRO
Zealand[2]	Delk	24724	SW ¼ of N ½ Lot 1, Con IV	40.125	M+SR
Zealand[2]	Davenport	19088	S ½ Lot 1, Con V	162.5	M+SR
Zealand[3]	--	41215	S part of Lot 8, Con IV	160.0	MRO
Hartman[2]	Nemeth	6556	S ½ Lot 10, Con IV	161.5	M+SR
			TOTAL:	**1,376.625**	

[1]Thunder Lake West; [2]Thunder Lake East; [3]Jones Property; *MRO=Mineral Rights only; SRO = Surface Rights only; M+SR=Mineral and Surface Rights

Table 4–4. Option and royalty obligations, patented land parcels, Thunder Lake Property.

PARTY	PARCEL	ADVANCED ROYALTY (per year)	DUE	OPTION (per year)	NSR (%)
Lundmark	41941	CAD$50,000**	January 1st	-	2.0
Collins	17395	-		-	2.0
Sheridan	21374	-		-	1.0
Johnson	15401	-		-	2.0
Hudak	21609	US$3,500**	January 1st	-	2.0
Fraser	15395	CAD$50,000	January 1st	-	2.0
Fraser	15395	-		-	-
Betker	34461	-		-	-
LeClerc	34303	-		$4,000*	-
Delk	24724	-		-	2.5
Davenport	19088	-		-	2.0
--	41215	-		-	2.5
Nemeth	6556	-		-	2.0
	TOTAL CAD$:	**$100,000**		**-**	
	TOTAL US$:	**$3,500**		**$4,000**	

*until April 12th, 2011; **subject to withholding tax

Establishing Mineral Rights in Ontario

In Ontario, Crown lands are available to licensed prospectors for the purposes of mineral exploration. A licensed prospector must first stake an unpatented mining claim to gain the exclusive right to prospect on Crown land. Claim staking is governed by the *Mining Act*, R.S.O., 1990, c. M.14 (the "**Mining Act**") and is administered through the Provincial Mining Recorder and Mining Lands offices of the Ministry of Northern Development and Mines ("**MNDM**").

An unpatented mining claim is a square or rectangular area of open Crown land or Crown mineral rights that a licensed prospector marks out with a series of claim posts and blazed lines. Mining claims can be staked either in a single unit or in a block consisting of several single units. In un-surveyed territory, a single unit claim is laid out to form a 16 hectare (40 acre) square with boundary lines running 400 metres (1,320 feet) astronomic north, south, east and west. Multiples of single units, up to a maximum of 16

units (256 hectares), may be staked with only a perimeter boundary as one block claim but must be staked in a square or rectangular configuration.

Upon completion of staking, and within 31 days of the completion date, a recording application form is filed with payment to the Provincial Recording Office. Staking completion time takes priority, meaning that if two licensees file applications to record the staking of all or part of the same lands, then the applicant with the earliest staking completion time will have priority. Where the time limit for any proceeding or for the completion of a proceeding in an office of a mining recorder or an office of the Commissioner or an office of the Minister or Deputy Minister expires or falls upon a day on which the relevant office is closed, the time so limited extends to and the recording may be done on the day next following the day on which the relevant office was closed. All claims are subject to inspection at any time by the Ministry and may be cancelled for irregularities or fraud in the staking process. Disputes of mining claims by third parties will not be accepted after one year of the recording date or after the first unit of assessment work has been filed and approved.

A claim remains valid as long as the claim holder properly completes and files the assessment work as required by the Mining Act and the Minister approves the assessment work. A claim holder is not required to complete any assessment work within the first year of recording a mining claim. In order to keep an unpatented mining claim current, the mining claim holder must perform not less than $400 of approved assessment work per year per mining claim. Immediately following the initial staking date, the claim holder has two years to file one year's worth of assessment work. Claims are forfeited if the assessment work is not done.

A claimholder may prospect or carry out mineral exploration on the land under the claim. However, the land covered by these claims must be converted to leases before any development work or mining can be performed. Mining leases are issued for a twenty-one year term and may be renewed for further 21-year periods. Leases can be issued for surface and mining rights, mining rights only or surface rights only. Once issued, the lessee pays an annual rent to the province. Furthermore, prior to bringing a mine into production, the lessee must comply with all applicable federal and provincial legislation.

Accessibility

The Thunder Lake Property is located 20 km east of the City of Dryden and is accessible from Trans-Canada Highway 17 and various secondary roads (Tree Nursery Road, along north–south boundary of Zealand and Hartman townships, and Nelson Road which runs east–west between Concession III and Concession IV in Zealand Township) that extend north of the highway from the Town of Wabigoon (Figure 4–1). Field work can be completed year-round, including during summer conditions between April and October and winter's freezing conditions between November and March. Winter conditions allow for better access for heavy machinery such as diamond drill rigs to wet areas of the Thunder Lake Property than in summer conditions.

Climate

The region of the Thunder Lake Property experiences typical northern Canadian climate conditions. Annual temperatures range from 27°C to -26°C, the average rainfall is between 60 and 80 centimetres and the average snowfall between 1.3 and 2.3 metres.

Local Resources and Infrastructure

All significant industrial services and supplies are available in Dryden and the region is serviced by the Dryden Airport. The local economy is based on the forestry and tourism industry. Since amalgamating

with the town of Barclay in 1998, Dryden has a population of approximately 8,198 persons. The pulp and paper mill, which is owned by Weyerhaeuser, employs approximately 1,300 people. Dryden's location on Wabigoon Lake and Wabigoon River also supports an outdoor tourism economy (fishing, snowmobiling, etc.).

The Thunder Lake Property is located approximately 325 km northwest of the port City of Thunder Bay, which is a major economic centre along the Trans-Canada Highway and at the northwest head of the St. Lawrence Seaway on Lake Superior. Major and minor hydro transmission lines cross portions of the Thunder Lake Property and the Canadian Pacific Railway line is located approximately 2 km to the southwest, parallel to Hwy 17. The Trans-Canada natural gas pipeline crosses portions of the Thunder Lake Property. Although the closest centre of active mining operations is currently in the Red Lake area, the Company believes that, in general, north-western Ontario possesses the necessary labour and infrastructure to support new exploration and mining operations.

Physiography

The Archaean bedrock is overlain by a discontinuous mantle of Quaternary surficial deposits. Three main terrain types dominate the landscape: rolling glaciolacustrine plains composed of varved clay and bedrock knobs; rolling rocky uplands of bedrock which may be bare or thinly covered with patches of till and/or varved clay; and complex, moraine-like features commonly capped with beach sand and gravel. Extensive plains of glaciofluvial outwash make up almost 70% of the overburden (as sandy glacial till) overlying the Thunder Lake Property. Alluvial terrain is mainly organic and accounts for the abundance of peat and swampy areas in the low-lying poorly drained areas of Hartman Township.

Maximum relief is about 30 to 40 metres and occurs in the area of Lot 3 Concession IV of Zealand Township. Hartman Township is also characterized by swamps and a lack of outcrops and Zealand Township is well-wooded with second growth poplar and fir trees and tracks of shallow swamps.

History of Thunder Lake Property

There is limited documentation (assessment files, government mapping, etc.) of exploration activity conducted on the Thunder Lake Property prior to 1989. Previous exploration in the area has focused mainly on the western portion of the Thunder Lake Property or regionally as follows: zinc in 1956; iron in 1956-57 and 1966-68; base metals in 1971; and gold in 1983. None of these exploration programs identified the main area of mineralization (the "**Thunder Lake Deposit**"), which was discovered by Teck Exploration Ltd. (now Teck Cominco Ltd.) geologists in 1989.

Land acquisition and field surveys and drilling and underground bulk sampling were completed by Teck and its various partners between late 1989 and 1998. The Thunder Lake project was put on hold by Teck in 1999. The total diamond drilling on the Thunder Lake Property from 1990 to 1998 amounted to approximately 78,461.20 metres in 293 drill holes. Expenditures during the period 1994 to 1999 (Teck-Corona joint venture) were $11.3 million at Thunder Lake West and $1.2 million at Thunder Lake East ($12.5 million in total expenditures). The exploration history of the Thunder Lake Property is described in several reports to Teck.

1989-1993: Teck

In 1989, as part of the "Quest Project", a generative program designed to identify Hemlo-type mineralization, reconnaissance investigation by Teck (previously Teck Exploration Ltd.) geologists identified a poorly exposed, broad area of weak mineralization and anomalous gold extending through parts of Lots 3 through 8 of Concession IV of Zealand Township. In 1990-91, Teck completed stripping

and diamond drilling, concentrating in Lots 6 through 8 of Concession IV, Zealand Township. At this time, the general configuration of the West, East and Main Zone of the Thunder Lake Deposit were established, extending over a strike length of about 1,500 metres.

From 1989 to 1993, exploration on the Thunder Lake West Property included line-cutting, geological mapping, geophysical surveys, outcrop stripping and sampling, and diamond drilling of 44 holes totalling 11,100 metres. The original grid cut for exploration on the Thunder Lake East Property and Thunder Lake West Property was based from Nelson Road, which runs east to west, along the border of Concessions III and IV. The baseline locator for L0+00 was located on the southeast corner of Lot 6, Concession III in Zealand Township.

In 1993, under option by Cameco Corporation, 10 diamond drill holes totalling 1,848.5 m were completed on the Thunder Lake East Property. Although some anomalous gold concentrations were intersected, the results overall were not considered encouraging and subsequent exploration turned to the Thunder Lake West Property.

The discovery hole (TL-001) for the Thunder Lake Deposit (the "**Main Zone**") was drilled in October, 1990, intersecting multiple horizons of gold mineralization with intersections of 1.5 g/t over 22.2 m, 0.9 g/t over 11.6 m and 17.5 g/t over 2.6 m (Page, 1995).

1994-1999: Teck-Corona Gold

The Thunder Lake Property was optioned to Corona under the terms of an agreement dated January 3, 1994. Corona met its obligations of the option by July, 1996 and a joint venture was formed between Corona and Teck. Teck was the project operator and the work was largely funded by Corona. As of December 31, 1998, Teck owned 18% and Corona owned 82% interest in the Thunder Lake Property.

In 1994, a high grade zone (Main Zone) of 1.0 opt Au was partially delineated and appeared to be continuous from surface to a vertical depth of 150 metres depth. A second mineralized zone, lower in grade but thicker than the high grade area, was partially defined. Drilling for the remainder of 1994 traced the high grade mineralized zone (Main Zone) down plunge with varying continuity to a vertical depth of 525 metres. A zone of strong alteration with anomalous and potentially significant Au concentration was outlined within a 1,300 m strike length to the east and west.

By 1995, most of the Thunder Lake Property had been gridded, geologically mapped and surveyed with magnetic and VLF-EM geophysics. Drilling during the winter 1995-96 8 drill holes (BQ size; 4,142 m) extended the Main zone to a vertical depth of 450 m. In 1996, exploration work consisted of induced polarization geophysical survey and stripping of deep overburden (22 trenches) over portions of the Main Zone and detailed mapping and sampling of the exposed mineralization. At this time, 9,669 m of drilling was completed, comprising 10 drill holes (NQ size; 6,596 m), 7 wedges from 3 of the drill holes (434 m), 20 wedges from 7 previous drill holes (1,156 m) and the deepening of 9 holes (1,483 m) (Stewart et al., 1997).

In 1996, at the Thunder Lake East Property, the exploration program consisted of geological mapping and sampling, and diamond drilling of 21 holes totalling 5,750.20 (NQ size). Drilling encountered weakly anomalous gold concentrations over most widths, suggesting some promise for future exploration in the northeast region of the Thunder Lake Property.

In 1997, Teck carried out a program of aggressive resource delineation, which delineated the No. 3 Shoot from surface to a 600 m vertical depth and 50 to 175 m strike length and the No. 1 Shoot to a depth of 250 m for a strike length of 50 to 100 m, with data from 64 diamond drill holes in 21,984 m.

In 1998, the underground bulk sampling program was complemented by a drilling program consisting of 64 holes and one wedge totalling 21,984 metres. Also at this time, drilling was carried out in the west and east extensions of the mineralized zone, confirming that the mineralization tapers along strike to the west and with depth: overall gold values and alteration weaken and the extensions are characterized by alternating units of quartz ± feldspar-porphyry and metasedimentary rocks that contain little alteration or veining.

Underground Exploration

In 1998, an underground exploration program was initiated to determine the nature and continuity of gold mineralization, to determine the structural control of the high grade shoots by detailed underground mapping, and, to establish the true grade of gold mineralization. A 27 m long inclined trench, required to provide a 9 m high face suitable for the portal collar, was subcontracted by J.S. Redpath Limited (North Bay) to Superior Drilling and Blasting. The portal and 9 m incline measuring about 4.0 m high by 4.5 m wide was completed by Redpath. Standard 2.4 m rock bolts with metal screening were the only ground support required in the portal, rock face and adjacent area.

The decline, at a grade of 15%, was driven north (356°) toward the Main Zone of gold mineralization with the portal located just north of Nelson Road and the north boundary of the Goliath Property (see Figure 9-1). The decline was 4.0 m high by 4.5 m wide and 275 m in length, extending past the Main Zone for vehicle turn around and installation of the sump (Page et al., 1999b). The main mineralized zone was intersected at a distance of 250 m from the opening and at a depth of 35 metres vertical (-38 m floor elevation).

Ground conditions encountered throughout the ramp were excellent, requiring only standard 1.8 m mechanical rock bolts on a 1.2 m by 1.2 m pattern. Water inflow was minimal in the ramp and in general throughout the entire underground program.

Drifting along the Main Zone was controlled by following identifiable (narrow) units of strongly altered schists with weak to strong mineralization. A total of 220 m of lateral drifting (3.0 m by 3.0 m cross section) was completed along the No. 1 Shoot and No. 2 Shoot of the Main Zone. Lateral development was completed 34 days after drifting was initiated and the entire underground and bulk sample processing program, from initial surface excavations through final closure plan, took 4 months (May 15 to September 15, 1998). The length of the underground workings totalled 496 m and a total of 23,035 tonnes of rock was excavated.

The results of the underground mapping and sampling included are as follows:

- Recognition of new rock variety spatially associated with silicified and mineralized regions;
- Nine (9) documented occurrences of coarse visible gold/electrum; and
- Definition of the No. 1 Shoot mineralization which was found to have limited continuity restricted to a strike length of about 22 m.

The limited distribution of coarse gold/electrum in the deposit and the limited continuity of mineralization along strike resulted in lower gold grades and reduced tonnage in the re-calculated resource.

Bulk Sample

In 1998, as part of the underground sampling program, four (4) bulk samples from the Main Zone, totalling 2,375 tonnes and grading >3.0 g/t Au, were collected from various areas of the underground

workings. A total of 1,737 tonnes of material was collected from the No. 1 Shoot (A-East and TDB) and 638 tonnes of material from the No. 2 Shoot (B Zone); approximately 0.08% of the material was lost through the initial crushing. Face sample data indicated that two of the bulk samples were relatively low in grade (3.0 to 6.0 g/t Au) while the other two samples were of higher grade (>20 g/t Au). The bulk samples were processed through a crushing plant, reduced in volume through a sampling tower to a total of 384 kg and the representative sample tower splits were shipped for processing and analysis at Lakefield Research Ltd., Lakefield, Ontario where the samples were further processed and analyzed for gold concentration. In 1999, the remaining material, approximately 2,336 tonnes, was sent to be processed at the Stock Mine mill of St. Andrew Goldfields Ltd., Timmins, Ontario. Further discussion on the bulk sampling is provided below.

Remediation

Environmental permitting, sampling and monitoring were sub-contracted to NAR Environmental Consultants (Sudbury, Ontario). Baseline water quality and biological surveys were completed in 1997 and sampling was continued in 1998. After the program was complete, the area was contoured and reseeded and fully remediated in late 1999.

Historical Drilling

Much of the historic exploration on the Thunder Lake Property centered on diamond drilling programs with the most drilling having been completed in the area north of the Goliath Property (Figure 6-3); there was minimal drilling on the former Thunder Lake East Property (Hartman Township). From 1990 to 1998, a total of approximately 78,461.20 m in 293 drill holes were completed on the entire Thunder Lake Property (Table 6-1). This includes all surface, underground and wedge drill holes. The drilling programs were supervised and all drill core logged and sampled by Teck's geologists.

Table 6–1. Summary of historical drilling on the Thunder Lake Property.

Property	Year	No. Drill Holes	Length (m)
Thunder Lake West	1990-1998	248	69,131.10
Thunder Lake East	1993 & 1998	31	7,598.70
Jones Property	1990 & 1998	14	1,731.40
	Total:	**293**	**78,461.20**

Table 6-2 summarizes the highest twenty intersections from the drilling on the Thunder Lake Property. All three mineralized zones are represented in this summary demonstrating that all three zones contain exceptional intercepts.

Table 6-2. Highest 20 intersections from the historical drilling (Sills, 2007).

DDH	From (m)	To (m)	Length (m)	Au (g/t)	Au (opt)	Zone
TL-073	25.0	26.5	1.5	17.00	0.50	Main
TL-193	54.5	56.0	1.5	13.36	0.39	Main
TL-114	60.2	61.7	1.5	31.16	0.91	Main
TL-077	64.0	65.5	1.5	45.55	1.33	Main
TL-117	66.7	68.2	1.5	19.08	0.56	West
TL-023	129.3	130.8	1.5	41.17	1.20	West
TL-049	185.0	186.5	1.5	15.40	0.45	Main
TL-029	254.0	255.6	1.6	40.97	1.19	Main
TL-128	402.0	403.5	1.5	21.38	0.62	West
TL-125	421.8	423.3	1.5	126.30	3.68	Main
TL-129W3	466.7	468.2	1.5	26.84	0.78	Main
TL-129W1	471.2	472.7	1.5	16.34	0.48	Main
TL-044	543.4	544.9	1.5	109.50	3.19	Main
TL-118	87.2	88.7	1.5	53.24	1.55	West
TL-176	109.0	110.5	1.5	15.66	0.46	East
TL-180	150.0	151.5	1.5	44.29	1.29	East
TL-147	189.5	191.0	1.5	24.67	0.72	East
TL-200	292.8	294.3	1.5	13.71	0.40	East
TL-151	450.2	452.0	1.8	128.20	3.74	East
TL-208	532.5	534.0	1.5	45.37	1.32	East Step-out

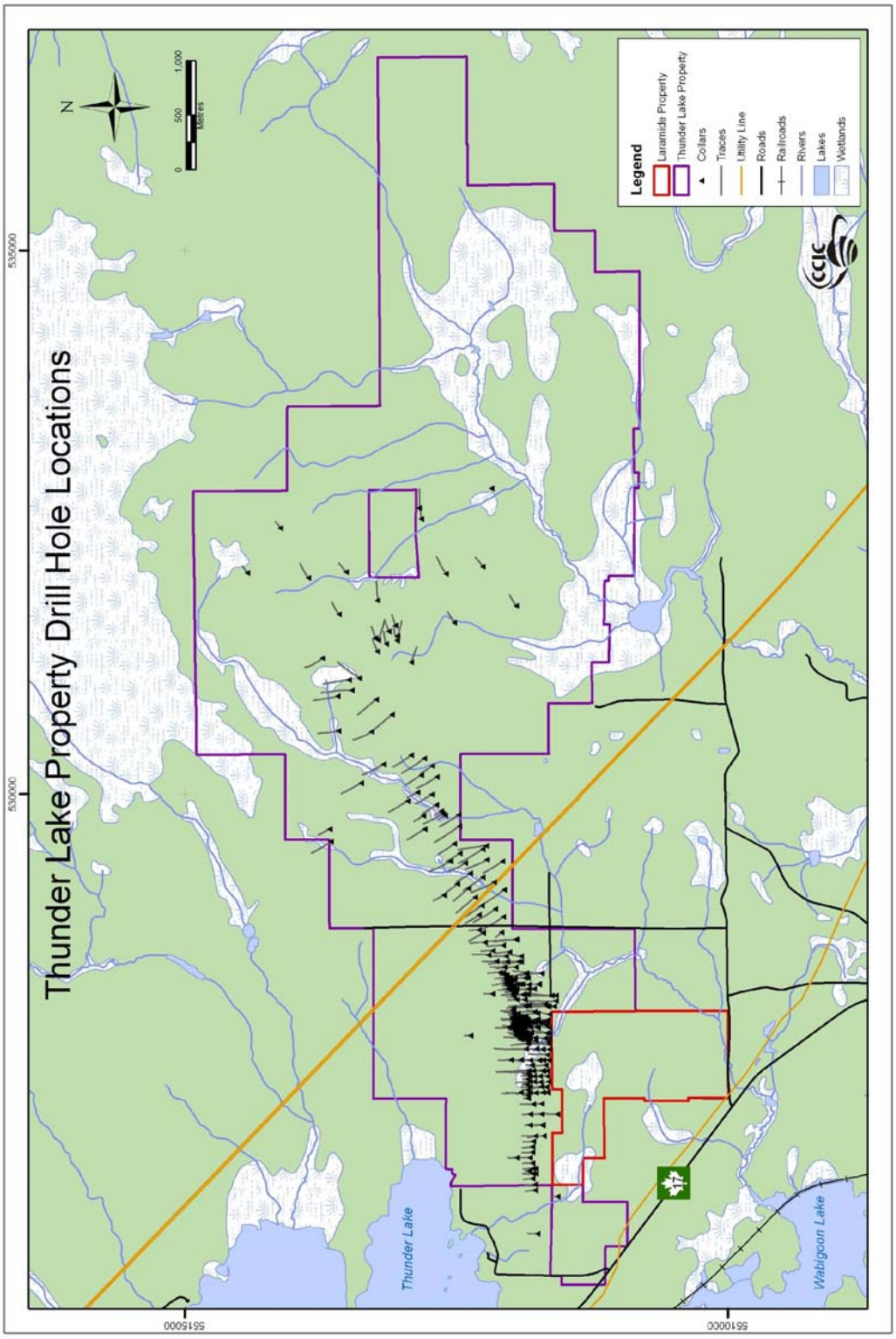

Figure 6–3. Location of drill collars and projections from Teck Cominco and Corona Gold joint venture (1989-1998).

Historical Mineral Resources and Reserve Estimates

Historical estimates of resources within the Thunder Lake gold deposits were reported following major annual exploration drilling programs. Estimates were determined using results from surface and underground drilling obtained for the Main Zone and C-Zone only (Table 6–3).

CCIC considers all of the historical resource estimates to be non-compliant with National Instrument 43-101 standards and as such they should not be relied upon.

The calculation of mineral resources at the end of 1996 was determined from drill hole data available at the time, and this estimate was later revised by Teck using additional data available at the end of 1997 (Table 6–4). In 1996, an Inferred Resource of 3.65 million tonnes grading 7.28 g/t Au was calculated (Corona, 1997) and with new data from diamond drilling in 1997, was adjusted to 3.78 million tonnes grading 7.02 g/t Au. The calculations were carried out using the polygonal method (polygons obtained by half-distances between drill holes) and based on a cut-off grade of 3.0 g/t Au, a specific gravity of 2.7 g/cm^3 and a minimum thickness of 3.0 metres.

Table 6–3. Historical Mineral Resource Estimates from the Main Zone of the Thunder Lake Deposit.

Year	Au (oz)	Estimated Resource
1996	854,000	3.65 million tonnes grading 7.28 g/t Au (Corona, 1997 and 2001)
1997	853,000	3.78 million tons grading 7.02 g/t Au (Corona, 1997 and 2001)
1998	618,700	2.974 million tonnes grading 6.47 g/t Au (Corona, 1999 and 2001)

Note: resources based on cut-off grade of 3.0 g/t Au and minimum thickness of 3.0 m

The most recent resource estimate is based on all drilling and surface work done to 1998, including underground bulk sampling and drilling and surface diamond drilling. A total of 678 underground samples and 219 diamond drill holes from within the resource area were involved in the calculation. The calculations, completed using computer generated three-dimensional solid models of the Main Zone and C-Zone quartz-sericite schist units, used block sizes of 3 m thick x 10 m height x 10 m strike length and utilized the Ordinary Kriging method for grade interpolation. The Inferred Resources, estimated by Teck geologists in 1999 are provided in Table 6–3 at varying cut-off grades.

Table 6–4. Teck Cominco historic Mineral Resource Estimate based on results of all drilling and sampling to 1998.

Main Zone	Tonnes	Grade (g/t Au)	Total Au (oz)	C-Zone	Tonnes	Grade (g/t Au)	Total Au (oz)
Cut-off (g/t Au)				Cut-off (g/t Au)			
10.0	439,000	15.12	214,000	--	--	--	--
5.0	1,390,000	9.56	427,000	--	--	--	--
3.0	**2,925,000**	**6.52**	**613,000**	**3.0**	**49,000**	**3.71**	**6,000**
2.0	4,676,000	5.00	751,000	2.0	339,000	2.50	27,000
1.0	9,927,000	3.09	986,000	1.0	1,860,000	1.56	93,000

The calculations in Table 6–4 provide the most current estimate of historic (non NI 43-101 compliant) Inferred Mineral Resources. Using a cut-off grade of 3.0 g/t Au, the historic resources are 2.974 million tonnes grading 6.47 g/t gold (3,277,000 tons grading 0.189 opt Au) which represents approximately 618,700 ounces of gold. This calculation includes 2.95 million tonnes of 6.52 g/t Au (0.190 opt Au) present in the Main Zone and 49,000 tonnes grading 3.71 g/t Au (0.108 opt Au) in the C-Zone.

Geological Setting

Regional Geology

The Thunder Lake Property is located within the Wabigoon Subprovince of the Archaean Superior Province, a 150 kilometre-wide volcano-plutonic domain that has an exposed strike extent of 700 km and extends an unknown distance beneath Palaeozoic strata at either end. The Thunder Lake Property is located north of the Wabigoon Fault, a major regional structure within the Wabigoon Subprovince that separates a northern domain characterized by generally southward-facing, alternating panels of metavolcanic and metasedimentary rocks, from a southern domain of generally northward-facing, volcanic rocks. The trace of the Wabigoon Fault occurs just south of the town of Wabigoon.

Greenstone belts are volcanic supracrustal sequences (a volcano-plutonic domain, one of the 4 types of lithotectonic domains within the Superior Province) that are intruded by syn-volcanic to post-tectonic granitoid plutons; the proportion of different supracrustal rock types varies from belt to belt. The magmatic components of the greenstone belts include ultramafic to felsic varieties within tholeiitic calc-alkalic and alkalic affinities. Ultramafic and mafic varieties are predominantly effusive whereas pyroclastic deposits are well represented among the more felsic varieties. The sedimentary component of greenstone belts includes both clastic and chemical deposits. Plutonic rocks in these domains include synvolcanic tonalitic, quartz dioritic and granodioritic plutons, the emplacement of which is thought to have deformed the greenstone belts into arcuate forms. Metamorphic grade is generally greenschist or sub-greenschist grade except for narrow belts or the margins of larger belts which commonly display mineral assemblages typical of low-pressure amphibolite grade.

Property Geology

The most recent investigations of the Thunder Lake area geology were carried out by the Ontario Geological Survey from 2000 to 2005. Detailed descriptions were published on the geology of Zealand, Laval and Hartman townships.

The Thunder Lake Property is located north of the Wabigoon Fault, within the northern domain of the Wabigoon Subprovince. The Thunder Lake Property is underlain by a lower amphibolite metamorphic grade assemblage of quartz-porphyritic felsic to intermediate volcanic rocks (gneiss, schist, and porphyritic schist), a variety of metasedimentary rocks and minor amphibolites. The main sedimentary unit has been described as dominated by wacke with subordinate inter-layered siltstone which exhibits highly strained and well-preserved primary structures (graded bedding, scour, rip-up clasts etc.). This sedimentary unit includes magnetite layers that are closely associated with distinctive garnet-rich layers and calc-silicate rock, shown in earlier publications as iron formation.

The Thunder Lake Property is also underlain by a unit dominated by felsic volcanic rocks that are conformably inter-layered with wacke-siltstone. Lenses of sedimentary rock occur within the felsic unit are similar to those making up the main sedimentary unit. On the Goliath Property, the volcanic rocks are pillowed locally and contain some material which may be classed as ultramafic in character. Compositional layering in metasedimentary rocks strikes 90° and dips from 70° to 80° south-southeast. Schistosity is commonly developed within both the metasedimentary rocks and volcanic rocks and exhibits a similar orientation.

Three major rock groupings are consistently recognized on the Thunder Lake Property, from south to north:

(1) a hanging wall unit of quartz ± feldspar-porphyry intrusive rocks and metasedimentary rocks;

(2) a central unit of approximately 100-150 m true thickness, which hosts the most significant gold concentrations and consists of intensely deformed and variably altered felsic gneiss and schist with minor metasedimentary rocks; and,

(3) a footwall unit of predominantly metasedimentary rocks with some porphyritic units and minor felsic gneiss and schist.

All of the rocks have been subjected to folding and moderate to intense shearing with local hydrothermal alteration, quartz veining and sulphide mineralization.

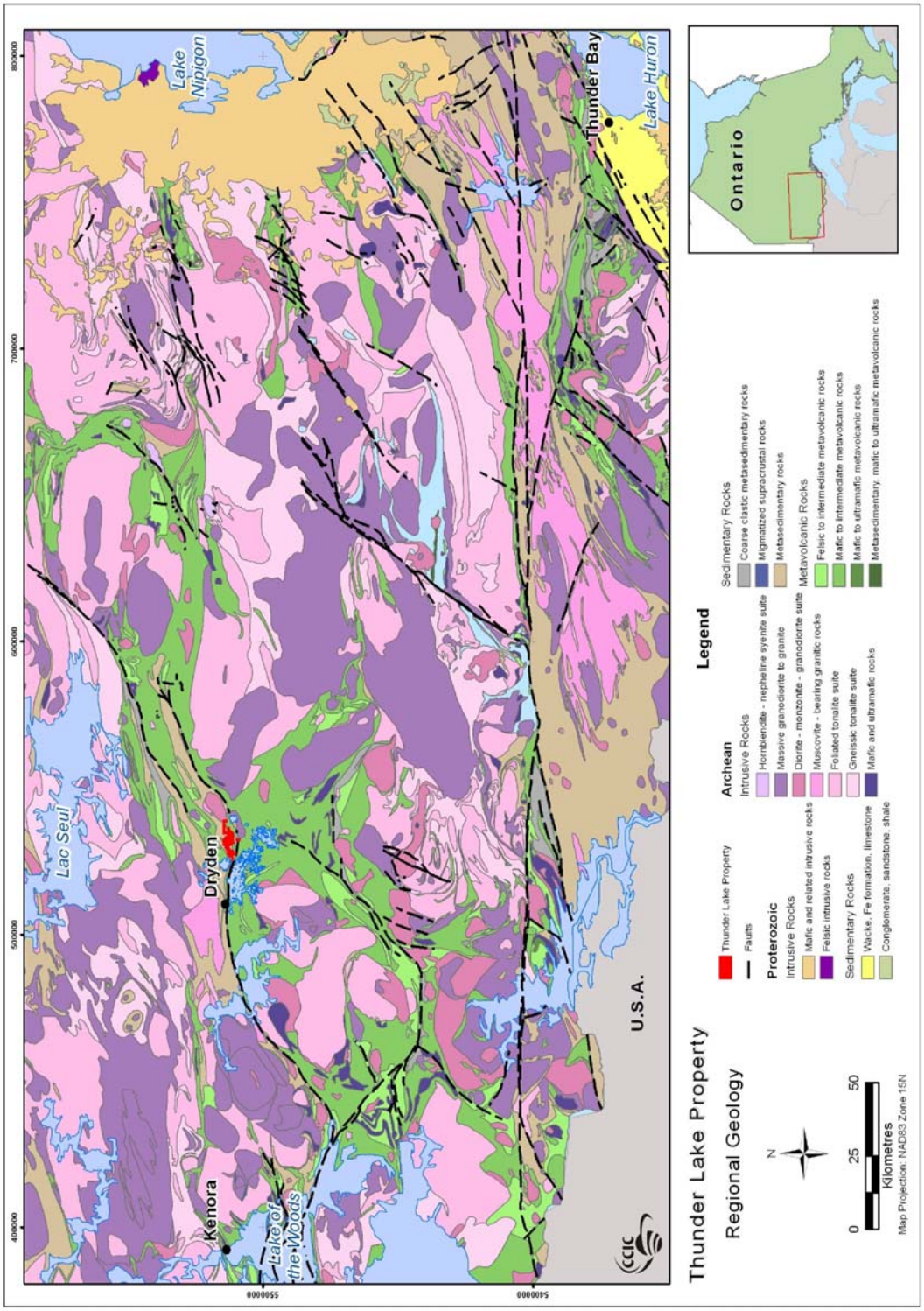

Figure 7-1. Location of the Thunder Lake Property (Goliath Project) and regional geology of north-western Ontario.

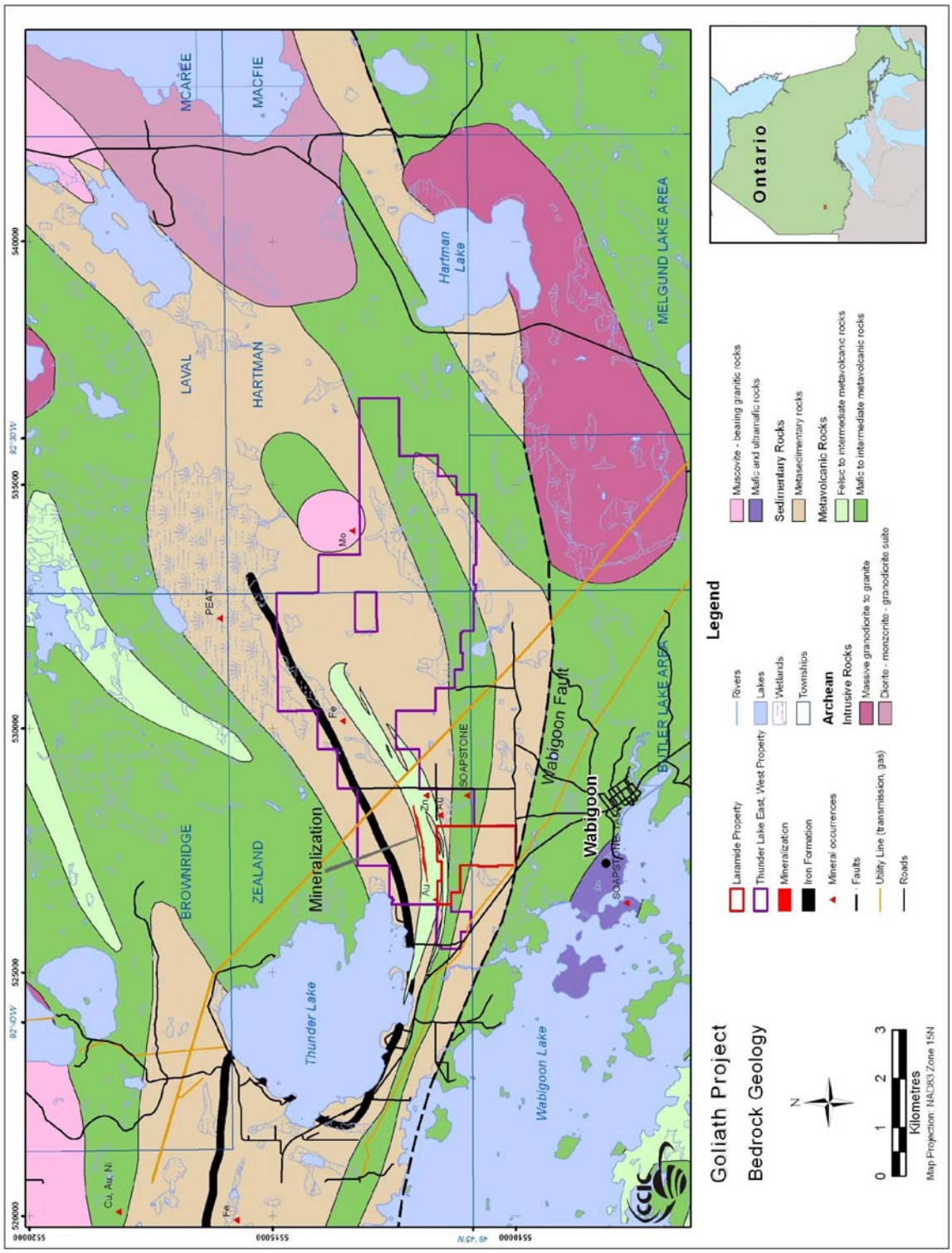

Figure 7-2. Bedrock geology in the area of the Thunder Lake Property (Goliath Project), north-western Ontario.

Deposit type

The Thunder Lake Deposit was described by some workers as a shear-hosted mesothermal deposit with structurally controlled gold mineralization related to local silica and sulphide replacements, and widespread, small, discordant to concordant quartz and sulphide veins. However, the deposit is missing most of the critical attributes of these types of deposits including that it is not hosted within a shear-zone, host rocks do not contain typical iron-carbonate alteration mineral assemblages, and gold is not commonly hosted by silicification and/or quartz veins. Furthermore, the gold mineralization is generally associated with highly elevated tenors of silver (>100 g/t), copper, lead, and zinc and is hosted by interfolial sulphide layers within felsic volcanic schist, which is not common in shear-hosted mesothermal gold deposits.

The alteration of the host rocks in the area of the Thunder Lake Deposit has been described as being enriched in potassium and depleted in sodium, which is a diagnostic feature peculiar to volcanogenic massive sulphide deposits. This "classic" alteration signature, along with the close association of gold with silver, copper, lead and zinc suggests that the Thunder Lake Deposit and other similar mineralization on the Thunder Lake Property is part of a VMS (as defined below) system. Specifically, the Thunder Lake Deposit is better characterized as a preserved gold-rich VMS deposit, within a bimodal package of folded volcanic strata.

Volcanogenic Massive Sulphide

Volcanogenic massive sulphide deposits ("**VMS**") have been defined as stratabound accumulations of sulphide minerals that precipitated at or near the sea floor. All VMS deposits occur in terrains dominated by volcanic rocks, although individual deposits may be hosted by volcanic or sedimentary rocks that form part of the overall volcanic complex. VMS deposits primarily occur in sub-aqueous, rift related environments (i.e. oceanic, fore-arc, back-arc, continental margins or continental) and hosted by bi-modal mafic-felsic successions, where the felsic volcanic rocks have specific geochemical characteristics and are referred to as FI, FII, FIII, and FIV based on the REE classification scheme of Lesher et al. (1986).

A typical VMS deposit (Figure 8–1) consists of a concordant syn-volcanic lens or body of massive sulphides that stratigraphically overlies a cross cutting, discordant zone of intense alteration and stockwork veining. The discordant alteration and stockwork-veining zone is interpreted to be the channel-way or conduit for hydrothermal fluids that precipitated massive sulphides at or near the seafloor. A heat source, such as a sub-volcanic intrusion is required to induce the water-rock reactions that result in metal leaching from the surrounding rocks and create the hydrothermal convection system.

The massive sulphide body is generally in sharp contact with the overlying sedimentary or volcanic stratigraphy (hanging-wall stratigraphy), while the massive sulphide body may be in sharp or gradational contact with the underlying stringer and alteration zone (foot-wall stratigraphy).

Most VMS deposits, including Achaean VMS deposits, are surrounded by alteration zones, which are spatially much larger than the deposits themselves. A number of zones of alteration are commonly recognized; the footwall alteration pipe, alteration within the ore zone, a large semi-conformable zone beneath the ore zone and alteration of the hanging wall. Figure 8–1 is a synthesis of alteration zones associated with Zn-Cu-Pb (minor Au, Ag) deposits that formed in bimodal mafic-felsic volcanic sequences. The core of the alteration pipe can be up to 2 km in diameter and is reflected mineralogically by a strong chloritic core surrounded by sericitic and chloritic alteration. Chemically, the alteration pipe zone in Figure 8–1 is represented by additions of Si, K, Mg and Fe and depletions in Ca and Na. Alteration zones adjacent to the main alteration pipe are not well defined. In addition, Na depletions are

laterally extensive, but are confined only to a few hundred metres vertically in this type of deposit. Virtually all alteration pipes are characterized by Na depletion and the resulting alkali depletion common to many alteration zones is manifested as abundant aluminosilicate minerals.

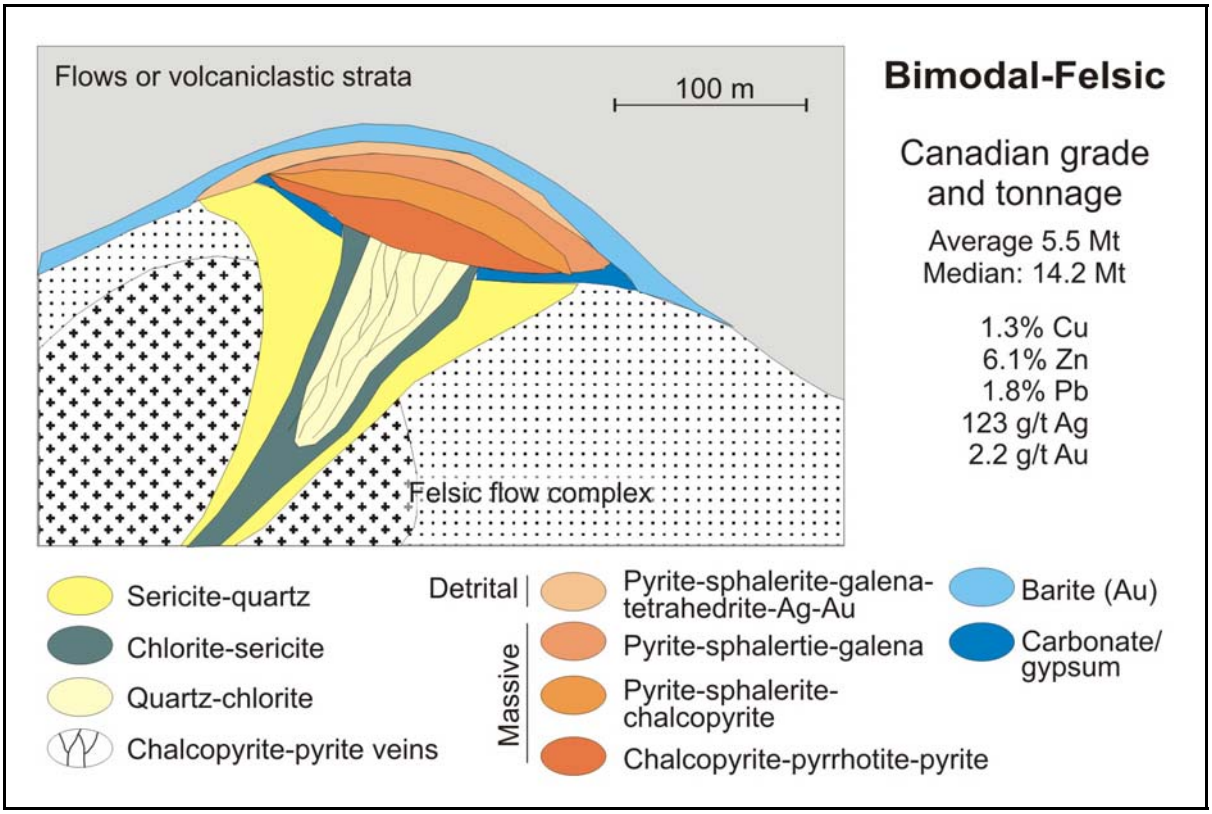

Figure 8–1. Idealized characteristics of a bimodal-felsic VMS deposit.

Gold-rich Volcanogenic Massive Sulphide Model

Gold-rich VMS deposits are a sub-type of both VMS and lode gold deposits. Typical VMS deposits comprise a semi-massive to massive sulphide zone of concordant sulphide lenses underlain by a discordant stockwork system or feeder zone. An epigenetic gold-bearing event can be superimposed on this syngenetic VMS system resulting in gold-rich VMS mineralization. Of significance, there are 13 world-class gold-rich (>30 tonnes Au) VMS deposits in production and seven Canadian deposits account for almost 10% of Canada's annual gold production. Canadian gold-rich VMS deposits typically grade 7 g/t Au with grades that vary from 1.5 g/t to 38 g/t Au and tonnages that range from 2 million to >50 million tonnes.

Epigenetic hydrothermal events in a typical VMS system can be distinguished by a number of features, as summarized below:

1. Combined base metal (Cu-Pb-Zn) grades in a typical syngenetic VMS deposit far exceed the gold concentration, whereas epigenetic gold-rich VMS deposits have gold grades exceeding the associated combined base metal grades.

2. Epigenetic mineralization could be a remobilization of the existing gold and sulphides in the discordant, silica-alumina altered, stockwork zones which contain high-grade gold zones.

3. The epigenetic stockwork zone has a vertical extent that is larger than the lateral extent, whereas a typical VMS stockwork zone has a greater lateral to vertical extent.

4. Distinct alteration features develop as a result of the epigenetic mineralizing event, including metamorphosed advanced argillic (aluminous) and silicic alteration, with this alteration focused in the region of the epigenetic stockwork. High-temperature (andalusite, kyanite, zinc-rich staurolite or Mn-garnet) or low-temperature (sericite, mica or chlorite) argillic minerals could be present, along with silicic alteration (quartz veins or quartz breccia zones). These alteration styles can be superimposed on the pre-existing syngenetic VMS alteration.

5. Deformation that produces the necessary conduits for the epigenetic stockwork to develop could be from metamorphic and/or tectonic events. The deformation event generally occurs near the boundaries between dominantly volcanic and metasedimentary subprovinces or near regional deformational faults.

It has been suggested that the "Zone 17 Gold Trend" of Rainy River Resources Ltd. is a potential example of this style of mineralization in northwestern Ontario and offered a comparison to the Doyon-Bousquet-LaRonde deposits of the Cadillac Mining Camp (Table 8-2). The Rainy River Zone 17 Deposit has a non NI 43-101 compliant historic resource of (Nuinsco Resources Press Release, Dec. 17, 2005):

- Indicated Resource: 1.74 Mt grading 1.56 g/t Au, 0.03% Cu, 0.21% Zn and 4.0 g/t Ag

- Inferred Resource: 11.0 Mt grading 1.33 g/t Au, 0.02% Cu, 0.20% Zn and 3.60 g/t Ag

Figure 8-3 provides a schematic section of the inferred crustal levels of formation of gold-rich VMS and shear-zone hosted environments and Figure 8-4 illustrates the geological setting and hydrothermal alteration associated with gold-rich (high sulphidation) VMS hydrothermal systems.

