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No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “1933 Act”) or any state securities laws. Accordingly, these securities may not be offered or sold within the United States except in transactions exempt from the registration requirements of the 1933 Act and applicable state securities laws. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States of America. See “Plan of Distribution”.

PRELIMINARY PROSPECTUS

Initial Public Offering

July 18, 2008

AURION RESOURCES LTD.

\$800,000

2,500,000 Common Shares

500,000 Flow-Through Shares

Price: \$0.25 per Common Share

\$0.35 per Flow-Through Share

Aurion Resources Ltd. (the “**Corporation**”) hereby offers for sale (the “**Offering**”), 2,500,000 common shares in the capital of the Corporation (“**Common Shares**”) at a price of \$0.25 per Common Share and 500,000 common shares in the capital of the Corporation to be issued as “flow-through shares” within the meaning of the *Income Tax Act* (Canada) (the “**Tax Act**”) (the “**Flow-Through Shares**”) at a price of \$0.35 per Flow-Through Share for aggregate gross proceeds of \$800,000 (the Common Shares and the Flow-Through Shares are collectively, the “**Offered Shares**”). The offering price of the Common Shares and Flow-Through Shares was determined by negotiation between the Corporation and Leede Financial Markets Inc. (the “**Agent**”). See “*Plan of Distribution*”.

	Number of Shares	Price to Public	Agent’s Commission⁽¹⁾	Net Proceeds to Corporation⁽²⁾
Per Common Share	1	\$0.25	\$0.015	\$0.235
Per Flow-Through Share	1	\$0.35	\$0.021	\$0.329
Total Offering	2,500,000 Common Shares and 500,000 Flow-Through Shares	\$800,000	\$48,000	\$752,000

Notes:

- (1) A cash commission equal to 6% of the gross proceeds of the Offering will be paid to the Agent. In addition, the Agent will be paid a corporate finance fee in the amount of \$10,000 (plus GST), of which \$5,000 (plus GST) has been paid as of the date hereof as a non-refundable deposit, and an administration fee in the amount of \$5,000 (plus GST), payable at the closing (the “**Closing**”) of the Offering. The Agent will also be granted non-transferable options (the “**Agent’s Option**”) to purchase up to 200,000 Common Shares at an exercise price of \$0.25 per option for a period of 12 months from the date of the Closing (the “**Closing Date**”). The Agent’s Option is qualified by and will be distributed pursuant to this prospectus. See “*Plan of Distribution*”.
- (2) Before deducting the expenses of this Offering, estimated to be \$90,000, which includes legal and audit fees and other expenses of the Corporation, the Agent’s corporate finance fee, administration fees, legal fees and expenses and listing fees payable to the TSX Venture Exchange Inc. (the “**Exchange**”). See “*Use of Proceeds*”.

Agent's Position	Maximum Size	Exercise Period	Exercise Price
Agent's Option ⁽¹⁾	200,000 Common Shares	Exercisable until the day that is 12 months after the Closing Date	\$0.25 per option

Notes:

(1) The Agent's Option is qualified by and will be distributed pursuant to this prospectus. See "*Plan of Distribution*".

There is currently no market through which the Offered Shares may be sold and purchasers may not be able to resell securities purchased under this prospectus. Investments in natural resource issuers involve a significant degree of risk. The degree of risk increases substantially where the issuer's properties are in the exploration as opposed to the development stage. The sole property that the Corporation has an interest in is in the exploration stage and is without a known body of commercial ore. Persons who can afford the total loss of their investment should only make an investment in the Offered Shares. See "*Risk Factors*".

The Offering is being made on a "*best efforts*" agency basis by the Agent and is subject to the completion of a minimum subscription of 2,500,000 Common Shares and 500,000 Flow-Through Shares for gross proceeds of \$800,000 (the "**Minimum Subscription**"). Subscriptions for Common Shares and Flow-Through Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at anytime without notice. The Closing will take place on such day as the Agent and the Corporation may mutually agree upon. It is expected that certificates for the Offered Shares will be available for delivery at Closing. The Agent, pending the Closing, will hold all subscription funds received pursuant to the provisions of an agency agreement between the Corporation and the Agent dated ●, 2008 (the "**Agency Agreement**"). If the Minimum Subscription is not completed, the subscription funds received by the Agent in connection with the Offering will be returned to subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent. See "*Plan of Distribution*."

The Corporation will covenant to incur, on or before December 31, 2009, and to renounce, effective on or before December 31, 2008, to each subscriber of Flow-Through Shares, Canadian Exploration Expense, within the meaning of subsection 66.1(6) of the Tax Act ("**CEE**"), in an amount equal to the aggregate purchase price paid by such subscriber for the Flow-Through Shares. See "*Flow-Through Shares - Renunciation of CEE*" and "*Certain Canadian Federal Income Tax Considerations*".

The Agent conditionally offers the Offered Shares, on a "*best efforts*" agency basis, if, as and when subscriptions are accepted by the Corporation, subject to prior sale, in accordance with the terms and conditions of the Agency Agreement referred to under "*Plan of Distribution*" and subject to the approval of certain legal matters by Borden Ladner Gervais LLP, Barristers & Solicitors, Calgary, Alberta, on behalf of the Corporation, and by Maynard Brown, Barrister & Solicitor, West Vancouver, British Columbia, on behalf of the Agent.

As at the date of this prospectus, the Corporation does not have any of its securities listed or quoted, has not applied to list or quote, any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace or a marketplace outside of Canada and the United States of America. The Corporation has applied to list the Offered Shares on the Exchange. Listing will be subject to the Corporation fulfilling all of the listing requirements of the Exchange.

Leede Financial Markets Inc.
1140 West Pender Street, Suite 1800
Vancouver, British Columbia
V6E 4G1
Telephone: (604) 658-3000
Facsimile: (604) 658-3099

TABLE OF CONTENTS

GLOSSARY OF NON-TECHNICAL TERMS	V
GLOSSARY OF TECHNICAL TERMS	VII
SPECIAL NOTE REGARDING FORWARD LOOKING INFORMATION	XII
PROSPECTUS SUMMARY	1
CORPORATE STRUCTURE	3
GENERAL DEVELOPMENT OF THE BUSINESS	3
NARRATIVE DESCRIPTION OF THE BUSINESS	4
General	4
Employees and Consultants	4
Specialized Skill and Knowledge	4
Environmental Protection	5
Competitive Conditions	5
Stated Business Objectives	5
Milestones	5
Lending	6
THE PROPERTY	6
Property Description and Location	6
Accessibility, Climate, Local Resources, Infrastructure and Physiography	6
History	7
Geological Setting	7
Exploration	8
Mineralization	11
Drilling	12
Sampling and Analysis	12
Security of Samples	13
Mineral Resources & Mineral Reserves	14
Exploration and Development	14
USE OF PROCEEDS	15
SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS	15
Results of Operations	16
Second Quarter Results	16
Financial Condition, Liquidity and Capital Resources	17
Quarterly Information	17
Off-Balance Sheet Arrangements	17
Transactions with Related Parties	18
Accounting Estimates	18
Outstanding Share Data	18
Accounting Policy Changes	18
DESCRIPTION OF THE SECURITIES DISTRIBUTED	19
DIVIDENDS OR DISTRIBUTIONS	19
CAPITALIZATION	19
OPTIONS TO PURCHASE SECURITIES	20
PRIOR SALES OF SECURITIES	20
ESCROWED SECURITIES	21
PRINCIPAL SHAREHOLDERS AND SELLING SECURITYHOLDERS	22
DIRECTORS AND OFFICERS	23
Corporate Cease Trade Orders or Bankruptcies	24
Individual Penalties, Sanctions or Bankruptcies	25
Conflicts of Interest	25
Management of the Corporation	25

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS	26
Compensation of Directors	26
Compensation of Executive Officers	26
Summary Stock Options	27
Long-Term Incentive Plans and LTIP Awards	28
Stock Appreciation Rights and Restricted Shares.....	28
Defined Benefit or Actuarial Plans	28
Termination of Employment, Change in Responsibilities and Employment and Management Contracts	28
Management Agreement.....	28
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS	28
FLOW-THROUGH SHARES – RENUNCIATION OF CEE	29
PLAN OF DISTRIBUTION	29
CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS	30
RISK FACTORS	32
PROMOTER	38
LEGAL PROCEEDINGS AND REGULATORY ACTIONS	38
INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	38
RELATIONSHIP BETWEEN ISSUER AND AGENT	38
AUDITOR, TRANSFER AGENT AND REGISTRAR	38
MATERIAL CONTRACTS	39
INTEREST OF EXPERTS	39
PURCHASERS’ STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION	39
 AUDITORS’ CONSENT	 A-1
FINANCIAL STATEMENTS OF THE CORPORATION	B-1
CERTIFICATE OF THE CORPORATION	C-1
CERTIFICATE OF THE PROMOTER	C-1
CERTIFICATE OF THE AGENT	C-2

GLOSSARY OF NON-TECHNICAL TERMS

Unless the context otherwise provides, the following terms used in this prospectus shall have the meanings ascribed to them as set forth below:

“**ABCA**” means the *Business Corporations Act* (Alberta), as amended, including all regulations promulgated thereunder;

“**Agent**” means Leede Financial Markets Inc.;

“**Agent’s Option**” means the non-transferable options to be granted to the Agent to purchase up to 200,000 Common Shares at an exercise price of \$0.25 per option and which options may be exercised for a period of 12 months from the Closing Date;

“**Archer**” means Archer, Cathro & Associates (1981) Limited;

“**CEE**” means Canadian exploration expense, within the meaning of subsection 66.1(6) of the Tax Act;

“**Closing**” means the completion of the Offering;

“**Closing Date**” means the date of the Closing;

“**Common Shares**” means common shares in the capital of the Corporation;

“**Company**” unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;

“**Computershare**” means Computershare Trust Company of Canada;

“**Corporate Services Agreement**” has the meaning ascribed to it under “*Directors & Officers - Management Agreement*”;

“**Corporation**” means Aurion Resources Ltd., a corporation incorporated pursuant to the ABCA;

“**CRA**” means Canada Revenue Agency;

“**Davidson**” means Davidson & Company LLP, Chartered Accountants;

“**Directors’ and Officers’ Options**” means the options to be granted at the Closing to the directors, officers and certain employees of the Corporation which options entitle the holders thereof to purchase an aggregate of 240,000 Common Shares at an exercise price of \$0.25 per option and which options may be exercised for a period of five years from the date of grant;

“**Emerging Issuer**” has the meaning ascribed to that term under NP 46-201;

“**Escrow Agreement**” means the escrow agreement dated ●, 2008 among the Corporation, Computershare and certain shareholders of the Corporation;

“**Exchange**” means the TSX Venture Exchange Inc.;

“**Flow-Through Shares**” means Common Shares issued as “flow-through shares” within the meaning of the *Tax Act*;

“**Expenditures**” means the sum of all monies spent in prospecting, exploring, geological, geophysical and geochemical surveying, sampling, examining, diamond and other types of drilling, developing, dewatering, assaying, testing, constructing, maintaining and operating roads, trails and bridges upon or across the property, buildings, equipment, plant and supplies, salaries and wages (including fringe benefits) of employees and

contractors directly engaged therein, insurance premiums, and all other expenses incurred on or in respect of the property of a nature that are ordinarily incurred in prospecting, exploring and developing mining lands;

“**Insider**” if used in relation to an issuer, includes a director or officer of the issuer; a director or officer of a company that is itself an insider or subsidiary of the issuer; a person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the issuer; or the issuer itself if it holds any of its own securities;

“**Ionic Management**” means Ionic Management Corp., a corporation incorporated pursuant to the *Business Corporations Act* (British Columbia);

“**Minimum Subscription**” means the minimum subscription pursuant to the Offering, of 2,500,000 Common Shares and 500,000 Flow-Through Shares for gross proceeds of \$800,000;

“**NP 46-201**” means National Policy 46-201 - *Escrow for Initial Public Offerings*;

“**Offered Shares**” means the Common Shares and Flow-Through Shares offered pursuant to this prospectus;

“**Offering**” means this offering of 2,500,000 Common Shares at a price of \$0.25 per Common Share and 500,000 Flow-Through Shares at a price of \$0.35 per Flow-Through Share for gross proceeds of \$800,000;

“**Option Agreement**” means the agreement dated May 4, 2007, between the Corporation and SKS, whereby SKS granted the Corporation an option to acquire an interest in certain claims on the Property, all as more particularly described under “*General Development of the Business*”;

“**Option**” has the meaning ascribed to it under “*General Development of the Business*”;

“**Option Deadline**” means November 4, 2011;

“**Plan**” means the stock option plan of the Corporation;

“**Preferred Shares**” means the preferred shares in the capital of the Corporation;

“**Property**” means the Kami property, which is comprised of two mineral claims covering 332.319 hectares located in the southern interior of British Columbia at 50°00’ North longitude and 118°27’ West latitude;

“**Registrar and Transfer Agency Agreement**” means the agreement dated ●, 2008, among the Corporation and Computershare, providing for registrar and transfer services by the Computershare with respect to the Common Shares;

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

“**SKS**” means Selkirk Mineral Syndicate, a syndicate comprised of three individuals, all of whom are arm’s length to the Corporation;

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time;

“**Technical Report**” means the geological technical report of the Technical Report Author entitled “Technical Report describing Geology, Mineralization, Geochemistry and Geophysics at the Kami Property”, dated March, 2008; and

“**Technical Report Author**” means W.A. Wengzynowski, P.Eng.

Words importing the singular number only include the plural and vice versa, and words importing any gender include all genders. All dollars amounts herein are in Canadian dollars, unless otherwise stated. All defined terms not otherwise defined herein have the meanings ascribed to them under the *Securities Act* (British Columbia).

GLOSSARY OF TECHNICAL TERMS

The following is a glossary of certain technical terms used in this prospectus:

“**Acanthite**” means a mineral that is the orthorhombic form of silver sulphide;

“**Ag**” means Silver;

“**Al**” means Aluminum;

“**Alteration**” means any change in the mineralogical composition of a rock that is brought about by physical or chemical means, especially by the action of hydrothermal solutions;

“**Amphibole**” means any of a large group of structurally similar hydrated double silicate minerals, such as hornblende, containing various combinations of sodium, calcium, magnesium, iron and aluminum;

“**Anomaly**” means a geological feature, especially in the subsurface, distinguished by geological, geophysical or geochemical means, which is different from the general surroundings and is often of potential economic value having a geochemical or geophysical character, which deviates from regularity;

“**Aplite**” means a fine-grained granite composed essentially of feldspar and quartz;

“**Arsenopyrite**” means a mineral that is an iron arsenic sulfide;

“**Assay**” means to analyze the proportions of metal in a rock or overburden sample; to test an ore or mineral for composition, purity, weight or other properties of commercial interest;

“**Basalt**” means a dark, dense igneous rock of a lava flow or minor intrusion, composed essentially of labradorite and pyroxene and often displaying a columnar structure;

“**Basement**” means the usually igneous and metamorphic rocks that exist below the younger sedimentary and volcanic cover, but which may be exposed at the surface;

“**Bedrock**” means a general term for the rock, usually solid, that underlies soil or other unconsolidated, superficial material;

“**Biotite**” means a dark-brown or dark-green to black mica, $K_2(Mg,Fe,Al)_6(Si,Al)_8O_{20}(OH)_4$, found in igneous and metamorphic rocks;

“**Breccia**” means a clastic rock made up of angular fragments of such size that an appreciable percentage of rock volume consists of particles of granule size or larger;

“**C**” means Celsius;

“**Calcite**” means a mineral composed of calcium carbonate;

“**Carbonate**” means a mineral compound characterized by a fundamental anionic structure of carbon dioxide such as a limestone;

“**Chalcopyrite**” means a mineral that is a copper iron sulphide;

“**Clastic**” means a rock or sediment composed principally of fragments derived from pre-existing rocks or minerals and that have been transported some distance from their places of origin; also said of the texture of such a rock;

“**cm**” means centimetre;

“**Cretaceous**” means the geological time period between 144 and 65 million years ago;

“**Cu**” means Copper;

“**Deposit**” means a mineralized body that has been physically delineated by sufficient drilling trenching and/or underground work, and found to contain a sufficient average grade of metal or metals to warrant further exploration and/or development expenditures. Such a deposit does not qualify as a commercially mineable ore body or as containing reserves of ore, until final legal, technical and economic factors have been resolved;

“**Diamond Drill**” means a rotary type of rock drill that cuts a core of rock that is recovered in long cylindrical sections, two cm or more in diameter;

“**Dip**” means the maximum angle that a structural surface makes with the horizontal, measured perpendicular to the strike of the structure and in the vertical plane;

“**Disseminated**” means where the ore minerals (usually sulphides) occur disseminated through the host rock or along fractures and veinlets;

“**Echelon**” means roughly parallel but staggered structures;

“**Eocene**” means noting or pertaining to an epoch of the Tertiary Period, occurring from 55 to 40 million years ago;

“**Exploration**” means prospecting, sampling, mapping, diamond drilling and other work involved in searching for ore;

“**Fault**” means a discrete surface or zone of discrete surfaces separating two rock masses across which one mass has slid past the other;

“**Fe**” means Iron;

“**Fire assay**” means the assaying of metallic ores, usually gold and silver, by methods requiring melting of the rock to separate its various metallic constituents;

“**Fracture**” means a break in a rock formation due to structural stresses; e.g., faults, shears, joints, and planes of fracture cleavage;

“**g/t**” means grams per tonne;

“**Galena**” means a lead sulphide mineral and the principal ore of lead;

“**Geochemistry**” means the study of the chemical properties of rocks;

“**Geology**” means the science concerned with the study of the rocks that compose the Earth;

“**Geophysics**” means the study of the physical properties of rocks and minerals;

“**H**” means Hydrogen;

“**Hornblende**” means a mineral of the amphibole group comprised of calcium magnesium iron and hydroxyl aluminosilicate;

“**Host**” means a rock or mineral that is older than rocks or minerals introduced into it;

“**Hydrothermal**” means pertaining to hot water, especially with respect to its action in dissolving, re-depositing and otherwise producing mineral changes within the earth’s crust;

“**ICP**” means Inductively Coupled Plasma Mass Spectroscopy, an analytical technique capable of determining an extremely wide range of elements to very low detection limits;

“**Igneous**” means a classification of rocks formed from the solidification from a molten state. If the rock crystallizes within the crust, it is said to be intrusive, while if it flows onto the surface, it is extrusive;

“**Intrusion**” means the process of emplacement of magma in pre-existing rock;

“**IP**” means induced polarisation, a geophysical system used to measure the electrical resistivity, conductivity and chargeability of rocks that is commonly used to detect and delineate sulphide mineralization;

“**Jurassic**” means noting or pertaining to a period of the Mesozoic Epoch, occurring from 190 to 140 million years ago;

“**K**” means Potassium;

“**km**” means kilometre;

“**leucogranite**” means an intrusion commonly found in deformed metapelitic/metagraywacke sequences that have been thrust over basements during crustal thickening associated with continental collisions;

“**Limestone**” means a sedimentary rock composed largely of the mineral calcite;

“**m**” means metre;

“**mm**” means millimetre;

“**Magma**” means a molten rock generated within the Earth; forms intrusive (solidifies below the surface) and extrusive (solidifies above the surface) igneous rocks;

“**Mafic**” means an igneous rock composed chiefly of one or more ferromagnesian, usually dark coloured;

