INITIAL PUBLIC OFFERING **DATE: JULY 26, 2010**

PROSPECTUS

OROFINO MINERALS INC.

430 – 580 Hornby Street
Vancouver, B.C. V6C 3B6
Phone Number: (604) 687-4456

3,000,000 COMMON SHARES WITHOUT PAR VALUE AT A PRICE OF $0.25 PER SHARE (THE "SHARES")

Orofino Minerals Inc. (the "Company") hereby offers, through its agent, Canaccord Genuity Corp. (the "Agent") on a commercially reasonable efforts basis (the "Offering") for sale to purchasers resident in the Provinces of British Columbia and Alberta (the "Selling Provinces") an aggregate of 3,000,000 common shares of the Company (the "Common Shares") at a price of $0.25 per Offered Share of which 1,000,000 will be issued on a flow through basis pursuant to the *Income Tax Act* (Canada) (the "Flow-Through Common Shares"). "Offered Shares" means the Common Shares and the Flow-Through Common Shares.

	Price to Public (1)	Agent's Commission (2)	Net Proceeds (3) (4)
Per-Offered Share	$0.25	$0.025	$0.225
Total	$750,000	$75,000	$675,000

(1) The price of the Offered Shares was determined by negotiations between the Company and Canaccord Genuity Ltd. (the "Agent").

(2) Under the terms of an Agency Agreement between the Agent and the Company dated March 17, 2010, the offering (the "Offering") described in this Prospectus will be conducted on a commercially reasonable efforts basis. Upon completion of the Offering, the Agent will receive an agent's warrant (the "Agent's Warrant") entitling it to acquire 10% of the number of shares issued pursuant to the Offering, including the Over-allotment offering, exercisable at a price of $0.25 per Share at any time on or before the date which is two years after completion of the Offering. The Agent shall receive a commission equal to 10% of the gross proceeds of the Offering payable in cash (the "Commission"). The Agent will receive a corporate finance fee of 100,000 Common Shares (the "Corporate Finance Shares") and a $10,000 administration fee at the time of the Closing and be reimbursed its reasonable expenses. The Agent has received a retainer of $15,000 for such expenses. National Instrument 41-101 – *General Prospectus Requirements* restricts the number of securities issued to an Agent as compensation which may be qualified under a prospectus ("Qualified Compensation Securities"), to a maximum of 10% of the Offered Shares. For the purposes of this Offering, assuming the Over-Allotment Option (as defined below) is not exercised, any of combination of the following, totaling 300,000 securities, are Qualified Compensation Securities and are qualified for distribution by this Prospectus: (a) up to 100,000 Corporate Finance Fee Shares; and (b) up to a maximum of 300,000 Agent's Warrants. To the extent that the Agent is entitled to receive securities as compensation exceeding 10% of the Offering, those securities exceeding the 10% threshold will not be Qualified

Compensation Securities, will not be qualified for distribution under this Prospectus and will be subject to a hold period in accordance with applicable securities laws.

(3) Before deduction of the costs of the Offering, estimated at $90,000. See "Use of Proceeds".

(4) The Company has granted to the Agent an option (the "Over-Allotment Option") exercisable, in whole or in part, until the closing of the Offering, to increase the number of shares in the Offering by up to 15% of the Offered Shares (450,000 Common Shares). If the Over-Allotment Option is exercised in full, the total price to the public, the Commission and proceeds to the Company would be $862,500, $86,250 and $776,250 respectively. The Over-Allotment Option and the Common Shares issuable under the Over-Allotment Option are also qualified under this Prospectus. A purchaser who acquires securities forming part of the Agent's over-allotment position acquires those securities under the Prospectus, regardless of whether the Over-Allotment position is ultimately filled through the exercise of the Over-Allotment Option or secondary marked purchases. See "Plan of Distribution". None of the shares issuable upon the exercise of the Over-Allotment Option will be flow-through Common Shares.

The completion of this Offering is subject to a minimum subscription of 3,000,000 Offered Shares. The distribution under this Prospectus will cease on the 90th day after the issuance of the receipt for the final prospectus unless an amendment to the final Prospectus is filed. In the event that the minimum subscription is not attained within 90 days of the issuance of a receipt for the final Prospectus or, if an amendment to the final Prospectus has been filed and a receipt has been issued for such amendment, within 90 days of the issuance of a receipt for an amendment to the final Prospectus and, in any event, not later than 180 days after the issuance of a receipt for the final Prospectus, all subscription monies will be returned to subscribers without interest or deduction.

There is no market through which these securities may be sold and purchasers may not be able to resell the Offered Shares purchased under the Prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. See "Risk Factors".

As at the date of this Prospectus, the Company 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 outside Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

An investment in the securities offered hereunder by the Company should be considered speculative due to the nature of the business of the Company, its present stage of development, and other risk factors. Investors should not invest any funds in this Offering unless they can afford to lose their entire investment. Investors must be willing to rely on the ability, expertise, judgment and discretion of the management. See "Risk Factors".

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

The TSX Venture Exchange (the "Exchange") has conditionally accepted the securities to be distributed under this Prospectus for listing on the Exchange. The listing will be subject to the Company fulfilling all of the listing requirements of the Exchange.

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

Agent's Position	Maximum size or number of securities available	Exercise period or Acquisition date	Exercise price or average acquisition price
Over-Allotment Option[(2)]	450,000 Common Shares	Up to closing of IPO	$0.25
Agent's Warrant [(1)(3)]	345,000 Agent's Warrants	24 months from the date of listing of the Common Shares on the Exchange	$0.25
Agent's Corporate Finance Shares	100,000 Common Shares	On closing of IPO	
Total compensation securities issuable to Agent	445,000 securities[(1)]	N/A	$0.25

(1) Assuming the Agent does exercise the Over-Allotment Option in full. Should the Agent not exercise the Over-Allotment Option, the Agent shall receive 100,000 Corporate Finance Shares and the Agent's Warrant to purchase up to a total of 300,000 Common Shares.

(2) This Prospectus qualifies the Over-Allotment Option and the Common Shares issuable under the Over-Allotment Option.

(3) The hold period for those Agent's Warrants which are not qualified will be four months. The maximum number of Agent's Warrants qualified under the Prospectus will be calculated according to the formula set out in the previous description of the Agency Agreement on the 1st page of the cover page, assuming the Over-Allotment Option is not exercised. If the Over-Allotment Option is exercised, the additional 45,000 Agent's Warrants will be qualified under this Prospectus.

Forward-Looking Information

Forward Looking Information is disclosed under the headings "Use of Proceeds" and "Risk Factors" when this Prospectus describes future events in respect to expenditures and sources of cash flow.

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

CANACCORD GENUITY CORP.
2200 – 609 Granville Street
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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 OFFERING

Issue: A minimum subscription of 3,000,000 Common Shares without par value of which 1,000,000 will be Flow Through Common Shares, subject to the Over-Allotment Option.

Price: $0.25 per Offered Share (a commission of $0.025 per Offered Share shall be paid to the Agent out of the gross proceeds of the Offering).

Proceeds The net proceeds of the Offering after deduction of Agent's commissions of $75,000 will be $675,000 before deduction of the costs of the Offering, which are estimated to be $90,000, and assuming the Over-Allotment Option is not exercised.

Plan of Distribution

The Agent will be issued an Agent's Warrant to purchase Common Shares equal to 10% of the Offered Shares sold, including shares sold pursuant to the Over-Allotment Option. See "Plan of Distribution".

The Company will also pay the Agent, on completion of the Offering, a fee (the "Corporate Finance Fee") comprised of the Corporate Finance Shares and an administration fee in the amount of $10,000. The Agent has received a retainer of $15,000 which will be used to reimburse the Agent for its reasonable expenses. National Instrument 41-101 – *General Prospectus Requirements* restricts the number of Qualified Compensation Securities to a maximum of 10% of the Offered Shares. For the purposes of this Offering, assuming the Over-Allotment Option is not exercised, any of combination of the following, totaling 300,000 securities, are Qualified Compensation Securities and are qualified for distribution by this Prospectus: (a) up to 100,000 Corporate Finance Fee Shares; and (b) up to a maximum of 300,000 Agent's Warrants. To the extent that the Agent is entitled to receive securities as compensation exceeding 10% of the Offering, those securities exceeding the 10% threshold will not be Qualified Compensation Securities, will not be qualified for distribution under this Prospectus and will be subject to a hold period in accordance with applicable securities laws.

Business

The Company is a natural resource company engaged in the acquisition and exploration of mining properties. The Company's main emphasis is on the exploration for gold in the Similkameen Mining Division Province of British Columbia, where the Company has an interest in the Allison Lake Property which is located in the Similkameen Mining Division, 28 km west of north of Princeton, British Columbia. The Allison Lake Mine Property is more specifically described below in this Prospectus under the heading "Interest in Mineral Property". The Allison Lake Property consists of 30 mineral claims.

Forward-Looking Information

This Prospectus contains "forward-looking information" within the meaning of applicable Canadian securities legislation. These statements include statements relating to the plans, expectations and assumptions concerning the Allison Lake Property, the timing and budget for exploration and upcoming work programs of the Allison Lake Property, the expected cash needs and anticipated use of proceeds from this Offering, statements with respect to geological interpretation and property titles, and statements concerning the financial condition, operating strategies and operating and legal risks of the Company.

The Company uses the words "anticipate," "continue," "likely," "estimate," "expect," "may," "could," "will," "project," "should," "believe" and similar expressions to identify forward-looking statements. Statements that contain these words discuss the Company's future expectations, contain projections or state other forward-looking information. Although the company believes the expectations and assumptions reflected in those forward-looking statements are reasonable, the Company cannot make any assurances that these expectations and assumptions will provide to be correct. The Company's actual results could differ materially from those expressed or implied in these forward-looking statements as a result of the factors described under "Risk Factors' in this prospectus and other factors set forth in this prospectus, including:

- Results of exploration at the Allison Lake Property;
- The economic viability of exploration at the Allison Lake Property;
- The Company's ability to raise necessary capital to finance exploration of the Allison Lake Property;
- The Company's ability to retain key management and mining personnel necessary to successfully operate the Company's business strategy; and
- The precise location of mineral claims.

Such forward-looking statements are also based on a number of assumptions which may prove to be incorrect, including for example, assumptions that: the timelines to be established for the exploration of the Allison Lake Property will be within general industry experience; the costs of exploration activities will not deviate significantly from recent trends; the Company will be able to retain key personnel; and general business and economic conditions will be consistent with recent trends; the precise location of mineral claims; and the future operations of the Company on its properties.

Many of those factors are beyond the Company's ability to control or predict. The user should not unduly rely on any of the forward-looking statements. These statements speak only as of the date of this prospectus. Except as required by law, the Company is not obligated to publicly release any revisions to these forward-looking statements to reflect future events or developments.

Directors and Officers

The directors and officers of the Company are as follows:

Christopher I. Dyakowski	President, Director, Chief Executive Officer
William E. Schmidt	Director
Stephen P. Kenwood	Director
Leslie J. Fowler	Chief Financial Officer
Sandra J. Morton	Secretary

Use of Proceeds

The gross proceeds to be received by the Company from the Offering after deduction of the Agent's commission, plus the Company's estimated working capital of $40,863 as at June 30, 2010 will result in available funds of $715,863 upon completion of the Offering as follows, assuming the Over-Allotment Option is not exercised:

	Minimum
To pay the estimated costs of the Offering [3]	$ 90,000
To pay the cost of Phase 1 of the exploration program on the Allison Lake Property [1]	285,000
To pay property payments due on first anniversary of listing of the Common Shares on the Exchange [1]	25,000
To pay a property payment pursuant to the Billingsley Option Agreement [1]	20,000
Administration costs for 12 months [2]	118,000
Unallocated working capital 4	177,863
TOTAL	$715,863

[1] See "Description of Business and Property".

[2] Includes management fees of $2,500 which will be paid to a Company controlled by Christopher I. Dyakowski, pursuant to a Management Agreement dated November 1, 2009 and $1,500 which will be paid to Leslie J. Fowler pursuant to a Management Agreement dated November 1, 2009. In addition to the management fees, the Company estimates that its administrative costs will include transfer agent fees of $5,000, professional fees of $30,000 and other costs (travel, government fees, office expenditures and miscellaneous costs) of $35,000. See "Payments to Insiders and Promoters", "Administration" and "Material Contracts".

[3] Includes the Agent's expenses and legal fees, the Company's legal and accounting fees and all regulatory filing fees.

4 Any proceeds from the exercise of the Over-Allotment Option will be added to unallocated working capital.

See "Use of Proceeds".

Business Objectives and Milestones

The Company expects to accomplish the following objectives or milestones using the net proceeds of the distribution:

	Event	Time Frame
1.	**Closing Offering**	**Within 90 days of filing final prospectus**
2.	**To make a property payment pursuant to the Billingsley Option Agreement**	**Within 15 days of listing the Company's shares on the Exchange**
3.	**To carry out Phase 1 of the Work Program on the Allison Lake Property**	**Within 1 year of Listing the Company's shares on the Exchange**

Dividends or Distributions

The Company has not, since its incorporation on October 9, 2008, paid any dividends on any of the Common Shares. The Company has no present intention to pay dividends. The future dividend policy will be determined by the Board of Directors on the basis of earnings, financial requirements and other relevant factors.

Risk Factors

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

Risk factors associated with an investment in Shares of the Company include but are not limited to the following:

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

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

See "Risk Factors".

Summary and Analysis of Financial Operations

The following selected financial information is derived from the audited financial statements audited by the Company's auditors for the year ended June 30, 2009 as well as the unaudited financial statements for the nine month period ended March 31, 2010 and should be read in conjunction with those statements and notes thereto.

	Nine Months Ending March 31, 2010	Year Ending June 30, 2009
Revenue	Nil	Nil
Gross Profit	Nil	Nil
Deferred Exploration and Development Expenses for the Period	$123,454	Nil
General and Administrative Expenses (Total Operating Expenses)	$208,810	Nil
Net Income (Loss)	($193,585)	Nil
Working Capital (Deficiency)	$64,033	$1
Deferred Exploration and Development & Acquisition Costs	$139,454	Nil
Total Assets	282,251	Nil
Current Assets	$80,094	Nil
Cash and Cash Equivalent	76,727	Nil
Long Term Liabilities (Future Income Tax Liabilities)	$24,268	Nil
Total Liabilities	40,329	Nil
Accumulated Retained Earnings (Deficit)	$(193,585)	Nil
Shareholders' Equity (Deficiency) Dollar Amount	$241,922	Nil
Loss Per Share	($0.047)	Nil
Number of Securities	5,250,000	$1

CORPORATE STRUCTURE

NAME, ADDRESS AND INCORPORATION

Orofino Minerals Inc. (the "Company") was incorporated on October 9, 2008 under the *Business Corporations Act* SBC 2002.

The head office of the Company is 430 – 580 Hornby Street, Vancouver, B.C. V6C 3B6 and the registered and records office of the Company is 430 - 580 Hornby Street, Vancouver, B.C. V6C 3B6.

INTERCORPORATE RELATIONSHIPS

The Company has no subsidiaries.

ELIGIBLITY FOR INVESTMENT

In the opinion of Lang Michener LLP, special tax counsel to the Company, based on the current provisions of the *Income Tax Act* (Canada) (the "**Tax Act**") and the regulations thereunder (the "**Regulations**") and any specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, provided that either: (i) the Shares are listed on a "designated stock exchange", as defined in the Tax Act (which currently includes the Exchange); or (ii) the Company is a "public corporation", as defined in the Tax Act, the Shares would then be "qualified investments" for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts ("**TFSAs**") under the Tax Act (collectively, the "**Plans**").

However, the Shares are not currently listed on a "designated stock exchange" and the Company is not currently a "public corporation" as defined in the Tax Act. It is counsel's understanding that the Exchange has conditionally approved the listing of the Shares, which listing is subject to the Company fulfilling all of the requirements of the Exchange. However, it is possible that the requirements may not be met and the Shares may not be listed on the Exchange on the closing of the offering (the "Closing").

It is counsel's understanding that the Company intends to make an election, pursuant to the Tax Act, to be a "public corporation" on the same day of, but after, the Closing (the "**Election**"), provided that the Company then meets the relevant conditions. The Company has indicated that it intends to make the Election on the reliance that the Canada Revenue Agency (the "**CRA**") will administratively accept that the Election, if validly made in satisfaction of the minimum requirements set out in the Tax Act and the Regulations and duly filed, will render the Shares issued on the Closing to be qualified investments for the Plans at the time of issuance (the "**Company's Reliance**"). It is not clear that the Company will meet all relevant conditions to be able to make the Election. If a valid Election cannot be made or is not made for any reason, or the Company's Reliance is incorrect, and the Shares are not listed on the Exchange at the time of Closing, the Shares will not be "qualified investments" for a Plan as set out in the first paragraph of this section. No income tax ruling or legal opinion has been sought or obtained in respect of the Company's Reliance, or otherwise in respect of the Offering.

Notwithstanding that the Shares may become qualified investments for a trust governed by a TFSA in the circumstances as described above, the holder of a TFSA will be subject to a penalty tax with respect to the Shares held in a TFSA if the Shares are "prohibited investments" for the TFSA within the meaning of the

Tax Act. Provided that the holder of a TFSA does not hold a “significant interest” (as defined in the Tax Act) in the Company or any corporation, partnership or trust that does not deal at arm’s length with the Company for the purposes of the Tax Act, and provided that such holder deals at arm’s length with the Company for the purposes of the Tax Act, the Shares will not generally be “prohibited investments” for a trust governed by the TFSA.

As it is uncertain at this time whether the necessary steps can or will be taken to make the Shares “qualified investments” for Plans at the time of Closing, prospective holders that intend to hold Shares in a Plan are urged to consult their own tax advisers.

BUSINESS OF THE COMPANY

GENERAL DEVELOPMENT OF BUSINESS

History

The Company was incorporated on October 9, 2008. The principals of the Company have experience in natural resource development and several potential prospects were examined. The Company commenced natural resource development operations in August, 2009 when it entered into the option agreements to acquire a 100% undivided interest (subject to a 2% net smelter return royalty) in certain mineral claims which are referred to as the “Allison Lake Property”. The Company has not made any significant dispositions.

DESCRIPTION OF BUSINESS

Business Objectives

The Company is a natural resource company engaged in the acquisition and exploration of mining properties. The Company’s main emphasis is on the exploration for copper and gold in the Similkameen Mining Division, British Columbia where the Company has acquired options on a 100% undivided interest (subject to a 2% net smelter return royalty on the Billingsley Option and 3% net smelter return royalty on the Rum Option) in the Allison Lake Property which is described below under the heading “Interest in the Mineral Property”. The Company commenced operations in August, 2009. To December 31, 2009, the Company has spent $120,690 on the exploration of the Allison Lake Property.

The Company intends to expend existing working capital and net proceeds from the Offering to undertake Phase 1 of the exploration program on the Allison Lake Property, to pay the balance of the estimated costs of the Offering, to pay for administrative costs for the next 12 months, to make property payments and for working capital. See “Use of Proceeds”.

Significant Acquisition

The Company has two options to acquire a 100% undivided interest in the Allison Lake Property as described below.

See “Interest in Mineral Property” below.

Forward-Looking Information

This Prospectus contains “forward-looking information” within the meaning of applicable Canadian securities legislation. These statements include statements relating to the plans, expectations and assumptions concerning the Allison Lake Property, the timing and budget for exploration and upcoming work programs of the Allison Lake Property, the expected cash needs and anticipated use of proceeds from this Offering, statements with respect to geological interpretation and property titles, and statements concerning the financial condition, operating strategies and operating and legal risks of the Company.

The Company uses the words “anticipate,” “continue,” “likely,” “estimate,” “expect,” “may,” “could,” “will,” “project,” “should,” “believe” and similar expressions to identify forward-looking statements. Statements that contain these words discuss the Company’s future expectations, contain projections or state other forward-looking information. Although the company believes the expectations and assumptions reflected in those forward-looking statements are reasonable, the Company cannot make any assurances that these expectations and assumptions will provide to be correct. The Company’s actual results could differ materially from those expressed or implied in these forward-looking statements as a result of the factors described under “Risk Factors’ in this prospectus and other factors set forth in this prospectus, including:

? Results of exploration at the Allison Lake Property;
? The economic viability of exploration at the Allison Lake Property;
? The Company’s ability to raise necessary capital to finance exploration of the Allison Lake Property;
? The Company’s ability to retain key management and mining personnel necessary to successfully operate the Company’s business strategy; and
? The precise location of mineral claims.

Such forward-looking statements are also based on a number of assumptions which may prove to be incorrect, including for example, assumptions that: the timelines to be established for the exploration of the Allison Lake Property will be within general industry experience; the costs of exploration activities will not deviate significantly from recent trends; the Company will be able to retain key personnel; and general business and economic conditions will be consistent with recent trends; the precise location of mineral claims; and the future operations of the Company on its properties.

Many of those factors are beyond the Company’s ability to control or predict. The user should not unduly rely on any of the forward-looking statements. These statements speak only as of the date of this prospectus. Except as required by law, the Company is not obligated to publicly release any revisions to these forward-looking statements to reflect future events or developments.

INTEREST IN MINERAL PROPERTY

Allison Lake Property

Similkameen Mining Division, Province of British Columbia

Rum Option

By an option agreement dated August 5, 2009 (the “Rum Option Agreement”), the Company has an option to acquire a 100% undivided interest in the 2 mineral claims (totalling 1,344 hectares), subject to a 3% NSR payable to Vanco Explorations Ltd. of 2225 Folkestone Way, West Vancouver, B.C. (the President of Vanco Explorations Ltd., a private company, is Haig DeB. Farris of that address) from Christopher I. Dyakowski of 3750 West 49th Avenue, Vancouver, B.C. (the “Optionor”) in consideration for (a) $1,000 (which has been paid); (b) Exploration Expenditures of $100,000 by August 5, 2010; (c) a further $200,000 by August 5, 2011; and (d) a further $300,000 by August 5, 2012. The Optionor is a director of the Company.

Billingsley Option

By an Option Agreement dated August 10, 2009 (the "Billingsley Option Agreement") the Company has an option to acquire a 100% undivided interest in 28 mineral claims (totalling 7,585 hectares), subject to a 2% NSR from Richard Billingsley of 1114 – 147A Street, Surrey, B.C. and Dwayne Kress of P.O. Box 2612, Garibaldi Highlands, B.C. in consideration for (a) $15,000 (which was paid); (b) a further $20,000 and the issue of 200,000 common shares of the Company no later than 15 days from the listing of the Company's shares on the Exchange; (c) a further $25,000 on or before the first anniversary of the listing date; (d) a further $25,000 on or before the second anniversary of the listing date; and (e) a further $30,000 on or before the third anniversary of the listing date.

The Company shall have the option under the Billingsley Option Agreement to purchase the 2% net smelter return royalty for a purchase price of $1,000,000 per percentage point, for a period of five years from the date the property is put into commercial production.

The mineral claims which are subject to the Rum Option Agreement and the Billingsley Option Agreement are collectively referred to as the "Allison Lake Property" and comprise a contiguous group of 30 mineral claims having a total area of 8,929 hectares located in Similkameen Mining Division.

The following information has been excerpted from a report prepared by John R. Kerr, P.Eng., November 2, 2009 (the "Report") as amended April 26, 2010. During the period of the Offering, the said Report is lodged at the registered office of the Company, 430 – 580 Hornby Street, Vancouver, B.C., whereby it may be examined during normal business hours. Maps are not included in the Prospectus, however may be viewed in the Report. The Report will be available at www.Sedar.com on issuance of the final decision document for this Prospectus. The following information has been revised in respect to certain references.

General Statement and Terms of Reference:

Richard Billingsley and Richard Kress currently the owners of 28 claims, have entered into an option agreement with the Company, dated August 10, 2009, to sell 100% interest in their claims. Mr. Chris Dyakowski, owner of two claims, has entered into an agreement with the Company dated August 5, 2009 to sell 100% interest. The 30 claims comprise the Allison Lake Property. Mr. Chris Dyakowski, President of Max Investments Inc., requested on behalf of the Company, that the author examine the property, compile all available data and prepare this report to NI 43-101 standards. The report is being prepared to support an Initial Public Offering of the Company. The author visited the site on September 10, 2008 and August 13, 2090 and was a Qualified Person, as defined in NI 43-101, at the time of these property examinations. Data used for preparation of this report are cited in Appendix A – References.

The porphyry copper (gold, molybdenum) deposits of central British Columbia have been the main base/precious metal mining operations of the province for the past five decades. Exploration for these type of deposits were at a peak in the late 1960s and early 1970s, however by 1980 and mainly due to weak copper prices, much of the interest in porphyry deposits had ended, as emphasis was placed on exploration for precious metal deposits. Therefore, much of the exploration glamour of central British Columbia had shifted to other areas of North America and the rest of the world. Improvement in base and precious metal prices and recent advances in exploration tools, such as airborne geophysical systems, 3 dimensional induced polarization techniques, geochemistry, and drilling techniques, it is now time to revisit the porphyry deposits of British Columbia. Major changes to mining and recovery methods have vastly improved the efficiency of large-scale, open-pit mining operations. Coupled with a better geological understanding of the nature of porphyry deposits, the opportunity now exists to focus on this style of mineralization, applying new and advanced techniques of exploration, mining and recovery of the metals.

RELIANCE ON OTHER EXPERTS

This Report is partially based on technical data that was collected in the 1960s through 1990s, and maintained by various property owners throughout the past 50 years. The Author relies on the quality of work of previous operators, their integrity of reporting, and has no reason to doubt the accuracy of the historical data. However, the historical information pre-dates NI 43-101, therefore investors should use caution and not rely on such information. Title opinion and claim status data has been extracted from the British Columbia Mineral Titles office. There has been no legal land title search provided to the Author.

PROPERTY AND LOCATION

The Allison Lake Property ("Property") consists of thirty contiguous claims, comprising approximately 8929 hectares.