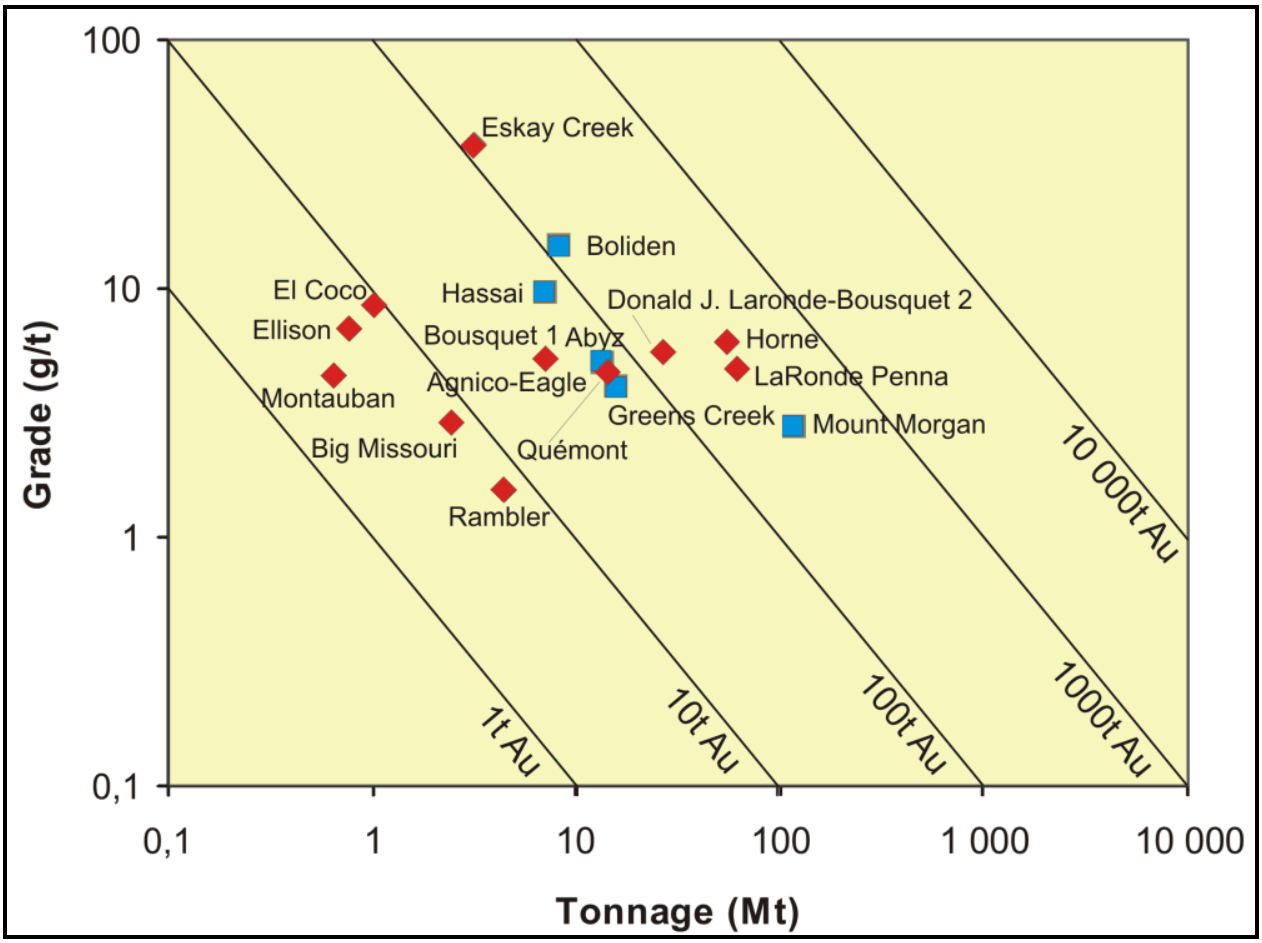

Figure 8-2. Grade versus tonnage for 11 Canadian gold-rich VMS deposits (red diamonds) and 5 international world-class (>30 tonnes Au) deposits (blue squares); numbers include production, reserves and resources.

Table 8-1. Grade and tonnage of world-class Au-VMS deposits with at least 30 tonnes gold in production and reserves.

Deposit Name	Country	Tonnage (Mt)	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)
Bousquet 1	Canada	6.44	5.55	--	--	--	--
Agnico Eagle	Canada	6.93	5.18	--	--	--	--
Bousquet 2-LaRonde 1	Canada	23.26	5.14	2.12	--	--	--
Horne	Canada	54.3	6.10	13.00	2.22	--	--
LaRonde Penna	Canada	43.45	4.23	52.12	0.32	--	2.72
Quemont	Canada	13.92	4.74	19.53	1.21	--	1.82
Eskay Creek	Canada	2.49	44.38	2,087.68	--	--	--
Mt. Morgan	Australia	80.74	3.67	0.74	0.72	--	--
Hassai	Sudan	6.2	10.00	--	--	--	--
Boliden	Sweden	8.3	15.09	48.31	1.42	--	--
Abyz	Kazakhstan	4.4	6.47	61.00	2.13	--	5.35
Greens Creek	USA	11.2	4.20	560.94	0.01	4.07	10.88

Table 8-2. Comparison of the Doyon-Bousquet-LaRonde gold-rich VMS deposit model to that of the Rainy River Deposit.

Parameters	Gold-Rich VMS Model	Rainy River Deposit
Source(s)	(Dubé et al. 2006) (e.g., Bousquet II–LaRonde I Deposit)	(Rainy River Resources Ltd., press release, Sept.28, 2006; Wally Rayner, personnel communications, Jan. 27, 2007; and Kenora District Office, assessment files, Nuinsco Resources Ltd., 52D16SE E-14 to E-17)
Gold Values (g/t) Exceed Base Metal (%)	Gold grades are >5 g/t whereas base metals (4.44% Zn and 0.20% Cu) values are less.	Gold grade is 1.33 g/t Au whereas base metals values range from 0.198% Zn up to 1% Zn over intervals up to 70 m and 0.015% Cu over narrow intervals of 1 m or less. Gold grades increase if galena is observed in the core.
Syngenetic Mineralization	Sulphide lenses contain pyrite-sphalerite-galena-chalcopyrite ± elevated Au (600 ppb) with biotite-rutile-titanite alteration zone with Na_2O enrichment and pyrrhotite-pyrite stringers.	Stringer sulphide (pyrite, iron-poor sphalerite, chalcopyrite ± galena) mineralization is at the eastern edge of the caldera complex. These large, altered stringer zones (with Mg-chlorite) interpreted to occur in shallow water. Gold is hosted with the fine-grained, disseminated sulphides in conformable, bands or beds, which return anomalous Au (300 ppb) in altered quartz-eye dacite and the underlying, porous volcaniclastic breccia and/or conglomerate.
Epigenetic Mineralization	The lens is underlain by discordant and altered, stockwork feeder dikes with remobilized Au-Ag with sphalerite-chalcopyrite. There is an intense enrichment of silica (quartz) and alumina (Mn-garnet, biotite, sericite) with Na_2O depletion.	The sulphide stringer mineralization was later crosscut by south (ODM zone) to southwesterly (17 gold zone) plunging, quartz-chlorite-sericite–Mn-garnet veins with pyrite-sphalerite ±chalcopyrite-galena-arsenopyrite and remobilized gold. This second event is characterized by iron-rich chlorite and iron-rich sphalerite.
Several Stages of Deformation	At the LaRonde Deposit, there are 3 separate generations of deformation recognized. Gold, with sphalerite-chalcopyrite mineralization, is hosted within thin-bedded sediments in the hinge areas of F_2 folding. This gold–base metal association suggests that syngenetic gold and base metals have been remobilized and re-concentrated during deformation and metamorphic events.	The restriction of strong shear deformation to the dacite and rhyolite units has been recognized. This suggests these units have been hydrothermally altered and enriched in gold (>300 ppb) and pyrite prior to deformation. Later remobilization of 17 gold zone led to the development of these south- and southwest-trending, gold-bearing, mineralized shoots. These same quartz-bearing fractures occur east of the caldera; however, sulphide-bearing units do not appear to be gold-bearing.
Others	Electrum is the dominant gold-bearing species. Silver is more abundant than gold (Ag:Au ratio is 15:1).	Gold is hosted as native gold or electrum, in sphalerite and in crushed pyrite. With the syngenetic mineralization, there is more silver than the gold, up to 5:1, but in the epigenetic mineralization, there is a similar relationship of gold to silver (1:1).

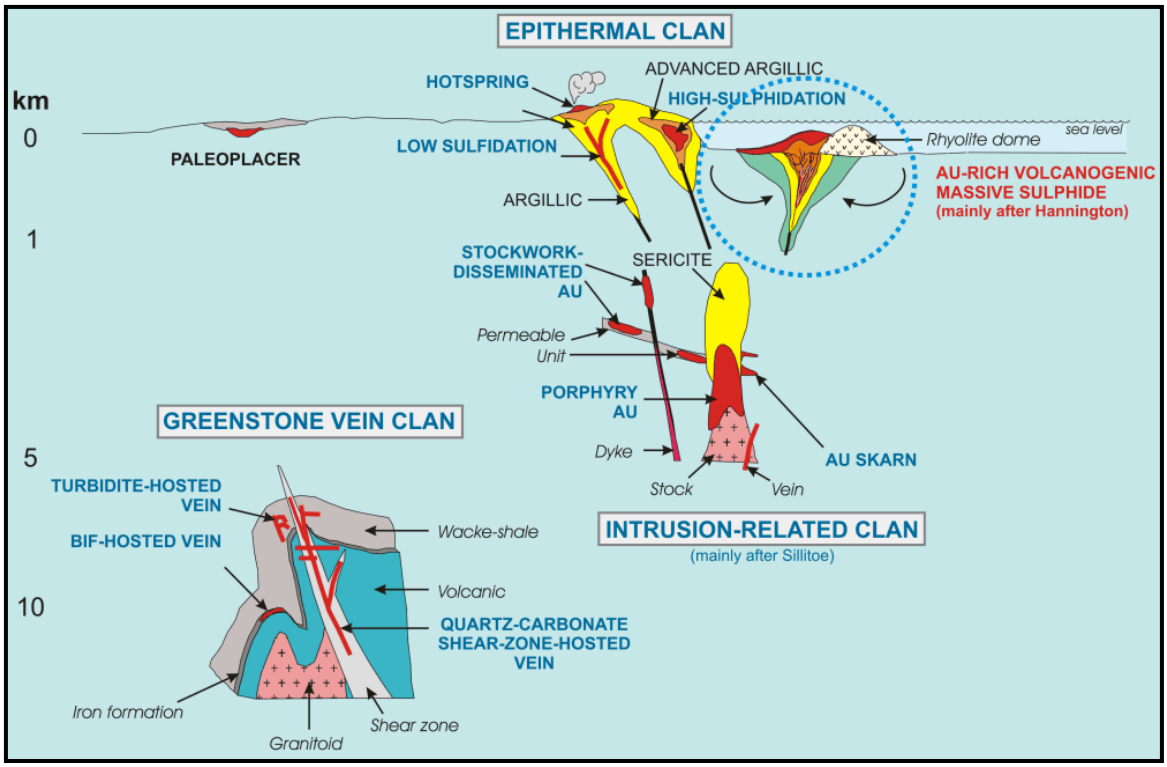

Figure 8-3. Various types of gold deposits and the inferred crustal levels of formation for gold-rich VMS deposits.

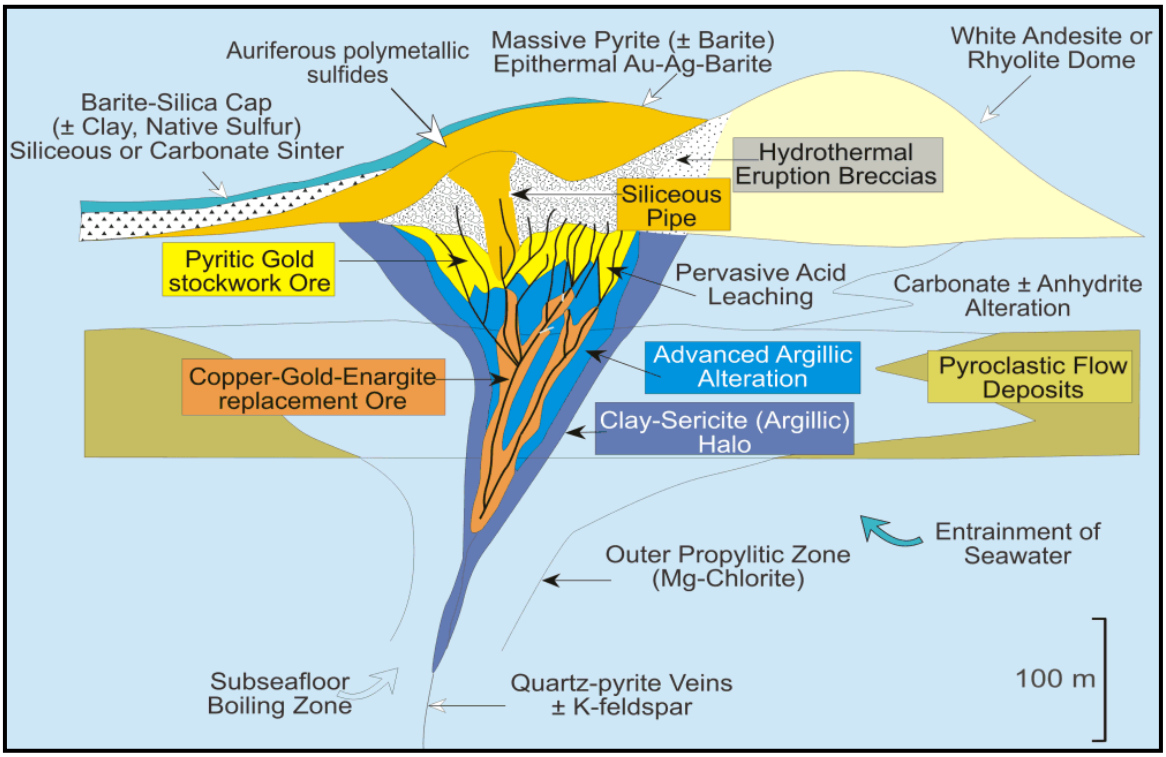

Figure 8-4. Geological setting and hydrothermal alteration associated with Au-rich high-sulphidation VMS hydrothermal systems.

Mineralization

The trace of the main gold mineralization on the Thunder Lake Property (Thunder Lake Deposit) projects to the surface about 250m north of the northern boundary of the Goliath Property (Figure 9-1). The West, Main and East zones of the Thunder Lake Deposit strike approximately east-west, varying between 090° and 050°, with dips that are consistently 70°-75° toward the south or southeast. The main area of gold mineralization and alteration occurs up to a maximum drill-tested depth of 700m below the surface, over a strike-length of 1,400m within the resource-defined area; however, anomalous gold mineralization extends over a strike length of at least 3,500m.

Stratigraphically, gold mineralization is confined to an approximately 100 to 150m wide central unit composed of intensely altered felsic gneiss and schist with minor metasedimentary rocks (the "**Central Unit**"). Overlying hanging wall rocks consist of quartz and quartz-feldspar porphyry sills and metasedimentary rocks, with the footwall comprising metasedimentary rocks with minor porphyries, felsic gneiss and schist. Gold within the Central Unit is concentrated in a pyritic alteration zone, consisting of quartz-sericite schist, quartz-eye, gneiss and quartz-feldspar gneiss.

The gold mineralized zone is more or less conformable to the local stratigraphy and is controlled by a major west-northwest-striking, gently to moderately northeast-dipping, brittle fault-zone (referred to as the "**NW Fault**") that can be traced over a length of 3 km and to a depth of at least 500m. Within this NW Fault, mineralization extends intermittingly over a strike length of 1,400m. Within the Main Zone (Figure 9-1) the bulk of the gold is concentrated in several steeply west-plunging "shoots" with relatively short strike-lengths (up to 25m) and considerable down-plunge continuity; these higher grade shoots are separated by rock containing lower grade gold mineralization. The "shoots" are interpreted to be the result of tight folding of the mineralized horizon (gold concentrated in fold noses) and appear to occur at regular intervals.

The gold-bearing alteration zones are sheet-like composite units defined on the basis of anomalous to strongly elevated gold concentrations, increased sulphide content, distinctive altered rock units and quartz veining. The high-grade Main Zone, discovered in 1990 and partially delineated by 1994, is 30-80m in thickness and is composed of well-defined pyritic quartz-sericitic schist horizons separated by less-altered rock units. The C-Zone, located in the eastern portions of the historical resource area, is 5 to 25m in thickness and becomes well developed in the footwall about 60m in horizontal distance north of the Main Zone. The C-Zone continues east and to depth either in combination with the Main Zone or as a major continuation of the alteration corridor. The West Zone is thicker but lower in grade than the Main Zone and is located 150m west along strike from the Main Zone (Figures 9-1 and 9-2).

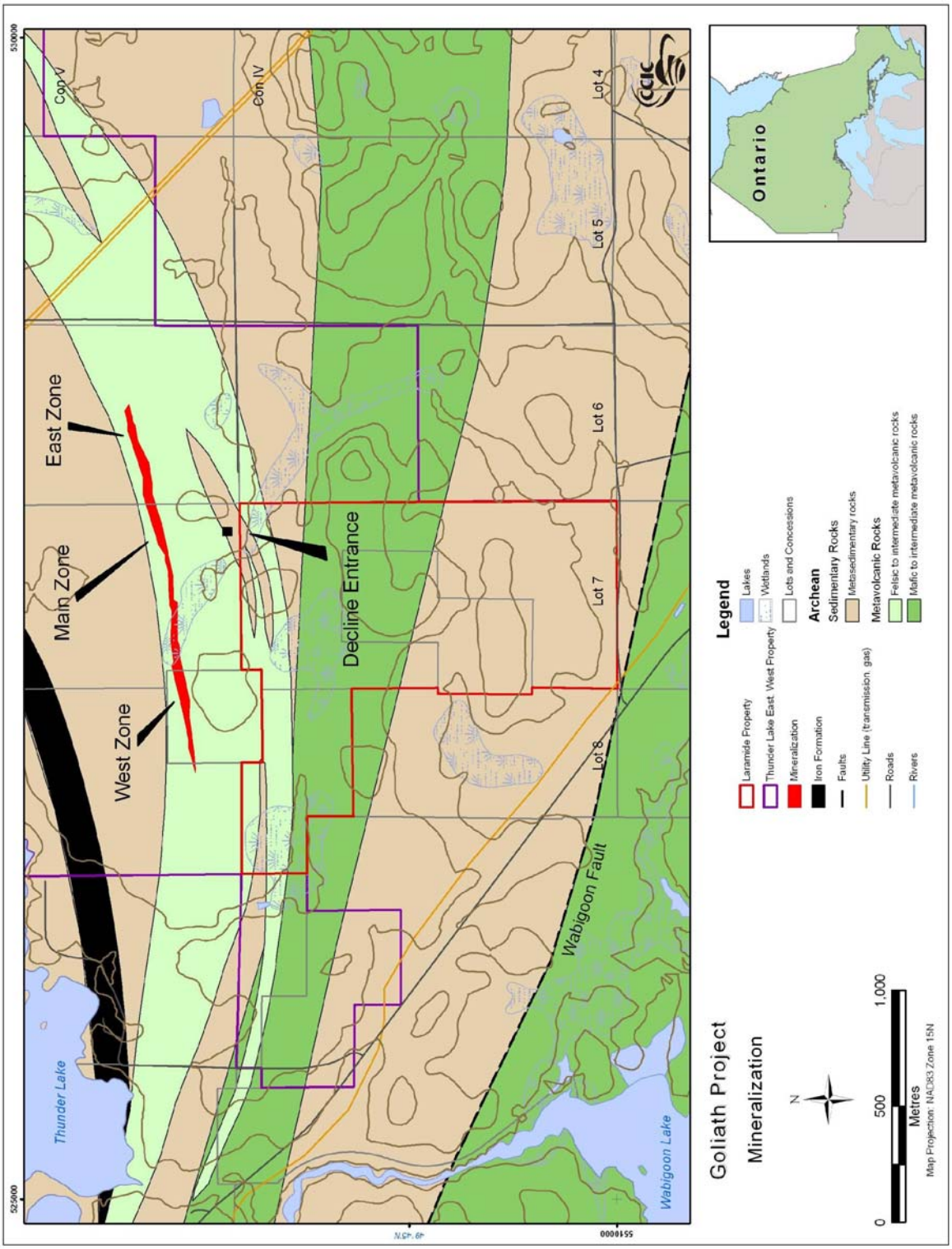

Figure 9–1. Mineralized zones (red) and location of the remediated decline/portal on the Thunder Lake Property (Goliath Project), north-western Ontario.

Schematic geological block models of the lithological zones as logged from drill core were developed by CCIC from the Teck drill hole database (Figures 9-2 and 9-3). These lithologies follow and define the main trend of mineralization for the Thunder Lake Deposit, including the four (4) zones of mineralization (i.e., Main, B-, C- and Hangingwall zones).

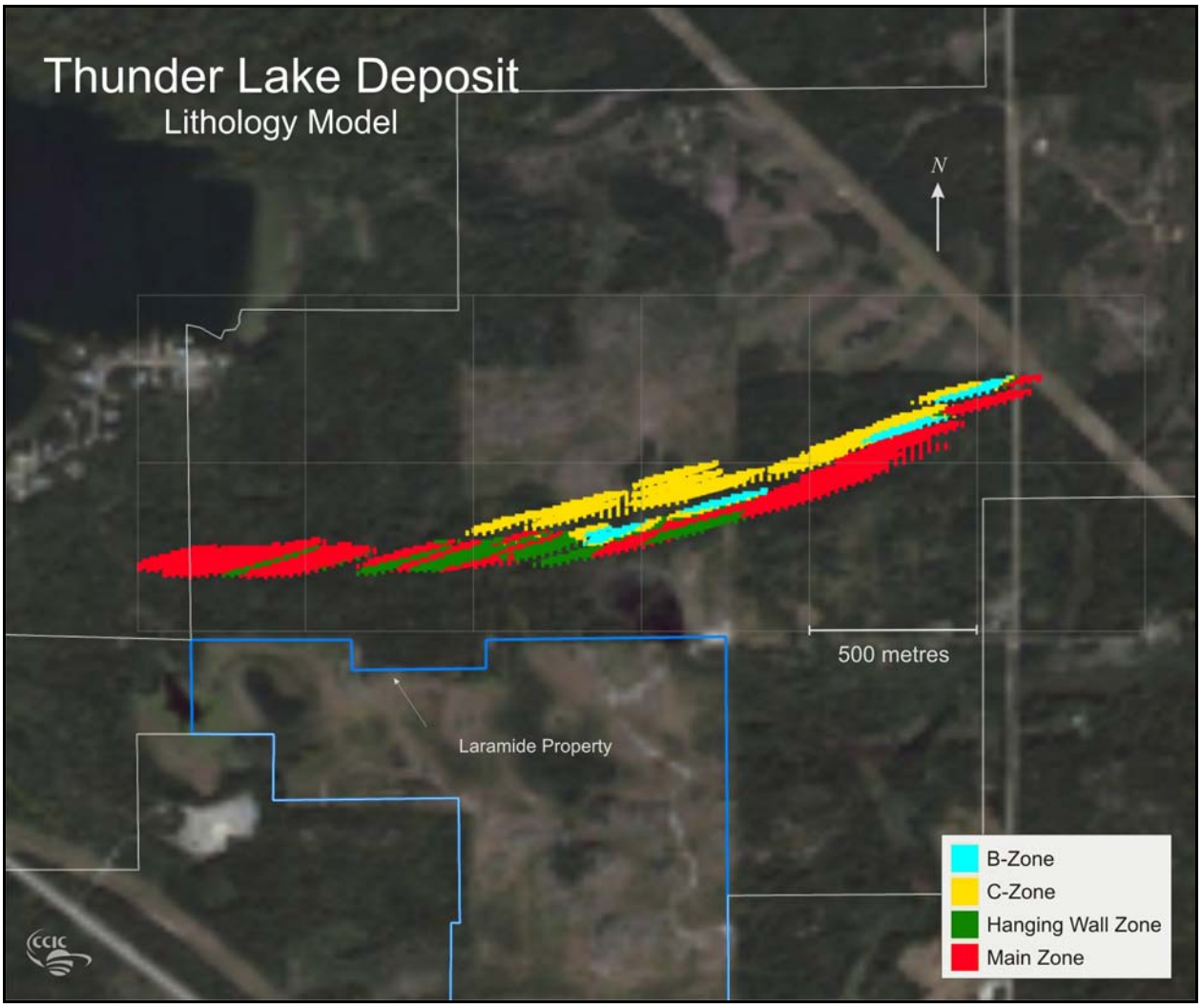

Figure 9–2. Schematic (plan map) representation of the gold mineralized lithological zones on the Thunder Lake Property (Goliath Project) developed on the basis of the Teck-Corona joint venture drill hole database.

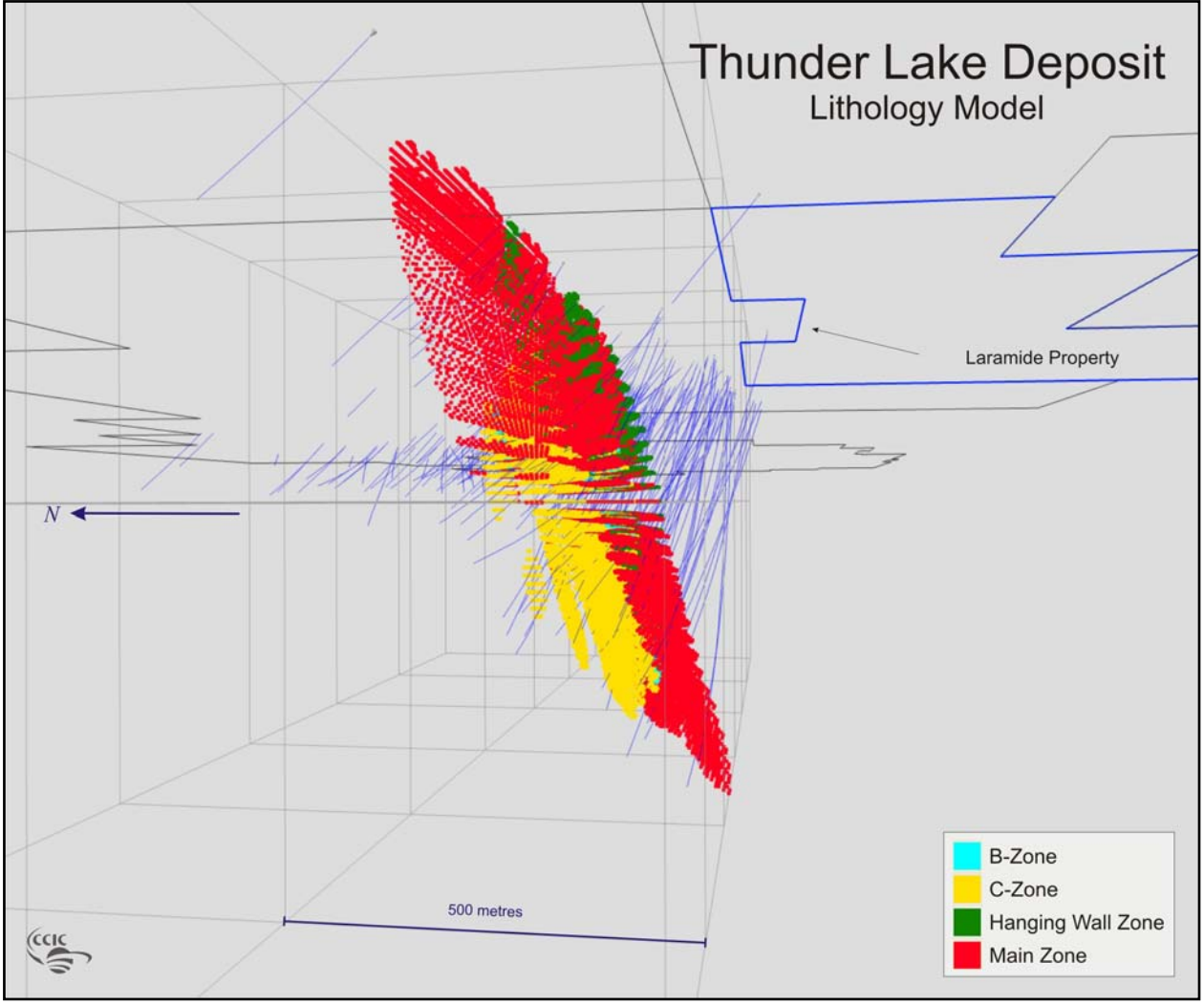

Figure 9–3. Schematic (cross section looking east) representation of the gold mineralized lithological zones on the Thunder Lake Property (Goliath Project) with drill hole traces (blue) and outline of the Goliath Property.

Underground Exploration (Teck - 1998)

The 1998 underground exploration and bulk sampling program provided new insight into the structure and mineralization intersected during previous surface drilling programs. The following observations from the underground program were reported:

- significant mineralized areas are in contact with units of dark coloured intermediate quartz porphyry;
- the Central Unit hosts the most significant gold concentrations and consists of intensely deformed and variably altered felsic gneiss and schist with minor metasedimentary rocks;
- the strongest gold mineralization is localized in siliceous quartz-sericite schist containing disseminated sulphides, sulphide veins, and sulphide mineralized quartz veins with rare coarse gold/electrum;
- most of the gold is free and occurs in visible specks, and the “nugget effect” is pronounced confirmed by the results of wedge drilling (i.e. widely differing gold concentrations between original intersections and those from wedge intersections only a few feet from the original); and

- where investigated underground, the distribution of gold in the Main Zone is erratic and unpredictable.

Alteration

Early work established silicification and sericitization as the broad alteration styles on the Thunder Lake Property. Sericitic alteration is present in all rock types and produced quartz-sericite schist units from the quartz-eye gneiss and the metasedimentary rocks. The alteration is correlated strongly with moderate potassium enrichment and significant sodium depletion. The main pyritic alteration zone is defined by anomalous to strongly elevated gold values, increased sulphide content (2-3% pyrite plus trace to 3% "sphalerite + galena ± chalcopyrite") and the presence of distinctive rock units known to be prospective for gold mineralization.

Detail core logs (lithology), outcrop examinations and geochemistry show that significant gold mineralization on the Thunder Lake Property are intimately associated with albite-bearing rocks (primary lithologies and alteration). These rocks occur within larger aureoles of sericitic and calc-silicate alteration which have defined and estimated true thickness of ≥100m and >300m respectively, in the area of concentrated drilling. The western region of the Thunder Lake Property is underlain by an approximately 5 kilometre long alteration and deformation zone which contains anomalous gold mineralization.

Exploration

No exploration work has been completed on the Thunder Lake Property since 1999.

Drilling

No drilling has been completed on the Thunder Lake Property since 1998.

Sampling method and approach

Aside from the due diligence sampling completed by CCIC as described below under "**Data Verification**", the Company has not conducted any recent exploration programs or drilling on the Thunder Lake Property that required extensive sampling.

CCIC assume that all historic sampling was completed in a manner consistent with current industry standard sampling and assaying techniques, but cannot verify this.

Sample security

The Company has not conducted any exploration programs or drilling on the Thunder Lake Property and, therefore, has not completed any extensive sampling programs.

The Company and CCIC assume that all historic sampling was completed in a manner consistent with current industry standard sampling and assaying techniques.

Data Verification

CCIC Site Visit and Due Diligence Sampling

As part of the data verification process, CCIC geologist, Stephen Wetherup (Operations Manager – Western Division), visited the Property each day from October 18 to 20, 2007. The storage site of drill

core from previous exploration and resource delineation is located in Wabigoon, Ontario, approximately 20 km east of Dryden, Ontario. Drill core from the Teck-Corona joint-venture work programs is stored within a chain link fenced and locked core compound directly across Highway 17 from the Pine Grove Motel. Approximately, one third of the Teck-Corona core (approximately 8,000 boxes), is stored on metal racks and open to the elements. Many of the core boxes, having been stored outdoors and uncovered for over ten years, are nearly rotted through and need to be re-boxed before being moved or re-examined. The remaining core boxes (approximately 16,000) are crossed stacked onto wooden pallets with approximately 100 core boxes per pallet. These stacks are poorly covered with core box lids and the boxes are in various states of decay from moderate to nearly rotted through. Even with the poor condition of the core boxes almost no core has been spilled and with careful re-boxing most should be available for re-sampling. A core saw was not available at the time of the site visit, so no check samples of core were collected during the site visit.

CCIC visited the Thunder Lake Property and the location of the reclaimed decline entrance (527910mE, 5511657mN, Zone 15, WGS84) and numerous drill collar locations were verified. Seven samples were collected from the waste material around the reclaimed decline entrance which is dominated by angular fragments of quartz-eye-sericite-pyrite schist most likely derived from the underground bulk sampling program on the Main Zone. This material is identified in drill logs as being the rock type which typically hosts gold mineralization on the Thunder Lake Property. Results from the site visit sampling are summarized in Table 14-1 and include two samples which returned fire-assay concentrations 24.1 g/t Au and 10.9 g/t Au.

All samples were packed and sealed at the site and sent to Accurassay Laboratories in Thunder Bay, Ontario via Greyhound Bus courier on October 20, 2007 by Stephen Wetherup. These samples were within Stephen Wetherup's possession the entire time from collection, packaging to shipping to the laboratory. Samples were analyzed by standard fire-assay ("**F-A**") for gold and by ICP-ES ("**ICP**"); assay certificates are provided in Appendix 2.

Table14-1 Locations of grab samples collected during CCIC site visit.

Sample	Description	Au g/t (F-A)	Ag g/t (ICP)	Cu ppm (ICP)	Cu %	Pb ppm (ICP)	Pb %	Zn ppm (ICP)	Zn %
02003	Qtz-ser-bt-schist, 1-2% py	0.03	<1	4	-	28	-	11	-
02004	Qtz-ser-bt-schist, 2-5% py	0.01	<1	44	-	64	-	43	-
02005	Qtz-ser-bt-schist, 2-5% py, tr gal, sph	**1.35**	21	40	-	**1418**	**0.14**	**1895**	**0.19**
02006	Qtz-bt-ser-schist, 2-5% py	0.07	1	17	-	127	-	269	-
02007	Qtz-ser-schist, 2-3% py	0.03	<1	12	-	54	-	52	-
02008	Qtz-ser-schist, 5-10% py, 1-2%gal,sph,cpy	**24.13**	**183.48**	**1697**	**0.17**	**6989**	**0.70**	**9457**	**0.95**
02009*	Qtz-ser-schist, 5-10% py, 1-2%gal,sph,cpy	**10.90**	**69.5**	653	**0.07**	**4992**	**0.50**	**22652**	**2.27**

* Average of two analyses; original and duplicate; Qtz=quartz, bt=biotite, py=pyrite, ser=sericite, gal=galena, sph=sphalerite

Adjacent properties

The Company has an interest in a property (the "**Goliath Property**") that is contiguous to the Thunder Lake Property, which has historically been referred to as the Goliath Gold Property. See "**Goliath Property**". Other than the Goliath Property there are no other significant exploration programs or properties in the immediate area that are known to CCIC or the Company. Laramide's interest in this region was brought about by the Hemlo gold discovery near Wawa, Ontario and the discovery of the Thunder Lake mineralization by Teck in 1989 and 1990.

Goliath Property

The Goliath Property is located immediately south of the western portion of the Thunder Lake Property in parts of Lots 7 and 8 of Concession III in Zealand Township (Figure 4-3; Table 15-1). Laramide earned a

100% interest these parcels of land, including surface and mineral rights, totalling approximately 411 acres. This interest was transferred by Laramide in its entirety to the Company pursuant to the Purchase Agreement.

Table 15-1. Patented land parcels (owned private lands) and royalty obligations, Zealand Township - Goliath Property.

PARTY	PARCEL	LOT/CONCESSION	AREA (acres)	*RIGHTS	NSR (%)
Sterling	4822	Lot 7, Con III	193.6	M+SR	2.0
Lang	13492	SV 113 and SV 114 and S ¼ Lot 7, Con III	140.84	M+SR	2.0
Medlee	21553	N ¼ Lot 8, Con III	76.7	M+SR	2.5
		TOTAL:	**411.14**		

The Goliath Property core is stored on metal racks in a yard behind the Pine Grove Motel along Highway 17 just west of Wabigoon, Ontario. Core boxes have been stored outdoors and uncovered for over ten years and as such many of the core boxes are nearly rotted through and need to be re-boxed before being moved or re-examined.

The exploration history of the Goliath Property is described in a number of reports that were provided to Laramide. This work is summarized in Table 15-2. No work has been completed on land parcel 13492, that was acquired by Laramide in 2002. The Company believes that this parcel is underlain by metasedimentary rocks similar in character to those in the northern part of the Goliath Property and that rocks on this parcel could host altered gold-bearing zones.

Anomalous gold values were reported from surface sampling; 480 ppb Au within a narrow zone of quartz veining and pyritization within biotite schist. Eight shallow exploratory diamond drill holes (NQ size) were completed in October 1996, totalling 1,622 metres. The same rock sequence that returned anomalous gold concentrations at surface was intersected in drill hole "G-2" at 80 metres depth, with a grade of 675 ppb Au over 6.0 metres; drill holes "G-1" and G-3", located 100 m to the east and west of "G-2" also reported anomalous gold concentrations in the same rock type, suggesting some lateral and vertical continuity.

Table 15-2. Summary of exploration completed on the Goliath Property.

Year	Parcel	Work Type	Comments/Results
1994	4822, 21553	Exploration Grid Geological Mapping Geophysical Survey (Mag/IP) 9 trenches and 10 pits with sampling	Geophysics completed by Rayan Exploration Ltd. Trenching/Sampling by I.M. Watson
1996	4822, 21553	NQ size diamond drill holes 8 holes totalling 1,622 m	Drilled north at -45°; tested to maximum vertical depth of ~223 metres

The northern boundary of the Goliath Property lies about 250 m south of the Thunder Lake Deposit and is situated at what appears to be the down-dip extension of the Thunder Lake Deposit. A press release from Teck-Corona drilling (hole TL-129) reported an intersection of 10.5 m grading 4.48 g/t Au (0.13 opt Au) at a depth of about 450 metres and that this intersection lies approximately 50 metres north of the Goliath Property boundary. While the plunge of the zones of the Thunder Lake Deposit is uncertain, it has been reported that the mineralized system will dip onto the Goliath Property at a depth of between 600 and 800 metres. Metasedimentary rocks and alteration on the Goliath Property that is similar in character to those on the Thunder Lake Property has also been reported.

Mineral processing and metallurgical testing

Bulk Samples (Teck-Corona)

Four bulk samples from the Main Zone, totalling 2,375 tonnes of material (all drift, slash and TDB rounds) and grading >3.0 g/t Au, were collected from various areas of the underground workings between May 15 and September 15, 1998. A total of 1,737 tonnes of material was collected from the No. 1 Shoot (A-East and TDB) and 638 tonnes of material from the No. 2 Shoot (B Zone). Face sample data indicated that two of the bulk samples were relatively low in grade (3.0 to 6.0 g/t Au) while the other two samples were of higher grade (>20 g/t Au). One of the two higher grade samples was derived from a small test-mining run of 400 tonnes and this is referred to as the "take down back" or "TDB" sample. The bulk samples were processed through a crushing plant, reduced in volume through a sampling tower to a total of 384 kg and the representative sample tower splits were shipped for processing and analysis at Lakefield Research Ltd., Lakefield, Ontario where the samples were further processed and analyzed for gold concentration. The remaining material, approximately 2,336 tonnes, was sent to be processed at the Stock Mine mill of St. Andrew Goldfields Ltd., Timmins, Ontario.

Low Grade Bulk Sample

The two low-grade bulk samples were obtained from the B-West and A-East drifts. The lowest grade B-West sample showed good correlation between the face sample calculated grade of approximately 4.5 g/t Au and the bulk sample grade of 3.6 g/t Au. This represents a percentage decrease in grade of about 15-20% and an absolute decrease of 0.9 g/t Au. It has been reported that the fairly uniform rock comprising this bulk sample was not greatly influenced by coarse gold. The A-East low-grade bulk sample yielded an increase in gold grade of about 20-25%, from 5.9 to 6.4 g/t Au in the face samples to 7.5 g/t Au in the bulk sample, representing an absolute increase of 1.1 to 1.6 g/t Au. Overall, this sampling of the low-grade material established approximately ±20% accuracy in calculated face sample grades versus actual recovered grades from the bulk sample.

High Grade Bulk Sample

The A-East high-grade and "take-down-back" samples were derived from the No. 1 Shoot and essentially the same mineralized zone. The average (mean) face grade calculated for the two high grade samples was approximately 27.8 g/t Au with a range for the five averages of between 22.7 to 35.1 g/t Au. The A-East high-grade bulk sample decreased to 16.8 g/t and the TDB bulk sample decreased to 12.7 g/t Au, representing significant percentage decreases (40-50%) and absolute gold concentration decreases. These decreases are significantly more than the ±20% variation that was defined by the low-grade bulk sample results. It has been suggested that the individual high gold assays from face samples were due to nugget effects but that this coarse gold component was not a significant factor in the overall large bulk sample grade, resulting in much lower gold concentration in the bulk samples.

Discussion of Results

Prior to executing the underground exploration and bulk sampling program, estimates of expected tonnage and grade to be extracted in the bulk sample were calculated from drill hole data (Page et al., 1999b). The material estimated to be obtained during the drifting amounted to approximately 3,900 tonnes grading 15.2 g/t Au. This estimate contrasts the actual samples that were collected during the bulk sample program which yielded about 1,950 tonnes grading 8.3 g/t Au. This represents a decrease of about 50% in tonnage and about 45% in grade between the material expected from the drill hole estimate and that actually recovered in the bulk sample process. This represents a 30% decrease in the contained gold.

Metallurgical Testing/Recoveries

The original bulk sample of 2,375 tonnes had an estimated overall grade of 9.07 g/t Au or 692 ounces Au. Metallurgical results obtained on a composite sample of 24 kg from the No. 1 Shoot indicated that cyanidation achieved the best recoveries for gold at 98.7%. Gravity and flotation resulted in recoveries of 97.3% Au and gravity alone recovered 69.1% Au. Final gold recovery was calculated at 96.85% and silver recoveries were approximately 38%. It has been reported that the recovered grade from the approximately 2,336 tonne bulk sample, processed through the Stock Mine mill of St. Andrew Goldfields Ltd. in 1999, was 5.63 g/t Au (0.164 opt Au) and 15.28 g/t Au (0.446 opt Au).

CCIC Conclusions

CCIC concluded in the Thunder Lake Technical Report that no exploration work has been completed on the Thunder Lake Property (Thunder Lake East and West) or the Goliath Property since 1999 and 1994, respectively. Based on a review of the results of previous exploration work, CCIC concluded that the Thunder Lake Property represents an attractive target with excellent potential for further discovery of precious and base metals. In particular, CCIC noted that there is potential for the addition of ounces of gold through drilling to depth and along strike of the known mineralized zones, including the Thunder Lake Deposit, and in the development of a narrow vein gold mine.

Although historical reports describe a base metal VMS component of the Thunder Lake Deposit, most previous exploration work has targeted this deposit and the Property as a shear-zone hosted mesothermal gold deposit rather than a polymetallic gold-rich VMS deposit. In CCIC's view, considering a different deposit type changes the exploration methods that should be applied and, therefore, considerably improves the outlook for future exploration programs.

VMS deposits (traditional and gold-rich) typically occur in clusters and have distinct geochemical and geophysical properties which can be used to find additional deposits. Also, the distribution of the mineralization within the deposit relies upon lithological and structural controls which differ significantly from those of shear-zone hosted mesothermal gold deposits.

Another aspect of applying the gold-rich VMS deposit model to the Thunder Lake Deposit is that different assumptions can be used to calculate resource estimates of this type of deposit. CCIC noted in the Thunder Lake Technical Report that shear-zone hosted mesothermal gold deposits are almost entirely structurally controlled mainly within shear-zones and although the morphology of a deformed VMS deposit is also structurally controlled, different structures are involved. Specifically, VMS deposits occur as lenticular bodies along bedding planes or horizons within the volcanic and/or sedimentary strata which in this case have been transposed and deformed by at least two folding events. Therefore, CCIC concluded, the distribution of mineralization cannot simply be assumed to be planar (i.e. a shear-zone) with higher grade shoots formed along the plane, as suggested by previous workers on the Thunder Lake Deposit. The fact that original resource models were unable to predict the distribution of mineralization is more likely due to an erroneous theoretical model for the morphology of the deposit rather than "nugget" effect. There are two methods to deal with a structurally heterogeneous deposit. One must either find sufficient individual high-grade lenses to substantiate a narrow "vein" or lens mine or treat the deposit as a lower grade bulk-tonnage target and mine over larger widths. CCIC concluded that any further resource work should include resource models that consider both narrow vein and bulk-tonnage mining methods.

Previous work on the Thunder Lake Property has focussed only on the gold within the various mineralized zones and almost completely ignored the significant silver and base metal (Zn-Pb-Cu) grades

within them. Multi-element geochemical analyses within the mineralized zones and during the site visit demonstrate that there are significant grades of silver and base metals which if included in the resource calculations could add considerably more value to the deposit.

Furthermore, on the basis of the historical Inferred Mineral Resource which outlined approximately 618,700 ounces of gold from 2,974,000 tonnes grading 6.47 g/t gold, the in-situ metal value of the Main Zone and C-Zone of the Thunder Lake Deposit is approximately US$350 million. CCIC reported that there are numerous opportunities to add ounces to this resource with gold prices at more than twice what they were in 1999 (*see* Table 19-1) and with expectations for strong commodity prices for the next several years. In the Thunder Lake Technical Report, CCIC concluded that the Thunder Lake Property presents an excellent exploration opportunity with development potential.

It is the professional opinion of CCIC that, by applying exploration methods suitable for gold-rich VMS deposits, there is excellent opportunity for additional gold resources and for the discovery of additional precious and potentially base metal mineralized zones on the Property.

Historical Gold Prices

Of particular importance in the perspective of historical exploration and evaluation of the Property is the historical price of gold during the period in which Tech-Corona was evaluating the Property. It was reported that the depressed price of gold in 1998-99 was one factor in the decision by Teck-Corona to put the Thunder Lake Property on "care and maintenance". Table 19-1 provides a list of the average annual gold spot price (London PM Fix) from 1988 to 2006. The price of gold was steadily declining from 1997 through 1999, reaching yearly lows of US$283.00/oz in December, 1997, US$273.40/oz in August, 1998 and US$252.80/oz in July, 1999. The lowest monthly average was recorded in April, 2001 at US$255.95/oz and subsequently gold has been trading upward to a historical all time high. The highest closing spot price was US$1,023.50 recorded on March 17, 2008.

Table 19-1. Average annual spot price of gold.

YEAR	Gold (US$/oz)
1988	$436.45
1989	$381.27
1990	$383.72
1991	$362.34
1992	$343.86
1993	$360.06
1994	$384.15
1995	$384.07
1996	$387.69
1997	**$328.41**
1998	**$294.11**
1999	**$278.86**
2000	$279.11
2001	$271.40
2002	$309.73
2003	$363.32
2004	$409.17
2005	$444.74
2006	$600.29

2007	$695.39

Recommendations

In the Thunder Lake Technical Report, CCIC concluded that the Thunder Lake Property hosts a significant historically defined gold resource with potential to increase this resource, both by expanding the known resources and by drill testing other target areas including the under-explored regions northeast and west of the Thunder Lake Deposit. CCIC believes that significant scope remains at the Thunder Lake Deposit to extend known mineralization to depth (e.g., No. 3 Shoot). In addition, due to emphasis by previous exploration to follow up on high-grade shoots, CCIC also recommended further exploration drilling to define broader mineralized zones.