“**Mesozoic**” means a geological era from 245 to 65 million years ago, and includes the Triassic, Jurassic and Cretaceous periods;

“**Metamorphic**” means a rock that has undergone chemical or structural changes produced by increase in heat or pressure, or by replacement of elements by hot, chemically active fluids;

“**Metapelitic/metagreywacke**” means a metamorphosed sedimentary rock consisting of angular fragments of quartz, feldspar, and other minerals set in a muddy base;

“**Metasedimentary**” means a sedimentary rock that shows evidence of having been subjected to metamorphism;

“**Mg**” means Magnesium;

“**Mineral**” means a naturally occurring chemical compound or limited mixture of chemical compounds. Minerals generally form crystals and have specific physical and chemical properties which can be used to identify them;

“**Mineralization**” means the process or processes by which a mineral or minerals are introduced into a rock, resulting in a valuable or potentially valuable deposit. It is a general term, incorporating various types; e.g., vein, disseminated and replacement;

“**Miocene**” means a period of geologic time 24 to 5 million years ago; part of the Tertiary Period;

“**Monashee**” means a geographical area comprising the area around Lumby, Cherryville, Three Valley Nakasup, British Columbia;

“**Monzonite**” means an intermediate igneous intrusive rock composed of approximately equal amounts of sodic to intermediate plagioclase and orthoclase feldspars with minor amounts of hornblende, biotite and other minerals;

“**O**” means Oxygen;

“**Orthoclase**” means a variety of feldspar, essentially potassium aluminum silicate, characterized by a monoclinic crystalline structure and found in igneous or granitic rock;

“**Orthorhombic**” means a crystal system having three axes of unequal length, each of which intersects at right angles with the others;

“**Paleoproterozoic**” means geologic era from about 2500 to 1600 million years ago;

“**Pegmatite**” means a coarse grained granite sometimes rich in rare elements;

“**Phalerite**” means a zinc sulphide;

“**Plagioclase**” means a triclinic feldspar;

“**Pluton**” means an igneous intrusion;

“**Polybasite**” means a dark-colored mineral, silver copper antimony sulfide, that is an ore of silver;

“**ppb**” means parts per billion;

“**ppm**” means parts per million;

“**Propylitic**” mean zones of clay alteration around mineralization;

“**Proterozoic**” means a period of time from the Precambrian Eon, from about 2.5 billion to 540 million years ago;

“**pyrargyrite**” means a deep red to black silver ore with a composition of Ag_3SbS_3 ;

“**Pyrite**” means a mineral composed of iron and sulphur;

“**Pyrrhotite**” means a bronze-colored, magnetic iron sulphide mineral;

“**Quartz**” means a mineral composed of silicon dioxide, crystalline silica, commonly in white masses, next to feldspar, the commonest mineral;

“**RAB**” means rotary air blast;

“**RC**” means reverse circulation;

“**Resistivity**” means the opposite of conductivity of an electrical current passing through fluid-bearing rock formations;

“**S**” means Sulfur;

“**Sample**” means a small portion of rock or a mineral deposit taken so that the metal content can be determined by assaying;

“**Sampling**” means selecting a fractional but representative part of a mineral deposit for analysis;

“**Sb**” means Antimony;

“**Sediment**” means solid material that has settled down from a state of suspension in a liquid. More generally, solid fragmental material transported and deposited by wind, water or ice, chemically precipitated from solution;

“**Sericite**” means mica-like minerals commonly found as part of the alteration system of ore deposits;

“**Si**” means Silicon;

“**Silica**” means silicon dioxide; quartz is a common example;

“**Sphalerite**” means the primary mineral of Zinc;

“**Stockwork**” means a complex system of structurally controlled or randomly oriented veins. Stockworks are common in many ore deposit types;

“**Strike**” means direction or trend of a geologic structure;

“**Structure**” means the disposition of the rock formations e.g. folds and faults;

“**Sulphide**” means a group of minerals in which one or more metals are found in combination with sulphur;

“**t**” means metric tonne;

“**Tertiary**” means the geological time period between 65 and 2 million years ago;

“**Tetrahedrite**” means a grayish-black mineral, essentially $(\text{CuFe})_{12}\text{Sb}_4\text{S}_{13}$;

“**Triassic**” means the earliest period of the Mesozoic Era, from about 245 to 208 million years ago;

“**Vein**” means a thin sheet-like intrusion into a fissure or crack, commonly bearing quartz; and

“**Volcanic**” means pertaining to the activities, structures or rock types of a volcano.

SPECIAL NOTE REGARDING FORWARD LOOKING INFORMATION

This prospectus contains certain forward-looking statements and forward looking information which are based upon the Corporation's current internal expectations, estimates, projections, assumptions and beliefs as at the date of such statements or information, including, among other things, assumptions with respect to future capital expenditures and cash flows. The reader is cautioned that the assumptions used in the preparation of such information may be incorrect. In some cases, words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "may", "will", "potential", "proposed" and other similar words, or statements that certain events or conditions "may" or "will" occur, are intended to identify forward-looking statements and forward-looking information. These statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in the forward-looking statements or information. In addition, this prospectus may contain forward-looking statements and information attributed to third party industry sources. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur. Such forward-looking statements and information in this prospectus speak only as of the date of this prospectus.

Forward-looking statements and information in this prospectus include, but are not limited to, statements with respect to:

- the use of proceeds of the Offering;
- the Corporation's intent to advance the Property towards the development stage;
- the acquisition of additional mineral properties by the Corporation;
- the ability of the Corporation to obtain all government approvals, permits and third party consents in connection with the Corporation's exploration and development activities;
- the Corporation's future exploration, capital and operating costs, including the costs and potential impact of complying with existing and proposed environmental laws and regulations;
- general business and economic conditions;
- growth expectations within the Corporation;
- capital expenditure programs and the timing and funding thereof;
- expected levels of operating costs, general and administrative costs, costs of services and other costs and expenses; and
- expectations regarding the Corporation's ability to raise capital.

Although the Corporation believes that the expectations reflected in the forward-looking statements and information are reasonable, there can be no assurance that such expectations will prove to be correct. Neither the Corporation nor the Agent can guarantee future results, levels of activity, performance or achievements. Consequently, there is no representation by the Corporation that actual results achieved will be the same in whole or in part as those set out in the forward-looking statements and information. Some of the risks and other factors, some of which are beyond the Corporation's control, which could cause results to differ materially from those expressed in the forward-looking statements and information contained in this prospectus, but are not limited to:

- general economic conditions in Canada, the United States of America and globally;
- financing for the Corporation's exploration and development activities will be available when needed and on terms satisfactory to the Corporation;
- the Corporation will be able to attract and retain skilled staff, and will maintain good relations with its staff;
- the Corporation's exploration and development activities on the Property will proceed in accordance with the Corporation's current timetables;
- certain consumables and services will be available to the Corporation when needed and on terms satisfactory to the Corporation;
- failure to obtain industry partner and other third party consents and approvals, when required;
- stock market volatility and market valuations;
- the availability of capital on acceptable terms;
- the need to obtain required approvals from regulatory authorities; and
- the other factors disclosed under "Risk Factors" in this prospectus.

Readers are cautioned that the foregoing list of factors is not exhaustive. **The forward-looking statements and the forward-looking information contained in this prospectus are expressly qualified by this cautionary statement. Neither the Corporation nor the Agent are under any duty to update any of the forward-looking statements or information after the date of this prospectus to conform such statements or information to actual results or to changes in the Corporation's expectations except as otherwise required by applicable securities laws.**

PROSPECTUS SUMMARY

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

The Corporation and Principle Business:	The Corporation is a mineral resource company, which is engaged in the acquisition of interests in, and the exploration for, mineral resource properties. See “ <i>General Development of the Business</i> ” and “ <i>Narrative Description of the Business</i> ”.
Offering:	Two million five hundred thousand (2,500,000) Common Shares at a price of \$0.25 per Common Share and five hundred thousand (500,000) Flow-Through Shares at a price of \$0.35 per Flow-Through Share for aggregate gross proceeds of \$800,000. See “ <i>Plan of Distribution</i> ”.
Plan of Distribution:	The Agent has agreed to offer the Offered Shares on a “ <i>best efforts</i> ” agency basis in the provinces of British Columbia, Alberta and Ontario. The Agent will be paid a cash commission equal to 6% of the gross proceeds of Offering. The Agent will also be granted the Agent’s Option which is qualified by this prospectus. This prospectus also qualifies for distribution the Directors’ and Officers’ Options. See “ <i>Plan of Distribution</i> ” and “ <i>Options to Purchase Securities</i> ”.
Use of Proceeds:	The net proceeds to the Corporation from the Offering are estimated to be \$662,000 after deducting the Agent’s commission, administration fee, and corporate finance fee, legal fees and the other costs and expenses related to the Offering. The net proceeds to the Corporation will be used by the Corporation for exploration activities, operating expenses and unallocated working capital. See “ <i>Use of Proceeds</i> ”.
Risk Factors:	An investment in the Offered Shares must be regarded as highly speculative due to the nature of the Corporation’s business and its present stage of development. The Corporation has no proven mineral reserves or income. This Offering is only suitable for subscribers who are willing to rely solely upon the management of the Corporation and who can afford a total loss of their investment. The Corporation has no present intention to pay dividends to the holders of Common Shares. Subscribers will have to rely upon the expertise, judgment and ability of the management of the Corporation to carry out the business of the Corporation. There is currently no market through which the Common Shares may be sold and purchasers may not be able to resell securities purchased under this prospectus. See “ <i>Risk Factors</i> ”.
Summary of Financial Information:	At present, the Corporation’s mineral resource activities do not generate any income from production. The selected financial information set out below is based on and derived from the audited financial statements of the Corporation for the year ended December 31, 2007 and the period ended December 31, 2006 and the unaudited interim financial statements for the six month period ended June 30, 2008, prepared in accordance with Canadian generally accepted accounting principles.

This summary of financial data should be read together with “*Selected Financial Information and Management’s Discussion and Analysis*” and the financial statements of the Corporation and notes thereto, included elsewhere in this prospectus.

	Six months Ended June 30, 2008 (\$)	Year Ended December 31, 2007 (\$)	Period from incorporation on April 6, 2006 to December 31, 2006 (\$)
Interest Income	1,610	9,546	380
Operating Expenses	1,257	18,826	7,525
Loss for the period	(4,718)	(170,005)	(7,145)
Deficit (end of period)	(181,868)	(177,150)	(7,145)
Loss per share (basic and diluted)	(0.00)	(0.09)	(0.09)
Total Assets	149,649	151,504	200,768
Total long-term financial liabilities	-	-	-
Cash dividends per share	-	-	-

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

Listing of Common Shares:

The Corporation has applied to list the Offered Shares on the Exchange. Listing will be subject to the Corporation fulfilling all of the listing requirements of the Exchange. See “*Plan of Distribution*”.

Qualification:

This prospectus is being filed in the Provinces of British Columbia, Alberta and Ontario. See “*Plan of Distribution*”.

CORPORATE STRUCTURE

The Corporation was incorporated under the name “Aurion Resources Ltd.” pursuant to the ABCA on April 6, 2006. The Corporation’s registered office is located at 1000 Canterra Tower, 400 – 3rd Avenue S.W., Calgary, Alberta T2P 4H2. The Corporation’s head office is located at Suite 1028, Bentall 5, 550 Burrard Street, Vancouver, British Columbia V6C 2B5. The Corporation has no subsidiaries.

GENERAL DEVELOPMENT OF THE BUSINESS

Since its incorporation, the Corporation has raised \$312,510 through the sale of Common Shares and Flow-Through Shares. See “*Prior Sales*”.

By way of the Option Agreement, and effective May 4, 2007, SKS granted the Corporation an option (the “**Option**”) to acquire an undivided one hundred percent interest in the Property, subject to the reservation in favour of SKS of a two percent net smelter return interest, one half of which can be purchased at any time by the Corporation for a price of \$1,500,000.

Pursuant to the Option Agreement, the Corporation has already made payment to SKS of \$20,000 and has incurred Expenditures on the Property in the amount of \$165,796. In order to exercise the Option, the Corporation must, prior to the Option Deadline:

- (i) pay or issue to SKS:
 - (a) an additional \$20,000 in cash, or at the election of the Corporation, a number of Common Shares if the Common Shares are traded on any stock exchange or quoted on any market system, that represent \$20,000 in value based on the market price of the Common Shares on or before November 4, 2008;
 - (b) an additional \$50,000 in cash, or at the election of the Corporation, a number of Common Shares if the Common Shares are traded on any stock exchange or quoted on any market system, that represent \$50,000 in value based on the market price of the Common Shares on or before November 4, 2009; and
 - (c) an additional \$60,000 in cash, or at the election of the Corporation, a number of Common Shares if the Common Shares are traded on any stock exchange or quoted on any market system, that represent \$60,000 in value based on the market price of the Common Shares on or before November 4, 2010.
- (ii) incur the following Expenditures on the Property:
 - (a) an additional \$150,000 on or before November 4, 2008;
 - (b) an additional \$300,000 on or before November 4, 2009; and
 - (c) an additional \$400,000 on or before November 4, 2010,

provided that if the Corporation incurs in excess of the required yearly Expenditures on the Property, the excess will be credited towards the Expenditures required to be incurred in the subsequent periods.
- (iii) issue an aggregate of 150,000 Common Shares if the Common Shares are traded on any stock exchange or quoted on any quotation system as follows:
 - (a) 40,000 Common Shares on or before November 4, 2009;
 - (b) 50,000 Common Shares on or before November 4, 2010; and

(c) 60,000 Common Shares on or before November 4, 2011.

(collectively, the “**Conditions of Exercise**”)

Upon the completion of a bankable feasibility study on the Property, SKS will be entitled to an additional issuance of 200,000 Common Shares, or at the election of Corporation, that number of Common Shares that represents a deemed value of \$500,000 based on the market price of the Common Shares at the date of issuance.

If the Corporation, by the Option Deadline, fails to incur the total amount of any of the Expenditures required under the Conditions of Exercise, then the Corporation may pay SKS an amount equal to such shortfall in Expenditures within 30 days of the Option Deadline, in order to exercise the Option.

Pursuant to the Option Agreement, the Corporation has agreed to: (i) maintain the Property in good standing by the doing and filing of applicable assessment work or the making of payments in lieu thereof, and the performance of all other action which may be necessary in that regard and in order to keep the Property free and clear of all liens and other charges except those at the time contested in good faith by the Corporation; (ii) file all applicable assessment work carried out in respect of the Property to the maximum allowable extent under all applicable mining legislation; and (iii) deliver to SKS on or before January 31 in each year a report describing the results of work done on the Property in the last completed calendar year together with information on material results obtained.

The Option Agreement will terminate: (i) at any time prior to the Option Deadline, by the Corporation giving notice of termination to SKS; (ii) at any time during the term of the Option, if the Corporation fails to advance to SKS any payment or make a required issuance of Common Shares or fails to incur any of the Expenditures provided for under the Conditions of Exercise within the prescribed timelines; or (iii) the Corporation is in breach of any representation or warranty contained therein and the default has not been cured within thirty days of notice of default.

NARRATIVE DESCRIPTION OF THE BUSINESS

General

The Corporation is engaged in the acquisition, exploration and if warranted, the development of mineral properties. As of the date hereof, the Corporation is the holder of the Option, which, if exercised, entitles the Corporation to an interest in the Property. See “*General Development of the Business*”. Going forward, the Corporation will focus on the exploration of the Property and such other properties that it may acquire.

Employees and Consultants

The Corporation currently has no employees, other than its officers. See “*Directors and Officers*”. The Corporation plans to contract out the majority of its operations, including work completed by geologists, geophysicists and engineers, on a project basis in order to best manage these costs.

The Corporation requires the services of geologists, geophysicists, engineers and other professionals to explore and analyze mineral prospects and to determine a method in which the minerals may be developed in a cost-effective manner. In addition, the Corporation will rely on the owners and operators of equipment to drill and develop prospects. Although, the Corporation believes that it will be able to acquire these services as needed in the future, there can be no assurances that such will be the case. See “*Risk Factors*”.

Specialized Skill and Knowledge

Management of the Corporation believes it possesses the technical experience and expertise required to successfully identify, acquire, explore and develop, mineral properties. Certain of the directors and officers have been involved in mineral exploration activities for more than a decade. While management of the Corporation believes that it possesses the skills and resources necessary to achieve the Corporation’s objectives, participation in the exploration and development of mineral resources and reserves has a number of inherent risks. See “*Risk Factors*”.

Environmental Protection

The following is management's understanding of certain matters related to environmental protection. Federal and provincial guidelines involving environmental reclamation from a mineral exploration perspective vary from jurisdiction to jurisdiction. In British Columbia, Canada, where the Property is located, the guidelines require a Mines Act Permit from the British Columbia Ministry of Energy, Mines and Petroleum Resources prior to any surface exploration commencing. All work must be conducted in accordance with the *Mines Act* (British Columbia) and Code for Mines in British Columbia. All industrial activities and campsites on the Property must be in compliance with the *Wildlife Act* (British Columbia) and the regulations promulgated thereunder. Should it be necessary to cut down any trees, a Free Use Permit of License to Cut must be obtained from the Ministry of Forests. On June 7, 2007, the Corporation made application for its initial exploration activities and thereafter received notification that the required permit under the *Mines Act* (British Columbia) would be waived, due to the nature of the work, and the work program would be authorized. On May 5, 2008, the Corporation made application to include a proposed diamond drill program on the Property. On July 8, 2008, the Corporation received notice that the permit for the proposed mineral exploration will be issued, subject to the posting of a \$5,000 security deposit. The Corporation anticipates submitting the deposit prior to August of 2008.

Competitive Conditions

Mineral exploration and the acquisition of undeveloped properties is a highly competitive and speculative business. The Corporation competes with a number of other companies, including major mining companies and other independent operators which are more experienced and which have greater financial and personnel resources. The Corporation does not hold a significant competitive position in the mining industry. See "*Risk Factors*".

Stated Business Objectives

The principal business currently carried on and intended to be carried on by the Corporation, which currently has no known reserves, is the acquisition, exploration and development of mineral resource properties. As the Property is in the exploration stage, the Corporation intends to use existing working capital and net proceeds raised pursuant to the Offering to pay for the exploration program on the Property, expenses of the Offering and as future working capital. See "*Use of Proceeds*".

Milestones

In order to accomplish the above noted business objectives, the Corporation is planning an initial exploration program on the Property which is estimated to cost approximately \$220,000, and which is expected to be completed on or before December 31, 2008. The Corporation has been advised that the required permit for the proposed mineral exploration program will be issued, subject to the British Columbia Ministry of Energy, Mines and Petroleum Resources receiving a \$5,000 security deposit. It is currently expected that the submission of the security deposit and an emergency response plan will be submitted prior to August of 2008. Archer has been retained to complete the mineral exploration program with the drill program scheduled to start between September 15, and September 30, 2008. It is anticipated that the initial program will take approximately 21 days. See "*The Property - Exploration and Development*". Additional work on the Property will be dependant on favourable exploration results. The Corporation will also continue to assess new properties and will seek to acquire interests in additional properties if the Corporation feels that they have sufficient potential.