Thirteen of the claims are located in the Similkameen Mining Division and recorded in the name of Richard John Billingsley (Billingsley), and fifteen of the claims are recorded in the name of Dwayne Edward Kress (Kress). Billingsley and Kress have entered into an agreement dated August 10, 2009 with Orofino Resources Inc., whereby Orofino can earn a 100% interest in the property by paying $115,000 and issuing 200,000 shares to the vendors over a three year period. The claims are subject to a 2%NSR interest, which can be purchased during the initial 5 years of commercial production by Orofino for $2.0 million.

Two of the claims, also in the Similkameen Mining Division, are located in the name of Christopher Ian Dyakowski (Dyakowski). Dyakowski has entered into agreement dated August 5, 2009, whereby Orofino can earn a 100% interest in the property by paying $1,000 to the vendor and incurring exploration expenditures over a three year period. The claims are subject to a 3%NSR interest, with no stated buy out terms.

The following is a list of the thirty claims, with pertinent information regarding title, ownership, current term and size:

Tenure No:	Claim Name	Owner	MapNo:	Issue Date	Good To Date	Area (ha)
590845	PINE 6	Billingsley	092H	2008/sep/05	2012/nov/30	251
593851	PINE 7A	Billingsley	092H	2008/nov/04	2012/nov/30	21
593856	PINE 2	Billingsley	092H	2008/nov/05	2012/nov/30	522
600783	PINE 6	Billingsley	092H	2009/mar/10	2012/nov/30	84
602615	PRIMER CONNECTION	Billingsley	092H	2009/apr/14	2012/nov/30	21
602616	PRIMER CONNECTION 1	Billingsley	092H	2009/apr/14	2012/nov/30	63
603256	PRIMER CONNECTOR 3	Billingsley	092H	2009/apr/22	2012/nov/30	21
613527	LOYAL 3	Billingsley	092H	2009/jul/31	2012/nov/30	313
613528	LOYAL 5	Billingsley	092H	2009/jul/31	2012/nov/30	460
613531	LOYAL 8	Billingsley	092H	2009/jul/31	2011/nov/30	502
613540	LOYAL 9	Billingsley	092H	2009/jul/31	2011/nov/30	523
613603	LOYAL 10	Billingsley	092H	2009/jul/31	2011/nov/30	251
613643	LOYAL 2	Billingsley	092H	2009/jul/31	2011/nov/30	522
590721	RENE 4	Kress	092H	2008/sep/03	2012/nov/30	522
590839	PINE 5	Kress	092H	2008/sep/05	2012/nov/30	188
591081	SUM 3	Kress	092H	2008/sep/09	2012/nov/30	209
592751	PINE 7	Kress	092H	2008/oct/11	2012/nov/30	104
592752	PINE 8	Kress	092H	2008/oct/11	2012/nov/30	42
593854	PINE 1	Kress	092H	2008/nov/05	2012/nov/30	522
593855	PINE ER	Kress	092H	2008/nov/05	2012/nov/30	42
593859	PINE 4	Kress	092H	2008/nov/05	2012/nov/30	292
593861	PINE 3	Kress	092H	2008/nov/05	2012/nov/30	229
602614	No name	Kress	092H	2009/apr/14	2012/nov/30	63
612463	No name	Kress	092H	2009/jul/27	2012/nov/30	188
613525	LOYAL 1	Kress	092H	2009/jul/31	2012/nov/30	313

613534	LOYAL 4	Kress	092H	2009/jul/31	2012/nov/30	522
613537	LOYAL 6	Kress	092H	2009/jul/31	2012/nov/30	502
613538	LOYAL 8	Kress	092H	2009/jul/31	2011/nov/30	293
380273*	RUM	Dyakowski	092H	2000/aug/28	2015/oct/10	300
616183	No name	Dyakowski	092H	2009/aug/07	2015/oct/10	1044
Grand Total:						**8929 Ha**

Expiry dates are as documented at Mining Recorder's records on October 29, 2009.
*RUM claim located under old MGS system. All other claims located under current CGS system.

Mineral Titles (the Provincial mineral titles records) maps indicate one small claim (610323) that is not under agreement with the Company and is entirely surrounded by the Property. The claim is 21h/a, and is due to expire on July 22, 2010. The Company has elected not to pursue agreement to option this tenure at the present time, and the proposed work program is not located and does not involve this tenure. There are no surface rights affecting the Property.

Environmental liabilities existing on the property include conflict of interest with private property in the Summers Creek and Allison Lake valleys. Proposed work programs do not affect these lands. Logging is the only other land use issue in the claim area, and much of the area of proposed work has been subjected to clear-cut logging. There are no apparent disturbances necessary to complete the proposed work program that would require obtaining permits.

LOCATION, ACCESSIBILITY, CLIMATE, INFRASTRUCUTRE AND PHYSIOGRAPHY

The Property is located in south-central British Columbia, 28 kilometers north of Princeton. The geographic coordinates of the property are 120 33' west; and 49 44' north (NTS map 92H/10 and 11). The property is accessed along well-maintained roads from Princeton along Highway 5A to Allison Lake in the western portion of the property. The Summers Creek and Ketcham logging roads provides access to the central portion of the property and the Dillard Creek logging road provides good access to the eastern portion of the property. The principal showing areas are accessed from the Ketcham logging road. Spur roads provide access to all areas of the property.

Semi-arid weather conditions prevail in the Merritt/Princeton area of British Columbia, the property being located at the transition of the eastern margin of the Coast Mountains with the interior plateau. The property has generally moderate topography. River valleys are generally steep, the steepest being the Summers Creek valley cutting the central portion of the property in a north south direction. Overall relief is 1,100 meters, elevations ranging 800 – 1,900 meters (asl). Vegetation is typical interior light, irregular forest cover of fir, hemlock, balsam and pine, with open grasslands. Portions of the claims have been selectively logged.

The Property is snow-free from April – October. Normal surface programs should be completed during this period. Drilling, mine development and mining can be completed 12 months of the year.

Infra-structure, including power, water, and labour are all located within 20 kilometers of the Property. The Property is well-facilitated for all aspects of a large mining operation, including adequate areas for plant, waste and tailing disposal, and other recovery designs.

HISTORY

Copper mineralization was discovered in the Merritt/Princeton area in the late nineteenth century and early twentieth century. Some showings on the Property were discovered during this period. This work is believed to have been completed in the 1910s and 1920s. At least eighteen various showings were identified in the area that now comprises the existing property. There is no reported production from any of the prospects.

The area remained dormant until the late 1950s, when the several operators located mining claims covering various mineral showings in the area. The following summarizes the work since 1958:

1962-1969: The principal showings that comprise the Rum and MDA prospects were discovered by Plateau Metals Ltd. in 1962. Plateau optioned the property to Asarco, who completed soil sampling, geological mapping, geophysics, trenching and diamond drilling. Five holes were drilled totalling 357 meters. The claims were allowed to lapse.

1970-1971: Amax staked the Rum showing and surrounding area in 1970 and completed additional soil geochemistry, a magnetic survey, induced polarization survey and geological mapping. Amax completed a nine hole percussion drill program totalling 573 meters.

1972 – 1979**:** Several small operators including Kalco Valley Mines, Bronson Mines, Ruskin Development, and Sheba Mines worked on the Property. Sheba evidently is responsible for discovering the mesothermal gold-bearing quartz veins, that is now referred to as the Sadim showing. Four short diamond drill holes were evidently drilled during this period, however details are not documented.

1980 - 1982: Cominco acquired the ground in 1980 and completed additional magnetic and soil surveys.

1984 - 1990: Under new claim owners, Laramide Resources completed IP, EM, and magnetometer surveys, soil and rock geochemistry, trenching and a 15 hole diamond drill program totalling 730 meters. These holes tested the Sadim gold bearing quartz vein area.

1994 - 1995: Vanco Explorations Ltd., owner of the claims, and Harlow Ventures completed geological mapping, magnetic, VLF-EM and trenching. In addition, they drilled twelve diamond drill holes totalling 729 meters on the Sadim showing area.

No further work was completed through the 1990s.

2000 - 2005: Toby Ventures acquired the Property, completing trenching and a twelve hole diamond drill program totalling 1,385 meters on the Sadim quartz vein zone and the Rum copper prospect. Results of this work are compiled in reports by John Ostler, P.Geo. and William J. Wilkinson, P.Geo. for Toby Ventures (see Appendix A for details).

2005 - 2009: The claims were purchased from Storm Cat Energy Corp. (formerly Toby Ventures) by Chris Dyakowski, acknowledging the underlying 3% NSR. Except for occasional property examinations, no work was completed during this period. In 2009, Dyakowski coordinated the acquisition of the large package of claims that comprise the Allison Lake property for Orofino. He also completed the 891 km airborne geophysical survey in August, 2009, with line spacing at 100 meter intervals over the entire property. The survey was completed by Canadian Mining Geophysics (CMG) Ltd. of Rockwood, Ontario, including magnetic gradiometer, VLF-EM and radiometric surveys.

In total, some 57 drill holes have been drilled on the Property, totalling 3,900 meters and over 40 trenches excavated. All drilling and trenching were completed on the Rum and Sadim showing areas. Results report no economic contents of valuable mineral. Records are in a varied state from well-documented in assessment reports to summary intercepts of anomalous valuable mineralization. Further results are reported in the Alteration and Mineralization section of this report.

This report integrates the results of 2009 airborne geophysical program into historical data and provides the material to recommend ongoing work programs on the Property.

GEOLOGY

Regional Setting

The project area lies within the Intermontane belt of Mesozoic rocks between Princeton and Merritt. This belt of rocks carries south into the United States and north into the Yukon Territory. The distinguishing and oldest rock group in this belt is the volcanic and sedimentary rocks of the Triassic Nicola group. Preto (Bulletin 69) has subdivided this group into the western, central, and eastern facies. The eastern facies is dominantly intermediate purple/gray/green flows, breccias, tuffs, lahar breccias, with minor sandstones and siltstones. The central facies is intermediate to basic flows, breccias and tuffs, with more dominant limestone, siltstone, argillite, and conglomerate. The western facies is acidic to intermediate flows, breccias and tuffs, with minor limestone.

Intruding the Nicola volcanics are numerous stocks, sills, small plutons, batholiths and dikes of various ages and of a varied composition. The largest intrusion in the area is the Jurassic Pennask batholith. The intrusive rocks are acidic to basic in composition, however most are alkalic in nature. The most dominant rock descriptions are diorite, monzonite and granodiorite.

The Jurassic Ashcroft Formation of sedimentary rocks has been mapped in the area. These include mudstones, siltstone, shale and clastic rocks. The relationship to other rock units is not clear.

The lower Cretaceous Kingsvale group of mixed volcanic and sedimentary rocks unconformably overly the Nicola group and earlier intrusions. These rocks are intermediate to felsic flows, tuffs, ash flows, lahar breccias and clastic sediments. Overlying all rocks are Tertiary basalts, andesites and sediments of the Princeton group and sedimentary rocks of the Coldwater beds.

Property Geology

The dominant rock types of the Property are volcanic and sedimentary rocks of the central and eastern facies of the Triassic Nicola group, and stocks and small batholiths of Triassic diorites and monzonites. The eastern facies is present to the east of Summers Creek and the central facies is to the west of Summers Creek. Summers Creek marks the north/south Summers Creek fault zone, the dominant structure of the claim area.

The central facies of the Nicola group has been subdivided into three basic units; flows, pyroclastics and sediments. The flows are most abundant and are described as purple/green amygdaloidal augite andesite with interbedded trachyandesite feldspar porphyry. The pyroclastic units are massive to finely bedded crystallithic andesite tuffs with interbedded siltstone and light gray/green dacite tuff. Graded bedding is locally identified, with occasional diagnostic lapilli sized fragments, common to explosive breccias and lahars.

The sediments are dominantly interbedded greywacke, siltstone and minor conglomerate and massive beds of gray to light brown limestone. All Triassic rocks are hornfelsic in nature near the contact of intrusions. Some of the sedimentary horizons have developed slaty and/or schistose cleavages.

The eastern facies is dominantly intermediate purple/gray/green flows, breccias, tuffs, lahar breccias, with minor sandstones and siltstones.

The intrusive rocks on the property have been classified as alkalic late Triassic to Jurassic granodiorite, quartz diorite and quartz syenite, and are located as small stocks in all areas of the property. The large Jurassic Pennask batholith underlies the extreme southeast corner of the property. This batholith is described as a coarse-grained granodiorite with large crystals and phenocrysts of orthoclase. In the western limits of the property is the Jurassic Allison Lake pluton. This pluton measures 7 x 12 kilometers, and is described as a medium-grained, massive, relatively unaltered, pink quartz syenite. Alteration along portions of the eastern contact area is quite intense.

Structural Geology

Three major linear structural features transect the Property in a northwest to northeast direction. The main structure is the north/south trending Summers Creek fault following the deeply incised Summers Creek valley. Several of the showing areas, including the Rum, Bo, MDA, Coke and Golden, are associated with this structure and offshoot shears. To the west of Summers Creek, the main structural fabric is in a general north to northwest direction, and to the east of Summers Creek, the main fabric trends to the northeast.

Deposit Types

The geological environment is suited to host a number of deposit types. The principal targets are alkalic porphyry copper (gold/molybdenum) deposits similar in nature to the deposits of the Axe property, 10 km to the south and to the inferred deposits of the Christopher James holdings to the north. The Rum, Coke and MDA showings are probably the most representative of porphyry styles of mineralization.

Also of significance are the mesothermal gold/copper vein stock-work occurrences associated with the Sadim showing area. Other types of deposits that may occur on the property are skarn copper/gold and epithermal gold.

MINERALIZATION

Alteration and mineralization noted on the Property are mainly related to the main structures and small intrusive bodies. In total, eighteen old mineral prospects are reported on the Property, four having been located, examined and sampled. The following table summarizes the results of sampling, analytical data.

Sample No.	Showing	GPS Coords		Sample Description	Analytical Results
S-01	KR Showing	5512203N	678021E	Grab sample from old pit. Visible malachite in altered andesite	3,879 ppm Cu
S-02	Rum Showing	5511728N	678074E	Chip sample from old trench. Malachite, py and cpy in altered Andesite or diorite	›10,000 ppm Cu
S-03	MDA Showing	5510592N	678382E	Chip sample from old trench. Altered andesite	176 ppm Cu
S-04	Coke Showing	5510576N	678346E	Chip sample road cut. Minor malachite	1042 ppm Cu
S-05	Saim Showing	5510118N	677192E	Chip sample selected quartz vein float, located in area of historical drilling and trenching	48,615 ppb Au 3,000 ppm Cu
S-06	Sadim Showing	5509908N	677046E	Chip sample selected quartz Vein sub-outcrop from old trench	5,286 ppb Au 116 ppm Cu

The following is a brief description of the four main prospects:

1) Rum: Located in the north/central portion of the Property on the original Rum Claim. The showing area is partly exposed in old sloughed-in trenches, one trench exposing a large area of significant mineralization over an area of 10x12 meters. A chip sample (S-02) collected by the writer across 1.5 meter of highly mineralized rock indicated >10,000ppm (1%) copper and

362ppb (0.36g/t) gold. Rocks exposed in the trench are a highly altered coarse grained andesite of the Triassic Nicola group, however there are definite indications of intrusive granodiorite in the area of mineralization. Mineralization exposed is typical porphyry style mineralization, and includes disseminated chalcopyrite, pyrite, bornite and malachite. Alteration includes chlorite, epidote, sericite, clay and quartz, typical of phyllic alteration zones of the porphyry copper deposits

This area of the claims has commanded the most historical exploration on the Property, having been tested by drilling, several old drill collars noted on and to the north and south of the mineralized outcrop. Results of historical drilling showed moderately to strongly anomalous contents of copper. Drill intersections reviewed did not approach the threshold of widespread economic contents of copper, even at today's copper value.

2) <u>KR</u>: The KR showing is 300 – 500 meters north of the Rum prospect, and consists of chalcopyrite, pyrite, chalcocite and malachite exposed in old trenches in mainly an altered granodiorite. One chip sample collected from a trench (S-01) over a l meter width indicated a copper content of 3789ppm (.38%). There is evidence of old drill holes in the area of the trenches.

3) <u>MDA/Coke</u>: A long trench approximately 250 meters south of the Rum prospect is supposedly the area of the MDA/Coke showings. Historical records indicate widespread chalcopyrite, pyrite and malachite in altered andesite and granodiorite. The trench was badly sloughed and no mineralization was observed. Two character samples (S-03 and S-04) of altered unmineralized rock were collected from various areas of the trench, carrying 177ppm and 1042 (0.1%) copper. There is evidence of at least one old drill hole on the road above this trench.

4) <u>Sadim</u>: The Sadim showing area is the mesothermal quartz vein stock-work system, the quartz veins carrying varying contents of gold. The origin of the term "Sadim" is "Midas" spelled backwards. To date, gold has only been found in quartz and not in the host wall-rock tuffs.

Evidence of much historical work is noted over an area of 400 meters in a north/south direction and 100 meters in an east/west direction. 27 diamond drill holes are documented in this area as well as considerable trenching. The area has all been reclaimed, with very little exposed outcrop area with veins.

One sample collected by the writer (S-05) of float quartz vein material on top of the reclaimed area yields 48,615ppb gold (~1.4oz/t). A second sample (S-06) of sub-outcrop vein material from an old trench, 600 meters to the south of S-05, yields 5,286ppb gold (~.15oz/t).

A review of drill results indicated intercepts did not encounter significant contents of gold approaching economic thresholds. There was some concern of the nugget nature of the gold and drilling may have not encountered representative gold content. It was also felt that many of the drill targets could not penetrate a thrust fault, thereby not reaching the desired and interpreted depth of mineralization.

Fourteen additional mineral showings are documented on the claims including the Cindy 2, Golden 2, Golden 3, MS, MS 4, EJ, BO, Anita 11, Anita 14, Anita 18, Pine, Lake, AL, and Dry prospects. The Golden 1 prospect is located within the boundary of the main claim block, however, is located on mineral tenure owned by another party. Very little information is documented regarding these showings, eight documented in brief write-ups in government minfile records. The writer did not examine these other showing areas. Location of all mineral prospects are shown on the Geological Plan.

EXPLORATION

Pre – 2009 Exploration Programs:
Exploration Programs were conducted on the Property during the period 1958 – 1995 by eleven various operators, and are detailed in the History of Exploration section of this report. In summary, 57 percussion and diamond drill holes were completed totalling some 3,900 meters. Extensive geophysics, geochemistry and geological mapping programs were also completed. Results of most of these programs are well documented as assessment reports. All historical work of any significance was completed on the Sadim gold zone and the Rum, Coke and MDA porphyry copper zones.

The historical data collected on this Property is immense and exists as assessment reports at the Ministry of Energy, Mines and Petroleum Resources library. Only a portion of this data has been reviewed for the purposes of drawing conclusions for this report. To amass this data is a major and expensive exercise and is being recommended as part of ongoing exploration programs.

The following summarizes the writer's opinion and conclusions of historical data:

1) Most work was very well done by very competent exploration teams.

2) All drilling and most work were completed on the four main showing areas. The drill campaigns amounted to a very significant amount of drilling.

3) Historic drilling has not indicated the presence of an economic mineral resource.

4) Geophysical techniques employed were mainly over showing areas and were using techniques common in the 1960s to early 1980s. There has been very little geophysics completed on the property since the early 1980s. Advancement in geophysical techniques regarding resolution and depth penetration is so much improved that geophysics will become a significant tool for ongoing programs.

5) It is the Author's opinion that ongoing work programs should focus 20% on re-evaluating known showing areas and 80% in other areas of the property that have been delineated by airborne geophysical interpretation.

2009 Exploration:
In August, 2009, Max Investments Inc., on behalf of the Company, commissioned an 891 line kilometer airborne geophysical survey to Canadian Mine Geophysics (CMG) of Rockwood, Ontario. The survey covered the entire property area and was flown on lines spaced at 100 meter intervals. The survey was completed at the end of August, 2009. Collected data includes magnetic, VLF-EM and radiometric methods.

The purpose of the survey was to determine the geophysical signatures over known mineralized showings, to detect other areas of potential mineralization, and to provide data that may be useful in the interpretation of geology, including lithologies, structures and alteration zones. The interpretation of magnetic data is useful for understanding lithologies and structures as well as identifying potential magnetic bodies. The interpretation of electromagnetic data is useful in understanding geological structures, identifying electromagnetic anomalies and supporting magnetite content in identified magnetic anomalies. The interpretation of radiometric data is useful in identifying potassium rich intrusive bodies and zones of secondary K-feldspar.

The CMG magnetic gradiometer is based on GEM System potassium magnetometers. These sensors are preferred over the cesium optically pumped sensors because they have a lower effective noise level (better for gradient measurements) and a much lower heading error (less absolute correction required from line to line).

Three sensors are also preferred over the normal four sensor arrays featured on systems that measure all three magnetic gradients. CMG measures the vertical gradient from the top sensor and the average of the two bottom sensors located 2.95 m apart and the cross-line (or transverse) gradient from the two side sensors located 3.45 m apart. The in-line gradient is actually calculated from successive measurements of the average of the two side sensors given the fact that measurements along the flight line are acquired at approximately the same distance as the sensor separation of the bird.

The CMG gradiometer contains two VLF (very low frequency) EM receivers that can be tuned to any of the operational VLF transmitters worldwide. In general, two orthogonal stations are chosen such as Cutler Maine (24.0 kHz) and Jim Creek Seattle (24.8 kHz).

Measurements of the in-phase, quadrature-phase and total field are taken at a 10 Hz sample rate. The in-phase measurement is easily affected by variations in the sensor orientation and may not be useful in areas of rugged topography or where bird movement is significant. The quadrature-phase measurements are dependent on bird direction so alternating lines are sign inverted. The results can be gridded and provide the locations of weak conductors, given the high relative frequency of the transmitter station.

Collection of the radiometric data utilizes an RSX-5 digital airborne gamma-ray spectrometer, designed for the detection and measurement of low-level radiation from both naturally occurring and man-made sources. The RSX-5 is a fully integrated system that includes and individual Advanced Digital Spectrometer (ADS) for each crystal within the box. The ADS records high resolution, 1024 channel, digital data of naturally occurring radioactive elements (specific for this survey including Uranium, Thorium and Potassium).

The element of interest from the radiometric survey is Potassium, as it is the element most common to intrusive bodies and related alteration and mineralized zones. Of further interest is the Potassium/Thorium (K/Th) ratio, as this ratio may have a bearing on segregating the primary Potassium from the secondary Potassium (altered) contents.

Lines were spaced at 100 meters intervals and oriented in a north – south direction. Although, this direction parallels some of the major structures of the project area, this orientation was required to maintain quality and height control while traversing the steep Summers Creek valley.

The survey data were processed and compiled in the CMG office. Map products were provided indicating total magnetic field data, analytic signal grid, in-line and cross line gradient grid and VLF-EM results, all with lineament and structural interpretation. The full comprehensive geophysical report ("Geophysical Report") by CMG and dated September 30th, 2009 is the basis of this interpretation. The addendum report dated October 16, 2009 has been reviewed, and the results do not have any bearing on the interpretation and conclusions derived from the airborne geophysical survey.

Four geophysical maps are included with the Report, that detail the magnetic (Total Field), the VLF-EM and Gamma Ray Spectrometry (K and K/TH ratios) results. Two geophysical maps show interpreted intrusive bodies and lineaments and areas of elevated radioactivity. These six geophysical plans were copied directly from the Geophysical Report, and interpretations provided were completed by the Author of this Report.

2009 Program Results:
The resolution and clarity of data from the airborne geophysical survey has given credence to a revised interpretation of potential mineralized targets within the property boundary. There is a definite correlation of the geophysical properties to the known mineral occurrences, and therefore gives a reasonable ability to focus on areas with good exploration potential. The following summarizes these interpretations:

1) The magnetic plans offer a good geological interpretation of the Property. The magnetic total field relates well with the known intrusive bodies located within the Property. The Allison Lake and Pennask batholiths are well identified in the eastern and western portion of the Property by magnetic and supported by radiometrics.

2) Two intrusive bodies have been interpreted from the Geophysical Report. Although the geological plan only displays small stocks within these areas, the geophysics suggest these bodies may be larger at depth.

3) INT-01 in the north-central area of the Property indicates an underlying intrusive body 2.5km wide by 4km long. It is interesting to note the relationship of the Rum, KR, Coke, MDA, Sadim and Cindy 2 showing areas along the periphery of this interpreted body. The showings are associated with N-S and NW trending lineaments interpreted from magnetic and VLF-EM data.

4) Superimposed on INT-01 is a K/Th radiometric anomaly. The significance of K/TH ratio is that the high K relationship may reflect zones of high secondary potassic alteration, which would be part of a porphyry system. The relationship of the mineral showing along the periphery of this zone, all displaying typical phyllic alteration is further substantiation a major porphyry system may be present in this area. This anomalous area is considered a prime focus of continued exploration.

5) INT-02 in the east-central portion of the Property indicates an underlying intrusive body 2km wide by 5km long. The Golden 1 and Golden 2 showings are located along the western periphery of this interpreted body. The Golden 3 showing is located within the body. All showings are associated with lineaments interpreted from magnetic and VLF-EM data.

6) Superimposed on INT-02 is a broad K/Th radiometric anomaly. Although this correlation is not as well-defined as INT-01, it is significant and offers a secondary target area for further exploration. Secondary potassic alteration in this area would be widespread.

DRILLING

There is recorded reference of historical diamond and percussion drilling having been completed on the Rum, KR, Coke, MDA and Sadim mineral showing areas. Results and data from these programs are in general well documented in the form of assessment reports. Results of these programs are summarized in most literature, and it is believed that they can be substantiated with a careful review of the original assessment reports. It is believed that 57 drill holes have been drilled on the property totalling some 3,900 meters. The nature and size of cores obtained from these programs are not available.