A major fold-closure area in the eastern portion of the Thunder Lake Property was only drill-tested by six drill holes. These holes confirmed the continuity of alteration, deformation and gold mineralization. CCIC recommended that the Company carry out additional testing of this closure area and that particular notice should be given to the structures' possible intersection with a package of ultramafic (high-magnesium) rocks to the northeast.

CCIC recommended that the primary objective for exploration on the Thunder Lake Property (and Goliath Property) should be to test the lateral and down-dip extensions of the mineralized zones and in particular the deeper mineralization projected onto the adjoining Goliath Property. The exploration program should be executed in such as way as to minimize drilling costs by maximizing target definition and therefore include:

1. data compilation and integration;
2. 3D modeling and targeting;
3. NI 43-101 compliant mineral resources estimate on the basis of data collected to 1999;
4. re-logging of existing core to account for structural details;
5. confirmatory diamond drilling (approximately 5,000 m);
6. deep penetrating (+400 m vertical) "real-section" induced polarization survey;
7. differential GPS and magnetic susceptibility surveys;
8. geological mapping and geochemical sampling;
9. target specific and exploration diamond drilling (approximately 20,000 metres); and
10. re-opening of the decline and underground workings.

The structural features and controls of the mineralization at depth also need to be refined. All surveys must take into account the relatively narrow character of the mineralized zones when planning the line spacing and drill centres. It has been suggested that exploration should utilize deep penetrating geophysical methods such as "real section" induced polarization in order to minimize drilling costs and maximize target definition.

Any exploration method, including geophysical, should take into account the relatively narrow lateral development of the high grade shoots: initial spacing might be on the order of 50 to 100 metres but delineation spacing will likely be ≤ 25 metres, in the order of the No. 1 Shoot's lateral dimension.

As carry over from previous exploration programs, further recommendations include:

1. in-fill drilling in the No. 3 Shoot area to better define the inferred higher grade mineralization located at depth;
2. off-section drilling to better delineate the geometry of the mineralization;
3. pursue negotiations to eliminate or reduce the advance royalty ($50,000/year) on the Fraser Lot (Land parcel 15396, South half of Lot 6, Con IV; 163 ha) and other annual property payments;
4. evaluate the "newly" acquired land parcel 13492 (Goliath Property) by extending grid lines and carrying out geological mapping, geophysical and geochemical surveys.

CCIC recommended that a secondary objective should be for the Company to investigate along strike from the known mineralization through the use of property wide induced polarization and time-domain electromagnetic surveys, including considering borehole geophysical surveys, as well as litho-geochemical sampling of outcrops and historical drill core to identify additional VMS style alteration zones. This can be accomplished concomitant with geophysical surveys designed to enhance drill hole targeting over the known mineralized areas.

The mineralization is preferentially oriented in near vertical shoots which have limited strike length (approximately 250m). In light of this, defining drill targets through detailed geophysical, geochemical and geological structural mapping is essential to the success of any exploration drilling program beyond the known zones of mineralization.

Budget

The exploration program recommended by CCIC in the Thunder Lake Technical Report is estimated to cost a minimum CAD$5,830,000 and will require approximately 12 to 18 months to complete, contingent on the availability of diamond drills, geophysical crews, geologists and other contract workers (Table 21-1).

The objective of the program is to better delineate the mineralized zones along strike and with depth and to calculate a NI 43-101 compliant mineral resource estimate that addresses both precious and base metals. Initial findings, following re-logging and re-analysis of historic core samples and completion of structural studies, will determine the subsequent components and specific locations for drilling and geotechnical surveys (i.e., mapping, geophysical and geochemical).

Table 21-1. Proposed budget for 2007-2008 exploration program, Thunder Lake Property.

ITEM	COMMENT	UNITS	NO. UNITS	RATE/UNIT	COST
Data Compilation and Integration					
	compile, review and model all historic data	ea	1	$ 35,000	$ 35,000
	3D modelling and targeting	ea	1	$ 15,000	$ 15,000
				Sub-total:	***$ 50,000***
NI 43-101 Mineral Resource					
	reclaim historic drill core	m	1	$ 75,000	$ 75,000
	re-log and re-assay historic drill core	m	2,500	$ 50	$ 125,000
	confirmatory diamond drilling	m	5,000	$ 150	$ 750,000
	resource calculation/report	ea	1	$ 15,000	$ 15,000

				Sub-total:	**$ 965,000**
Drill Core Structural Study					
	re-log drill core for structural details	ea	1	$ 25,000	$ 25,000
				Sub-total:	**$ 25,000**
Diamond Drilling					
	step-out exploration and targeted drilling	m	20,000	$ 150	$ 3,000,000
				Sub-total:	**$ 3,000,000**

ITEM	COMMENT	UNITS	NO. UNITS	RATE/UNIT	COST
Geophysical Surveys					
	exploration grid	km	50	$ 600	$ 30,000
	real-section induced polarization	km	20	$ 3,500	$ 70,000
	traditional induced polarization	km	30	$ 2,500	$ 75,000
	borehole geophysics	ea	1	$ 50,000	$ 50,000
	high-density magnetic susceptibility/DGPS grid	km	50	$ 300	$ 15,000
	review, integration and targeting from geophysical data	ea	1	$ 10,000	$ 10,000
				Sub-total:	**$ 250,000**
Geochemical Surveys					
	surface and drill core	ea	500	$ 50	$ 25,000
				Sub-total:	**$ 25,000**
Geological Surveys					
	surface mapping/structural study	ea	1	$ 50,000	$ 50,000
				Sub-total:	**$ 50,000**
Re-Opening of Underground Workings					
	environmental baseline study	ea	1	$ 75,000	$ 75,000
	environmental controls: water settling ponds/waste muck pit	ea	1	$ 100,000	$ 100,000
	preliminary engineering consultation	ea	1	$ 25,000	$ 25,000
	permitting and government consultation	ea	1	$ 20,000	$ 20,000
	excavation and opening of portal face	ea	1	$ 15,000	$ 15,000
	clean out and certification of portal collar	ea	1	$ 50,000	$ 50,000
	re-furbishing decline and workings/certification	ea	1	$ 100,000	$ 100,000
	de-watering of underground workings	ea	1	$ 50,000	$ 50,000
				Sub-total:	**$ 435,000**
Community Consultation		ea	1	$ 50,000	$ 50,000
Accommodation, Office, Warehouse Setup		ea	1	$ 75,000	$ 75,000
General Operating Costs		ea	1	$ 100,000	$ 100,000
Equipment Rental		ea	1	$ 100,000	$ 100,000
Capital Purchases		ea	1	$ 100,000	$ 100,000
Report Writing and General Consulting		ea	1	$ 75,000	$ 75,000
				Sub-total:	**$ 500,000**
				Contingency:	**$ 530,000**
				TOTAL:	**$ 5,830,000**

Lara Property

Property description and location

Location

The Lara Property, located in the southern part of Vancouver Island, lies approximately 75 km north of Victoria, 15 km northwest of Duncan and 12 km west of the Village of Chemainus, British Columbia, Canada (Figures 4-1 and 4-2). The Lara Property, situated in the Victoria Mining Division, is centered at 48°52'52" N and 123°54'18" W (NAD83 Zone 10 North: 5414789mN and 433651mE) and is covered by the 1:50 000 National Topographic Series ("**NTS**") map sheet 92B/13 [Duncan] and 92C/16 [Cowichan Lake].

Figure 4–1. Location of Lara Polymetallic Property on Vancouver Island, British Columbia, Canada.

Description and Ownership

The Lara Property is 100% held by the Company and comprises 32 mineral claims covering 6,844 hectares (Table 4–1; Figure 4–3). Eight (8) mineral claims, previously held by Bluerock Resources Ltd., are subject to a 1% NSR as per a *Mineral Property Purchase and Sale Agreement* dated May 25th, 2006.

The province of British Columbia owns most minerals (which includes coal, petroleum and natural gas). Rights to explore and develop Crown minerals are obtained as a form of tenure issued by the provincial Crown, which remains the owner of the minerals. These rights (to explore and develop) provincial Crown lands are available to individuals (or business entities) with a valid Free Miner Certificate ("**FMC**") for the purposes of mineral exploration. This means that owners of private property (a house or a piece of land) do not own the subsurface rights. This is standard throughout Canada.

The FMC holder must first stake a mineral (or placer or coal) claim to gain the exclusive right to prospect on Crown land. Claim staking is governed by the *Mineral Tenure Act* (British Columbia) and the *Coal Act* (British Columbia), and is administered through the Mineral Titles Branch of the B.C. Ministry of Energy, Mines and Petroleum Resources ("**MEMPR**"). The MEMPR manages the recording system that is used in the acquisition and maintenance of mineral, placer and coal rights in British Columbia. On January 12, 2005, staking mineral claims switched from ground staking to online map selection (Internet-based) which uses a grid system of cells that is based on subdivisions of the National Topographic System series of 1:50,000 maps, and is now administered electronically online through the Mineral Titles Online ("**MTO**") system of the Ministry of Energy, Mines and Petroleum Resources (http://www.mtonline.gov.bc.ca/).

The registration of a cell claim to acquire the mineral (placer or coal) rights is carried out online with a valid Business British Columbia electronic identification (Business BCeID) and the recorded holder of the claim must have a valid FMC. The cells range in size from 21 hectares (457 x 463 metres) in the south to approximately 16 hectares at the north of the province (due to converging longitude lines at the North Pole). The cost of registering a mineral cell claim is $ 0.40 per hectare (or $8 for a 20 ha claim). Clients select cells through an electronic Internet map using the online viewer on the MTO website. Clients are limited to 25 selected cells per submission as one claim; the number of submissions is not limited; however, a minimum of 2 cells must be registered in any given claim. The MTO system allows for confirmation as well as payment; and updates the database instantly. The tenure number(s), title(s) and exact coordinates are issued immediately and changes (updates, acquisitions, lapses, etc.) will be viewed on the system at the latest the following morning.

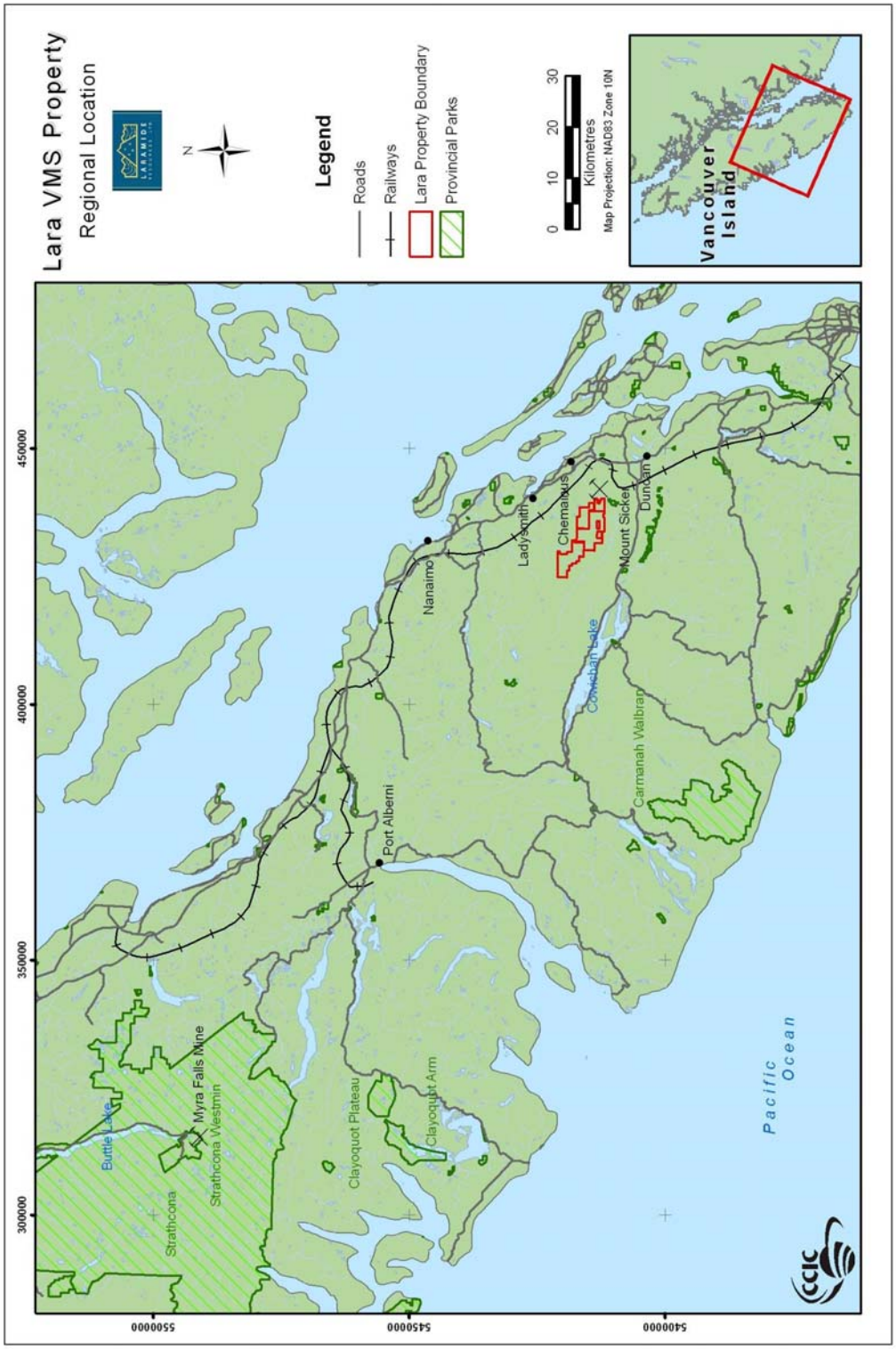

Figure 4–2. Regional map of Southern Vancouver Island showing the location of Laramide mineral claims that comprise the Lara Property (refer to Table 4–1).

Table 4–1. Mineral claims comprising the Lara Property, British Columbia, Canada as of November 15, 2007, including estimated dollar amounts of assessment work required for the period October 3, 2006 to January 21, 2010.

Tenure	Name	Expiry (dd/mm/yy)	Area (ha)	Assessment Work ($)	Submission Fee ($)
260341	FANG	21/01/10	500	8007.73	400.55
260342	SILVER 1	21/01/10	300	4804.64	240.33
260343	SILVER 2	21/01/10	225	3603.48	180.25
260344	SOLLY	21/01/10	225	3603.48	180.25
260345	TL	21/01/10	500	8007.73	400.55
260393	--	21/01/10	25	400.13	20.03
260394	--	21/01/10	25	400.13	20.03
260395	--	21/01/10	25	400.13	20.03
260419	UGLY	21/01/10	150	2403.12	120.16
260420	WIMP	21/01/10	50	801.04	40.05
260421	NERO	21/01/10	25	400.52	20.03
260521	JENNIE	21/01/10	100	1600.38	80.11
260606	TOOTH	21/01/10	125	2000.56	100.14
260607	COR 1 FR.	21/01/10	25	400.11	20.03
260608	COR 2 FR.	21/01/10	25	400.11	20.03
260609	COR 3 FR.	21/01/10	25	400.11	20.03
260610	COR 4 FR.	21/01/10	25	400.11	20.03
260611	COR 5 FR.	21/01/10	25	400.11	20.03
260612	COR 6 FR.	21/01/10	25	400.11	20.03
260613	COR 7 FR.	21/01/10	25	400.11	20.03
260624	TOUCHE	21/01/10	300	4800.00	240.33
260625	CAVITY	21/01/10	300	4800.00	240.33
260626	PLANT	21/01/10	500	8010.87	400.55
260627	FACE	21/01/10	300	4803.52	240.33
512321*	--	21/01/10	84.965	1023.3	78.59
512325*	LADY 6	21/01/10	382.311	4604.49	353.61
512327*	LADY 7	21/01/10	530.958	6394.77	491.10
512331*	LADY 8	21/01/10	360.994	4347.75	333.89
512355*	LADY 9	21/01/10	530.847	6393.43	491.00
512358*	--	21/01/10	530.552	6389.88	490.72
512359*	--	21/01/10	530.506	6389.33	490.68
512362*	--	21/01/10	42.465	511.44	39.28
		TOTALS:	**6,843.6 ha**	**$97,702.62**	**$5,853.13**

*subject to 1% NSR held by Bluerock Resources Ltd.

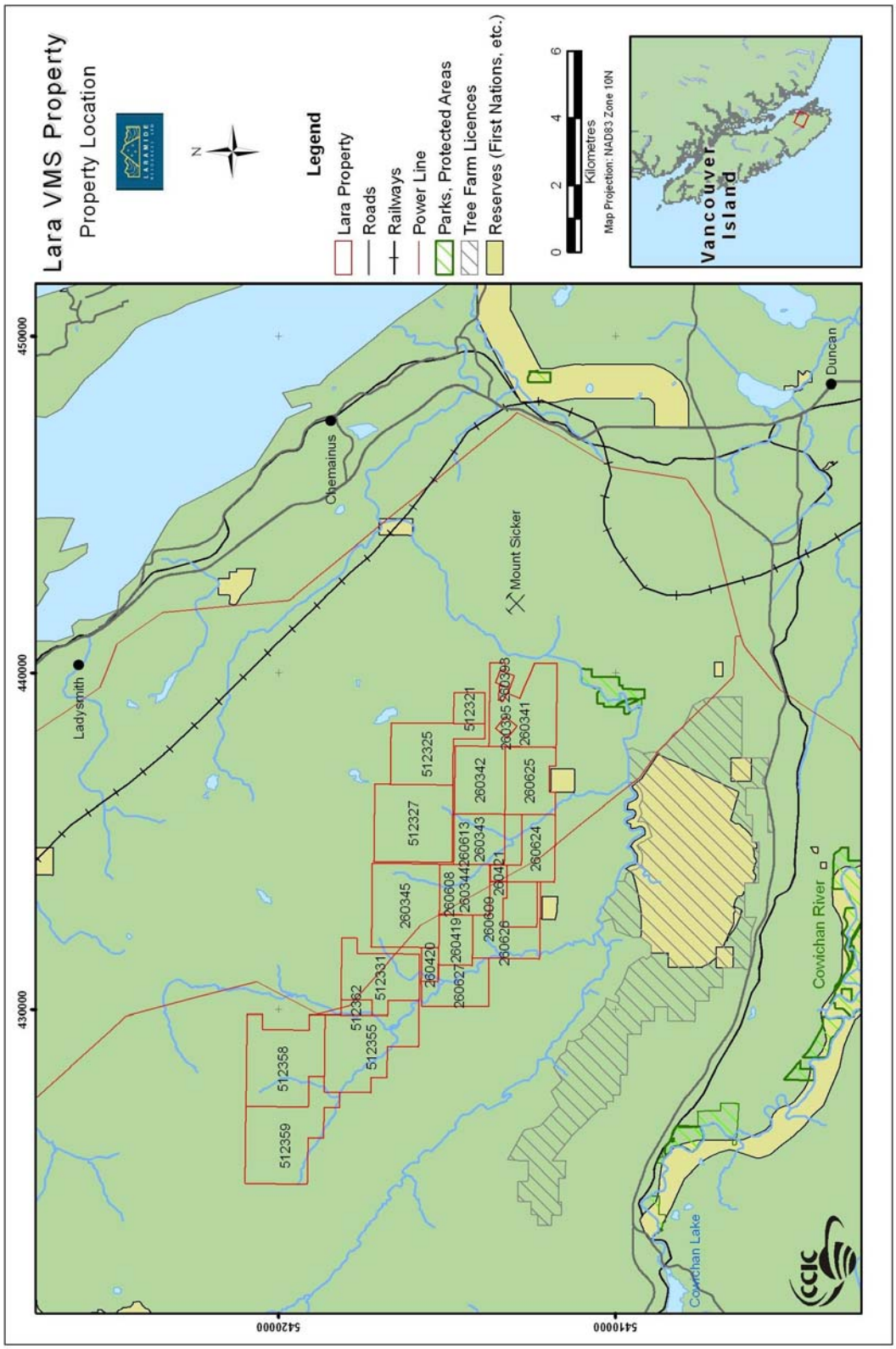

Figure 4–3. Location of Lara Polymetallic Property on south-eastern Vancouver Island, BC, Canada.

In British Columbia, tenures can be renewed prior to expiration by applying exploration work expenditures or through payment in lieu of assessment work. Exploration expenditures can be applied to keep claims for a maximum period of ten years. According to the *British Columbia Mineral Tenure Act*, the cost to renew mineral tenures is at a rate of $4.00 per hectare per year for each of the first three years prior to the original issuing of the claim and $8.00 per hectare for every year subsequent to the third year. The entire area covered by the Lara Property is Crown Land and as such permission to access the area is not required.

Not all previously ground-staked mineral claims have been converted to the new MTO grid cell system resulting in such mapping issues as overlap and map location challenges. New cell claims can be acquired if there is free ground in the MTO cell even if there are legacy claims taking up portions of the cell. Therefore it is possible to have a cell claim overlapping a legacy claim in an MTO cell. However, the cell claim holder does not have any rights in the overlapped portion that lies on top of the legacy claim. Cell claims that are partially encumbered by one or more legacy claims may acquire the cell or that portion through forfeiture, abandonment, conversion or cancellation of the legacy claim(s). Legacy claims may be converted to cell claims, with certain restrictions and adjoining cell claims may be amalgamated or reduced. Mineral claims can also be brought to lease. All claims are administered using the online MTO at MEMPR.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Access

A network of logging roads and rough drill trails extend to most areas on the Lara Property (Figure 4-3). Vehicle access to the Lara Property is via the Chemainus River Logging Trunk Road for 12 km from Highway No. 1 at Chemainus. From the Chemainus River Road, the Lara Property is accessed by a network of secondary logging and forestry roads, at Mile 10, Mile 12 and C-7 to the power line service road to reach the different parts of the claim group. The B.C. Hydro Right of Way (a cleared power line right-of-way) cuts across the Lara Property (northwest to southeast). Although these roads provide access, they go through rough terrain and steep grades. The northern and northeastern sections of the Lara Property in particular are difficult because the terrain is steep and broken by numerous gullies. Access to these areas is limited to an existing grid between the access roads. The Trans Canada Highway (Highway No. 1) provides access to these roads from Chemainus and Victoria. This route also provides the best access for heavy equipment to the Lara Property.

Climate and Vegetation

The climate in the Duncan – Port Alberni area is a typical continental climate with moderating influences of the Pacific air throughout the year. The area lies within a rain shadow leeward of the coastal mountains. In summer there is intense surface heating and convective showers, and in the winter there are frequent outbreaks of Arctic air. The mean annual temperature and precipitation varies to some extent within the region, depending on the location's elevation and proximity to salt water. At sea level snow fall is infrequent, although it increases with elevation. The January mean temperatures are also moderated with an average temperature of 2.7°C (37˚F). Duncan has a July mean maximum of 25.2°C (77.4˚F) and a July mean minimum of 11.6°C (52.9˚F). However, precipitation (with the most falling between October and March) varies from 96.1 cm (37.85 in) in Cowichan Bay, 109.2 cm (41.04 in) in Duncan, and 117.6 cm (46.28 in) in Chemainus. Vegetation is dominated by dense mixed forest of pine, spruce, cedar, alder, poplar and local low lying swamps and marshes.

Physiography

The Lara Property straddles the southern flank of the Coronation Mountains which include both Mount Brenton and Mount Hall. Total relief on the Lara Property is on the order of 1,000 metres ranging from 200 m above sea level ("**ASL**") near the Chemainus River at the southeast end of the claims to about 1,200 m near the top of Mount Brenton and on the high hills to the northwest. The elevation on the Lara Property increases toward the north-west and decreases to its lowest point in the south-east at 174 m. The topography is gentle to steep where creeks have deeply incised the terrain. Outcrop is abundant along creek valleys and roads, but in general there exists extensive thick deposits of glacial overburden and little outcrop. The entire Lara Property lies in a heavily forested area, although there has been extensive logging activity for the past 40 years and most of the tree cover is second or even third growth. Much of the Lara Property has been logged by clear-cutting methods over the past 40 years with present vegetation consisting of secondary growths of spruce, balsam, fir and cedar with thick undergrowth cover.

Infrastructure and Local Resources

The Lara Property, located between Victoria (population 325,000) and Nanaimo (population 78,700), lies within the southern part of Vancouver Island which also supports most of the population base of the island. Services include hospital, medical and dental facilities, pharmacy, restaurants, grocery stores, hotels, service stations and major automobile dealerships, small airports, banks, building supply centers and other small businesses. The regional government of the Cowichan Valley Regional District (includes the towns of Cowichan (population 2,830), Ladysmith (population 8,000) and the City of Duncan (population 5,500)), Chemainus, and Nanaimo support the service needs of the local communities.

A British Columbia hydro line crosses the Lara Property and is a source of power for any development on the Property. The Myra Falls Operating Facility, the milling site for the Buttle Lake/Myra Falls mine is a potential facility for the processing of any future ore of a mine on the Lara Property and is located 140 km due north (300 km by road) of the centre of the Lara Property.

Property History

The original claims on the Lara Property were staked by Laramide in 1981. The original Lara Property encompassed the Coronation Zone, Coronation Extension, Randy North and the "262" mineralized zones (*see* Figure 9-1). The Lara Property boundaries were expanded in 1992 when Laramide acquired claims within the northwest and northeast blocks of Chemainus claims from Falconbridge. The new group of claims includes the northernmost mineralized zones - Anita, Silver Creek, "126" and Sharon zones (*see* Figure 9-1). The Chemainus Property option agreement between Falconbridge and Laramide executed in June 1992 resulted in the addition of approximately 3,725 ha. Exploration of the two properties prior to their amalgamation were carried out separately with different operators, the Chemainus Property having the longer history of exploration work. Several operators were involved in the exploration of these properties. For clarity, the historic group names were retained for much of the Lara Technical Report and will be retained in this Prospectus. The Lara Property, makes up the central portion of the final Lara Property boundary comprising mostly of mineral legacy claims (Figure 4–3) and the Chemainus Property is made up of mineral cell claims to the northeast and west.

Abermin Resources Ltd. carried out the exploration programs after the first claims on the Lara Property were staked in 1981. Minnova Inc. purchased the Abermin interests in 1988 and took over as operator of the exploration programs. Nucanolan Resources Ltd. entered into an option agreement with Laramide in 1998 to conduct exploration programs on the Lara Property.

Interest in the area of the Chemainus Property, in particular west of the Chemainus River began when rights to the Esquimalt and Nanaimo Railway Land Grant were surrendered back to the Crown and became available for staking. In 1903, an adit was excavated near a copper showing in the area of the Sharon Zone – it was dominated by pyrite with minor chalcopyrite. In 1915, a 50-foot shaft was sunk near the Anita Zone and revealed a chalcopyrite-bearing pyrrhotite lens in schist. In the 1960's, exploration accelerated with increasing number of geological mapping and geophysical surveys: Cominco working in the west and Imperial Oil Resources working in the east. The subsequent operators and their interests in the properties are outlined in Tables 6–1 and 6–2.

Table 6–1. Summary of property ownership on the original Lara Property.

Year	Company	Property
1981	Laramide	Laramide staked claims for Lara Property [Coronation Trend area] south and east of Chemainus Property
1982-88	Abermin	Abermin [originally Aberford Resources] entered into a Joint Venture agreement with Laramide
1987	Abermin	The Lara Property is owned 65% by Abermin Corporation and 35% by Laramide: Abermin is the operator
1988-91	Minnova	Minnova Inc. purchased Abermin's interest (65% ownership in 1988) and acquired exclusive exploration rights to the Lara Property
1992	Falconbridge	Chemainus Property option agreement between Falconbridge and Laramide was finalized; work done on Property by Minnova under option with Falconbridge
1998	Nucanolan	Nucanolan Resources Ltd. under option to Laramide becomes operator of Lara Property exploration programs with the right to earn 50% interest in the Property in consideration of an annual payment and exploration of development work
2006	Laramide	Laramide acquired 8 mineral claims, from Bluerock, for $125,000 and a 1% NSR to be held by Bluerock

Table 6–2. Summary of property ownership on the original Chemainus Property.

Year	Company	Property
1966-67	Cominco Ltd.	base metal rights were optioned from Canadian Pacific Oil and Gas Limited (controlled E&N Railway Land grant).
1976	Imperial Oil Ltd	staked mineral claims on the southern flank of Mt. Brenton and Silver Creek Zone area as Brent and Holyoak claims
1977-83	Esso Minerals	original Chemainus Property [Chemainus NW and NE blocks] includes Anita, Randy, Silver Creek, 126 and Sharon zones
1983	Esso Minerals	conducted exploration program for Kidd Creek Mines
1984	Kidd Creek	Kidd Creek Mines Ltd entered into a Joint venture agreement with Esso
1989	Falconbridge	Falconbridge purchased Esso's interest
1992	Falconbridge	Chemainus Property option agreement between Falconbridge and Laramide was finalized; work done on Property by Minnova under option with Falconbridge

Exploration History

Exploration and prospecting on Vancouver Island began in 1862 with small-scale placer gold mining on China Creek near Port Alberni. By the 1890s more gold mining took place along the Alberni Inlet at

China Creek and Mineral Creek and several gold veins were found. Exploration for gold continued over the years with peaks in the 1930s and 1960s. In 1865, the John Buttle expedition was the first to explore the Buttle Lake area. The Price Ellison Expedition arrived in 1910. The Strathcona Park Act was legislated in 1911 and the first claims in the Buttle Lake area were staked on 1918. Further south, the first claim to be staked in the Big Sicker Mountain area was in 1895 (MINFILE, 1997). The Lenora and Tyee mines were discovered in 1897 and production began in 1898 and lasted until 1909. The Tyee, Lenora and Richard deposits of the Mt. Sicker mine were eventually amalgamated into the Twin J mine which operated intermittently between 1942 and 1952.

Following the discovery of the HW polymetallic massive sulphide orebody at Buttle Lake (1979), nearly all areas of Sicker Group outcrop in the Alberni-Nanaimo Lakes and the Duncan area have been staked. Polymetallic massive sulphide deposits have been a major target within the Sicker Group since the development of the Myra Falls mine at Buttle Lake (1960's), and extensive drilling has occurred since then. Deposits associated with felsic volcanic rocks continue to be discovered within the McLaughlin Ridge Formation of the Cowichan uplift.

Table 6–3. Exploration history of the Lara Property.

Year	Company	Exploration Activity
1981-83	Abermin	Geological mapping, geophysical and geochemical surveys and backhoe trenching
1984	Abermin	12 diamond drill holes, 1,346 metres; backhoe trenching. Discovery of Coronation Zone - intersected true thickness of 7.95 m of 0.68% Cu, 0.45% Pb, 3.01% Zn, 67.54 g/t Ag, 3.46 g/t Au;
1985	Abermin	61 diamond drill holes, 7,437 m Discovery of Coronation Extension - intersected over 3.08 m of 1.16% Cu, 2.53% Pb, 9.22% Zn, 8.6 g/t Ag, 0.213 oz/Au
1986	Abermin	Discovery of Randy north - over a true width of 3.51 metres returned 3.04% Cu, 43.01% Zn, 8.3% Pb, 513.6 g/t Ag, 24.58 g/t Au 75 Diamond drill holes, 11,339 m; Mineralogical testing by CANMET
1987	Abermin	Delineate Coronation Trend, Randy North Zone 83 Diamond drill holes, 15,038 m Metallurgical testing by Coastech Research Inc
1988	Minnova	1988-91, Minnova under option for exclusive exploration rights to Lara Property Underground exploration program Diamond drilling (surface included); Metallurgical testing from Coronation Trend Trenching (770 m of ramping and drifting in Coronation Zone)
1989	Minnova	Exploration program to delineate extent of Coronation Trend, geological work, lithological sampling, line-cutting, geophysical surveys (EM and IP) 43 Diamond drill holes, 10,328 m; Reclamation and closure plan prepared
1990	Minnova	Exploration program by Minnova, focussed on the 262 Felsic volcanic rocks which define the structural hangingwall to the Coronation Trend 49 Diamond drill holes, 11,167 m

1992	Falconbridge	option agreement between Falconbridge and Laramide was completed (executed); work done on Property by Minnova under option with Falconbridge
1998	Nucanolan	Coronation Trend area, exploration program with 12 drill holes (2,559 m)

Exploration work includes geophysical work, geochemistry and geological mapping (and prospecting), as well as diamond drilling. The geophysical surveys were determined to be mostly ineffective due to terrain conditions, low chargeability contrast of the rock units and poor conductivity of the zinc-rich massive sulphides. However, magnetometer and VLF-electromagnetic surveys were useful in delineating zones along strike of conductivity of the sulphide mineralization for locating drilling locations. Geochemical data tends to be inconclusive due to the thick overburden cover in many areas, some degree of oxidation and weathering, and a lack of corroboration by visual identification or drilling as to the continuity of the underlying sulphide zones. Drilling was the most effective exploration tool for the Lara Property project area primarily due to these accessibility and challenges to interpreting the geophysical data in the area.

Table 6–4. Exploration history of the Chemainus Property.

Year	Company	Exploration Activity
1903	unknown	Sharon "copper" Zone was discovered (Sharon Copper Mine Limited 1963)
1915	unknown	Anita occurrence discovery and 50-foot shaft excavated
1966-67	Cominco	Geological mapping and IP survey on claims in the northwest
1977-83	Esso	Covers Anita, Randy North, Silver Creek, 126 and Sharon zones. Exploration program included airborne EM survey, Genie-EM survey, drilling, soil sampling
1984	Kidd Creek	Joint Venture Esso Minerals and Kidd Creek: geophysical surveys
1985-90	Falconbridge	Falconbridge operated geophysical (IP, VLF, Magnetic) surveys; drilling in 1988 and onwards; Property purchased by Falconbridge from Esso
1990	Falconbridge	Drilling, testing anomalies, VLF and EM
1992	Falconbridge	option agreement between Falconbridge and Laramide was completed; work done on Property by Minnova under option with Falconbridge

Underground Exploration

In 1988, an underground exploration program tested the continuity of the Coronation Zone, evaluated rock conditions for mining cost estimates and provided a bulk sample for metallurgical tests. The program included ramping (from the footwall side) and crosscutting to access the high-grade mineralized zone and was followed by geological mapping (1:100 and 1:50 scales) and sampling (muck; test hole, diamond drilling (NQ size) and chip-channel).

The results of the program confirm the presence of several potentially economic, continuous pods of zinc and gold rich mineralization along the Coronation Trend. Zinc and gold provide the gross metal value of the deposit with lesser silver, copper and lead. The dominant mineralization style is not massive, but consists of a structurally complicated mixture of sulphide bands, laminae, stringers and isolated massive pods in a siliceous, somewhat fragmental rhyolitic host rock. Reverse and normal faulting has juxtaposed

the differing mineralization modes within this zone. Remobilization of primary sulphide into new modes of occurrence appears to determine the final morphology of the deposit. The presence of gold and silver not tied to any particular mineralization type or host rock also indicates secondary mineralization.

The underground mapping program delineated four major structural-mineralogical domains in the Coronation Zone that differ with respect to grade, structural setting, mineralization styles and implications for future mine design. The eastern section showed the discontinuous and poddy character of the high-grade mineralization and therefore the disadvantages to widely spaced drilling. This complex high-grade mineralized and multi-directionally faulted zone transitions to a thinner structurally simpler low to medium grade section to the west. The mineralization was a mixed sequence of banded, to poddy semi-massive material containing impersistent boudinaged pods and bands of massive pyrite. The western section contained mineralization that approached significant grades and widths. It consisted mainly of pyrite (85%) with locally enriched sphalerite and chalcopyrite banded and brecciated zones. The entire zone was strongly sericitized and appeared shattered and brecciated.

Historical Drilling

Drilling primarily focused on delineating the mineralization extent of the Coronation Trend. A total of 490 diamond drill holes, totalling approximately 101,686 metres, have been reported as completed on the Property (Table 6-5). Twenty-four (24) of these drill holes, totalling 473.20 m, were completed from underground by Minnova. The most recent drilling was by Nucanolan, who in 1998 completed 12 drill holes totalling 2,559 m. **There has been no diamond drilling on the Property since 1998**.

Table 6–5. Summary of historical drilling programs on Lara Property.

Company	No. of Holes	Length (m)
Abermin		
1984	12	1,346
1985	61	7,437
1986	75	11,339
1987	83	15,038
Minnova		
1988	24	473
1989	43	10,328
1990	49	11,123
Falconbridge		
1977 to 1990	131	42,043
Nucanolan		
1998	12	2,559
Total:	**490**	**101,686**

Historical Resource Estimates

The historical estimates of resources were calculated by several operators and consultants. They were determined on the basis of best intersections from diamond drill core and using various cut-off grades and values (Table 6-6).

CCIC and the Company considers all of the historical resource estimates to be non-compliant with National Instrument 43-101 standards and as such they should not be relied upon.

The inventory files of the British Columbia government (MINFILE 092B 129) report the Lara Deposit as 528,839 tonnes grading 5.87% Zn, 1.22% Pb, 1.01% Cu, 100.09 g/t Ag and 4.73 g/t Au which has a reported source of the "George Cross News Letter No. 188, September 29, 1992".

Table 6–6. Historical resource estimates for the Lara Deposit in the Coronation Trend.

DATE	COMPANY	RESOURCE ESTIMATE
1986	Abermin	Reserves to the end of 1986: estimated at 837,332 tonnes, grading 0.61% Cu, 3.59% Zn, 0.81% Pb, 3.26 g/t Au (0.085 opt Au), 89.49 g/t Ag (2.61 opt Ag)
1988	Abermin	Probable Reserve: 199,000 tons grading 0.72% Cu, 0.89% Pb, 4.68% Zn, 2.90 opt Ag and 0.110 opt Au. Possible Reserve : 272,000 tons grading 0.75% Cu, 0.95% Pb, 4.15% Zn, 2.17 opt Ag and 0.10 opt Au. Reserves estimated using $US80 cut-off grade, minimum width of 2m and average thickness of 3 m
1989	Minnova	Reported 324,100 tonnes grading 0.91% Cu, 6.01% Zn, 1.26% Pb, 111.07 g/t Ag and 4.70 g/t Au Resource estimated using cut-off of $50 NSR over 2.0 metre (NSR = $101.67 per tonne)
1997	Laramide	Resource: 580,000 tons averaging 1.01% Cu, 1.22% Pb, 5.87% Zn, 2.92 opt Ag, 0.138 opt Au averaging 8.3 feet thick
1998	Nucanolan	Resource: 583,000 tons averaging 1.01% Cu, 1.22% Pb, 5.87% Zn, 2.92 opt Ag and 0.138 opt Au over an average thickness of 8.3 feet

Historical Production

The Company believes that there has not been any historical production on the Property.

Geological Setting

Regional Geology

Vancouver Island lies wholly within the Insular Superterrane of the Canadian Cordillera that makes up one of the five tectonic belts produced by the collisions and accretions along the Canadian northwest edge of North America. The island is dominated by rocks of the Wrangellia Terrane, that consist of three volcano-sedimentary cycles: the oldest volcanic cycle is made up of the volcanic rocks of the Upper Palaeozoic Sicker Group which are conformably overlain by the limestone rocks of the Buttle Lake Group; the second cycle is made up of the tholeiitic volcanic rocks of the Karmutsen Formation of the Vancouver Group which are overlain by the limestone of the Quatsino Formation; and the third cycle is made up of the volcanic rocks of the Lower Jurassic Bonanza Group (Figure 7–1). These cycles have been intruded by mafic sills of the Mount Hall Gabbro (coeval with the overlying Karmutsen Formation) and subsequently intruded by various granodioritic stocks. The sedimentary rocks of the Cretaceous Nanaimo Group unconformabley overlie these older sequences (Massey, 1992).

Regional-scale warping of the Vancouver Island rocks produced the 3 major geanticlinal uplifts cored by Sicker Group rocks, including the Cowichan (Horne Lake – Cowichan), Buttle and Nanoose uplifts. The oldest rocks of Wrangellia lie at the top of an imbricated stack of northeast-dipping thrust sheets and are Late Silurian to Early Permian arc sequences (Green, Scoates and Weis, 2005). The Sicker and Buttle Lake groups, the main target for volcanogenic massive sulphide deposits, are primarily exposed in the Cowichan Lake area, at the southeastern extent of the Cowichan uplift (BCMEMPR, 2007a) (Figure 7–2).

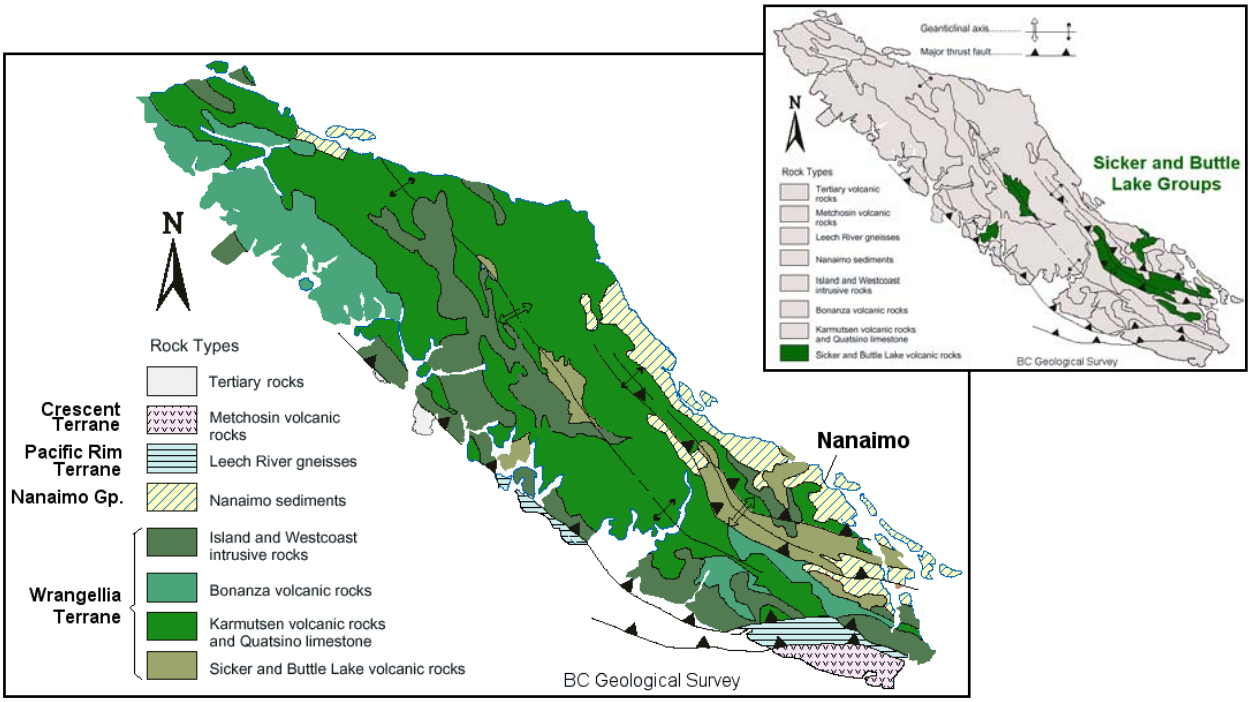

Figure 7–1. Geology of Vancouver Island showing major geological features, structures and components of the Insular Superterrane of the Wrangellia Terrane.

Vancouver Island has undergone at least six periods of deformation giving rise to a broad antiform structure with a west-northwesterly axis, with younger units towards the west and plunging from 5° to 15° to the west-northwest to east-southeast. The schistosity and cleavage is moderate to steeply dipping to the northeast. Large-scale west to northwesterly trending thrust faults cut the Cowichan-Horne Lake uplift into multiple slices (Figure 7–2). These in turn are transected by northeast trending block faults. The over-thrusting of these faults pushed the older units up over the younger. Two major fault zones are recognized. The Cameron River fault runs southeast along the Cameron River valley, and joins the Fulford fault. The Fulford fault is a regional west-northwest trending fault that dips at about 47° and crosscuts bedding in the volcanic rocks (McLaughlin Ridge Formation) at a shallow angle The thrusts (where exposed) are high-angle reverse faults which dip between 45° and 90° to the east or northeast, generally place older rocks over younger and become listric at mid-crustal depths. The metamorphic grade in the area is generally low, but increases with the age and structural position of the rocks (Massey and Friday, 1989; MINFILE, 1990a).

The surficial geology and stratigraphy of the southern Vancouver Island have been studied in the area, and the glacial events established by Blyth and Rutter (1993). The surficial geology of area is characterized by glaciomarine drift, beach materials, till and/or glaciofluvial/fluvial sand and gravel in the low-lying (200-300 metres) coastal areas. Higher elevations (from 600 to 900 m ASL) are covered by till or colluviated till, glaciofluvial sand and gravel and more recent colluvium. Diamicton deposits are found

in low-lying areas of Ladysmith (up to 12 m of massive, indurated and clay-rich). Chemainus is draped by 1 to 2 metres of silty diamicton directly on bedrock or over silty clay unit and in upland areas overlying glaciofluvial sand and gravel. Sand and gravel deposits are found west of Victoria and in the Chemainus area, throughout the lower and upper Cowichan Valley (area east of Cowichan Lake). Convoluted, interbedded sand, gravel and diamicton combined with pitted, kame and kettle topography occurs just south of Duncan. Economic aggregate deposits have been established at Metchosin, Lanford, Goldstream, Duncan and parts of the Cowichan Valley. The mountainous inland areas appear to have been completely covered by ice. Surficial materials consist of colluviated diamicton over bedrock. Exposures of well-indurated clay-rich diamicton or sandy diamicton sometimes found in valley basins. These diamictons are usually overlain by recent fluvial sands, gravels and lacustrine silts and clays.

District Geology

The Sicker Group is a package of volcanic and volcaniclastic rocks that forms the exposed basement on Vancouver Island. The Kuroko-type exhalite massive sulphide deposits (zoned and strata-bound) occur in this group of rocks with the largest ore deposits located in the Lynx and Myra properties and adjacent mineral showings at Buttle Lake. The mineralization is related to the rhyolitic or rhyodacitic volcanic rocks of the Myra Formation and its equivalent in the lower section of McLaughlin Ridge of the Lara Property area. The significant rock types are rhyolite and mixed breccias, quartz porphyries and fine-grained rhyolite.

The rocks of the Sicker Group comprise a bimodal assemblage of felsic and mafic metavolcanic rocks which range from fine tuffs to coarse fragmentals along with massive flows and apparently intrusive rocks, interbedded, cherty to argillaceous and sulphidic sediment horizons are a minor but significant component of the stratigraphy. Mafic volcanic and volcaniclastic rocks are intimately interlayered with felsic units and intermixed as heterolithic clasts. Mafic rocks dominate an upper volcanic package which is variably hematitic (purple and green) and contains beds and lenses of jasper, green to grey chert and carbonaceous black chert and argillite. This upper sequence flanks the felsic-rich stratigraphy near both sides of the Property and is capped, at least in places, by the thickest and richest lenses of iron formation known in the Sicker Group. The iron formation includes jasper, grey chert and massive magnetite and is locally anomalous in gold and base metals.

The metamorphic grade in the area is generally low, but increases with the age and structural position of the rocks. The sediments of the Sicker Group rocks are unmetamorphosed except in areas of intense shearing where chlorite and sericite have developed along foliation planes. The Sicker Group volcanic rocks show the effects of greenschist metamorphism. Intermediate to mafic rocks have chloritic schistose matrices with epidote alteration of feldspars and uralitization of pyroxenes. Granodiorite stocks and plutons only show sporadic development of contact metamorphic aureoles around their perimeters.