The mineral tenures on the Property expire on March 30, 2009. In order for the tenures to renew on an annual basis, the Corporation will be required to perform approved exploration work to a dollar value of \$4.00 per hectare per year, increasing to \$8.00 per hectare per year after March 30, 2009, or alternatively, a cash payment can be made to the government in lieu of performing exploration work. See "*The Property - Property Description and Location*". Therefore, and in order to avoid having the claims revert back to the Crown on March 30, 2009, the Corporation will be required to file an assessment report that shows at least \$1,329.28 worth of exploration work or alternatively pay the government \$1,329.28 in cash. The Corporation is planning an exploration program on the Property which is expected to cost approximately \$220,000 and which is expected to be completed on or before December 31, 2008. See "*The Property - Exploration and Development*".

Lending

The Corporation has no investment policies nor does its articles or by-laws provide for any lending or investment restrictions.

THE PROPERTY

The following information on the Property has been obtained from the Technical Report, prepared pursuant to the provisions of National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("NI 43-101"), by the Technical Report Author. The Technical Report Author is an independent "qualified person" as that term is defined in NI 43-101. The Technical Report may be obtained on the SEDAR website at www.sedar.com.

Property Description and Location

The mineral tenures on the Property are recorded under the *Mineral Tenure Act* of the Province of British Columbia and are registered in the name of Mike Hudock, who holds them on behalf of SKS, as shown below:

<u>Tenure #</u>	<u>Hectares</u>	<u>Expiry Date</u>
Kami 530865	83.08	March 30, 2009
Kami 536244	249.239	March 30, 2009

In British Columbia, mineral tenures are filed electronically and their locations are defined by their map coordinates. Thus, there are no posts to locate and there is no potential for overlapping tenures.

The Property is owned by SKS and is subject to the Option. The Corporation may earn an interest in the Property by exercising the Option, which entails incurring certain expenditures and making certain payments, among other things, all as more particularly described under "*General Development of the Business*".

Mineral tenures in British Columbia can be maintained in good standing by performing approved exploration work to a dollar value of \$4 per hectare for each of the first three years of mineral tenure ownership, rising to \$8 per hectare for each subsequent year. Alternatively, a cash payment can be made to the government in lieu of performing the exploration work, with the amount of cash payment equal to the required work expenditure. Prior to commencing advanced work programs, the environmental impact of the work must be assessed by the Ministry of Energy and Mines of British Columbia, which may require that a reclamation bond be posted. The Technical Report Author is not aware of any unusual encumbrances to mineral exploration or of any disturbances related to mining or exploration activities that require reclamation.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Property is located about 65 km east-southeast of the city of Vernon, British Columbia which receives scheduled airline flights five days a week from Vancouver. The Property is accessible via a system of logging roads that extend west from Highway 6, connecting Vernon with the communities of Lumby, Cherryville and Needles. It is about 18 km from the highway to the centre of the mineral tenures.

Vernon has a population of about 36,000 and provides most services required to support mineral exploration. Cherryville, the closest community to the Property, has a population of about 1,000. It offers limited amenities and services, including accommodations, two general stores, restaurants and fuel. The closest hydroelectric transmission line is alongside Highway 6.

There are no buildings on the Property. The main showing is exposed in a road cut on a gravel-logging road, which bisects the Property and provides access to within 100 m of all areas of primary exploration interest. There is a site on the Property that is suitable for a camp and local creeks could provide adequate water for drilling and camp purposes. There is marketable timber on the mineral tenures and therefore approval will have to be obtained before large numbers of trees can be removed to build trails or drill sites. Some clearcut logging has been done near the main showing.

The climate in the Kami area is typical of mountainous portions of the southern interior with cold, snowy winters and hot, dry summers. Detailed climatic information is not available for the Property. The closest weather station is at Farquhar, which lies 31 km to the east-southeast and 1100 m lower in elevation. That station reports average temperatures in January of -3°C and in July of 18°C. Total annual precipitation averages approximately 675 mm at Farquhar, mainly occurring as rain in the winter months. At a much higher elevation, the Property receives more snow than rain in winter. It is mostly snow free from early May until the end of September.

The Property lies within the southern part of the Whatshan Range of the Monashee Mountains. The area is drained by Banting Creek, a tributary of Inonoaklin Creek, which drains into Lower Arrow Lake, part of the Columbia River watershed. Terrain on the mineral tenure is subalpine with local elevations ranging from 1700 m to 1950 m above sea level. Topography is rolling with steep sections in the vicinity of creek cuts.

No glacial features have been identified on the Property, however they may be obscured by the dense vegetation. Soil development is typical of subalpine coniferous forests, with a poorly developed 'A' horizon and a moderately developed 'B' horizon. The forest comprises mixed stands of spruce, balsam fir and lodgepole pine.

History

The main showing was purportedly exposed in the 1960s during construction of a logging road, but there is evidence of much earlier work, none of which was documented.

In late 1997, A. Savjord exposed a series of narrow, gently dipping quartz veins mineralized with pyrite, galena and sphalerite. The veins are gold and silver-rich and cut a sericite-altered pluton. Mr. Savjord's work consisted of bulldozer trenching, bulk sampling and limited soil and stream sediment sampling. Numerous multi-gram gold and silver values are reported from Mr. Savjord's work at the main vein exposure on the Property but data concerning associated widths is poorly documented. A select 10-kilogram sample was reportedly collected from the main exposure and run through the Greenwood Mill producing a concentrate grading 957 g/t gold and 3220 g/t silver, 3.03% lead and 0.71% zinc. District geologist, Mike Cathro, sampled the main showing in 1998, which reportedly returned 39.6 g/t gold and 1000 g/t silver across 25 cm.

In 2006, SKS performed cursory prospecting to confirm the polymetallic nature of the quartz veins and grid soilsampling in the immediate vicinity of the main showings.

Geological Setting

Regional Geology

The Property is situated in the Omineca Belt of the North American Cordillera. The main features in the immediate area are two Mesozoic batholiths, which cut a Proterozoic to Permo-Triassic section of predominantly metasedimentary and sedimentary units. This section caps the Paleoproterozoic, Monashee basement gneiss complex. Eocene granite and pegmatite intrusions are common in the area but are not mapped within either of the Mesozoic batholiths. The older units are locally capped by Eocene volcanic and clastic rocks or Miocene basalt flows.

The Property is predominantly underlain by Jurassic, hornblende leucogranite of the Spruce Grove batholith which is part of the Okanagan Plutonic Suite. The Bevan Fault, a north trending, steeply west dipping normal fault, lies about 2 km east of the Property. The Cretaceous, Whatshan Lake Batholith, which is composed of leucocratic, hornblende bearing, megacrystic quartz monzonite, occupies the area immediately east of the Bevan Fault adjacent to the Property.

Local And Property Geology

The Property lies within the Spruce Grove Batholith and is mostly underlain by hornblende leucogranite, based on mapping of float boulders and limited bedrock exposures in road cuts. Boulders of hornfelsed metasedimentary rocks are observed mostly in the west and west-central parts of the Property. These boulders are often intermixed with leucogranite boulders, suggesting the hornfelsed rocks are derived from xenoliths within the batholith. A north striking, mafic dyke of uncertain age was found in bedrock and float in the central part of the Property. Only one of

the contacts is exposed so the exact thickness is not known, yet it is likely less than 2 m across. A few fragments of aplite dyke material have been identified in float on the west and southeastern side of the Property.

There is minimal structural data for the Property because of limited bedrock exposure. A series of measurements were collected along the vein and fracture planes at Showings A and B. The vein at Showing A strikes approximately 010° and dips between 10° and 30° to the west. Two prominent fracture sets are present. The primary set strikes approximately east-west and dips steeply to the south and less often to the north. Some of these fractures host thin quartz veinlets. The subordinate fracture set strikes approximately 170° and dips steeply to the east and west. The vein at Showing B strikes 005° and appears to dip 64° to the west. Fractures at this locale strike 002° and 097° with dips 70° to the south and 60° to the west, respectively.

Deposit Types

The gold- and silver-rich quartz veins on the Property are categorized as polymetallic veins. Veins of this type comprise some of the most productive silver±gold mining camps in the North American Cordillera, including the Coeur d'Alene District in Idaho, the Keno Hill District in Yukon and the Slocan and Beaverdell-Carmi districts in British Columbia. They can be hosted by either metasedimentary or igneous rocks. In British Columbia, veins of this type are usually Cretaceous or Tertiary in age.

Economic minerals are principally galena, sphalerite and tetrahedrite but can include a variety of sulfosalts, chalcopyrite, arsenopyrite, native silver, native gold and electrum. Quartz is the most common gangue mineral in the veins that are hosted by intrusions, but carbonate minerals are also common.

Deposits of this type are generally hosted in sets of parallel or offset veins that range from cms to more than 3 m wide and a few hundred to more than 1000 m in length and depth. Individual veins comprising these deposits contain several hundred to several million tonnes with grades of 5 to 1500 g/t silver, 0.5 to 20% lead and 0.5 to 8% zinc. In British Columbia, more than 2000 occurrences of this type are known, but most are small. The average size and grade for deposits exceeding 20,000 tonnes is 161,000 tonnes at 304 g/t silver, 3.47% lead and 2.66% zinc. Copper and gold values are reported for less than half of the occurrences and average 0.09% copper and 4 g/t gold.

The best analogy for the mineralization at the Property is the former Beaverdell mine which hosts silver and gold vein mineralization predominantly within northeast and east trending structures in a mid Jurassic granitic intrusion. The mineralization consists of galena, sphalerite and pyrite plus lesser amounts of arsenopyrite, tetrahedrite, pyrrhotite, chalcopyrite, polybasite, acanthite and pyrrhotite occurring within a series of echelon quartz veins. The veins commonly have a banded texture and are associated with propylitic alteration zones within the host intrusion. The age of the mineralization is believed to be associated with Eocene intrusive activity. Production figures from the British Columbia Mineral Inventory in the period 1913 to 1991 were reportedly 1,198,829 tonnes at a grade of 0.43 g/t gold, 896 g/t silver and 0.97% lead.

Although the Technical Report Author has made general comparisons to the above-mentioned deposit, as a cautionary note, he cannot verify the analogy is necessarily indicative of potential deposits which may be present on the Property.

Exploration

Work conducted in 2007 at the Property included line cutting, grid soil geochemical surveys, IP surveys, prospecting and detail sampling of two of the known vein showings. This work was conducted by a number of different contractors on behalf of the Corporation intermittently between July 9 and October 24, 2007.

Soil Geochemical Survey

Soil geochemical sampling was conducted within a 1700 by 1000 m area in the central part of the Property. The main grid was established with cut lines at 100 m spacing in a due east direction across the projected trace of the known vein zones. Soils were collected at 25 m intervals along the lines.

All typical pathfinder elements (gold, silver, lead and zinc) produced sporadic results across the soil sample grid with individual point anomalies at various locales. The general correlative trend for elevated gold and silver response is moderate but the direct correlation between point anomalies is poor.

Anomalous gold and silver values occur in the vicinity of and along the projected trace of the known occurrences. Samples were not collected in the immediate vicinity of the bedrock exposures that were subject to prior disturbance of the soil. The strongest gold-in-soil value of 293 ppb is situated approximately 400 m along strike to the north of Showing D while the highest silver-in-soil value of 6.8 ppm is located 200 m north of Showing B.

Induced Polarization Survey

A total of 10 line km of IP was conducted along the cut line grid at the Property during a two week period in August 2007. This work was contracted to Republic Resources Inc. of Vancouver B.C. and was conducted using a six station dipole-dipole array at 25 m separation between dipoles.

Apparent resistivity and chargeability illustrated on the pseudosections directly over the vein occurrence at Showing A, outlined a broad resistivity anomaly which is directly correlative with an area of elevated chargeability. Similar anomalies are observed on the two lines immediately to the north of the showing along a due north trend. A number of additional anomalies with similar signatures are outlined on various survey lines but appear to be randomly located. Geometry of the anomalies on the pseudosections cannot be addressed as the IP data has not been inverted and modeled.

Three dimensional inverted resistivity depth slices constructed at 50 and 100 m below surface highlight four distinct north to northwesterly linear arcuate trends spaced evenly across the width of the survey grid. All four trends are characterized by resistivity highs. The two central anomalies occur in the vicinity of the known and suspected vein traces but the projected trends are not directly coincident. Three dimensional inverted IP depth slices at the same elevations outline coincident chargeability highs associated with portions of the two central resistivity anomalies.

Prospecting, Hand Trenching and Rock Sampling

During the period between October 14 and 24, 2007, prospecting, hand trenching and rock sampling was carried out by Archer under the supervision of the Technical Report Author. The Technical Report Author also conducted a one day site visit on October 19, 2007.

Archer's work focused on obtaining a detailed assessment of the main vein exposure at Showing A and gathering baseline sample data from the other showings previously documented on the Property. Prospecting was largely inhibited due to property wide snow cover.

Extensive hand trenching was conducted along an 80 m portion of the vein zone exposed at Showing A, which is the only vein occurrence on the Property that has received previous mechanized work. Hand trenching was required to clear slough and debris covering the exposure from the upper slopes. Once cleared, the vein zone was further cleared of fine debris with a whisk broom, detail mapped and sample intervals established at six stations along the exposure.

A series of chip and sawn channel samples were taken across the vein at 6, 33, 42, 44, 62, and 78 m measured from the south end of the exposure. These samples returned sporadic values for gold, silver, lead and zinc with peak values of 37.4 g/t, 365 g/t, 0.96% and 0.96%, respectively across 22 to 30cm. A specimen from a galena- and sphalerite-rich lens in the stockwork zone returned 48.3 g/t gold, 720 g/t silver, 2.78% lead and 4.91% zinc. Assay results for Showing A are as follows:

Marker	Sample Number	Width (m)⁽¹⁾	Sample Type	Au (g/t)	Ag (g/t)	Pb %	Zn %
6 m	C386375	0.3	channel	0.029	1.3	-	0.01
	C386376	0.4	channel	0.027	2.1	-	-
	C386377	0.235	channel	0.026	1.7	-	-
	C386378	0.32	channel	0.564	33.8	0.01	-

Marker	Sample Number	Width (m) ⁽¹⁾	Sample Type	Au (g/t)	Ag (g/t)	Pb %	Zn %
33 m	C386379	0.45	channel	0.058	4.0	-	-
	C386385	0.27	chip	0.028	1.3	-	-
	C386386	0.3	chip	0.016	1.4	-	-
	C386387	0.32	chip	0.094	3.4	-	0.01
	C386388	0.3	chip	0.03	1.7	0.01	0.01
42 m	C386380	0.5	channel	0.031	2.1	-	0.01
	C386381	0.5	channel	0.097	8.9	-	-
	C386382	0.54	channel	0.025	1.9	-	-
	C386383	0.50	channel	0.006	0.6	-	0.01
44 m	C386410	1.0	chip	0.123	11.1	-	-
62 m	C386370	0.30	channel	0.497	89.1	0.01	0.03
	C386371	0.30	channel	12.1	365.0	0.96	0.96
	C386372	0.30	channel	2.12	252.0	0.03	0.03
	C386373	0.44	channel	1.34	42.8	0.02	0.04
	C386374	0.55	channel	0.055	3.0	0.01	0.01
	C386401	-	specimen	48.3	720.0	2.78	4.91
78 m	C386365	0.50	channel	0.039	4.1	0.01	0.01
	C386366	0.50	channel	0.06	8.0	0.02	0.01
	C386367	0.22	channel	37.4	201.0	0.04	-
	C386368	0.50	channel	0.039	3.2	-	-
	C386369	0.50	channel	0.032	1.6	-	0.01

Note:

(1) Sample widths represent true thickness

Showing B lies 200 m northwest of Showing A. Two hand trenches exposed a quartz vein zone that strikes due north and dips 64° to the west. The vein is hosted in leucogranite and is approximately 25 cm thick with a 25 to 50 cm thick, clay altered stockwork zone developed in the hanging wall. The vein appears to be offset approximately 2 m by an easterly trending fault between the two trenches. Sulphides consist of pyrite and lesser galena and sphalerite that occur predominantly as blebs and disseminations within the vein and immediate alteration halo.

Sulphide concentrations are generally low with occasional pods with up to 15% near the footwall of the vein. Chip samples across the vein zone north of the fault returned a weighted average of 1.236 g/t gold and 144 g/t silver across 1.35 m including 2.030 g/t gold and 181 g/t silver across 0.24 m. Chip samples from the vein on the south side of the fault yielded a weighted average of 0.505 g/t gold and 178 g/t silver across 0.48 cm including 0.744 g/t gold and 294 g/t silver across 0.25 m. Assay results for Showing B are as follows:

Marker	Sample Number	Width (m) ⁽¹⁾	Sample Type	Au (g/t)	Ag (g/t)	Pb %	Zn %
1.2 m	C386389	0.40	chip	0.052	4.4	0.01	0.01
	C386390	0.23	chip	0.247	51.1	0.07	0.02
	C386391	0.25	chip	0.744	294.0	0.12	0.02
3 m	C386392	0.56	chip	0.135	17.7	0.04	0.05
9.2 m	C386393	0.61	chip	0.997	101.0	0.01	-
	C386394	0.24	chip	2.03	181.0	0.08	-
	C386395	0.50	chip	0.366	100.0	0.05	-
	C386396	0.70	chip	0.395	47.1	0.02	0.02
7 m	C386397		specimen	0.009	1.2	-	0.01

Note:

(1) Sample widths represent true thickness

Showing C lies approximately 50 m northeast of Showing B. Samples of silicified leucogranite and pyritic quartz vein float from this showing collected by previous operators reportedly returned 2.49 g/t gold and 263 g/t silver. No work was done at this showing during 2007 because of thick snow cover.

Showing D is located approximately 180 m east of Showing A and is marked by a historical blast pit surrounded by quartz vein fragments exceeding 10 cm thickness. The fragments contain up to 5% pyrite $\pm$ galena $\pm$ sphalerite as disseminations, blebs and thin layers parallel to the vein walls. A sample of this material returned 2.62 g/t gold and 2.9 g/t silver.

Mineralization

The Property host's silver- and gold-rich quartz vein mineralization at several locations. The most thoroughly explored and sampled of the four vein zones documented is Showing A, which is intermittently exposed along a road cut for a strike length of about 80 m. Showings B, C and D are defined by small bedrock exposures in shallow pits or by scattered float occurrences.

Where exposed, the veins have sharp contacts with adjacent leucogranite country rock and they pinch and swell from 10 to 40 cm thickness. The immediate hanging wall envelopes exhibit 5 to 10 m thick zones of weak pervasive clay alteration that progressively weakens further away from the vein. Quartz stringers and veinlets comprise approximately 1% of the hanging wall in a 2 m wide band alongside the vein. The stringers and veinlets are up to 1 cm wide and are aligned subparallel to the main quartz vein. Periodic offsets with displacement up to 1 m are observed and appear to be a result of small normal faults dipping steeply to the south.

Rocks in the footwall of the vein zone are also pervasively clay altered; however, the thickness of the alteration envelope is not known due to overburden cover. In the altered footwall, irregularly spaced quartz veinlets comprise about 2% of the country rock. They vary from 0.5 to 1.5 cm thick and generally strike eastward, perpendicular to the vein strike. Most of the veinlets dip steeply to the south, but some dip toward the north. All footwall and hanging wall veinlets exhibit weak comb textures and contain ~1% pyrite $\pm$ galena as disseminations in the core portions of the veins. At one part of the exposure along Showing A, an area of stockwork veining occurs in place of the main quartz vein for a length of 3 m. The full width of the stockwork veining is undetermined due to overburden cover.