Details of historical drilling have not been reviewed for this Report. The summary results have been reviewed and indications that intersected bodies of mineralization have not yielded economic contents of valuable minerals, therefore a resource in compliance with NI 43-101 standards has not been discovered on the Property to date.

SAMPLE METHOD AND APPROACH

As the records of previous sampling and drill programs have not been reviewed in detail, the results are not being used in this evaluation. Details of the sampling methods and approach of historical programs are therefore not discussed. Only six samples of rock were collected and identified for use in this Report.

SAMPLE PREPARATION, ANAYLSIS AND SECURITY

Details of historic sample preparation, analysis and security are not addressed in this Report. The samples collected by the Author were submitted to the laboratories of Acme Analytical Laboratories Ltd. in Vancouver, B.C. for MS-1DX analysis of 36 elements. The analytical results presented by the laboratory document the processes used.

DATA VERIFICATION

Assay data verification is not addressed in this Report. Historical data for this property is very poorly documented, the only known source are the 20 - 25 assessment reports referenced in provincial files. As much of the historic work was performed before 1970, the data base of early exploration does not exist. The data base of work completed in the 1970s and 1980s is only partially complete. Those assessment reports reviewed contain only partial sample and assay data, and are therefore regarded as incomplete.

The location of core and/or samples from early drill programs are unknown and are believed to be destroyed, therefore it is not possible to collect replicate samples from these programs to verify reported results. It is therefore impossible to verify any of the historical results.

A meeting was convened on September 15, 2009 with Messrs. Steve Balch and Sean Scrivens, P. Geol. of GMC, Mr. Chris Dyakowski of Orofino, and the Author to review the geophysical data, collection and interpretation. Mr. Scrivens is Author of the Geophysical Report. The discussion was very detailed in reviewing methodology of the airborne geophysical system as it pertains to the quality of data collected. From these discussions, the Author was satisfied that the data is verified and of high quality.

The compilation of all public and private reports on this Property is not a mandate for this report, and is being recommended as part of the initial phase of exploration.

ADJACENT PROPERTIES

The claims are surrounded by existing mineral tenure on the north and south sides. To the south the adjoining claims are owned by Weststar Resources Inc., an aggressive junior mining company, who have completed extensive surface surveys and diamond drilling over the past five years in search of a porphyry copper/gold resource. To the north, the bordering claims are owned by individual tenure holders, with no knowledge apparent of major exploration work. The ground is open to both the east and west.

METALLURGICAL TESTING AND OTHER INFORMATION

There is no documented history of metallurgical testing on the Property. There is no other relevant information pertaining to the Property that the writer is aware of.

MINERAL RESOURCE ESTIMATES

There are no documented reports of mineral resource estimates ever being completed on this Property. A mineral resource has not been confirmed by sampling or drill testing.

INTERPRETATION AND CONCLUSIONS

A mineral resource has not been discovered on the Property. For this reason, the Property is considered an early stage exploration project, with excellent potential of discovering resource.

Historical drill results indicate only low-grade contents of valuable metal in areas of known showings, well below the threshold of economic content. For this reason, a grass-roots approach to exploration is being recommended for ongoing work on the property, based mainly on the magnetic and radiometric results of the airborne geophysical survey. Since most grass-roots exploration completed on the property was done in the 1960s, 1970s and 1980s, there is sufficient justification to incorporate updated and sophisticated methods into ongoing work programs to assist in locating new targets for potential resource.

One large grid area has been selected in the north-central portion of the property covering the Rum, KR, Sadim, Coke, MDA and Cindy 2 showing areas, based on historical data and the airborne geophysical results, to be used to conduct ground 3-dimensional induced polarization surveys, magnetometer surveys, soil geochemistry surveys and geological mapping. Although this area includes most of the historic exploration and drilling, the airborne magnetic and radiometric results have delineated a large broad potential are for potential discovery of resource. It is estimated the grid to have 60 kilometers of cross-lines for survey, and 10 kilometers of base and tie lines. Line intervals are spaced at 200 meters with stations established at 50 meters along all lines.

Since most grass-roots exploration completed on the Property was done in the 1960s, 1970s and 1980s, there is sufficient justification to incorporate updated and sophisticated methods into ongoing work programs to assist in locating new targets for potential resource. One large grid area has been selected in the north-central portion of the Property covering the Rum, KR, Sadim, Coke, MDA and Cindy 2 showing areas, based on historical data and the airborne geophysical results, to be used to conduct ground 3-dimensional induced polarization surveys, magnetometer surveys, soil geochemistry surveys and geological mapping. It is estimated the grid to have 60 kilometers of cross-lines for survey, and 10 kilometers of base and tie lines. Line intervals are spaced at 200 meters, with stations established at 50 meters along all lines.

A secondary target area in the eastern portion of the Property has been selected for reconnaissance prospecting, geological mapping, silt sampling and test soil traverses. Should this area be deemed favourable, detailed grid-work, including induced polarization surveys would thereby be recommended.

Location of proposed work programs are shown on Compilation Plan.

Interpretation of results should focus on Cu (Au, Mo) porphyry, Cu (Au) skarn, and mesothermal gold-bearing quartz stockwork styles of mineralization, as these are the primary exploration targets expected in this geological terrain. Secondary focus should be epithermal precious metal style of mineralization.

Discussions and conclusions regarding the reliability and quality of all historical work programs have been discussed in previous sections of this report and need not be discussed again.

Interpretations and conclusions derived from the airborne geophysical survey are discussed in detail in the "EXPLORATION" section of this report, and need not be discussed again. There are no uncertainties regarding the reliability of this data. The completed program met its original objectives.

In summary, the Allison Lake Property is considered a property of merit, and is worthy of a significant initial phase of exploration.

RECOMMENDATIONS

It is recommended that initial exploration work be oriented at detailed grid work over a large 12 square kilometer area of the property, as shown on the compilation plan. The grid is estimated to consist of 60 km of cross lines and 8 kilometers of base and tie lines. Lines are spaced at 200 meter intervals, and stations established every 50 meters along all lines. The grid area is located in timber, with some of this area having been subjected to clear-cut logging. The lines would have to be power-sawed in areas of timber to access required geophysical equipment.

A 3-dimensional induced program is recommended over the entire grid area, with depth penetration capabilities to 300 meters. Concurrent with IP work, a ground magnetometer survey is recommended over the same grid area. Soil sampling is also recommended, soils collected at 50 meters along each line. Geological mapping is also recommended over the grid, with showing areas and trenches/adits/shaft areas being mapped in detail.

Reconnaissance prospecting, silt sampling, geological mapping, and reconnaissance soil traverses are recommended in the other area of the property, using historic data and airborne geophysics as reference.

It is also recommended that all historic assessment reports be researched and copied to form a library for the Property. All historic drilling should be carefully reviewed and assessed prior to any future drill programs being initiated.

Sufficient access roads exist into all areas contemplated for grid-work, therefore building of roads is not necessary.

Anticipated costs of **Phase I** are as follows:

Research and Copying of Historic Reports:	$ 10,000
Grid Preparation: 68 km @ 500/km	34,000
3D IP and Magnetic Survey: 60 km @ 2500/km	150,000
Geochemical Survey: Soil Collection	5,000
Analysis	20,000
Reconnaissance Sampling and Prospecting	10,000
Supervision and Geological Mapping	10,000
Room, Board, Truck and Miscellaneous Supplies	10,000
Additional Permitting and Bonding	10,000
Contingency (10%)	26,000
Total Phase I Costs	$285,000

Phase II incorporates exploration diamond drilling, to test priority targets delineated from the Phase I program. Additional expanded IP surveys would also be recommended in other areas of the property. As the amount and location of work is contingent on the results of Phase I, costs of the Phase II program are not estimated at this time.

There is no surface or underground plan or equipment on the Property.

THERE IS NO KNOWN BODY OF COMMERCIAL ORE ON THIS PROPERTY AND THE PROPOSED PROGRAM IS AN EXPLORATY SEARCH FOR ORE. SEE “RISK FACTORS”.

SUMMARY AND ANALYSIS OF FINANCIAL OPERATIONS

The following financial information is derived form the audited financial statements for the year ended June 30, 2009 and audited statements for the nine month period ended March 31, 2010 should be read in conjunction with those statements and the notes thereto.

	Nine month Ended March 31, 2010	Year ended June 30, 2009
Revenue	Nil	Nil
Gross Profit	Nil	Nil
Deferred Exploration and Development Expenses for the Period	123,454	Nil
General and Administrative Expenses (Total Operating Expenses)	$208,810	Nil
Net Income (Loss)	($193,585)	Nil
Working Capital (Deficiency)	$64,033	$1
Deferred Exploration and Development & Acquisition costs	$139,454	Nil
Total Assets	$282,251	Nil
Current assets	$80,094	Nil
Cash and Cash Equivalent	$76,727	Nil
Long Term Liabilities (Future Income Tax Liability)	$24,268	Nil
Total Liabilities	$40,329	Nil
Accumulated Retained Earnings (Deficit)	($193,585)	Nil
Shareholders’ equity (deficiency) Dollar Amount	$241,922	Nil
Loss Per Share	($0.047)	Nil
Number of Securities	5,250,000	$1

USE OF PROCEEDS

The net proceeds after deduction of the Agent’s commission to be derived from this Offering will be $675,000. The Company had as at June 30, 2010 working capital of $40,863. The principal purposes for which the gross proceeds of the Offering, assuming the Over-Allotment Option is not exercised, after deduction of the Agent’s commission and addition of the Company’s estimated working capital as at June 30, 2010 are as follows:

	Minimum
To pay the estimated costs of the Offering [3]	$ 90,000
To pay the cost of Phase 1 of the exploration program on the Allison Lake Property [1]	285,000

To pay property payment due on first anniversary of listing of the Common Shares on the Exchange [1]	25,000
To pay two property payments pursuant to the Billingsley Option Agreement [1]	20,000
Administration costs for 12 months [2]	118,000
Unallocated working capital [4]	177,865
TOTAL	$715,863

1 See "Description of Business and Property".

2 Includes management fees of $2,500 per month which will be paid to a Company controlled by Christopher I. Dyakowski, pursuant to a Contract for Services Agreement dated November 1, 2009 and $1,500 per month to Leslie J. Fowler, pursuant to a Contract for Services Agreement dated November 1, 2009. In addition to the management fees, the Company estimates that its administrative costs will include transfer agent fees of $5,000, professional fees of $30,000 and other costs (travel, government fees, office expenses and miscellaneous costs) of $35,000. See "Payments to Insiders and Promoters", "Administration" and "Material Contracts".

3 Includes the Agent's expenses and legal fees, the Company's legal and accounting fees and all regulatory filing fees.

4 Any proceeds from the exercise of the Over-Allotment Option will be added to allocated working capital.

The Company will spend the funds available on the completion of this Offering to carry out its proposed expansion program as set out in "Description of Business and Property". There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary.

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

BUSINESS OBJECTIVES AND MILESTONES

The Company expects to accomplish the following objectives or milestones using the net proceeds of the distribution:

	Event	Time Frame
1.	Closing Offering	Within 90 days of filing final prospectus
2.	To make a property payment pursuant to the Billingsley Option Agreement	Within 15 days of listing the Company's shares on the Exchange
3.	To carry out Phase 1 of the Work Program on the Allison Lake Property	Within 1 year of listing the Company's shares on the Exchange

DIVIDENDS OR DISTRIBUTIONS

The Company has not, since its incorporation on October 9, 2008, paid any dividends on any of the Common Shares. The Company has no present intention to pay dividends. The future dividend policy will be determined by the Board of Directors on the basis of earnings, financial requirements and other relevant factors.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL OPERATIONS

The following management discussion and analysis includes financial information from, and should be read in conjunction with the audited financial statements and the notes thereto, appearing elsewhere in this prospectus, as well as the disclosure contained throughout this prospectus.

The MD&A is dated March 31, 2010 and discloses specified information up to that date. The Company is classified as a "venture issuer" for the purposes of National Instrument 52-109. The financial statements are prepared in accordance to generally accepted accounting principles applicable in Canada. Unless otherwise cited, references to dollar amounts are Canadian dollars.

Selected Financial Information

The following financial information is derived from the audited financial statements for the period from the date of incorporation to June 30, 2009 and interim financial statements from July 1, 2009 to March 31, 2010 and should be read in conjunction with those statements and the notes thereto.

	Nine months ended March 31, 2010	Year ended June 30, 2009
Statement of Operations:		
Revenue	Nil	Nil
Gross Profit/(Loss)	Nil	Nil
Deferred Exploration and Development Expenses for the Period	$123,454	Nil
General and Administrative Expenses (Total Operating Expenses)	$208,810	Nil
Comprehensive (Loss) Net Income (Loss)	($193,585)	Nil
Working Capital (Deficiency)	$64,033	1
Deferred Exploration and Development and Acquisition Costs	$139,454	Nil
Total Assets	$282,251	1
Current Assets	$80,094	Nil
Cash and cash equivalents	$76,727	Nil
Long-term Liabilities (Future Income Tax Liabilities)	$24,268	Nil
Accumulated Retained Earnings (Deficit)	(193,585)	Nil
Shareholders Equity (Deficiency) Dollar Amount	$241,922	Nil
Loss Per Share	($0.047)	Nil
Number of Securities	5,250,000	$1

Summary of Quarterly Results

The following table sets out selected quarterly information for the nine month period ended March 31, 2010 and the previous quarters of the fiscal year ended June 30, 2009.

Quarter ended in 2010 **Fiscal year**				**March 31** **$**
Revenue				Nil
Comprehensive (Loss)				(14,617)
Loss per common share – basic and diluted				(0.003)
Quarters ended in 2009 **Fiscal year**	**December 31** **$**	**September 30** **$**	**June 30** **$**	**March 31** **$**
Revenue	Nil	Nil	Nil	Nil
Comprehensive (Loss)	(46,385)	(132,583)	Nil	Nil
Loss per common share – basic and diluted	(0.012)	(0.035)	Nil	Nil
Quarters ended in 2008 **Fiscal year**	**December 31** **$**			
Revenue	Nil			
Loss	Nil			
Loss per common share – basic and diluted	Nil			

Comparison of the year ended June 30, 2009 to the nine month period ended March 31, 2010:
During the fiscal year ended June 30, 2009 the Company did not have any operations and did not incur any expenses. The Company had no assets and no liabilities at June 30, 2009. In addition, the Company had no significant fourth quarter events.

Period of incorporation to June 30, 2009:
There was minimal activity during this time period. Total operating expenses incurred from the date of incorporation on October 9, 2008 to June 30, 2009 amount to $0.

There were no significant non-cash transactions during the period from incorporation to June 30, 2009.

Liquidity and Capital Resources:
Historically, the Company has financed its operations primarily through the proceeds of the sale of its shares. Reference should be made under the heading “Interest of Management and Others in Material Transactions”.

Current liabilities as of March 31, 2010 consisted of accounts payable and accrued liabilities, due to unrelated parties in the amount of $16,061.

At present, there are no known demands, commitments, events or uncertainties that would adversely affect the trends and expected fluctuations in the Company’s liquidity. Upon completion of the Offering, it is expected that the Company will have available funds of approximately $675,000 not including the Company’s estimated working capital as at June 30, 2010. The Company believes that this amount will be adequate to meet its business objectives and projected working capital and other cash requirements for at least 12 months following completion of the Offering. However, there can be no assurance that these funds will be sufficient and the Company may have to evaluate additional means of financing, including additional debt or equity financings. See “Risk Factors”.

On the completion of the Offering, the Company will have a total of 8,350,000 common shares issued and outstanding (including 100,000 Corporate Finance Shares and not including the 200,000 common shares issuable pursuant to the Billingsley Option Agreement) pursuant to the Agency Agreement between the Company and the Agent, the Agent shall receive a commission equal to 10% of the gross proceeds of the Offering payable at closing in cash plus 345,000 warrants exercisable at $0.25 per share.

The Company has neither declared nor paid any cash dividends. For the foreseeable future, the Company intends to retain any earnings to finance the development and expansion of our business. Any future determination to pay dividends will be at the discretion of our board of directors and will be dependent upon then existing conditions, including our financial condition, results of operations, capital requirements, contractual restrictions, business prospects and other factors that our board of directors considers relevant.

Off-Balance Sheet Arrangements:
The Company does not have any off-balance sheet arrangements as of the date of this prospectus.

Related Party Transactions:
The directors have been granted options to purchase an aggregate of 525,000 Common Shares at a price of $0.25 per Share for two years after the listing of the Company's Common Shares on the Exchange. A company controlled by Christopher I. Dyakowski entered into a Contract for Services with the Company on November 1, 2009 pursuant to which the Company pays management fees of $2,500 per month. Leslie J. Fowler, the Chief Financial Officer, entered into a Contract for Services with the Company on November 1, 2009 pursuant to which he received fees of $1,500.00 per month. See "Interest of Management and Others in Material Transactions".

During the nine month period ended March 31, 2010, the Company entered into the following transactions with related parties:

1. During the period ended March 31, 2010, the Company paid $12,500 for management fees to Max Investments Inc., a company controlled by the President, Christopher I. Dyakowski.

2. Exploration expenses of $120,690 incurred by the Company during the year were charged from a company controlled by the President (Max Investments Inc.), for which the Company was charged a project management fee of 15% on such payments. All costs other than the project management fee was supported by third party invoices.

3. The Company optioned the Rum Claims from the President who was paid $1,000 for out-of-pocket costs.

4. During the period ended March 31, 2010, the Company paid $12,200 for management fees to a company controlled by the Chief Financial officer, Leslie J. Fowler.

5. During the period ended March 31, 2010, the Company paid legal fees of $9,672 to a firm in which a director, William E. Schmidt, is a partner.

Proposed Transactions:
N/A

Critical Accounting Estimates:
The Company is not a venture issuer – N/A

Financial Instruments and Other Instruments:
The Company's financial instruments include cash and cash equivalents, short term investments and accounts payable and accrued liabilities and due to a related party. In management's opinion, the Company is not exposed to significant interest rate, currency exchange rate, lquidity or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values because of their current nature. The Company is not exposed to derivative financial instruments.

The Company classifies financial assets and liabilities as held-for-trading, available-for-sale, held-to maturity, loans and receivables or other financial liabilities depending on their nature. Financial assets and financial liabilities are recognized at fair value on their initial recognition, except for those arising from certain related party transactions which are accounted for at the transferor's carrying amount or exchange amount in accordance with the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3840 – Related Party Transactions.

The Company classified its cash and cash equivalent and short term investments as held-for-trading, its accounts payable and accrued liabilities and due to a related party as other financial liabilities.

Outstanding Securities:
The Company has one class of voting securities, being Common Shares without par value. As at March 31, 2010, 5,250,000 Common shares were issued and outstanding. As at the date of this Prospectus, the Company has no securities convertible into, or exercisable or exchangeable, for Common Shares, except for 525,000 options granted to the directors, officers, and employees of the Company, exercisable at $0.25 per Common Share for a period of two years from the date of listing of the Common Shares on the Exchange.

Additional Disclosure:
During the first year after completion of this Offering, the Company estimates that the aggregate monthly cost of administration will be approximately $9,833 and the total aggregate annual cost will be approximately $118,000. These annual costs are comprised of management fees ($30,000), accounting fees ($18,000), transfer agent fees ($5,000), professional fees ($30,000) and other costs (travel, government fees, office and miscellaneous costs of $35,000).

The deferred exploration and development costs on the Allison Lake Property consists of $9,024 for preparation of a report and $114,430 for an airborne survey.

CONSOLIDATED CAPITALIZATION

There has been no material change in the share and loan capital of the Company since December 31, 2009, being the date of the Company's audited financial statements.

As at March 31, 2010, the capitalization of the Company consists of 5,250,000 shares. The anticipated capitalization after the completion of the Offering will consist of:

Present capitalization	5,250,000 shares
The Offering	3,000,000 shares
Corporate Finance Shares	100,000 shares
	8,350,000 shares [1]

[1] Additional Shares are reserved for the following purposes:

Issuable pursuant to Billingsley Option Agreement	200,000 shares
Stock Option Plan	525,000 shares
Agent's Warrant	300,000 shares
Over-Allotment Options	450,000 shares
Agent's Warrant for Over-Allotment Option	45,000 shares
	1,520,000 shares [1]

OPTIONS TO PURCHASE SECURITIES

Incentive Stock Options

As at the date of this Prospectus, the Company has issued the following options (the "Incentive Stock Options") to purchase Common Shares:

Category	Aggregate Options Granted	Exercise Price	Market Value of Securities Underlying Options on the Date of Grant ($/Security)[(1)]	Expiry Date
Options held by all executive officers of the Company (3 individuals – C.I. Dyakowski, L.J. Fowler, S.J. Morton)	335,000	$0.25	N/A	Two years after the listing of the Common Shares on the Exchange
Options held by all directors of the Company who are not also executive officers (2 individuals – W.E. Schmidt, S.P. Kenwood)	190,000	$0.25	N/A	Two years after the listing of the Common Shares on the Exchange

(1) As the Common Shares were not listed on the Exchange at the date of grant, the market value of the securities underlying the options on the date of grant is not available.

Stock Option Plan

The Board of Directors of the Company has adopted an incentive stock option plan (the "Stock Option Plan") which reserves for issuance a maximum of 10% of the Company's issued and outstanding share capital at the time of a grant of options under the Stock Option Plan. The Stock Option Plan will be administered by the Board of Directors and provides for grants of options to directors, executive officers, employees, consultants, management company employees or their permitted assigns (collectively the "Optionees") of the Company at the discretion of the Board.

The term of any options granted under the Stock Option Plan will be fixed by the Board of Directors and may not exceed ten years. The exercise price of options granted under the Stock Option Plan will be determined by the Board of Directors, but the exercise price must not be less than the lowest price permitted by the Exchange. Any options granted pursuant to the Stock Option Plan will terminate at the end of the period of time (to be determined in each instance by the Board of Directors at the time of grant, such period of time to not be in excess of six months after the option holder ceases to be an Optionee, unless such cessation is on account of death, disability or termination of employment with cause). If such cessation is on account of disability or death, the options terminate on the first anniversary of such cessation, and if it is on account of termination of employment with cause, the options terminate immediately. The Stock Option Plan also provides for adjustments to outstanding options in the event of any consolidation, subdivision, conversion or exchange of the Company's shares. The Board of Directors may, at its discretion at the time of any grant, impose a schedule over which period of time the option will vest and become exercisable by the Optionee.

Subject to the approval of any stock exchange on which the Company's securities are listed, the Board may terminate, suspend or amend the terms of the Stock Option Plan, provided that the Board may not do any of the following without obtaining, within 12 months either before or after the Board's adoption of a resolution authorizing such action, shareholder approval, and, where required, disinterested shareholder approval, or by the written consent of the holders of a majority of the securities of the Company entitled to vote:

(a) increase the aggregate number of common shares which may be issued under the Stock Option Plan;

(b) materially modify the requirements as to the eligibility for participation in the Stock Option Plan which would have the potential of broadening or increasing Insider participation;

(c) add any form of financial assistance or any amendment to a financial assistance provision which is more favourable to participants under the Stock Option Plan;

(d) add a cashless exercise feature, payable in cash or securities, which does not provide for a full deduction of the number of underlying securities from the Stock Option Plan reserve; and

(e) materially increase the benefits accruing to participants under the Stock Option Plan.

However, the Board may amend the terms of the Stock Option Plan to comply with the requirements of any applicable regulatory authority without obtaining shareholder approval, including:

(a) amendments to the Stock Option Plan of a housekeeping nature;

(b) a change to the vesting provisions of a security or the Stock Option Plan; and

(c) a change to the termination provisions of a security or the Stock Option Plan which does not entail an extension beyond the original expiry date.

<u>Agent's Warrant</u>
Upon completion of the Offering, the Agent will receive Agent's Warrants entitling it to acquire that number of Shares equal to 10% of the aggregate number of shares sold under the Offering, including shares issued on exercise of the Over-Allotment Option, at a price of $0.15 per Share at any time on or before the second anniversary of the date of Closing. National Instrument 41-101 – *General Prospectus Requirements* restricts the number of Qualified Compensation Securities to a maximum of 10% of the Offered Shares. For the purposes of this Offering, assuming the Over-Allotment Option is not exercised, any of combination of the following, totaling 300,000 securities, are Qualified Compensation Securities and are qualified for distribution by this Prospectus: (a) up to 100,000 Corporate Finance Fee Shares; and (b) up to a maximum of 300,000 Agent's Warrants. To the extent that the Agent is entitled to receive securities as compensation exceeding 10% of the Offering, those securities exceeding the 10% threshold will not be Qualified Compensation Securities, will not be qualified for distribution under this Prospectus and will be subject to a hold period in accordance with applicable securities laws.

<u>Over-Allotment Option</u>
The Company has granted the Agent an Over-Allotment Option to increase the number of shares in the Offering up to 15% of the Offered Shares.

There are no assurances that the Incentive Stock Options, Agent's Warrants, Over-Allotment Option or other rights described above will be exercised in whole or in part.

ESCROWED SECURITIES

The following table sets forth details of the securities of the Company to be held in escrow following the completion of the Offering.

Designation of Class	Number of Shares Held in Escrow	Percentage of Class upon Completion of Offering
Common	3,200,000	38.32%

(1) Common Shares held in escrow (the "Escrowed Shares") pursuant to an escrow agreement (the Escrow Agreement") dated November 30, 2009 among the Company, Computershare Investor Services Inc. and certain shareholders of the Company.

(2) Pursuant to the Escrow Agreement, 10% of the Escrowed Shares will be released from escrow on the date the Common Shares are listed on the Exchange, and 15% every six months thereafter, subject to acceleration provisions provided for in National Policy – 46-201 – *Escrow for Initial Public Offerings*.