The Sicker Group rocks have been affected by several intrusive events: Tyee intrusions are the oldest and emplaced concurrently with deposition and extrusion of the Myra Formation. Diabase and gabbro are younger than Tyee Intrusions and were injected as dikes and sills probably in conjunction with extrusions of the Karmutsen basalt Island intrusions are result of Early Jurassic plutonism and formed elongate bodies of granodiorite, diorite and minor agmatite in Sicker Group and younger rocks.

The Sicker Group volcanic rocks are overlain by the sedimentary rocks of the Buttle Lake Group. The rocks can be found in fault contact with the lower volcanic units of the Sicker Group or more commonly in unconformable contact with the volcanic rocks. The Buttle Lake Group is dominated by epiclastic and limestone sedimentary package. The base is made up of a sequence of radiolarian ribbon cherts, laminated cherts and cherty tuffs within thin argillite interbeds that pass upwards into sandstone-siltstone-argillite

intercalations of the Fourth Lake Formation. Minor though significant volcanic rocks are found interbedded with the sediments on the northeast limb of the Cowichan uplift. On the north slopes of Coronation Mountain, the rocks comprise hornfelsed, amygdaloidal diabasic flows and interbedded cherty tuffs and sediments. The Fourth Lake Formation is overlain by the Mount Mark Formation which is composed of massive and laminated crinoidal calcarenites with chert and argillite interbeds. However, this unit is absent north of the Cowichan River, where the Fourth Lake Formation is unconformabley overlain by the Nanaimo Group sediments. The Fourth Lake Formation is intruded by the thick mafic sills and dikes of the Mount Hall Gabbro. The intrusions are coeval with the Karmutsen Formation of the Vancouver Group that overlies the Buttle Group sedimentary rocks. The Mount Hall Gabbro rocks are characterized by medium- to coarse-grained diabase, gabbro and leucogabbro with minor diorite and glomeroporphyritic feldspar gabbro.

Local Geology

The Lara Property area is underlain primarily by the McLaughlin Ridge Formation, the uppermost unit of the Sicker Group which has been thrust over the younger rocks of the Fourth Lake Formation and the Nanaimo Group by the Fulford fault; this is referred to as the Cowichan Uplift. The McLaughlin Ridge Formation, which hosts the VMS deposits, consists of northerly dipping, west-northwest striking rhyolitic to andesitic rocks. Bedding generally dips steeply at 60° to 75° north, although dips of between 30° and 45° north are common (MINFILE, 1990a; Massey et al. 2005a). The principal stratigraphic units of the Eastern Belt of the Cowichan Uplift are presented in Table 7–1 and Figure 7–2.

The McLaughlin Ridge Formation is a sequence of volcaniclastic sediments dominated by thickly bedded, massive tuffites and lithic tuffites with interbedded laminated tuffaceous sandstone, siltstone and argillite. Associated breccias and lapilli tuffs are usually heterolithic and include aphyric and porphyritic (feldspar, pyroxene, hornblende) lithologies, commonly mafic to intermediate in composition; felsic tuffs are rare.

In the region east (Duncan area) of the Lara Property, the tuffaceous sediments thin out and the strata is dominated by volcanic rocks with only minor tuffaceous sediments. The volcanic rocks are predominantly intermediate to felsic pyroclastics, commonly feldspar-crystal lapilli tuffs and heterolithic lapilli tuffs and breccias. A thick package of quartz- crystal, quartz-feldspar-crystal and fine dust tuffs is developed in the Chipman Creek-Mount Sicker area and is host to the massive sulphides. This package thins to the west where it interfingers with andesitic lapilli tuffs and breccias. It appears to be stratigraphically high within the formation. A distinctive maroon schistose heterolithic breccia and lapilli tuff forms the uppermost unit within the McLaughlin Ridge Formation and is seen in the southern claims of the Lara Property.

Table 7–1 Stratigraphy of the Buttle Lake and Sicker Groups underlying the Lara Property area.

Formation	Type
Buttle Lake Group	Sedimentary rocks
St. Mary's Formation	Sandstone, conglomerate
Mount Mark Formation	Massive and laminated crinoidal calcarenites, chert and argillite interbeds
Fourth Lake Formation	Cherts grade into tuffs, argillite to turbiditic sandstone, siltstone, argillite
Sicker Group	Volcanic rocks
McLaughlin Ridge	Heterogeneous sequence of mafic to felsic volcanic rocks and

Formation	volcaniclastic sediments
Nitinat Formation	Pyroxene-feldspar-porphyritic basalt and basaltic andesite rocks
Duck Lake Formation	Pillowed, amygdaloidal basalts with minor chert and cherty tuffs

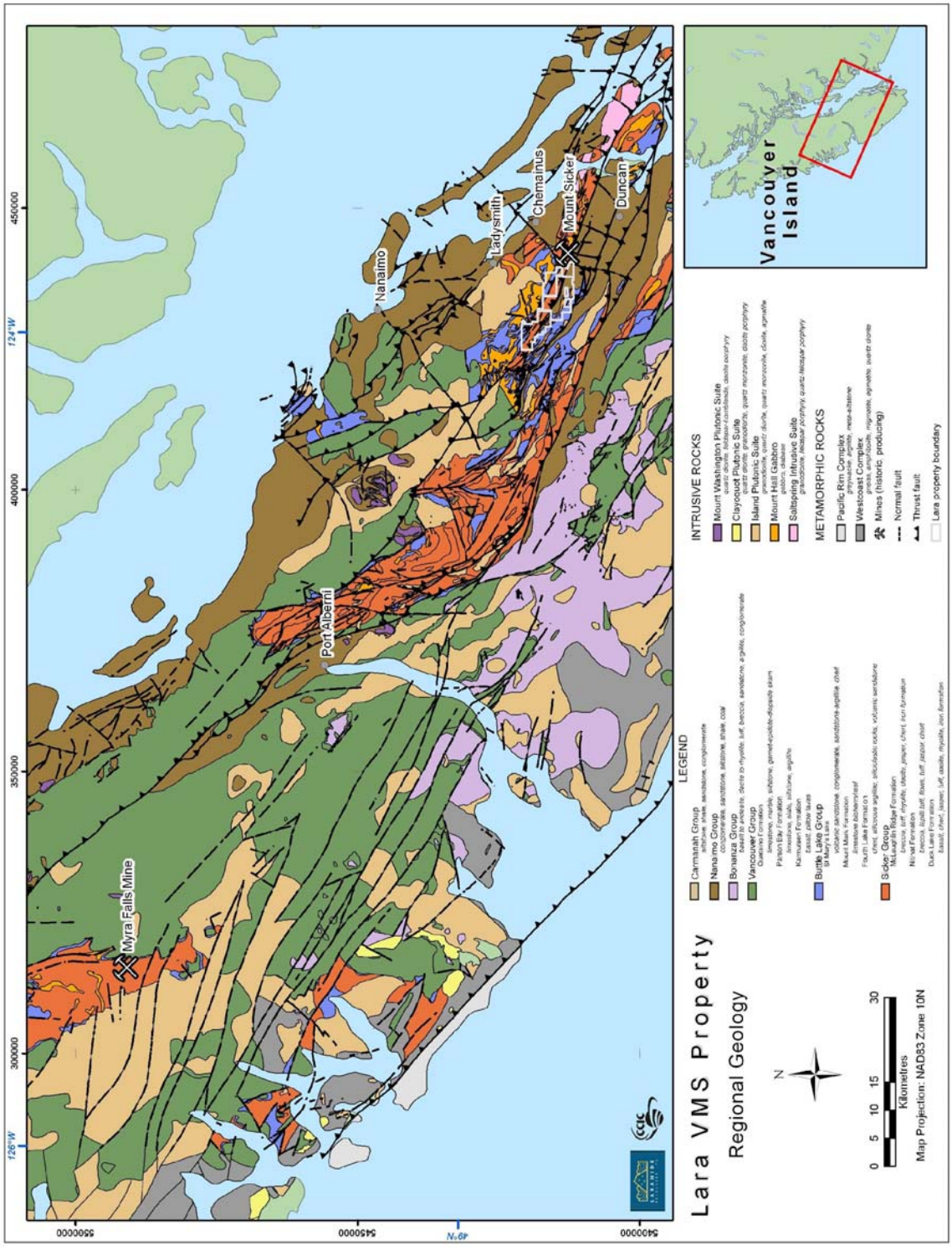

Figure 7–2 Regional geology of the south central portion of Vancouver Island, British Columbia.

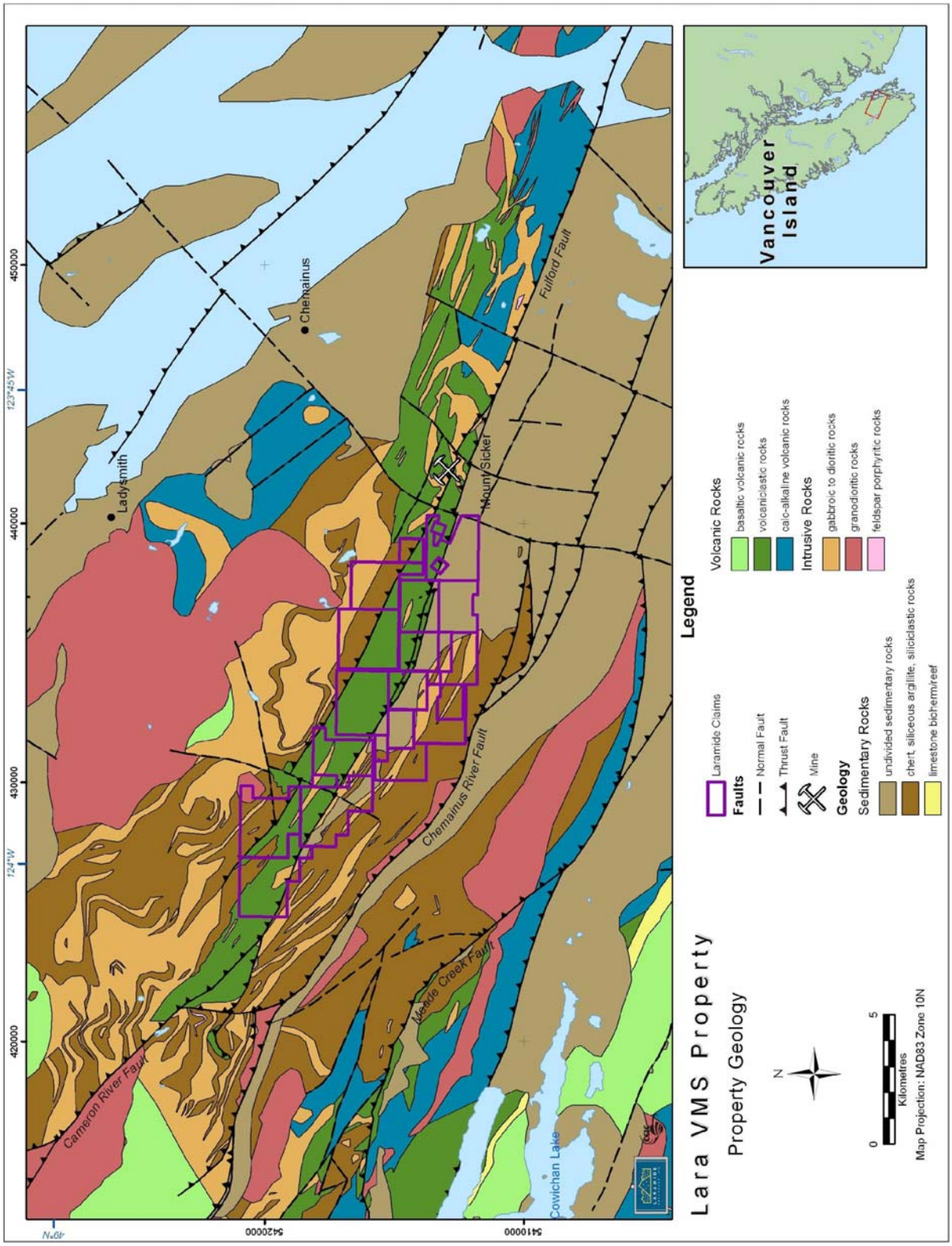

Figure 7–3. Bedrock geology underlying the Lara Property (south Vancouver Island, B.C.).

The McLaughlin Ridge Formation is correlative to the Myra Formation of the Buttle Lake uplift. The unit is 450 metres thick and its components have been subdivided into four discrete structural packages which are believed to be fault bounded. A number of quartz-feldspar porphyry dikes that are coeval with the felsic volcanic rocks of the McLaughlin Ridge Formation. Each volcanic series is referred to as a member. The members are separated by "break" sequences which are dominated by near vertical mafic intrusions emplaced along faults. All four member sequences host polymetallic mineralization.

Deposit type

Volcanogenic Massive Sulphide

Volcanogenic massive sulphide deposits have been defined as stratabound accumulations of sulphide minerals that precipitated at or near the sea floor. All VMS deposits occur in terrains dominated by volcanic rocks, although individual deposits may be hosted by volcanic or sedimentary rocks that form part of the overall volcanic complex. VMS deposits primarily occur in subaqueous, rift related environments (i.e. oceanic, fore-arc, back-arc, continental margins or continental) and hosted by bi-modal mafic-felsic successions, where the felsic volcanic rocks have specific geochemical characteristics and are referred to as FI, FII, FIII, and FIV based on the REE classification scheme of Lesher et al. (1986).

A typical VMS deposit (Figure 8–1) consists of a concordant synvolcanic lens or body of massive sulphides that stratigraphically overlies a cross cutting, discordant zone of intense alteration and stockwork veining. The discordant alteration and stockwork-veining zone is interpreted to be the channel-way or conduit for hydrothermal fluids that precipitated massive sulphides at or near the seafloor. A heat source, such as a subvolcanic intrusion is required to induce the water-rock reactions that result in metal leaching from the surrounding rocks and create the hydrothermal convection system.

The massive sulphide body is generally in sharp contact with the overlying sedimentary or volcanic stratigraphy (hangingwall stratigraphy), while the massive sulphide body may be in sharp or gradational contact with the underlying stringer and alteration zone (footwall stratigraphy).

Most VMS deposits, including Achaean VMS deposits, are surrounded by alteration zones, which are spatially much larger than the deposits themselves. A number of zones of alteration are commonly recognized; the footwall alteration pipe, alteration within the ore zone, a large semi-conformable zone beneath the ore zone and alteration of the hanging wall. Figure 8–1 is a synthesis of alteration zones associated with Zn-Cu-Pb (minor Au, Ag) deposits that formed in bimodal mafic-felsic volcanic sequences. The core of the alteration pipe can be up to 2 km in diameter and is reflected mineralogically by a strong chloritic core surrounded by sericitic and chloritic alteration. Chemically, the alteration pipe zone in Figure 8–1 is represented by additions of Si, K, Mg and Fe and depletions in Ca and Na. Alteration zones adjacent to the main alteration pipe are not well defined. Na depletions are laterally extensive, but are confined only to a few hundred metres vertically in this type of deposit. Virtually all alteration pipes are characterized by Na depletion and the resulting alkali depletion common to many alteration zones is manifested as abundant aluminosilicate minerals.

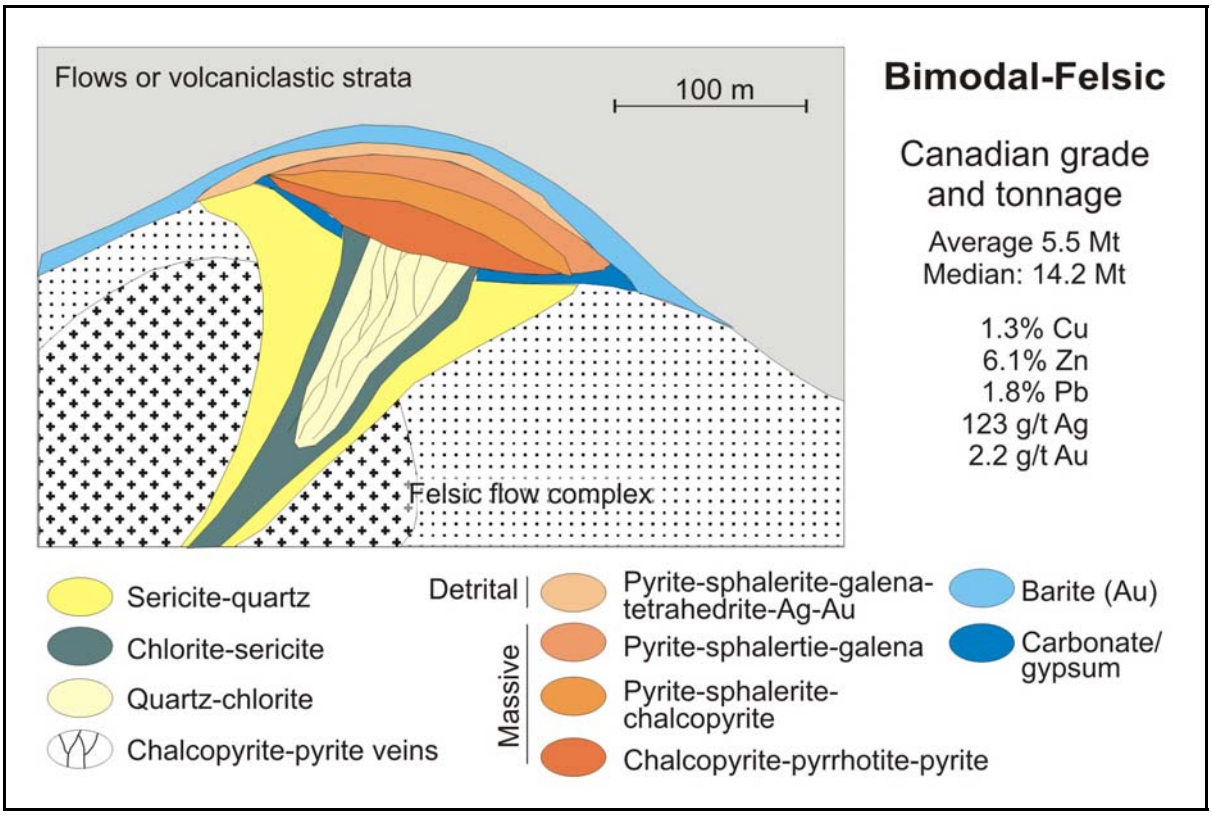

Figure 8–1. Idealized characteristics of a bimodal-felsic VMS deposit.

The Lara Property has previously been classified as a VMS deposit because of the apparent stratabound nature of the mineralized zone. However, the Lara Property also has affinities to epithermal deposits and the reported conformable nature of the mineralized zone could be due to the development of preferred mineralization along zones of structural weakness. The most common deposit types in the area are porphyry deposits, polymetallic base metal veins and the subvolcanic Cu-Ag-Au (As-Sb) deposit type. These and other deposit types are described by the British Columbia Mineral Deposit Profiles (www.em.gov.bc.ca/mining/Geolsurv/MetallicMinerals/MineralDepositProfiles/).

Mineralization

The polymetallic, VMS deposits on Vancouver Island are hosted in the structural uplifts of the Palaeozoic Sicker Group: the Myra Falls deposit within the Buttle Lake uplift, while the Lara and Mt. Sicker mine workings are located in the Horne Lake-Cowichan uplift. The felsic volcanic rocks of the McLaughlin Ridge Formation (Horne Lake-Cowichan uplift) and the Myra Formation (Buttle Lake uplift) host the deposits of Cu, Pb, Zn, Ag and Au within several stratigraphic levels.

The mineralized zones on the Lara Property were identified from drilling and extrapolating geological units along strike. The interpretive work by various exploration companies involved primarily comparison studies to the Buttle Lake/Myra Falls up strike deposits and the Mt. Sicker deposit down strike. Seven zones, located at various stratigraphic levels were delineated on the Lara Property: Anita, Coronation Trend, Randy North, 262, Silver Creek, 126 and the Sharon zones (from west to east).

The deposit type on the Lara Property is classified as Kuroko-type massive sulphides consisting of volcanic-hosted, stratiform accumulations of copper, lead, zinc, silver and gold. The zones are described in Table 9–1 and their locations within Laramide's registered claim boundaries (superimposed on bedrock geology) are illustrated in Figure 9–1.

Table 9–1. Mineralized zones within the Lara Property.

Ore Zone	Discovery	Type of Mineralization	Description
Anita	1915	main	Anita tuff; exhalative
Randy North	1986		pyrite horizon within alteration zone (Na depletion, Zn enrichment)
Coronation Trend	1984 and 1985	main	massive sulphide, banded/laminated and stringer facies in altered rhyolite-tuff sequence: hanging wall represents alteration zone (Na depletion, Zn enrichment)
Silver Creek			stringer zone in mafic tuff host
262	1989	sub-parallel	unaltered felsic rocks host semi-massive to massive sulphides at shallow depths; distal exhalite
126	1990		stringer-style mineralization
Sharon Copper	1903		stringer zone in mafic tuff host not within Lara Property

The most important of these zones is the Coronation Trend which is made up of the Coronation Zone, the Coronation Extension and the Hanging Wall deposit. Together the deposits of the Coronation mineralized trend make up most of the reserve and the historic resource calculations of the Lara Property. Of the mineralized zones tested, the Coronation Trend and Anita appear to be on a similar trend; whereas the "262" Zone may be a sub-parallel structure. The Randy North, Silver Creek, "126" and Sharon zones appear to be on a more northerly trend as part of the northern limb of a synclinal structure.

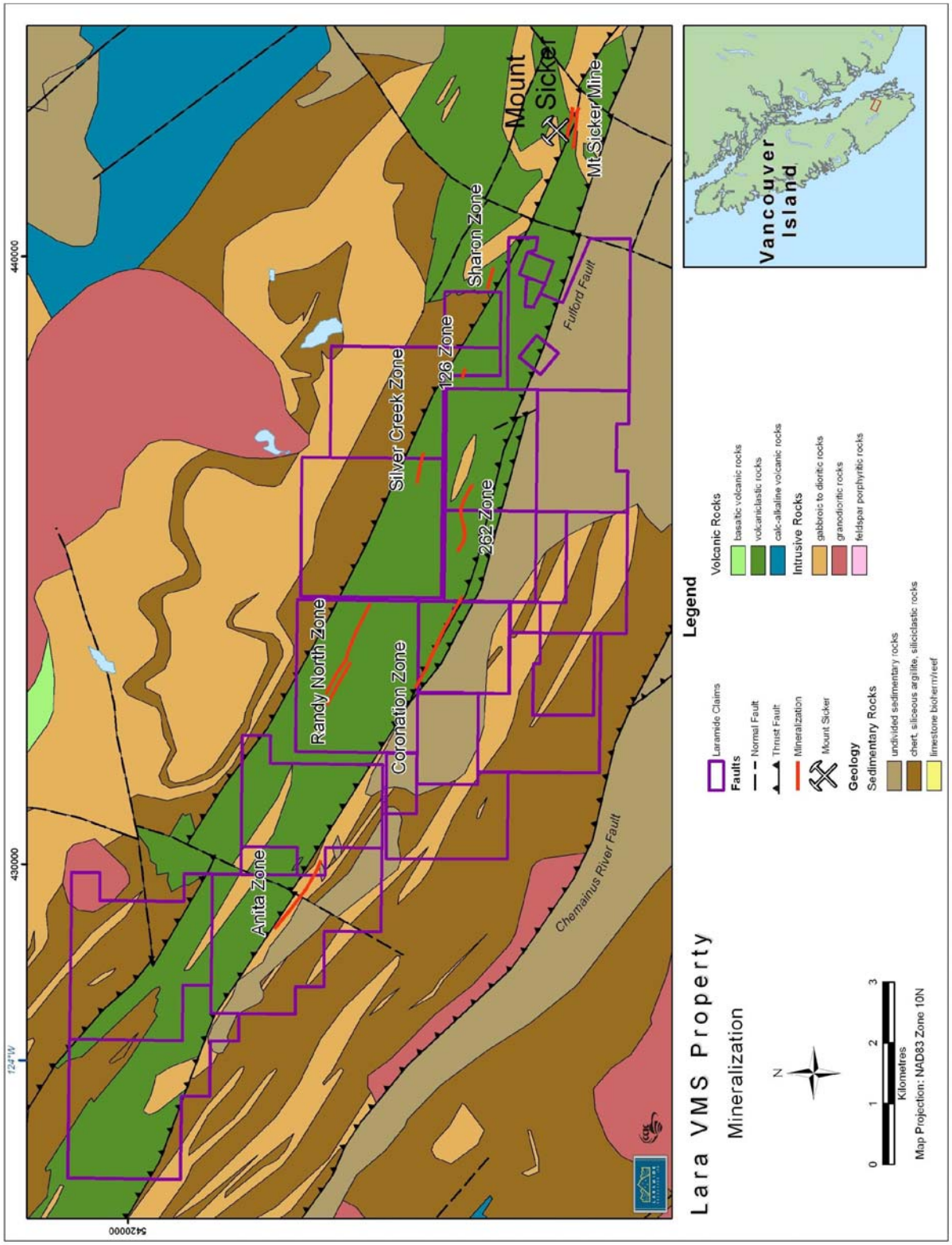

Figure 9–1 Location of mineralized zones within mineral claims of Lara Property, Vancouver Island, BC, Canada.

The package of rocks hosting the Lara deposits consists of an andesitic sequence referred to as the "Green volcaniclastic Sequence" overlying rhyolite which hosts to the massive sulphide ore. The rhyolite has been subdivided into two units which are referred to as the "Rhyolite Sequence" and the "Footwall Sequence", the latter underlying the lowermost sulphide sequence. Numerous minor faults occurring in three or four directions have been observed on the Property resulting in displacement and gaps of the mineralized stratigraphy.

The mineralized zones are characterized by rapid facies changes and abrupt fault displacements. Mineralization that has been discovered above and below the Coronation Trend stratigraphy is likely repeated on the Lara Property either by regional folds or faults.

VMS mineralization on the Lara Property is characterized by hydrothermal alteration of the rhyolite host that is typical of VMS deposits. The mineralized zones are characterized by strong sodium depletion, enrichment in potassium (sericitization) and zinc, silicification and pyritization. The lithogeochemical surveys defined two areas of hydrothermal alteration: the Randy Zone with a strike extent of at least six kilometres where the pyritic cherts are interpreted as a distal exhalite; and the structural hanging wall east of the Coronation Zone. The geological reconnaissance work by Nucanolan in 1998 suggests that the structural controls existing in the area and the alteration mineralization indicate secondary mineralization via hydrothermal processes. The original features of the host sedimentary rock appear to be upgraded or influenced by the cross-cutting fault structures and possibly by the late stage mafic or diorite intrusions.

Coronation Trend

The Coronation Trend consists of several stratiform massive sulphide lenses within an envelope of banded or laminated sulphides. The Trend is made up of three zones: the original discovery of the Coronation Zone, the Coronation Extension Zone (east and stratigraphically above the Coronation Zone) and the Hanging Wall Zone which consists of stringer mineralization that is also stratigraphically above the Coronation Zone. Although classified as massive sulphides, the predominant facies actually consists of bands, laminae and stringers of sulphide minerals in a strongly silicified rhyolite host (intercalated with siliceous and tuffaceous debris). The Coronation sulphide mineralization strikes west-northwest, dips to the northeast at 60° and exhibits variation in thickness from 3 to 16 metres, averaging about 6 metres. The distribution of mineralization along the Coronation Trend is influenced by a strong linear structural fabric which plunges at a low angle to the east.

The Coronation Zone is hosted by the southern Rhyolite Sequence (one of the 4 members of the McLaughlin Ridge Formation) and which consists of coarse grained rhyolite crystal tuff and ash tuff. Black argillite beds and buff coloured mudstones occur at the boundaries of pyritic units and enclose the polymetallic zones. The Footwall Sequence underlying the Member 1 Rhyolite consists of coarse-grained quartz porphyries and feldspar porphyries. These appear to form domal structures which not only controlled palaeotopography and basin configuration but may have played a role in focussing mineralizing fluids. Only a few diamond drill holes have penetrated the Footwall Sequence and these have intersected another similar rhyolite porphyry package which is mineralized and has potential. The Member 1 Rhyolite is in fault contact with the overlying Green Volcaniclastic Sequence consisting of a 250 m thick unit of dacite to andesite fragmental rocks, minor argillite and quartz feldspar porphyry dykes. The footwall sequence is dominantly quartz porphyritic massive rhyolitic rocks up to 40 m thick and is clearly from a distinct stratigraphic level compared to the above. These rocks are texturally variable but are distinguishable by the presence of abundant large quartz eyes. Feldspar porphyry dykes, rhyolite dykes, rhyolite breccia and mudstone and argillite beds are also present.

Mineralogical studies carried out on drill core samples in 1989 show that the mineralogy of the Coronation Trend is complex. The minerals include sphalerite, pyrite, chalcopyrite, galena and tetrahedrite [$(Cu, Ag, Zn, Fe)_{12}As_4S_{13}$], with small amounts of bornite, rutile and arsenopyrite and locally abundant barite. Tetrahedrite appears to be the preferred host for gold whereas pyrite shows very few included gold grains, but gold and silver are found dispersed in tennantite [$(Cu, Ag, Zn, Fe)_{12}As_4S_{13}$]. Gangue consists mostly of quartz and calcite with lesser amounts of muscovite, feldspar, and barium-bearing feldspar.

The predominant facies of the Coronation deposits is the banded and laminated facies which consist of sulphide laminae and bands up to a few cm thick in a siliceous host. The host rock varies from a silicified rhyolite to a very fine-grained siliceous mass with various amounts of felsic tuffaceous debris. The mineralization is broadly conformable, however, crosscutting features are common within the conformable zones. Crosscutting mineralization varies from occasional sulphide stringers to well-developed breccia zones with sulphides in the matrix. Sulphides also occur disseminated in the rhyolite host. Primary textures are masked by pronounced cataclastic overprint. Although these features to some extent mask the primary depositional style, the overall stratiform character of the facies is demonstrated by the presence of sedimentary units which enclose and occur within the deposit, and which can be correlated over considerable distances. The banded and laminated facies varies up to 16 metres true thickness. Although not as high grade as the massive sulphide facies, laminated and banded sulphides can achieve significant grade. One massive sulphide lens exposed by trenching in the Coronation Zone graded **24.58 g/t Au, 513.6 g/t Ag, 3.04% Cu, 43.01% Zn and 8.30% Pb over 3.51 m**.

“126” Zone

Diamond drill hole data indicates stringer style mineralization with long intersection of alteration and scattered mineralization at the “126” Zone. This zone consists of chalcopyrite in quartz veins hosted by chloritic volcanic flows/tuffs, which overlie a thick sequence of felsic volcanic rocks. Drilling indicates the presence of a gabbro intrusion (Peatfield and Walker, 1994). This zone is located in an area of deep overburden therefore geophysical and geochemical data cannot be interpreted.

Anita Zone

The Anita Zone encompasses the area of the original Anita showing, where a 50-foot shaft was excavated in 1915. The original Anita showing, which occurs along the Anita Horizon, consists of quartz lenses in schist traceable for at least 60 metres in an easterly direction. The "vein" is up to 4.5 metres wide and carries chalcopyrite and pyrite. The schist zone is a pyritic, sodium-depleted felsic tuff/lapilli (quartz-phyric sericite schist) unit also known as the Anita active tuff. Mineralization occurs in massive sulphides and as pyrite, sphalerite and chalcopyrite occurring as sparse veinlets, stringers and as polymetallic bands in barite-enriched pyritic zones known as the Anita Horizon. A major thrust fault occurs immediately north of the Anita active tuff.

The best mineralization within the Anita active tuff occurs along the Anita Horizon that is generally located within 15 metres north of the Anita felsic tuff-mafic tuffaceous sediment contact. The horizon can be traced discontinuously along a 3.3 km strike length and is made up of a 1 to 10 metre wide zone of disseminated to massive pyrite in foliation-parallel bands or beds up to 0.5 metres thick with traces to a few percent of associated chalcopyrite and sphalerite.

The western end of the Coronation Zone of the Lara deposit occurs about 1.5 kilometres southeasterly (120°) from the eastern end of the Anita Horizon. The two deposits are almost along strike from each other but significant differences in their settings suggest that the horizons are not identical but significant

differences in their settings indicate different positions in stratigraphy. Diamond drilling and geophysical (IP) evidence indicate that there is very little potential for near surface massive sulphide ore body.

Randy (North) Zone

The Randy Zone is a pyrite horizon that is accompanied by weak base metal concentrations in rhyolite volcaniclastic rocks. There is a very strong alteration trend (sodium depletion) over a 200 metre thickness and it lies down section from a well defined oxide iron formation. The zone consists of 3 to 6 zinc-rich weakly polymetallic horizons over a stratigraphic thickness of about 150 metres. These horizons consist of laminated light brown sphalerite and pyrite with subordinate chalcopyrite and trace tetrahedrite hosted by a strongly schistose quartz-eye rhyolite tuff (sericite-quartz schist). The Randy Zone area is largely underlain by felsic volcanic rocks. The rhyolite sequence composed predominantly of quart-eye porphyry and feldspar porphyry rhyolite, rhyolite tuffs, and minor lapilli tuff, andesite and argillite. The upper contact of this sequence is marked by an argillite bed underlain by quartz-eye.

Sharon Copper – Silver Creek Trend

The Sharon Copper Zone is a chlorite-pyrite-chalcopyrite stringer zone exposed on surface and in drill core that is hosted in predominantly mafic tuffs approximately 10 m north of a large distinct unit of quartz phyric felsic tuff (coarse quartz eye sericite schist). A large gabbro body apparently truncates the favourable stratigraphy at depth. Most of the original rock textures and structures are obscured by late shearing and extensive faulting. The sulphides are hosted by extremely sheared chlorite-sericite schist, and appear to be concentrated in two 10-metre wide horizons forming the core of an antiform. The sulphides are recrystallized after deformation but appear to have undergone some later shearing. Underground development includes 3 parallel adits 46 metres, 1.5 metres and 11 metres in length.

Similar results occur in the Silver Creek area where drilling and trenching located mineralization near surface that was cut off by a gently dipping gabbro. Drilling to date (1991) has not traced the mineralization below the gabbro.

“262” Zone

Drilling in 1990 by Minnova tested the felsic sequence at variable depths over a strike length of 6.5 km. The “262” Zone felsic volcanic rocks host a distal exhalite composed of pyritic cherts, ashes, and thin, copper-rich, semi-massive to massive sulphides and occurs within 40 m of the contact between the felsic and the underlying andesite rocks. The best development of exhalative sulphides, cherts and stringer mineralization is found in shallow, near surface holes. At depth, there is a fine-grained, siliceous felsic ash that is depleted in base metals and hosted in unaltered felsic rocks, suggesting that this zone has limited opportunity for development.

Exploration

Laramide completed comprehensive data compilation on the Lara Property between January 2006 and June 2007. In addition to this work, Laramide contracted a property-wide heliborne geophysical survey in April 2007 which was completed in late September 2007. Prior to this more recent work by Laramide, the most recent exploration work on the Property was carried out in 1998 by Nucanolan Resources Ltd. while the Property was under option from Laramide. This work focused on the Coronation Trend, and included prospecting, geological mapping, diamond drilling (12 holes totalling 2,559 m), bedrock and stream sediment sampling and limited ground magnetic and electromagnetic geophysical surveys.

Helicopter-borne Geophysical Survey – 2007

In April 2007, Aeroquest International Ltd. ("**Aeroquest**") was contracted to compete a property-wide helicopter-borne geophysical survey. The total survey coverage was 500.1 line kilometres and the survey was completed from September 22 to 26, 2007 (Figure 10-1). Survey flight direction was north-northeast-south-southwest (15º), flight spacing was 100 m and 200 m and the survey comprised a single area (53 km²) made up of 4 adjoining blocks (Figure 10-2).

A summary of the equipment used and the survey results are presented herein; further details are provided in the full report.

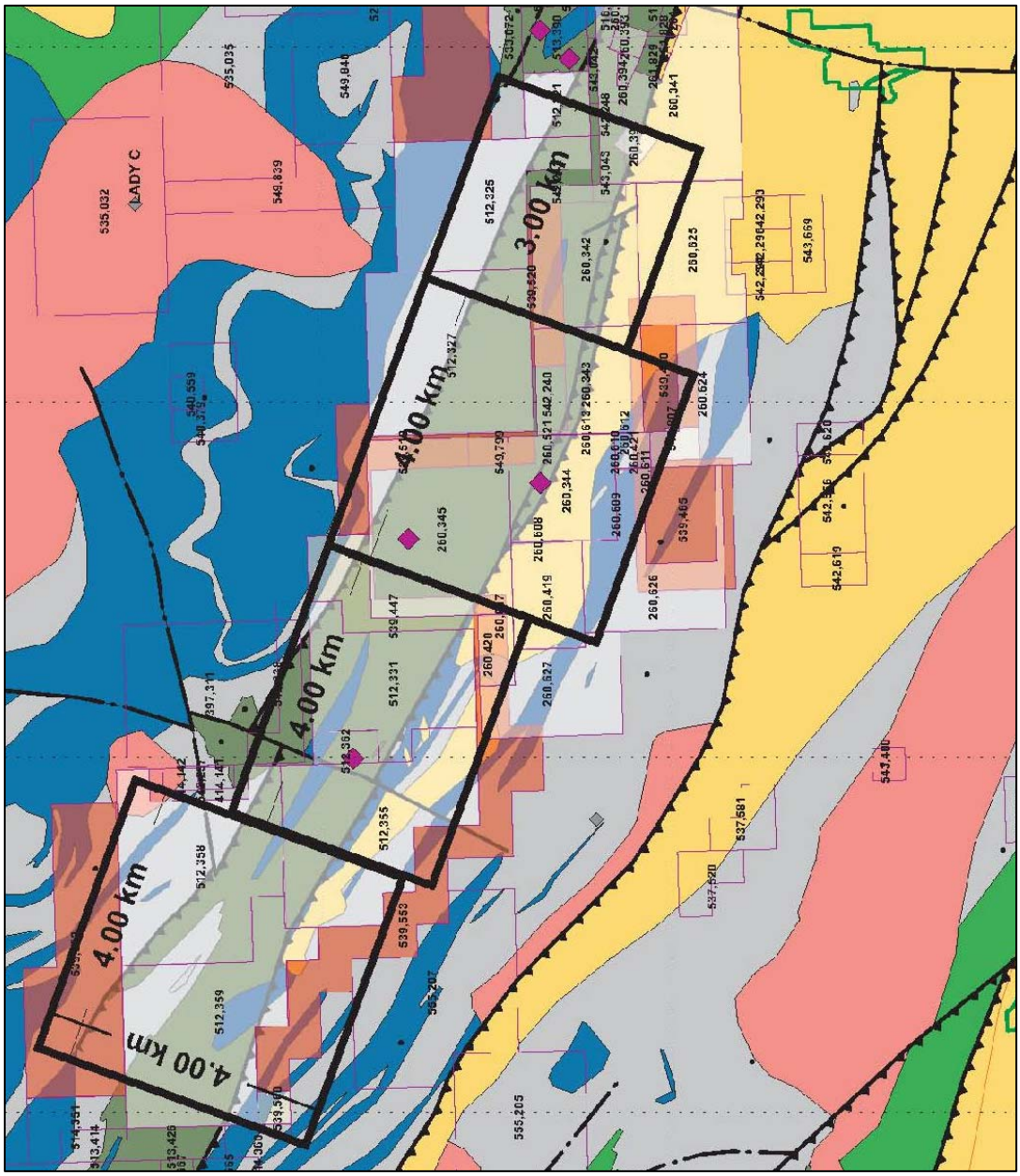

Figure 10-1. Location of the heliborne geophysical survey over the Lara Property, 2007 superimposed on the general geology.

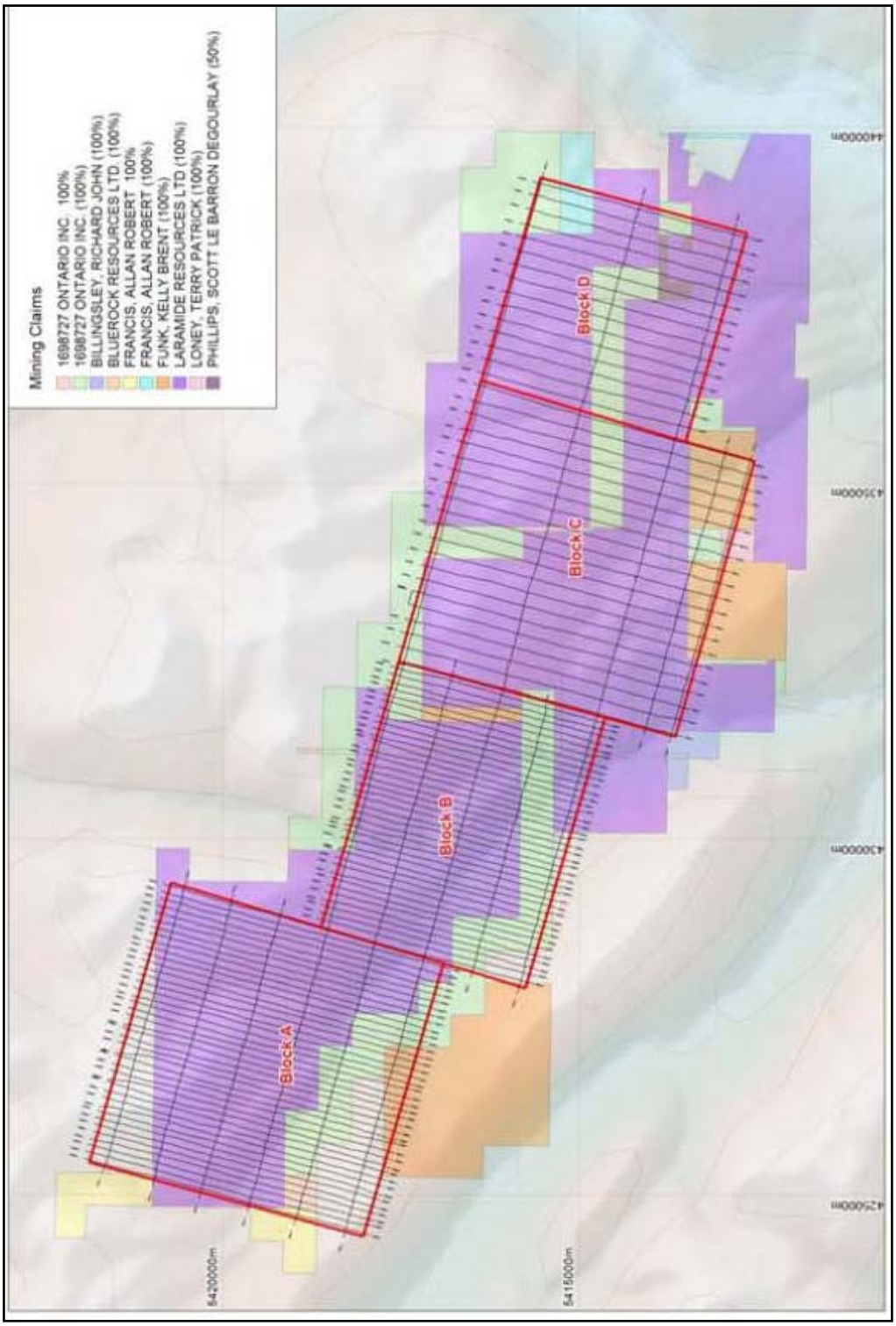

Figure 10-2. Heliborne survey flight paths with schematic representation of the underlying mining claims.

Heliborne Survey Equipment

The principal geophysical sensor is Aeroquest's exclusive AeroTEM II (Bravo) time domain helicopter electromagnetic system which is employed in conjunction with a high-sensitivity caesium vapour magnetometer. The secondary sensor was Aeroquest's Airborne Gamma Ray Spectrometer (AGRS) system. The AGRS system utilizes four (4) downward looking sodium iodide (NaI) crystals used as the main gamma-ray sensors and one upward looking crystal for monitoring non-geologic sources. Ancillary equipment includes a real-time differential GPS navigation system, radar altimeter, video recorder, and a base station magnetometer. Full-waveform streaming EM data is recorded at 36,000 samples per second. The streaming data comprise the transmitted waveform, and the X component and Z component of the resultant field at the receivers. A secondary acquisition system (RMS) records the ancillary data.

Results

The survey was successful in mapping the magnetic and conductive properties of the geology throughout the survey area. Aeroquest provided some brief interpretation of the results. The Company has not yet reviewed and interpreted the results.

Drilling

Laramide has not conducted any drilling on the Lara Property and any historic drilling is covered under "**Property History**" above.

Sampling method and approach

Aside from the due diligence sampling completed by CCIC below and the property-wide heliborne magnetic-electromagnetic-radiometric described herein survey, Laramide did not conduct any exploration programs or drilling on the Lara Property that required extensive sampling.

The Company assumes that all historic sampling was completed in a manner consistent with current industry standard sampling and assaying techniques.

Sample security, preparation and analyses

Neither Laramide nor the Company has conducted any exploration programs or drilling on the Lara Property and has therefore not completed any extensive sampling programs.

The Company assumes that all historic sampling was completed in a manner consistent with current industry standard sampling and assaying techniques.

Data Verification

CCIC Site Visits

As part of the data verification process, CCIC geologists visited the Lara Property on August 6, 2006 and on August 30 and 31, 2006. The storage site of drill core from previous exploration and resource delineation campaigns was located. Significantly mineralization intervals were stored separately in racks and enclosed with metal siding by the previous operator. Non-significant hanging wall and footwall intervals were cross-piled in the same area but were not enclosed. During the second site visit, a full inventory of all drill core stored in the enclosed shed was taken by CCIC. For the most part, the core

stored in the enclosed shed was found to be in excellent condition; a small percentage of the core boxes had rotted and collapsed.

Numerous tracks and small clearings which appeared to be drill pads were located in the area over the Coronation Trend. Two intact drill casings were located (85-20 and (89-246), and many more small clearings with steel, labelled posts marking the position of casings which had apparently been pulled. In some instances the base of the post was resting in an angled hole in the ground; in other cases the posted were planted in within clearings but holes in the ground were located. A list of GPS waypoints with their description is presented in Table 14–1.

In two areas where sulphide mineralization or gossan was observed in outcrop, grab samples were collected by CCIC to demonstrate the presence of metallic mineralization. The samples were packed at the site and submitted directly to ACME Analytical Laboratories Ltd. (Vancouver. BC) by CCIC on October 10, 2006. The assay results were returned on November 19, 2006. The sample locations, descriptions, and their assay results are presented in Tables 14–2 and 14–3.

Table 14–1. GPS waypoints recorded during CCIC site visit.

Easting (m)	Northing (m)	Elevation (m)	Error	Comment
436911	5413680	692	12	Road Showing
433480	5414835	631	7.5	Massive sulphide showing in trench
433514	5414844	642	15.3	DDH-86-124
433565	5414974	643		DDH-87-172
433445	5414987	657	7.5	DDH-85-22 & -23
433416	5414949	675	7.2	DDH-85-20; collar in ground
433378	5414942	666	5.9	DDH-85-65
433287	5415041	-		DDH-89-246; collar in ground
433361	5415014	671	6.2	DDH-85-28 & -29
434048	5414629	651	6.2	DDH-85-43
434072	5414612	661	6.2	DDH-85-41 and 85-42

Table 14–2. Locations of grab samples collected during CCIC site visit.