Three modes of sulphide mineralization have been observed in the vein zones: (i) planar massive to semi-massive lenses within the main veins; (ii) as blebs and massive clots along parallel planes in the veins and veinlets; and (iii) as minor disseminations within both the quartz and adjacent country rock. The sulphide lenses are most common in the stockwork zone observed at Showing A, where they form massive bands up to 3 cm thick along the footwall of some of the veins. Although they are most common in the stockwork zone, a few planar lenses of massive and semi-massive sulphide have also been observed at the base of the main vein at Showing A.

Typical sulphide assemblages consist of pyrite with minor galena, sphalerite and rare chalcopyrite. Overall sulphide concentrations are <5% although portions of the vein at Showing A have been noted to contain up to 10% total sulphide with about 8% pyrite, 1.5% galena and 0.5% sphalerite.

The most advanced of the four mineralized locales on the Property is Showing A. A series of chip and sawn channel samples were taken across the vein at 6, 33, 42, 44, 62, and 78 m measured from the south end of the exposure. These samples returned sporadic values for gold, silver, lead and zinc with peak values of 37.4 g/t, 365 g/t, 0.96% and 0.96%, respectively across 22 to 30 cm. A specimen from a galena- and sphalerite-rich lens in the stockwork zone at the 62 m marker returned 48.3 g/t gold, 720 g/t silver, 2.78% lead and 4.91% zinc.

Showing B lies 200 m northwest of Showing A. Two hand trenches exposed a quartz vein zone that strikes due north and dips 64° to the west. The vein is hosted in leucogranite and is approximately 25 cm thick with a 25 to 50 cm thick, clay altered stockwork zone developed in the hanging wall. The vein appears to be offset approximately 2 m by an easterly trending fault between the two trenches. Sulphides consist of pyrite and lesser galena and sphalerite that occur predominantly as blebs and disseminations within the vein and immediate alteration halo.

Sulphide concentrations are generally low with occasional pods with up to 15% near the footwall of the vein. Chip samples across the vein zone north of the fault returned a weighted average of 1.236 g/t gold and 144 g/t silver

across 1.35 m including 2.030 g/t gold and 181 g/t silver across 0.24 m. Chip samples from the vein on the south side of the fault yielded a weighted average of 0.505 g/t gold and 178 g/t silver across 0.48 cm including 0.744 g/t gold and 294 g/t silver across 0.25 m.

Showing C lies approximately 50 m northeast of Showing B. Samples of silicified leucogranite and pyritic quartz vein float from this showing collected by previous operators reportedly returned 2.49 g/t gold and 263 g/t silver. No work was done at this showing during 2007 because of thick snow cover.

Showing D is located approximately 180 m east of Showing A and is marked by a historical blast pit surrounded by quartz vein fragments exceeding 10 cm thickness. The fragments contain up to 5% pyrite $\pm$ galena $\pm$ sphalerite as disseminations, blebs and thin layers parallel to the vein walls. A sample of this material returned 2.62 g/t gold and 2.9 g/t silver.

Follow up prospecting in the vicinity of the strongest silver-lead soil geochemical anomaly (6.8 ppm and 83.96 ppm, respectively) discovered quartz vein material with abundant pink potassic surface staining. A sample of this material collected from the soil sample pit returned 20.4 g/t gold, 1070 g/t silver and 0.24% lead. The sample also contained elevated arsenic but low values for all other potential indicator elements.

Drilling

The Corporation has not conducted any drilling programs on the Property. No diamond drilling has been done on the Property.

Sampling and Analysis

No information is available regarding sampling done prior to 2006.

Soil samples

Soil samples are intended to identify areas with abnormally high metal contents that could be derived from mineralization covered by overburden.

In 2006, 44 samples were taken from a tightly spaced grid near Showing A. The samples were collected at 10 m intervals on lines spaced 20 m apart. In 2007, another 287 samples were collected from a 1700 by 1000 m grid covering most of the Property. The sample lines on this grid are generally spaced 100 m apart, and each line extends 500 m east and west from a central baseline. Samples were taken at 25 m intervals where possible along most lines. All of the samples targeted "B" horizon residual soil from the bottoms of 15 to 25 cm deep holes dug with mattocks. Each soil sample was placed in a heavy Kraft paper bag marked with the grid coordinates for the site where the sample was taken, which acted as a unique sample number. The sample sites are indicated by water-resistant Tyvek tags that are also marked with the grid coordinates. The tags are wired to trees near their respective sample sites. Samples missing in certain parts of the grid represent areas that were deliberately not sampled due to previous disturbances such as logging roads, skid trails and landings. This decision was left to the discretion of the sampler.

The Property is situated within a glaciated terrain, however the glacial till cover appears to be relatively thin where exposed along road cuts and in the vicinity of the known vein occurrences. The erratic nature of the soil geochemical results may be in part a result of variable thicknesses of till masking the underlying metalliferous soils. Sample density from the surveys conducted on the Property is adequate for the target type presented. The depth from which the samples were collected may not be providing a sufficient representation of the underlying metalliferous soils and the coverage should be expanded east and west to identify additional prospective areas.

Rock samples

Rock samples were usually taken if a specimen contained sulphide minerals such as galena, sphalerite, pyrite or arsenopyrite, which are commonly associated with gold and silver, or any other weathering products of those minerals. In some instances, quartz rich material without visible sulphide minerals was sampled to check for fine disseminations of native gold, which would be difficult to identify macroscopically. Rock samples are usually not representative of the average grade of a mineral occurrence but serve to establish the presence or absence of

mineralization with grades of economic interest. Each rock sample taken in 2007 was described in detail before being placed in a plastic bag with a pre-numbered assay tag. The sample locations were identified by global positioning satellite readings.

Chip samples

Chip samples were collected from a few sites in 2007, after the rock saw used to cut channel samples malfunctioned. Chip samples were taken where a mineralized zone is exposed in bedrock. Each chip sample typically consisted of 50 or more rock fragments that were broken off bedrock continuously along a line, ideally oriented perpendicular to the trend of the mineralization. The length of each chip sample was determined by geological contacts marking the limits of veining and alteration. The rock fragments comprising each sample were placed in a plastic bag with a pre-numbered assay tag. At most exposures, one sample was taken across the quartz rich mineralized zone and an additional sample was taken on either side to check for mineralization in the surrounding wallrocks. The significance of chip sample results must be assessed in light of the material collected. For example, it is relatively easy to obtain a continuous sample of even size across a highly fractured zone but it is more difficult to do across a massive, unfractured exposure. While considerable effort is made to ensure that chip samples are representative of the mineralized zone, it is nonetheless possible that more resistant intervals may be under-represented in the sample. It is also possible that bias can be introduced by varying individual chip size. True widths of mineralized zones can be difficult to accurately determine if bedrock exposure does not permit reliable measurement of structural orientations.

Channel samples

Channel samples were cut across quartz rich mineralized zones and adjacent wallrocks using a rock saw. Two parallel grooves were first sawn into the rock. These grooves were 2 to 3 cm deep and were spaced 2 to 3 cm apart. Rock between the grooves was then chiselled out to form a continuous notch. The resulting rock fragments were placed in plastic bags with pre-numbered assay tags. In most instances, one sample was taken across the mineralized zone and one or two additional samples were taken from wallrock on either side of the zone. Channel samples are considered to be more reliable than chip samples because they eliminate much of the sampling bias. However, true widths of the samples can be difficult to accurately determine if bedrock exposures do not permit reliable measurement of structural orientations.

Chip and channel samples collected from the Property are considered to provide good estimations of grade at individual bedrock exposures, but grades are highly variable between sampled exposures. Good structural measurements were made at most sample sites, so estimates of true thickness are generally considered to be reliable.

The 2007 rock, chip and channel sampling data presented in the Technical Report was collected under the direct supervision of the Technical Report Author and he examined the sample sites to ensure that the work was done to his specifications. To verify this data and results of sampling done by previous workers, the Technical Report Author performed the following tasks: (i) original analytical certificates were re-examined where available; (ii) results on analytical certificates were compared to those on maps; (iii) historical rock sample assays were compared to 2007 rock, chip and channel sample assays for the samples collected from the same bedrock exposures; and (iv) rock, chip and channel sample multi-element analyses were compared to descriptions of minerals observed in the samples to confirm compatibility of data.

The verification procedures undertaken in connection with this assignment are intended to assess whether errors may have occurred through sample handling and/or analytical procedures.

Security of Samples

The following paragraphs describe sample preparation, analytical techniques and security procedures used in 2006 and 2007 for samples taken from the Property. Similar information is not available regarding historical rock samples.

The soil samples collected in 2006 and 2007 were sent to Ecotech Laboratory Ltd. in Kamloops, B.C. which carries International Organization for Standardization ("ISO") 9001 accreditation (Certificate Registration No.-CDN 52172-02). They were catalogued, dried and routinely sieved through an 80 mesh screen. Samples that did not produce

adequate fine fraction material were screened at a coarser fraction and the relevant mesh was noted. Gold and multi-element analyses were performed. For gold, a 30 gram split was fused and the resulting bead was digested in aqua regia before being analyzed by atomic absorption. Each analysis for 35 other elements was done on a 0.5 gram split that was digested with three ml of a 3:1:2 hydrogen chloride, hydrogen nitrate, water solution for 90 minutes in a water bath at 95°C. The solution was then diluted to 10 ml with water and analyzed in a Jarrell Ash inductively coupled plasma unit.

In 2007, all rock, chip and channel samples were collected by Archer and stored at their locked accommodations until they were taken to Vancouver by a crew member and forwarded to the ALS Chemex laboratory in North Vancouver, B.C. At ALS Chemex, the samples were first logged into the tracking system, weighed, dried and fine crushed to better than 70% passing 2 mm. Then, a 1.5 kg split was pulverized to better than 85% passing 75 microns. Two splits were taken from the pulverized fraction. One of the splits was analyzed for gold using fire assay followed by atomic absorption (AU-AA23) and the other split was analyzed for 34 other elements using an aqua regia digestion and inductively coupled plasma-atomic emission spectroscopy (ME-ICP41). The ALS Chemex laboratory in North Vancouver carries ISO-9001:2000 registration and is accredited to ISO 17025 by Standards Council of Canada for a number of specific test procedures including fire assay gold by atomic absorption inductively coupled plasma and gravimetric finish, and multi-element inductively coupled plasma and atomic absorption assays for silver, copper, lead and zinc.

No blank, duplicate or standard samples were submitted for analysis along with any of the samples from the Property, other than the standards used by the laboratory for internal quality control. The absence of these types of samples is not uncommon given the grassroots nature of the exploration program.

It is the Technical Report Author's opinion that the preparation, analytical and security procedures for the sampling conducted at the Property are satisfactory. This work accounts for the majority of the relevant data used to qualify the Property for further work.

Mineral Resources & Mineral Reserves

No resource estimates have been made regarding mineralization at the Property.

Exploration and Development

The Technical Report Author has made the following recommendations: Future work at the Property should focus on evaluating the potential of the known vein occurrences and the discovery of new mineralized vein zones. Pre-field work should consist of further processing of the previously acquired IP pseudosection data. It should be inverted and modeled to better understand the geometry of the known occurrences and new prospective targets. Diamond drilling should be done in four to five closely spaced holes testing the vein occurrence at Showing A. This work will establish downdip continuity of the quartz bearing structure and associated grade. It will also test for additional veins that may be developed in the hanging wall and footwall lithology specifically as they relate to the chargeability/resistivity anomalies. The total cost of the program is estimated at \$220,000 and a recommended budget is as follows:

Diamond drilling: 550 m @ \$190/m	\$104,500
Labour: sampling, prospecting, mapping and trenching	21,000
Office: logistical support, bookkeeping, assessment filing and report preparation	20,000
Bulldozer 100 hrs @ \$130/hr	13,000
Room, board and field supplies: 70 person days @ \$120/day	8,400
Geophysical interpretation:	5,000
Assays: 100 rock samples at \$35/sample	3,500
Truck rental and fuel:	4,000
Shipping and trucking:	3,000
Management:	10,400
GST:	9,640
Contingency:	17,560
Total	\$220,000

The Corporation plans to follow the Technical Report Author's recommendations and budget.

USE OF PROCEEDS

The gross proceeds to be received by the Corporation from the sale of the Offered Shares offered by this prospectus will be \$800,000. From the gross proceeds of \$800,000 will be deducted the expenses and costs related to the Offering, which includes the legal, audit and other expenses of the Corporation, the Agent's commission, corporate finance fee, administration fee and legal fees and the listing fees payable to the Exchange, estimated to be \$138,000 in aggregate, of which \$20,500 has been expended by the Corporation as at June 30, 2008. The estimated net proceeds to the Corporation of \$662,000 will be combined with the Corporation's working capital of approximately \$90,142 as at June 30, 2008 for a total of \$752,142 in available funds upon completion of the Offering.

The Corporation intends to use the proceeds of the Flow-Through Shares together with its working capital to incur CEE, which the Corporation has covenanted to renounce in favour of subscribers of the Flow-Through Shares offered hereby effective on or before December 31, 2008, as part of the Corporation's exploration program in respect of the Property to satisfy the Corporation's obligations in connection with the Flow-Through Shares.

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

Principal Purpose	Amount
Exploration program on the Property ⁽¹⁾	\$220,000
General and administrative expenses for the next 12 months ⁽²⁾	\$100,000
Property and maintenance costs for the next 12 months	\$20,000
Service Fee owed to Ionic Management under Corporate Services Agreement ⁽³⁾	\$20,000
Unallocated working capital	\$392,142
Total:	\$752,142

Note:

- (1) See "*The Property - Exploration and Development*" for a summary of the work to be undertaken in the exploration program on the Property by the Corporation and a breakdown of the estimated costs.
- (2) General and administrative costs for the next 12 months include \$54,000 for management services, \$4,000 for transfer agent fees, \$15,000 for audit fees, \$12,000 for legal fees, \$10,000 for investor relations and \$5,000 for regulatory fees.
- (3) See "*Directors & Officers - Management Agreement*" for a summary of the Corporate Services Agreement.

Upon completion of the Offering, the Corporation's available working capital will be sufficient to fund ongoing operations for the next 12 months.

The Corporation intends to spend the funds available to it as stated in this prospectus. There may be circumstances however, where, for sound business reasons, a reallocation of funds may be necessary. Any proceeds received from exercise of the Agent's Option and the Directors' and Officers' Options will be used to provide general working capital to fund ongoing operations. See "*Plan of Distribution*".

None of the net proceeds will be used by the Corporation to reduce debt, acquire assets, for research and development or for payments to insiders, associates or affiliates of the Corporation.

SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

The selected financial information set out below is based on and derived from the audited financial statements of the Corporation for the year ended December 31, 2007 and the period ended December 31, 2006 and the unaudited interim financial statements for the six month period ended June 30, 2008, prepared in accordance with Canadian

generally accepted accounting principles. The following table sets forth certain financial information of the Corporation for: (i) the six months ended June 30, 2008; (ii) the year ended December 31, 2007; and (iii) the period from incorporation on April 6, 2006 until December 31, 2006.

	Six months Ended June 30, 2008	Year Ended December 31, 2007	Period From Incorporation on April 6, 2006 to December 31, 2006
	(\$)	(\$)	(\$)
Interest Income	1,610	9,546	380
Operating Expenses	1,257	18,826	7,525
Loss for the period	(4,718)	(170,005)	(7,145)
Deficit (end of period)	(181,868)	(177,150)	(7,145)
Loss per share (basic and diluted)	(0.00)	(0.09)	(0.09)
Total Assets	149,649	151,504	200,768
Total long-term financial liabilities	-	-	-
Cash dividends per share	-	-	-

Results of Operations

The Corporation was incorporated in April 2006 and raised \$200,010. The Corporation issued 500,100 Common Shares at a price of \$0.10 per share and 750,000 Flow-Through Shares at a price of \$0.20 per share. The majority of the funds were raised in December 2006 and therefore did not generate significant interest income.

Early in 2007, the Corporation issued 750,000 Common Shares at a price of \$0.15 per share for gross proceeds of \$112,500. The funds raised late in 2006 and early 2007 funded the Corporation's exploration program on the Property which began in the fall of 2007. The additional funds held resulted in higher interest income. The net losses resulting from exploration costs (\$160,725) and operating expenses (\$18,826) contributed to the overall loss of \$170,005 for the year ending December 31, 2007. Operating expenses for the year ending December 31, 2007 included a \$10,000 accrual for audit expenses in anticipation of the Corporation going public.

During the six months ending June 30, 2008, the Corporation completed its analysis of the initial exploration work performed in 2007 on the Property and started the process to complete the Offering. The Corporation has incurred \$20,500 of expenses related to the Offering which has been recorded as deferred financing charges.

Second Quarter Results

The following table sets forth selected data (unaudited) for the periods indicated:

	Three months ending June 30		Six months ending June 30	
	2008	2007	2008	2007
	(\$)	(\$)	(\$)	(\$)
Mineral exploration expenses	2,148	-	5,071	-
Professional fees	750	191	750	2,603
Other expenses	507	-	507	360
Total expenses	3,405	191	6,328	2,963
Interest income	(551)	(2,844)	(1,610)	(5,256)
Net income (loss)	(2,854)	2,653	(4,718)	2,293

The Corporation began to incur exploration expenditures in the third quarter of 2007 and incurred residual expenses in the first two quarters in 2008. Minimal operating expenses were incurred during the three months ending and six

months ending June 30, 2008 and 2007. Professional fees in 2007 related to general corporate legal matters. Higher interest income in 2007 was due to more funds on deposit.

Financial Condition, Liquidity and Capital Resources

The Corporation had \$106,298 cash and a working capital of \$90,142 as at June 30, 2008 compared to cash of \$128,842 and a working capital of \$115,360 as at December 31, 2007 and cash of \$200,768 and a working capital of \$192,865 as at December 31, 2006. The decrease in cash resulted from general ongoing expenses relating to the maintenance of a company and mineral exploration work.

In 2006, the Corporation issued 500,100 Common Shares at a price of \$0.10 per share and 750,000 Flow-Through Shares at a price of \$0.20 per share for gross proceeds of \$200,010. In 2007, the Corporation issued 750,000 Common Shares at a price of \$0.15 per share for gross proceeds of \$112,500.

In order to meet its financial obligations for the coming year, the Corporation, with the Agent, will enter into the Agency Agreement, wherein it is contemplated that the Offering will be completed. See “*Plan of Distribution*”.

The funds raised pursuant to the Offering are expected to fund the next phase of exploration work on the Property estimated to be \$220,000 as well as the Corporation’s ongoing expenses for the upcoming year. See “*Use of Proceeds*”.

Quarterly Information

The following table sets forth selected data for operations (unaudited) of the Corporation for the periods indicated:

	Exploration Costs (\$)	Expenses (\$)	Interest income (\$)	Net earnings (loss) (\$)	Basic & diluted earnings\ (loss) per share (\$)
Q2– June 30, 2008	2,148	1,257	551	(2,854)	-
Q1– March 31, 2008	2,923	-	1,059	(1,864)	-
Q4– December 31, 2007	44,358	15,646	1,453	(58,550)	(0.03)
Q3– September 30, 2007	116,367	217	2,836	(113,749)	(0.06)
Q2– June 30, 2007	-	191	2,845	2,654	-
Q1 – March 31, 2007	-	2,772	2,412	(360)	-
Q4 – December 31, 2006	-	6,457	374	(6,084)	(0.03)
Q3 – September 30, 2006	-	-	4	4	0.04

The Corporation was incorporated in April 2006 and raised \$200,010 in December 2006 and \$112,500 in February 2007. The funds raised and held resulted in higher interest income which slowly declined as the funds were used.