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

RESALE RESTRICTIONS ON SECURITIES

Seed capital shares (all shares issued prior to the Initial Public Offering which are not subject to escrow agreement) are subject to the Exchange's Seed Share Resale Restrictions as outlined in the policies of the Exchange (Policy 5.4, paragraph 10). The certificates for these shares are legended to prohibit sales of these securities prior to the expiry of the relevant hold period. There are 2,050,000 seed capital shares which were not escrowed. All of these shares will be subject to resale restrictions for four months from the closing of the Offering with 20% of these shares released each month, with the first release on closing of this Offering. These resale restrictions are in addition to statutory hold periods.

National Instrument 41-101 – *General Prospectus Requirements* restricts the number of Qualified Compensation Securities to a maximum of 10% of the Offered Shares. For the purposes of this Offering, assuming the Over-Allotment Option is not exercised, any of combination of the following, totaling 300,000 securities, are Qualified Compensation Securities and are qualified for distribution by this Prospectus: (a) up to 100,000 Corporate Finance Fee Shares; and (b) up to a maximum of 300,000 Agent's Warrants. To the extent that the Agent is entitled to receive securities as compensation exceeding 10% of the Offering, those securities exceeding the 10% threshold will not be Qualified Compensation Securities, will not be qualified for distribution under this Prospectus and will be subject to a hold period of four months in accordance with applicable securities laws.

PRIOR SALES

Date of Issue	No. of Issued Shares	Price per Security	Total Consideration
October 1, 2009	1 [1]	1.00	$ 1
	1,200,000 [1]	0.01	12,000
	2,000,000 [1]	0.05	100,000
December 31, 2009	2,050,000 [2]	0.10	205,000
	(1) [3]		(1)
Total	5,250,000		$317,000

[1] All of these Shares are held in escrow. See "Escrowed Shares".
[2] These Shares are subject to resale restrictions. See "Resale Restrictions on Seed Shares" above.
[3] The initial subscriber share was surrendered and cancelled.

PRINCIPAL SECURITYHOLDERS

As of the date of this Prospectus, the only persons known by the Company to own, control, or direct, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Company are as follows:

Name and Municipality of Residence	Number of Shares beneficially owned and of record	Percentage of Shares Outstanding Prior to Offering	Percentage of Shares Outstanding after the Offering
Stephen P. Kenwood White Rock, B.C.	700,000	13.33%	8.19%(1)
Christopher I. Dyakowski Vancouver, B.C.	900,000	17.14%	10.5%(1)
William E. Schmidt Vancouver, B.C.	525,000	10%	6.14%(1)
Leslie Fowler North Vancouver, B.C.	575,000	10.95%	6.73%(1)
Scott Hunter Vancouver, B.C.	800,000	15.23%	9.36%(1)

(1) Following the completion of the Offering, the fully-diluted share capital of the Company, assuming the Agent has not exercised the Over-Allotment Option, will be 8,650,000 Shares not including the shares to be issued pursuant to the

Billingsley Option Agreement and the shareholdings of Christopher I. Dyakowski (assuming no exercise of stock option and assuming no Common Shares are purchased by them pursuant to the Offering) on a fully-diluted basis will be 9.84%, and the shareholdings of Messrs. Kenwood, Schmidt, Fowler and Hunter (assuming no exercise of stock options and assuming no Common Shares are purchased by him pursuant to the Offering) on a fully-diluted basis will be 7.65%, 5.74%, 6.29% and 8.75% respectively. Following the completion of the Offering, the fully-diluted share capital of the Company, assuming the Agent has exercised the Over-Allotment Option, will be 9,670,000 Common Shares and the shareholdings of Christopher I. Dyakowski (assuming he does exercise his stock option and assuming no Common Shares are purchased by him pursuant to the Offering) on a fully-diluted basis will be 11.38%, and the shareholdings of Messrs. Kenwood, Schmidt, Fowler and Hunter (assuming they do exercise stock options and assuming no Common Shares are purchased by them pursuant to the Offering) on a fully-diluted basis will be 8.22%, 6.41%, 6.93% and 8.27% respectively.

DESCRIPTION OF SECURITIES OFFERED

The authorized capital of the Company consists of 100,000,000 common shares without par value. As of the date of this Prospectus, 5,250,000 common shares are issued and outstanding.

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

National Instrument 41-101 – *General Prospectus Requirements* restricts the number of Qualified Compensation Securities to a maximum of 10% of the Offered Shares. For the purposes of this Offering, assuming the Over-Allotment Option is not exercised, any of combination of the following, totaling 300,000 securities, are Qualified Compensation Securities and are qualified for distribution by this Prospectus: (a) up to 100,000 Corporate Finance Fee Shares; and (b) up to a maximum of 300,000 Agent’s Warrants. To the extent that the Agent is entitled to receive securities as compensation exceeding 10% of the Offering, those securities exceeding the 10% threshold will not be Qualified Compensation Securities, will not be qualified for distribution under this Prospectus and will be subject to a hold period in accordance with applicable securities laws.

FULLY DILUTED SHARE CAPITAL

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

	No. of Shares	Percentage of Total
Issued and Outstanding as at the date of the Prospectus	5,250,000	54.29%
Issuable pursuant to the Offering	3,000,000	31.02%
Reserved for issuance pursuant to Stock Option Plan	525,000	5.43%
Reserved for issuance pursuant to Agent’s Warrants	300,000	3.11%
Reserved for issuance pursuant to Agent’s Warrants for Over-Allotment option	45,000	0.47%
Reserved for issuance pursuant to Over-Allotment option	450,000	4.65%
Issuable pursuant to the Agency Agreement	100,000	1.03%
Total shares outstanding on a fully diluted basis	9,670,000[1]	100%

1 Not including shares issuable pursuant to the Billingsley Option Agreement.

DIRECTORS AND EXECUTIVE OFFICERS

Each director of the Company holds office until the next annual general meeting of the shareholders of the Company or until his successor is duly elected or appointed, unless his office is earlier vacated in accordance with the articles of the Company or he becomes disqualified to act as a director. As at the date of the Prospectus, the number and percentage of the Common Shares beneficially owned, or controlled or directed, directly or indirectly, by all of the directors and executive officers of the Company is 3,000,000 or 57.14%. Upon completion of the Offering, assuming the Agent has not exercised the Agent's Warrant or the Over-Allotment Option and the directors and officers have not exercised their Incentive Stock Options, the number and percentage of the Common Shares beneficially owned, or controlled or directed, directly or indirectly, by all of the directors and executive officers of the Company will be 3,000,000 or 35.93%.

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

Name and Municipality of Residence	Age	Office Held	Date of Appointment	Principal Occupation for past Five Years
CHRISTOPHER IAN DYAKOWSKI * Vancouver, B.C.	56	Director , CEO, President, Promoter	October 9, 2008	Self-Employed Professional Geologist
STEPHEN PATRICK KENWOOD * White Rock, B.C.	49	Director, Promoter	September 22, 2009	Self-Employed Professional Geologist
WILLIAM E. SCHMIDT * Vancouver, B.C.	68	Director, Promoter	October 9, 2008	Self-Employed Barrister and Solicitor
LESLIE J. FOWLER North Vancouver, B.C.	73	CFO	October 9, 2008	Self-Employed Chartered Accountant
SANDRA J. MORTON Vancouver, B.C.	52	Secretary	October 9, 2008	Executive Assistant

* Member of the Audit Committee.

The directors and officers beneficially own or control the following common shares in the capital of the Company:

Name	Number of Shares	Percentage of Class after Offering
Stephen P. Kenwood	700,000 Escrow *	8.7%
Leslie J. Fowler	575,000 Escrow *	7.14%
Christopher I. Dyakowski	900,000 Escrow *	11.10%
William E. Schmidt	525,000 Escrow *	6.29%
Sandra J. Morton	300,000 Escrow *	3.59%

* See description of depository and conditions of release under the heading "Escrowed Shares" below.

MANAGEMENT

Set forth below is a description of the background of the directors and officers of the Company, including a description of each individual's principal occupation(s) within the past five years.

Christopher I. Dyakowski – Director. Mr. Dyakowski is responsible for the exploration activities of the Company. Mr. Dyakowski is a mining exploration geologist and consultant and has practiced his profession since 1975 (his principal business). He has been a member in good standing of the Association of Professional Engineer and Geoscientists of British Columbia since 1992. He is the former President and a present director of San Marco Resources Ltd., Etna Resources Ltd. and Discovery Ventures Inc. He is a former director of Unbridled Energy Corp. He is a former President and a former director of Weststar Resources Inc. He is a former director and former president of Storm Cat Energy Corp. and Bold Ventures Inc. He is a former director and officer of various public companies within the past five years. He has a Bachelor of Science (Geology) Degree from the University of British Columbia (1975). Mr. Dyakowski will spend twenty-five per cent of his time on the Company's business. Mr. Dyakowski performs services for the Company in conducting its exploration program. He is not an employee of the Company. Mr. Dyakowski has not entered into a non-competition or non-disclosure agreement with the Company.

William E. Schmidt - Director. Mr. Schmidt is responsible for the legal work of the Company. Mr. Schmidt has been a Barrister and Solicitor with the firm of Hemsworth, Schmidt since 1971 (his principal business). He is a director of Bold Ventures Inc., Exchequer Resource Corporation and Discovery Ventures Inc. He is the Secretary of One World Investments Inc. and Carat Exploration Inc. He is a former director of Gold Standard Ventures Corp., San Marco Resources Inc., First Bauxite Corporation, Vault Systems Inc., Unbridled Energy Corp., Storm Cat Energy Ltd., San Telmo Energy Ltd., Clifton Star Resources Inc. and Lignol Energy Corporation. He has been a former director and officer of several other public companies since 1971. He has a Bachelor of Arts Degree (1966) and Bachelor of Law Degree (1969) from the University of British Columbia. Mr. Schmidt will spend five per cent of his working time on the Company's business. Mr. Schmidt's law firm receives legal fees for performing legal work to the Company. He is not an employee of the Company. Mr. Schmidt has not entered into a non-competition or non-disclosure agreement with the Company.

Stephen P. Kenwood – Director. Mr. Kenwood is an independent director and a member of the Audit Committee. Mr. Kenwood is a self-employed Consulting Geologist since 1991 (his principal business). He is a member in good standing of the Association of Professional Engineers and Geoscientists of British Columbia since 1991. He is a director of Central Resources Corp., Ultra Uranium Corp. and Becker Gold Mines Inc. He is President of Kinvara Ventures Inc. He is a former director of Whistler Gold Corp. (2006-2008), Majestic Gold Corp. (1996-2007), Gothic Resources Inc. (1996-2001), Verona Development Corporation (2001-2004), Auterra Venture Inc. (1997-2007), Kinvara Ventures Inc. (2001-2006). He is former Secretary of Majestic Gold Corp. (1996-2007) and Gothic Resources Inc. (1999-2001). He has a Bachelor of Science (Geology) Degree from the University of British Columbia (1987). Mr. Kenwood will spend ten percent of his time on the Company's business. He is not an employee of the Company. Mr. Kenwood has not entered into a non-competition or non-disclosure agreement with the Company.

Leslie J. Fowler – Chief Financial Officer. Mr. Fowler is responsible for the accounting of the Company. Mr. Fowler is a Chartered Accountant with over 48 years experience working with public companies n the capacity of director, officer, financial advisor or consultant. He has obtained a Bachelor of Commerce Degree from the University of British Columbia in 1961. He obtained professional designation as a Chartered Accountant in 1961. He is the Chief Financial Officer for San Marco Resources Ltd. He is a former Chief Financial Officer of Legend Power Systems Inc. Mr. Fowler will spend fifty per cent of his time on the Company's business. Mr. Fowler has a Contract for Services with the company. Mr. Fowler has not entered into a non-competition or non-disclosure agreement with the Company.

Sandra J. Morton – Secretary. Ms. Morton is responsible for the filings of the Company with the Registrar of Companies, the B.C. Securities Commission and administration of the Company's affairs. Ms. Morton has 36 years experience as an Executive Assistant with the law firm of Hemsworth, Schmidt. Ms. Morton has been Secretary of Exchequer Resource Corp. from October, 2004 to present. She was the Secretary of Exchequer Resource Corp. (then called Blackline Oil Corporation) from 1991 to 2001, of San Telmo Energy Ltd. from 1996 to 2002, of Storm Cat Energy from 2000 to 2004 and of Clifton Star Resources Inc. from 2004 to February, 2007. She was also the Chief Financial Officer of Storm Cat Energy from 2001 to 2004. She completed a Secretarial program at Pitman Business College in 1974. She will spent ten per cent of her working time on the Company's business. She has not entered into a non-competition or non-disclosure agreement with the Company.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES AND SANCTIONS

Corporate Cease Trade Order

Except as disclosed below, as at the date of this Prospectus, no director or executive officer is, or within the ten years prior to the date of this Prospectus has been, a director, chief executive officer or chief financial officer of any company (including the Company), that while that person was acting in that capacity,

(a) was the subject to a cease trade (including any management cease trade order which applied to directors or executive officers of a company, whether or not the person is named in the order) or an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (an "Order"); or

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

Bankruptcy

Except as disclosed below, as at the date of this Prospectus, no director, executive officer, or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company is, or within the ten years prior to the date of this Prospectus has,

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

(b) become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties and Sanctions

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

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, save and except that William E. Schmidt was a director and Sandra J. Morton was the Secretary of Blackline Oil Corporation when it entered into a settlement agreement with the B.C. Securities Commission in July, 1999. Principals of Blackline Oil Corporation reviewed a magazine article before its publication and Blackline Oil Corporation caused the magazine article to be posted on the internet and to be disseminated to persons in British Columbia. Blackline Oil Corporation undertook to refrain from distributing the magazine article and to pay $5,000 to the B.C. Securities Commission;

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

Conflicts of Interest

The directors and officers of the Company will not be devoting all of their time to the affairs of the Company. In particular, the President and Chief Executive Officer, as to 25% and the Chief Financial Officer, as to 50% of the Company will only be devoting part of their time to the affairs of the Company. The directors and officers of the Company are directors and officers of other companies, some of which are in the same business as the Company. The directors and officers of the Company are required by law to act in the best interests of the Company. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to the Company may result in a breach of their obligations to the other companies, and in certain circumstances this could expose the Company to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligation to act in the best interests of the Company. Such conflicting legal obligations may expose the Company to liability to others and impair its ability to achieve its business objectives.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to provide information about the Company's executive compensation objectives and processes and to discuss compensation decisions relating to its named executive officers ("Named Executive Officers") listed in the Summary Compensation Table that follows. During its fiscal year ended June 30, 2009, the following individuals were Named Executive Officers (as determined by applicable securities legislation) of the Company:

Christopher I. Dyakowski – President and Chief Executive Officer
Leslie J. Fowler – Chief Financial Officer

The Company is a mineral exploration company whose assets include exploration properties located in British Columbia. The Company's primary objective is to firstly, conduct initial exploration on various properties and then to seek partners to conduct follow-up exploration programs and continue the exploration effort. In most of these partnership arrangements, the Company will continue to act as operator and, in this way, the Company reduces dilution to its share capital and decreases its expenditures.

This also allows the Company to continue exploration on these same properties with larger budgets than its own initial investment.

Notwithstanding the foregoing, given that the Company has not, as of yet, generated any significant income or cash flow from operations and operates with limited financial resources to ensure that funds are available to complete scheduled programs, the Board of Directors has to consider not only the financial situation of the Company at the time of the determination of executive compensation, but also the estimated financial situation in the mid and long term. An important element of executive compensation is the grant of incentive stock options by the Company to its employees, directors and officers which do not require cash disbursement by the Company.

Compensation Objectives and Principles

The primary goal of the company's executive compensation process is to attract and retain the key executives necessary for the Company's long term success, to encourage executives to further the development of the Company and its operations and to motivate qualified and experienced executives. The key elements of executive compensation awarded by the Company are: (i) base salary; (ii) potential annual incentive awards; and (iii) incentive stock options. The Directors are of the view that all elements should be considered rather than any single element.

Compensation Process and the role of the Compensation and Corporate Governance Committee

The Corporate Governance Committee of the Board of Directors of the Company, through discussions without any formal objectives, criteria or analysis, is responsible for determining all forms of compensation to be granted to the Chief Executive Officer of the Company, as well as to its directors and for reviewing the Chief Executive Officer's recommendations regarding compensation of the other senior executives of the Corporation, to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining the compensation of the Company's executive officers, the Committee considers: (i) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and the Company's shareholders; and (iv) rewarding performance, both on an individual basis and with respect to operations in general. In order to achieve these objectives, the compensation paid to the Company's executive officers consists of base salary and/or long term incentive in the form of stock options. No base salary was paid for the year ended June 30, 2009.

Option Based Awards

Options to purchase common shares of the Company are intended to align the interests of the Company's directors and executive officers with those of its shareholders, to provide a long term incentive that rewards these individuals for their contribution to the creation of shareholder value and to reduce the cash compensation the Company would otherwise have to pay. The Company's Stock Option Incentive Plan is administered by the Board of Directors, on recommendations received from time to time from the Compensation and Corporate Governance Committee. The Board of Directors also considers previous grants of options and the overall number of options that are outstanding relative to the number of outstanding common shares in determining whether to make any new grants of options and the size and terms of ay such grants, as well as the level of effort, time, responsibility, ability, experience and level of commitment of the executive officer in determining the level of incentive stock option compensation. See "Incentive Plan Awards – Outstanding Option-Based Awards" below.

Benefits and Perquisites

The Company does not, as of the date of this Prospectus, offer any benefits or perquisites to its Named Executive Officers other than entitlement to incentive stock options as otherwise disclosed and discussed herein. See Part 6 – Corporate Governance, Board Committees, Compensation and Corporate Governance Committee.

Summary Compensation Table

The following table provides a summary of the compensation earned by, paid to or accrued and payable to each Named Executive officer during the fiscal year ended June 30, 2009. Amounts reported in the table below are in Canadian dollars.

		Annual Compensation			Long-Term Compensation			
					Awards		Payouts	
NEO Name and Principal Position (a)	**Year (b)**	**Salary ($) (c)**	**Bonus ($) (d)**	**Other Annual Compen-sation ($) (e)**	**Securities Under Options/ SARs Granted (#) (f)**	**Shares Or Units Subject to Resale Restrictions ($) (g)**	**LTIP Payouts ($) (h)**	**All Other Compensations ($) (i)**
C.I. DYAKOWSKI [1] President, CEO, Director	2009	Nil	Nil	Nil[3]	Nil	Nil	Nil	Nil
LESLIE J. FOWLER[2] CFO	2009	Nil	Nil	Nil[3]	Nil	Nil	Nil	Nil

[1] Pursuant to a Management Agreement dated November 1, 2009 Mr. Fowler will receive $1,500 per month for his services from November 1, 2009. A company controlled by Mr. Dyakowski will receive $2,500 per month for his services from November 1, 2009.

[2] Pursuant to a Management Agreement dated November 1, 2009.

[3] The shares are not yet trading so the fair value of the option is cost.

Incentive Plan Awards

Outstanding Option-Based Awards

The following table sets option-based awards granted to the Named Executive Officers during the most recently completed financial year, or in prior years, and that were outstanding as at December 31, 2009. No other share-based awards have been granted to the Named Executive Officers by the Company.

NEO Name (a)	**Securities, Under Options/SARs Granted (#) (b)**	**Percent of Total Options;/SARs Granted to Employees In Financial Year (c)**	**Exercise or Base Price ($/Security) (d)**	**Market Value of Securities Underlying Options/ SARs on the Date of Grant ($/Security) (e)**	**Expiration Date (f)**
CHRISTOPHER I. DYAKOWSKI	200,000	59.70%	$0.25	Nil	Two years from Listing on TSX Venture Exchange
LESLIE J. FOWLER	95,000	28.36%	$0.25	Nil	Two years from Listing on TSX Venture Exchange

[1] The value of unexercised "in-the-money options" at the financial year-end is the difference between the option exercise price and the market value of the underlying common shares. The shares do not have a market value at this time.

Incentive Plan Awards – Value vested or earned during the year

Named Executive Officer	Option-based awards – Value vested[1] during the year ended June 30, 2009 ($)	Share-based awards – Value vested during the year ended June 30, 2009 ($)	Non-equity incentive plan Compensation – Value Earned during the year ended June 30, 2009 ($)
Christopher I. Dyakowski	N/A	N/A	N/A
Leslie J. Fowler	N/A	N/A	N/A

[1] Represents the aggregate dollar value that would have been realized if the incentive stock options had been exercised on the vesting date that is, the difference between the market price of the underlying common shares and the option exercise price on the vesting date.

Pension Plan Benefits
The Company does not offer any pension plan benefits to its Named Executive Officers.

Termination and Change of Control Benefits
Other than as disclosed below, the Company is not a party to any contract, agreement, plan or arrangement with its Named Executive Officers that provide for payments to Named Executive Officers at, following or in connection with any termination (whether voluntary, involuntary or constructive) resignation or retirement, or as a result of a change in control of the Company or a change in a Named Executive Officers responsibilities.

The Company has no plans pursuant to which it compensates its directors for services in their capacity as directors other than the granting of stock options. See "Options to Purchase Securities". A company controlled by Christopher I. Dyakowski will receive $2,500.00 per month and Leslie J. Fowler will receive $1,500.00 per month for management and accounting services pursuant to Contracts for Services dated November, 2009. See "Material Contracts".

<u>Other Information – Management Contracts</u>

Director Compensation
The Company does not pay its directors a fee for acting as such. Directors are entitled to be reimbursed for reasonable expenditures incurred in performing their duties as directors and the Company does, from time to time, grant incentive stock options to purchase common share to its directors (see "Outstanding Option – Based Awards" below).

The following disclosure of director compensation for the Company's most recently completed financial year excludes compensation of the Company's Executive Officers. The compensation is disclosed above at Executive Compensation – Summary Compensation Table.

Name	**Director Fee Earned ($)**	**Share-Based Awards ($)**	**Option-Based Awards ($)**	**Non-equity Incentive Plan Com-pensation ($)**	**Pension Value ($)**	**All other Compen-Sation ($)**	**Total ($)**
William E. Schmidt	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Stephen P. Kenwood	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Outstanding Option Based Awards
The following table sets out option based awards granted to the directors of the Company (excluding Executive Officers) that were outstanding as at December 31, 2009. No other share based awards have

been granted to the directors and the Company does not provide any non-equity incentive plan compensation to its directors. See "Executive Compensation, Incentive Plan Awards" for outstanding options held by Executive Officers.

Name	**Number of Shares underlying unexercised Options (#)**	**Option exercise price Per share ($)**	**Option expiry date**	**Value of Unexercised In-the-money options[1] ($)**	**Number of Shares or Units of Shares that have not vested (#)**	**Market or Payout value of share-based awards that have not vested ($)**
William E. Schmidt	95,000	$0.25	Two years after listing on the TSX Venture Exchange	Nil	N/A	N/A
Stephen P. Kenwood	95,000	$0.25	Two years after listing on the TSX Venture Exchange	Nil	N/A	N/A

1 The value of unexercised "in-the-money options" at the financial year end is the difference between the option exercise price and the market value of the underlying common shares. The Common shares do not trade.

Incentive Plan Awards – Value vested or earned during the year

The following table sets out the value vested or earned by the non-executive directors of the Company during the financial year ended May 31, 2009. See "Executive Compensation – Incentive Plan Awards" for details with respect to executive compensation.

Named Executive Officer	Option-based awards – Value vested[1] during the year ended June 30, 2009 ($)	Share-based awards – Value vested during the year ended June 30, 2009 ($)	Non-equity incentive plan Compensation – Value Earned during the year ended June 30, 2009 ($)
William E. Schmidt	N/A	N/A	N/A
Stephen P. Kenwood	N/A	N/A	N/A

1 Represents the aggregate dollar value that would have been realized if the incentive stock options had been exercised on the vesting date that is, the difference between the market price of the underlying common shares and the option exercise price on the vesting date.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following information is as at June 30, 2009, the Company's most recently completed financial year.

Plan Category	Number of Securities to be issued upon exercise of outstanding options, Warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under Equity Compensation Plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	N/A	N/A	Nil
Equity compensation plans not approved by securityholders	525,000	$0.25	Nil

AUDIT COMMITTEE

Audit and Finance Committee

The purpose of the Audit and Finance Committee is to assist the Board in its oversight of the quality and integrity of the accounting, auditing, reporting practices, systems of internal accounting and financial controls, the annual independent audit of the Company's financial statements, and the legal compliance and ethics programs of the Company as established by management.

Audit and Finance Committee Charter

The charter of the Audit and Finance Committee is attached hereto as Schedule A.

Audit and Finance Committee Members

The Audit and Finance Committee of the Company consists of William E. Schmidt, Christopher I. Dyakowski and Stephen P. Kenwood. Messrs. Schmidt and Kenwood are considered "independent" as that term is defined in applicable securities legislation, and all three of the Audit Committee members have the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. Christopher I. Dyakowski, by reason of his office as Chief Executive Officer of the Company, is not considered to be independent pursuant to applicable securities legislation.

Relevant Education and Experience

All of the Audit and Finance Committee members are businessmen with experience in financial matters; each has an understanding of accounting principles used to prepare financial statements and varied experience as to general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavor. Please see "Management" for details of the biographic detail about the members of the Audit and Financial Committee.

Pre-Approval Policies and Procedures for Non-Audit Services

The Company's Audit and Finance Committee Charter provides that the Audit and Finance Committee review and pre-approve any non-audit services to be provided to the Company.

External Auditor Service Fees

Aggregate audit fees, audit related fees, tax fees, and all other fees billed by the Company's external auditor, Minni, Clark & Company, Chartered Accountants, for the financial years ended June 30, 2009 are as follows:

	Financial year ended June 30, 2009
Audit fees	$Nil
Audit related fees	$Nil
Tax related fees	$Nil

<u>Reliance on Exemption</u>

As the Company is a "venture issuer" pursuant to relevant securities legislation, the Company is relying on the exemption in Section 6.1 of National Instrument 52-110 – Audit Committees ("NI 52-110") from the reporting requirements of Part 3 and Part 5 of NI 52-110.