Sample	UTM East (m)	UTM North (m)	Description
926	436911	5413680	Gossan
927	436911	5413680	Gossan
928	436911	5413680	Gossan
929	433492	5414843	Massive sphalerite-galena-tetrahedrite
930	433492	5414843	Massive sphalerite-galena-tetrahedrite

Table 14–3. Assay results of grab samples collected during CCIC site visit.

Sample	Zn (ppm)	Zn (%)	Ag (ppm)	Cu (ppm)	Cu (%)	Pb (ppm)	Pb (%)	Au (ppb)	S (%)
926	295	0.03	25.3	913.8	0.09	1,454.1	0.15	401.4	0.5
927	559	0.06	2.4	438.4	0.04	522.8	0.05	69.9	1.6

928	1,521	0.15	2.5	1,009.7	0.10	139.7	0.01	126.2	2.9
929	571,300	57.13	285.0	34,020.0	3.40	19,800.0	1.98	5,359.1	>10
930	475,000	47.50	581.0	13,360.0	1.34	212,000.0	21.20	6,905.8	>10

Due Diligence Sampling of Drill Core

To audit the veracity of the historic database, ninety-three (93) rock core samples were selected for re-assay based their silver content and on the inventory of mineralized drill core intervals stored and available on site. In order to provide a wide grade-distribution, a randomized population of samples was selected from two ranges of Ag grade – below 10 g Ag/t and above 10 g Ag/t. Ten (10) samples were prejudicially selected for having the highest Ag grades in the database. A crew was dispatched by CCIC to collect the core samples September 29th and 30th, 2006. Seventy eight (78) of the core samples from the list were located, sawn into quarters, and packed for submission to ACME Analytical Laboratories Ltd. The remaining quarter was returned to the core box, which in turn was placed back in its position in the rack. Some core samples could not be sampled by the field crew because of broken core boxes, inconsistent interval labelling, and time constraints.

Control charting of the core duplicate result versus the primary (historic) value are presented for Zn, Ag, Cu, and Pb in Figures 14–3 through 14–10. Au has been charted because it was not part of the assay package.

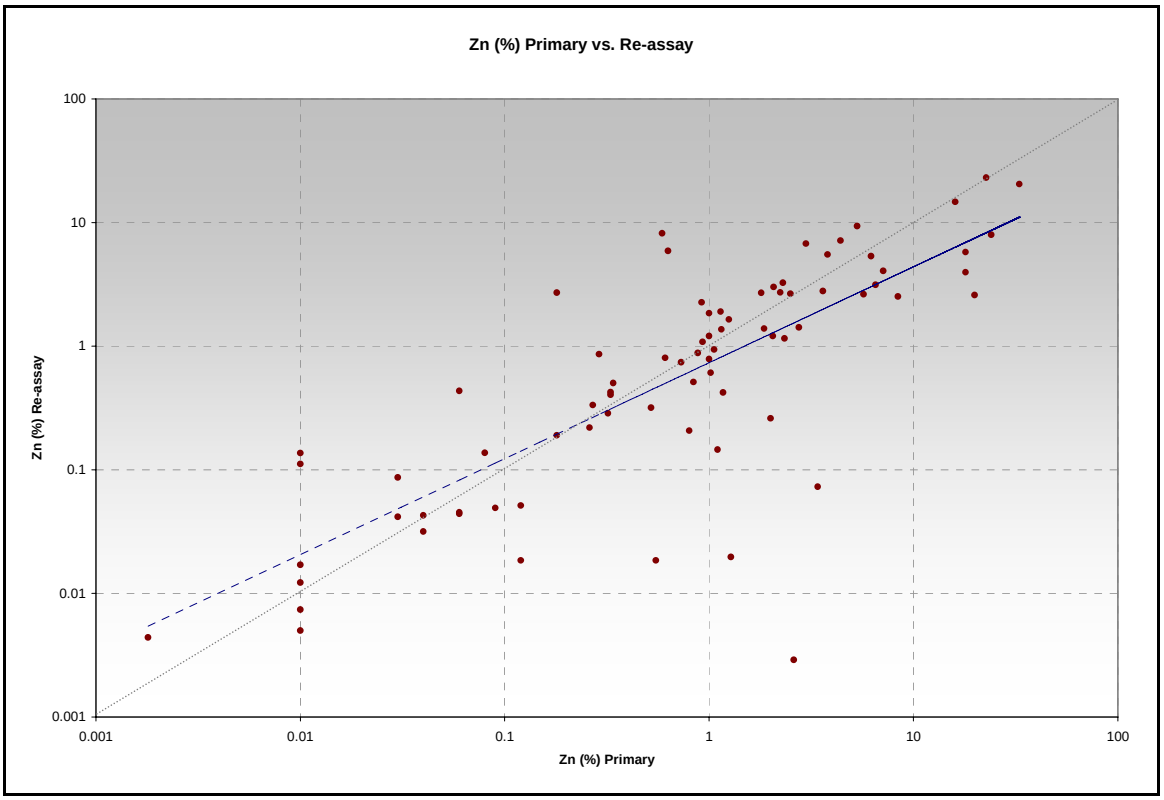

Figure 14–3. Scatter plot of primary versus re-assayed Zn (%).

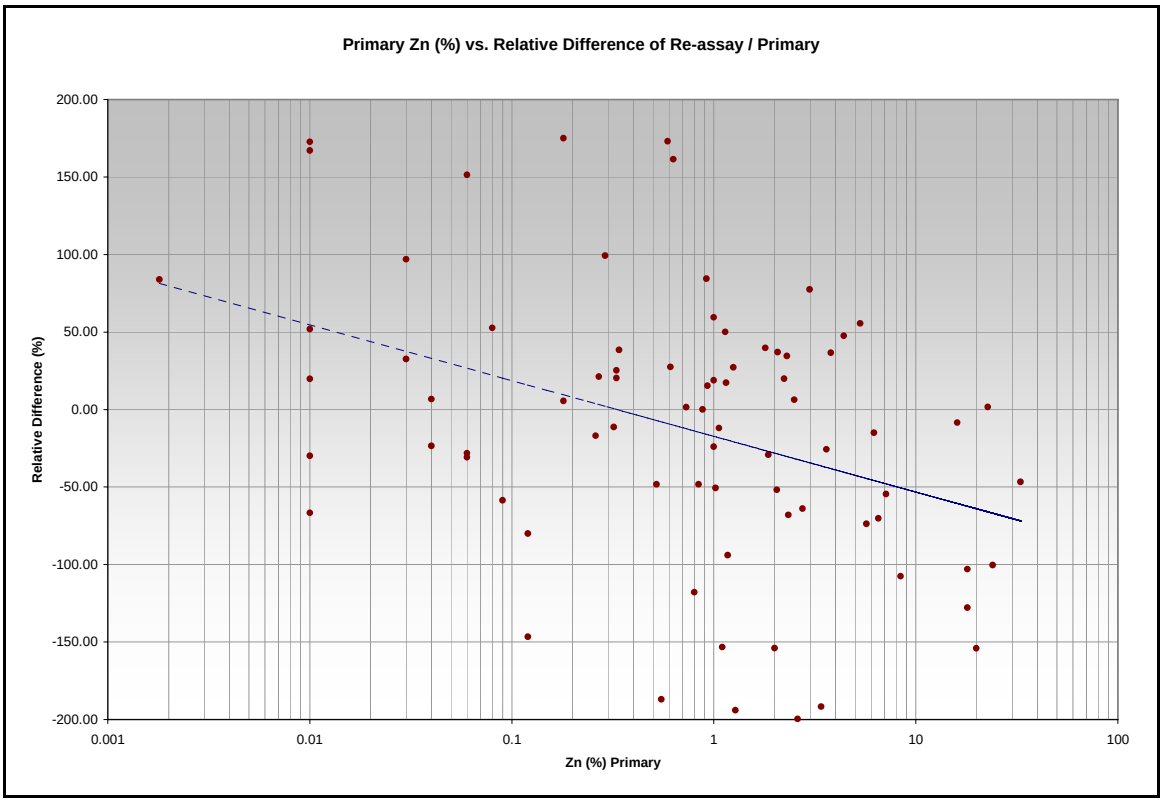

Figure 14–4. Scatter plot of primary Zn (%) vs. relative difference of re-assay / primary.

Figure 14–5. Scatter plot of primary versus re-assayed g Ag/t.

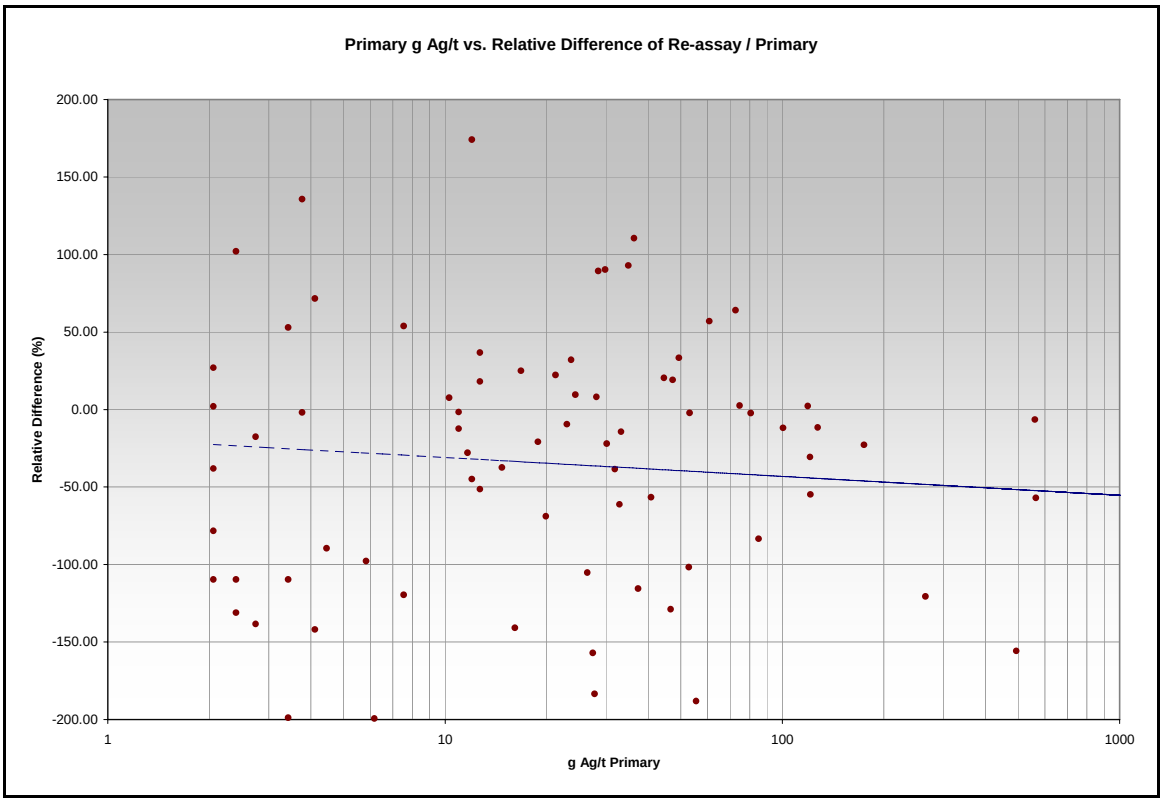

Figure 14–6. Scatter plot of primary g Ag/t vs. relative difference of re-assay / primary.

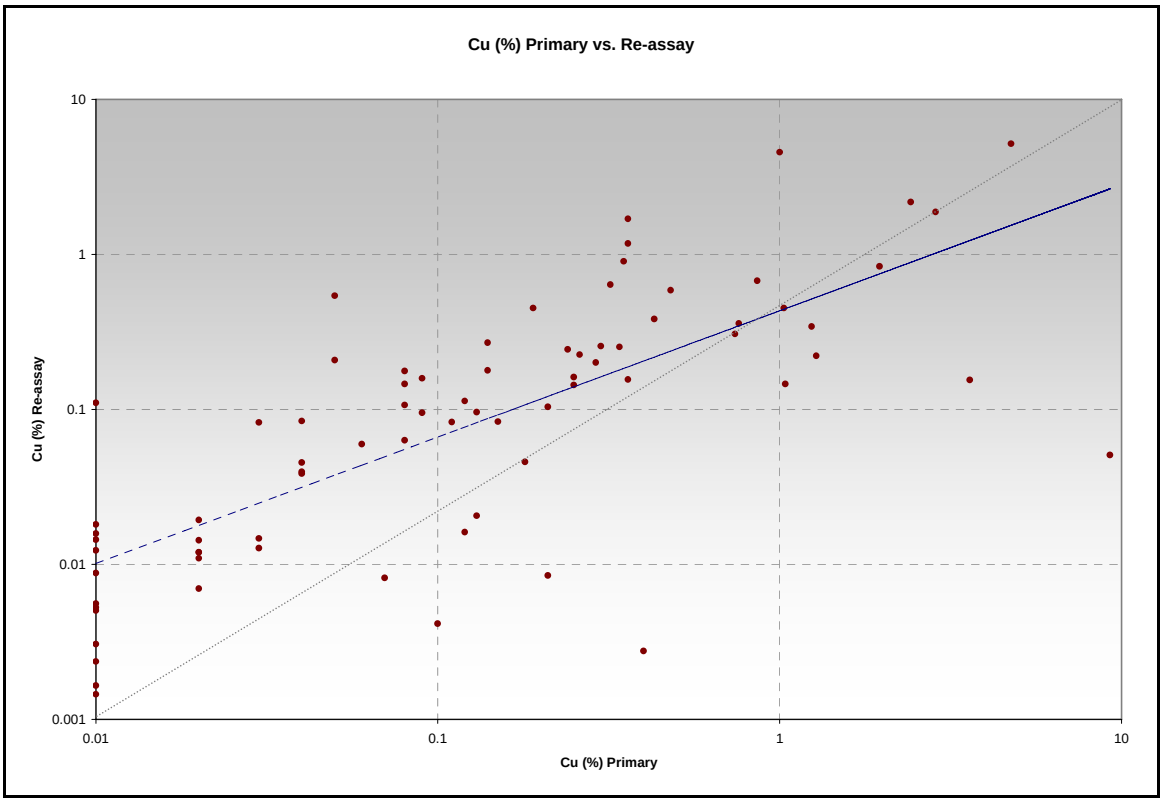

Figure 14–7. Scatter plot of primary versus re-assayed Cu (%).

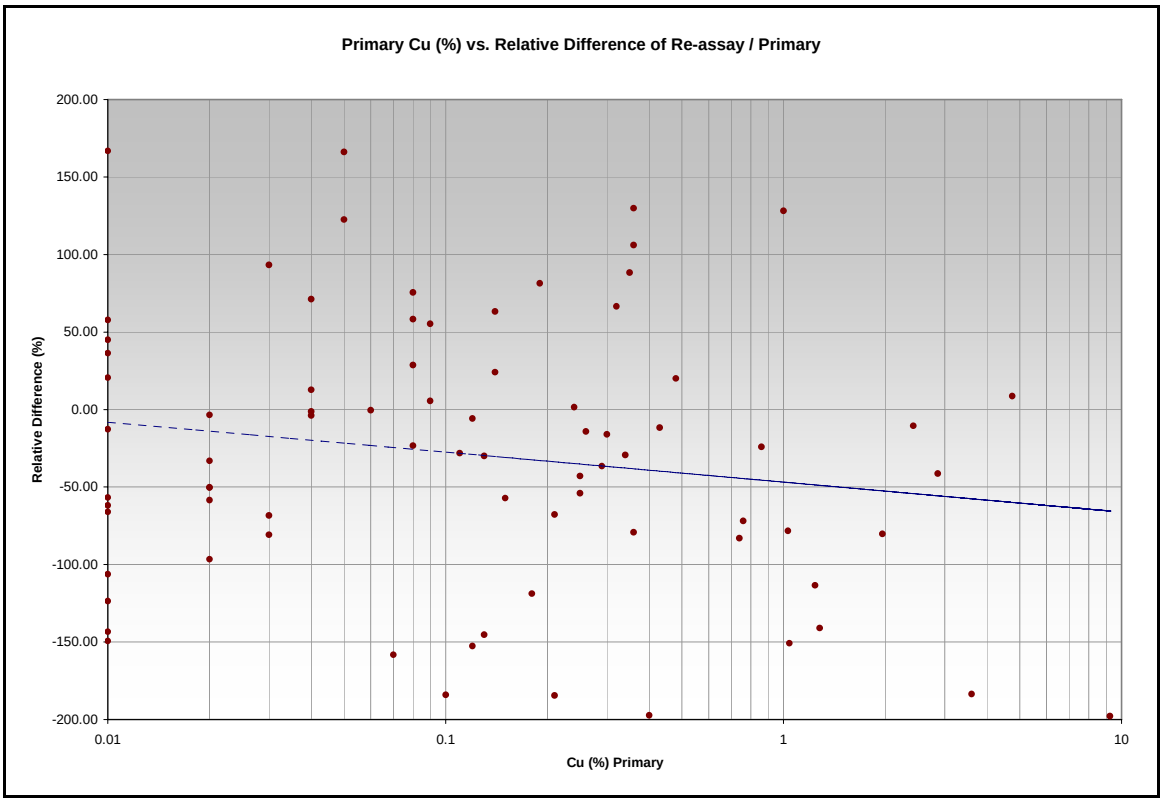

Figure 14–8. Scatter plot of primary Cu (%) vs. relative difference of re-assay / primary.

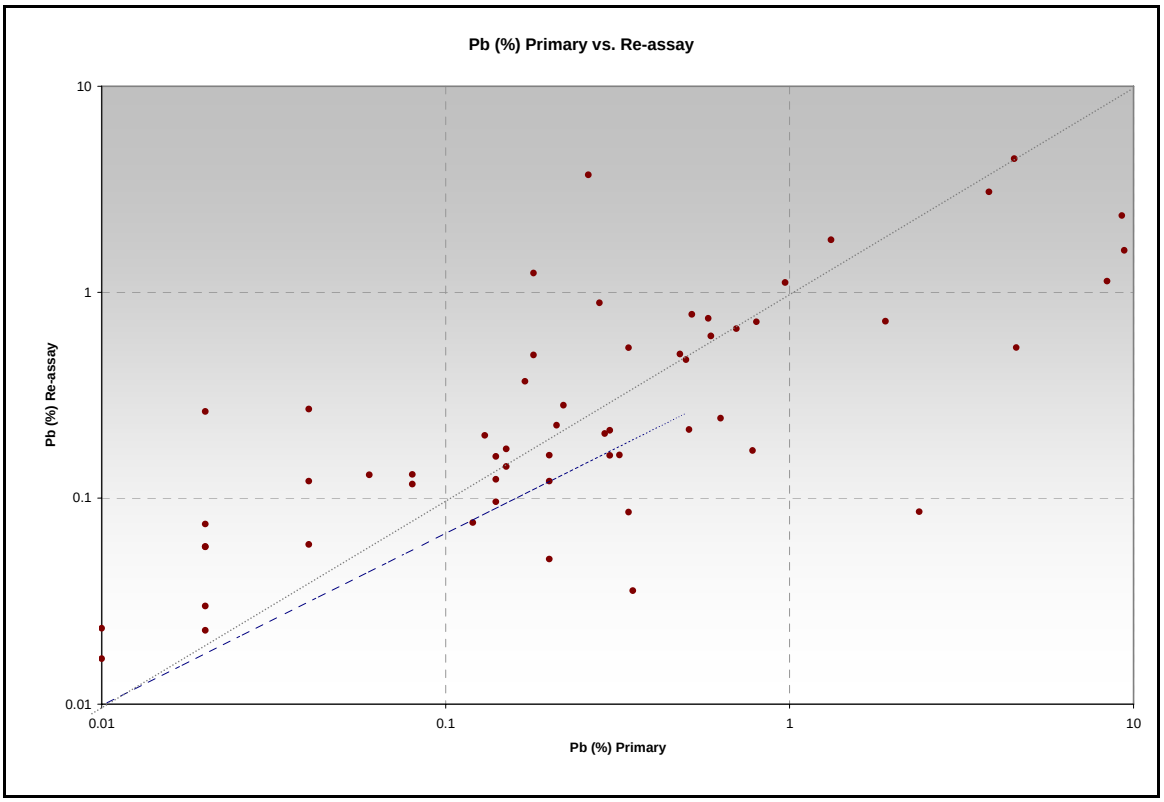

Figure 14–9. Scatter plot of primary versus re-assayed Pb (%).

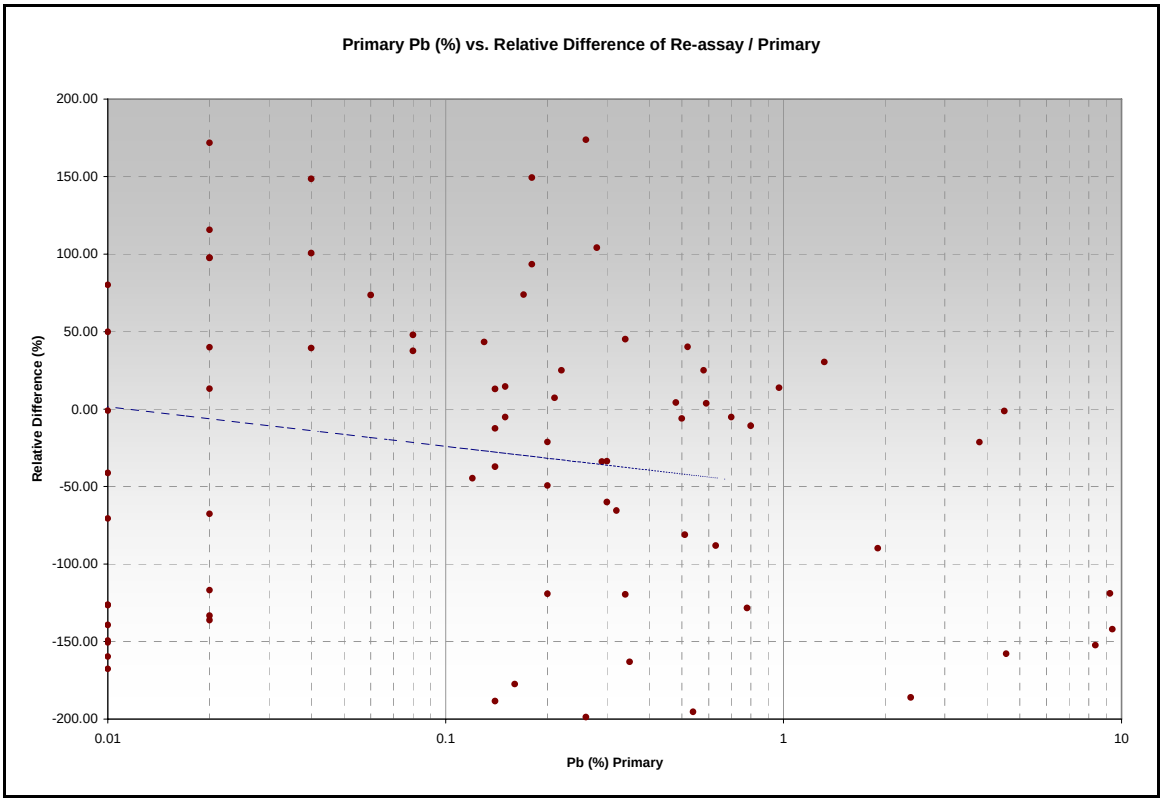

Figure 14–10. Scatter plot of primary Pb (%) vs. relative difference of re-assay / primary.

Although the sample selection was randomized from within the available population (i.e. primarily "ore" samples kept in the storage shed), a selection bias has been introduced because samples of anomalous grade were chosen. Such selection is expected to result in lower estimates of average grade in the re-assay results than in the original results (Long, 2003). As only half drill cores were available to CCIC, this was unavoidable. The split core also introduces variability because there is a small but quantifiable spatial separation of the two samples; this contributes variance which is a function of the geology of the deposit and not of the sampling method. Furthermore, CCIC sampled 25% of the core volume while the primary result represents 50% of the core volume. As expected, negative anomalies are observed in the re-assay result for Zn, Ag, Cu, and Pb (Figures 14–3, 14–5, 14–7, 14–9). Charting of the primary grade versus the relative difference between the primary and duplicate result demonstrate the relative difference is closer to zero in the low grade range, and becomes more negative in the higher grade ranges (Figures 14–4, 14–6, 14–8, 14–10).

It is the opinion of CCIC that the results of the core-duplicate assaying positively attest to the veracity of the historic sample database.

Other properties - Mineral exploration in the vicinity

The Myra Falls Operation

The Myra Falls Operation ("**MFO**"), a zinc-copper-gold mining and milling facility at Myra Falls in central Vancouver Island is located 140 km directly north of the Lara Property. The MFO is situated at the southern end of Buttle Lake and lies in the Strathcona-Westmin Provincial Park (a class "B"

provincial park that covers all of the Company's holdings) which in turn is surrounded by the class "A" Strathcona Provincial Park. The Myra Falls mine is the only provincial park in British Columbia in which mining is permitted. The mine is solely owned by NVI Mining Ltd., a wholly-owned subsidiary of Breakwater Resources Ltd., who originally purchased the mine as Boliden Westmin Canada (100%) in July 2004. Boliden Ltd originally acquired the Myra Falls operation in January 1998.

The MFO consists of a 1.25 million tonne per annum underground mine, a milling and flotation plant and associated infrastructure. The Myra Falls concentrator has a rated capacity of 1.4 million tonnes per year and produces zinc and copper/precious metals concentrates. Myra Falls production for the year ending December 31, 2006 indicated 714,443 tonnes of ore were milled grading 5.5% Zn, 0.9% Cu, 48g/t Ag and 1.5 g/t Au; and 388,326 tonnes of ore milled the first 6 months of 2007 grading 4.8% Zn, 1.1% Cu, 49 g/t Ag and 1.4 g/t Au. Proven and probable reserves for Myra Falls for December 31, 2006 were reported to be 6,134,000 tonnes grading 5.7% Zn, 0.5% Pb, 1.0% Cu, 41 g/t Ag and 1.2 g/t Au; with measured and indicated resources (includes Proven and Probable Reserves but excludes Inferred Resources) estimated at 7,224,000 tonnes grading 7.2% Zn, 0.6% Pb, 1.2% Cu, 55 g/t Ag and 1.7 g/t Au.

The mine at Myra Falls is a VMS deposit comprising a geologically diverse collection of mineralized bodies including polymetallic massive sulphides, polymetallic disseminated sulphides, zoned pyritic massive sulphides and stringer sulphide zones. The mineralization is contained within the 450 m thick Myra Formation (the lower section is equivalent to the McLaughlin Ridge Formation on the Lara Property) of the Sicker Group within the Buttle Lake Uplift. There are 12 known deposit areas located in 2 of 3 known rhyolite horizons within the Myra Formation (Chong et al., 2005). The third rhyolite horizon is the highest in the Myra Formation stratigraphy and is yet to be explored. Each deposit area represents a cluster of individual lenses (Jensen, 2004). Mineralization occurs at various stratigraphic levels within folded and faulted array of lenses. The mineralization in the Lynx/Marshall/Price horizon (L-M-P horizon; exposed at surface) is a series of stacked lenses with a felsic footwall. Mineralization in the H-W horizon (Harold Wright horizon; occurs at depth) is focused at the contact with the footwall Price Formation andesite: the stacked upper zone vein systems and lenses are located within rhyolite above the Price Formation contact. Both horizons have mafic flow-sill complexes in direct contact with or proximal to the hanging wall of massive sulphide mineralization. Minimal exploration has been carried out stratigraphically below the Myra Formation within the andesites of the Price Formation and this work suggests potential to further expand the mineral reserves within the existing operations area.

The Lynx and Myra mines are two past-producing mines and the Price mine is a deposit yet to be exploited. Myra Falls currently operates 2 underground mines: the H-W mine and the Battle-Gap mines are both accessed through a common 716 –metre deep vertical shaft. The Battle, Gap, Lynx, Myra and Price deposits have high Zn+Pb+Cu metal grades. The mill and concentrator produce ore concentrate which is transported from the MFO by truck 90 km to Discovery Terminal, a deep-sea docking facility located in Campbell River. The concentrate is then shipped to smelters in Asia, Europe and North America.

Historically there have been over 100 years of mineral exploration activity in central Vancouver Island and almost four decades of active mining at Myra Falls. The first claims were staked in the Myra Falls/Buttle Lake area covering the H-W, Lynx, Price and Myra mines in 1918 by James Cross and Associates of Victoria. Development work was begun in the 1920's by the Paramount Mining Co. of Toronto, and the claims were acquired by Reynolds Syndicate in 1959, which sold them to Western Mines Limited in 1961. The Lynx Mine started up in 1966 as an open pit operation and by late 1967 was producing 860 tonnes/day containing gold, silver, copper, lead and zinc. Simultaneous exploration revealed favourable results and the underground operation came into production. The Lynx open pit mine was completed in 1975, producing 8,500 tonnes per month until operations were suspended in 1993. The

Myra Mine deposits were discovered in late 1969 and an underground mine operated from 1972 to 1986 producing one million tonnes in gold, silver and zinc.

Mount Sicker

The Mount Sicker Mine (past-producer) lies 2 km from the southeast boundary of the Lara Property, and approximately 10 km east of Lara's Coronation mineralization. The volcanogenic, polymetallic massive sulphides is hosted within the felsic volcanic tuffs of the McLaughlin Ridge Formation (Sicker Group) were mined for silver, gold, copper, lead and zinc. The discovery of Lenora and Tyee mines on Big Sicker Mountain in 1897 eventually led to the extraction of a total 3,000,000 tons of ore with an estimated grade of 3.3% Cu, 7.5% Zn, 2.75 oz/t Ag, and 0.13 oz/t Au until 1947.

The ore at Big Sicker Mountain occur in two types: exhalative massive sulphides or horizons and sulphide stringer zones (Belik, 1981). The exhalative massive sulphides occur as well-bedded pyritic argillites, cherts and ashes; the economic sulphides occur with high grade baritic massive sulphides (6% Cu, 0.6% Pb, 14.05% Zn, 155 g/t Ag, 20.9 g/t Au over 0.74 m) are associated with pyritic and graphitic argillites. The sulphide stringer mineralization occurs in both andesitic and felsic rocks but are most prevalent in felsic with coarse-grained pyrite. Chalcopyrite and sphalerite are only locally present as stringers. The deposits at Mt. Sicker are characterized by a hydrothermal alteration zone that shows enrichment in Cu, Zn and Ba and is depleted in Na_2O.

Mining in the Mt. Sicker area began by the development of the Lenora and Tyee Mines in 1898. By 1909 the mines had stopped production. Intermittent development and mining was continued between 1926 and 1942. The Lenora, Tyee and Richard mines were amalgamated into the Twin J. Mine and operated between 1942 and 1952. Exploration has continued by various companies from 1964 to the present, and the British Columbia Geological Survey (MEMPR) has renewed interest in determining the stratigraphy and economic geology of the Sicker Group.

Mineral processing and metallurgical testing

In 1986, two bulk samples from the Coronation Zone and the Coronation Extension were sent to CANMET for microprobe analysis to determine sulphide mineralogy and gangue, sulphide mineral associations and the grain size distribution of the sulphide minerals in the ore. The test involved grinding experiments and polished sections were prepared from drill core and examined under ore microscope to identify principal sulphide minerals. Quantitative energy dispersive analysis was used to determine the composition of the tetrahedrite/tennanite; quantitative electron microprobe analysis to determine the presence and level of silver in solid solution in galena; and x-ray diffraction analysis to confirm the identity of several ore and gangue minerals.

The results show that ore minerals within the 2 zones consist primarily of sphalerite, pyrite, chalcopyrite and galena, with minor amounts of tetrahedrite/tennantite together with minute to trace amounts of rutile, bornite, electrum, pearceite, arsenopyrite and barite. The gangue minerals are chiefly quartz and calcite with lesser amounts of muscovite, feldspar and barium-bearing feldspar. Some of the ore minerals show severe brecciation, particularly pyrite and occasionally sphalerite: the resultant fractures in the pyrite are filled with gangue minerals; chalcopyrite and occasionally galena and sphalerite. The mineralogy of Coronation and Extension zones of Lara Property are identical.

The mineral processing tests indicate that galena and chalcopyrite have similar associations and particle size; represented by grain sizes that can be liberated by a fine grind -325 mesh; that sphalerite has the coarsest average grain size of ore and contains locked grains of galena, chalcopyrite other ore and gangue.

The major silver-bearing mineral by quantity in the ore is tetrahedrite/tennantite and that Ag in pearceite and electrum is small in comparison.

In July 1987, Coastech Research Inc. ("**Coastech**") of Vancouver carried out metallurgical testing of 23 drill core samples from two drill cores (Coronation Zone and Coronation Extension Zone) to determine the quality of concentrates can be produced. Elemental analyses showed that the two samples contained an average of 0.030 oz/t Au, 1.04 oz/t Ag, 0.57% Cu, 0.48% Pb and 2.91 % Zn; and 0.123 oz/t Au, 3.0 oz/t Ag, 1.11% Cu, 0.67% Pb and 5.69% Zn, respectively.

Duplicate assays indicated a minor nugget effect; that arsenic and antimony are at low levels and mercury below detection limit (contaminants in concentrate products would incur smelter penalties). Flotation results indicated a zinc recovery of 72.7% Zn; Cu recovery of 94.9% Cu, Pb recovery of 96.2% Pb in the bulk concentrate. Gold and Ag tend to report with copper where the recoveries to the bulk Cu/Pb concentrate were 86% Au and 84% Ag. Coastech concluded that separate copper, lead and zinc concentrates could be produced as marketable products. However, further test work was required to optimize copper/lead separation, to improve gold and silver recovery to the copper concentrate; and to optimize zinc concentrate cleaning.

Mineral Resource and Reserve Estimates

Database Generation

The data was captured from 48 hard copy documents containing drill core logs, assay results, plan maps, and drill hole sections (Appendix 2). Assay certificates for drill core sections that were re-sampled by CCIC are provided in Appendix 3.

Digital Elevation Model

The Digital Elevation Model ("**DEM**") for the area around the Coronation Trend was obtained from Canadian Digital Elevation Data ("**CDED**") available at http://www.geobase.ca/geobase/en/. The Canadian Digital Elevation Data consists of an ordered array of ground elevations at regularly spaced intervals. The source digital data for CDED at scales of 1:50,000 and 1:250,000 is extracted from the hypsographic and hydrographic elements of the National Topographic Data Base ("**NTDB**") or various scaled positional data acquired from the provinces and territories (Geobase, 2007). The sources of digital or analogue data used to acquire data for the NTDB are aerial photography, reproduction material, MSS Landsat Images, TM Landsat Images, Spot XS Images, Spot PAN Images, and GPS Data.

Previous operators have determined the drill collar elevations by various methods. Many of the elevations were found to be inconsistent with one another and with the CDED. To account for this variability, the elevations of the drill collars were projected to the CDED derived DEM.

CCIC recommended that, for future revision of the estimate and economic analysis, the Company should acquire a high resolution DEM of the Property area.

To deplete the vertical limit of the estimate, a bedrock surface, representing the base of overburden, was created by translating the CDED DEM minus 3 metres in the Z direction. Where drill hole data had justified a surface expression in the modelling of mineralized zones, the wireframe did not extend above the modelled bedrock surface.

Wireframe Modelling

The wireframe models generated represent a threshold above which a continuous zone of >1.0% Zinc-Equivalent ("**ZnEq**") could be consistently followed and modelled. In most instances, the significant intersections were reconciled from section to section without the inclusion of low-grade intervals.

The Zinc-Equivalent approach was utilized in order to capture significant intercepts of Zn and Ag, which in some cases are out of phase within the scale of a mineralized interval. Table 17-1 presents an example from drill hole 85-44, where significant Ag grades are associated with lower, though anomalous, Zn grades. The peak Cu and Au grades in this intercept are proximal to, but do not correspond directly to, the peak Zn or Ag grades.

Table 17-1. Mineralized intercepts from drill hole 85-44.

BHID	FROM (m)	TO (m)	Zn (%)	Ag (g/t)	Cu (%)	Pb (%)	Au (g/t)
85-44	76.26	76.68	0.03	8.71	0.16	0.01	3.67
85-44	76.68	77.35	1.04	26.44	0.27	0.34	6.00
85-44	77.35	78.40	0.92	22.08	0.52	0.23	3.45
85-44	78.40	78.88	33.00	447.89	0.36	8.37	2.27
85-44	78.88	79.39	0.42	16.48	0.32	0.14	2.67
85-44	79.39	80.56	0.08	5.29	0.06	0.02	3.79
85-44	80.56	81.02	0.95	74.34	1.36	0.28	35.02
85-44	81.02	81.30	0.08	21.15	0.51	0.01	0.47
85-44	81.30	81.93	0.28	3.73	0.05	0.04	1.99
85-44	81.93	82.14	22.10	84.60	0.63	2.46	4.67
85-44	82.14	82.64	0.07	13.37	0.24	0.02	0.84
85-44	82.64	83.11	0.58	7.46	0.02	0.36	0.72

Table 17-2 provides an example from drill hole 85-44 for calculation of the metal equivalents. The values per tonne for each sample interval were calculated for each commodity as follows:

- Zn, Pb, Cu: (grade (%) / 100) * 4 year USD value per tonne
- Ag, Au: (grade (g/t) / 31.1034768) * 4 year USD value per ounce

The 4 year moving average price was calculated in November 2006 and assigned as the value for each commodity (Table 17-3). The ZnEq was calculated as follows:

- Zinc-Equivalent = (∑ values per tonne / Zn 4 year USD value per tonne) * 100

Table 17-2. Calculated equivalents for mineralized interval in drill hole 85-44.

BHID	FROM (m)	TO (m)	Value per tone (USD)					Zn-Eq (%)	Ag-Eq (g/t)	Cu-Eq (%)
			Zn	Ag	Cu	Pb	Au			
85-44	76.26	76.68	$0.45	$1.96	$5.60	$0.10	$50.74	3.92	261.49	1.68
85-44	76.68	77.35	$15.60	$5.95	$9.45	$3.40	$82.99	7.83	521.61	3.35
85-44	77.35	78.40	$13.80	$4.97	$18.20	$2.30	$47.73	5.80	386.57	2.49

85-44	78.40	78.88	$495.00	$100.80	$12.60	$83.70	$31.39	48.23	3214.72	20.67
85-44	78.88	79.39	$6.30	$3.71	$11.20	$1.40	$36.98	3.97	264.78	1.70
85-44	79.39	80.56	$1.20	$1.19	$2.10	$0.20	$52.46	3.81	253.94	1.63
85-44	80.56	81.02	$14.25	$16.73	$47.60	$2.80	$484.18	37.70	2512.98	16.16
85-44	81.02	81.30	$1.20	$4.76	$17.85	$0.10	$6.45	2.02	134.90	0.87
85-44	81.30	81.93	$4.20	$0.84	$1.75	$0.40	$27.52	2.31	154.23	0.99
85-44	81.93	82.14	$331.50	$19.04	$22.05	$24.60	$64.50	30.78	2051.45	13.19
85-44	82.14	82.64	$1.05	$3.01	$8.40	$0.20	$11.61	1.62	107.84	0.69
85-44	82.64	83.11	$8.70	$1.68	$0.70	$3.60	$9.89	1.64	109.17	0.70

Table 17-3. Moving average values (USD) utilized to calculate metal equivalents.

Value per tonne			Value per troy ounce	
Cu	**Pb**	**Zn**	**Ag**	**Au**
$3,500.00	$1,000.00	$1,500.00	$7.00	$430.00

Using >1.0% ZnEq, the Coronation Trend was modelled as six discrete zones with a total strike length of approximately 1,180 metres along a 118° trend. The average dip of the zones is approximately 65° to the north-northeast. The true width of the zone models ranges from 2 to 15 metres and averages approximately 5 metres. South and east facing perspective views of the models are presented in Figures 17-1 and 17-2. The zone number assigned to each lens, which was carried through sample selection, block modelling, and estimation, is indicated on each diagram.

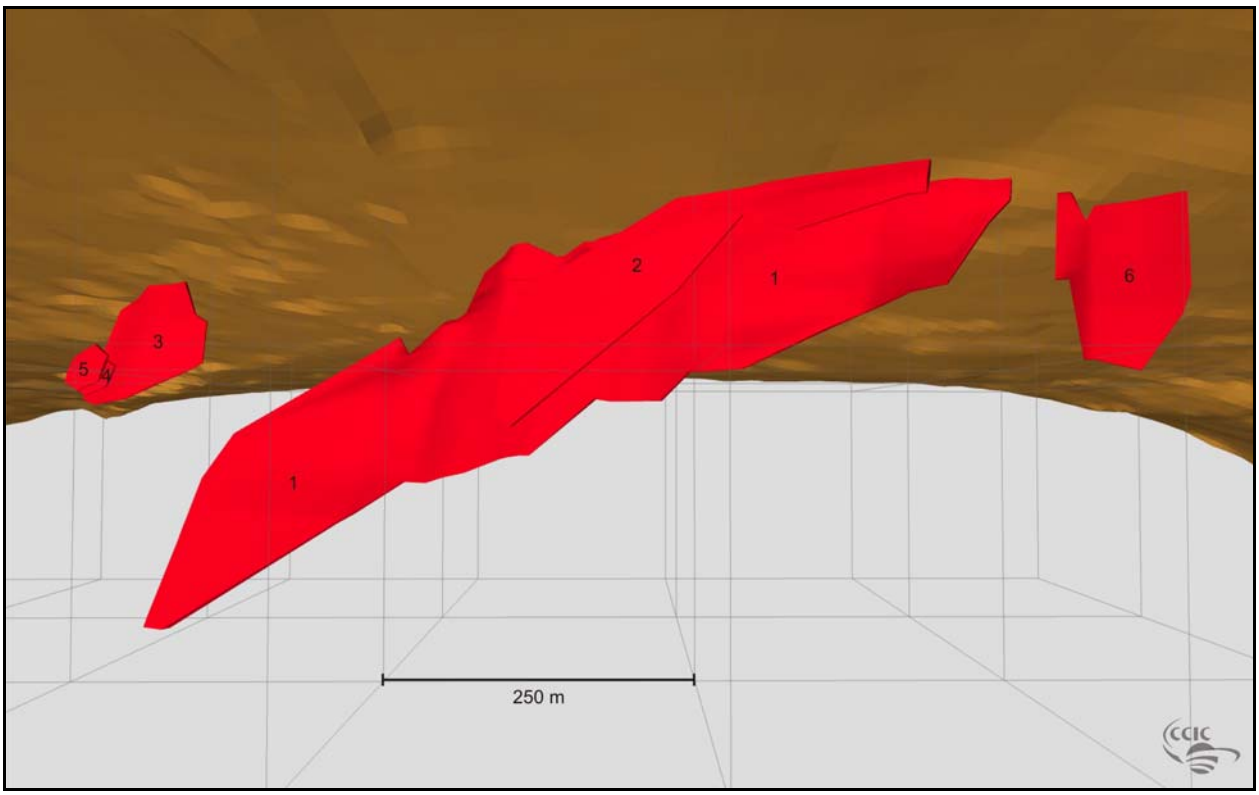

Figure 17–1. South facing perspective view of Coronation Zone models with zone numbers assigned to each lens.

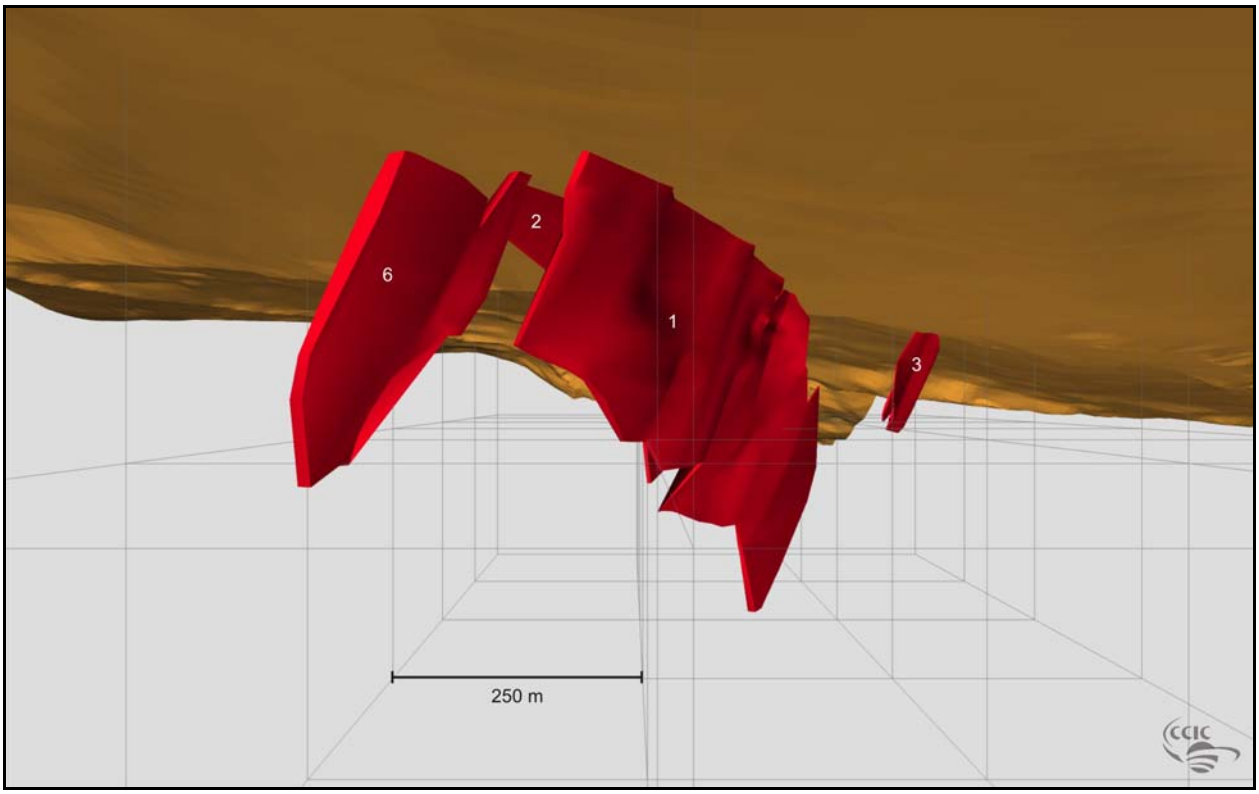

Figure 17–2. East facing perspective view of Coronation Zone models with zone numbers assigned to each lens.

Specific Gravity

Compiled from the historic data provided to CCIC were 420 measurements of specific gravity ("**SG**"); CCIC also completed SG measurements on 164 core samples. The SG measurements were a component of the hard-copy assay database and therefore each measurement directly corresponds to a Zn, Ag, Cu, Pb, and Au assay value. The 420 measurements are associated with a wide range of Zn tenor. A scatter plot of sampled SG versus percent Zn is presented in Figure 17-3. As would be expected, the sampled SG increases with increasing Zn grade. To determine the slope of this relationship, a regression analysis was conducted against SG and Zn grade.