The exploration program on the Property began in the third quarter of 2007 and continued into the first two quarters in 2008.

In the quarters ending September 30, 2007 and December 31, 2007, the majority of the losses resulted from exploration costs.

Operating expenses for the quarter ending December 31, 2007 include a \$10,000 accrual for audit expenses.

Off-Balance Sheet Arrangements

The Corporation has no off-balance sheet arrangements.

Transactions with Related Parties

The Corporation has entered into the Corporate Services Agreement dated effective June 1, 2008 with Ionic Management. See “*Directors & Officers - Management Agreement*”. Ionic Management is wholly owned by Brian E. Bayley and A. Murray Sinclair, both shareholders of the Corporation.

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

Accounting Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results may differ from these estimates.

Outstanding Share Data

As at the date hereof, there are 2,000,100 Common Shares outstanding.

Accounting Policy Changes

Financial Instruments

Effective January 1, 2008, the Corporation implemented the new CICA accounting sections: 3862 (Financial Instruments – Disclosure) and 3863 (Financial Instruments – Presentation), which replaced section 3861 Financial Instruments – Disclosures and Presentation).

These new standards revise and enhance the disclosure requirements, and carry forward, substantially unchanged, the presentation requirements. Sections 3862 and 3863 emphasize the significance of financial instruments for the entity’s financial position and performance, the nature and extent of the risks arising from financial instruments and how these risks are managed. These new standards are applicable to interim and annual periods relating to fiscal years beginning on or after October 1, 2007. These new sections relate to disclosure and presentation only and do not have an impact on the Corporation’s financial results.

Capital Disclosures

Effective January 1, 2008, the Corporation implemented the new CICA accounting section 1535 (Capital Disclosures). 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 non-compliance. This new section relates to disclosure and does not have an impact on the Corporation’s financial results.

Assessing Going Concern

The Accounting Standards Board (“**AcSB**”) amended CICA Handbook Section 1400, to include requirements for management to assess and disclose an entity’s ability to continue as a going concern. This section applies to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008.

New Accounting Pronouncements

In February 2008, the CICA issued Handbook Section 3064, “Goodwill and Intangible Assets”, which replaces Section 3062, “Goodwill and Intangible Assets”, and Section 3450, “Research and Development Costs”. Section 3064 establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. This new standard applies to interim and annual financial statements for fiscal years beginning on or after October 1, 2008.

International Financial Reporting Standards

In 2006, the AcSB published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian generally accepted accounting principles (“GAAP”) with International Financial Reporting Standards (“IFRS”) over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canadian GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Corporation for the year ended December 31, 2010. While the Corporation has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

DESCRIPTION OF THE SECURITIES DISTRIBUTED

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of Preferred Shares, all without nominal or par value. As of the date hereof, there are 2,000,100 Common Shares and no Preferred Shares issued and outstanding. See “Prior Sales”.

The Common Shares have attached to them the rights, privileges, restrictions and conditions as hereinafter set forth:

- (i) except for meetings at which only holders of specified class of shares of the Corporation are entitled to vote separately as a class, each holder of a Common Share is entitled to receive notice of, to attend and to vote at all meetings of the shareholders of the Corporation;
- (ii) the holders of the Common Shares are entitled to receive dividends if, as and when declared by the directors of the Corporation, provided that the Corporation shall be entitled to declare dividends on the Preferred Shares or any class of shares without being obliged to declare any dividends on the Common Shares; and
- (iii) subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation, the holders of the Common Shares are entitled to receive the remaining property of the Corporation upon dissolution in equal rank.

DIVIDENDS OR DISTRIBUTIONS

Since incorporation, the Corporation has not declared any dividends (or distributions) on any of its securities. Dividends (or distributions) on securities of the Corporation will be paid solely at the discretion of the board of directors after taking into account the financial condition of the Corporation and the economic environment in which it is operating. No dividends (or distributions) are expected to be paid in the foreseeable future.

CAPITALIZATION

The following table outlines the capitalization of the Corporation as at June 30, 2008, both before and after giving effect to this Offering:

Type of Security	Authorized	Amount Outstanding as at June 30, 2008⁽¹⁾	Outstanding After Giving Effect to the Offering
Common Shares	Unlimited	2,000,100 ⁽²⁾ (\$312,510)	5,000,100 ⁽²⁾ (\$1,112,510) ⁽³⁾
Preferred Shares	Unlimited	Nil	Nil
Long Term Debt	N/A	Nil	Nil

Notes:

- (1) The deficit of the Corporation as at June 30, 2008 was \$181,868.

- (2) Does not include the 200,000 Common Shares that may be issued on exercise of the Agent's Option and the 240,000 Common Shares that may be issued on the exercise of the Directors' and Officers' Options.
- (3) Before deducting the Agent's commission of \$46,500 and other expenses of the Offering estimated to be \$90,000.

OPTIONS TO PURCHASE SECURITIES

The Corporation has adopted an incentive stock option plan (the "**Option Plan**") which provides that the board of directors of the Corporation may from time to time, in its discretion and in accordance with the requirements of the Exchange, grant to directors, officers, employees and technical consultants to the Corporation, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares. Such options will be exercisable for a period of up to five years from the date of grant. In connection with the foregoing, the number of Common Shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding Common Shares. Options may be exercised 90 days following cessation of the optionee's position with the Corporation, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

As at the date hereof, the Corporation has reserved 240,000 Common Shares to be granted to the directors, officers and certain employees of the Corporation (previously defined as the "**Directors' and Officers' Options**"). The Directors' and Officers' Options will be granted at the Closing, are qualified for distribution pursuant to this prospectus and are expected to be allocated on the following basis:

Category of Optionee	Number of Options to Purchase Common Shares	Exercise Price	Expiry Date
Officers of the Corporation (3 persons)			
Richard Graham (President)	50,000	\$0.25	Five Years from date of grant ⁽¹⁾
K. Peter Miller (Chief Financial Officer)	25,000	\$0.25	Five Years from date of grant ⁽¹⁾
Sandra Lee (Corporate Secretary)	25,000	\$0.25	Five Years from date of grant ⁽¹⁾
Directors of the Corporation (excluding Officers) (3 persons)			
Narinder Nagra	50,000	\$0.25	Five Years from date of grant ⁽¹⁾
Michael Basha	50,000	\$0.25	Five Years from date of grant ⁽¹⁾
Consultants of the Corporation (4 persons)	40,000	\$0.25	Five Years from date of grant ⁽¹⁾
Total	240,000		

Note:

- (1) These options are expected to be granted on the Closing Date.

PRIOR SALES OF SECURITIES

The following is a list of sales of Common Shares since the date of incorporation of the Corporation to the date hereof:

Date	Number	Price per Share	Aggregate	Nature of Consideration
April 6, 2006	100	\$0.10	\$10.00	cash

Date	Number	Price per Share	Aggregate	Nature of Consideration
December 6, 2006	500,000	\$0.10	\$50,000	cash
December 21, 2006	750,000	\$0.20 ⁽¹⁾	\$150,000	cash
February 23, 2007	750,000	\$0.15	\$112,500	cash
Total	2,000,100		\$312,510	

Note:

(1) These Common Shares were issued as Flow-Through Shares.

ESCROWED SECURITIES

In accordance with NP 46-201, all common shares of an Emerging Issuer, and all securities convertible into common shares of an Emerging Issuer, except non-transferable incentive stock options issued to purchase common shares at a price equal to the initial public offering price of the Emerging Issuer, which are owned or controlled by its principals, will be escrowed at the time of the Emerging Issuer's initial public offering, unless the shares held by the principal or issuable to the principal upon conversion of convertible securities held by the principal, represent less than 1% of the total issued and outstanding shares of the issuer after giving effect to the initial public offering. Upon completion of the Offering, the Corporation will be classified as an Emerging Issuer.

The following table sets forth the Common Shares that will be held in escrow pursuant to the Escrow Agreement:

Name	No. of Common Shares⁽¹⁾	Percentage of Common Shares at the date of this prospectus (%)	Percentage of Common Shares immediately after Closing (%)
Richard Graham	150,100	7.5	3.0
Michael Basha	500,000	25.0	10.0
Narinder Nagra	100,000	5.0	2.0
Total:	750,100	37.50	15.0

Note:

(1) The Common Shares will be held by Computershare pursuant to the terms of the Escrow Agreement. For details of the Escrow Agreement, see directly below.

As the Corporation will be classified as an Emerging Issuer, the following automatic timed releases will apply to the Common Shares held by its principals who are subject to the Escrow Agreement:

On the Listing Date	1/10 of the escrow securities
6 months after the listing date	1/6 of the remaining escrow securities
12 months after the listing date	1/5 of the remaining escrow securities
18 months after the listing date	1/4 of the remaining escrow securities
24 months after the listing date	1/3 of the remaining escrow securities
30 months after the listing date	1/2 of the remaining escrow securities
36 months after the listing date	The remaining escrow securities

Assuming there are no changes to the escrow securities initially deposited and no additional escrow securities are deposited, this will result in a 10% release on the listing date (as defined by NP 46-201), with the remaining escrow securities being released in 15% tranches every 6 months thereafter.

The automatic time release provisions under NP 46-201 pertaining to "established issuers" provide that 25% of each principal's escrowed securities are released on the listing date, with an additional 25% being released in equal tranches at six month intervals over 18 months. If, within 18 months of the listing date, the Corporation meets the "established issuer" criteria, as set out in NP 46-201, the escrow securities will be eligible for accelerated release

according to the criteria for established issuers. In such a scenario, that number of escrow securities that would have been eligible for release from escrow if the Corporation had been an “established issuer” on the listing date will be immediately released from escrow. The remaining escrow securities would be released in accordance with the time-release provisions for established issuers, with all escrow securities being released 18 months from the listing date.

Pursuant to the terms of the Escrow Agreement, the securities of the Corporation held in escrow may be transferred within escrow to an individual who is a director or senior officer of the Corporation or of a material operating subsidiary of the Corporation, subject to the approval of the Corporation’s board of directors, or to a person or company that before the proposed transfer holds more than 20% of the voting rights attached to the Corporation’s outstanding securities or to a person or company that after the proposed transfer will hold more than 10% of the voting rights attached to the Corporation’s outstanding securities and that has the right to elect or appoint one or more directors or senior officers of the Corporation or any of its material operating subsidiaries. Pursuant to the terms of the Escrow Agreement, upon the bankruptcy of a holder of escrowed securities, the securities held in escrow may be transferred within escrow to the trustee in bankruptcy or other person legally entitled to such securities. Upon the death of a holder of escrowed securities, all securities of the deceased holder will be released from escrow to the deceased holder’s legal representative.

Pursuant to the terms of the Escrow Agreement, 10% of the escrowed shareholder’s shares (a total of 75,010 Common Shares) will be released from escrow on the listing date. The remaining 675,090 Common Shares which will be held in escrow immediately following the Closing, will represent approximately 13.5% of the Common Shares issued and outstanding immediately following the completion of the Offering.

To the knowledge of the directors and officers of the Corporation, no securities of the Corporation are subject to a contractual restriction on transfer or a pooling agreement.

PRINCIPAL SHAREHOLDERS AND SELLING SECURITYHOLDERS

The following table sets forth the shareholdings of those persons who, as of the date of this prospectus, are of record or are known to the Corporation to own beneficially, directly or indirectly, or exercise control or direction over, more than 10% of the issued and outstanding Common Shares before giving effect to the Offering. Following the Closing, to the knowledge of the Corporation, no person will own beneficially, directly or indirectly, or exercise control or direction over, more than 10% of the issued and outstanding Common Shares.

Name and Municipality of Residence	Type of Ownership	Number and percentage of Common Shares owned as at the date of this prospectus	Number and percentage of Common Shares owned after giving effect to the Offering
Brian E. Bayley British Columbia, Canada	Registered	250,000 ⁽¹⁾ (12.5%)	250,000 ⁽²⁾ (5.0%)
A. Murray Sinclair British Columbia, Canada	Registered	250,000 ⁽¹⁾ (12.5%)	250,000 ⁽²⁾ (5.0%)
Michael Basha Newfoundland, Canada	Registered	500,000 ⁽¹⁾ (25.0%)	500,000 ⁽²⁾ (10.0%)

Note:

- (1) On a fully diluted basis, and assuming the exercise of all outstanding Agent’s Options and the Directors’ and Officers’ Options in full: (i) each of Brian E. Bayley and A. Murray Sinclair would hold 250,000 Common Shares (approximately 10.2% of the issued and outstanding Common Shares); and (ii) Michael Basha would own 550,000 Common Shares (approximately 22.5% of the issued and outstanding Common Shares); and
- (2) On a fully diluted basis, and assuming the exercise of all outstanding Agent’s Options and the Directors’ and Officers’ Options in full, each of Brian E. Bayley and A. Murray Sinclair would hold 250,000 Common Shares (approximately 4.6% of the issued and outstanding Common Shares); and (ii) Michael Basha would own 550,000 Common Shares (approximately 10.1% of the issued and outstanding Common Shares).

To the knowledge of the Corporation and the Agent, and other than as disclosed above: (i) no Common Shares are being held subject to any voting trust or similar agreement; and (ii) no principle securityholder mentioned above is an associate or affiliate of another person or company named as a principle securityholder.

DIRECTORS AND OFFICERS

The board of directors is currently comprised of three persons. Each director is elected to serve until the next annual meeting of shareholders or until a successor is elected or appointed. The following table sets out the name, address, present position(s) held with the Corporation and principal occupations during the last five years (unless otherwise indicated) of each director and officer of the Corporation and the number of Common Shares held before and to be held after Closing.

Name and Municipality of Residence	Position (Date Appointed)	Principal Occupation(s) During the Preceding Five Year Period	Common Shares and percentage beneficially held or controlled as at the date hereof	Common Shares and percentage beneficially held or controlled after giving effect to the Offering⁽¹⁾
Richard Graham ⁽²⁾ Coquitlam, British Columbia, Canada	President (April 6, 2006) and Director (April 6, 2006)	Manager of Corporate Development of Ionic Management, a private management company. Geological researcher and reporter for Hollinger Inc. (the Northern Miner), a weekly mineral resource newspaper, from September 1999 to January 2004.	150,100 (7.5%)	150,100 (3.0%)
K. Peter Miller West Vancouver, British Columbia, Canada	Chief Financial Officer (June 26, 2008)	Chief Financial Officer of Ionic Management, a private management company.	25,000 (1.2%)	25,000 (0.5%)
Sandra Lee Vancouver, British Columbia, Canada	Corporate Secretary (June 26, 2008)	Corporate Secretary of Quest Capital Corp., a mortgage investment corporation which trades on the TSX, AMEX and AIM. Corporate Secretary of Ionic Management, a private management company.	25,000 (1.2%)	25,000 (0.5%)
Michael Basha ⁽²⁾ St. John's, Newfoundland, Canada	Director (May 15 2008)	Independent consultant to Cornerstone Resources Inc., a publicly traded mineral resource company. Prior thereto, Vice President of Exploration and Executive Vice President of Cornerstone Resources Inc. from April 2002 to July 2008. Geotechnical Engineer for NL Geosciences, an independent staffing service company focussed on the placement of engineers and technical specialists from February 2001 to March 2002. Currently a self-employed geological consultant.	500,000 (25.0%)	500,000 (10.0%)

Name and Municipality of Residence	Position (Date Appointed)	Principal Occupation(s) During the Preceding Five Year Period	Common Shares and percentage beneficially held or controlled as at the date hereof	Common Shares and percentage beneficially held or controlled after giving effect to the Offering ⁽¹⁾
Narinder Nagra ⁽²⁾ Richmond, British Columbia, Canada	Director (May 15, 2008)	Chief Financial Officer of Ionic Capital Corp., a private company, since July 1, 2008. Previously, Chief Financial Officer of Quest Capital Corp. from January 2007 to May 2008 and Treasurer of Quest Capital Corp. from February 2006 to December 2006. Previously, Controller of Canico Resource Corp., a junior resource company, from 2003 to 2006 and Consultant to Quest Investment Corporation, from 2002 to 2003.	100,000 (4.5%)	100,000 (2.0%)

Notes:

- (1) Assuming no exercise of the Agent's Option or the Directors' and Officers' Options and assuming these individuals do not purchase Common Shares under the Offering.
- (2) Denotes members of the Audit Committee.

The directors and executive officers of the Corporation currently collectively and beneficially own, directly or indirectly, 800,100 Common Shares, representing approximately 40% of the Corporation's issued and outstanding Common Shares. After giving effect to the Offering, but not including Common Shares issuable upon the exercise of the Agent's Option or the Directors' and Officers' Option, it is expected that the directors and executive officers of the Corporation will collectively and beneficially own, directly or indirectly, 800,100 Common Shares, representing approximately 16% of the Corporation's issued and outstanding Common Shares.

Corporate Cease Trade Orders or Bankruptcies

Other than as disclosed below, none of those persons who are proposed directors of the Corporation is, or has been within the past ten years, a director, chief executive officer or chief financial officer of any company, including the Corporation (and any personal holding companies), that, while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days, or after such persons ceased to be a director, chief executive officer or chief financial officer of the company, was the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days, which resulted from an event that occurred while acting in such capacity.

In addition, none of those persons who are proposed directors of the Corporation is, or has been within the past ten years, a director or executive officer of any company, including the Corporation, that, while such 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.

In early 2003, the directors and officers of Esperanza Silver Corporation ("**Esperanza**") became aware that Esperanza was subject to outstanding cease trade orders in each of Alberta (issued on September 17, 1998) (the "**Alberta Order**") and Québec (issued on August 12, 1997) (the "**Quebec Order**") arising from its failure to file financial statements with, and pay filing fees to, the securities commissions in Alberta and Quebec. Esperanza subsequently filed the financial statements and paid the filing fees to the securities commissions and the Quebec Order was rescinded on May 16, 2003 and the Alberta Order was rescinded on August 1, 2003. Sandra Lee, the corporate secretary of the Corporation, was the corporate secretary of Esperanza from December of 1999 until April of 2004.

Individual Penalties, Sanctions or Bankruptcies

None of those persons who are proposed directors of the Corporation (or any personal holding companies) have, within the past ten years 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 his assets.

None of those persons who are proposed directors of the Corporation (or any personal holding companies) have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

Conflicts of Interest

There are potential conflicts of interest to which the directors, officers, insiders and the promoter of the Corporation may be subject in connection with the operations of the Corporation. All of the directors, officers, insiders and promoters are engaged in and will continue to be engaged in corporations or businesses which may be in competition with the search by the Corporation for businesses or assets. Accordingly, situations may arise where the directors, officers, insiders and the promoters will be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies as provided under the ABCA.

Management of the Corporation

Richard Graham - President

Richard Graham, age 45, obtained a Bachelor of Science in Geology from the University of Alberta and is a Professional Geologist, registered with the Association of Professional Engineers, Geologists and Geophysicists of Alberta. Mr. Graham has approximately 18 years of geological experience. Mr. Graham was a geological researcher and reporter for Hollinger Inc. (the Northern Miner) a weekly mineral resource newspaper, from September 1999 to January 2004. Since February, 2004, Mr. Graham has been and is currently Manager of Corporate Development for Ionic Management, a private management company. Mr. Graham is currently and has been a director and officer of numerous other junior mining companies on both the Exchange, the Toronto Stock Exchange (the “TSX”) and the Canadian Trading and Quotation System Inc. (the “CNQ”).