CORPORATE GOVERNANCE

The following is a summary of the Company's approach to corporate governance.

Board of Directors

The Board of Directors of the Company facilitates its exercise of independent supervision over management by ensuring sufficient representation by directors independent of management. The Board, at present, is composed of three directors, two of whom, William E. Schmidt and Stephen P. Kenwood are considered to be independent. In determining whether a director is independent, the Board considers, for example, whether the director has a relationship which could, or could be perceived to, interfere with the director's ability to objectively assess the performance of management. On this basis, Christopher I. Dyakowski, by reason of his office as President and Chief Executive Officer, is not considered to be an independent director.

The Board is satisfied as to the extent of independence of its members. The Board is satisfied that it is not constrained in its access to information, in its deliberations, or in its ability to satisfy the mandate established by law to supervise the business and affairs of the Company and that there are sufficient systems and procedures in place to allow the Board to have a reasonable degree of independence from day-to-day management.

Other Directorships

The Company's current directors who are also directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

Name of Director	Name of Reporting Issuer	Position with Reporting Issuer
William E. Schmidt	Bold Ventures Inc.	Director
	Exchequer Resource Corp.	Director
	Discovery Ventures Ltd.	Director
Stephen P. Kenwood	Central Resources Corp.	Director
	Ultra Uranium Corp.	Director
	Becker Gold Mines Inc.	Director
Christopher I. Dyakowski	San Marco Resources Ltd.	Director
	Discovery Ventures Ltd.	Director

Orientation and Continuing Education

The Company has not yet developed an official orientation or training program for new directors. Notwithstanding the foregoing and all of the Company's directors are familiar with mineral exploration and, as such, orientation has not, to date, been required. Nevertheless, new directors are provided, through discussions and meetings with other directors, officers, and employees, with a thorough description of the Company's business, properties, assets, operations and strategic plans and objectives. Orientation activities will be tailored to the particular needs and experience of each director and the overall needs of the Board.

Ethical Business Conduct

The Board of Directors conducts itself with high business and moral standards and follows all applicable legal and financial requirements. In that regard, the Board has adopted a written Code of Ethics (the

"Code") for its directors, officers, employees and consultants. The Code adopted by the Board of Directors of the Company has been filed with regulators, in accordance with applicable legislation, and is available for viewing through the Internet at the Canadian System for Document Analysis and Retrieval (SEDAR) at www.sedar.com. The Code establishes practices regarding compliance with the law and internal policies and guidelines, a Whistleblower Policy which details complaint procedures for financial concerns, disclosure obligations, and internal financial control. Each employee, officer, director, and material consultant is provided with a copy of the Code and certify, among others, that he or she has understood the Code and that he or she will continue to comply with the terms of the Code.

Further, the Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director's participation in decisions of the Board in which the director has an interest, are sufficient to ensure that the Board operates independently of management and in the best interests of the Company and its shareholders.

Nomination of Directors

The Board of Directors has appointed a Nominating and Corporate Governance Committee (the "Corporate Governance Committee"), consisting of William E. Schmidt and Christopher I. Dyakowski. The Corporate Governance Committee will consider the size of the Board of Directors each year when it considers the number of directors to recommend to the Board of Directors for director nominees. The criteria for selecting new directors shall reflect the requirements of the listing standards of the Exchange (or such other exchange or self-regulatory organization on which the Company's Shares are listed for trading) with respect to independence and the following factors:

(a) the appropriate size of the Company's Board;

(b) the needs of the Company with respect to the particular talents and experience of its directors;

(c) personal and professional integrity of the candidate;

(d) level of education and/or business experience;

(e) broad-based business acumen;

(f) the level of understanding of the Company's business and the industry in which it operates and other industries relevant to the Company's business;

(g) the ability and willingness to commit adequate time to Board and committee matters;

(h) the fit of the individual's skills and personality with those of other directors and potential directors in building a Board that is effective, collegial and responsive to the needs of the Company;

(i) the ability to think strategically and a willingness to share ideas; and

(j) diversity of experiences, expertise and background.

Compensation

The Board of Directors is responsible for determining all forms of compensation to be granted to the Chief Executive Officer of the Company in accordance with the terms of the Contract for Services among the Company and Max Investments Inc., a company controlled by Christopher I. Dyakowski (see "Executive Compensation – Termination of Employment, Change in Responsibilities and Employment Contracts").

Committees of the Board of Directors
The Board has only two committees: the Audit and Finance Committee and the Corporate Governance Committee.

Assessments
The Board does not formally review the contributions of individual directors; however, it believes that its current size facilitates informal discussion and evaluation of members' contributions within that framework.

FLOW-THROUGH COMMON SHARES

Subscriptions for the Flow-Through Common Shares will be made pursuant to one or more subscription agreements to be made between the Company and the subscribers for Flow-Through Common Shares but executed by the Agent or one or more subagents of the Agent, as agent for, on behalf of and in the name of the subscribers for Flow-Through Common Shares in the form attached as Schedule "S" to this Prospectus (the "Subscription Agreements"). PURCHASERS WHO PLACE AN ORDER TO PURCHASE FLOW-THROUGH COMMON SHARES WITH AN AGENT, OR ANY SUB-AGENT OF AN AGENT, WILL BE DEEMED TO HAVE AUTHORIZED THE AGENT OR SUCH SUB-AGENT TO EXECUTE AND DELIVER, AS AGENT ON THEIR BEHALF, THE SUBSCRIPTION AGREEMENTS. The execution and delivery of the Subscription Agreements by the Agent or the sub-agent of the Agent on behalf of such subscriber will bind such subscriber to the terms thereof as if such subscriber had executed the Subscription Agreements personally and the Subscription Agreements will be deemed to be made and entered into by the subscriber with the Company at the time they are accepted by the Company. A copy of the form of Subscription Agreement is attached hereto as Schedule "S".

The Flow-Through Common Shares will be common Shares issued as "flow-through shares" as that term is defined in the Tax Act and will not be "prescribed shares" as defined in the Regulations. Pursuant to the Subscription Agreement, the Company will use the gross proceeds from the subscription for Flow-Through Common Shares (the "Flow-Through Subscription Amounts") to incur and renounce Canadian exploration expense ("CEE") on a timely basis in accordance with the Subscription Agreements. See also "Certain Canadian Federal Income Tax Consequences for Canadian Individuals – Renunciation of CEE". If the Company fails to renounce to subscribers CEE in an amount equal to the Flow-Through Subscription Amounts, or if there is a reduction in such amount renounced pursuant to the provisions of the Tax Act, the amount of deductions subscribers will be able to claim will be correspondingly reduced, and the Company will be required to indemnify subscribers as set out in the Subscription Agreements. The Subscription Agreements will contain additional representations, warranties, covenants and agreements by the Company in favour of the subscriber of Flow-Through Common Shares which are consistent with and supplement the Company's obligations as described in this Prospectus.

The Subscription Agreements will also provide representations, warranties, covenants and agreements of the subscriber, and by his or her purchase of Flow-Through Common Shares each subscriber of Flow-Through Common Shares offered under this Prospectus will also be deemed to have represented, warranted, covenanted and agreed, for the benefit of the Company and the Agent that: (i) neither the subscriber (and if the subscriber is a partnership, each partner thereof) 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 (and, where the subscriber is a partnership, every partner of the partnership) deals, and until January 1, 2012 will continue to deal, at arm's length with the Company for the purposes of the Tax Act; (iii) the liability of the Company to renounce CEE will be limited to the extent specifically stated in this Prospectus and the Subscription Agreement; (iv) neither the subscriber nor any beneficial purchaser for whom it is acting will enter into any agreement, arrangement, or undertaking to which the Company is not a party that would cause the Flow-Through Common Shares to be "prescribed shares" for purposes of the Tax Act and the Regulations; and (v) the subscriber has received and reviewed a copy of this Prospectus.

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

CERTAIN CANADIAN FEDERAL INCOME TAX CONSEQUENCES FOR CANADIAN INDIVIDUALS

The following is, as of the date hereof, a fair summary of the principal Canadian federal income tax considerations generally applicable to subscribers of Flow-Through Common Shares acquired under the Offering who (i) are individuals (other than trusts); (ii) at all relevant times, are resident solely in Canada for the purposes of the Tax Act; (iii) deal and will continue to deal at arm's length (as determined under the Tax Act) with and are not affiliated with the Company; and (iv) acquire and hold such Flow-Through Common Shares as capital property. No part of this summary is applicable to any person an investment in which would constitute a "tax shelter" for the purposes of the Tax Act or to any underwriters or agents acting on behalf of the Company. This summary is also not applicable to subscribers of Flow-Through Common Shares whose business includes trading or dealing in petroleum, natural gas or mineral rights.

Individuals who meet all of the foregoing requirements are referred to as "Subscribers" in this summary, and this summary only addresses such Subscribers. In addition, the summary does not address subscribers of other Common Shares.

This summary is based on the current provisions of the Tax Act and the regulations thereto (the "Regulations"), all amendments to the Tax Act and the Regulations that have been proposed prior to the date hereof (the "Proposed Amendments") and our understanding of the current administrative practice of the Canada Revenue Agency ("CRA"). This summary assumes the Proposed Amendments will be enacted as proposed, however, no assurance can be given in this regard. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Proposed Amendments, does not take into account any changes in the law, whether by legislative, governmental or judicial action, nor does it take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

Each of the Offered Shares will generally be "capital property" to a holder unless they are held in the course of carrying on a business of trading or dealing in securities or the holder is engaged in an adventure in the nature of trade with respect to such Offered Shares. Certain holders who are resident in Canada for purposes of the Tax Act and who might not otherwise be considered to hold their Offered Shares as capital property may, in certain circumstances, be entitled to have them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. **Holders of Offered Shares contemplating making the election permitted by subsection 39(4) of the Tax Act should consult their own independent tax advisors of such an election would also affect the income tax treatment of dispositions by the holder of other Canadian securities**.

This summary assumes that: (i) the Company will make all necessary tax filings in respect of the issuance of the Flow-Through Common Shares and the renunciation of CEE as defined for purposes of the Tax Act in the manner and within the time required by the Tax Act and the Regulations; (ii) all renunciations will be validly made; (iii) the Company will incur (or be deemed to incur) sufficient CEE in a timely manner to enable it to renounce to Subscribers all of the CEE it agrees to renounce pursuant to the Subscription Agreements effective on the dates set out therein, and will so renounce, and that the Company and the

Subscribers will in all other respects comply fully with the Subscription Agreement; (iv) all expenses discussed herein will be reasonable in amount; (v) the Company will be a “principal business corporation” at all material times; (vi) each Flow-Through Common Share, when issued, will be a “flow-through share” and not a “prescribed share”, all within the meaning of the Tax Act and the Regulations; and (vii) the Agent or any sub-agent will have the requisite authority to execute and deliver the Subscription Agreements on behalf of Subscribers. If any of the above assumptions are incorrect, the Company may be unable to renounce some or all of the CEE which it has agreed to renounce under the Subscription Agreements.

No tax ruling or legal opinion has been sought or obtained respecting any of the assumptions made in this summary. The discussion below is qualified accordingly.

The income tax consequences to a particular Subscriber of an investment in Flow-Through Common Shares will vary according to a number of factors. **This summary is of a general nature only, is not exhaustive of all possible Canadian federal income tax considerations, and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Subscriber and no representations with respect to the income tax consequences to any holder or prospective holder are made. Accordingly, each holder and prospective holder should obtain independent advice regarding the income tax consequences applicable to investing in Flow-Through Common Shares (and Common Shares) pursuant to this Offering with reference to the holder’s own particular circumstances.**

Renunciation of CEE

Subject to certain limitations and restrictions, a principal business corporation that incurs CEE pursuant to an agreement made in writing for the issue of “flow-through shares” (as defined in the Tax Act) will be entitled to renounce the CEE to the Subscribers, and the CEE so renounced will be deemed to have been CEE incurred by such Subscribers on the effective date of the renunciation.

The Company will in general be entitled to renounce qualifying CEE incurred by it following the subscription for Flow-Through Common Shares and for up to 24 months after the end of the month in which the Subscription Agreements are accepted by the Company less: (i) any previous renunciations with respect to such CEE; and (ii) any assistance that the Company has received, is entitled to receive, or may be reasonably related to such CEE. The Company may not renounce to Subscribers an amount in excess of the Flow-Through Subscription Amount.

CEE incurred within 2010 and renounced to Subscribers effective on or before December 31, 2010 will be deemed to have been CEE incurred by such Subscribers on the effective date of the renunciation. The Tax Act also provides that certain “grassroots” CEE which a principal business corporation has incurred or plans to incur in 2011 may be renounced effective December 31, 2010, subject to the rules and restrictions under the Tax Act (the “Look-Back Rule”). The Look-Back Rule will apply, in general, where (i) the cash proceeds forming the Subscription Amount are received by the Company before the end of 2010, (ii) such grassroots CEE expenses are renounced in January, February or March of 2011, and (iii) the Subscriber to which such CEE is renounced deals at arm’s length for purposes of the Tax Act with the Company throughout the 2011 calendar year. Subject to these requirements, the Company will agree in the Subscription Agreements to use commercially reasonable efforts consistent with its exploration program and sound exploration practice to (i) incur the maximum possible amount of qualifying CEE by December 31, 2010 and the balance by December 31, 2011, and (ii) to renounce such amounts equal to the Flow-Through Subscription Amount to qualifying Subscribers effective as of December 31, 2010. If CEE renounced effective December 31, 2010 is not in fact incurred by the Company by December 31, 2011 (or if incurred during 2011, does not otherwise qualify for the Look-Back Rule), the CEE so renounced will be reduced accordingly, effective as of December 31, 2010. One result is that the Subscriber would be reassessed for his or her 2010 taxation year. However, the

Subscriber would not be charged interest or penalties on any unpaid income tax arising as a result of such reduction for the period, provided any unpaid tax liability is settled on or prior to April 30, 2012. Subscribers should review the Subscription Agreement attached as Schedule "S" for more detailed information.

Deduction for CEE

CEE deemed to have been incurred by a Subscriber in consequence of valid renunciations by the Company will be added to the cumulative CEE ("CCEE") account of such Subscriber. A Subscriber may deduct in computing income from all sources for a taxation year, such amount as may be claimed not exceeding 100% of the Subscriber's CCEE account at the end of a taxation year. To the extent that a Subscriber does not deduct the balance of the Subscriber's CCEE account, at the end of a taxation year, the balance will be carried forward indefinitely and the Subscriber will be entitled to claim deductions in respect thereof in subsequent taxation years, subject to the provisions of the Tax Act.

A Subscriber for Flow-Through Common Shares who disposes of the Flow-Through Common Shares will retain the entitlement to the renunciation of CEE from the Company as described above as well as the ability to deduct any CCEE not previously deducted, and a subsequent purchaser of such Flow Through Common Shares will not be entitled to such renunciations.

Computation of Adjusted Cost Base

The cost of Flow-Through Common Shares is deemed to be nil under the Tax Act. Flow-Through Common Shares and other Common Shares held or acquired by a Subscriber are subject to the averaging rules under the Tax Act.

Dividends on Flow-Through Common Shares

Dividends received or deemed received on Flow-Through Common Shares, if any, will be included in computing the Subscriber's income and will be subject to gross-up and dividend tax credit rules applicable to dividends paid by a taxable Canadian corporation. Taxable dividends received by a Subscriber from a public corporation that is a taxable Canadian corporation which are designated by such corporation as "eligible dividends" in accordance with the Tax Act will be entitled to the enhanced gross-up and dividend tax credit for eligible dividends, if the recipient is notified in writing by the public corporation at or before the time the dividend is paid. No comment is made as to whether the Company would make such designation or provide such notice.

Disposition of Flow-Through Common Shares

Any disposition or deemed disposition of Flow-Through Common Shares by a Subscriber (other than to the Company) will result in the realization of a capital gain (or capital loss) in the taxation year of the disposition to the extent by which proceeds of disposition exceed (or are exceeded by) the aggregate of the adjusted cost base of the disposed shares and any reasonable costs of disposition. The cost of Flow-Through Common Shares is deemed to be nil under the Tax Act, subject to the averaging rules as referred to above. One-half of any capital gain will be included in the subscriber's income as a taxable capital gain. One-half of any capita loss may generally be deducted as an allowable capital loss against taxable capital gains realized by the Subscriber in the year of disposition, with any remaining allowable capital loss being deductible against any of the three preceding taxation years or any subsequent taxation year, subject to details provisions of the Tax Act.

Tax Credits

In certain circumstances, a Subscriber may be entitled to a federal non-refundable investment tax credit equal to 15% of certain types of CEE renounced to the Subscriber and allocated to the Subscriber. Generally, the CEE that gives rise to the investment tax credit relates to specified surface grassroots mining exploration expenses incurred in Canada by the Company. The amount of CEE upon which the credit is computed will be reduced by any provincial tax credit that the Subscriber has received, is entitled to receive or can reasonably be expected to receive in respect of the CEE. The Company has not committed to incurring expenses of the type qualifying for any tax credits and will not commit in the Subscription Agreements that any tax credits will be available. Provincial tax credits, if any, are not otherwise considered in this summary.

This federal credit (if any) can be used by the Subscriber to reduce tax otherwise payable in the taxation year of the Subscriber in which the Subscriber becomes entitled to the credit. However, the credit (if any) will be limited to the extent it reduces the Subscriber's tax payable beyond the level of alternative minimum tax discussed below. Any unapplied portion of the credit may be carried back and claimed in the preceding three years or carried forward and claimed in the following twenty years. To the extent the credit is applied in a year, it is deducted from the Subscriber's CCEE account for the following taxation years. If the Subscriber's CCEE account is "negative" at the end of a taxation year, which would usually be expected to occur where the credit is so deducted from the Subscriber's CCEE account (and the Subscriber has otherwise deducted 100% of the account), the "negative" amount must be included in the Subscriber's income for the taxation year and then the Subscriber's CCEE account is restored to nil.

Alternative Minimum Tax on Individuals

Under the Tax Act, a Subscriber may have potential liability for "alternative minimum tax" ("AMT"). In computing adjusted taxable income for AMT purposes, (i) a Subscriber must generally include the actual amount of taxable dividends (without application of the gross-up or dividend tax credit) and 80% of net capital gains; and (ii) certain deductions and credits otherwise available are disallowed, including deductions in respect of CCEE, to the extent the deductions exceed the Subscriber's income from royalties in respect of, or income from the production of petroleum, natural gas and minerals or amounts required to be included in income under section 59 of the Tax Act (including income from the disposition of foreign resource properties). Any additional tax payable by a Subscriber under the AMT provisions may be carried forward and applied against certain tax otherwise payable in any of the seven immediately following taxation years; however, this carry-forward amount will only be creditable in a particular year to the extent that the individual's tax payable for the year, calculated without reference to the minimum tax provisions, exceeds the tax payable under the minimum tax provisions for the year. Whether and to what extent the tax liability of a particular Subscriber will be increased AMT will depend on the amount the Subscriber's income, the sources from which it is derived and the nature of any deductions the Subscriber claims. Accordingly, each Subscriber should review his or her particular circumstances to determine whether an investment in Flow-Through Common Shares may result in a liability for AMT in excess of his or her income tax liability otherwise payable.

Cumulative Net Investment Loss

One-half of the amount of CEE renounced to a Subscriber will be added to the Subscriber's cumulative net investment loss ("CNIL") account. A Subscriber's CNIL account may impact a Subscriber's ability to access the $750,000 capital gains exemption available on the disposition of qualified small business corporation shares, qualified farm property and qualified fishing property.

PLAN OF DISTRIBUTION

The Company, by an Agreement dated March 17, 2010 (the "Agency Agreement") has appointed the Agent to offer for sale on a commercially reasonable efforts basis in British Columbia and Alberta a minimum of 3,000,000 Offered Shares at a price of $0.25 per Share.

The completion of this Offering is subject to a minimum subscription of 3,000,000 shares, of which 1,000,000 shall be Flow-Through Shares. The Agent will hold in trust all funds received for subscriptions until the minimum funds of $750,000 has been raised. The distribution under this prospectus will cease on the 90th day after the issuance of the receipt for the final prospectus. In the event that the minimum subscription is not attained by the date that is 90 days from the date a receipt is issued for the final Prospectus, all funds raised hereunder will be refunded to investors without interest or deduction.

The Exchange has conditionally accepted the securities to be distributed under this prospectus for listing on the Exchange. The listing will be subject to the Company fulfilling all of the listing requirements of the Exchange.

As at the date of this Prospectus, the Company 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 outside Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

The Agent will receive a commission of 10% of the gross proceeds of Shares sold, subject to the Minimum Offering being sold. The commission will be paid from the proceeds raised from the Shares.

Upon completion of the Offering, the Agent will receive the Agent's Warrant entitling it to acquire that number of Shares equal to 10% of the aggregate number of shares sold under the Offering, including any shares issued pursuant to the Over-Allotment option at a price of $0.25 per Share at any time on or before the second anniversary of the date on which the Shares are listed on the Exchange.

The Company will pay or issue to the Agent, on completion of the Offering, a Corporate Finance Fee of 100,000 Corporate Finance Shares and $10,000 as an administration fee. The Agent will also be reimbursed for reasonable expenses and the legal fees of its counsel including taxes and disbursements in relation to the Offering. The Agent has received a retainer of $15,000 towards such fees and expenses.

The Agent may solicit and accept subscriptions for additional Shares in the Offering up to a maximum of 15% of the Offering. The number of additional Shares, subject to the Over-Allotment Option, will be the lesser of 15% of the Offering or the actual number or additional Share for which subscriptions have been received. The Over-Allotment Option will expire on the Closing.

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

National Instrument 41-101 – *General Prospectus Requirements* restricts the number of Qualified Compensation Securities to a maximum of 10% of the Offered Shares. For the purposes of this Offering, assuming the Over-Allotment Option is not exercised, any of combination of the following, totaling 300,000 securities, are Qualified Compensation Securities and are qualified for distribution by this Prospectus: (a) up to 100,000 Corporate Finance Fee Shares; and (b) up to a maximum of 300,000 Agent's Warrants. To the extent that the Agent is entitled to receive securities as compensation exceeding 10% of the Offering, those securities exceeding the 10% threshold will not be Qualified Compensation Securities, will not be qualified for distribution under this Prospectus and will be subject to a hold period in accordance with applicable securities laws.

The Over-Allotment Option, the shares issued upon the exercise of the Over-Allotment Option and the Qualified Compensation Securities are qualified by this Prospectus. The Shares issued upon exercise of the Agent's Warrants and any Agent's Warrants in excess of 10% of the Offered Shares are not qualified by the Prospectus.

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

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

The price of the Shares and the Commission was set by negotiations between the Company and the Agent.

RISK FACTORS

AN INVESTMENT IN THE COMMON SHARES OF THE COMPANY IS SPECULATIVE IN NATURE AND INVOLVES A HIGH DEGREE OF RISK. IN ADDITION TO THE OTHER INFORMATION PRESENTED IN THIS PROSPECTUS, PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS IN EVALUATING AN INVESTMENT IN THE COMMON SHARES.

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

1. The purpose of the present Offering is to raise funds to carry out further exploration on the Company's mineral properties with the ultimate objective of establishing ore reserves of commercial tonnage and grade. If the Company's exploration program is successful, additional funds will be required for the development of an economic ore body and to place it in commercial production. The only source of future funds presently available to the Company is through the sale of equity capital. The only alternative for the financing of further exploration would be the offering by the Company of an interest in its property to be earned by another party or parties carrying out further exploration or development thereof, which is not presently contemplated. There is no assurance that such sources of financing will be available on acceptable terms, if at all.

2. There is currently no market for the securities offered by the Company and there can be no assurance that an active market will develop or be sustained after the Offering. The lack of an active public market could have a material adverse effect on the price of the Company's common shares. The price of the Shares to the public and the commission to the Agent was established by negotiation between the Company and the Agent, and may not be indicative of fair market value or future market prices. The market price of a publicly-traded stock is affected by many variables not directly related to the corporate performance of the Company, including the market in which it is traded, the strength of the economy generally, the availability of the attractiveness of alternative investments, and the breadth of the public market for the stock. The effect of these and other factors on the market price of the common shares of the Company on the Exchange in the future cannot be predicted.

3. Exploration for minerals is a speculative venture necessarily involving some substantial risk. The program proposed by the Company is an exploratory search for ore. There is no certainty that the expenditures to be made by the Company in the acquisition and exploration of the interests described herein will result in discoveries of commercial quantities of ore. The property of the Company does not contain any known body of commercial ore.

4. Resource exploration and development is a speculative business and involves a high degree of risk. The marketability of natural resources which may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use,

importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

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

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

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

8. While the Company has obtained the usual industry standard title report with respect to its properties, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. The Company must expend monies to carry out further work on the properties described in this Prospectus in order to keep in good standing the interests as described under the heading "Description of Business and Property" in this Prospectus.

9. The Company's properties include mineral claims which have not been surveyed, and therefore, the precise location of the mineral claims may be in doubt.

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

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

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

13. The current or future operations of the Company, including exploration and development activities and commencement of production on its properties, require permits from various levels of government. Such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. The Company believes it is in substantial compliance with all material laws and regulations that currently apply to its activities. There can be no assurance however, that all permits which the Company may require for construction of mining facilities and conduct of mining operations, particularly environmental permits, will be obtainable on reasonable terms or that compliance with such laws and regulations would not have an adverse effect on the profitability of any mining project that the Company might undertake.

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

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

14. Mining, like many other extractive natural resource industries, is subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products occurring as a result of mineral exploration and production. Environmental liability may result from mining activities conducted by others prior to the Company's ownership of its properties. To the extent the Company is subject to uninsured environmental liabilities, the payment of such liabilities would reduce funds otherwise available of the Company and could have a material adverse effect on the Company. Should the Company be unable to fund fully the cost of remedying an environmental problem, the Company might be required to suspend operations or enter into interim compliance measures.