A plot of Zn grade versus the relative difference between calculated and actual SG for the sample population demonstrates the most erroneous SG estimates are negative values and more common in the range below 10% Zn (Figure 17-4). The mean relative difference (calculated – actual) is 0.148%; the mean absolute difference is 0.

SG measurements were also undertaken on 81 of the quarter core samples submitted by CCIC for re-assay. The measurements were completed by ACME Laboratories on the sample pulps. In twelve (12) instances, insufficient pulp material remained to complete the SG measurement. The following is a summary of the results:

Minimum:	2.61	g/cm^3
Maximum:	3.46	g/cm^3
Median:	2.78	g/cm^3
Average:	2.82	g/cm^3

The SG measurements on the pulps serve to verify the 420 historic measurements utilized for the regression. The 420 historic results are summarized as follows:

Minimum:	2.00	g/cm^3
Maximum:	4.30	g/cm^3
Median:	2.80	g/cm^3
Average:	2.83	g/cm^3

Following the completion of grade interpolation, the regression equation developed from the 420 measurements (y=0.288x + 2.8406) was utilized to allocate a SG value to each block based on the interpolated Zn grade.

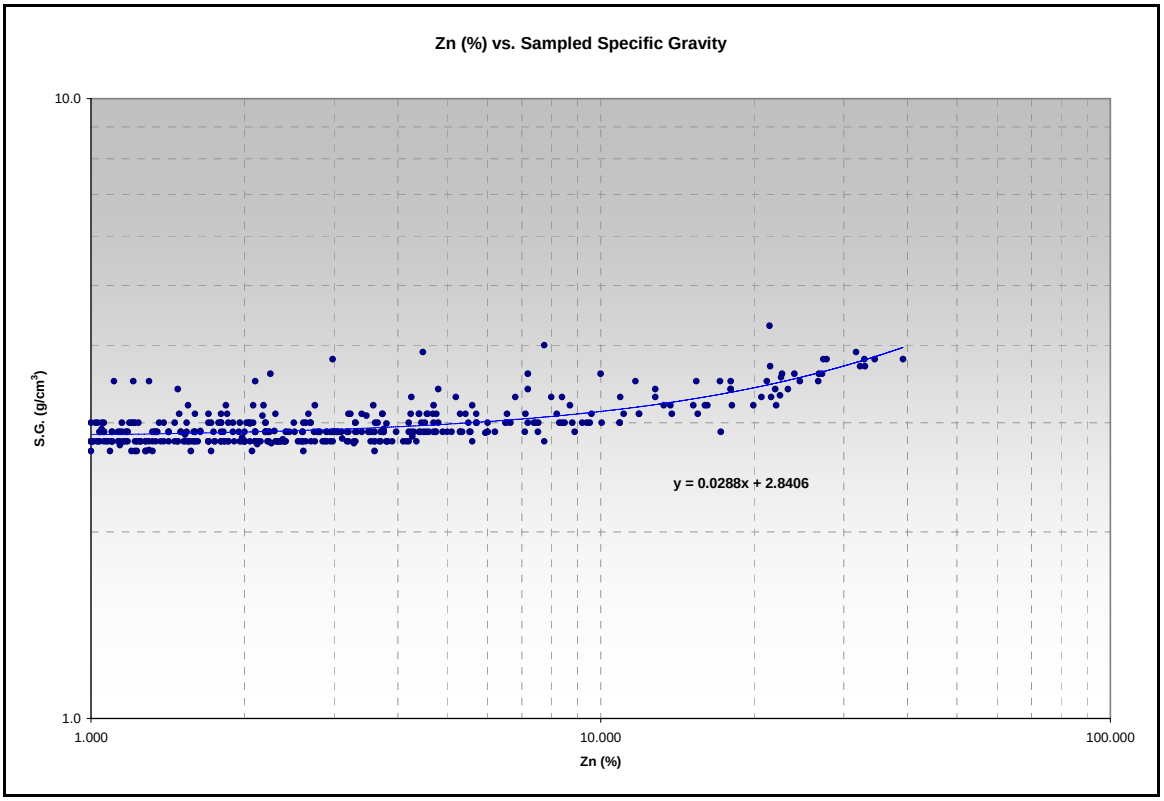

Figure 17-3. Scatter plot of sampled percent Zn and specific gravity with regression.

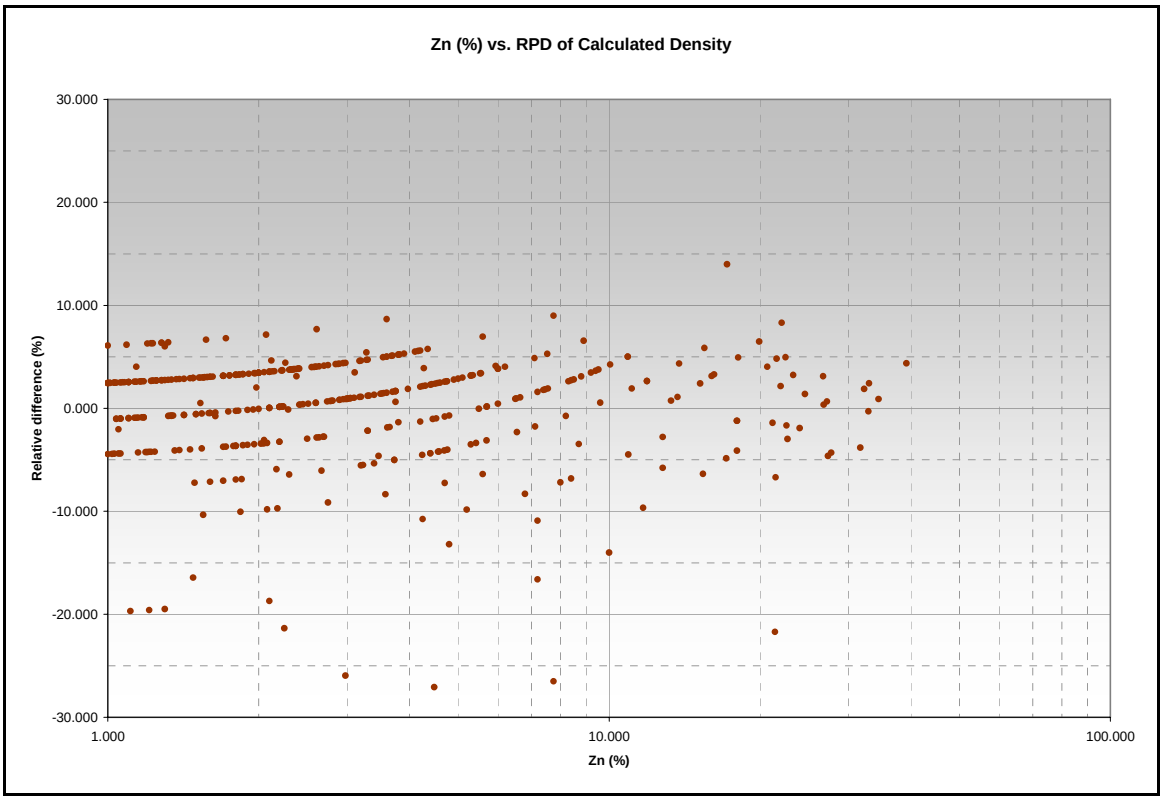

Figure 17-4. Scatter plot of percent Zn versus relative difference of calculated and sampled specific gravity.

Sample Composites and Top Cuts

The samples contained within the wireframe models were extracted to a separate sample database using the Datamine SELTRI operation; this database is composed of 653 samples or 5.4% of all assay records in the parent drill hole database. Charting was executed for Zn, Ag, Cu, Pb, and Au in order to identify outliers and distributions in the sample population and to determine an optimal composite length.

The average length of all samples (n=653) within the zone models was noted to be 0.75 m with a median of 0.64 m (Figure 17-5). All samples were set to a 1.0 m composite interval using the down-hole composite operation.

Following the composite operation, charting was re-executed for Zn, Ag, Cu, Pb, and Au to determine if top capping was necessary. Zn, Cu, and Pb samples were not top capped. A summary of sample capping for Ag and Au is presented in Table 17-4.

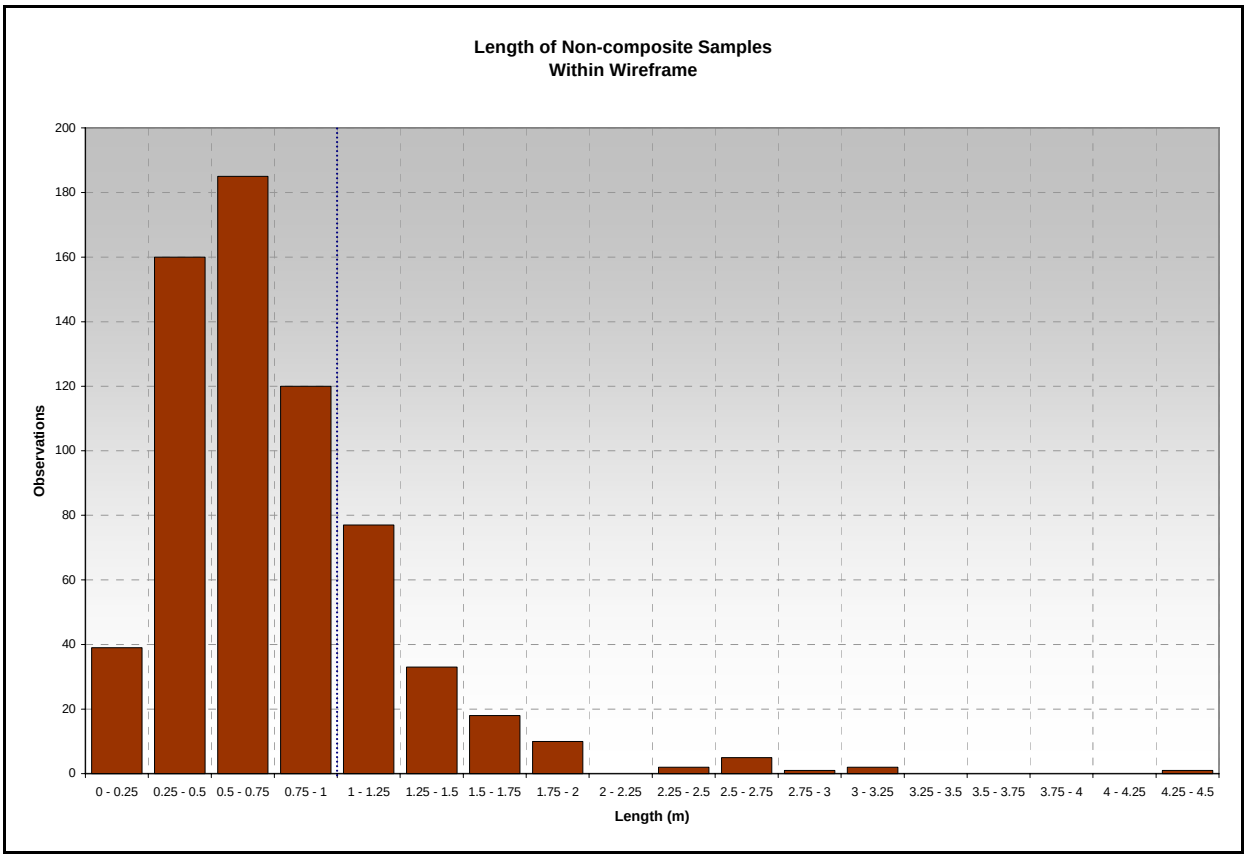

Figure 17–5. Histogram of non-composite sample lengths.

Table 17-4. Summary of sample top capping.

BHID	From (m)	To (m)	Length (m)	Ag (g/t)		Au (g/t)	
				Original	Capped	Original	Capped
87-182	225.43	226.43	1.00				
86-78	250.75	251.75	1.00				
86-78	251.75	252.75	1.00				
86-78	252.75	253.51	0.76				
86-146	35.39	36.39	1.00	622.69	400.00		
86-141	3.94	4.94	1.00	512.27	400.00		
86-134	17.00	18.00	1.00	408.38	400.00		
89-245	86.30	87.13	0.83			147.35	30.00
89-245	84.30	85.30	1.00			88.47	30.00
86-141	3.94	4.94	1.00			75.43	30.00
86-134	17.00	18.00	1.00			64.34	30.00
89-245	85.30	86.30	1.00			59.36	30.00
86-141	4.94	5.94	1.00			44.00	30.00

Drill hole 87-182 was excluded from the database as its composite interval of 2.02 m @ 25.37% Zn, 200.3 g/t Ag, 5.88% Pb, 2.53% Cu, 4.43 g/t Au was found to unduly influence the grade of the entire Inferred category. The position of 87-182 is over 100 m from surrounding samples within the plane of the zone, and therefore a large number of Inferred blocks were influenced by this interval. Drill hole 87-

182 terminates within a high grade zone at a true depth of approximately 200 m; this portion of the Coronation Trend is an ideal location for definition drilling as this high grade area is open immediately up-dip (approximately 75 m) and across strike to the east-southeast.

Block Model

A summary of parameters used to generate the block model is presented in Table 17-5. The block dimensions were chosen to yield the best fill of the wireframe model more so than to reflect the spacing of drill hole pierce points or trend, as the wireframe model is quite narrow. Sections showing the resource block model are provided in Appendix 2.

Table 17-5. Block model parameters used for the Posse deposit model.

Axis	Parent Block	Subcell	Discretization Points
X	5 m	2.5 m	2
Y	5 m	2.5 m	2
Z	10 m	5 m	4

Estimation Parameters

A variogram study was undertaken for each element to be included in the Mineral Resource Estimate. Using normal and relative pairwise experimental variograms, the ranges for Zn, Ag, Pb, and Cu were noted to be approximately 40 to 50 metres; the variogram range for Au was noted to be approximately 30 m. Due to the noisiness of the experimental downhole and across strike variograms, the nugget-sill ratio could not be properly established. As a result, Ordinary Kriging was not utilized as the interpolation method. The Inverse Power of Distance (squared) was utilized for grade interpolation. A summary of search distances and volume factors is presented in Table 17-6.

Table 17-6. Summary of search parameters.

	Search Distance			2nd Search Volume Factor	3rd Search Volume Factor
Element	X (m)	Y (m)	Z (m)		
Zn	35	35	35	1.43	2.8
Ag	35	35	35	1.43	2.8
Pb	35	35	35	1.43	2.8
Cu	35	35	35	1.43	2.8
Au	35	35	35	1.43	2.8

Blocks which were calculated with the first search volume, along with a minimum of four samples from at least two drill holes, were assigned to the Indicated category. Blocks calculated with the second and third search volumes were assigned the Inferred category.

Grade Interpolation

Grade interpolation for the Coronation Trend was completed using the Inverse Power of Distance Method. The results are reported at 1.0%, 2.0%, and 3.0% Zn block cut-offs in Tables 17-7 and 17-8.

Table 17-7. Coronation Trend Mineral Resource Estimate.
1% Zn Block Cut-off

Category	Tonnes	Zn (%)	Ag (g/t)	Cu (%)	Pb (%)	Au (g/t)

Indicated	1,146,700	3.01	32.97	1.05	0.58	1.97
Inferred	669,600	2.26	32.99	0.90	0.44	1.90

2% Zn Block Cut-off

Category	Tonnes	Zn (%)	Ag (g/t)	Cu (%)	Pb (%)	Au (g/t)
Indicated	428,600	5.65	47.04	2.25	1.18	2.39
Inferred	207,900	3.99	37.57	1.73	0.84	2.30

3% Zn Block Cut-off

Category	Tonnes	Zn (%)	Ag (g/t)	Cu (%)	Pb (%)	Au (g/t)
Indicated	189,600	9.74	60.85	4.44	2.23	3.07
Inferred	91,100	6.15	40.79	3.15	1.45	2.50

Table 17-8. Metal content of Mineral Resource Estimate.

1% Zn Block Cut-off

Category	Lbs Zn	oz Ag	lbs Cu	lbs Pb	oz Au
Indicated	76,143,000	1,216,000	26,595,000	14,561,000	73,000
Inferred	33,422,000	710,000	13,316,000	6,510,000	41,000

2% Zn Block Cut-off

Category	Lbs Zn	oz Ag	lbs Cu	lbs Pb	oz Au
Indicated	53,339,000	648,000	21,250,000	11,102,000	33,000
Inferred	18,284,000	251,000	7,911,000	3,832,000	15,000

3% Zn Block Cut-off

Category	Lbs Zn	oz Ag	lbs Cu	lbs Pb	oz Au
Indicated	40,707,000	371,000	18,575,000	9,340,000	19,000
Inferred	12,341,000	119,000	6,319,000	2,905,000	7,000

Other Relevant Data and Information

Possibility of Myra Falls Operation Milling Facility

A study that was carried out for the Company examined the viability of mining, transporting and processing of the ore from the Coronation and Coronation Extensions zones of the Lara Deposit, recommended the advancement of the Lara Deposit and the use of the MFO facility for processing the ore. The MFO and the existing Myra Falls mine is owned by Breakwater Resources Ltd. and operated by NVI Mining Ltd. The mill has been operating below capacity (approximately 4,000 tonnes per day) by 400 to 600 tonnes per day for a number of years, and is expected to do so for the next three to five years. Breakwater will need to review its commitment depending upon its public standing in the community, and depending upon the operational limitations of its facility before it decides to accept ore from the Company for processing.

The Lara VMS Deposit was evaluated on the basis of its economic, technical, social and political merits. The report indicated that the MFO mill would be suitable for processing Lara ore, however Breakwater

needs to consider public opposition of transporting ore to the mill (approximately 300 km) through Strathcona Park and transportation and dock facility costs for shipping the concentrates.

The report indicated that both shrinkage stoping and sublevel longhole stoping can potentially be used to mine the Lara Property mined material. Since there was no additional 3-D modelling of the ore body, it was determined that the difference between the two methods is the requirement for skilled underground miners (shrinkage stoping) and higher upfront capital costs for the sublevel longhole method.

The final recommendations included the completion of an exploration program to delineate drilling of the Coronation Zone and to increase the potential mineral reserve; to perform additional metallurgical testing to confirm the suitability of Lara ore for processing at MFO; and to determine the potential of extracted material in generating acid rock drainage, as well as social and political impact of developing the mine. The potential mine will be located within traditional territory of the Snuneymuxw First Nation community and the Hul'qumi'num Tribal Council (comprising 6 First Nation communities), requiring consultation as part of the mine permitting process. An assessment of the environmental impact of the developed area also requires consideration since there is no environmental and socio-economic baseline data.

A similar study in 2002 indicated that at the time the Lara deposit was not a likely candidate for developing viable mining plans using the technical resources at the mine in return for the right to process feed because the environmental liability would likely outweigh the potential economic benefits.

Conclusions

The Lara Technical Report contains CCIC's conclusions as set out below.

CCIC concluded that on the basis of a review of published and unpublished reports and data from previous exploration programs, and on the results of the current Mineral Resource Estimate there remains excellent potential to increase the current Resource Estimate (Coronation Trend) and for the discovery of additional massive sulphide mineralization at depth and along strike of known mineralized zones. Moreover, due to the similarities in structural, lithological and host stratigraphy and similar ore mineralogy to the Mount Sicker past producer and the Myra Falls Mine, there is potential along strike to the northwest and southeast for further discovery of potentially economic massive sulphide zones associated with the McLaughlin Ridge Formation and the Sicker Group.

CCIC concluded that the nature of stratigraphic and structural relationships of the mineralization in the area is not well understood and needs to be better defined in order to improve targeting for future drill holes. Smaller zones of mineralization require follow-up drilling and geophysical investigation to fully define their extents both along strike and to depth. Furthermore, the known mineralized zones occur at what appears to be at least three stratigraphic levels (or three repetitions of the same stratigraphy) which, according to CCIC, suggests the presence of several stratigraphic horizons that host VMS mineralization. Drill testing along VMS prospective horizons is localized to a few small areas with a majority of their strike lengths (approximately 70-80%) untested by drilling and largely concealed by overburden.

A modern, comprehensive data compilation and 3D model of the current drill core data and other technical information has been completed. CCIC believes that this information can now be used to re-interpret the Lara Deposit and the surrounding geology and to develop new drill targets for further exploration programs.

Recommendations

The Lara Technical Report contains the following recommendations of CCIC set out below.

On the basis of the current geotechnical review and the Mineral Resource Estimate, CCIC recommended that further exploration work be completed on the Lara Property. CCIC recommended a $500,000 work program to include surface geophysical survey and diamond drilling (*see* Table 21-1).

There are two main objectives to be considered in future work programs on the Lara Property:

- Characterize existing mineralized zones and identify additional mineralized zones along strike and to depth through modern geophysical techniques, and,

- Complete confirmatory drill holes within known mineralized zones and in areas of potential that have limited or no drilling, as identified from the compilation and 3D targeting work.

To address the first objective CCIC recommended the implementation of "real section" induced-polarization geophysical methods to help map stratigraphy and trace previously identified mineralized zones. CCIC suggested that the Company carry out an orientation survey of approximately 30 line-kilometres in order to determine the geophysical signature of the known mineralized zones and whether the real section induced-polarization method is capable of distinguishing the mineralized horizons. Additional geophysical investigation is contingent upon the results of this orientation survey.

CCIC also recommended that the current Mineral Resource Estimate be enhanced through confirmatory drilling and a high-accuracy differential GPS survey of the historical drill collars. Approximately 2,000 metres of drilling should be sufficient to enhance the current resources. The actual location of the drill holes has yet to be determined by CCIC but is part of its ongoing review of the Lara Property.

Proposed Budget

CCIC proposed a budget, which in CCIC's view should allow the Company to complete CCIC's recommended work program (Table 21-1).

Table 21–1. Summary budget for recommendations on the Lara VMS Property.

Item	Amount	Units	Rate	Per	Cost
Line-cutting	35	km	$500.00	km	$17,500.00
Real Section IP Geophysics	30	km	$3,500.00	km	$105,000.00
Magnetometer and DGPS survey	30	km	$300.00	km	$9,000.00
Drilling (with analyses)	2000	m	$175.00	m	$350,000.00
Reclamation	10	days	$500.00	day	$5,000.00
Report Writing/Interpretation					$20,000.00
			Total:		**$506,500.00**

Use of Proceeds

The net proceeds from the issue and sale of the Special Warrants pursuant to the Offering were $4,817,117, after deducting the Agents' fee and prior to deducting the Company's expenses of the Offering.

The Company used a portion of such proceeds together with other cash available to Company to fund the remaining cash payment of $6,137,229 owing by the Company under the Purchase Agreement and the payments of $61,372 and $ $76,883 to satisfy its obligation to the Vendors in connection with the extensions of such payment. Such indebtedness was incurred under the Purchase Agreement and represents a portion of the purchase price payable to the Vendors in connection with the acquisition of the Thunder Lake Property. See "**Purchase Agreement**". The remainder of such proceeds and other cash available to the Company will be used to fund further exploration on the Properties and for general working capital as described below.

The Company has funds available to it as follows:

Available Funds	
Net proceeds from the Offering [(1)]	$4,817,117
Estimated working capital as of June 24, 2008	($1,257,000)
Funds available after issuance of shares as final payment under Purchase Agreement	$4,877,000

Notes:
(1) After deducting Agents' fee but before deducting the Company's expenses of the Offering.

Principal Purposes

The Company will use the proceeds from the issue and sale of the Flow-Through Special Warrants to incur Canadian Exploration Expenses in the amount of the gross proceeds received in respect of the Flow-Through Special Warrants. "**Canadian Exploration Expense**" or "**CEE**" means Canadian exploration expense described in paragraph (f) of the definition of "Canadian exploration expense" in subsection 66.1(6) of the Tax Act or that would be described in paragraph (h) of such definition if the reference therein to "paragraphs (a) to (d) and (f) to (g.1)" was a reference to paragraph (f). The Company used the proceeds of the issue and sale of Unit Special Warrants and its other available funds to fund the (i) remaining cash payment of $6,137,229 owing by the Company to the Vendors under the Purchase Agreement, (ii) payments of $61,372 and $ $76,883 to satisfy its obligation to the Vendors in connection with the extensions of such payment, (iii) costs of carrying out the exploration programs recommended in the Technical Reports, and (iv) for general working capital purposes as follows:

Thunder Lake Property

ITEM	COMMENT	UNITS	NO. UNITS	RATE/UNIT	COST
Data Compilation and Integration					
	compile, review and model all historic data	ea	1	$ 35,000	$ 35,000
	3D modelling and targeting	ea	1	$ 15,000	$ 15,000
				Sub-total:	***$ 50,000***
NI43-101 Mineral Resource					
	reclaim historic drill core	m	1	$ 75,000	$ 75,000
	re-log and re-assay historic drill core	m	2,500	$ 50	$ 125,000
	confirmatory diamond drilling	m	5,000	$ 150	$ 750,000
	resource calculation/report	ea	1	$ 15,000	$ 15,000
				Sub-total:	**$ 965,000**
Drill Core Structural Study					
	re-log drill core for structural details	ea	1	$ 25,000	$ 25,000
				Sub-total:	**$ 25,000**

Diamond Drilling					
	step-out exploration and targeted drilling	m	20,000	$ 150	$ 3,000,000
				Sub-total:	**$ 3,000,000**

ITEM	COMMENT	UNITS	NO. UNITS	RATE/UNIT	COST
Geophysical Surveys					
	exploration grid	km	50	$ 600	$ 30,000
	real-section induced polarization	km	20	$ 3,500	$ 70,000
	traditional induced polarization	km	30	$ 2,500	$ 75,000
	borehole geophysics	ea	1	$ 50,000	$ 50,000
	high-density magnetic susceptibility/DGPS grid	km	50	$ 300	$ 15,000
	review, integration and targeting from geophysical data	ea	1	$ 10,000	$ 10,000
				Sub-total:	**$ 250,000**
Geochemical Surveys					
	surface and drill core	ea	500	$ 50	$ 25,000
				Sub-total:	**$ 25,000**
Geological Surveys					
	surface mapping/structural study	ea	1	$ 50,000	$ 50,000
				Sub-total:	**$ 50,000**
Re-Opening of Underground Workings					
	environmental baseline study	ea	1	$ 75,000	$ 75,000
	environmental controls: water settling ponds/waste muck pit	ea	1	$ 100,000	$ 100,000
	preliminary engineering consultation	ea	1	$ 25,000	$ 25,000
	permitting and government consultation	ea	1	$ 20,000	$ 20,000
	excavation and opening of portal face	ea	1	$ 15,000	$ 15,000
	clean out and certification of portal collar	ea	1	$ 50,000	$ 50,000
	re-furbishing decline and workings/certification	ea	1	$ 100,000	$ 100,000
	de-watering of underground workings	ea	1	$ 50,000	$ 50,000
				Sub-total:	**$ 435,000**
Community Consultation		ea	1	$ 50,000	$ 50,000
Accommodation, Office, Warehouse Setup		ea	1	$ 75,000	$ 75,000
General Operating Costs		ea	1	$ 100,000	$ 100,000
Equipment Rental		ea	1	$ 100,000	$ 100,000
Capital Purchases		ea	1	$ 100,000	$ 100,000
Report Writing and General Consulting		ea	1	$ 75,000	$ 75,000
				Sub-total:	**$ 500,000**
				Contingency:	**$ 530,000**
				TOTAL:	**$ 5,830,000**

Lara Property

Item	Amount	Units	Rate	Per	Cost
Line-cutting	35	km	$500.00	km	$17,500.00
Real Section IP Geophysics	30	km	$3,500.00	km	$105,000.00

Magnetometer and DGPS survey	30	km	$300.00	km	$9,000.00
Drilling (with analyses)	2000	m	$175.00	m	$350,000.00
Reclamation	10	days	$500.00	day	$5,000.00
Report Writing/Interpretation					$20,000.00
			Total:		**$506,500.00**

The Company intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where, for sound business reasons, a reallocation of funds may be necessary in order for the Company to achieve its stated business objectives. The actual use of available funds will vary depending on the Company's operating and capital needs from time to time and will be subject to the discretion of the management of the Company. Pending such use, the Company intends to invest the available funds to the extent practicable in short-term, investment grade, interest-bearing securities and other marketable securities.

SELECTED FINANCIAL INFORMATION

The following table provides a summary of certain financial information of the Company for the indicated periods that are derived from the audited financial statements of the Company for the years ended December 31, 2007, 2006 and 2005. This table contains financial information derived from financial statements that have been prepared in accordance with Canadian generally accepted accounting principles.

Three Year Financial Information Comparison

		Year ended December 31,		
		2007	**2006**	**2005**
Income	$	Nil	Nil	Nil
Net loss	$	125,586	Nil	Nil
Net loss per share	$	(0.04)	(0.00)	(0.00)
Total assets	$	43,962,672	150,000	150,000
Total liabilities	$	12,430,091	Nil	Nil
Shareholders' equity	$	31,532,581	150,000	150,000

Two Year Quarterly Financial Information

		Three month period ended March 31,	
		2008	**2007**
Revenue	$	194,785	Nil
Net income	$	79,710	Nil
Net income per share	$	0.00	Nil
Total assets	$	51,399,100	150,000
Total Liabilities	$	15,510,597	Nil
Shareholders' equity	$	35,888,503	150,000

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("**MD&A**") should be read in conjunction with the financial statements of the Company and related notes thereto that appear elsewhere in this Prospectus. Included herein are certain forward-looking statements that involve various risks, uncertainties and other factors. The forward-looking statements are not historical facts, but rather are based on the current plans, objectives, goals, strategies, estimates, assumptions and projections about the Company's industry, business and future financial results. Actual results could differ materially from the results contemplated by these forward-looking statements due to a number of factors, including those discussed in other sections of this Prospectus. See "**Forward-Looking Statements**" and "**Risk Factors**".

Overview

The Company is a subsidiary of Laramide and owns a portfolio of assets, including the Thunder Lake Property. The Company was incorporated under the name Divine Lake Exploration Inc. by Articles of Incorporation dated December 31, 1997 under the *Business Corporations Act* (Ontario). The articles of the Company were amended on November 13, 2007 to change the name of the Company to Treasury Metals Inc.

The Company is a growth-oriented, Canadian based gold company, focused on exploring and developing gold properties in Canada. The Company currently has two exploration and development projects known as the Goliath Project with respect to the Thunder Lake Property (as described in detail above under the heading "Thunder Lake Property") and the Lara Polymetallic Project with respect to the Lara Property (as described in detail above under the heading "Lara Property").

Overall Performance for the year

Financial Analysis of Operations

The following tables summarize selected quarterly and annual financial data for the Company for the years ending December 31, 2007 and December 31, 2006 and the three month period ending March 31, 2008. The information set forth below should be read in conjunction with the audited financial statements for the years ending December 31, 2007 and December 31, 2006 and the unaudited interim financial statements for the period ending March 31, 2008, in each case, prepared in accordance with Canadian generally accepted accounting principles and the related notes thereto.

Table 1	**Q1** **Mar 2008** **(unaudited)**	**Annual** **Dec 2007** **(audited)**	**Q4** **Dec 2007** **(unaudited)**	**Q3** **Sept 2007** **(unaudited)**	**Q2** **June 2007** **(unaudited)**	**Q1** **Mar 2007** **(unaudited)**	**Period** **Dec 2006** **(unaudited)**
Revenue	$194,785	$nil	$nil	$nil	$nil	$nil	$nil
Expenses	$115,075	$125,586	$125,586	$nil	$nil	$nil	$nil
Net Income (Loss) per share (basic and fully diluted)	0.00	(0.04)	(0.04)	0.00	0.00	0.00	0.00

Table 1	Q1 Mar 2008 (unaudited)	Annual Dec 2007 (audited)	Q4 Dec 2007 (unaudited)	Q3 Sept 2007 (unaudited)	Q2 June 2007 (unaudited)	Q1 Mar 2007 (unaudited)	Period Dec 2006 (unaudited)
Net Income (Loss)	79,710	($125,586)	($125,586)	$nil	$nil	$nil	$nil

The income for the three month period ended March 31, 2008 ("**Q1 08**") was $79,710 compared to a loss for the year and the quarter ending December 31, 2007 of $125,586 with no revenues. In Q1 08, the Company had revenues of $194,785, which accounts for the income in the quarter compared to the previous quarter. The Company's total expenses in Q1 08 were $115,075 compared to total expenses of $125,586 for the year ending December 31, 2007 and quarter ending December 31, 2007 ("**Q4 07**").

The Company's quarterly expenses for Q1 08 included an increase in general and administrative expenses from $7,381 to $55,746 and an increase in salary and benefits from $11,807 to $43,217 as operations began and staffing increased. This was offset by the decrease in cost categories associated with the initial start up of the business in Q4 07. Initial start up costs included audit and legal fee expenses of $30,000, which decreased to $16,112 in Q1 08 and the reimbursement of costs borne by Laramide for startup which were nil in Q1 08 and $76,398 in Q4 07.

Total assets of $ 51,399,100 as at March 31, 2008 increased by $7,436,428 from the amount of $43,962,672 reported for December 31, 2007, primarily as a result of an increase in short term investments of $7,500,000 (the proceeds of the offering of flow through Common Shares in December 2007 and Special Warrants in March 2008).

Total investments increased $7,111,887 in the quarter, but the allocation changed significantly with short term investments and current investments increasing by $15,357,885 from nil in Q4 07 and long term investments decreasing from $12,367,400 in Q4 07 to $3,621,402. This change was a result of the reclassification of the shares of Aquiline Resources held by the Company from long term investments to current investments.

Table 2	Q1 Mar 2008 (unaudited)	Annual Dec 2007 (audited)	Q4 Dec 2007 (unaudited))	Q3 Sept 2007 (unaudited)	Q2 June 2007 (unaudited)	Q1 Mar 2007 (unaudited)	Annual Dec 2006 (audited)
Investments	$19,479,287	$12,367,400	$12,367,400	$nil	$nil	$nil	$nil
Mineral Properties and Deferred Costs	$31,464,050	$30,348,833	$30,348,833	$100,649	$100,649	$100,649	$100,649
Current Liabilities	($15,481,552)	($12,401,046)	($12,401,046)	$nil	$nil	$nil	$nil

Total Assets	$51,399,100	$43,962,672	$43,962,672	$150,000	$150,000	$150,000	$150,000

At March 31, 2008, current liabilities increased by $3,080,506 to $15,481,552 primarily due to the amounts due to Laramide which increased by $2,730,943. In addition, accounts payable and accrued liabilities increased by $349,563 to $478,380 in Q1 08 compared to Q4 07. Included in current liabilities is $12,272,229 owing to Vendors pursuant to a debenture, which secures the payments owing under the Purchase Agreement of which $6,137,229 was paid in cash on April 30, 2008, and the balance of $6,135,000 is payable either in Common Shares or common shares of Laramide at the option of the Vendors.

The loss for the year ended December 31, 2007, was $125,586 compared to a loss of $nil for the year ended December 31, 2006 and first quarter ended March 31, 2007, in each case, on no revenues for the same period in the previous year. This increase in net loss is a result of the following factors:

- The Company was inactive in 2006 and most of 2007;
- The 2007 year includes expenses of $125,586, which represent costs associated with the commencement of operations, including the reimbursement of expenses paid by Laramide in the amount of $76,398;

The total assets of $43,962,672 as at December 31, 2007 increased from $150,000 as at December 31, 2006 primarily due to the acquisition by the Company of assets from Laramide pursuant to an Asset and Share Transfer Agreement (the "**Asset and Share Transfer Agreement**") dated December 27, 2007 between Laramide and the Company as part of the Spin-Off Transaction. In accordance with the Asset and Share Transfer Agreement, the Company agreed to pay Laramide $29,245,656 in consideration for the purchase of the Spin-off Assets and the payment by Laramide of two Cash Installments. This purchase price was satisfied by the issuance of 17,199,611 Common Shares of the Company and the agreement to pay $2,025,000 in cash. Such issued shares were allocated to the transferred Spin-off Assets as follows:

Asset	**Value ($)**	**Issued Common Shares**
The Goliath Property	1,326,117	780,069
Two Cash Installments paid by Laramide	12,274,458	7,216,520
Lara Property	3,986,952	2,345,266
6,500,000 shares of Sierra Minerals Inc.	2,437,507	1,433,828
2.5% NSR re: Sierra Minerals Cerro Colorado Mine	13,637	8,022
941,307 shares of Aquiline Resources Inc.	8,500,00	5,000,016
2,270,094 shares of Alliance Pacific Resources (now Radiant Resources) and 70,000 debenture	707,013	415,890
Total	**27,220,684**	**17,199,611**

The $43.8 million increase in assets in the year was primarily funded by an increase in current liabilities of $12.4 million (primarily the $12.3 million amount payable to Laramide with respect to two Cash Installments) and an increase in capital stock of $31.3 million in shareholder's equity. The increase in capital stock was due to the above-mentioned share issuance in connection with the Spin-off Transaction and the issuance by the Company to Laramide of 2,367,647 flow-through Common Shares at a price of $1.70 per share for aggregate proceeds of $4,025,000 in December 2007.

At December 31, 2007, the Company had current liabilities of $12,272,229 owing to Laramide in connection with the payment by Laramide of two Cash Installments and accounts payable and accrued liabilities of $128,817.

Operational Review & Results of Operations

Thunder Lake Property

In October 2007, the Company acquired the Thunder Lake Property as described elsewhere in this Prospectus. See "**General Development of the Business – *Thunder Lake Property Acquisition*"**. The Thunder Lake Property is located in Zealand Township near Dryden, Ontario and is contiguous to the Goliath Property, which was carried by the Company at $100,649. During 2007, the Company spent $1,367,370 on the Thunder Lake Property, with the main costs being acquisition costs and the costs associated with the preparation and filing of the Thunder Lake Technical Report.

The expenditure of $18,411,687 in 2007 represents the cash consideration paid or payable by the Company to acquire the Thunder Lake Property. In addition, the Company paid the Vendors' extension fees of $61,372 and $76,883 on April 30, 2008 in connection with the Vendors' agreement to extend the date for payment of the third Cash Installment from February 3, 2008 to April 30, 2008. The Vendors are entitled to receive Common Shares pursuant to the Treasury Shares Requirement. As security for the obligation of the Company to pay the purchase price under the Purchase Agreement (of which only the Treasury Shares Requirement currently remains outstanding), the Company issued a debenture to the Vendors. The debenture mortgages and charges the right, title and interest of the Company in and to the Thunder Lake Property. See "**General Development of the Business – *Thunder Lake Property Acquisition*"**.

Lara Property, Vancouver Island, British Columbia

As discussed elsewhere in this Prospectus, the Company acquired the Lara Property located near Chemainus on southern Vancouver Island, British Columbia from Laramide.

NSR on Sierra Minerals Cerro Colorado Mine, Mexico

As part of the Spin-off Transaction, on December 31, 2007, Laramide transferred to the Company a 2.5% Net Smelter Royalty ("NSR") on production from the Sierra Minerals Cerro Colorado gold mine in Mexico. During 2007, Laramide received royalty income from this NSR of $264,922.

Liquidity and Capital Resources

As at March 31, 2008 the Company had positive working capital of $832,096. As at December 31, 2007, the Company had a negative working capital position of $11,154,607, compared to positive working capital at December 31, 2006 of $49,351.

The main explanation for the improvement in working capital in Q1 08 is the reclassification of the shares in Aquiline Resources that are held by the Company from long-term investments to current investments. Current investments available for sale increased from nil to $8,357,885. In addition, short term investments increased by $7,500,000 primarily due to the proceeds received by the Company from the issue of Special Warrants in March 2008.

Total current assets increased $15,067,209 in Q1 08 while current liabilities increased only $3,080,506, principally as a result of the payable to Laramide of $2,730,943.

As at March 31, 2008, the Company had long-term investment holdings having a market value of $3,621,402, current investments held available for sale of $8,357,885 and short-term investments of $7,500,000.

It is expected that the Company plans to use these funds in 2008 as follows:

- $6,268,873 was paid to the Vendors under the Purchase Agreement on April 30, 2008; and
- in connection with its 2008 exploration program, which includes planned expenditures of approximately $4 million in connection with the Goliath Project and approximately $350,000 in connection with the Lara Polymetallic Project.

The Company agreed to use its best efforts to ensure that the proceeds of $4,025,000 received from Laramide in consideration for the issuance of 2,367,647 flow-through Common Shares will be used to incur Canadian Exploration Expenses that will qualify as "flow-through mining expenditures" as defined in the Tax Act.

In December 2007, the Company issued 2,367,647 flow-through Common Shares in a private placement transaction for proceeds of $4,025,000. In March 2007, the Company issued 1,825,500 Unit Special Warrants and 652,607 Flow-through Special Warrants for aggregate gross proceeds of $5,151,996.

The Company does not currently have the financial resources necessary to undertake all of its currently planned activities. Notwithstanding success to date in acquiring equity financing on acceptable terms, there can be no assurance that the Company will be successful in obtaining any additional required funding necessary to conduct additional exploration, if warranted, on the Properties or to develop mineral resources on the Properties, if commercially mineable quantities of such resources are located thereon.

Off-Balance Sheet Transactions

The Company has not entered into any off balance sheet transactions since its incorporation.

Related Party Transactions

As discussed elsewhere in this Prospectus, in September 2007, the Company and Laramide entered into the Purchase Agreement with the Vendors. In accordance with the Purchase Agreement, the Company and Laramide completed the Spin-Off Transaction in December 2007. In consideration for the transfer of the Spin-off Assets and the payment by Laramide of two Cash Installments, the Company agreed to pay $2,025,000 in cash and issued 17,199,611 Common Shares to Laramide at a deemed issue price of $1.582632 per share. The Spin-off Assets were transferred by Laramide to the Company at their fair value.

In December 2007, the Company issued 2,367,647 flow-through Common Shares to Laramide at a price of $1.70 per share for aggregate proceeds of $4,025,000. The issue price of the Common Shares was determined based on the value of the Company as determined by arm's length negotiation between the Company and the Lead Agent.

In June 2008, the Company borrowed $2,000,000 from Laramide. The loan was made on an interest-free basis and is repayable by the Company on demand by Laramide.

Going Concern

The financial statements of the Company were prepared on the basis that the Company will continue as a going concern, which presumes that it will be able to realize its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern. If management is unsuccessful in securing capital, the Company's assets may not be realized or its liabilities discharged at their carrying amounts and these differences could be material.

Critical Accounting Policies and the Use Of Estimates

A detailed summary of the Company's significant accounting policies including the use of estimates is included in note 2 of the Company's Annual Audited Financial Statements for the years ended December 31, 2007 and 2006.

Changes in Accounting Policies

On January 1, 2007, the Company adopted three new accounting standards issued by the Canadian Institute of Chartered Accountants ("**CICA**"); Section 1530, "Comprehensive Income", Section 3855, "Financial Instruments – Recognition and Measurement", and Section 3865, "Hedges". These standards require that the Company assess all of its financial assets and liabilities in order to determine which should be recorded at fair value.

Accordingly, the Company's investment portfolio has been designated as available for sale and is carried at fair value. Subsequent changes in the fair value will be recorded in other comprehensive income until such time as the security is sold at which time cumulative gains or losses will be transferred to earnings.

Recorded in the financial statements is an adjustment of $262,500, net of taxes, as an adjustment to accumulate other comprehensive income, representing the unrealized net gains on the Company's portfolio investments as at January 1, 2008.

Subsequent Events

On April 1, 2008, Laramide and the Company announced the initial assay results from the ongoing drill program at the Goliath Project. Highlights from assays for the first six drill holes included:

- TL08-01: 9.00 m @ 13.0 g/t Au, 17.4 g/t Ag; incl. 1.0 m @ 82.4 g/t Au, 64.6 g/t Ag
- TL08-03: 7.45 m @ 2.5 g/t Au, 22.9 g/t Ag; incl. 0.45 m @ 16.3 g/t Au, 184.6 g/t Ag
- TL08-04: 9.50 m @ 1.9 g/t Au, 30.4 g/t Ag; incl. 0.5 m @ 7.3 g/t Au, 158.8 g/t Ag
- TL08-06: 0.45 m @ 6.38 g/t Au, 286.0 g/t Ag

In addition to the higher grade intercepts, all 6 drill holes contain anomalous (>100 ppb Au) gold values throughout the lengths of the holes, defining a broad zone of intense alteration. The results suggest a high-grade deposit and the potential to develop additional value through the elevated silver, zinc and lead concentrations.

On April 30, 2008, Laramide and the Company announced the further assay results from the ongoing drill program at the Goliath Project. As of April 30, 2008, 25 holes, totalling 5,549 metres, have been completed on the historic Main Zone of the Thunder Lake Gold Deposit. Results from 16 drill holes had been received on such date and highlights from the most recent 8 drill holes include:

Drill Hole	From (m)	To (m)	Int (m)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)
TL0807	50.00	55.00	5.00	1.62	7.1	0.02	0.03

TL0807	141.50	142.20	0.70	4.33	25.6	0.27	0.59
incl.	142.00	142.20	0.20	13.14	89.7	0.91	1.84
TL0809	26.00	32.00	6.00	1.37	6.2	0.06	0.12
incl.	31.00	31.50	0.50	6.58	52.4	0.42	0.73
TL0809	37.00	39.00	2.00	3.50	9.1	0.04	0.05
incl.	37.00	37.30	0.30	10.85	41.9	0.16	0.22
TL0809	119.00	131.50	12.50	1.38	1.0	0.03	0.05
incl.	125.00	125.70	0.70	6.41	0.0	0.03	0.04
TL0810	67.00	76.00	9.00	1.19	3.0	0.02	0.03
incl.	73.50	74.00	0.50	5.03	7.8	0.08	0.12
TL0811	15.00	15.50	0.50	7.01	0.0	0.01	0.03
TL0811	102.50	107.00	4.50	1.62	1.6	0.06	0.16
incl.	105.00	105.50	0.50	4.69	1.4	0.07	0.14
TL0812	135.00	139.00	4.00	1.05	1.3	0.07	0.12
incl.	138.50	139.00	0.50	4.34	10.4	0.25	0.47
TL0813	122.00	122.50	0.50	7.35	16.7	0.18	0.14
TL0814	71.00	77.00	6.00	6.67	4.6	0.09	0.14
incl.	73.05	73.60	0.55	38.63	44.6	0.61	1.04
TL0815	50.00	51.50	1.50	9.56	1.6	0.16	0.29
incl.	50.80	51.00	0.20	69.11	6.6	0.48	0.79

Work in Progress

Laramide and the Company announced that the following work is currently in progress:

- Two diamond drill rigs are currently operating on the Thunder Lake Property with the second, larger rig targeting deeper portions of the Thunder Lake Deposit. Drilling by the smaller rig is being performed on a grid pattern of 25-50 metre centres, delineating the upper 400 metres of the

deposit. The larger rig is drilling on a grid pattern of 100 metre centres and utilizing wedges, targeting the deposit below 400 metres.

- Surface geophysical surveys (deep-section induced-polarization and detailed magnetics) totalling approximately 75 line kilometres are being completed; borehole geophysical surveys are also being considered.

- Structural study on the basis of oriented drill core from current diamond drilling for the purposes of targeting on the Thunder Lake Deposit and to develop new property-wide targets.

- Ongoing data compilation and targeting on the basis of 3D geological modelling and review of the historic mineral resource estimate.

- Interpretation and integration of recently completed high-resolution airborne magnetometer survey. This data will be integrated with the detailed ground magnetometer survey.

- Property-wide targeting in preparation for summer field program which will include geological mapping, geophysical surveys and surface trenching.