Mr. Graham will devote the time necessary to perform the work required in connection with the management of the Corporation.

K. Peter Miller - Chief Financial Officer

K. Peter Miller, age 62, obtained a Bachelor of Applied Science degree from the University of Waterloo in 1970 and was granted the designation of Chartered Accountant from the Ontario Institute of Chartered Accountants in 1974. Since April 1997, Mr. Miller has been and is currently the Chief Financial Officer of Ionic Management, a private management company. Mr. Miller is currently and has been a director and officer of numerous other junior mining companies on both the Exchange, the TSX and the CNQ.

Mr. Miller will devote the time necessary to perform the work required in connection with the management of the Corporation.

Sandra Lee - Corporate Secretary

Ms. Lee, age 44, is a certified legal assistant. She is the Corporate Secretary of Quest Capital Corp., a mortgage investment corporation which trades on the TSX, AMEX and AIM. Ms. Lee is also Corporate Secretary of Ionic Management, a private management company. Ms. Lee is currently and has been a officer of numerous other junior mining companies on both the Exchange, TSX and CNQ.

Ms. Lee will devote the time necessary to perform the work required in connection with the management of the Corporation. She is also an officer of several other public companies.

All of the officers of the Corporation will be considered to be employees of the Corporation and none of these individuals have entered into a non-competition or non-disclosure agreement with the Corporation.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

Compensation of Directors

Since incorporation, the Corporation has paid no cash compensation (including salaries, director's fees, commissions, bonuses paid for services rendered and bonuses paid for services rendered in a previous year) to the directors in their capacity as directors for services rendered.

The Corporation has a stock option plan (previously defined as the “**Plan**”) for the granting of incentive stock options to the officers, employees and directors of the Corporation. The purpose of granting such options is to assist the Corporation in compensating, attracting, retaining and motivating the directors of the Corporation and to closely align the personal interests of such persons to that of the shareholders. It is expected that the Corporation will grant, at the closing of the Offering, an aggregate of 100,000 stock options to directors of the Corporation, who are not officers of the Corporation.

Compensation of Executive Officers

Securities legislation requires the disclosure of compensation received by each “Named Executive Officer” of the Corporation for the most recently completed financial year. “Named Executive Officer” is defined by the legislation to mean (i) each of the Chief Executive Officer and Chief Financial Officer of the Corporation, despite the amount of compensation of that individual, (ii) each of the Corporation's three most highly compensated executive officers, other than the Chief Executive Officer and Chief Financial Officer, who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonus exceeds \$150,000, and (iii) any additional individual for whom disclosure would have been provided under (ii) but for the fact that the individual was not serving as an executive officer of the Corporation at the end of the most recently completed financial year-end of the Corporation.

“Executive Officer” is defined by the legislation to mean (i) the Chair of the Corporation, (ii) a Vice-Chair of the Corporation, (iii) the President of the Corporation, (iv) a Vice-President of the Corporation in charge of a principal business unit, division or function such as sales, finance or production, or (v) an individual who is performing a policy-making function in respect of the issuer.

Since its incorporation, the Corporation has had two Named Executive Officers, namely Richard Graham, President, and K. Peter Miller, Chief Financial Officer.

The following table sets forth all annual and long term compensation for services in all capacities to the Corporation in respect of each Named Executive Officer.

		Annual Compensation			Long Term Compensation			
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Awards		Payouts	
Name and Principal Position	Year				Securities Under Options/SARs ⁽⁶⁾ Granted (#)	Restricted Shares or Restricted Share Units (#)	LTIP ⁽⁷⁾ Payouts (\$)	All Other Compensation (\$)
Richard Graham ⁽¹⁾ President	2008 ⁽³⁾	Nil	Nil	Nil	Nil/Nil	Nil	Nil	Nil
	2007 ⁽⁴⁾	Nil	Nil	Nil	Nil/Nil	Nil	Nil	Nil
	2006 ⁽⁵⁾	Nil	Nil	Nil	Nil/Nil	Nil	Nil	Nil

		Annual Compensation			Long Term Compensation			
					Awards		Payouts	
Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Securities Under Options/SARs ⁽⁶⁾ Granted (#)	Restricted Shares or Restricted Share Units (#)	LTIP ⁽⁷⁾ Payouts (\$)	All Other Compensation (\$)
K. Peter Miller ⁽²⁾ Chief Financial Officer	2008 ⁽³⁾	Nil	Nil	Nil	Nil/Nil	Nil	Nil	Nil

Notes:

- (1) Richard Graham was appointed President of the Corporation on April 6, 2006;
- (2) K. Peter Miller was appointed Chief Financial Officer of the Corporation on June 26, 2008;
- (3) The year 2008 represents January 1, 2008 until the date of this prospectus;
- (4) The year 2007 represents January 1, 2007 until December 31, 2007;
- (5) The year 2006 represents April 6, 2006 until December 31, 2006;
- (6) “SARs” or “Stock appreciation right” means a right granted by the Corporation, as compensation for services rendered, to receive a payment of cash or an issue or transfer of securities based wholly or in part on changes in the trading price of publicly traded securities of the Corporation; and
- (7) “LTIP” or “long term incentive plan” means any plan which provides compensation intended to serve as incentive for performance to occur over a period longer than one financial year, but does not include option or stock appreciation right plans or plans for compensation through restricted shares or restricted share units.

Summary Stock Options

The following table sets forth information in respect of all stock options and stock appreciation rights granted to the Named Executive Officers from the date of incorporation to the date of this prospectus.

Name and Title	Securities Under Options/SARs granted (#)	Percent of Total Options/SARs granted to employees in financial year (%)	Exercise or base price (\$/Security)	Market Value of securities underlying Options/SARs on the date of grant (\$/Security)	Expiration Date
Richard Graham President	Nil / Nil	N/A / N/A	N/A	N/A	N/A
K. Peter Miller Chief Financial Officer	Nil / Nil	N/A / N/A	N/A	N/A	N/A

Note:

- (1) For a description of options to be granted to the Named Executive Officers, see “Options to Purchase Securities”.

The following table sets forth information in respect of options and stock appreciation rights exercised by the Named Executive Officers from the date of incorporation to the date of this prospectus.

Name and Title	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)	Unexercised Options/SARs (Exercisable/Unexercisable) (#)	Value of Unexercised in-the-Money Options/SARs (Exercisable/Unexercisable) (\$)
Richard Graham President	Nil	N/A	Nil/Nil / Nil/Nil	N/A
K. Peter Miller Chief Financial Officer	Nil	N/A	Nil/Nil / Nil/Nil	N/A

Long-Term Incentive Plans and LTIP Awards

The Corporation has had no long-term incentive plans nor has made any LTIP Awards since its incorporation.

Stock Appreciation Rights and Restricted Shares

No restricted shares have been granted by the Corporation to its Named Executive Officers since the date of its incorporation.

Defined Benefit or Actuarial Plans

The Corporation currently has no defined benefit or actuarial plans.

Termination of Employment, Change in Responsibilities and Employment and Management Contracts

The Corporation has no existing employment agreements with any Named Executive Officer. The Corporation does not have in place any compensation plan contract or arrangement, whereby a Named Executive Officer is entitled to receive more than \$100,000 from the Corporation, including periodic payments or instalments, in the event of: (i) the resignation, retirement or any termination of the Named Executive Officer's employment with the Corporation; (ii) a change of control of the Corporation; or (iii) a change in the Corporation's responsibilities following a change of control.

Management Agreement

The Corporation has entered into a corporate services agreement dated effective June 1, 2008 (the "**Corporate Services Agreement**") with Ionic Management, whereby Ionic Management will provide to the Corporation various administrative and related corporate services. The term of the Corporate Services Agreement commenced on June 1, 2008 and will be in force for two years from the date thereof, with automatic renewal on an annual basis, unless notice is given by either party prior to sixty days of the annual anniversary date of the Corporate Services Agreement, and is subject to earlier termination in certain circumstances, which include: (i) written notice to the other party of termination if the other party (the "**Defaulting Party**") is in default of any covenant, condition or requirement under the Corporate Services Agreement and the Defaulting Party has not remedied such default within ten business days of receipt of notice of such default; (ii) by written notice to the other party if the other party becomes insolvent, is unable to discharge its obligations as they become due, makes an assignment for the benefit of creditors, or a petition in bankruptcy is filed against it; or (iii) by two months' written notice to the other party.

Under the terms of the Corporate Services Agreement, the Corporation will pay to Ionic Management a management fee of \$4,500 per month commencing the month after the Common Shares are listed on the Exchange. The Corporation has also agreed to pay Ionic Management a service fee of \$20,000 upon the completion of the Offering. The Corporate Services Agreement provides a mechanism for Ionic Management to change its fee in the event that services required by the Corporation differ than those provided for currently under the Corporate Services Agreement. Pursuant to the Corporate Services Agreement, Ionic Management will be reimbursed for all reasonable expenses incurred in the performance of its services. Ionic Management is a private company, owned as to 50% by each of Brian E. Bayley and A. Murray Sinclair. Brian E. Bayley and A. Murray Sinclair each own 250,000 Common Shares (12.5%) as of the date hereof. Sandra Lee, the corporate secretary of the Corporation, is the corporate secretary of Ionic Management. Richard A. Graham, the President and a director of the Corporation, is the Manager of corporate development of Ionic Management. K. Peter Miller, the Chief Financial Officer of the Corporation, is the Chief Financial Officer of Ionic Management.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who, at any time since the Corporation's incorporation, was a director, executive officer, employee of the Corporation, or any associate or affiliate of the foregoing, is or has been at any time since the Corporation's incorporation, been indebted to the Corporation, nor has any such individual been indebted to any other entity where such indebtedness is the subject of a guarantee, "support agreement", letter of credit or other similar arrangement or understanding, provided by the Corporation.

For the purposes of the above, “support agreement” includes, but is not limited to, an agreement to provide assistance in the maintenance or servicing of any indebtedness and an agreement to provide compensation for the purpose of maintaining or servicing any indebtedness of the borrower.

FLOW-THROUGH SHARES – RENUNCIATION OF CEE

The Flow-Through Shares will be issued as “flow-through shares” under the Tax Act. The Corporation will incur on or before December 31, 2009, and renounce to each subscriber of Flow-Through Shares effective on or before December 31, 2008, CEE in an amount equal to the aggregate purchase price paid by such subscriber for the Flow-Through Shares. See “*Certain Canadian Federal Income Tax Considerations*”.

Subscriptions for Flow-Through Shares will be made pursuant to one or more subscription and renunciation agreements (collectively, the “**Subscription Agreement**”) to be made between the Corporation and the Agent or one or more sub-agents of the Agent, as agent for, on behalf of and in the name of all subscribers of Flow-Through Shares. **Subscribers who place an order to purchase Flow-Through Shares with the Agent, or any sub-agent of the Agent, will be deemed to have authorized any of the Agent, or such sub-agents, to execute and deliver, on their behalf, the Subscription Agreement.**

Pursuant to the Subscription Agreement, the Corporation will covenant and agree: (i) to incur on or before December 31, 2009 and renounce to the subscriber effective on or before December 31, 2008, CEE in an amount equal to the aggregate purchase price paid by such subscriber for the Flow-Through Shares; and (ii) that if the Corporation does not renounce to such subscriber, effective on or before December 31, 2008, CEE equal to such amount, or if there is a reduction in such amount renounced pursuant to the provisions of the Tax Act, the Corporation shall indemnify the subscriber for an amount equal to the amount of any tax payable or that may become payable under the Tax Act (and under any corresponding provincial legislation) by the subscriber as a consequence of such failure or reduction. The Subscription Agreement will contain additional representations, warranties, covenants and agreements by the Corporation in favour of the subscriber of Flow-Through Shares which are consistent with and supplement the Corporation’s obligations as described in this prospectus.

The Subscription Agreements will also provide representations, warranties and agreements of the subscriber, and by its purchase of Flow-Through Shares each subscriber of Flow-Through Shares offered under this prospectus will be deemed to have represented, warranted and agreed, for the benefit of the Corporation and the Agent that: (i) neither the subscriber nor any beneficial purchaser for whom it is acting is a non-resident of Canada for the purposes of the Tax Act; (ii) the subscriber, and any beneficial purchaser for whom it is acting deals, and until January 1, 2010 will continue to deal, at arm’s length with the Corporation for the purposes of the Tax Act; (iii) the subscriber, if an individual, is of the full age of majority and otherwise is legally competent to enter into the Subscription Agreement; (iv) other than as provided herein and in the Subscription Agreement, the subscriber waives any right that it may have to any potential incentive grants, credits and similar or like payments or benefits which accrue as a result of the operations relating to CEE and acknowledges that all such grants, credits, payments or benefits accrue to the benefit of the Corporation; (v) the liability of the Corporation to renounce CEE shall be limited to the extent specifically stated in this prospectus and the Subscription Agreement; (vi) neither the subscriber nor any beneficial purchaser for whom it is acting will enter into any arrangement to which the Corporation is not a party that would cause the Flow-Through Shares to be “prescribed shares” for the purposes of the Tax Act; and (vii) the subscriber has received and reviewed a copy of this prospectus.

Notwithstanding the foregoing, the Corporation may enter into one or more subscription and renunciation agreements for Flow-Through Shares on such other terms as may be agreed to by the Corporation and the applicable subscriber.

PLAN OF DISTRIBUTION

Pursuant to the Agency Agreement between the Corporation and the Agent dated ●, 2008, the Agent has been appointed the agent of the Corporation to offer for sale to the public the Offered Shares offered herein in the provinces of British Columbia, Alberta and Ontario. The Agent has agreed to on a “*best efforts*” agency basis to secure subscriptions for the Offered Shares offered under this prospectus on behalf of the Corporation but is not obligated to purchase any Offered Shares not sold. The Agent may appoint one or more registered sub-agents to offer and sell the Offered Shares in jurisdictions where the Offered Shares may lawfully be offered for sale. The

offering price of the Common Shares and Flow-Through Shares was determined by negotiation between the Corporation and the Agent.

The Agent will receive a commission of 6% of the gross proceeds of the Offering and will also be granted the Agent's Option, which will expire 12 months from the Closing Date. The Agent's Option is qualified by and will be distributed pursuant to this prospectus. In addition, the Agent will be reimbursed by the Corporation for all reasonable expenses and will be paid a corporate finance fee in the amount of \$10,000 (plus GST) and an administration fee in the amount of \$5,000 (plus GST), payable at Closing.

The obligations of the Agent under the Agency Agreement may be terminated and the Agent may in its discretion withdraw subscriptions for Offered Shares on behalf of the subscribers on the basis of its assessment of the financial markets and upon the occurrence of certain stated events, including any material adverse changes in the business or financial condition of the Corporation.

The Offering is being made on a "*best efforts*" agency basis by the Agent and is subject to the completion of the Minimum Subscription for gross proceeds of \$800,000. Subscriptions for Offered Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at anytime without notice. The Closing will take place on such day or days as the Agent and the Corporation may mutually agree upon. Its expected that certificates for the Offered Shares will be available for delivery at Closing. The Offering will not continue for a period of more than 90 days after the date of receipt for the final prospectus is issued by the British Columbia Securities Commission, unless the Agent, the Securities Commissions and each of the subscribers within such period consent to its continuation. The Agent, who is a registered dealer, pending the Closing, will hold all subscription funds received pursuant to the provisions of the Agency Agreement. If the Minimum Subscription is not completed within the 90-day period, the subscription funds received by the Agent in connection with the Offering will be returned to subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent.

As at the date of this prospectus, the Corporation does not have any of its securities listed or quoted, has not applied to list or quote, any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace or a marketplace outside of Canada and the United States of America. The Corporation has applied to list the Offered Shares on the Exchange. Listing will be subject to the Corporation fulfilling all of the listing requirements of the Exchange.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

This summary is based on the current provisions of the Tax Act and the regulations thereunder (the "**Regulations**"), all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof ("**Proposed Amendments**") and the understanding of the current published administrative practices of the CRA and has been prepared by Borden Ladner Gervais LLP, counsel to the Corporation. Except for the Proposed Amendments, this summary does not take into account or anticipate any changes in law or administrative practice, nor does it take into account provincial or territorial tax laws of Canada or the tax laws of any foreign jurisdiction, which may be significantly different than those discussed herein. No assurance can be given that the Proposed Amendments will be enacted as proposed (or at all) or that legislative, judicial or administrative changes will not alter the statements made herein.

This summary does not apply to a subscriber: (i) that is a "principal-business corporation" 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, petroleum, natural gas or other related hydrocarbons; (iii) that is a "financial institution", "specified financial institution" or an interest in which constitutes a "tax shelter investment", all within the meaning of the Tax Act; or (iv) that is a partnership or trust.

This summary assumes that the Corporation will make all necessary tax filings in respect of the issuance of the Flow-Through Shares and the renunciation of CEE in the manner and within the time required by the Tax Act and the Regulations, that the Corporation will incur sufficient CEE to enable it to renounce to subscribers all of the CEE covenanted to be renounced by the Corporation pursuant to the Subscription Agreements effective on the dates set out therein and that all expenses discussed herein will be reasonable in amount. This summary assumes that the

Corporation will be a “principal-business corporation” at all material times and that the Flow-Through Shares, when issued, will be “flow-through shares” and will not be “prescribed shares”, all within the meaning of the Tax Act.

The income tax consequences to a particular subscriber of an investment in Flow-Through Shares will vary according to a number of factors including the legal status of the subscriber as an individual, a trust, a corporation or a partnership, the province or provinces in which the subscriber resides, carries on business or has a permanent establishment and the amount that would be the subscriber’s taxable income but for the investment in the Flow-Through Shares.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal, business or tax advice to any particular subscriber. Accordingly, each potential subscriber should obtain independent advice regarding the income tax consequences of investing in the Flow-Through Shares with reference to the subscriber’s own particular circumstances.

Canadian Exploration Expense

The Corporation will be entitled to renounce CEE incurred by it to subscribers for Flow-Through Shares in an amount equal to the subscription price thereof as permitted by and in accordance with the Tax Act. Such CEE that is properly renounced to a subscriber will be deemed to be CEE incurred by the subscriber on the effective date of the renunciation.

The Corporation will be entitled to renounce expenses that are CEE incurred by it on or after the date that subscriptions for the Flow-Through Shares are accepted, less (i) any previous renunciations of such CEE, (ii) any portion of such CEE that is prescribed under the Regulations as being “Canadian exploration and development overhead expenses”, (iii) certain seismic expenses, and (iv) any assistance that the Corporation has received, is entitled to receive, or may reasonably be expected to receive at any time which is reasonably related to those expenses. The Corporation may not renounce to subscribers an amount in excess of the amount paid by the subscribers for the Flow-Through Shares. Further, the Corporation will not be entitled to renounce CEE to the extent that such renunciation, if effective, would cause the Corporation’s own cumulative CEE (“CCEE”) to be a negative amount.

Additionally, the Tax Act prescribes rules whereby certain CEE incurred pursuant to a flow-through share agreement and within 12 months after the end of the calendar year in which the flow-through share agreement is entered into (the “**preceding calendar year**”) can be treated as if incurred on December 31 of the preceding calendar year, provided that the subscription price for the relevant flow-through shares has been paid for in money during the preceding calendar year, the subscriber deals at arm’s length with the issuing corporation throughout that 12 month period and the renunciation has been duly made within 90 days after the end of such preceding calendar year. In the event the issuing corporation does not fully expend the amounts renounced by the end of the 12-month period the issuing corporation will be required to reduce the amount previously renounced and the subscribers’ income tax returns for the years in which the expenditures were claimed will be reassessed accordingly. However, interest will generally not be levied in respect of such reassessments until May 1 of the year after the 12-month period. The Corporation has advised counsel that it intends to incur and renounce to subscribers CEE in accordance with these rules.