15. Certain of the directors of the Company serve as directors of other companies or have significant shareholdings in other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a Board of Directors meeting, a director who has such a conflict will abstain from voting for or against the approval of such a participation or such terms. From time to time several companies may participate in the acquisition, exploration and development of natural resource

properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with the laws of the Province of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

16. A substantial number of common shares of the Company were issued at prices that were substantially less than the price of the Offered Shares. This will result in a significant dilution of the value of the offered shares.

PROMOTERS

The present directors of the Company are the promoters of the Company, being Stephen P. Kenwood, William E. Schmidt and Christopher I. Dyakowski. See "Directors, Officers, Promoters and Other Management" and "Executive Compensation".

The following table provides (i) the number and percentage of each class of voting securities of the Company beneficially owned, or controlled or directed, directly or indirectly, and (ii) the number of options granted:

Name	Number of Voting Securities(1)	Percentage of Voting Securities	Number of Options
Stephen P. Kenwood	700,000	13.33%	95,000
Christopher I. Dyakowski(2)(3)	900,000	17.14%	200,000
William E. Schmidt	525,000	10%	95,000

(1) The shares are subject to escrow restrictions. See "Escrowed Securities".
(2) See "Executive Compensation".
(3) Pursuant to a contract for services, the Company will pay Christopher I. Dyakowski $2,500 a month. See "Executive Compensation – Termination of Employment, Changes in Responsibility and Employment Contracts".

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is not a party to any legal proceedings or regulatory actions nor does the Company contemplate any such proceedings or regulatory actions.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed in this Prospectus, no director, executive officer, or person or company that beneficially owns or controls or directs, directly or indirectly, more than 10% of the outstanding voting securities, or an associate or affiliate of any of those persons or companies, has or has had any material interest, direct or indirect, in any transaction or in any proposed transaction which has materially affected or is reasonably expected to materially affect the Company, since the inception of the Company save and except management fees (in the amount of $12,500 as at March 31, 2010) paid or payable to Max Investments Inc., a company controlled by Christopher I. Dyakowski, President of the Company and the Rum Option Agreement whereby Christopher I. Dyakowski received $1,000.00. Mr. Dyakowski paid $500.00 for the Rum Claims and had additional expenses carrying out of sampling on the said claims. Max Investments Inc. was paid $120,690 for exploration work. While Max Investments Inc. does not have an exploration agreement with the Company, it is anticipated that it will act as the contractor to complete the work program on the Company's property. The Company will resolve any conflict of interest between the President and the Company by the decision of the two independent directors on the Board of Directors.

RELATIONSHIP BETWEEN THE COMPANY AND THE AGENT

The Company is neither a "connected issuer" or a "related issuer" of the Agent as defined in National Instrument 33-105 – *Underwriting Conflicts*.

EXPERTS

Certain legal matters relating to the Offering will be passed upon by Hemsworth Schmidt, counsel to the Company and by Lang Michener LLP as tax counsel for the Company and by Miller Thomson LLP on behalf of the Agent. William E. Schmidt, a partner of Hemsworth Schmidt owns 525,000 Common Shares and 95,000 options.

No person or company whose profession or business gives authority to a report, valuation, statement, or opinion and who is named as having prepared or certified a part of this Prospectus or as having prepared or certified a report or valuation described or included in this Prospectus holds or is to hold any beneficial or registered interest, direct or indirect, in any securities or property of the Company or any associate of the Issuer.

None of the persons defined as experts have any direct or indirect interest in the business of the Company. The only persons defined as an "expert" are Minni, Clark & Company, Certified General Accountants, of 200 – 551 Howe Street, Vancouver, B.C. V6C 2C2 and John R. Kerr, P.Eng. Mr. Kerr prepared the Technical Report on the Allison Lake Property. He is independent from the Company within the meaning of NI 43-101 Standards and Disclosure for Mineral Properties.

MATERIAL CONTRACTS

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

1. The Agency Agreement dated March 17, 2010 between the Company and the Agent described in the section captioned "Plan of Distribution" herein.

2. The Directors and Officer's Stock Option Agreements dated September 22, 2009 between the Company and its directors and officers described in the section captioned "Options to Purchase Securities" herein.

3. The Escrow Agreement dated November 1, 2009 between Computershare Investor Services Inc. and each of the persons described in the section captioned "Escrowed Shares" herein.

4. A Contract for Services dated November 1, 2009 between Max Investments Inc. and the Company described under the heading "Payments to Insiders and Promoters".

5. A Contract for Services dated November 1, 2009 between Leslie J. Fowler and the Company described under the heading “Payments to Insiders and Promoters”.

6. Transfer Agent Agreement between the Company and Computershare Investor Services Inc. dated November 1, 2009.

7. The Option Agreement dated August 5, 2009 with Christopher I. Dyakowski described under the heading “Interest in Mineral Property”.

8. The Option Agreement dated August 10, 2008 with Richard Billingsley and Dwayne Kress described under the heading “Interest in Mineral Property”.

Material contracts may be inspected at the offices of Hemsworth, Schmidt at 430 - 580 Hornby Street, Vancouver, B.C. during normal business hours during the period of distribution of the securities being offered under this Prospectus and for a period of 30 days thereafter.

OTHER MATERIAL FACTS

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

AUDITOR, TRANSFER AGENT AND REGISTRAR AND AUDITOR

The Registrar and Transfer Agent for the Company is Computershare Investor Services Inc. of 3rd Floor – 510 Burrard Street, Vancouver, B.C. V6C 3B9. The Auditor for the Company is Minni, Clark & Company, Certified General Accountants, Chartered Accountants, of 200 – 551 Howe Street, Vancouver, B.C. V6C 2Z2.

FINANCIAL STATEMENTS, REPORT AND OTHER EXHIBITS

Audited financial statements prepared for the year ending June 30, 2009 and the unaudited financial statement for the period ended March 31, 2010 are included in this Prospectus.

PURCHASERS’ STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

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

SCHEDULE A

AUDIT AND FINANCE COMMITTEE CHARTER AUDIT AND FINANCE COMMITTEE OF THE BOARD OF DIRECTORS CHARTER

Organization
There shall be a committee of the board of directors (the “Board”) of Orofino Minerals Inc. (“Orofino”) known as the Audit and Finance Committee (the “Committee”). This charter shall govern the operations of the Committee.

Membership and Qualifications
The membership of the Committee shall be appointed by the Board and shall consist of at least three directors, the majority of whom will be non-officers (the “Independent Directors”).

Each independent member of the Committee shall be, while at all times a member of the Committee, free of any relationship that, in the opinion of the Board, would interfere with the member’s individual exercise of independent judgment.

Each member of the Committee shall be, while at all times a member of the Committee, generally knowledgeable in financial and auditing matters, specifically possessing the ability to read and understand fundamental financial statements including Orofino’s balance sheet, statement of operations and statement of cash flows.

The Board shall appoint one member of the Committee as chair. The chair shall be responsible for leadership of the Committee, including preparing the agenda, presiding over the meetings, making committee assignments and reporting to the Board. The chair will also maintain regular liaison with Orofino’s Chief Executive Officer, Chief Financial Officer and lead independent audit partner.

Role
The Committee assists the Board in fulfilling its responsibility for oversight of the quality and integrity of the accounting, auditing, reporting practices, systems of internal accounting and financial controls, the annual independent audit of Orofino’s financial statements, and the legal compliance and ethics programs of Orofino as established by management and the Board shall also perform any other related duties as directed by the Board. In fulfilling this role, the Committee is expected to maintain free and open communications with the independent auditor and management of Orofino and shall meet at least once each quarter.

While the Committee has the responsibilities and powers set forth below in this charter under the headings “Authority” and “Responsibilities and Processes”, it is not the duty of the Committee to conduct audits or to determine that Orofino’s financial statements are fairly presented and are in accordance with generally accepted accounting principles. Management is responsible for the preparation of financial statements in accordance with generally accepted accounting principles. It is the role of the independent auditor to audit the financial statements.

Authority
The Committee is granted the authority to investigate any matter brought to its attention, with full access to all books, records, facilities and personnel of Orofino. The Committee has the power to engage and determine funding for outside counsel or other experts or advisors as the Committee deems necessary for these purposes and as otherwise necessary or appropriate to carry out its duties. Orofino shall provide appropriate funding, as determined by the Committee, for payment of compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for Orofino and for any advisors employed by the Committee as well as for the payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out it duties.

Responsibilities and Processes
The Committee's primary responsibilities include:

- Overseeing Orofino's financial reporting process on behalf of the Board and reporting the results or findings of its oversight activities to the Board.

- Having sole authority to appoint, retain and oversee the work of Orofino's independent auditor and establishing the compensation to be paid to the independent auditor. Orofino's independent auditor shall report directly to the Committee.

- Establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls and/or auditing matters for the confidential, anonymous submission by Orofino's employees of concerns regarding questionable accounting or auditing matters.

- Pre-approving all audit services and permissible non-audit services as may be amended from time to time.

- Overseeing Orofino's system to monitor and manage risk, and legal and ethical compliance programs, including the establishment and administration (including the grant of any waiver from) a written code of ethics applicable to each of Orofino's principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions.

The Committee, in carrying out its responsibilities, believes its policies and procedures should remain flexible in order to react more effectively to changing conditions and circumstances. The Committee shall take the appropriate actions to set the overall corporate "tone" for quality financial reporting, sound business risk practices and ethical behavior.

The following shall be the principal recurring processes of the Committee relating to its oversight responsibilities. These processes are set forth as a guide, with the understanding that the Committee may supplement them as appropriate and is not intended be a comprehensive list of all the actions that the Committee will take in discharging its duties. These processes are:

- Discussing with the independent auditor the objectivity and independence of the auditor and any relationships that may impact the auditor's objectivity or independence and receiving from the independent auditor disclosures regarding its independence and written affirmation that the independent auditor is in fact independent, and taking any action, or recommending that the Board take appropriate action to oversee the independence of the independent auditor.

- Overseeing the independent auditor relationship by discussing with the auditor the nature and scope of the audit process, receiving and reviewing audit reports, and providing the auditor full access to the

Committee to report on any and all appropriate matters. The Committee has the sole authority to resolve disagreements, if any, between management and the independent auditor.

- Discussing with the independent auditor and Orofino's financial and accounting personnel, together and in separate sessions, the adequacy and effectiveness of the accounting and financial controls of Orofino and eliciting recommendations for the improvement of such internal control procedures or particular areas where new or more detailed controls or procedures may be desirable.

- Providing sufficient opportunity for the independent auditor to meet with the members of the Committee without members of management present. Among the items to be discussed in these meetings are the independent auditor's evaluation of Orofino's financial and accounting personnel and the cooperation that the independent auditor received during the course of the audit.

- Discussing with management their review of the adequacy of Orofino's disclosure controls and procedures, the effectiveness of such controls and procedures and any findings following such review.

- Reviewing Orofino's system to monitor, assess and manage risk and legal and ethical compliance program.

- Reviewing and discussing with management and the independent auditor prior to the filing of Orofino's annual report:

  1. Orofino's annual financial statements and related footnotes and other financial information, including the information in the "Management's Discussion and Analysis"

  2. The selection, application and effects of Orofino's critical accounting policies, practices and the reasonableness of significant judgments and estimates made by management.

  3. Alternative and preferred treatment of financial information under generally accepted accounting principles.

  4. All material arrangements, off-balance sheet transactions and relationship with any unconsolidated entities or any other persons which may have a material, current or future, effect on the financial condition of Orofino.

  5. Any material written communications between the independent auditor and management.

  6. The independent auditor's audit of the financial statements and its report thereon.

  7. Any significant finding and recommendations of the independent auditor and management's responses thereto.

  8. Any significant changes in the independent auditor's audit plan.

  9. Any serious difficulties or disputes with management encountered during the course of the audit.

  10. Any related significant findings and recommendations of the independent auditor together with management's responses thereto.

11. Other matters related to the conduct of the audit, which are to be communicated to the Committee under generally accepted auditing standards.

? Preparing a report to be included in Orofino's Information Circular that states the Committee has:

1. Analyzed and discussed the audited financial statements with management;

2. Discussed with the independent auditor the auditor's independence;

3. Considered the audit and non-audit services provided by the independent auditor, and the fees paid for such services; and

✍ The Committee shall review in advance all announcements of interim and annual financial results, as well as any periodic guidance to be publicly released by Orofino and discuss such announcements with management and the independent auditors.

✍ Reviewing and discussing with management and the independent auditor prior to the filing of Orofino's Quarterly Report:

1. Orofino's interim financial statements and related footnotes and other financial information, including the information in the "Management's Discussion and Analysis".

2. The selection, application and effects of Orofino's critical accounting policies, practices and the reasonableness of significant judgments and estimates made by management.

3. Alternative and preferred treatment of financial information under generally accepted accounting principles.

4. All material arrangements, off-balance sheet transactions and relationship with any unconsolidated entities or any other persons which may have a material current or future effect on the financial condition of Orofino.

✍ Reviewing and either approving or disapproving all related party transactions.

✍ Submitting the minutes of all meetings of the Committee to, or discussing the matters discussed at each committee meeting with, the Board.

✍ Reviewing and assessing the adequacy of this charter annually and recommend any proposed changes to the Board for its approval.

✍ The Chairman of the Committee, or another Committee member designated by the Chairman, is authorized to act on behalf of the Committee with respect to required Committee responsibilities which arise between regularly scheduled Committee meetings, with the independent auditors and management, as well as the pre-approval of non-audit services provided by the independent auditors, as necessary, as contemplated by the Committee's policies. Any such pre-filing discussions and pre-approvals shall be reported to the Committee at a subsequent meeting.

SCHEDULE S

SUBSCRIPTION AGREEMENT

THIS AGREEMENT is dated ______________________, 2010.

BETWEEN

THE PERSONS LISTED AS SUBSCRIBERS IN APPENDIX I TO THIS AGREEMENT

(the "**Subscribers**")

AND

OROFINO MINERALS INC.

(the "**Company**")

WHEREAS each of the Subscribers has agreed to subscribe for the Flow-Through Common Shares (as defined herein) set forth across from the Subscriber's name on Appendix I to this Agreement, and Canaccord Genuity Corp. represents that it is authorized to execute the Agreement as agent on behalf of the Subscribers; and

THEREFORE, upon payment for the Flow-Through Common Shares by the Subscribers, and execution of this Agreement by Canaccord Genuity Corp., as Agent (as defined herein) for the Subscribers and by the Company, the Subscribers and the Company hereby irrevocably agree to be bound by the terms and conditions set forth in this Agreement, including Appendix I and II for all purposes, with respect to the Flow-Through Common Shares.

EXECUTED by Canaccord Genuity Corp., as agent for and on behalf of the Subscribers, this ____________ day of ____________________, 2010.

CANACCORD GENUITY CORP.

Per: __________________________________
Authorized Signatory

EXECUTED by the Company this _________ day of ________________, 2010.

OROFINO MINERALS INC.

Per: __________________________________
Authorized Signatory

APPENDIX I
TO THE SUBSCRIPTION AGREEMENT
LIST OF SUBSCRIBERS

NAME OF SUBSCRIBER	ADDRESS AND TELEPHONE NUMBER OF SUBSCRIBER	NUMBER OF FLOW-THROUGH COMMON SHARES PURCHASED	SOCIAL INSURANCE NUMBER (IF SUBSCRIBER IS AN INDIVIDUAL)

NAME OF SUBSCRIBER	ADDRESS AND TELEPHONE NUMBER OF SUBSCRIBER	NUMBER OF FLOW-THROUGH COMMON SHARES PURCHASED	SOCIAL INSURANCE NUMBER (IF SUBSCRIBER IS AN INDIVIDUAL)

APPENDIX II
TO THE SUBSCRIPTION AGREEMENT
TERMS AND CONDITIONS
GOVERNING THE FLOW-THROUGH COMMON SHARES

WHEREAS:

A. The Company has certain interests in Canadian resource properties located in the province of British Columbia (collectively, the "**Properties**");

B. The Company is a Principal-Business Corporation (as defined below);

C. It is the intention of the Company, either alone or in conjunction with others, to carry out, cause to carry out, or participate in the Program (as defined below) on the Properties for the purpose of determining the existence, location, extent or quality of the mineral resources located therein;

D. Certain persons (individually, the Subscriber, as defined below) have purchased or will purchase Flow-Through Common Shares at a price of $0.25 per Flow-Through Common Share; and

E. The Company has agreed to apply an amount equal to the full Flow-Through Common Share Subscription Proceeds to carry out the Program and to renounce the Qualified Expenditures associated therewith to the Subscriber in accordance with the terms of this Appendix II.

Definitions

1.1 In this Appendix II, the listed terms below will have the following meanings:

(a) "**Agent**" means Canaccord Genuity Corp.;

(b) "**Agreement**" means the Flow-Through Share Subscription Agreement between the Company and the Subscriber dated for reference **?** pursuant to which they irrevocably agreed to be bound by the terms and conditions set forth in this Appendix II and, for greater certainty, includes this appendix II;

(c) "**Assistance**" means assistance as defined in subsection 66(15) of the Tax Act;

(d) "**Canadian resource property**" means a Canadian resource property as defined in subsection 66(15) of the Tax Act;

(e) "**CEDOE**" means expenses that are prescribed to be Canadian exploration and development overhead expenses for the purposes paragraph 66(12.6)(b) of the Tax Act;

(f) "**CEE**" means one or more expenses described in paragraph (f) of the definition of "Canadian exploration expense" in subsection 66.1(6) of the Tax Act, excluding amounts which are prescribed to constitute CEDOE, Canadian exploration expenses to the extent of the amount of any assistance described in paragraph 66(12.6)(a) of the Tax Act, any specified expenses for the cost or use of seismic data described in paragraph 66(12.6)(b.1) of the Tax Act, and any expenses for prepared services or rent that do not qualify as outlays and expenses for the period as describe din the definition of "expense" in subsection 66(15) of the Tax Act;

(g) "**Closing Date**" means such date or dates that the Company and the Agent mutually determine to close the sale of the Flow-Through Common Shares sold pursuant to the Prospectus (as defined below);

(h) **Flow-Through Common Share**" means a common share in the capital of the Issuer to be issued as a "flow-through share" in accordance with the provisions of this Appendix II;

(i) "**Flow-Through Common Share Subscription Proceeds**" means CDN $0.25 times the number of Flow-Through Common Shares subscribed for by the Subscriber pursuant to this Agreement;

(j) "**Principal-Business Corporation**" means a principal-business corporation as defined in Section 66(15) of the Tax Act;

(k) "**Program**" means the Company's program of exploration on its Properties, on which the Company will expend an amount equal to the full Flow-Through Common Share Subscription Proceeds;

(l) "**Prospectus**" means the preliminary prospectus dated March 17, 2010, and the final prospectus dated July 26, 2010, in connection with the initial public offering of 3,000,000 common shares of the Company at a price of $0.25 per share of which 1,000,000 will be issued on a flow-through basis pursuant to the Tax Act;

(m) "**Qualifying Expenditure**" means one or more expenses that are CEE at the date they are incurred and are incurred on or after the Closing Date and on or before the Termination Date and are expenses which may (provided that the Subscriber, and if the Subscriber is a partnership then every partner of the partnership, deals at arm's length with the Company for purposes of the Tax Act at all relevant times) be renounced by the Company pursuant to subsections 66(12.6) and 66(12.66) of the Tax Act with an effective date not later than December 31, 2010 and in respect of which, but for the renunciation, the Company would be entitled to a deduction from income for income tax purposes;

(n) "**Qualified Look-Back Expenditure**" means a Qualified Expenditure that is a grassroots CEE expenditure described in subsection 66(12.66)(b) of the Tax Act;

(o) "**Subscriber**" means the person or persons named as Subscriber in this Agreement and listed in Appendix I;

(p) "**Tax Act**" means the *Income Tax Act* (Canada), together with any and all regulations promulgated thereunder, as amended from time to time; and

(q) "**Termination Date**" has the meaning ascribed below in Subsection 3.1 in this Appendix II.

1.2 Any reference to a term or provision of, or filing or other requirement in respect of, the Tax Act shall be read as including a reference to any relevant equivalent or corresponding provision of any relevant provincial legislation and the Company will take all necessary steps to ensure that expenses renounced hereunder will also qualify for flow-through to the Subscriber under such relevant provincial legislation.

2. Flow-Through Share Subscription Commitment

2.1 The Agent represents, warrants, covenants, certifies, acknowledges and declares to the Company (and acknowledges that the Company is relying thereon) that:

(a) The Agent is the duly authorized agent for those persons listed on Appendix I of the Agreement (each of which is a Subscriber) and hereby irrevocably subscribes on behalf of the Subscribers for the aggregate number of Flow-Through Common Shares and at the aggregate purchase price indicated in Appendix I, upon the terms and conditions set forth in this Appendix II;

(b) The Agent has been authorized to enter into the Agreement on behalf of the Subscribers and to make the representations, warranties and statements contained herein on their behalf; and

(c) Each Subscriber has received a copy of the Prospectus (as hereinafter defined) and has tendered payment of their respective purchase price to the Agent in order that it may deliver a certified cheque or bank draft payable to the company in respect thereof.

2.2 The Subscriber hereby subscribes for and agrees to purchase from the Company, on the terms and conditions set forth herein, that number of Flow-Through Common Shares of the Company set out in Appendix I to the face page of this Agreement at a price of $0.25 per Flow-Through Common Share. Subject to the terms hereof, this subscription will be deemed to have been made and be effective only upon its acceptance by the Company.

3. Qualified Expenditures

3.1 The Company will:

(a) commencing on or after the Closing Date and within 24 months after the end of the month that includes the Closing Date (the "Termination Date"), carry out or cause to be carried out the Program and in connection therewith incur Qualified Expenditures in an aggregate amount not less than the Flow-Through Common Share Subscription Proceeds such that, after taking into account:

(i) all Assistance that the Company has received, is entitled to receive, or may reasonably be expected to receive at any time, that can reasonably be related to the Qualified Expenditures or to related exploration activities relevant for purposes of the Tax Act;

(ii) all CEDOE of the Company;

(iii) specified expenses relating to seismic data as described in paragraph 66(12.6)(b.1) of the Tax Act;

(iv) any expenses for prepaid services or rent that do not qualify as outlays and expenses for the period as described in the definition "expense" in subsection 66(15) of the Tax Act;

(v) any other such renunciation with the same or earlier effective date made or to be made by the Company; and

(vi) the amount of the cumulative CEE of the Company at each relevant effective date,

the Company will be able to renounce to the Subscriber, with an effective date or effective dates after the Closing Date, Qualified Expenditures in an amount equal to the Flow-Through Common Share Subscription Proceeds, not subject to any reduction under subsection 66(12.73) of the Tax Act;

(b) in any case renounce in prescribed form to the Subscriber, by not later than the time permitted under the Tax Act, with an effective date or effective dates after the Closing Date, Qualified Expenditures in an amount equal to the Flow-Through Common Share Subscription Proceeds, not subject to any reduction under subsection 66(12.73) of the Tax Act; and

(c) use commercially reasonable efforts consistent with its Program and sound exploration practice to (i) incur the maximum possible amount of such Qualified Expenditures by December 31, 2010 and to (ii) incur any balance by December 31, 2011, and to renounce such amounts, inclusive of such expenditures as constitute Qualified Look-Back Expenditures and provided the provisions of subsection 66(12.66) of the Tax Act are otherwise met, effective as of December 31, 2010 for the purposes of the Tax Act and for this purpose, the Company will, not later than the end of March 2011, make a reasonable determination of the extent to which the balance of expenditures can reasonably be incurred as such Qualified Look-Back Expenditures to the end of 2011 in a manner that is commercially reasonable and consistent with its Program and sound exploration practice, and renounce based on such determination.

3.2 For greater certainty, the Company will in no event be required to renounce Qualified Look-Back Expenditures effective as of December 31, 2010 as contemplated under Subsection 3.1(c) of this Appendix II, or be liable in respect of any failure to so renounce, if the Subscriber has not paid the Flow-Through Common Share Subscription Proceeds before December 31, 2010 or if the Subscriber (or if the Subscriber is a partnership, any partner thereof) does not deal at arm's length with the Company at all relevant times for purposes of the Tax Act, or to the extent the Company determines (by the end of March 2010, that it cannot reasonably expend a balance of expenditures as Qualified Look-Back Expenditures before December 31, 2011 in a manner that is commercially reasonable and consistent with its Program and sound exploration practice.

4. Termination

4.1 The obligations of the Company set out in this Appendix II will terminate on the occurrence of the earliest of:

(a) the date on which it becomes unlawful for the Company to carry out all or substantially all of the Program,

(b) the date after which any applicable statute or regulation prevents all or substantially all of the expenditures to be made or incurred pursuant to this Agreement from being Qualified Expenditures or the Company is prevented from renouncing Qualified Expenditures to the Subscriber, and

(c) the date of the appointment of a trustee, receiver or liquidator on the bankruptcy, insolvency, liquidation or winding-up of the Company or the occurrence of any other event that would permit a trustee or receiver to administer the affairs of the Company, or when the Company takes advantage of any legislation or statute for the benefit of bankrupt or insolvent debtors, but the occurrence of such an event will have no effect on any action taken or performed by the Company before the occurrence and will not avoid the obligation of the Company to renounce to the Subscriber the amount of CEE that it is entitled to renounce to the Subscriber in respect of Qualified Expenditures incurred pursuant to this Agreement before such occurrence.

5. Assistance

5.1 Any Assistance in respect of expenses incurred by or on behalf of the Company pursuant to this Agreement will be for the sole benefit of the Company, except that the Company will not claim Assistance to the extent (if any) it would impair the ability of the Company to renounce the Qualified Expenditures envisioned under this Agreement or impair the ability of the Subscriber to claim any applicable tax credit, if available (for greater certainty, the Company makes no representation or warranty as to the availability of such credit to the Subscriber, but will provide on request of the Subscriber such information respecting the Program as the Subscriber may reasonably require to apply for any such applicable credit).