Laramide and the Company also announced that the objectives of the current Phase I, 25,000 m drill program are to verify and increase results from previous drilling, extend the lateral and down-dip directions of the deposit, in-fill areas of the historic mineral resource estimate where little or no information exists, and to complete a National Instrument 43-101 compliant mineral resource estimate.

Financial Instruments

The fair value of the Company's financial instruments approximates their carrying value. The Company's current bank accounts, accounts receivable and accounts payable are non-interest bearing. The majority of the Company's cash is held in short term investments bearing interest of less than 4%.

The principal financial instruments affecting the Company's financial condition and results of operations is currently its cash, which it receives from interest and royalty payments, its investment portfolio and any financing transactions entered into by the Company. These sources of cash are subject to various risks, including production risks with respect to the royalty payments and market risks with respect to the investment portfolio. The investment portfolio is managed by the Company. To date, the Company has not used any currency hedging contracts to manage currency risk.

DESCRIPTION OF THE SECURITIES DISTRIBUTED

The Company is authorized to issue an unlimited number of Common Shares of which 20,567,258 Common Shares are issued and outstanding as at the date of this Prospectus. In addition, 4,008,309 Common Shares are reserved for issuance under the Offering, out of which up to 2,281,875 and 652,607 Common Shares are reserved for issuance upon the exercise of Unit Special Warrants and Flow-through Special Warrants, respectively, and 912,750, and 161,077 Common Shares are reserved for issuance upon the exercise of the Warrants and Broker Warrants, respectively. In addition, 2,567,258 Common Shares are reserved for issuance upon the exercise of stock options under the Stock Option Plan (as defined below). See "**Plan of Distribution**" and "**Incentive Stock Options**".

Upon the automatic exercise of Special Warrants and Compensation Options issued pursuant to the Offering, the Company will be issuing Common Shares, Warrants and Broker Warrants, as applicable.

Common Shares

Holders of Common Shares are entitled to dividends if, as and when declared by the directors, to one vote per share at meetings of shareholders and to receive the remaining property of the Company upon dissolution.

Warrants

The Warrants will be issued and governed pursuant to the Warrant Indenture and will be evidenced by a warrant certificate dated as of the Automatic Exercise Date. Each Warrant will entitle the holder thereof to purchase one Warrant Share at an exercise price of $2.75 per Warrant Share for 24 months following the Automatic Exercise Date, after which time the Warrants will become null and void. The Warrants will be transferable, subject to compliance with securities laws. The Warrant Indenture provides that no fractional Warrant Shares will be issued upon the exercise of Warrants and holders of Warrants will not have any rights as shareholders of the Company. In addition, the Warrant Indenture provides for and contains provisions designed to protect the holders of the Warrants against dilution upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Common Shares, the amalgamation, merger or other forms of business combination of the Company or a rights offering. The foregoing is a summary only of the terms of the Warrants and is qualified by the more detailed provisions of the Warrant Indenture. See "**Prior Sales**" and "**Plan of Distribution**".

Broker Warrants

In consideration for the services performed by the Agents and certain sub-agents, the Company issued an aggregate of 161,077 Compensation Options that will be automatically exercised, for no additional consideration, on the Automatic Exercise Date, into 161,077 Broker Warrants. Each Broker Warrant will be exercisable for 24 months from the Automatic Exercise Date for one Broker Warrant Share at a price of $2.00 per Broker Warrant Share. The Broker Warrants will be transferable, subject to compliance with securities laws. The certificates evidencing the Broker Warrants (the "**Broker Warrant Certificates**") provide that no fractional Broker Warrant Shares will be issued upon the exercise of Broker Warrants and holders of Broker Warrants will not have any rights as shareholders of the Company. In addition, the Broker Warrant Certificates provide for and contain provisions designed to protect the holders of the Broker Warrants against dilution upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Common Shares, the amalgamation, merger or other forms of business combination of the Company or a rights offering. The foregoing is a summary only of the terms of the Broker Warrants and is qualified by the more detailed provisions of the Broker Warrant Certificates. See "**Plan of Distribution**" and "**Use of Proceeds**".

CAPITALIZATION

The following table sets forth the capitalization of the Company on an actual basis and on a *pro forma* basis adjusted to give effect to the Offering:

Description of Security	Number Authorized	Outstanding as at December 31, 2007	Outstanding as at the date of this Prospectus[(1)]	Outstanding as at the Automatic Exercise Date[(1)]
Common Shares	unlimited	20,567,258 ($31,395,656)	20,567,258 ($31,395,656)	23,501,740[(2)] ($38,762,007)
Unit Special Warrants	3,750,000	Nil	1,825,500 ($3,651,000)	Nil
Flow-through Special Warrants	3,260,869	Nil	652,607 ($1,500,996)	Nil
Warrants	1,875,000	Nil	Nil ($2.75 exercise price)	912,750
Compensation Options	243,750	Nil	161,077 ($Nil)	Nil
Broker Warrants	243,750	Nil	Nil ($2.00 exercise price)	161,077 ($2.00 exercise price)
Deficit	-	($125,586)	($188,011)	($188,011)

Notes:

(1) Does not reflect the cost of issuance.

(2) Assumes that the Qualification Date occurs after June 30, 2008.

DIVIDEND RECORD AND POLICY

Since the date of its incorporation, the Company has not declared or paid any dividends on the Common Shares and does not currently intend to pay dividends. Earnings will be retained for the future operation and development of the Company's business.

OPTIONS TO PURCHASE SECURITIES

Incentive Stock Option Plan

The Company has established a stock option plan to provide incentive compensation to the Company's directors, officers, employees and consultants (the "**Stock Option Plan**").

The exercise price, terms and conditions of the options are established by the board of directors, subject to the rules of the regulatory authorities having jurisdiction over the securities of the Company. The exercise price at the time of the grant of the options shall not be less than the closing market price of the Common Shares listed on the TSX on the day prior to their grant. Options granted under the Stock Option Plan may be exercised during a period not exceeding ten years. The options are non-transferable.

The Company has reserved for issuance 10% of the issued and outstanding Common Shares from time to time under the Stock Option Plan.

As of the date of this prospectus no options have been granted. The Company's board of directors has authorized the Company to grant 1,715,000 options under the Stock Option Plan on the date that the common shares are listed on the TSX or TSXV, as applicable, but not before such date.

PRIOR SALES

During the preceding twelve months, the Company issued the following securities as set out below.

Date of Issuance or Sale	Description of Transaction	Aggregate Number of Securities Issued	Type of Security	Price per Security	Total Gross Consideration
December 27, 2007	Share and Asset Transfer	17,199,611	Common Shares	$1.582632	$27,220,656
December 31, 2007	Private Placement	2,367,647	Common Shares	$1.70	$4,025,000
Closing Date	Private Placement	1,825,500	Unit Special Warrants	$2.00	$3,651,000
Closing Date	Private Placement	652,607	Flow-through Special Warrants	$2.30	$1,500,996
Closing Date	Private Placement	161,077	Compensation Options	_	_

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

Escrowed Shares

Pursuant to National Policy 46-201 – *Escrow for Initial Public Offerings* (the "**Escrow Policy**"), each of Laramide, Marc Henderson, Scott-Jobin Bevans, James Fairbairn, William Fisher, Blaise Yerly, Peter Walker, Linda Montgomery and Chris Irwin (collectively, the "**Principals**") qualify as "Principals" pursuant to the Escrow Policy. Principals who hold securities carrying more than 1% of the voting rights attached to the Company's outstanding securities will be required to enter into an escrow agreement (the "**Escrow Agreement**") with the Company and Equity effective on the Qualification Date. A total of 237,445 Common Shares, 87,500 Warrants and 645,000 stock options (if granted) will be deposited into escrow with Equity as escrow agent on the Qualification Date (the "**Escrowed Securities**"). Pursuant to the Escrow Agreement, the following securities of the Company will be held in escrow:

Designation of Class	Number of Escrowed Securities	Percentage of Issued Common Shares as at the date of this Prospectus
Common Shares	237,445[(1)]	Less than 1%
Warrants	87,500	Less than 1%
		3%

Stock Options	645,000[(2)]

(1) This number reflects the number of Common Shares that will be held in escrow if the Qualification Date occurs after June 30, 2008. In addition, Laramide will deposit into escrow with Equity the Common Shares held by it that are not distributed to Laramide shareholders pursuant to its intended return of capital.

(2) Assumes that the 1,715,000 stock options authorized by the board are granted.

The Escrow Agreement will provide that the Escrowed Securities may not be sold, transferred, assigned, mortgaged or otherwise dealt with except in limited circumstances provided by the Escrow Agreement. However, a holder of Escrowed Securities may exercise any voting rights attached to his, her or its Escrowed Securities and receive distributions on such Escrowed Securities.

The Escrowed Securities will be released from escrow over time, depending on when the Common Shares are listed on the TSX and the relevant TSX rules. If and when the Common Shares are listed on the TSX, the Company will not be classified as an exempt issuer by TSX, and the Escrowed Securities will be released from escrow as follows:

On the listing date	1/4 of the Escrowed Securities
6 months after the listing date	1/3 of the remaining Escrowed Securities
12 months after the listing date	1/2 of the remaining Escrowed Securities
18 months after the listing date	The remaining Escrowed Securities

The Escrowed Securities cannot generally be transferred or otherwise dealt with while in escrow other than pursuant to certain permitted transfers or dealings within escrow, as more particularly set out in the Escrow Agreement.

As discussed below, each of the directors and officers of the Company provided the Agents with an undertaking not to sell securities of the Company for a period of 180 days from the Closing Date. See "**Plan of Distribution – Standstill Arrangement**".

PRINCIPAL HOLDERS OF COMMON SHARES

As at the date of this Prospectus, to the knowledge of the directors and officers of the Company, no person beneficially owns, directly or indirectly, or exercises control or direction over, Common Shares carrying more than 10% of the voting rights attaching to all outstanding Common Shares, except as follows:

Name of Shareholder	Designation of Class	Type of Ownership	Number and Percentage of Common Shares on the date of this Prospectus	Number and Percentage of Common Shares on Automatic Exercise Date[(1)]
Laramide Resources Limited	Common Shares	Registered and Beneficial	20,567,258 100%	20,567,258 77%[(1)]
Corona Gold Corporation	Common Shares	Registered and Beneficial	Nil	2,678,870 [(1)(2)] 10%[(1)]

Notes:

(1) Assuming that 26,788,715 Common Shares are issued and outstanding on the Automatic Exercise Date after giving effect to the automatic exercise of the Special Warrants and the issuance of 3,286,975 Common Shares to Teck and Corona pursuant to the Purchase Agreement..

(2) The Company intends to issue these shares to Corona pursuant to the Purchase Agreement.

DIRECTORS AND OFFICERS

The following table sets out, for each of the Company's directors and executive officers, the individual's name, municipality of residence, positions with the Company, principal occupation during the five preceding years, and, if a director, the month and year in which such individual became a director. The directors of the Company are elected annually and the term of office of each director will expire at the time of the next annual meeting of shareholders of the Company or until his or her successor is elected or appointed.

Name and Municipality of Residence	Position with the Company	Director or Officer Since	Principal Occupation during the five preceding years[(2)]
Marc Henderson[(1)] Toronto, Ontario, Canada	Director	August 2007	Mr. Henderson is a director of the Company and Chairman of the board of directors and has been a director since August 2007. Mr. Henderson currently serves as the President, Chief Executive Officer and a director of Laramide and has held this position since May 1995. He is currently also President of Aquiline Resources Inc. and has held this position since 1995.
Scott Jobin-Bevans Toronto, Ontario, Canada	President, Chief Executive Officer and Director	January 2008	Dr. Jobin-Bevans is President, Chief Executive Officer and a director of the Company and has held these positions since January 2008. From September 2001 until the present, Dr. Jobin-Bevans has served as Managing Director of Caracle Creek International Consulting Inc. Dr. Jobin-Bevans also served as Vice-President Exploration of Pacific North West Capital Corp. from May 2002 to May 2003 and until recently was a director of Absolut Resources Corp. Currently, Dr. Jobin-Bevans is also Vice-President Exploration for Takara Resources Inc. and 1st Vice-President and director of the Prospectors and Developers Association of Canada.
William Fisher[(1)] Toronto, Ontario, Canada	Director	February 2008	Mr. Fisher is a director of the Company and has held this position since February 2008. Mr. Fisher is currently Chief Executive Officer and a director of Karmin Exploration Inc. and has been Chief Executive Officer since August 2001, and a director since 1995. He also acted as Chief Executive Officer and director of GlobeStar Mining Corporation from August 2001 to February 2008, when he resigned from both positions. Mr. Fisher is also Chairman of the board of directors and a director of Aurelian Resources Inc, and a director of PC Gold, both TSX listed companies.
Blaise Yerly[(1)] Corseaux, Switzerland	Director	February 2008	Mr. Yerly is a director of the Company and has held this position since February 2008. Mr. Yerly is currently Chairman of the board of directors of Aquiline Resources Inc. Mr. Yerly also serves as Managing Director of Minosucra LLC (formerly Triumph International Trading Ltd.) and has held this position since 1998.

Name and Municipality of Residence	Position with the Company	Director or Officer Since	Principal Occupation during the five preceding years[(2)]
James Fairbairn Toronto, Ontario, Canada	Chief Financial Officer	June 2008	Mr. Fairbairn is Chief Financial Officer of the Company is a self-employed chartered accountant, consulting for public companies since 1990. Mr. Fairbairn holds has held the following positions during the five previous years to the date of this Prospectus: Treasurer of CGX Energy Inc. from March 1997 to present; Chief Financial Officer and a director of Vena Resources Inc. from February 2004 to present; Chief Financial Officer of Garrison International from May 2005 to December 2006; Chief Financial Officer of Trelawney Resources Inc. from June 2005 to present; Treasurer of Ausnoram Holdings Ltd. from January 2001 to June 2005; Chief Financial Officer of Band-Ore Resources Corp. from October 1995 to September 2006; Chief Financial Officer of Black Pearl Minerals Consolidated Inc. from June 2006 to present; Chief Financial Officer of Claim Post Resources from August 2006 to present; Chief Financial Officer of Portage Minerals Inc. from June 2006 to present; Chief Financial Officer of Southeast Asia Mining Corp. from August 2006 to present; and Chief Financial Officer of Bandolac Mining Company, Ltd. from August 2006 to present.
Peter Walker Toronto, Ontario, Canada	Director	February 2008	Mr. Walker is a director of the Company and has held this position since February 2008. Mr. Walker is currently self-employed as a consultant. From July 1993 to March 2005, Mr. Walker was Chairman, director, President and Chief Executive Officer of Corona. Mr. Walker is currently a director of Corona and has held this position since July 1993.
Linda Montgomery Toronto, Ontario, Canada	Vice-President, Investor Relations	February 2008	Ms. Montgomery is Vice-President, Investor Relations of the Company and has held this position since February 2008. From December 2000 until December 2007, Ms. Montgomery was President of L.K. Montgomery and Assoc., a consulting firm which provided investor relations services.
Chris Irwin Toronto, Ontario, Canada	Secretary	August 2007	Mr. Irwin is Secretary of the Company and has held this position since August 2007. Mr. Irwin practises securities and corporate/commercial law and has been the President of Irwin Professional Corporation since August 2006. Prior thereto he was an associate at Wildeboer Dellelce LLP from January, 2004 to August, 2006. From January 2001 to December 2004, he was an associate at Power Budd LLP, Barristers and Solicitors. Mr. Irwin is a director and/or officer of several public companies including: Seafield Resources Ltd.; Laramide Resources Ltd.; Kinbauri Gold Corp.; Roscan Minerals Corp.; Black Pearl Minerals Consolidated Inc.; Trelawney Resources Inc. and Ursa Major Minerals Incorporated.

Notes:

(1) Member of the Company's audit committee.

(2) Based on information provided by the individuals.

As of the date of this Prospectus, the directors and executive officers of the Company as a group beneficially own, directly or indirectly, no Common Shares in the capital of the Company.

Penalties or Sanctions

No director or executive officer of the Company and no shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company has been subject to:

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

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

Corporate Cease Trade Orders or Bankruptcies

Except as set out below, none of the Company's directors or executive officers:

(a) is, as at the date of this Prospectus, or was within 10 years before the date of this Prospectus, a director or chief executive officer or chief financial officer of any company (including the Company) that:

  (i) was the subject of an order (as defined in Form 51-102F5 under National Instrument 51-102) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

  (ii) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer, or chief financial officer, and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer, or chief financial officer, and

none of the directors, executive officers or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company,

(b) is, at the date hereof, or has been within 10 years before the date of this Prospectus, a director or executive officer of any company (including the Company) that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(c) has, within the 10 years before this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become 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 such director, executive officer or shareholder.

Mr. Fairbairn is an officer of Black Pearl Minerals Consolidated Inc., which on July 30, 2001 and July 23, 2003 became subject to management cease trade orders because that company, in each case, did not file

its financial statements, management discussion and analysis and annual information form on time, as required under applicable law. The management cease trade orders were subsequently revoked.

Mr. Fairbairn is an officer of Bandolac Mining Company, Limited, which on May 28, 2004 and June 9, 2004 became subject to management cease trade orders because that company, in each case, did not file its financial statements, management discussion and analysis and related certifications on time, as required under applicable law. The management cease trade orders are still in effect.

Conflicts of Interest

The transactions in which directors, senior officers, promoters or principal holders of the Company's securities have had an interest in are described under the headings "Interest of Management and Others in Material Transactions", "Options to Purchase Securities" and "Executive Compensation". Other than as described under these headings, there are no material transactions with or involving the directors, senior officers, promoters or principal holders of securities of the Company that have occurred since incorporation. Certain of the Company's directors and officers also serve as directors and/or officers of companies which may enter into contracts with the Company in the future. In the event that this occurs, a conflict of interest will exist. Directors in a conflict of interest position are required to disclose such conflicts to the Company.

EXECUTIVE COMPENSATION

Summary of Compensation

As noted above, prior to the completion of the Offering, the Company was a wholly owned subsidiary of Laramide. The Company had no active business or operations until September 2007 when the Company entered into the Purchase Agreement, other than to hold and carry on exploration activities in respect of the Goliath Property and the President and Chief Executive Officer and Chief Financial Officer of the Company did not assume these roles until January 2008. From the period from incorporation to the date of the Company's most recently completed financial year, no executive officer of the Company, including its President and Chief Executive Officer and Chief Financial Officer, received any salary, bonus or other compensation from the Company.

Long-Term Incentive Plans, Options and SARs Awards in most recently completed Fiscal Year

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

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

During the most recently completed fiscal year, there were no incentive stock options or SARs exercised by any officers of the Company.

Termination of Employment, Change in Responsibilities and Employment Contracts

There is no compensatory plan or arrangement with respect to the executive officers, or other directors of the Company which results or will result in such person receiving more than $100,000 from the Company in the event of the resignation, retirement or any other termination of employment of such person with the Company or from a change of control of the Company or a change in such person's responsibilities following change of control.

COMPENSATION OF DIRECTORS

Non-management directors of the Company will each receive compensation of $15,000 per year. In addition, the chairman of the audit committee will be paid $10,000 annually and each other member of the audit committee will be paid $4,000 annually. The chairman of any other committee established by the board of directors from time to time, including the Company's compensation committee, will be paid $5,000 annually and each other member of such committee will be paid $3,000 annually. Directors are also eligible to participate in the Stock Option Plan.

INDEBTEDNESS OF OFFICERS AND DIRECTORS

As of the date of this Prospectus there is no indebtedness of any executive officers, directors (or any associate of such director or executive officer), employees, or former executive officers, directors or employees, to the Company.

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

Audit Committee

Audit Committee Charter

The Company's audit committee is directly responsible for overseeing the work of the auditors and must pre-approve all non-audit services, be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and must establish procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters. The audit committee has not yet adopted a written charter, but intends to do so in compliance with Multilateral Instrument 52-110 – Audit Committees.

Composition of the Audit Committee

The current members of the audit committee are Messrs. Fisher, Henderson and Yerly. All the members of the audit committee are considered to be "independent" and "financially literate" as defined in Multilateral Instrument 52-110 – Audit Committees.

Relevant Education and Experience

All three directors comprising the Company's audit committee are currently and have been executive officers and directors of a number of companies. In these positions, each director is and has been responsible for receiving financial information relating to the entities of which they are or were formerly officers and directors. Each member of the audit committee has an understanding of financial statements generally and how those statements are used to assess the financial position of a company and its operating results. Each member of the audit committee also has a significant understanding of the

business in which the Company is engaged in and has an appreciation for the relevant accounting principles for the business of the Company.

External Auditor Service Fees

The following table sets out the fees billed by the Company's external auditor, Smith Nixon LLP, for audit and non-audit services in the last two fiscal years:

Nature of Services	**Fees Paid to Auditor in Year Ended December 31, 2007**	**Fees Paid to Auditor in Year Ended December 31, 2006**
Audit Fees	Nil	Nil
Audit-Related Fees	Nil	Nil
Tax Fees	Nil	Nil
All Other Fees	Nil	Nil

Corporate Governance

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Company's board, be reasonably expected to interfere with the exercise of a director's independent judgment. The independent members of the Company's board of directors are Messrs. Fisher, Henderson, Walker and Yerly. Dr. Jobin-Bevans, the President, Chief Executive Officer and a director of the Company is not independent, by virtue of his role with the Company.

The following table identifies each director of the Company who is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction:

Director	**Reporting Issuer (or equivalent)**
Marc Henderson	Laramide Resources Inc., Aquiline Resources Inc. and Lydian International Limited.
William Fisher	Karmin Exploration Inc., Aurelian Resources Inc. and PC Gold
Peter Walker	Corona Gold Corporation
Blaise Yerly	Aquiline Resources Inc.
Scott Jobin-Bevans	Takara Resources Inc.

The Company has not yet adopted a formal written mandate. The Company anticipates that any mandate adopted by the board will require directors to hold regularly scheduled meetings at which members of management are not in attendance. Since the current board was constituted in February 2008, there have not been any specific formal meetings of the independent directors. However, open and candid discussion among the independent directors has occurred through informal discussions among the independent directors prior to formal board meetings, and through informal meetings and telephone conversations between the independent directors.

All directors have been present at each meeting of the board and each member of the audit committee has attended each meeting of the audit committee since the current board was constituted in February 2008.

Board Mandate

The Company has not yet adopted a formal written board mandate. The Company anticipates that the board will adopt a written mandate that sets out the role, composition and responsibilities of the board of directors of the Company. To date, the responsibilities of the board have been delineated by the establishment of an audit committee and compensation committee and through discussion among the directors.

Position Descriptions

The board has not developed a written position description for the Chairman of the board and for the chairman of each board committee or for the Chief Executive Officer. The roles and responsibilities of such positions have to date been delineated in accordance with customary practice. It is anticipated that written descriptions for these roles will be contained in a board mandate.

Orientation and Continuing Education

The Company has not yet adopted any policies or procedures with respect to director orientation or continuing education.

Ethical Business Conduct

The board has not adopted a written ethics code. The Company believes that the fiduciary duties placed on directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on the participation by directors in decisions of the board in which the director has an interest, provides sufficient protection to ensure that the board operates independently of management and in the best interests of the Company.

Nomination of Directors

The board has not yet adopted any procedures for the nomination of new directors. The board does not yet have a nominating committee.

Compensation

The board has established a compensation committee composed of two directors, both of whom are independent of the Company. The current members of the compensation committee are Messrs. Fisher

and Walker. The compensation committee is responsible for reviewing the compensation for the Company's directors, Chief Executive Officer and Chief Financial Officer and making recommendations to the board. The board considers such recommendations and determines the compensation for the directors and such officers.

Assessments

The board monitors the strategic direction and processes of the board and its committees. The board has not yet determined whether or not to implement any processes for formal assessments of directors.

PLAN OF DISTRIBUTION

Offering

On the Closing Date, the Company issued and sold to subscribers in British Columbia and Ontario pursuant to prospectus exemptions under applicable securities legislation and in other foreign jurisdictions, pursuant to the Agency Agreement an aggregate of 1,815,500 Unit Special Warrants and 652,607 Flow-Through Special Warrants at a purchase price of $2.00 per Unit Special Warrant and $2.30 per Flow-Through Special Warrant for aggregate gross proceeds of $5,131,996. In addition, the Company issued and sold to a subscriber in the United States 10,000 Unit Special Warrants at a purchase price of $2.00 per Unit Special Warrant for proceeds of $20,000 on a non-brokered basis. The Company also issued an aggregate of 161,077 Compensation Options in connection with the issuance of the Special Warrants. The Company received the net proceeds of the Offering on the Closing Date.

This Prospectus qualifies the distribution of (i) up to 2,281,875 Unit Shares and 912,750 Warrants of the Company issuable upon the automatic exercise of 1,825,500 issued and outstanding Unit Special Warrants, (ii) 652,607 Flow-Through Shares issuable upon the automatic exercise of 652,607 issued and outstanding Flow-Through Special Warrants, and (iii) 161,077 Broker Warrants issuable upon the automatic exercise of 161,077 issued and outstanding Compensation Options. This Prospectus also qualifies the distribution of up to 20,567,258 ROC Shares by Laramide to shareholders of Laramide.

In consideration for the services performed by the Agents and certain sub-agents, the Agents and certain sub-agents received the Commission on the Closing Date. The Company reimbursed the Agents for its reasonable out-of-pocket expenses incurred by them in connection with the Private Placement, including the reasonable fees and disbursements of legal counsel to the Agents and applicable taxes.

The Special Warrants were created and issued under the Special Warrant Indenture entered into on the Closing Date, between the Company and the Special Warrant Agent. Each Unit Special Warrant will be automatically exercised into one Unit Share (subject to adjustment as set out below) and one-half of one Warrant and each Flow-Through Special Warrant will be automatically exercised into one Flow-Through Share, in each case, at 9:00 a.m. (Toronto time) on the Automatic Exercise Date. Special Warrant holders will not be entitled to exercise any Special Warrants prior to the Automatic Exercise Date. Each Warrant entitles the holder to purchase one Warrant Share at an exercise price of $2.75 per Warrant Share for 24 months following the date of issuance of the Warrants. The Warrants will be issued pursuant to the Warrant Indenture, made as of the Closing Date, between the Company and the Warrant Agent. If the Qualification Date does not occur on or before:

(I) April 30, 2008, (which it did not), each Unit will consist of 1.15 Unit Shares and one-half of one Warrant; and

(II) June 30, 2008, each Unit will consist of 1.25 Unit Shares and one-half of one Warrant.

The Company and Laramide have agreed to use all reasonable commercial efforts to file this Prospectus qualifying the distribution of the Unit Shares and Warrants upon the automatic exercise of the Unit Special Warrants, the Flow-Through Shares upon the automatic exercise of the Flow-Through Special Warrants, the Broker Warrants upon the automatic exercise of the Compensation Options and the ROC Shares with the applicable regulatory authorities in the Qualifying Jurisdictions and obtain a receipt for this Prospectus from the Principal Regulator pursuant to MI 11-102 as soon as possible following the Closing Date. In addition, the Company and Laramide have agreed to use all reasonable commercial efforts to list and post for trading the Common Shares, including the Unit Shares, Warrant Shares and Broker Warrant Shares, on the TSX or TSX-V by the time of receipt by the Company of a receipt for the Final Prospectus from securities regulatory authorities in the Qualifying Jurisdictions.

No fractional Common Shares or Warrants will be issued upon the automatic exercise of the Special Warrants and holders of the Special Warrants will not have any rights as shareholders of the Company.

Stand-still Arrangement

Under the Agency Agreement, the Company agreed that it will not, for a period of 180 days after the Closing Date, without the prior written consent of the Lead Agent, such consent not to be unreasonably withheld, authorize, sell or issue or announce its intention to authorize, sell or issue, for cash proceeds, negotiate or enter into an agreement to sell or issue for cash proceeds, any securities of the Company (including those that are convertible or exchangeable into securities of the Company) other than (i) pursuant to the Offering; (ii) the issue of non-convertible debt securities; (iii) upon the exercise of convertible securities, options or warrants of the Company outstanding at January 21, 2008; (iv) pursuant to the Stock Option Plan; or (v) pursuant to the acquisition of shares or assets of arm's length persons which does not result in a change of control of the Company.

In addition, under the Agency Agreement, Laramide agreed that, for a period of 180 days after the Closing Date, it will not, without the prior written consent of the Lead Agent, such consent not to be unreasonably withheld, sell or announce its intention to sell, negotiate or enter into an agreement to sell any securities of the Company (including those that are convertible or exchangeable into securities of the Company) other than pursuant to the Offering.

Each of the directors and officers of the Company provided to the Agents on the Closing Date an undertaking not to sell any securities of the Company (including those that are convertible or exchangeable into securities of the Company) for a period of 180 days following the Closing Date.

Determination of Price

The issue price of the Special Warrants was determined by arm's length negotiation between the Company and the Agents.

Listing Application

The Company has applied to the TSX to list its Common Shares, including those qualified pursuant to this Prospectus, on the TSX. Listing will be subject to the Company fulfilling all of the listing

requirements of the TSX.

RISK FACTORS

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

Limited Operating History

The Company has no history of earnings. The Company's properties are in the exploration stage and there are no known commercial quantities of mineral reserves on the Company's properties. The purpose of the Offering was to raise funds to carry out exploration and development with the objective of establishing economic quantities of mineral reserves. There can be no assurance that that the Company will discover quantities of minerals on the Properties that can be economically produced.

The Company has no experience in placing resource properties into production, and its ability to do so will be dependent upon using the services of appropriately experienced personnel or entering into agreements with other major resource companies that can provide such expertise. There can be no assurance that the Company will have available to it the necessary expertise when and if the Company places its resource properties into production.

Title Risks

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

Failure to obtain additional financing

The Company does not currently have the financial resources necessary to undertake all of its currently planned activities. As a result of the completion of the Offering, the Company will be able to undertake an exploration program. However, there can be no assurance that the Company will be successful in obtaining any additional required funding necessary to conduct additional exploration, if warranted, on the Company's exploration properties or to develop mineral resources on such properties, if commercially mineable quantities of such resources are located thereon. Failure to obtain additional financing on a timely basis could cause the Company to forfeit its interest in such properties.

Exploration and Development

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors that are beyond the control of the Company and that cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting minerals and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital. All of the claims to which the Company has a right to acquire an interest are in the exploration stage only and are without a known body of commercial ore. Development of the subject mineral properties would follow only if favourable exploration results are obtained.

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

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

Production

Mineral exploration is highly speculative in nature, involves many risks, and frequently does not lead to the discovery of commercial reserves of minerals. While the rewards can be substantial if commercial reserves of minerals are found, there can be no assurance that the Company's past or future exploration efforts will be successful, that any production therefrom will be obtained or continued, or that any such production which is attempted will be profitable.

Environmental Regulations, Permits and Licenses

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

and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Such operations and exploration activities are also subject to substantial regulation under applicable laws by governmental agencies that may require the Company to obtain permits from various governmental agencies. There can be no assurance, however, that all permits that the Company may require for its operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations will not have an adverse effect on any mining project which the Company might undertake.

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

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the 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.

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

Insurance and Uninsured Risks

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance may not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Lags

The Company is unable to predict the amount of time which may elapse between the date when any new mineral resource may be discovered and the date when production will commence from any such discovery.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. Unusual or infrequent weather phenomena, terrorism, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

Competition

The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have greater financial resources and technical facilities. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

Management

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

Commodity Prices

Factors beyond the control of the Company may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. The effect of these factors on the Company's operations cannot be predicted.

Price Volatility of Publicly Traded Securities

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

The value of securities qualified hereunder will be affected by market volatility. Before the Qualification Date, there has been no public market for the Common Shares. An active public market for the Common Shares might not develop or be sustained after the Qualification Date. The offering price of the Special Warrants was determined by arm's length negotiation between the Company and the Agents and such price will not necessarily reflect the prevailing market price of the Common Shares following the Qualification Date. If an active public market for the Common Shares does not develop, the liquidity of a

shareholder's investment may be limited and the share price may decline below the offering price for the Special Warrants.

Conflicts of Interest

Some of the directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, and situations may arise where these directors and officers will be in direct competition with the Company. Conflicts, if any, will be dealt with in accordance with the relevant provisions of applicable corporate law.

Risk Factors Related to Flow-Through Shares

The tax treatment applicable with respect to mineral exploration activities and flow-through shares constitutes a major factor when considering an investment in the Flow-Through Shares. There is no guarantee that the taxation laws and regulations and the current administrative practices of both the federal and provincial tax authorities will not be amended or construed in such a way that the tax considerations for a subscriber holding Flow-Through Shares will not be altered, and moreover there is no guarantee that there will not be any differences of opinion between the federal and provincial tax authorities with respect to the tax treatment of the Flow-Through Shares and the activities contemplated by the Company's exploration and development programs. See "**Certain Canadian Federal Income Tax Considerations**".

The Flow-Through Shares are designed for investors whose income is subject to high marginal tax rates. The right to deduct CEE accrues to the initial purchaser of Flow-Through Shares and is not transferable. No guarantee can be given that Canadian tax laws will not be amended, that the amendments announced with respect to such laws will be adopted or that the current administrative practices of the tax authorities will not be modified. Consequently, the tax considerations for subscribers holding or selling Flow-Through Shares may be fundamentally altered. See "**Certain Canadian Federal Income Tax Considerations**".

There is no guarantee that an amount equal to the total proceeds of the sale of the Flow-Through Shares will be expended on or prior to December 31, 2009 as CEE resulting in the deductions described under "Certain Canadian Federal Income Tax Considerations". If the Company does not expend an amount equal to the proceeds from the sale of the Flow-Through Shares prior to December 31, 2009, the Company shall restate the amount of expenses that it has renounced in favour of the Flow-Through Special Warrant subscribers and the Flow-Through Special Warrant subscribers will be reassessed and will remit the tax benefits from which they would have benefited. Subscribers will not be subject to penalties for any such reassessment and no interest will be payable on such additional tax if such tax is paid by April 30, 2010. The Company may fail to incur CEE prior to December 31, 2009, although the Company has agreed to indemnify such subscribers in such event, and there is no guarantee that the Company will have the financial resources to adequately compensate subscribers for the failure.

Dividends

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

Speculative Nature of the Securities of the Company

The securities of the Company are speculative in nature due to the Company's activities. Mineral exploration is highly speculative and involves material risks. The securities of the Company are more suited to persons who can accept the risks inherent in holding shares of a mineral exploration company. No guarantee can be given that an economical viable deposit will be discovered.

Estimates of Mineral Resources

There are numerous uncertainties inherent in estimating ore reserves and mineral resources. The accuracy of any reserve or resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation.

Fluctuations in precious or base metal prices, results of frilling, metallurgical testing, and production and the evaluation of mine plans subsequent to the date of any estimate may require revision of such estimate. The volume and grade of reserves mined and processed and recovery rates may not be the same as anticipated. In addition, there can be no assurance that precious or base metal recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

Any material reductions in estimates of ore reserves and mineral resources, could eventually have a material adverse effect on the Company's results of operations and financial condition.

Absence of Public Trading Market

Currently, there is no public market for the Common Shares, and there can be no assurance that an active market for the Common Shares will develop or be sustained after the Qualification Date. If an active public market for the Common Shares does not develop, the liquidity of a subscriber's investment may be limited and the share price may decline below the offering price for the Special Warrants.

PROMOTER

Laramide may be considered a promoter of the Company based on its instrumental role in initially founding and forming the Company. See "Principal Holders of Common Shares" above for the number and percentage of securities of the Company beneficially owned, directly or indirectly, or over which control is exercised by Laramide. As discussed elsewhere in this Prospectus, as part of the transactions contemplated by the Purchase Agreement, Laramide agreed to transfer the Spin-off Assets to the Company. In consideration for the transfer of the Spin-off Assets, the Company paid $2,025,000 of cash and issued 17,199,611 Common Shares to Laramide at a deemed issue price of $1.582632 per share. The Company also issued 2,367,647 flow-through common shares to Laramide at an issue price of $1.70 per share in a private placement transaction, the proceeds of which were used to make payments to the Vendors in connection with the Company's acquisition of the Thunder Lake Property. The number of Common Shares so issued in these transactions and the aggregate consideration for such shares was determined based on a valuation of the Company determined by the Company in consultation with the Lead Agent in connection with the Offering. See **"General Development – History**".

Other than as described in this Prospectus, no promoter of the Company has received or will receive anything of value, including money, property, contracts, options or rights of any kind from the Company, directly or indirectly, in respect of acting as a promoter of the Company. See "**Plan of Distribution**".

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Management is not aware of any legal proceedings the Company is or was a party to, or that any of its property is or was the subject of, since the beginning of the Company's most recently completed financial year or for which financial statements of the Company are included in this Prospectus.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director, executive officer or principal shareholder of the Company, or associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction within the preceding three years or in any proposed transaction that has materially affected or will materially affect the Company other than the transactions between Corona and the Company under the Purchase Agreement, the transfer of assets by Laramide to the Company as contemplated in the Purchase Agreement and the loan by Laramide to the Company as described elsewhere in this Prospectus. In addition, in January 2008, Dr. Jobin-Bevans was appointed as Chief Executive Officer and director of the Company. Dr. Jobin-Bevans is a principal and Managing Director of CCIC, which prepared the Technical Reports prior to such appointments. Dr. Jobin-Bevans did not participate in the preparation of the Technical Reports. See "**General Development of the Business - Purchase Agreement**".

EXPERTS AND INTEREST OF EXPERTS

The information on the Properties is summarized from the Technical Reports prepared by CCIC. A copy of the Technical Reports can be found on the Company's disclosure page on www.sedar.com. The Thunder Lake Technical Report was prepared by Stephen Wetherup and Iain Kelso both of whom are independent consulting geologists, are independent of the Company and have no interest in the Thunder Lake Property. The Lara Technical Report was prepared by Stephen Wetherup and Iain Kelso all of whom are independent consulting geologists, are independent of the Company and have no interest in the Lara Property. Neither CCIC nor the authors of the Technical Reports own beneficially, directly or indirectly, more than 1%, respectively, of any class of securities of the Company.

Certain legal matters relating to the offering will be passed upon on behalf of the Company by Irwin Professional Corporation and on behalf of the Agents by Lang Michener LLP. At the date hereof, the principals of Irwin Professional Corporation and the partners and associates of Lang Michener LLP do not own beneficially, directly or indirectly, more than 1%, respectively, of any class of securities of the Company.

The Company's auditors, Smith Nixon LLP, prepared the audit report included in the Prospectus. The partners and associates of Smith Nixon LLP do not own beneficially, directly or indirectly, more than 1%, of any class of securities of the Company.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

Subject to the qualifications and assumptions contained herein, in the opinion of Irwin Professional Corporation, counsel to the Company, the following is a summary of the principal Canadian federal income tax considerations generally applicable to recipients of Unit Shares and Warrants on the automatic exercise of the Unit Special Warrants, recipients of Flow-Through Shares on the automatic exercise of the Flow-Through Special Warrants and recipients of ROC Shares by way of a return of capital by Laramide (hereinafter the "**Holders**").

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to an investment in the securities referred to above. This summary is based upon the current provisions of the Tax Act, the regulations thereunder (the "**Regulations**"), counsel's understanding of the prevailing administrative views of the Canada Revenue Agency ("**CRA**") and all specific proposals to amend the Tax Act and the Regulations publicly announced by the Minister of Finance (Canada) prior to the date hereof (the "**Proposals**"). This summary does not otherwise take into account any changes in law, whether by legislative, governmental or judicial action, nor does it take into account or consider any provincial, territorial or foreign income tax considerations. It is assumed that the Proposals will be enacted as currently proposed and that there will be no relevant amendments of any governing law. However, no assurances can be given that the Proposals will be enacted in the form proposed, if at all, or that legislative, judicial or administrative changes will not modify or change the statements expressed herein. Accordingly, there can be no assurance that the tax consequences of acquiring, holding or disposing of the securities referred to herein will be identical to those described herein.

This summary is applicable to Holders who, for the purposes of the Tax Act and at all relevant times, are residents of Canada, hold their Unit Special Warrants and Flow-Through Special Warrants, and will hold their Unit Shares, Flow-Through Shares, ROC Shares and Warrants as capital property, deal at arm's length with the Company and do not use or hold, and are not deemed to use or hold, their Unit Shares, Flow-Through Shares, ROC Shares and Warrants in, or in the course of, carrying on a business in Canada.

This summary does not apply to Holders: (i) who are "principal-business corporations" within the meaning of the Tax Act; (ii) whose business includes trading or dealing in rights, licenses or privileges to explore for, drill for or take minerals, oil, natural gas or other related hydrocarbons; (iii) who are "financial institutions" within the meaning of the "mark-to-market" rules contained in the Tax Act; (iv) an interest in which constitutes a "tax shelter investment" as defined in the Tax Act; or (v) that are partnerships or trusts.

This summary assumes that the Company will make all tax filings in respect of the Flow-Through Shares for the renunciation of CEE in the manner and within the time required by the Tax Act and the Regulations and that all renunciations will be validly made. In addition, while the Company will furnish each holder of Flow-Through Shares with information relevant to the Holder's Canadian federal and provincial income tax returns, the preparation and filing of those returns will remain the responsibility of each Holder. This summary further assumes that the Company will incur sufficient CEE to enable it to renounce to Holders of Flow-Through Shares all of the expenses covenanted to be renounced by the Company pursuant to subscription agreements effective on the renunciation date. This summary is based on the Company being, and maintaining its status as, a "principal-business corporation", for purposes of the Tax Act, at all material times, and assumes that any Flow-Through Shares are not "prescribed shares" within the meaning of the Regulations. If any of the above assumptions are incorrect, the Company may be unable to renounce some or all of the CEE which it has agreed to renounce in the subscription agreements.

Counsel has made no independent verification of any matter referred to above and no opinion is expressed regarding any of the assumptions made in this summary of income tax considerations.

The Canadian federal income tax consequences to a particular Holder will vary depending upon a number of factors including the province in which the Holder resides, carries on business or has a permanent establishment, the legal characterization of the Holder as an individual, corporation, trust or partnership,

the amount that would be the Holder's taxable income but for the acquisition of securities referred to herein and the manner in which the funds subscribed for securities referred to herein are expended.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. Accordingly, prospective Holders are urged to consult their own tax advisors with respect to their own particular circumstances.

Automatic Exercise of Unit Special Warrants and Flow-Through Special Warrants

No gain or loss will be realized by a Holder upon the exercise of a Unit Special Warrant or a Flow-Through Special Warrant. The cost of a Unit acquired upon the exercise of a Unit Special Warrant will be equal to the subscription price of such warrant under the Offering.

Acquisition of Common Shares and Warrants

The total purchase price of a Unit to a Holder must be allocated on a reasonable basis between the Unit Share and the Warrant to determine the cost of each for purposes of the Tax Act. For its purposes, the Company intends to allocate $1.9995 of the issue price of each Unit as consideration for the issue of each Unit Share and $0.0005 of the issue price of each Unit for the issue of each one-half Warrant. Although the Company believes that its allocation is reasonable, it is not binding on the CRA. The Holder's adjusted cost base of the Unit Share comprising a part of each Unit will be determined by averaging the cost allocated to the Unit Share with the adjusted cost base to the Holder of all common shares owned by the Holder immediately prior to such acquisition.

Acquisition of Flow-Through Shares

Notwithstanding that the issue price of a Flow-Through Special Warrant was $2.30, the initial cost of a Flow-Through Share is deemed to be nil for the purposes of the Tax Act. The Holder's adjusted cost base of a Flow-Through Share will be determined by averaging the adjusted cost base to the Holder of all Common Shares owned by the Holder (including the Flow-Through Shares).

Paid-Up Capital Adjustment

The paid-up capital of the Common Shares of the Company will be increased upon the issuance of Unit Shares, Flow-Through Shares and ROC Shares hereunder.

For purposes of the Tax Act, the Company must reduce the paid-up capital of all its issued Common Shares by an amount equal to 50% of the CEE renounced in respect of the Flow-Through Shares. As paid-up capital represents an amount that the Company could, in certain limited circumstances, return to its shareholders without being characterized as a dividend, the reduction in paid-up capital could result in increased tax payable if there were ever to be a return of capital to shareholders.

Holders who receive ROC Shares pursuant to the Laramide return of capital should generally be considered to have received a dividend only to the extent (if any) that the fair market value of the ROC Shares so received exceeds the amount of the stated capital reduction in respect of the Holder's Laramide common shares. Laramide does not expect that the distribution of the ROC Shares will result in a shareholder being deemed to receive a dividend. Based on the CRA's administrative policy, Holders will be considered to have acquired the ROC Shares at a cost equal to their fair market value.

Should a Holder be deemed to receive a dividend, he or she must include the amount of the dividend into income. See "**Dividends**".

The aggregate fair market value of the ROC Shares received by a Holder (less any amount deemed to be a dividend as described above) will be deducted from the Holder's adjusted cost base (and paid-up capital) of his or her Laramide common shares. To the extent that the reduction exceeds the adjusted cost base of a Holder's Laramide common shares as otherwise determined, the Holder will be deemed to have realized a capital gain equal to such excess and the adjusted cost base of the Holder's Laramide common shares will be nil.

If a Holder realizes a capital gain on the return of capital, one-half of the capital gain will be included in the Holder's income for the year of disposition as a taxable capital gain.

For these purposes, Holders will be advised following the record date as to the Laramide's calculation of the fair market value of the ROC Shares distributed to Holders. Any determination of fair market value by Laramide is not binding on CRA or any of the Holders.
No advance income tax ruling has been sought or obtained from CRA to confirm the tax consequences of the distribution of ROC Shares to Holders by Laramide.

Exercise of Warrants

No gain or loss will be realized by a Holder upon the exercise of a Warrant to acquire a Warrant Share. When a Warrant is exercised, the Holder's cost of the Warrant Share acquired thereby will be the aggregate of the Holder's adjusted cost base of such Warrant and the exercise price paid for the Warrant Share. The Holder's adjusted cost base of the Warrant Share so acquired will be determined by averaging such cost with the adjusted cost base to the Holder of all Common Shares owned by the Holder immediately prior to such acquisition.

Disposition of Unit Special Warrants and Warrants

A disposition or deemed disposition by a Holder of a Unit Special Warrant or a Warrant (other than upon the exercise thereof) will generally give rise to a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or less) than such Holder's adjusted cost base of the Warrants. In the event of the expiry of an unexercised Warrant, the Holder will realize a capital loss equal to the Holder's adjusted cost base of such Warrant. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading "Capital Gains and Capital Losses".

Disposition of Flow-Through Special Warrant

Since the cost of a Flow-Through Special Warrant will be nil for the purposes of the Tax Act, a disposition or deemed disposition of a Flow-Through Special Warrant will result in a capital gain equal to the amount by which the proceeds of disposition exceed the amount of any reasonable expenses incurred to make the disposition.

Dividends

Dividends declared and paid on a Holder's Common Shares will be included in the Holder's income as taxable dividends received from a taxable Canadian corporation. The normal gross-up and dividend tax credit rules applicable to taxable dividends received from a taxable Canadian corporation will apply to dividends received by a Holder who is an individual. An enhanced dividend tax credit will apply in respect of "eligible dividends" designated by the Company as "eligible dividends". Dividends received by a Holder which is a corporation will normally be deductible in computing its taxable income.