A subscriber for Flow-Through Shares to whom the Corporation renounces CEE will add such CEE to the subscriber’s CCEE. A subscriber may deduct in computing the subscriber’s income from all sources for a taxation year an amount not exceeding 100% of the balance of the subscriber’s CCEE at the end of that taxation year. Deductions claimed by a subscriber reduce the subscriber’s CCEE by the amount claimed. To the extent that a subscriber does not deduct the full CCEE balance at the end of the taxation year, the balance will be carried forward and the subscriber will be entitled to claim deductions in respect thereof in subsequent taxation years in accordance with, and subject to the restrictions under, the provisions of the Tax Act. If at the end of a taxation year the deductions in calculating a subscriber’s CCEE exceed the additions thereto, the excess must be included in computing the subscriber’s income for that year and the subscriber’s CCEE will thereupon have a nil balance. The disposition of Flow-Through Shares will not reduce a subscriber’s CCEE. Certain restrictions apply in respect of the deduction of CCEE following an acquisition of control and certain reorganizations of a corporate subscriber. Corporate subscribers should consult their own tax advisors with respect to the application of these rules.

If a subscriber purchases Flow-Through Shares directly through a registered retirement savings plan or other registered plan, the tax benefits of the CEE will not be available for deduction against such subscriber's income.

Disposition of Flow-Through Shares

A disposition or deemed disposition of a Flow-Through Share (other than to the Corporation) will result in the holder thereof realizing a capital gain (or a capital loss) in the taxation year of the disposition equal to the amount by which the proceeds of disposition exceed (or are less than) the aggregate of the holder's adjusted cost base of such shares and reasonable costs of the disposition. **For tax purposes, the initial cost to a subscriber of the Flow-Through Shares is deemed to be nil.** The adjusted cost base of any Flow-Through Shares acquired pursuant to this Offering will generally be the average of the cost of all such shares including all other Common Shares held by the holder for the purpose of calculating capital gains or capital losses on subsequent dispositions of such shares.

One-half of any such capital gain (a taxable capital gain) must be included in computing the income of the holder in the year of disposition, and one-half of any such capital loss (an allowable capital loss) must generally reduce taxable capital gains realized by the holder in the year of disposition. Allowable capital losses in excess of taxable capital gains for the year of disposition may generally be deducted by the holder against net taxable capital gains realized in any of the three preceding years or in any subsequent year, subject to various detailed provisions of the Tax Act including provisions that apply to corporate holders after a change of control.

A subscriber who disposes of Flow-Through Shares will retain the entitlement to be renounced CEE by the Corporation as described above, as well as the ability to deduct any CEE previously deemed to have been incurred by the subscriber, and a subsequent purchaser of such Flow-Through Shares will not be entitled to any renunciation of CEE in respect thereof.

A subscriber that is a "Canadian-controlled private corporation" (as defined in the Tax Act) throughout the relevant taxation year, will be liable to pay an additional 6½% refundable tax on its "aggregate investment income" for the year, which is defined to include an amount in respect of taxable capital gains.

Cumulative Net Investment Loss

One half of the amount of CEE renounced to a subscriber will increase a subscriber's cumulative net investment loss ("CNIL") (as defined in the Tax Act). A subscriber's CNIL may impair a subscriber's ability to claim the capital gains deduction available on the disposition of certain qualifying small business corporation shares, farm property and fishing property.

Minimum Tax

Pursuant to the minimum tax rules in the Tax Act, the tax otherwise payable under Part I of the Tax Act by an individual (other than certain trusts) will not be less than the minimum amount computed by reference to the individual's "adjusted taxable income" for the year. For these purposes, the minimum amount generally means the "appropriate percentage" (15%) of adjusted taxable income in excess of \$40,000. In calculating adjusted taxable income for this purpose, certain deductions and credits otherwise available are disallowed and certain amounts otherwise not taxable are included in income. These disallowed items include deductions for CEE to the extent the deductions exceed the individual's resource income before deduction of those amounts, and deductions for carrying charges which relate to an investment in flow-through shares to the extent that such deductions exceed the individual's resource income after deductions for resource expenses, including CEE. Also included in adjusted taxable income are 80% of capital gains. Whether and to what extent a particular individual will be subject to minimum tax will depend upon the amount of the individual's income, the sources from which it is derived and the nature and amount of any deductions that are claimed. Any additional tax payable for a year resulting from the application of the minimum tax provisions is recoverable to the extent the tax otherwise determined exceeds the minimum amount for any of the following seven taxation years.

RISK FACTORS

The purchase of any Offered Shares offered hereby must be considered highly speculative due to the nature of the Corporation's business, relatively formative stage of development, current financial position and lack of an earnings

record. Those persons who can afford a total loss of their investment should only consider an investment in the Offered Shares. An investment in these securities is not suited to investors who may need to dispose of their investment in a timely fashion. Investors should consult with their own professional advisors to assess the legal, financial and other aspects of an investment in the securities offered hereby. In addition to other information contained in this prospectus, prospective subscribers should carefully consider the following risk factors.

Limited Operating History

The Corporation has no history of earnings. The Property is in the exploration stage and there are no known commercial quantities of mineral reserves on the Property. The purpose of this Offering is 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 any economic quantities of mineral reserves will be discovered on the Property. As such, the Corporation is subject to many risks common to such enterprises including, under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. There is no assurance that the Corporation will be successful in achieving a return once receiving shareholder investment.

The Corporation will require future financing to develop its mineral properties and fund future growth

The Corporation has limited financial resources, no source of operating cash flow and no assurance that additional funding will be available for it for further exploration and development of the Corporation's projects or to fulfill its obligations under any applicable agreements. There can be no assurance that the Corporation will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Corporation's projects with the possible loss of such projects.

If the Corporation raises additional funding by issuing additional equity securities, such financing may substantially dilute the interests of existing shareholders. Sales of substantial amounts of Common Shares, or the availability of such Common Shares for sale, could adversely affect any prevailing market prices for the Corporation's securities. A decline in the market prices of the Corporation's securities could impair the Corporation's ability to raise additional capital.

No History of Earnings or Dividends

The Corporation has no history of earnings, and there is no assurance that the Property or any other properties the Corporation may acquire or obtain hereafter will generate any earnings, operate profitably or provide a return on investment in the future.

The Corporation has not paid dividends on its Common Shares since incorporation and does not anticipate doing so in the foreseeable future. Payment of any future dividends, if any, will be at the discretion of the Corporation's board of directors after taking into account many factors, including operating results, financial condition and anticipated cash needs.

Exploration and Development

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

The Property is in the exploration stage only and is without a known body of commercial ore. Development of the Property would follow only if favourable exploration results are obtained. The business of exploration for minerals

and mining involved a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

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

Acquisition of Additional Mineral Properties

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

Currently No Public Trading Market for the Common Shares

At present, there is no public market for the Common Shares. An active public market for the Common Shares might not develop or be sustained after the Offering. The listing of the Common Shares on an exchange, market or other quotation system is not a guarantee of liquidity.

The initial public offering price of the Common Shares and Flow-Through Shares has been determined by negotiations between the Corporation and representatives of the Agent and this price will not necessarily reflect the prevailing market price of the shares following the Offering. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited and the price of Common Shares may decline below the initial public offering price.

Canadian Tax Treatment of Flow-Through Shares

The tax treatment applicable with respect to mining 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, the status of such Flow-Through Shares and the activities contemplated by the Corporation's exploration and development programs.

The Flow-Through Shares are designed for investors whose income is subject to high marginal tax rates. The right to deduct qualifying expenditures accrues to the initial purchaser of the 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. In addition, there is no guarantee that the expected tax deductions will be accepted by CRA. Consequently, the tax considerations for subscribers holding or selling Flow-Through Shares may be fundamentally altered.

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 on CEE resulting in the deductions described under "*Certain Canadian Federal Income Tax Considerations*". **If the Corporation does not expend an amount equal to the proceeds from the sale of the Flow-Through Shares so as to incur CEE prior to December 31, 2009, the Corporation shall reduce the amount of CEE that it has renounced in favor of the investors and the investors will be reassessed accordingly.** 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.

Title to the mineral properties cannot be guaranteed and may be subject to prior liens, agreements, transfers or claims and other defects

The Corporation cannot guarantee title to the Property or title to any of its properties it may hold in the future. Title insurance is generally not available for mineral properties and the Corporation's ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be severely constrained. The Property, and any properties acquired by the Corporation in the future, may be subject to prior registered or unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects and native land claims. A successful challenge to the validity of, or the precise area and location of, these claims could result in the Corporation being unable to operate on its properties as permitted or being unable to enforce its rights with respect to its properties.

Fluctuating Prices

The Corporation's future profitability and the viability of development depends upon the world market price of metals, amongst other things. Prices fluctuate widely and are affected by numerous factors beyond the Corporation's control. The prices of metals are influenced by factors including industrial and retail supply and demand, exchange rates, inflation rates, changes in global economies, confidence in the global monetary system, forward sales of gold and other metals by producers and speculators as well as other global or regional political, social or economic events. The supply of gold and other metals consists of a combination of new mine production and existing stocks held by governments, producers, speculators and consumers.

If the market price for gold or other precious metals fall significantly, it could affect the Corporation's decision to proceed with further exploration and could materially and adversely affect the Corporation's ability to finance the development of the Property.

Gold prices have fluctuated widely in recent years. There is no assurance that, even as commercial quantities of gold may be produced in the future, a profitable market will exist for them. A decline in the market price of gold may also require the Corporation to reduce any mineral resources it acquires, which could have a material and adverse effect on the Corporation's value.

Development and Exploration Activities Depend on Adequate Infrastructure

Development and exploration activities depend on adequate infrastructure, including reliable roads, power sources, water supply, storage, rail and port facilities. The Corporation's inability to secure adequate access to such infrastructure, as well as other events outside of its control, such as extreme weather, sabotage, government or other interference in the maintenance or provision of such infrastructure, could adversely affect the Corporation's operations and financial condition.

Delays in obtaining or a failure to obtain required property rights, permits and licenses, or a failure to comply with the terms of any such property rights, permits and licenses that the Corporation has obtained, could delay or prevent or make more expensive exploration, development and or production.

The Corporation's current and anticipated future operations, including further exploration and development activities and commencement of production on the Property or any future properties the Corporation may hold, require certain permits and licenses from various levels of governmental authorities. The Corporation may also be required to obtain certain property rights to access, or use, certain properties in order to proceed to development. There can be no assurance that all licenses, permits or property rights which the Corporation requires for the expansion and construction of mining facilities and the conduct of mining operations will be obtainable on reasonable terms or in a timely manner, or at all, that such terms may not be adversely changed, that required extension will be granted, or that the issuance of such licenses, permits or property rights will not be challenged by third parties. Delays in obtaining or a failure to obtain such licenses, permits or property rights or extension thereto, challenges to the issuance of such licenses, permits or property rights, whether successful or unsuccessful, changes to the terms of such licenses, permits or property rights, or a failure to comply with the terms of any such licenses, permits or property rights that the Corporation has obtained, could have a material adverse effect on the Corporation by delaying or preventing or making more expensive exploration, development and/or production.

The Corporation's activities are subject to environmental laws and regulations that may increase the Corporation's costs of doing business and restrict its operations

The Corporation's exploration and production activities in Canada are subject to regulation by governmental agencies under various environmental laws. These laws address emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species and reclamation of lands disturbed by mining operations. Environmental legislation in many countries is evolving and the trend has been towards stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and increasing responsibility for companies and their officers, directors and employees. Compliance with environmental laws and regulations may require significant capital outlays on behalf of the Corporation and may cause material changes or delays in the Corporation's intended activities. There can be no assurance that future changes in environmental regulations will not adversely affect the Corporation's business, and it is possible that future changes in these laws or regulations could have a significant adverse impact on some portion of the Corporation's business, causing the Corporation to re-evaluate those activities at that time.

The Corporation cannot give any assurance that breaches of environmental laws (whether inadvertent or not) or environmental pollution will not materially and adversely affect its financial condition and its results from operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Corporation's operations. Environmental hazards may exist on the Property, which are unknown to the Corporation at present. Reclamation costs are uncertain and planned Expenditures may differ from the actual Expenditures required.

Environmental Protection, Environmental Regulation, Political & Economic Conditions

Mineral exploration and mining involves various types of risks and hazards, including: environmental hazards, industrial accidents, metallurgical and other processing problems, unusual or unexpected rock formations, structural cave-ins or slides, seismic activity, flooding, fires, periodic interruptions due to inclement or hazardous weather conditions, variations in grade, deposit size, density and other geological problems, mechanical equipment performance problems, unavailability of materials and equipment including fuel, labour force disruptions, unanticipated or significant changes in the costs of supplies including, but not limited to, petroleum, and unanticipated transportation costs.

These risks could result in damage to, or destruction of, mineral properties, production facilities or other properties, personal injury or death, loss of key employees, environmental damage, delays in mining, increased production costs, monetary losses and possible legal liability.

Where considered practical to do so, the Corporation will maintain insurance against risks in the operation of its business in amounts which it believes to be reasonable. Such insurance, however, contains exclusions and limitations on coverage. There can be no assurance that such insurance will continue to be available, will be available at economically acceptable premiums or will be adequate to cover any resulting liability. Insurance against certain environmental risks, including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from production, is not generally available to the Corporation or to other companies within the mining industry. The Corporation may suffer a material adverse effect on its business if it incurs losses related to any significant events that are not covered by its insurance policies. Payment of such liabilities would reduce funds available for acquisition of mineral prospects or exploration and development and would have a material adverse effect on the financial position of the Corporation.

There can be no assurances that any future development activities will result in profitable mining operations

Decisions about the development of Property and other mineral properties will ultimately be based upon feasibility studies. Scoping and feasibility studies derive estimates of cash operating costs based upon, among other things:

- anticipated tonnage, grades and metallurgical characteristics of the ore to be mined and processed;
- anticipated recovery rates of gold and other metals from the ore;

- cash operating costs of comparable facilities and equipment; and
- anticipated climatic conditions.

Capital and operating costs, production and economic returns, and other estimates contained in the Corporation's economic assessments, scoping studies and feasibility studies, if prepared, may differ significantly from those anticipated by the Corporation, and there can be no assurance that the Corporation's actual capital and operating costs will not be higher than anticipated. In addition, construction and operating delays may negatively impact the net present value and internal rates of return of the Corporation's mineral properties.

Increased competition could adversely affect the Corporation's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future

The mining industry is intensely competitive. Many companies and individuals are engaged in the mining business, including large, established mining companies with substantial capabilities. There is a limited supply of desirable mineral lands available for claim staking, lease or other acquisition in the areas where the Corporation contemplates conducting exploration activities. The Corporation may be at a competitive disadvantage in acquiring mining properties, as it must compete with these individuals and companies, many of which have greater financial resources and larger technical staffs than the Corporation. Accordingly, there can be no assurance that the Corporation will be able to compete successfully for new mining properties. The Corporation may also encounter increasing competition from other mining companies in its efforts to hire experienced mining professionals. Competition for exploration resources at all levels is currently very intense, particularly affecting the availability of manpower, drill rigs and helicopters. Increased competition could adversely affect the Corporation's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future.

The Corporation may experience difficulty attracting and retaining qualified management and technical personnel to meet its current and anticipated needs

The success of the Corporation is heavily dependent on its key personnel and on its ability to motivate, retain and attract highly skilled persons. The competition for qualified personnel in the mining industry is currently intense. There can be no assurance that the Corporation will successfully attract and retain additional qualified personnel to manage its current needs and anticipated growth. The failure to attract such qualified personnel to manage growth effectively could have a material adverse effect on the Corporation's business, financial condition or results of operations. The Corporation is dependent on a relatively small number of key employees and consultants, the loss of any of whom could have an adverse effect on the Corporation.

Certain of the Corporation's directors and officers serve in positions with other public companies, which puts them in conflict of interest positions from time to time

Certain of the directors and officers of the Corporation serve as directors and officers of other public companies involved in natural resource exploration, development and mining operations and therefore it is possible that a conflict may arise between their duties as directors or officers of the Corporation and their duties as directors and officers of such other companies. The directors of the Corporation are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest and the Corporation will rely upon such laws in respect of any directors' conflicts of interest or in respect of any breaches of duty by any of its directors.

Reliance on Other Experts

In preparation of the Technical Report, the Technical Report Author has relied upon data published by governmental bodies, results of 2006 and 2007 fieldwork and an assessment report prepared by an individual who is a member of SKS. While reasonable care has been taken in preparing the Technical Report, the Technical Report Author has not guaranteed the accuracy and completeness of all supporting documentation for the Technical Report.

The Corporation is exposed to legal risks

The Corporation is subject to various legal claims, judgments, potential claims and complaints, including unexpected environmental remediation costs in excess of current reserves, arising out of the normal course of business. While the Corporation believes that unfavourable decisions in any pending procedures or the threat of procedures related to any future assessment, or any amount it might be required to pay, will not have a material adverse effect on the Corporation's financial condition, there is a risk that if such decisions are determined adversely to the Corporation, they could have a material adverse effect on the Corporation's profitability.

PROMOTER

Richard Graham may be considered to be the promoter of the Corporation in that he took the initiative in organizing the Corporation. Mr. Graham, as of the date hereof owns, 150,100 Common Shares, or approximately 7.5% of the issued and outstanding Common Shares. Assuming that Mr. Graham does not purchase any of the Offered Shares, and assuming that the Directors' and Officers' Options and the Agent's Option are not exercised, Mr. Graham, following the Offering, will own 150,100 Common Shares, or approximately 3.0% of the then issued and outstanding Common Shares. On Closing, it is expected Mr. Graham will be granted 50,000 options to purchase Common Shares. See "*Prior Sales*" and "*Principle Shareholders and Selling Securityholders*".

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To the knowledge of the directors and officers of the Corporation, there are no legal proceedings that the Corporation is or was a party to, or that any of its property is or was the subject of, since its incorporation. Furthermore, there are no proceedings known to be contemplated.

To the knowledge of the directors and officers of the Corporation, there have been no penalties or sanctions imposed by a court or regulatory agency or body against the Corporation, nor has the Corporation entered into a settlement agreement with a court, since its incorporation.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed herein, the management of the Corporation is not aware of any material interest, direct or indirect, of any of the following persons or companies in any transaction since the Corporation's incorporation that has materially affected or is reasonably expected to materially affect the Corporation:

- (a) a director or executive officer of the Corporation;
- (a) a person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of the issued and outstanding Common Shares; and
- (b) an associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b).

RELATIONSHIP BETWEEN ISSUER AND AGENT

The Corporation is not a related party or connected party of or to the Agent as such terms are defined in the National Instrument 33-105 - *Underwriting Conflicts*.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditor of the Corporation is Davidson & Company LLP, Chartered Accountants, at 1200 - 609 Granville Street, Vancouver, British Columbia, V7Y 1G6.

Computershare Trust Company of Canada, through its principal office at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9, is the registrar and transfer agent for the Common Shares.