6. Indemnity

6.1 If the Company does not incur by the Termination Date, and renounce to the Subscriber, in accordance with this Agreement, Qualifying Expenditures equal to the Flow-Through Common Share Subscription Proceeds, the Company shall indemnify and hold harmless the Subscriber and each of the partners thereof if the Subscriber is a partnership or a limited partnership (for the purposes of this paragraph each an "Indemnified Person") as to, and pay in settlement thereof to the Indemnified Person on or before the twentieth business day following the Termination Date an amount equal to the amount of any tax (within the meaning of paragraph (b) of the definition of "excluded obligation" in subsection 6202.1(5) of the regulations to the Tax Act as it currently reads or within the meaning of paragraph (c) of the definition of "excluded obligation" in proposed subsection 6202.1(5) of the regulations to the Tax Act) payable under the Tax Act (and under any corresponding provincial legislation) by any Indemnified Person as a consequence of such failure. In the event that the Canada Revenue Agency (or any similar provincial tax authority) reduces the amount renounced by the Company to the Subscriber pursuant to subsection 66(12.73) of the Tax Act (or any corresponding provincial legislation), the Company shall indemnify and hold harmless each Indemnified Person as to, and pay in settlement thereof to the Indemnified Person an amount equal to the amount of any tax (within the meaning of paragraph (c) of the definition of "excluded obligation" in proposed subsection 6202.1(15) of the regulations to the Tax Act payable under the Tax Act (and under any corresponding provincial legislation) by the Indemnified Person as a consequence of such reduction.

6.2 To the extent that any person entitled to be indemnified hereunder is not a part to the Agreement, the Subscriber shall obtain and hold the rights and benefits of the Agreement in trust for, and on behalf of, such person and such person shall be entitled to enforce the provision of this section notwithstanding that such person is not a party to the Agreement.

7. Subscriber's Representations, Warranties and Covenants

7.1 The Subscriber represents, warrants to and covenants with the Company that, in addition to the representations and warranties of the Subscriber contained elsewhere in this Agreement,

(a) the Subscriber (and, if applicable, any beneficial Subscriber for whom it is acting) is resident in the jurisdiction and at the address set out on Appendix I of this Agreement; and

(b) the Subscriber (or if the Subscriber is a partnership, each partner thereof) deals and will deal at arm's length with the Company until January 1, 2012 for purposes of the Tax Act.

8. Representations, Warranties and Covenants of the Company

8.1 The Company represents and warrants to and covenants with the Subscriber that, in addition to the representations and warranties of the Subscriber contained elsewhere in this Agreement or otherwise in this Appendix II hereto,

(a) it is and will remain until such time as all of the Qualifying Expenditures required to be renounced under the Agreement have been incurred and validly renounced pursuant to the Tax Act, for purposes of the renunciation envisioned herein, a Principal-Business Corporation;

(b) but for any agreement, arrangement, or understanding to which the Company is not a party, the Flow-Through Common Shares when issued to the Subscriber will be "flow-through shares" as defined in subsection 66(15) of the Tax Act and not "prescribed shares" within the meaning of Section 6202.1 of the regulations to the Tax Act;

(c) it will comply with all filing requirements of the Tax Act in respect of this Agreement and all other requirements of the Tax Act with respect to the renunciation of Qualified Expenditures;

(d) it will ensure that all expenses renounced to the Subscriber pursuant to this Agreement will be Qualified Expenditures;

(e) it will, on the effective date of each renunciation of CEE to the Subscriber pursuant to this Agreement, have sufficient renounceable cumulative CEE to make the renunciation;

(f) it will not claim as CEE under the Tax Act or under any provincial income tax legislation any amount in respect of Qualified Expenditures incurred by it that would wholly or partly impair its ability to make the renunciations provided in this Agreement;

(g) it will not make any renunciation other than pursuant to this Agreement that would render it wholly or partly incapable of making any renunciation provided for in this Agreement or that would render any renunciation made pursuant to this Agreement wholly or partly ineffective;

(h) it has no reason to believe that it will be unable to incur, on or after the Closing Date and on or before the Termination Date, and renounce to the Subscriber in accordance with subparagraph (m) below, Qualified Expenditures in the amount equal to the Flow-Through Common Share Subscription Proceeds;

(i) it has no reason to expect any reduction of Qualified Expenditures by virtue of subsection 66(12.73) of the Tax Act;

(j) it will keep proper books, records and accounts of all Qualified Expenditures and all transactions affecting the Flow-Through Common Share Subscription Proceeds and the Qualified Expenditures, and upon reasonable notice, it will make such books, records and accounts available for inspection on or by or on behalf of the Subscriber at the Subscriber's expense;

(k) it will not enter into any other agreement which would prevent or restrict its ability to renounce to the Subscriber the amount of Qualified Expenditures to be incurred in accordance with this Agreement;

(l) it will, on or after the Closing Date and on or before the Termination Date, incur Qualified Expenditures in accordance with Appendix II on one or more of its Properties in an amount not less than the amount of the Flow-Through Common Share Subscription Proceeds;

(m) it will renounce in prescribed form to the Subscriber in accordance with subsection 66(12.6) of the Tax Act and in accordance with this Appendix II, Qualified Expenditures in an amount equal to the Flow-Through Common Share Subscription Proceeds; and

(n) it will deliver to each of the Subscribers at the Subscribers' addresses set forth on Appendix I of this Agreement, not later than the time permitted under subsection 66(12.7) of the Tax Act for each relevant renunciation, a statement setting forth the aggregate amount of Qualified Expenditures renounced to the Subscriber hereunder.

9. Company's Acceptance

9.1 This Agreement, when executed by the Agent on behalf of the Subscribers and delivered to the Company, will constitute a subscription for Flow-Through Common Shares which will not be binding on the Company until accepted by the Company by executing this Agreement in the space provided on the first page of this Agreement and, notwithstanding the reference date on that page, if the Company accepts the subscriptions by the Subscribers, this Agreement will be entered into on the date of such execution by the Company.

10. Miscellaneous

10.1 The Subscriber hereby irrevocably authorizes the Agent, in its sole discretion:

(a) to act as the Subscriber's representative to receive certificates for Flow-Through Common Shares subscribed for and to execute in his, her or its name and on his, her or its behalf all closing receipts and documents required; and

(b) to waive, in whole or in part, any representations, warranties, covenants or conditions for the benefit of the Subscriber contained herein or in any agreement or document ancillary or related thereto.

10.2 Time is of the essence of this Agreement.

10.3 Except as expressly provided in this Agreement and in the Prospectus, agreements, instruments and other documents contemplated or provided for herein, this Agreements contains the entire agreement between the parties with respect to the Flow-Through Common Shares and there are no other terms, conditions, representations or warranties whether expressed, implied, oral or written, by statute, by common law, by the Company, by the Agent, or by anyone else.

10.4 The parties to this Agreement may amend this Agreement only in writing.

10.5 This Agreement enures to the benefit of and is binding upon the parties to this Agreement and their successors and permitted assigns.

10.6 A party to this Agreement will give all notices to or other written communications with the other party to this Agreement concerning this Agreement by hand or by registered mail addressed to such party, in the case of the Company to the address given in the Prospectus and in the case of the Subscriber, to the Agent at its address given in the Prospectus.

10.7 This Agreement is to be read with all changes in gender or number as required by the context.

10.8 This Agreement will be governed by and construed in accordance with the laws of British Columbia, and the parties hereto irrevocably attorn and submit to the jurisdiction of the courts of British Columbia with respect to any dispute related to this Agreement.

END OF APPENDIX II

MINNI, CLARK & COMPANY
CERTIFIED GENERAL ACCOUNTANTS

SUITE 200 – 551 HOWE STREET
VANCOUVER, BRITISH COLUMBIA
CANADA V6C 2C2

TELEPHONE: (604)683-0343
FAX: (604)683-4499

Jerry A. Minni, C.G.A. *`
Bryce A. Clark, C.G.A. *

** Incorporated Professional*

July 26, 2010

AUDITOR'S CONSENT

We have read the prospectus of Orofino Minerals Inc. (the "Company") dated July 26, 2010 relating to the sale and issue of 3,000,000 Common Shares of the Company, of which 1,000,000 will be issued on a flow through basis, filed thereby under the *Securities Act* (British Columbia) and the *Securities Act* (Alberta),(the "Acts").

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 on the balance sheet of Orofino Minerals Inc. as at December 31, 2009 and June 30, 2009 and the statements of operations and comprehensive loss and deficit and cash flows for three month period December 31, 2009, six month period ended December 31, 2009 and for the period October 9, 2008 (date of incorporation) to June 30, 2009. Our report is dated January 18, 2010.

MINNI, CLARK & COMPANY

"MINNI, CLARK & COMPANY"

CERTIFIED GENERAL ACCOUNTANTS

Vancouver, Canada
July 26, 2010

OROFINO MINERALS INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2009 AND JUNE 30, 2009

MINNI, CLARK & COMPANY
CERTIFIED GENERAL ACCOUNTANT

SUITE 200 – 551 HOWE STREET
VANCOUVER, BRITISH COLUMBIA
CANADA V6C 2C2

Jerry A. Minni, C.G.A. *
Bryce A. Clark, C.G.A. *

TELEPHONE: (604)683-0343
FAX: (604)683-4499

** Incorporated Professional*

AUDITOR'S REPORT

To the Directors,
Orofino Minerals Inc.

We have audited the balance sheets of **OROFINO MINERALS INC.** as at December 31, 2009 and June 30, 2009 and the statements of operations, comprehensive loss and deficit, and cash flows for the six month period ended December 31, 2009 and for the period from October 9, 2008 (date of incorporation) to June 30, 2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2009 and June 30, 2009 and the results of its operations and its cash flows for the six month period ended December 31, 2009 and for period from October 9, 2008 (date of incorporation) to June 30, 2009 in accordance with Canadian generally accepted accounting principles.

"Minni, Clark & Company"
CERTIFIED GENERAL ACCOUNTANTS

Vancouver, B.C.
January 18, 2010

OROFINO MINERALS INC.

BALANCE SHEETS

ASSETS

	December 31, 2009	June 30, 2009
CURRENT		
Cash and cash equivalents	$ 131,262	$ 1
GST receivable	6,429	-
	137,691	1
DEFERRED FINANCING COST (Note 5)	22,000	-
EQUIPMENT, net of accumulated Amortization of $35	667	-
MINERAL PROPERTY (Note 6)	16,000	-
DEFERRED EXPLORATION COSTS (Note 6)	120,690	-
	$ 297,048	$ 1

LIABILITIES

	December 31, 2009	June 30, 2009
CURRENT		
Accounts payable and accrued liabilities	$ 10,000	$ -
FUTURE INCOME TAX LIABILITY (Note 10)	30,509	-
	40,509	-

SHAREHOLDERS' EQUITY

	December 31, 2009	June 30, 2009
SHARE CAPITAL (Note 7)	277,507	1
CONTRIBUTED SURPLUS (Note 7)	158,000	-
DEFICIT	(178,968)	-
	256,359	1
	$ 297,048	$ 1

APPROVED BY THE DIRECTORS:

"*Chirs Dyakowski*"

"*William Schmidt*"

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

OROFINO MINERALS INC.

STATEMENTS OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT

	Three month period ended December 31, 2009	Six month period ended December 31, 2009	October 9, 2008 (date of incorporation) to June 30, 2009
EXPENSES			
Amortization	$ 21	$ 35	$ -
Filing fees and transfer agent	1,500	1,500	-
Interest and bank charges	8	26	-
Management fees (Note 8)	11,500	12,700	-
Office and miscellaneous	1,602	2,039	-
Professional fees	10,000	11,068	-
Stock-based compensation	30,000	158,000	-
Telephone	613	914	-
Travel and promotion	125	1,670	-
LOSS BEFORE INCOME TAX RECOVERY	(55,369)	(187,952)	-
Future income tax recovery	8,984	8,984	-
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	(46,385)	(178,968)	-
DEFICIT, BEGINNING OF PERIOD	(132,583)	-	-
DEFICIT, END OF PERIOD	$ (178,968)	$ (178,968)	$ -
Basic and diluted loss per common share	$ (0.012)	$ (0.047)	$ -
Weighted average number of common shares outstanding	3,787,500	3,787,500	-

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

OROFINO MINERALS INC.

STATEMENTS OF CASH FLOWS

	Three month period ended December 31, 2009	Six month period ended December 31, 2009	October 9, 2008 (date of incorporation) to June 30, 2009
OPERATING ACTIVITIES			
Net loss for the period	$ (46,385)	$ (178,968)	$ -
Items not involving cash:			
Amortization	21	35	-
Stock-based compensation	30,000	158,000	-
Future income tax recovery	(8,984)	(8,984)	-
	(25,348)	(29,917)	-
Changes in non-cash working capital items:			
GST receivable	(6,256)	(6,429)	-
Exploration advances	100,000	-	-
Accounts payable and accrued liabilities	10,000	10,000	-
	78,396	(26,346)	-
FINANCING ACTIVITIES			
Issuance of shares	44,250	317,000	1
Deferred financing cost	(22,000)	(22,000)	-
	22,250	295,000	1
INVESTING ACTIVITIES			
Acquisition of equipment	-	(702)	-
Acquisition of mineral properties	-	(16,000)	-
Deferred exploration costs	(111,395)	(120,690)	-
	(111,395)	(137,392)	-
INCREASE (DECREASE) IN CASH	(10,749)	131,262	1
CASH, BEGINNING OF PERIOD	142,011	-	-
CASH, END OF PERIOD	$ 131,262	$ 131,262	$ 1

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

1. NATURE OF OPERATIONS AND CONTINUING OPERATIONS

The Company was incorporated on October 9, 2008 in British Columbia under the Business Corporations Act and immediately commenced operations. The Company is in the process of acquiring and exploring its mineral properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The continued operations of the Company and the recoverability of the amounts shown for mineral properties and related deferred costs is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and upon future profitable production.

For the period from incorporation on October 9, 2008 the Company has recorded a loss of $178,968. The Company has been funded primarily by the issuance of equity. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realized its assets and discharge its liabilities in other then the normal course of business and at amounts different from those reflected in the accompanying financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) 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 expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of impairment of mineral properties, deferred exploration costs, asset retirement obligations, future income tax valuation allowances and assumptions used in valuing options and warrants. Actual results could differ from those reported.

b) Mineral Properties and Exploration Costs

The Company records its interests in mineral properties and exploration expenditures at cost. All direct costs are capitalized until the properties to which they relate are placed into production, sold or abandoned. These costs will be amortized on the unit of production basis over the proven reserves of the related property following commencement of production. Proceeds received, as a result of the sale of a mineral property, will be applied first against the book value of the property, and any excess will be set off against deferred exploration costs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

The mineral properties and exploration costs are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. When there is evidence of impairment, the net carrying amount of the asset will be written down to its net recoverable amount which is the estimated undiscounted future net cash flows expected to result from the asset and its eventual disposition. The loss on impairment written off is not reversed even if circumstances change and the net recoverable amount subsequently increases.

The amounts shown as mineral properties and deferred exploration costs represent unamortized costs to date and do not necessarily reflect present or future values.

c) Financial Instruments

The Company's financial instruments include cash, GST receivable, share subscription receivable and accounts payable and accrued liabilities. In management's opinion, the Company is not exposed to significant interest rate, currency exchange rate, liquidity or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values because of their current nature. The Company is not exposed to derivative financial instruments.

The Company classifies financial assets and liabilities as held-for-trading, available-for-sale, held-to maturity, loans and receivables or other financial liabilities depending on their nature. Financial assets and financial liabilities are recognized at fair value on their initial recognition, except for those arising from certain related party transactions which are accounted for at the transferor's carrying amount or exchange amount in accordance with the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3840 – Related Party Transactions.

The Company classified its cash as held-for-trading and receivables as other financial assets and its accounts payable as other financial liabilities.

d) Basic and Diluted Income/Loss Per Share

Basic income/loss per share is computed by dividing the income/loss for the period by the weighted average number of common shares outstanding during the period. Diluted income/loss per share reflect the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock. The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method and the effect of convertible securities by the "if converted" method. Fully diluted amounts are not presented when the effect of the computations are anti-dilutive. Accordingly, there is no difference in the amount presented for basic and diluted income/loss per share.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continue

e) Cash and cash equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents.

f) Income Taxes

The Company accounts for income taxes 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 enacted or substantially enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment. Future income tax assets are recognized to the extent that they are considered more likely than not to be realized. The valuation of future income tax assets is adjusted, if necessary, by the use of a valuation allowance to reflect the estimated realizable amount.

g) Risk Management

The Company is engaged primarily in mineral exploration and manages related industry risk issues directly. The Company may be at risk for environmental issues and fluctuations in commodity pricing. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations.

The Company is not exposed to significant credit concentration or interest rate risk. The Company's functional currency is the Canadian dollar. The Company is not exposed to foreign exchange risks.

h) Comprehensive Income (Loss)

Comprehensive income (loss) reflects net income (loss) and other comprehensive income (loss) for the period. Other comprehensive income (loss) includes changes in unrealized foreign currency translation amounts arising from self-sustaining foreign operations, unrealized gains and losses on available-for-sale assets and changes in the fair value of derivatives designated as cash flow hedges to the extent they are effective.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

i) Asset Retirement Obligation

The Company follows CICA Handbook Section 3110, "Asset Retirement Obligations", which establishes standards for asset retirement obligations and associated retirement costs related to site reclamation and abandonment. The fair value of the liability for an asset retirement obligation is recorded when it is incurred and the corresponding increase to the asset is depreciated over the life of the asset. The liability is increased over time to reflect an accretion element considered in the initial measurement at fair value. As at December 31, 2009 the Company has not incurred any asset retirement obligation related to the exploration and development of its mineral properties.

j) Stock-Based Compensation

The Company follows the recommendation of CICA Handbook Section 3870 "Stock-based Compensation and Other Stock-based Payments". Under this section the compensation expense for stock options grants to employees and non-employees is recorded at the fair value of the stock options issued at the grant date, which is determined using the Black-Scholes Option-Pricing Model. Compensation expense for stock options granted to non-employees is recognized as the options are earned and the services are provided. Compensation expense for stock options granted to employees is amortized over the vesting period. Consideration paid by employees and non-employees on the exercise of stock options is recorded as share capital.

k) Hedges

This standard is applicable when a company chooses to designate a hedging relationship for accounting purposes. It builds on the previous AcG-13, "Hedging Relationships", and CICA 1650, "Foreign Currency Translation", by specifying how hedge accounting is applied and what disclosures are necessary when it is applied. The Company had no hedging relationships as at December 31, 2009.

l) Share Issue Cost

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing cost until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

m) Flow-through Shares

The Company has adopted EIC-146, which is effective for all flow-through share transactions initiated after March 19, 2004. Canadian tax legislation permits a company to issue securities referred to as flow-through shares whereby the Company assigns the tax deductions arising from the related resource expenditures to the shareholders. When resource expenditures are renounced to the investors and the Company has reasonable assurance that the expenditures will be completed, a future income tax liability is recognized for the next tax effect of the deductions renounced, and share capital is reduced.

If the Company has sufficient unrecognized tax losses carried forward or other unrecognized future income tax assets to offset all or part of this future income tax liability, a portion of such unrecognized future income tax assets is recorded as a future income tax recovery up to the amount of the future income tax liability that would otherwise be recognized

n) Capital Disclosure

The Company discloses its objective, policies and process for managing its capital, and compliance with externally imposed capital, and requirements, if any.

o) Equipment and Amortization

Equipment is recorded at cost. The Company provides for amortization using the declining balance method at 20% per year. Further, assets acquired during the year are amortized at one-half of the annual rate.

3. CHANGES IN ACCOUNTING POLICIES

Effective July 1, 2009, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA").

Goodwill and Intangible Assets

CICA Handbook Section 3064, *Goodwill and Intangible Assets* (Section 3064) replaces CICA Handbook Section 3062, *Goodwill and Intangible Assets* and establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. CICA Handbook Section 1000, *Financial Statement Concepts* is amended to clarify criteria for recognition of an asset. CICA Handbook Section 3450, *Research and Development Costs* is replaced by guidance in Section 3064. EIC 27 *Revenues and Expenditures During the Pre-Operating Period* is no longer applicable for entities that have adopted Section 3064. A number of other EIC abstracts have consequential amendments. CICA Accounting Guideline 11 *Enterprises in the Development Stage* is also amended to delete references to deferred costs and to provide guidance on development costs as intangible assets under CICA 3064. The adoption of this Section had no impact on the Company's financial statements.

4. RECENT ACCOUNTING PRONOUNCEMENTS

Business Combinations

In January 2009, the AcSB issued CICA Handbook Section 1582, "Business Combinations", which replaces Section 1581 "Business Combinations". The AcSB also issued Section 1601 "Consolidated Financial Statements", and Section 1602 "Non-Controlling Interests" which replace Section 1600, "Consolidated Financial Statements". These new section are based on the International Accounting Standards Board's ("IASB") International Financial Reporting Standard 3, "Business Combinations". These new standards replace the existing guidance in business combinations and consolidated financial statements. These new standards require that most asset acquired and liabilities assumed, including contingent liabilities, to be measured at fair value and all acquisition costs to be expensed. These new standard also require non-controlling interests to be recognized as a separate component of equity and net earnings to be calculated without a deduction for non-controlling interests. The objective of these new standards is to harmonize Canadian accounting for business combinations with the international and U.S. accounting standards. The new standards are to be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011, with earlier application permitted. Assets and liabilities that arose from business combinations whose acquisition dates preceded the application of the new standards will not be adjusted upon application of these new standards. The Non-Controlling Interests standard should be applied retrospectively except for certain items. The Company does not expect that the adoption of these standards will have a material impact on the Company's financial statements.

International Financial Reporting Standards ("IFRS")

In February 2008, the AcSB adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for public companies will converge with International Financial Reporting Standards ("IFRS"). AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canadian GAAP. This date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of July 1, 2010 will require the restatement for comparative purposes of amounts reported by the Company for the year ended June 30, 2011. In July 2008 AcSB announced that early adoption will be allowed in 2009 subject to seeking exemptive relief.

The Company has completed a preliminary assessment of how each IFRS standard impacts the financial statements. It was initially determined that the area of accounting difference that will likely be impacted based on existing IFRS will be impairment of assets and the initial adoption of IFRS under the provisions of IFRS 1 "First-Time Adoption of IFRS". In addition, the Company anticipates a significant increase in disclosure resulting from the adoption of IFRS and is continuing to assess the level of disclosure required.

5. DEFERRED FINANCING COSTS

At December 31, 2009, the Company had paid $22,000 as a retainer for fees and expenses relating to the Prospectus for an initial public offering of up to 3,000,000 common shares at $0.25 per share for maximum gross proceeds of $750,000. (See Note 11).

6. MINERAL PROPERTY AND DEFERRED EXPLORATION COSTS

	December 31, 2009	June 30, 2009
Acquisition Costs:		
Allison Lake Property	$ 16,000	$ -
Deferred Exploration Costs:		
Allison Lake Property	120,690	-
Allison Lake Property	$ 136,690	$ -

Pursuant to an option agreements dated August 5, 2009 (the "Rum Option") the Company, through an assignment from a director, was granted an option to acquire an undivided 100% interest in two mineral claims situated in the Similkameen B.C. area, subject to a 3% net smelter return royalty payable to an underlying vendor. The Company paid the director $1,000, for out of pocket costs and agreed to incur exploration expenses of $100,000 by August 5, 2010; a further $200,000 by August 5, 2011 and a final $300,000 by August 4, 2012. See Note 8 (c).

Pursuant to an option agreement dated August 10, 2009 (the "Billingsley Option") the Company was granted an option to acquire an undivided 100% interest in twenty eight mineral claims situated in the Similkameen B.C. area, subject to a 2% net smelter return royalty payable to the optionor. As consideration the Company paid $15,000. In order to maintain the Billingsley Option the Company must pay an additional $20,000 and issue 200,000 fully paid shares from treasury within 15 days of the Company being listed on the TSX Venture Exchange; a further $25,000 on or before the first anniversary of the listing date; a further $25,000 on or before the second anniversary of the listing date and a final $30,000 on or before the third anniversary of the listing date. Under the terms of the agreement the Company has the option to purchase the net smelter return royalties for $1 million per percentage point during a five year period commencing from the day of commercial production

These two options are collectively referred to as the Allison Lake Properties.

7. SHARE CAPITAL

a) Authorized

100,000,000 common shares without par value.

7. SHARE CAPITAL - continued

b) Issued and fully paid

	Number of Shares	Amount	Contributed Surplus
Balance, June 30, 2009 (founder's share)	1	$ 1	$ -
Cancellation of founders' share	(1)	(1)	-
Issued for cash	2,150,000	185,000	-
Issued for cash pursuant to flow through share subscriptions	3,100,000	132,000	-
Stock-based compensation – seed shares	-	-	158,000
Renunciation of cumulative eligible exploration costs	-	(39,493)	-
Balance, December 31, 2009	5,250,000	$ 277,507	$ 158,000

See note 11.

On October 1, 2009 the Company issued a total of 3,100,000 flow through shares for cash consideration of $132,000, of which $120,690 was spent on exploration expenditures. The Company renounced the full amount raised for the eligible Canadian Exploration Expenses in favor of flow-through shareholders. The Company is required to spend the remaining balance in subsequent periods. Accordingly, the amount will not be available to the Company for future deductions from taxable income.

During the six month period ended December 31, 2009, the Company recorded a stock-based compensation expense of $158,000 to reflect the fair value of shares issued at various prices.

c) Stock options

The Company has adopted a stock option plan whereby the Company may from time to time in accordance with the TSX Venture Exchange ("Exchange") requirements grant to directors, officers, employees and consultants options to purchase common shares of the Company provided that the number of options granted, including all options granted by the Company to date, does not exceed 10% of the Company's common shares issued and outstanding at the time of granting stock options.