Private corporations (as defined in the Tax Act) and certain other corporations controlled by or for the benefit of an individual (other than a trust) or related group of individuals (other than trusts) generally will be liable to pay a 33⅓% refundable tax under Part IV of the Tax Act on dividends to the extent such dividends are deductible in computing taxable income. This refundable tax generally will be refunded to a corporate Holder at the rate of $1 for every $3 of taxable dividends paid while it is a private corporation.

Disposition of Common Shares

A disposition or deemed disposition by a Holder of Common Shares (including Flow-Through Shares) will generally give rise to a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or less) than such Holder's adjusted cost base of the Common Shares. The tax treatment of capital gains and losses is discussed in greater detail below under the subheading "Capital Gains and Capital Losses".

Capital Gains and Capital Losses

Upon a disposition (or a deemed disposition) of a Unit Special Warrant, Flow-Through Special Warrant, Common Share or Warrant (other than on the exercise thereof), a Holder generally will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of such security, as applicable, net of any reasonable costs of disposition, are greater (or are less) than the adjusted cost base of such security, as applicable, to the Holder. One-half of any capital gain will be included in income as a taxable capital gain and one-half of any capital loss may normally be deducted as an allowable capital loss against taxable capital gains realized in the year of disposition. Any unused allowable capital losses may be applied to reduce net taxable capital gains realized in the three preceding taxation years or any subsequent taxation year, subject to the provisions of the Tax Act in that regard.

The amount of any capital loss realized on the disposition or deemed disposition of Common Shares by a Holder that is a corporation may be reduced by the amount of dividends received or deemed to have been received by it on such shares or shares substituted for such shares to the extent and in the circumstances described in the Tax Act. Similar rules may apply where a corporation is a member of a partnership or beneficiary of a trust that owns such Common Shares or that is itself a member of a partnership or a beneficiary of a trust that owns such Common Shares.

A Holder that is throughout the relevant taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) also may be liable to pay an additional refundable tax of 6⅔% on its "aggregate investment income" for the year which will include taxable capital gains. This refundable tax generally will be refunded to a corporate Holder at the rate of $1 for every $3 of taxable dividends paid while it is a private corporation.

Individuals (other than certain trusts) may be subject to alternative minimum tax in respect of realized capital gains. (See below, "Alternative Minimum Tax".)

A Holder who disposes of Flow-Through Shares will retain the entitlement to receive renunciations of CEE from the Company as described below as well as the ability to deduct any CEE previously deemed to have been incurred by the Holder, and a purchaser of such Flow-Through Shares from such Holder will not be entitled to any renunciation of CEE.

Renunciation of CEE in Respect of Flow-Through Shares

Subject to certain limitations and restrictions, a principal-business corporation (as defined in the Tax Act) that incurs CEE pursuant to an agreement for the issuance of shares of the corporation (other than prescribed shares) will be entitled to renounce the CEE to the Holder of such shares and the CEE so renounced will be deemed to have been CEE incurred by such Holder on the effective date of the renunciation. The Company represents that it is, and at all material times will continue to be, a principal-business corporation and that the Flow-Through Shares will not be prescribed shares when they are issued. Generally speaking, the Company will be entitled to renounce CEE incurred by it from the execution of the agreement for the issuance of Flow-Through Special Warrants until 24 months after the end of the month during which the closing occurred less: (i) any previous renunciations with respect to such CEE; (ii) certain "off the shelf" seismic data or expenses related thereto; (iii) any portion of such CEE which is prescribed under the Regulations as relating to Canadian exploration and development overhead expenses; and (iv) any assistance that the Company has received, is entitled to receive, or may reasonably be expected to receive at any time which is reasonably related to such CEE. CEE incurred within a particular calendar year and renounced to Holders effective on or before December 31 of that particular calendar year will be deemed to have been CEE incurred by such Holders on the date of such renunciation. CEE which a principal-business corporation has incurred or plans to incur in the year following a particular calendar year may, subject to certain restrictions contained in the Tax Act, be renounced effective December 31 of the particular calendar year (the "12 month carry-back rule"). The 12 month carry-back rule applies provided that: (i) the subscription agreement is entered into in the particular calendar year; (ii) the proceeds from the subscription are received in cash by the Company before the end of the particular calendar year; (iii) such expenses are renounced in January, February or March of the following calendar year; and (iv) the Holders to which such CEE is renounced deal at arm's length with the Company at all material times.

If CEE renounced pursuant to the 12-month carry-back rule is not actually incurred by the Company by the end of the year following the particular calendar year, the amount of the CEE renounced to Holders must be reduced by the amount not actually incurred by the Company. A Holder will not be liable for any penalty and will not be required to pay interest on any resulting increase in income tax payable in the particular calendar year as a result of such a reduction in CEE until after the month of April two years following the particular calendar year. Where the Company renounces CEE pursuant to the 12 month carry-back rule, the Company will be liable to pay a deductible charge each month (other than January) in the year during which the CEE must be incurred equal to the amount of renounced expenses which have not been incurred by the end of the particular month multiplied by 1/12 of the prescribed interest rate at that time for refunds under the Tax Act. In addition, the Company must pay a charge under the Tax Act of 10% of the balance of any renounced but unexpended CEE not incurred by the end of the year following the particular year.

The CEE renounced to a Holder will be added to such Holder's cumulative CEE. A Holder may deduct in computing income from all sources for a taxation year 100% of the cumulative CEE at the end of the taxation year. To the extent that a Holder does not deduct the balance of the Holder's cumulative CEE account at the end of a taxation year, the balance will be carried forward and the Holder will be entitled to claim deductions in respect thereof in subsequent taxation years, subject to the rules regarding an acquisition of control of a corporate Holder. If at the end of a taxation year, the reductions in calculating a

Holder's cumulative CEE account exceed the additions thereto, the negative balance must be included in computing the Holder's income for the year and the account will thereupon have a nil balance. A Holder who disposes of Flow-Through Shares will retain the entitlement to receive renunciations of CEE from the Company as described above as well as the ability to deduct any CEE previously deemed to have been incurred by the Holder, and a subsequent purchaser of such Flow-Through Shares, as the case may be, will not be entitled to any renunciation of any CEE.

Filing Requirements

In order to effectively renounce CEE to Holders, the Company must undertake certain required filings in respect to the issue of the Flow-Through Shares and the renunciation of the CEE including the timely filing of the prescribed forms with CRA. The Company has advised that it will complete such filings and provide each Holder with the necessary information with respect to the CEE renounced to such Holder for purposes of filing income tax returns.

Flow-Through Mining Expenditures

The Company has agreed to use its best efforts to ensure that to the greatest extent possible the proceeds received on the issuance of Flow-Through Special Warrants pursuant to the Offering will be used to incur CEE that will qualify as "flow-through mining expenditures" as defined in the Tax Act. As a result, Holders of Flow-Through Shares who are individuals (other than trusts) for purposes of the Tax Act should be entitled to claim an investment tax credit (the "**Federal ITC**") equal to 15% of the flow-through mining expenditures renounced to them in calculating their Canadian federal income tax payable. The amount of any Federal ITC claimed must be deducted in computing the Holder's cumulative CEE balance for the taxation year following the year in which the Federal ITC was claimed. If the Federal ITC so deducted produces a negative balance in the Holder's cumulative CEE account then such negative balance must be included in the Holder's income for that taxation year. Unused Federal ITCs may be carried back three taxation years or carried forward 20 taxation years for deduction against an individual's tax payable in such taxation years pursuant to the provisions of the Tax Act. Provincial tax credits may also be available and Holders are encouraged to consult their own tax advisors in that regard.

The Company shall provide Holders with information regarding the amount of flow-through mining expenditures incurred and the provinces to which these expenditures applied.

Alternative Minimum Tax

Under the Tax Act, taxes payable by an individual and by most trusts will be the greater of the taxes otherwise determined and an alternative minimum tax computed by reference to such individual's adjusted taxable income for the taxation year in excess of a $40,000 exemption and reduced by certain tax credits.

In calculating adjusted taxable income for the purpose of computing the minimum tax, certain deductions and credits otherwise available are disallowed and certain amounts not otherwise included in income are included. The disallowed items include deductions claimed by the individual in respect of CEE in a particular taxation year to the extent such deductions exceed the individual's resource income (including income attributable to a disposition of Canadian resource properties) in that year. Eighty percent (80%) of any capital gain realized by the individual is included in calculating the individual's adjusted taxable income.

Whether and to what extent the tax liability of a particular Holder will be increased by the alternative minimum tax will depend on the amount of such Holder's income, the sources from which it is derived,

and the nature and amounts of any deductions such Holder claims. Any additional tax payable by an individual for the taxation year resulting from the application of the alternative minimum tax will be deductible in any of the seven immediately following taxation years in computing the amount that would, but for the alternative minimum tax, be such individual's tax otherwise payable for any such year to the extent that such tax payable exceeds the individual's minimum tax calculation for that particular year.

Holders should consult their own tax advisors with respect to the potential alternative minimum tax consequences to them having regard to their own particular tax circumstances.

Cumulative Net Investment Loss

One-half of the amount of the CEE renounced to a Holder will be added to the Holder's cumulative net investment loss ("**CNIL**") account within the meaning of the Tax Act. A Holder's CNIL account may impact a Holder's ability to access the $750,000 lifetime capital gains exemption available on the disposition of certain qualifying business corporation shares and farm property.

This summary shall in no manner be construed by any investor as an assurance that the expenses incurred by the Company will be of the type which will ensure the tax treatment described.

AUDITORS, TRANSFER AGENT AND REGISTRAR

Auditor

The Company's auditor is Smith Nixon LLP, located at Suite 1900, 390 Bay Street, Toronto, Ontario M5H 2Y2. Smith Nixon LLP is independent in accordance with applicable Canadian auditors' rules of professional conduct.

Transfer Agent and Registrar

The transfer agent and registrar of the Common Shares is Equity Transfer & Trust Company ("**Equity**"), located at 200 University Avenue, Suite 400, Toronto Ontario M5H 4H1. Equity has also been appointed the special warrant agent and warrant agent under the Special Warrant Indenture and Warrant Indenture, respectively.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Company since its incorporation:

1. The Purchase Agreement (See "**General Development of the Business – Purchase Agreement**");
2. The Agency Agreement;
3. The Special Warrant Indenture; and
4. The Warrant Indenture.

Copies of the above material contracts and the Technical Reports may be inspected during distribution of the securities being offered under this Prospectus and for a period of 30 days thereafter during normal business hours at the Company's offices at The Exchange Tower, 130 King Street West, Suite 3680, Box

99, Toronto, Ontario M5X 1B1 or at the offices of its legal counsel Irwin Professional Corporation, Suite 2700, 130 Adelaide Street West, Toronto, Ontario M5H 3P5.

PURCHASERS' STATUTORY RIGHTS

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

The Company has granted to each holder of a Special Warrant a contractual right of rescission of the private placement transaction under which the Special Warrant was initially acquired. The contractual right of rescission provides that if a holder of a Special Warrant who acquires Unit Shares, Warrants or Flow-Through Shares, as the case may be, on the automatic exercise of the Special Warrant as provided for in this Prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission if this Prospectus or an amendment to this Prospectus contains a misrepresentation,

(a) the holder is entitled to rescission of both the holder's exercise of its Special Warrant and the Private Placement transaction under which the Special Warrant was initially acquired,

(b) the holder is entitled in connection with the rescission to a full refund of all consideration paid by the holder to the Agents or the Company, as the case may be, on the acquisition of the Special Warrant, and

(c) if the holder is a permitted assignee of the interest of the original Special Warrant subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber.

TREASURY METALS INC.

(Formerly Divine Lake Exploration Corp.)

(An Exploration Stage Company)

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2007, 2006 and 2005 (Audited)
and
THREE MONTHS ENDED MARCH 31, 2008 and 2007 (Unaudited)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of Treasury Metals Inc. (formerly Divine Lake Exploration Corp.) were prepared by management in accordance with Canadian generally accepted accounting principles. Management acknowledges responsibility for the preparation and presentation of the financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. The significant accounting policies of the Company are summarized in note 2 to the financial statements.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the financial statements and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The members of the Audit Committee are not officers of the Company. The Audit Committee meets with management as well as with the independent auditors to review the internal controls over the financial reporting process, the consolidated financial statements and the auditors' report. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

AUDITORS' REPORT

To the Directors of
Treasury Metals Inc.
(An Exploration Stage Company)

We have audited the balance sheets of Treasury Metals Inc. (formerly Divine Lake Exploration Corp.) as at December 31, 2007, 2006 and 2005 and the statements of operations, comprehensive income, changes in shareholder's equity and cash flows for the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2007, 2006 and 2005 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Licensed Public Accountants
Chartered Accountants
Toronto, Ontario
June 11, 2008, except for Note 15(c), which is as of June 24, 2008.

TREASURY METALS INC.

(Formerly Divine Lake Exploration Corp.)

BALANCE SHEETS

Assets

	Unaudited March 31 2008	December 31 2007	December 31 2006	December 31 2005
Current Assets				
Cash	$ 302,416	$ 104,822	$ -	$ -
Short-term investments	7,500,000	-	-	-
Accounts receivable and prepaids	153,347	9,721	-	-
Investments (Note 6)	8,357,885	-	-	-
Due from Laramide Resources Ltd. (Note 10 (iv))	-	1,131,896	49,351	49,351
	16,313,648	1,246,439	49,351	49,351
Investments (Note 6)	3,621,402	12,367,400	-	-
Mineral properties and related deferred costs (Note 7)	31,464,050	30,348,833	100,649	100,649
	$ 51,399,100	$ 43,962,672	$ 150,000	$ 150,000
Liabilities				
Current Liabilities				
Account payable and accured liabilities	$ 478,380	$ 128,817	$ -	$ -
Due to Laramide Resources Ltd. (Note 10 (iv))	2,730,943	-	-	-
Debenture payable (Note 7)	12,272,229	12,272,229	-	-
	15,481,552	12,401,046	-	-
Future tax liability (Note 12)	29,045	29,045	-	-
	15,510,597	12,430,091	-	-
Shareholder's Equity				
Capital stock (Note 8)	31,395,656	31,395,656	150,000	150,000
Unit Special Warrants (Note 9)	4,664,345	-	-	-
Deficit	(45,876)	(125,586)	-	-
Accumulated other comprehensive income (loss)	(125,622)	262,511	-	-
	35,888,503	31,532,581	150,000	150,000
	$ 51,399,100	$ 43,962,672	$ 150,000	$ 150,000

Nature of Operations (Note 1)
Commitments (Note 14)
Subsequent Events (Note 15)

SIGNED ON BEHALF OF THE BOARD

(Signed) *"Scott Jobin-Bevans"* Director

(Signed) *"William Fisher"* Director

TREASURY METALS INC.
(Formerly Divine Lake Exploration Corp.)

STATEMENTS OF OPERATIONS

	Unaudited Three Months Ended March 31		Year Ended December 31		
	2008	**2007**	**2007**	**2006**	**2005**
Revenue					
Interest income	$ 32,609	$ -	$ -	$ -	$ -
Royalty income	162,176	-	-	-	-
	194,785	-	-	-	-
Expenses					
Administrative and office	55,746	-	7,381	-	-
Audit and legal	16,112	-	30,000	-	-
Salary and benefits	43,217	-	11,807	-	-
Reimbursement of expenses of Laramide Resources Ltd.	-	-	76,398	-	-
	115,075	-	125,586	-	-
Net income (loss)	$ 79,710	$ -	$ (125,586)	$ -	$ -
Income (loss) per share-basic and fully dilluted (Note 11)	$ 0.00	$ 0.00	$ (0.04)	$ 0.00	$ 0.00

STATEMENT OF COMPREHENSIVE INCOME (LOSS)

	Unaudited Three Months Ended March 31		Year Ended December 31		
	2008	**2007**	**2007**	**2006**	**2005**
Net income (loss)	$ 79,710	$ -	$ (125,586)	$ -	$ -
Other comprehensive income (loss), net of taxes					
Unrealized loss on available-for-sale marketable securities (December 2007 gains net of taxes of $29,045 and of the tax effect of loss carry forwards of $(125,586)	(388,133)	$ -	262,511	-	-
Comprehensive income (loss)	$ (308,423)	$ -	$ 136,925	$ -	$ -

TREASURY METALS INC.

(Formerly Divine Lake Exploration Corp.)
STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY

Years ended December 31, 2007, 2006 and 2005 and period ended March 31, 2008

Capital Stock		
Balance at December 31, 2004, 2005 and 2006	$	150,000
Shares issued to Laramide Resources Ltd. for reimburse of payments made to purchase the Thunder Lake Project		12,274,458
Shares issued for transfer of investments from Laramide Resources Ltd.		11,644,510
Shares issued on the transfer of non-uranium resource properties from Laramide Resources Ltd.		3,301,688
Shares issued for flow through financing from Laramide Resources Ltd.		4,025,000
Balance at December 31, 2007 and March 31, 2008 (unaudited)	$	31,395,656
Unit Special Warrants		
Balance December 31, 2007, 2006, 2005 and 2004	$	-
Units issued March 25, 2008		4,664,345
Balance March 31, 2008 (unaudited)	$	4,664,345
Deficit		
Balance at December 31, 2004, 2005 and 2006	$	-
Net loss for the year ended December 31, 2007		(125,586)
Balance December 31, 2007		(125,586)
Net income for the period ended March 31, 2008 (unaudited)		79,710
Balance March 31, 2008 (unaudited)	$	(45,876)
Accumulated Other Comprehensive Income		
Balance December 31, 2005 and 2006	$	-
Net change in unrealized gains on available-for-sale marketable securities net of income taxes		262,511
Balance December 31, 2007		262,511
Net change in unrealized gains on available-for-sale marketable securities net of income taxes (unaudited)		(388,133)
Balance March 31, 2008 (unaudited)	$	(125,622)
Total Shareholder's Equity at December 31, 2006 and 2005	$	150,000
Total Shareholder's equity at December 31, 2007	$	31,532,581
Total Shareholder's Equity at March 31, 2008 (unaudited)	$	35,888,503

TREASURY METALS INC.

(Formerly Divine Lake Exploration Corp.)

STATEMENT OF CASH FLOW

	Unaudited Three Months Ended March 31		Year Ended December 31		
	2008	**2007**	**2007**	**2006**	**2005**
Cash provided by (used in):					
Operating Activities					
Net income (loss) for the period	$ 79,710	$ -	$ (125,586)	$ -	$ -
Net change In non-cash working capital items:					
Accounts receivable and prepaids	(143,646)	-	(9,721)	-	-
Accounts payable and accured liabilities	(5,138)	-	128,817	-	-
	(69,074)	-	(6,490)	-	-
Financing Activities					
Unit special warrants	4,664,345	-	-	-	-
Flow-through financing	4,025,000	-	-	-	-
Due to Laramide Resources Ltd.	(162,161)	-	200,000	-	-
	8,527,184	-	200,000	-	-
Investing Activities					
Purchase of short-term investments	(7,500,000)	-	-	-	-
Purchase of investments	-		-	-	-
Acquisitions of mineral properties and related deferred costs	(760,516)	-	(88,688)	-	-
	(8,260,516)	-	(88,688)	-	-
Increase in Cash	197,594	-	104,822	-	-
Cash beginning of period	104,822	-	-	-	-
Cash end of period	$ 302,416	$ -	$ 104,822	$ -	$ -
Supplementary Cash Flow Information:					
Changes in non-cash investing and financing activites:					
Shares issued for purchases of investments	$ -	$ -	$ 11,644,510	$ -	$ -
Shares issued for purchase of mineral properties	$ -	$ -	$ 15,576,146	$ -	$ -
Shares issued for flow through private placement from Laramide Resources Ltd.	$ -	$ -	$ 4,025,000	$ -	$ -

Included in Mineral properties at December 31, 2007 is $12,272,229 which is included in debenture payable at December 31, 2007 (Note 7). Also included in Mineral properties are amounts due to Laramide of $2,311,121.

Included in Mineral properties at March 31, 2008 are additions in the amount of $354,701 which are included in accounts payable and accrued liabilities.

1. NATURE OF OPERATIONS

On November 13, 2007 the Company's name was changed from Divine Lake Exploration Corp. to Treasury Metals Inc. (the "Company" or "Treasury Metals"). The Company is involved in the exploration and development of mineral properties in Canada and Mexico.

These financial statements have been prepared using Canadian generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. The mineral properties of Treasury Metals (except for the Cerro Colorado Gold Project in Mexico) are all in the exploration stage and, on the basis of information to date, do not yet have economically recoverable reserves. The recoverability of the amounts shown in the consolidated balance sheets for mineral properties and related deferred costs is dependent upon the existence of economically recoverable reserves, maintaining beneficial interest in its properties and the underlying mining claims, obtaining the necessary regulatory approvals and permits, the ability to obtain the necessary financing to fulfill its obligations as they arise, the ability to complete the development of the claims, and achieving profitable production or the proceeds from the disposition of the properties.

The unaudited financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial information. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 2008 may not necessarily be indicative of the results that may be expected for the year ended December 31, 2008.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Mineral Properties and Related Deferred Costs

Costs relating to the acquisition, exploration and development of non-producing resource properties held by the Company are capitalized until such time as either economically recoverable reserves are established, the properties are sold or abandoned or the value of the particular property is impaired. The excess of these costs over estimated recoveries is charged to operations. The ultimate recovery of these costs depends on the discovery and development of economic reserves or the sale of the mineral rights. The amounts shown for non-producing resource properties do not necessarily reflect present or future values.

Foreign Exchange

The Company conducts some of its business in Mexico in U.S. dollars. Transactions are translated at exchange rates prevailing at the dates of the related transactions. Gains and losses on foreign exchange for the year are included in the statements of operations and deficit.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Option Payments

Option payments are made at the discretion of the optionee and, accordingly, are accounted for on the cash basis. Option payments received are treated as a reduction of the carrying value of the related mineral property and deferred costs, until the Company's costs are recovered.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results may differ from those estimates. Areas where management uses subjective judgement include , but are not limited to, valuation of investments, recoverability of mineral properties and related deferred costs, and future income taxes.

Earnings Per Share

Basic earnings per share is computed by dividing the net income for the year by the weighted average number of common shares outstanding during the year, which are included when the conditions necessary for issuance have been met. Diluted earnings per share is calculated in a manner similar to basic earnings per share, except that the weighted average shares outstanding are increased to include potential common shares from the assumed exercise of options and warrants, if dilutive. The number of additional shares included in the calculation is based on the treasury stock method for options and warrants.

Income Taxes

The asset and liability method is used for determining future income taxes. Under this method, future income tax assets and liabilities are recognized for the estimated income taxes recoverable or payable that would arise if assets and liabilities were recovered and settled at the financial statement carrying amounts. Future income tax assets and liabilities are measured using the substantively enacted income tax rates expected to be in effect when the income tax assets or liabilities are recovered or settled, respectively. Changes to these amounts are recognized in income in the year in which the changes occur. Future income tax assets, including the tax benefit of losses carried forward, are recognized to the extent that it is more likely than not that the Company will realize the benefits of the asset.

Cash

Cash consists of cash at banks and on hand and other highly liquid short-term investments, which may be settled on demand or within a maximum 90-day period from the date of purchase.

Short-term investments

Short-term investments, which are classified as held to maturity, are liquid investments with a maturity greater than three months, but less than one year and are recorded at amortized lost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

The Company recognizes revenue on the accrual basis. Its revenue consists of a 2.5% sliding production royalty ("NSR") on gold that is produced at its Cerro Colorado Gold Project in Mexico. Interest revenue is recognized when earned and gains on sale of investments are recognized on the transaction date.

Flow-through Financing

The Company may issue securities referred to as flow-through shares, whereby the investor may claim the tax deductions arising from the expenditure of the proceeds. When resource expenditures are renounced to the investors and the Company has reasonable assurance that the expenditures will be completed, future income tax liabilities are recognized (renounced expenditures multiplied by the effective corporate tax rate) and share capital is reduced. Previously unrecognized tax assets may then offset or eliminate the liability recorded.

Asset Retirement Obligations

The Company recognizes a liability for its legal obligations associated with the retirement of its tangible long-lived assets, which consists of mineral properties. The fair value of the liability for an asset retirement obligation is recorded when it is incurred and the corresponding increase to the asset is amortized over the life of the asset, provided a reasonable estimate of the obligation can be made. The liability is increased over time to reflect an accretion element considered in the initial measurement at fair value. The liability may be adjusted prospectively in future periods as a result of changes in estimates relating to timing or amounts of underlying cash flows.

As at December 31, 2007 and March 31, 2008, the Company has not incurred or committed any asset retirement obligations.

Financial Instruments, Comprehensive Income (Loss) and Hedges

The Canadian Institute of Chartered Accountants ("CICA") issued Handbook Sections 3855, “Financial Instruments – Recognition and Measurement”, 1530, “Comprehensive Income”, 3861 "Financial Instruments - Disclosure and Presentation" and 3865, “Hedges”. These new standards are effective for interim and annual financial statements relating to fiscal years commencing on or after October 1, 2006 on a prospective basis; accordingly, comparative amounts for prior periods have not been restated. The Company has adopted these new standards effective January 1, 2007.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Financial Instruments - Recognition and Measurement

Section 3855 prescribes when a financial instrument is to be recognized on the balance sheet and at what amount. It also specifies how financial instrument gains and losses are to be presented. This Section requires that:

- All financial assets be measured at fair value on initial recognition and certain financial assets to be measured at fair value subsequent to initial recognition;
- All financial liabilities be measured at fair value if they are classified as held for trading purposes. Other financial liabilities are measured at amortized cost using the effective interest method; and
- All derivative financial instruments be measured at fair value on the balance sheet, even when they are part of an effective hedging relationship.

b) Comprehensive Income (loss)

Section 1530 introduces a new requirement to temporarily present certain gains and losses from changes in fair value outside net income. It includes unrealized gains and losses, such as: changes in the currency translation adjustment relating to self-sustaining foreign operations; unrealized gains or losses on available-for-sale investments; and the effective portion of gains or losses on derivatives designated as cash flow hedges or hedges of the net investment in self-sustaining foreign operations.

(c) Impact upon adoption of Sections 1530, 3855, 3861 and 3865

The Company's financial instruments consist of cash which is classified as held for trading and measured at fair value; short-term investments, which are classified as held-to-maturity and are measured at amortized cost; due from Laramide Resources Ltd. and accounts receivable, which are classified as loans and receivables and measured at amortized cost; investments which are classified as available for sale and measured at fair value; and debentures due to Corona-Teck Cominco, due to Laramide Resources Ltd., and accounts payable and accrued liabilities which are classified as other liabilities and measured at amortized cost.

The primary impact on the financial statements resulting from the adoption of sections 1530 and 3855 is as follows:

(1) The Company’s investments are classified as “available-for-sale” and are measured at fair value. Changes in fair value are recognized in other comprehensive income until their disposition, at which time they are transferred to net income. Investments in securities having quoted market values and which are publicly traded on a recognized securities exchange and for which no sales restrictions apply are recorded at values based on their current bid prices. The Company’s investments in equity securities that do not have a quoted market price in an active market are measured at cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(2) The Company has evaluated the impact of sections 3861 and 3865 on its financial statements and determined that no adjustments are currently required other than the additional disclosures required for section 3861.

Accounting Policy Choice for Transaction Costs

The company expenses transaction costs relating to its financial instruments.

3. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to

the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include its working capital position and the capital stock and warrant units component properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the three months ended March 31, 2008. The Company is not subject to externally imposed capital requirements.

4. FINANCIAL RISK FACTORS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk

The Company's credit risk is primarily attributable to short-term investments, receivables, and due from Laramide included in other assets. The Company has no significant concentration of credit risk arising from operations. Short term investments consist of guaranteed investment certificates, which have been invested with reputable financial institutions, from which management believes the risk of loss to be remote. Financial instruments included in other assets consist of receivables from unrelated companies. Management believes that the credit risk concentration with respect to financial instruments included in other assets is remote.

Market Risk

(a) Interest Rate Risk
The Company has cash, variable rate short-term investments and no interest-bearing debt. The

4. FINANCIAL RISK FACTORS (Continued)

Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(b) Foreign Currency Risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars.

(c) Commodity Price Risk

The Company is exposed to price risk with respect to gold commodity prices, as it receives periodic gold and silver production royalties from the Cerro Colorado Gold Project. The Company closely monitors commodity prices to determine the appropriate course of action to be taken.

(d) Market Risk

Market risk arises from the possibility that changes in market prices will affect the value of the financial instruments of the Company. The Company is exposed to fair value fluctuations on its investments. The Company's other financial instruments (cash, short-term investments, accounts receivable, loans receivable, debenture payable and accounts payable and accrued liabilities) are not subject to market risk.

(e) Sensitivity Analysis

The Company has designated its cash as held-for-trading, and is measured at fair value. Financial instruments included in other assets are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities and due to Corona Teck-Cominco, which are measured at amortized cost. As at March 31, 2008, the carrying and fair value amounts of the Company's financial instruments are not materially different. Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a three month period.

Investment certificates totalling $7,500,000 at March 31, 2008 (December 31, 2007, 2006 and 2005 - $nil) are subject to varying interest rates. Sensitivity to a plus or minus 1% change in rates would affect the reported net income by approximately $19,550.

5. RECENT ACCOUNTING PRONOUNCEMENTS

Capital Disclosures and Financial Instruments – Disclosures and Presentation

On December 1, 2006, the CICA issued three new accounting standards: Capital Disclosures (Handbook Section 1535), Financial Instruments – Disclosures (Handbook Section 3862), and Financial Instruments – Presentation (Handbook Section 3863). These new standards became effective for the Company on January 1, 2008.

5. RECENT ACCOUNTING PRONOUNCEMENTS (Continued)
Capital Disclosures and Financial Instruments – Disclosures and Presentation

Capital Disclosures

Handbook Section 1535 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 noncompliance. The Company has included disclosures recommended by the new Handbook section in note 3 to these interim financial statements.

Financial Instruments

Handbook Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments – Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks. The Company has included disclosures recommended by the new Handbook section in note 4 to these interim financial statements.

Future Accounting Changes

Goodwill and Intangible Assets

The CICA has issued a new standard which may affect the financial disclosures and results of operations of the Corporation for interim and annual periods beginning January 1, 2009. Section 3064, Goodwill and intangible assets, establishes revised standards for recognition, measurement, presentation and disclosure of goodwill and intangible assets. Concurrent with the introduction of this standard, the CICA withdrew EIC-27, Revenues and Expenses during the pre-operating period. The Corporation is currently assessing the impact of these new accounting standards on its financial statements

.

6. INVESTMENTS

The Company's investments are carried at fair value and are comprised of the following:

	Number of Shares	March 31 2008
Radiant Resources Inc. (i)	2,210,254	$ 663,076
Radiant Resources Inc. (i) - Warrants	1,061,208	70,040
Aquiline Resources Inc.	941,307	8,357,885
Corona Gold Corporation	171,500	111,475
Sierra Minerals Inc.	6,942,027	2,776,811
		11,979,287
Less Aquiline Resources Inc. shares classified to current		(8,357,885)
		$ 3,621,402

	Number of Shares	December 31 2007	Number of Shares	December 31 2006
Alliance Pacific Resources Inc. (i) (no quoted value; includes a debenture of $70,000)	2,270,094	$ 707,010	-	$ -
Alliance Pacific Resources Inc. (i) Warrants	675,675	162,674	-	-
Aquiline Resources Inc.	941,307	8,678,851	-	-
Corona Gold Corporation	171,500	111,475	-	-
Sierra Minerals Inc.	6,942,027	2,707,390	-	-
		$ 12,367,400		$ -

Laramide Resources Ltd. transferred these investments to Treasury Metals on December 27, 2007 at a fair value of $12,075,844. As these investments were classified as available for sale by Laramide, the fair market value represented Laramide's carrying value. At December 31, 2007, the market value of these investments had risen by $291,556. (Note 2)

(i) On January 28, 2008, Radiant Resources Inc. ("Radiant") acquired all of the issued and outstanding securities of Alliance Pacific Resources Inc. pursuant to the terms of a reverse takeover transaction. Shareholders of Alliance Pacific received 0.917082 of one common share of Radiant (subject to rounding adjustments) for each common share of Alliance Pacific exchanged under the plan of arrangement. Radiant issued a total of 25,699,062 common shares upon the exchange of securities of Alliance Pacific. In addition, outstanding warrants and options of Alliance Pacific were exchanged for comparable securities of Radiant at the same exchange ratio.

7. MINERAL PROPERTIES AND RELATED DEFERRED COSTS

Accumulated costs with respect to the Company's interest in mineral properties owned, leased or under option, consisted of the following

	Opening Balance January 1 2008	Net Additions (Reductions)	Ending Balance March 31 2008
Cerro Colorado Gold Project, Mexico	$ 13,636	$ (1,384)	$ 12,252
Thunder Lake Project, Ontario	24,874,863	61,010	24,935,873
Goliath Project, Ontario	1,468,019	1,025,413	2,493,432
Lara Project, British Columbia	3,992,315	30,178	4,022,493
	$ 30,348,833	$ 1,115,217	$ 31,464,050

	Opening Balance January 1 2007	Net Additions (Reductions)	Ending Balance December 31 2007
Cerro Colorado Gold Project, Mexico	$ -	$ 13,636	$ 13,636
Thunder Lake Project, Ontario	-	24,874,863	24,874,863
Goliath Project, Ontario	100,649	1,367,370	1,468,019
Lara Project, British Columbia	-	3,992,315	3,992,315
	$ 100,649	$ 30,248,184	$ 30,348,833

	Opening Balance January 1 2006	Net Additions (Reductions)	Ending Balance December 31 2006
Goliath Project, Ontario	$ 100,649	$ -	$ 100,649
	$ 100,649	$ -	$ 100,649

7. MINERAL PROPERTIES AND RELATED DEFERRED COSTS (Continued)

Thunder Lake Project, Ontario

On October 1, 2007, the Company and Laramide finalized and signed an agreement pursuant to which Treasury Metals purchased 100% of Corona Gold Corporation's ("Corona") and Teck Cominco Limited's ("Teck Cominco") respective interests in the Thunder Lake West, Thunder Lake East and certain adjacent properties in and around Dryden, Ontario (collectively the "Properties")

Under the terms of the agreement Corona is to receive from Laramide aggregate cash consideration of $15,000,000 and a 10% interest in Treasury Metals after it becomes a public company. Teck Cominco will receive cash consideration of $3,411,687 and a 2.27% interest in Treasury Metals.

The aggregate consideration for the Properties is payable as follows

i) A cash payment of $6,137,229 at closing (paid through the issuance of shares to Laramide Resources Ltd. which had made the cash payment);

ii) A cash payment of $6,137,229, 60 days after the closing date (paid through the issuance of shares to Laramide Resources Ltd. which had made the cash payment);

iii) A cash payment of $6,137,229, 120 days after the closing date (extended to April 30, 2008) (paid (Note 14)); and

iv) 12.27% of the common shares of Treasury Metals on completion of a transaction pursuant to which Treasury Metals becomes a public company. If such a transaction is not completed by March 31, 2008 (extended to April 30,2008), Corona and Teck Cominco have the option of requiring Laramide to issue to Corona and Teck Cominco common shares of Laramide with a market value of $6,135,000 ($5,000,000 to Corona and $1,135,000 to Teck Cominco) in-lieu of their respective interests in Treasury Metals.

The outstanding payments to Corona and Teck Cominco totalling $12,272,229 are presented as a Debenture secured by the Properties.

Cerro Colorado Gold Project Mexico

In December 2007, the Company acquired from Laramide a sliding production royalty based on gold prices and the aggregate production from the mine. On the first 100,000 ounces produced, Treasury will receive a 2% sliding production royalty if gold prices are below US $350 per ounce and a 2.5% sliding production royalty if prices are above US $350 per ounce. These royalty rates escalate to 2.5% and 3% respectively once cumulative production exceeds 100,000 ounces. During 2008, the Company recognized royalty income of $162,176 (2007 - Nil) and is amortizing the related deferred costs over 5 years. The acquisition cost was $13,636 and was based on the carrying value of Laramide. Consideration for the asset acquired was through the issuance of 5,286 common shares.

Goliath Project, Dryden, Ontario

In December 2007, the Company acquired from Laramide a 100% interest in certain parcels of land, including surface and mineral rights totaling 411 acres, located in Zealand Township near Dryden, Ontario. This interest is subject to a 2-2.5% NSR retained by the owners. The acquisition cost was $1,326,113 and was based on the carrying value of Laramide. Consideration for the asset acquired was through the issuance of 514,033 common shares.

7. MINERAL PROPERTIES AND RELATED DEFERRED COSTS (Continued)

Lara Project, British Columbia

In December 2007, the Company acquired from Laramide a 100% interest in and to the Lara Property located near Chemainus on southern Vancouver Island, British Columbia. The property comprises 32 mineral claims covering 6,844 hectares. The acquisition cost was $3,986,938 and was based on the carrying value of Laramide. Consideration for the asset acquired was through the issuance of 1,545,432 common shares.

The Company also acquired from Laramide a 100% interest in eight mineral claims known as the Chemanius claims, located on Vancouver Island. These claims are on properties surrounding the Lara Project. The Company is committed to a 1% smelter return royalty. During the year, the Company has concentrated on data compilation and the updating of in-house mineral resource estimates, completion of an airbourne survey, and the finalization of an updated 43-101 mineral resource estimate and technical report.

8. CAPITAL STOCK

(a) AUTHORIZED - Unlimited common shares

(b) ISSUED

	Number of Shares	Stated Value
COMMON SHARES		
Balance, December 31, 2004, 2005 and 2006	1,000,000	$ 150,000
Issue to Laramide for reimbursement of payment to Corona and Teck Cominco (Note 7(i))	3,882,447	6,137,229
Issue to Laramide for reimbursement of payment to Corona and Teck Cominco (Note 7(ii))	3,882,447	6,137,229
Issue to Laramide in exchange for investments transferred (Note 6)	7,369,965	11,644,510
Issued to Laramide in exchange for resource properties (Note 7)	2,064,752	3,301,688
Issue to Laramide for flow-through share subscription	2,367,647	4,025,000
Balance, December 31, 2007 and March 31, 2008 (unaudited)	20,567,258	$ 31,395,656

9. SPECIAL WARRANTS OFFERING

On March 25, 2008, Treasury Metals completed a brokered private placement of unit special warrants and flow-through special warrants (the "Treasury Metals Offering"). Pursuant to the Treasury Metals Offering, Treasury Metals issued an aggregate of: (i) 1,825,500 unit special warrants at a price of $2.00 per unit special warrant; and (ii) 652,607 flow-through special warrants at a price of $2.30 per flow- through special warrants for gross proceeds of $5,151,996. Aggregate costs in the amount of $487,651 were paid in conjunction with this financing. Each unit special warrant of Treasury Metals will be automatically exercised, for no additional consideration, for one unit of Treasury Metals on the earlier of: (i) the first business day after Treasury Metals receives a receipt for a final

prospectus on which the Treasury Metals Common Shares are listed and posted for trading on the TSX or the TSXV; and (ii) July 2, 2008 ("Automatic Exercise Date"). Each unit of Treasury Metals is comprised of one 1.15 Treasury Common Share and one-half of one Treasury Common Share purchase warrant. If, however, the Going Public Transaction does not occur on or before June 30, 2008, each unit of Treasury Metals will be comprised of 1.25 Treasury Metals Common Shares and one-half of one Treasury Metals Common Share purchase warrant. Each whole warrant will entitle the holder thereof to purchase one Treasury Common Share at any time commencing on the Automatic Exercise Date for a period of two years at an exercise price of $2.75 per Treasury Common Share. Each flow-through special warrant of Treasury Metals will be automatically exercised, for no additional consideration, for one flow-through Treasury Common Share of Treasury Metals on the Automatic Exercise Date.

10. RELATED PARTY TRANSACTIONS AND BALANCES

i) On January 22, 2008, Laramide Resources Ltd. ("Laramide") announced details of the spin-off of certain non-uranium assets to Treasury Metals, a wholly-owned subsidiary of Laramide. Treasury Metals intends to file a preliminary prospectus with securities regulatory authorities in Canada in connection with an offering of securities and a distribution of a portion of its common shares ("Common Shares") to Laramide's shareholders.

As part of the transaction, Laramide transferred to Treasury Metals with an effective date of December 27, 2007, all of its shareholdings in Sierra Minerals Inc., Corona Gold Corporation, Alliance Pacific Resources, and $8.5 million of its shareholdings in Aquiline Resources Inc. Certain of Laramide's non-uranium assets including the Goliath Gold Project and its polymetallic base metal and gold property known as the Lara Project on Vancouver Island, and Laramide's 2.5% Net Smelter Royalty on gold production of the Sierra Minerals Cerro Colorado mine were also transferred to Treasury Metals.

Investments and mineral properties and related deferred costs were transferred to Treasury Metals at their carrying value. Consideration for the assets transferred was made through the issuance of common shares and the payment of cash. This transaction was not in the normal course of business.

ii) On December 24, 2007, Laramide completed a private placement of 575,000 flow-through shares at a price of $7.00 per share for aggregate proceeds of $4,025,000. Finders' fees of 5%, or $76,242, were paid on a portion of the financing, in addition to $43,170 in share issuance costs. The aggregate proceeds of this private placement were held in trust as of December 31, 2007. Laramide assigned the flow-through financing to Treasury Metals by subscribing to a private placement of 2,367,647 flow-through common shares of Treasury at a price per common share of $1.70 and transferred subsequent to the year end, the $4,025,000 proceeds to the Company.

10. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

iii) Treasury Metals was charged $205,781 for the three months ended March 31, 2008 (2007 - $102,502, 2006 - $nil) by a company controlled by an officer and director for technical and professional services. Included in accounts receivable and prepaids as at March 31, 2008 is an advance of $100,000 (2007 and 2006 - $nil) in prepayment of expenses to be paid on behalf of Treasury Metals by this company.

iv) At March 31, 2008 $2,730,943 is due to Laramide Resources Ltd. (2007 – $1,131,896 due from Laramide 2006 - $49,351 due from Laramide). The amounts due to Laramide are the result of expenses paid by Laramide on behalf of Treasury, cash advanced to Treasury, and for the non-share consideration on the transfer of investments and mineral properties from Laramide to Treasury. In 2007 the balance was a due from Laramide also reflecting the $4,025,000 share subscription receivable from Laramide and held in trust over the end of the year.

v) During the three months ended March 31, 2008, $68,651 (2007 - $40,000, 2006 - $nil) was charged by a law firm where an officer of Treasury Metals was also an employee.

Transactions in (iii) and (v) were conducted in the normal course of operations and are measured at the exchange amounts.

11. LOSS PER SHARE

Period and Year Ended	Unaudited March 31		December 31	
	2008	2007	2007	2006 and 2005
Weighted average shares outstanding - basic and diluted	20,567,258	1,000,000	3,041,211	1,000,000

12. INCOME TAXES

Period and Year Ended	Unaudited March 31		December 31	
	2008	2007	2007	2006 and 2005
Net income (loss)	$ 79,710	$ 0.00	$ (125,586)	$ 0.00
Expected income tax expense (recovery) at statutory rates	(22,473)	0.00	45,211	0.00
Increase in valuation allowance related to current period tax loss	39,952	0.00	80,375	0.00
Income tax	$ -	$ -	$ -	$ -

Future tax liabilities Tax value of future income tax liabilities				
Excess of book value over tax value of investments	$ 29,045	$ 0.00	$ 29,045	$ 0.00

13. STOCK OPTION PLAN

The Company has established a stock option plan to provide incentive compensation to the Company's directors, officers, employees and consultants.

The exercise price, terms and conditions of the options are established by the board of directors, subject to the rules of the regulatory authorities having jurisdiction over the securities of the Company. The exercise price at the time of the grant of the options shall not be less than the closing market price of the Common Shares listed on the TSX on the day prior to their grant. Options granted under the Stock Option Plan may be exercised during a period not exceeding ten years. The options are non-transferable.

The Company has reserved for issuance 10% of the issued and outstanding Common Shares from time to time under the Stock Option Plan. No options have been issued to date. The minutes of the Company approve the granting of options subject to listing as a public company.

14. COMMITMENTS

The Company is committed to spending approximately $4,025,000 on Canadian exploration costs by December 31, 2008 as part of flow-through funding agreements completed by Laramide in the fiscal year 2007.

15. SUBSEQUENT EVENTS

a) On April 30, 2008, the Company made a cash payment of $6,137,229 to Corona and Teck Cominco stipulated under the terms of the Thunder Lake purchase agreement.

15. SUBSEQUENT EVENTS (Continued)

b) Treasury Metals will be filing in June 2008 an Initial Public offering Preliminary Prospectus to qualify the distribution by Treasury Metals Inc. of (i) up to 2,281,875 Unit Shares and 912,750 Warrants of the company issuable upon automatic exercise of 1,825,500 issued and outstanding "unit" special warrants, (Note 8), (ii) 652,607 Flow-Through Shares issuable upon the automatic exercise of 652,607 issued and outstanding "flow-through special warrants (Note 8), and (iii) 161,077 Broker Warrants issuable upon the automatic exercise of 161,077 issued and outstanding Compensation Options. This Prospectus also qualifies the distribution of up to 20,567,258 common shares in the capital of the Company by Laramide Resources Ltd. to shareholders of Laramide by way of a return of capital.

c) A $2 million loan was made on June 20, 2008 by Laramide Resources Ltd to Treasury Metals. The loan is repayable, as are the other loans from Laramide Resources Ltd, prior to Treasury Metals being listed as a public company. The loan terms with respect to interest and security have not been documented or settled between the parties at this time.

AUDITORS' CONSENT

We have read the long form prospectus of Treasury Metals Inc. (the "Corporation") dated ●, 2008 qualifying the distribution by Treasury of up to 2,281,875 Common Shares and 912,750 Common Share Purchase Warrants issuable on Automatic Exercise of 1,825,500 previously issued Unit Special Warrants and 652,607 Common Shares issuable on Automatic Exercise of 652,607 previously issued Flow-Through Special Warrants. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the inclusion in the above mentioned long form prospectus of our report to the directors of the Corporation on the balance sheets of the Corporation as at December 31, 2007, 2006 and 2005 and the statements of operations, comprehensive income, cash flows and changes in shareholders' equity for the years then ended. Our report is dated June 11, 2008, except for note 15(c), which is dated June 24, 2008.

Licensed Public Accountants
Chartered Accountants
Toronto, Ontario
●, 2008

CERTIFICATE OF THE COMPANY

Dated: June 25, 2008

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

"Scott Jobin-Bevans" (signed) Scott Jobin-Bevans President and Chief Executive Officer	"James Fairbairn" (signed) James Fairbairn Chief Financial Officer

On behalf of the Board of Directors of
TREASURY METALS INC.

"Marc Henderson" (signed) Marc Henderson Director	"William Fisher" (signed) William Fisher Director

CERTIFICATE OF THE AGENTS

Dated: June 25, 2008

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

THOMAS WEISEL PARTNERS CANADA INC.

(signed) By: Nick Pocrnic

DUNDEE SECURITIES CORPORATION

(signed) By: Robert Klassen

HAYWOOD SECURITIES INC.

(signed) By: John Willett

CERTIFICATE OF THE PROMOTER

Dated: June 25, 2008

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

LARAMIDE RESOURCES LTD.

(signed) By: Marc Henderson
Chief Executive Officer