MATERIAL CONTRACTS

The only contracts entered into by the Corporation since its incorporation, which can reasonably be regarded as presently material, are the following:

1. The Agency Agreement. See "*Plan of Distribution*".
2. The Escrow Agreement. See "*Escrowed Securities*".
3. The Option Agreement. See "*General Development of the Business*".

Copies of the above agreements may be inspected at the head office of the Corporation located at Suite 1028, Bentall 5, 550 Burrard Street, Vancouver, British Columbia V6C 2B5 or at the offices of Borden Ladner Gervais LLP, counsel to the Corporation located at 1000 Canterra Tower, 400 - 3rd Avenue SW, Calgary, Alberta T2P 4H2 during normal business hours at any time up to and including the final closing of this Offering.

INTEREST OF EXPERTS

There is no person or company who is named as having prepared or certified a report, valuation, statement or opinion described in this prospectus, or referred to in this prospectus and whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company, other than the Technical Report Author, Davidson and Borden Ladner Gervais LLP

Davidson has prepared an opinion with respect to the financial statements as at and for the years ended December 31, 2007 and 2006. Davidson has advised they are independent in accordance with the Rules of Professional Conduct as outlined by the Institute of Chartered Accountants of Alberta.

W.A. Wengzynowski, P.Eng. is a geological engineer, President of Archer and a "Qualified Person" as defined in NI 43-101 and the author responsible for the preparation of the Technical Report. As at the date hereof, neither the Technical Report Author nor Archer have any registered or beneficial interest, direct or indirect, in any securities or other property of the Corporation or any of the Corporation's associates or affiliates. For the purposes of this paragraph, Archer shall be deemed to include its "designated professionals".

Certain legal matters relating to the Offering and the issuance of the Common Shares will be passed upon by Borden Ladner Gervais LLP, on behalf of the Corporation, and Maynard Brown, Barrister and Solicitor, on behalf of the Agent. As of the date hereof, the partners and associates of Borden Ladner Gervais LLP and Maynard Brown, as a group, own no Common Shares.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

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, the 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 such remedies for rescission, revision 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.

AUDITORS' CONSENT

We have read the prospectus of Aurion Resources Ltd. (the "Company") dated _____ relating to the issue and sale of 2,500,000 common shares at a price of \$0.25 per common share and 500,000 flow-through common shares at a price of \$0.35 per flow-through share. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above mentioned prospectus of our report to the directors of the Company on the balance sheets of the Company as at December 31, 2007 and 2006 and the statements of operations and deficit and cash flows for the year ended December 31, 2007 and the period from incorporation on April 6, 2006 to December 31, 2006. Our report is dated July 17, 2008 (except as to Note 12 which is as of _____).

Vancouver, Canada

Chartered Accountants

DATE

AURION RESOURCES LTD.

FINANCIAL STATEMENTS

JUNE 30, 2008

AUDITORS' REPORT

To the Directors of
Aurion Resources Ltd.

We have audited the balance sheets of Aurion Resources Ltd. as at December 31, 2007 and 2006 and the statements of operations and deficit and cash flows for the year ended December 31, 2007 and the period from incorporation on April 6, 2006 to December 31, 2006. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2007 and 2006 and the results of its operations and its cash flows for the year ended December 31, 2007 and the period from incorporation on April 6, 2006 to December 31, 2006 in accordance with Canadian generally accepted accounting principles.

Vancouver, Canada

Chartered Accountants

July 17, 2008
(except as to Note 12 which
is as of _____)

AURION RESOURCES LTD.
BALANCE SHEETS

	June 30, 2008 (unaudited)	December 31, 2007	December 31, 2006
ASSETS			
Current assets:			
Cash	\$ 106,298	\$ 128,842	\$ 200,768
GST and other receivables	2,851	2,662	-
	109,149	131,504	200,768
Deferred financing	20,500	-	-
Mineral property (note 5)	20,000	20,000	-
	\$ 149,649	\$ 151,504	\$ 200,768
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liability			
Accounts payable and accrued liabilities	\$ 19,007	\$ 16,144	\$ 7,903
	19,007	16,144	7,903
Shareholders' equity:			
Capital Stock (note 6)	312,510	312,510	200,010
Deficit	(181,868)	(177,150)	(7,145)
	130,642	135,360	192,865
	\$ 149,649	\$ 151,504	\$ 200,768

The accompanying notes are an integral part of these financial statements

Signed: "Richard Graham"
Director

Signed: "Narinder Nagra"
Director

AURION RESOURCES LTD.

Statements of Operations and Deficit

	Six months ending June 30,		Year ending December 31,	From incorporation April 6, 2006 to December 31, 2006
	2008 (unaudited)	2007 (unaudited)	2007	
Mineral exploration costs	\$ 5,071	\$ -	\$ 160,725	\$ -
Expenses:				
Accounting, audit and legal	750	2,603	12,603	7,403
Interest expense	-	-	5,644	-
Office and sundry	7	-	219	122
Shareholder information and filing fees	500	360	360	-
	1,257	2,963	18,826	7,525
Interest income	1,610	5,256	9,546	380
Net and comprehensive income (loss) for the period	(4,718)	2,293	(170,005)	(7,145)
Deficit, beginning of period	(177,150)	(7,145)	(7,145)	-
Deficit, end of period	\$ (181,868)	\$ (4,852)	\$ (177,150)	\$ (7,145)
Loss per share				
Basic and diluted	\$ -	\$ -	\$ (0.09)	\$ (0.09)
Weighted average number of shares outstanding	2,000,100	1,780,487	1,891,196	79,096

The accompanying notes are an integral part of these financial statements

AURION RESOURCES LTD.
Statements of Cash Flow

	Six months ending June 30,		Year ending December 31,	From incorporation April 6, 2006 to December 31, 2006
	2008 (unaudited)	2007 (unaudited)	2007	
Cash provided by (used for):				
Operating activities:				
Net income (loss) for the period	\$ (4,718)	\$ 2,293	\$ (170,005)	\$ (7,145)
Changes in non-cash working capital balances:				
GST and other receivables	(189)	-	(2,662)	-
Accounts payable and accrued liabilities	(5,387)	(7,403)	8,241	7,903
	(10,294)	(5,110)	(164,426)	758
Financing activities				
Deferred financing costs	(12,250)	-	-	-
Issuance of common shares	-	112,500	112,500	200,010
	(12,250)	112,500	112,500	200,010
Investing activities				
Investment in mineral property	-	(10,000)	(20,000)	-
	-	(10,000)	(20,000)	-
Increase (decrease) in cash	(22,544)	97,390	(71,926)	200,768
Cash, beginning of period	128,842	200,768	200,768	-
Cash, end of period	\$ 106,298	\$ 298,158	\$ 128,842	\$ 200,768
Supplementary cash flow information:				
Cash amount of payments received (paid):				
Interest paid	\$ (5,644)	\$ -	\$ -	\$ -
Taxes recovered (paid)	\$ -	\$ -	\$ -	\$ -

Supplemental disclosure with respect to cashflows (note 11)

The accompanying notes are an integral part of these financial statements

1. INCORPORATION

The Company was incorporated under the *Business Corporations Act* (Alberta) on April 6, 2006 as a private company. The principal business of the Company is the acquisition and exploration of mineral properties.

2. CONTINUANCE OF OPERATIONS

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an interest in properties, assets or businesses.

3. SIGNIFICANT ACCOUNTING POLICIES

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported 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 period. Actual results could differ from these estimates.

Future income taxes

Future income taxes are recorded using the asset and liability method whereby future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs. To the extent that the Company does not consider it more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on earnings per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Stock-based compensation

The Company uses the fair value based method for measuring compensation costs.

Mineral properties and exploration expenditures

Acquisition costs for mineral properties, net of recoveries, are capitalized on a property-by property basis. Acquisition costs include cash consideration and the value of common shares, based on recent issue prices, issued for mineral properties pursuant to the terms of the agreement. Exploration expenditures, net of recoveries, are charged to operations as incurred. After a property is determined by management to be commercially feasible, exploration and development expenditures on the property will be capitalized. When there is little prospect of further work on a property being carried out by the Company or its partners, when a property is abandoned, or when the capitalized costs are no longer considered recoverable, the related property costs are written down to management's estimate of their net recoverable amount. The costs related to a property from which there is production, together with the costs of production equipment, will be depleted and amortized using the unit-of-production method.

A mineral property acquired under an option agreement where payments are made at the sole discretion of the Company, is capitalized at the time of payment.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfer and may be affected by undetected defects.

The amounts shown for mineral properties represent acquisition costs incurred to date, less recoveries and write-downs, and are not intended to reflect present or future values.

Asset retirement obligations

The Company recognizes statutory, contractual or other legal obligation related to the retirement of tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement costs are amortized to operations over the life of the asset.

Flow-through shares

Canadian tax legislation permits a company to issue flow-through shares whereby the deduction for tax purposes relating to qualified resource expenditures is claimed by the investors rather than the Company. Recording these expenditures for accounting purposes gives rise to taxable temporary differences.

Emerging Issues Committee 146 "Flow-Through Shares" requires that, when flow-through expenditures are renounced, a portion of the future income tax assets that were not recognized in previous years, due to the recording of a valuation allowance, be recognized as a recovery of income taxes in the statement of operations.

4. CHANGES IN ACCOUNTING POLICES

Adoption of New Accounting Pronouncements

Accounting Changes

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

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

The adoption of this new section is not expected to have an impact on the Company's financial statements.

Financial instruments

Effective January 1, 2007, the Company implemented the new CICA Handbook section 3855, *Financial Instruments – Recognition and Measurement*. All financial instruments are classified into one of five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments and derivatives are measured in the balance sheet either at fair value except for loans and receivables, held-to maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification. Held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net income. Available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the instrument is derecognized or impaired.

The Company has classified its cash as held-for-trading. Accounts payable and accrued liabilities are classified as other liabilities, which are measured at amortized cost. The new section does not have an impact on the Company's financial results.

Effective January 1, 2008, the Company implemented the new CICA accounting sections: 3862 (Financial Instruments – Disclosure), 3863 (Financial Instruments – Presentation), which replaced section 3861 Financial Instruments – Disclosures and Presentation. These new standards revise and enhance the disclosure requirements, and carry forward, substantially unchanged, the presentation requirements. Sections 3862 and 3863 emphasize the significance of financial instruments for the entity's financial position and performance, the nature and extent of the risks arising from financial instruments, how these risks are managed. These new standards are applicable to interim and annual periods relating to fiscal years beginning on or after October 1, 2007. These new Sections relate to disclosure and presentation only and did not have an impact on the Company's financial results.

Capital Disclosures

Effective January 1, 2008, the Company implemented the new CICA accounting section 1535 (Capital Disclosures). 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 non-compliance. This new Section relates to disclosure and will not have an impact on the Company's financial results.

4. CHANGES IN ACCOUNTING POLICES

Adoption of New Accounting Pronouncements

Assessing Going Concern

The Accounting Standards Board ("AcSB") amended CICA Handbook Section 1400, to include requirements for management to assess and disclose an entity's ability to continue as a going concern. This section applies to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008.

New accounting pronouncements

Goodwill and intangible assets

The Accounting Standards Board ("AcSB") issued CICA Handbook Section 3064, which replaces Section 3062, Goodwill and Other Intangible Assets, and Section 3450, Research and Development Costs. This new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. Standards concerning goodwill remain unchanged from the standards included in the previous Section 3062. This section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008.

The Company is currently assessing the impact of the above new accounting standards on the Company's financial position and results of operations.

International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

5. MINERAL PROPERTY

The Company entered into an option agreement to acquire one hundred percent of the KAMI property ("the property"). The property is located east-southeast of Vernon, British Columbia. Under the terms of the option agreement the Company must pay in cash or shares (at the election of the Company):

May 4, 2007	\$10,000	(paid in cash)
November 4, 2007	\$10,000	(paid in cash)
November 4, 2008	\$20,000	
November 4, 2009	\$50,000	
November 4, 2010	\$60,000	

and the Company must incur the following exploration expenditures on the property on or before:

November 4, 2007	\$150,000	(incurred)
November 4, 2008	\$150,000	
November 4, 2009	\$300,000	
November 4, 2010	\$400,000	

and the issuing of the following common shares if such shares are trading on any stock exchange:

November 4, 2009	40,000 common shares
November 4, 2010	50,000 common shares
November 4, 2011	60,000 common shares

Upon the completion of a bankable feasibility study, the Company will issue an additional 200,000 common shares or at the election of the Company, the number of shares that represents a deemed value of \$500,000.

	June 30, 2008 (unaudited)	December 31, 2007	December 31, 2006
Acquisition costs, beginning of the period	\$ 20,000	\$ -	\$ -
Additions during the period	-	20,000	-
Acquisition costs, end of the period	\$ 20,000	\$ 20,000	\$ -

	June 30, 2008 (unaudited)	December 31, 2007	December 31, 2006
Exploration expenditures			
Assay	\$ 280	\$ 21,827	\$ -
Field costs	467	68,682	-
Geological consulting	4,324	28,240	-
Geophysical survey	-	41,976	-
	\$ 5,071	\$ 160,725	\$ -

AURION RESOURCES LTD.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

6. CAPITAL STOCK

	Capital Stock	
	Number of Shares	Amount
Authorized		
Unlimited common shares, without par value		
Unlimited preferred shares issuable in series		
Common shares issued and outstanding		
Share issuance	500,100	\$ 50,010
Flow through shares	<u>750,000</u>	<u>150,000</u>
Balance, December 31, 2006	1,250,100	200,010
Share issuance	<u>750,000</u>	<u>112,500</u>
Balance, June 30, 2008 (Unaudited) and December 31, 2007	2,000,100	\$ 312,510

During the year ended December 31, 2006, the Company issued 1,250,100 common shares. The Company issued 500,100 common shares at a price of \$0.10 per share and 750,000 flow-through shares at a price of \$0.20 per share.

During the year ended December 31, 2007, the Company issued 750,000 commons shares at a price of \$0.15 per share.

Stock options

The Company adopted an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX Venture Exchange ("Exchange") requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. Such options will be exercisable for a period of up to 5 years from the date of grant. Venting terms are determined by the board of directors at the time of grant.

7. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at June 30, 2008 (unaudited), the Company's Shareholders' equity was \$130,642 and it had no outstanding debt. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The capital for expansion was mostly from proceeds from the issuance of common shares. The net proceeds raised will only be sufficient to identify and evaluate a limited number of assets and businesses for the process of identifying and complete a transaction.

8. FINANCIAL INSTRUMENTS

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and receivables. The Company's receivables are primarily from government agencies and are subject to certain risks that would be considered normal in this environment. The Company limits its exposure to credit loss by placing its cash with major financial institutions.

Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions is subject to floating rate of interest. The interest rate risks on cash and on the Company's obligations are not considered significant.

Liquidity Risk

All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The Company intends to settle these with funds from its positive working capital position.

Fair value

Financial instruments consist of cash, receivables, accounts payable and accrued liabilities, the fair value of which are considered to approximate their carrying value due to their short-term maturities or ability of prompt liquidation.

9. RELATED PARTY TRANSACTIONS

During the period ended June 30, 2008 (unaudited),

- (a) The Company entered into a corporate services agreement dated effective June 1, 2008 with a company that has significant shareholdings in Aurion. The related company will provide to Aurion various administrative and related corporate services. Under the terms of the agreement, the Company will pay a management fee of \$4,500 per month after the common shares are listed on the Exchange. The related company will also be reimbursed for all reasonable expenses incurred in the performance of its services. In addition, a service fee of \$20,000 is payable on the date of completing Aurion's Initial Public Offering.

The amounts charged to the Company for the services provided have been determined by negotiation among the parties and, in certain cases, are covered by signed agreements. These transactions were in the normal course of operations and were measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

During the period ended December 31, 2006,

- (a) The Company borrowed \$500 from a shareholder. The amount was non-interest bearing and payable on demand and included in accounts payable. The amount was repaid during the six months ending June 30, 2008 (unaudited).

AURION RESOURCES LTD.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

10. INCOME TAXES

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

	June 30, 2008 (Unaudited)	June 30, 2007 (Unaudited)	December 31, 2007	December 31, 2006
Net income (loss) for the period	\$ (4,718)	\$ 2,293	\$ (170,005)	\$ (7,145)
Expected income tax expense (recovery)	\$ (1,300)	\$ 745	\$ (58,000)	\$ (2,400)
Unrecognized benefit of exploration expenditures	1,300	-	54,800	-
Non deductible expenses	-	-	1,900	-
Unrecognized (recognized) benefit of non-capital losses	-	(745)	1,300	2,400
Total income tax expense	\$ -	\$ -	\$ -	\$ -

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

	June 30, 2008 (Unaudited)	December 31, 2007	December 31, 2006
Future income tax assets:			
Non-capital loss carryforwards	\$ 4,000	\$ 3,000	\$ 2,000
Exploration resource credits	4,400	3,000	-
	8,400	6,000	2,000
Valuation allowance	(8,400)	(6,000)	(2,000)
Net future income tax assets	\$ -	\$ -	\$ -

In January 2007, the Company renounced \$150,000 of flow-through expenditures. Pursuant to the terms of the flow-through share agreements, the tax attributes of the related expenditures are renounced to the subscribers. The Company has recorded a \$5,644 interest expense for Part XII.6 tax levied on unspent flow-through expenditures from the period of renouncement until the expenditures were actually incurred during the year ending December 31, 2007.

The Company has available for deduction against future taxable income exploration expenditure credits of approximately \$15,000 (unaudited) and non capital loss carry forwards of approximately \$35,000 (unaudited). Future tax benefits which may arise as a result of these exploration expenditures and non-capital loss carry forwards have not been recognized in these financial statements and have been offset by a valuation allowance due to the uncertainty of their realization.

11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions for the period ended June 30, 2008 (unaudited) included:

- a) the Company incurring \$8,250 in deferred financing costs included in accounts payable.

There were no material non-cash financing or investing activities for the periods ending December 31, 2007 and 2006 and June 30, 2007.

12. INITIAL PUBLIC OFFERING

The Company entered into a letter agreement with Leede Financial Markets Inc. ("Leede"), the agent. Pursuant to the letter agreement, Leede is to complete the Company's initial public offering (the "IPO") of up to 2,500,000 common shares priced at \$0.25 per share and 500,000 flow through shares priced at \$0.35 per share for total gross proceeds in aggregate of up to \$800,000.

The Agents will be paid a cash commission equal to 6% of the aggregate gross proceeds of the offering. The Company will also grant up to 200,000 non-transferrable broker's options to Leede exercisable within twelve months after the date of closing and at a price of \$0.25 per share. The Company is also to pay a corporate finance fee of \$10,000 and an administration fee of \$5,000 from the gross proceeds. The prospectus will qualify options to acquire 240,000 common shares at a price of \$0.25 per common share for a period of 5 years from the date of grant to the directors and officers of the Company.

CERTIFICATE OF THE CORPORATION

DATE: July 18, 2008

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

“Richard Graham”

Richard Graham
President

“K. Peter Miller”

K. Peter Miller
Chief Financial Officer

ON BEHALF OF THE BOARD

“Michael Basha”

Michael Basha
Director

“Narinder Nagra”

Narinder Nagra
Director

CERTIFICATE OF THE PROMOTER

DATE: July 18, 2008

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

“Richard Graham”

Richard Graham

CERTIFICATE OF THE AGENT

DATE: July 18, 2008

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

LEEDE FINANCIAL MARKETS INC.

Per: “Richard Carter”

Richard Carter

Senior Vice President, General Counsel
and Secretary