See Note 11.

d) Escrow Shares

Pursuant to an escrow agreement 3,200,000 of the common shares issued and outstanding are held in escrow with 10% to be released on the date the Company's shares are listed on the TSX Venture Exchange, and 15% to be released every six months thereafter.

8. RELATED PARTY TRANSACTIONS

a) During the period ended December 31, 2009, the Company paid $5,000 for management fees to a company controlled by the president.

b) Exploration expenses of $120,690 incurred by the Company during the period ended December 31, 2009 from a company controlled by the president, for which the Company was charged a project management fee of 15% on such payments.

c) The Company optioned the Rum Claims from the president who was paid $1,000 for out of pocket costs.

d) During the period ended December 31, 2009, the Company paid $6,500 for management fees to a company controlled by the chief financial officer.

e) During the period ended December 31, 2009, the Company paid legal fees of $1,100 to a firm in which a director is a partner.

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

9. FINANCIAL INSTRUMENTS RISK EXPOSURE AND MANAGEMENT

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, currency risk, interest rate risk and price risk. Where material, these risks are reviewed and monitored by the board.

(i) Liquidity risk

Liquidity risk is managed by the Company by maintaining sufficient cash balances to meet current working capital requirements. The company is considered to be in the exploration stage and is dependent on obtaining regular funding in order to continue its exploration programs. Despite previous success in acquiring this funding, there is no guarantee of obtaining future funding. The Company's cash is invested in business accounts with qualified institutions in Canada and are available on demand for the Company's programs. The Company is not invested in any asset backed commercial paper or auction rate securities.

The Company's credit risk is primarily attributable to its liquid financial assets and would arise from the non-performance by counterparties of contractual financial obligations. The company limits its exposure to credit risk on liquid assets by maintaining its cash and reclamation deposit with high-credit quality financial institutions. Receivables are not considered a material credit risk.

(ii) Currency risk

The Company's funds are held in Canadian dollars and has operated in Canada during the past year. There is no currency and no significant foreign exchange currency exchange risk to the Company.

9. FINANCIAL INSTRUMENTS RISK EXPOSURE AND MANAGEMENT - continued

(iii) Interest risk

The Company invests its cash and reclamation deposit in guaranteed investment certificates that are redeemable at any time without penalty, thereby reducing its exposure to interest rate fluctuations. Other interest rate risks arising from the Company's operations are not considered material.

(iv) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. The ability of the Company to explore its mineral properties and future profitability of the Company are directly related to the market price of gold and other precious metals. The company monitors commodity prices to determine appropriate actions to be undertaken.

10. FUTURE INCOME TAXES

Future income tax assets (liability) are as follows:

	December 31, 2009	June 30, 2009
Future income tax assets		
Loss carried forward	$ 8,984	$ -
Mineral property	(39,493)	-
Net future income tax liability	$ (30,509)	$ -

11. SUBSEQUENT EVENTS

The Company entered into a letter of engagement with an agent for the issue 3,000,000 shares at a price of $0.25 per share as its initial public offering ("IPO"). The Company will pay a commission of 10% of the gross proceeds to the agent, payable in cash, shares or any combination thereof at the discretion of the agent and will grant the agent an option to acquire up to 10% of the number of shares subscribed for under the financing; exercisable at the share issue price for a period of 24 months from the listing date of the Company's shares on the TSX Venture Exchange. The Company is also required to pay a corporate finance fee of $10,000 plus GST to the agent. The Company must also pay all expenses associated with the offering. To date the Company has paid $15,000 as a deposit and the balance is to be paid upon closing of the IPO.

The Company has granted 525,000 options exercisable at $0.25 to five officers and directors. These options are effective on the day the company is listed for trading on the TSX Venture Exchange and expire two years thereafter.

12. MANAGEMENT OF CAPITAL

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern. The Company does not have any externally imposed capital requirements to which it is subject.

As at December 31, 2009 the Company had capital resources consisting mainly of cash. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristic of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or dispose of assets or adjust the amount of cash.

13. COMPARATIVE FIGURES

Comparative figures for the three month period ended December 31, 2008 have not been presented as the company did not have any operations.

MINNI, CLARK & COMPANY
CERTIFIED GENERAL ACCOUNTANT

SUITE 200 – 551 HOWE STREET
VANCOUVER, BRITISH COLUMBIA
CANADA V6C 2C2

Jerry A. Minni, C.G.A. *
Bryce A. Clark, C.G.A. *

TELEPHONE: (604)683-0343
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* *Incorporated Professional*

REVIEW ENGAGEMENT REPORT

To the Directors,
Orofino Minerals Inc.

We have reviewed the balance sheet of **Orofino Minerals Inc.** as at March 31, 2010 and the statements of operations, comprehensive loss and deficit, and cash flows for the three month period then ended. Our review was made in accordance with Canadian generally accepted standards for a review of interim financial statements by an entity's auditor and, accordingly, consisted primarily of enquiry, analytical procedures, and discussion related to information supplied to us by the company.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

"Minni, Clark & Company"
CERTIFIED GENERAL ACCOUNTANTS

Vancouver, B.C.
June 12, 2010

OROFINO MINERALS INC.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2010

(Unaudited – Prepared by Management)

OROFINO MINERALS INC.

BALANCE SHEETS

ASSETS

	March 31, 2010	June 30, 2009
CURRENT		
Cash and cash equivalents	$ 76,727	$ 1
GST receivable	3,367	-
	80,094	1
DEFERRED FINANCING COST (Note 5)	60,824	-
EQUIPMENT, net of accumulated Amortization of $101	1,879	-
MINERAL PROPERTY (Note 6)	16,000	-
DEFERRED EXPLORATION COSTS (Note 6)	123,454	-
	$ 282,251	$ 1

LIABILITIES

	March 31, 2010	June 30, 2009
CURRENT		
Accounts payable and accrued liabilities	$ 16,061	$ -
FUTURE INCOME TAX LIABILITY (Note 10)	24,268	-
	40,329	-
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 7)	277,507	1
CONTRIBUTED SURPLUS (Note 7)	158,000	-
DEFICIT	(193,585)	-
	241,922	1
	$ 282,251	$ 1

APPROVED BY THE DIRECTORS:

"Chirs Dyakowski"

"William Schmidt"

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

OROFINO MINERALS INC.

STATEMENTS OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT

	Three month period ended March 31, 2010	Nine month period ended March 31, 2010	October 9, 2008 (date of incorporation) to June 30, 2009
EXPENSES			
Amortization	$ 101	$ 136	$ -
Filing fees and transfer agent	(605)	895	-
Interest and bank charges	4	30	-
Management fees (Note 8)	12,000	24,700	-
Office and miscellaneous	444	2,483	-
Professional fees	6,800	17,868	-
Stock-based compensation		158,000	-
Telephone	694	1,608	-
Travel and promotion	1,420	3,090	-
LOSS BEFORE INCOME TAX RECOVERY	(20,858)	(208,810)	-
Future income tax recovery	6,241	15,225	-
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	(14,617)	(193,585)	-
DEFICIT, BEGINNING OF PERIOD	(178,968)	-	-
DEFICIT, END OF PERIOD	$ (193,585)	$ (193,585)	$ -
Basic and diluted loss per common share	$ (0.003)	$ (0.047)	$ -
Weighted average number of common shares outstanding	5,250,000	4,178,376	-

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

OROFINO MINERALS INC.

STATEMENTS OF CASH FLOWS

	Three month period ended March 31, 2010	Nine month period ended March 31, 2010	October 9, 2008 (date of incorporation) to June 30, 2009
OPERATING ACTIVITIES			
Net loss for the period	$ (14,617)	$ (183,585)	$ -
Items not involving cash:			
Amortization	101	136	-
Stock-based compensation		158,000	-
Future income tax recovery	(6,241)	(15,225)	-
	(20,757)	(50,674)	-
Changes in non-cash working capital items:			
GST receivable	3,062	(3,367)	-
Accounts payable and accrued liabilities	6,061	16,061	-
	(11,634)	(37,980)	-
FINANCING ACTIVITIES			
Issuance of shares		317,000	1
Deferred financing cost	(38,824)	(60,824)	-
	(38,824)	256,176	1
INVESTING ACTIVITIES			
Acquisition of equipment	(1,313)	(2,015)	-
Acquisition of mineral properties	-	(16,000)	-
Deferred exploration costs	(2,764)	(123,454)	-
	(4,077)	(141,469)	-
INCREASE (DECREASE) IN CASH	(54,535)	76,727	1
CASH, BEGINNING OF PERIOD	131,262	-	-
CASH, END OF PERIOD	$ 76,727	$ 76,727	$ 1

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

1. NATURE OF OPERATIONS AND CONTINUING OPERATIONS

The Company was incorporated on October 9, 2008 in British Columbia under the Business Corporations Act and immediately commenced operations. The Company is in the process of acquiring and exploring its mineral properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The continued operations of the Company and the recoverability of the amounts shown for mineral properties and related deferred costs is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and upon future profitable production.

For the period from incorporation on October 9, 2008 the Company has recorded a loss of $193,585. The Company has been funded primarily by the issuance of equity. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realized its assets and discharge its liabilities in other then the normal course of business and at amounts different from those reflected in the accompanying financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) 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 expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of impairment of mineral properties, deferred exploration costs, asset retirement obligations, future income tax valuation allowances and assumptions used in valuing options and warrants. Actual results could differ from those reported.

b) Mineral Properties and Exploration Costs

The Company records its interests in mineral properties and exploration expenditures at cost. All direct costs are capitalized until the properties to which they relate are placed into production, sold or abandoned. These costs will be amortized on the unit of production basis over the proven reserves of the related property following commencement of production. Proceeds received, as a result of the sale of a mineral property, will be applied first against the book value of the property, and any excess will be set off against deferred exploration costs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

The mineral properties and exploration costs are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. When there is evidence of impairment, the net carrying amount of the asset will be written down to its net recoverable amount which is the estimated undiscounted future net cash flows expected to result from the asset and its eventual disposition. The loss on impairment written off is not reversed even if circumstances change and the net recoverable amount subsequently increases.

The amounts shown as mineral properties and deferred exploration costs represent unamortized costs to date and do not necessarily reflect present or future values.

c) Financial Instruments

The Company's financial instruments include cash, GST receivable, share subscription receivable and accounts payable and accrued liabilities. In management's opinion, the Company is not exposed to significant interest rate, currency exchange rate, liquidity or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values because of their current nature. The Company is not exposed to derivative financial instruments.

The Company classifies financial assets and liabilities as held-for-trading, available-for-sale, held-to maturity, loans and receivables or other financial liabilities depending on their nature. Financial assets and financial liabilities are recognized at fair value on their initial recognition, except for those arising from certain related party transactions which are accounted for at the transferor's carrying amount or exchange amount in accordance with the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3840 – Related Party Transactions.

The Company classified its cash as held-for-trading and receivables as other financial assets and its accounts payable as other financial liabilities.

d) Basic and Diluted Income/Loss Per Share

Basic income/loss per share is computed by dividing the income/loss for the period by the weighted average number of common shares outstanding during the period. Diluted income/loss per share reflect the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock. The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method and the effect of convertible securities by the "if converted" method. Fully diluted amounts are not presented when the effect of the computations are anti-dilutive. Accordingly, there is no difference in the amount presented for basic and diluted income/loss per share.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continue

e) Cash and cash equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents.

f) Income Taxes

The Company accounts for income taxes 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 enacted or substantially enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment. Future income tax assets are recognized to the extent that they are considered more likely than not to be realized. The valuation of future income tax assets is adjusted, if necessary, by the use of a valuation allowance to reflect the estimated realizable amount.

g) Risk Management

The Company is engaged primarily in mineral exploration and manages related industry risk issues directly. The Company may be at risk for environmental issues and fluctuations in commodity pricing. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations.

The Company is not exposed to significant credit concentration or interest rate risk. The Company's functional currency is the Canadian dollar. The Company is not exposed to foreign exchange risks.

h) Comprehensive Income (Loss)

Comprehensive income (loss) reflects net income (loss) and other comprehensive income (loss) for the period. Other comprehensive income (loss) includes changes in unrealized foreign currency translation amounts arising from self-sustaining foreign operations, unrealized gains and losses on available-for-sale assets and changes in the fair value of derivatives designated as cash flow hedges to the extent they are effective.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

i) Asset Retirement Obligation

The Company follows CICA Handbook Section 3110, "Asset Retirement Obligations", which establishes standards for asset retirement obligations and associated retirement costs related to site reclamation and abandonment. The fair value of the liability for an asset retirement obligation is recorded when it is incurred and the corresponding increase to the asset is depreciated over the life of the asset. The liability is increased over time to reflect an accretion element considered in the initial measurement at fair value. As at December 31, 2009 the Company has not incurred any asset retirement obligation related to the exploration and development of its mineral properties.

j) Stock-Based Compensation

The Company follows the recommendation of CICA Handbook Section 3870 "Stock-based Compensation and Other Stock-based Payments". Under this section the compensation expense for stock options grants to employees and non-employees is recorded at the fair value of the stock options issued at the grant date, which is determined using the Black-Scholes Option-Pricing Model. Compensation expense for stock options granted to non-employees is recognized as the options are earned and the services are provided. Compensation expense for stock options granted to employees is amortized over the vesting period. Consideration paid by employees and non-employees on the exercise of stock options is recorded as share capital.

k) Hedges

This standard is applicable when a company chooses to designate a hedging relationship for accounting purposes. It builds on the previous AcG-13, "Hedging Relationships", and CICA 1650, "Foreign Currency Translation", by specifying how hedge accounting is applied and what disclosures are necessary when it is applied. The Company had no hedging relationships as at March 31, 2010.

l) Share Issue Cost

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing cost until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

m) Flow-through Shares

The Company has adopted EIC-146, which is effective for all flow-through share transactions initiated after March 19, 2004. Canadian tax legislation permits a company to issue securities referred to as flow-through shares whereby the Company assigns the tax deductions arising from the related resource expenditures to the shareholders. When resource expenditures are renounced to the investors and the Company has reasonable assurance that the expenditures will be completed, a future income tax liability is recognized for the next tax effect of the deductions renounced, and share capital is reduced.

If the Company has sufficient unrecognized tax losses carried forward or other unrecognized future income tax assets to offset all or part of this future income tax liability, a portion of such unrecognized future income tax assets is recorded as a future income tax recovery up to the amount of the future income tax liability that would otherwise be recognized

n) Capital Disclosure

The Company discloses its objective, policies and process for managing its capital, and compliance with externally imposed capital, and requirements, if any.

o) Equipment and Amortization

Equipment is recorded at cost. The Company provides for amortization using the declining balance method at 20% per year. Further, assets acquired during the year are amortized at one-half of the annual rate.

3. CHANGES IN ACCOUNTING POLICIES

Effective July 1, 2009, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA").

Goodwill and Intangible Assets

CICA Handbook Section 3064, *Goodwill and Intangible Assets* (Section 3064) replaces CICA Handbook Section 3062, *Goodwill and Intangible Assets* and establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. CICA Handbook Section 1000, *Financial Statement Concepts* is amended to clarify criteria for recognition of an asset. CICA Handbook Section 3450, *Research and Development Costs* is replaced by guidance in Section 3064. EIC 27 *Revenues and Expenditures During the Pre-Operating Period* is no longer applicable for entities that have adopted Section 3064. A number of other EIC abstracts have consequential amendments. CICA Accounting Guideline 11 *Enterprises in the Development Stage* is also amended to delete references to deferred costs and to provide guidance on development costs as intangible assets under CICA 3064. The adoption of this Section had no impact on the Company's financial statements.

4. RECENT ACCOUNTING PRONOUNCEMENTS

Business Combinations

In January 2009, the AcSB issued CICA Handbook Section 1582, "Business Combinations", which replaces Section 1581 "Business Combinations". The AcSB also issued Section 1601 "Consolidated Financial Statements", and Section 1602 "Non-Controlling Interests" which replace Section 1600, "Consolidated Financial Statements". These new section are based on the International Accounting Standards Board's ("IASB") International Financial Reporting Standard 3, "Business Combinations". These new standards replace the existing guidance in business combinations and consolidated financial statements. These new standards require that most asset acquired and liabilities assumed, including contingent liabilities, to be measured at fair value and all acquisition costs to be expensed. These new standard also require non-controlling interests to be recognized as a separate component of equity and net earnings to be calculated without a deduction for non-controlling interests. The objective of these new standards is to harmonize Canadian accounting for business combinations with the international and U.S. accounting standards. The new standards are to be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011, with earlier application permitted. Assets and liabilities that arose from business combinations whose acquisition dates preceded the application of the new standards will not be adjusted upon application of these new standards. The Non-Controlling Interests standard should be applied retrospectively except for certain items. The Company does not expect that the adoption of these standards will have a material impact on the Company's financial statements.

International Financial Reporting Standards ("IFRS")

In February 2008, the AcSB adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for public companies will converge with International Financial Reporting Standards ("IFRS"). AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canadian GAAP. This date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of July 1, 2010 will require the restatement for comparative purposes of amounts reported by the Company for the year ended June 30, 2011. In July 2008 AcSB announced that early adoption will be allowed in 2009 subject to seeking exemptive relief.

The Company has completed a preliminary assessment of how each IFRS standard impacts the financial statements. It was initially determined that the area of accounting difference that will likely be impacted based on existing IFRS will be impairment of assets and the initial adoption of IFRS under the provisions of IFRS 1 "First-Time Adoption of IFRS". In addition, the Company anticipates a significant increase in disclosure resulting from the adoption of IFRS and is continuing to assess the level of disclosure required.

5. DEFERRED FINANCING COSTS

At March 31, 2010, the Company had paid $60,824 as a retainer for fees and expenses relating to the Prospectus for an initial public offering of up to 3,000,000 common shares at $0.25 per share for maximum gross proceeds of $750,000. (See Note 11).

6. MINERAL PROPERTY AND DEFERRED EXPLORATION COSTS

	March 31, 2010	June 30, 2009
Acquisition Costs:		
Allison Lake Property	$ 16,000	$ -
Deferred Exploration Costs:		
Allison Lake Property	123,454	-
Allison Lake Property	$ 139,454	$ -

Pursuant to an option agreements dated August 5, 2009 (the "Rum Option") the Company, through an assignment from a director, was granted an option to acquire an undivided 100% interest in two mineral claims situated in the Similkameen B.C. area, subject to a 3% net smelter return royalty payable to an underlying vendor. The Company paid the director $1,000, for out of pocket costs and agreed to incur exploration expenses of $100,000 by August 5, 2010; a further $200,000 by August 5, 2011 and a final $300,000 by August 4, 2012. See Note 8 (c).

Pursuant to an option agreement dated August 10, 2009 (the "Billingsley Option") the Company was granted an option to acquire an undivided 100% interest in twenty eight mineral claims situated in the Similkameen B.C. area, subject to a 2% net smelter return royalty payable to the optionor. As consideration the Company paid $15,000. In order to maintain the Billingsley Option the Company must pay an additional $20,000 and issue 200,000 fully paid shares from treasury within 15 days of the Company being listed on the TSX Venture Exchange; a further $25,000 on or before the first anniversary of the listing date; a further $25,000 on or before the second anniversary of the listing date and a final $30,000 on or before the third anniversary of the listing date. Under the terms of the agreement the Company has the option to purchase the net smelter return royalties for $1 million per percentage point during a five year period commencing from the day of commercial production

These two options are collectively referred to as the Allison Lake Properties.

7. SHARE CAPITAL

a) Authorized

100,000,000 common shares without par value.

7. SHARE CAPITAL - continued

b) Issued and fully paid

	Number of Shares	Amount	Contributed Surplus
Balance, June 30, 2009 (founder's share)	1	$ 1	$ -
Cancellation of founders' share	(1)	(1)	-
Issued for cash	2,150,000	185,000	-
Issued for cash pursuant to flow through share subscriptions	3,100,000	132,000	-
Stock-based compensation – seed shares	-	-	158,000
Renunciation of cumulative eligible exploration costs	-	(39,493)	-
Balance, March 31, 2010	5,250,000	$ 277,507	$ 158,000

See note 11.

On October 1, 2009 the Company issued a total of 3,100,000 flow through shares for cash consideration of $132,000, of which $123,454 was spent on exploration expenditures. The Company renounced the full amount raised for the eligible Canadian Exploration Expenses in favor of flow-through shareholders. The Company is required to spend the remaining balance in subsequent periods. Accordingly, the amount will not be available to the Company for future deductions from taxable income.

During the nine month period ended March 31, 2010, the Company recorded a stock-based compensation expense of $158,000 to reflect the fair value of shares issued at various prices.

c) Stock options

The Company has adopted a stock option plan whereby the Company may from time to time in accordance with the TSX Venture Exchange ("Exchange") requirements grant to directors, officers, employees and consultants options to purchase common shares of the Company provided that the number of options granted, including all options granted by the Company to date, does not exceed 10% of the Company's common shares issued and outstanding at the time of granting stock options.

See Note 11.

d) Escrow Shares

Pursuant to an escrow agreement 3,200,000 of the common shares issued and outstanding are held in escrow with 10% to be released on the date the Company's shares are listed on the TSX Venture Exchange, and 15% to be released every six months thereafter.

8. RELATED PARTY TRANSACTIONS

a) During the period ended March 31, 2010, the Company paid $12,500 for management fees to a company controlled by the president.

b) Exploration expenses of $120,690 incurred by the Company during the period ended March 31, 2010 were from a company controlled by the president, for which the Company was charged a project management fee of 15% on such payments.

c) The Company optioned the Rum Claims from the president who was paid $1,000 for out of pocket costs.

d) During the period ended March 31, 2010, the Company paid $12,200 for management fees to a company controlled by the chief financial officer.

e) During the period ended March 31, 2010 the Company paid legal fees of $9,672 to a firm in which a director is a partner.

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

9. FINANCIAL INSTRUMENTS RISK EXPOSURE AND MANAGEMENT

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, currency risk, interest rate risk and price risk. Where material, these risks are reviewed and monitored by the board.

(i) Liquidity risk

Liquidity risk is managed by the Company by maintaining sufficient cash balances to meet current working capital requirements. The company is considered to be in the exploration stage and is dependent on obtaining regular funding in order to continue its exploration programs. Despite previous success in acquiring this funding, there is no guarantee of obtaining future funding. The Company's cash is invested in business accounts with qualified institutions in Canada and are available on demand for the Company's programs. The Company is not invested in any asset backed commercial paper or auction rate securities.

The Company's credit risk is primarily attributable to its liquid financial assets and would arise from the non-performance by counterparties of contractual financial obligations. The company limits its exposure to credit risk on liquid assets by maintaining its cash and reclamation deposit with high-credit quality financial institutions. Receivables are not considered a material credit risk.

(ii) Currency risk

The Company's funds are held in Canadian dollars and has operated in Canada during the past year. There is no currency and no significant foreign exchange currency exchange risk to the Company.

9. FINANCIAL INSTRUMENTS RISK EXPOSURE AND MANAGEMENT - continued

(iii) Interest risk

The Company invests its cash and reclamation deposit in guaranteed investment certificates that are redeemable at any time without penalty, thereby reducing its exposure to interest rate fluctuations. Other interest rate risks arising from the Company's operations are not considered material.

(iv) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. The ability of the Company to explore its mineral properties and future profitability of the Company are directly related to the market price of gold and other precious metals. The company monitors commodity prices to determine appropriate actions to be undertaken.

10. FUTURE INCOME TAXES

Future income tax assets (liability) are as follows:

	March 31, 2010	June 30, 2009
Future income tax assets		
Loss carried forward	$ 15,225	$ -
Mineral property	(39,493)	-
Net future income tax liability	$ (24,268)	$ -

11. CAPITAL COMMITMENTS

The Company entered into a letter of engagement with an agent for the issue 3,000,000 shares at a price of $0.25 per share as its initial public offering ("IPO"). The Company will pay a commission of 10% of the gross proceeds to the agent, payable in cash, shares or any combination thereof at the discretion of the agent and will grant the agent an option to acquire up to 10% of the number of shares subscribed for under the financing; exercisable at the share issue price for a period of 24 months from the listing date of the Company's shares on the TSX Venture Exchange. The Company is also required to pay a corporate finance fee of $10,000 plus GST to the agent. The Company must also pay all expenses associated with the offering. To date the Company has paid $15,000 as a deposit and the balance is to be paid upon closing of the IPO.

The Company has granted 525,000 options exercisable at $0.25 to five officers and directors. These options are effective on the day the company is listed for trading on the TSX Venture Exchange and expire two years thereafter.

12. MANAGEMENT OF CAPITAL

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern. The Company does not have any externally imposed capital requirements to which it is subject.

As at March 31, 2010 the Company had capital resources consisting mainly of cash. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristic of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or dispose of assets or adjust the amount of cash.

13. COMPARATIVE FIGURES

Comparative figures for the three month period ended March 31, 2009 have not been presented as the company did not have any operations.

CERTIFICATE OF COMPANY

Dated: July 26, 2010

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

"C. Dyakowski"	*"L.J. Fowler"*
CHRISTOPHER I. DYAKOWSKI Chief Executive Officer	LESLIE J. FOWLER Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

"Stephen Kenwood"	*"William.E. Schmidt"*
STEPHEN KENWOOD Director	WILLIAM E. SCHMIDT Director

CERTIFICATE OF PROMOTERS

DATED: July 26, 2010

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

"C. Dyakowski"

CHRISTOPHER I. DYAKOWSKI
Promoter

"William E. Schmidt"

WILLIAM E. SCHMIDT
Promoter

"Stephen Kenwood"

STEPHEN KENWOOD
Promoter

CERTIFICATE OF AGENT

Dated: July 26, 2010

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

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CANACCORD GENUITY CORP.

"Graeme Currie"

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Graeme Currie
Director, Mining Special Situations