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

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

PRELIMINARY PROSPECTUS

INITIAL PUBLIC OFFERING **March 18, 2010**

PINECREST RESOURCES LTD.

(A Capital Pool Company)

$200,000
2,000,000 common shares (the "Shares")
Price: $0.10 per Share

The purpose of this offering (the "Offering") is to provide Pinecrest Resources Ltd. (the "Company") with a minimum amount of funds with which to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction (as hereinafter defined). Any proposed Qualifying Transaction must be approved by the TSX Venture Exchange Inc. (the "Exchange") and in the case of a Non Arm's Length Qualifying Transaction (as hereinafter defined), must also receive Majority of the Minority Approval (as hereinafter defined) in accordance with Exchange Policy 2.4 (the "CPC Policy"). The Company is a Capital Pool Company (a "CPC") as defined in the CPC Policy. It has not commenced commercial operations and has no assets other than a minimum amount of cash. Except as specifically contemplated in the CPC Policy, until the completion of the Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a proposed Qualifying Transaction.

	Shares	Price to the Public	Agent's Commission(1)	Proceeds to the Company(2)
Per Share	1	$0.10	$0.01	$0.09
Offering(3)	2,000,000	$200,000	$20,000	$180,000

(1) The Agent (as hereinafter defined) has agreed to act as agent in connection with the Offering (as hereinafter defined) and will receive a cash commission of 10% of the gross proceeds of the Offering, which will equal $20,000. In addition, the Agent will receive an administration fee of $10,000 and will be reimbursed for its expenses and legal fees incurred pursuant to the Offering. The Company will also grant to the Agent the Agent's Warrants (as hereinafter defined) which are qualified for distribution under this prospectus and may be exercised during the period of 24 months from the date the common shares in the capital of the Company (the "Common Shares") are listed on the Exchange. See "Plan of Distribution".

(2) Before deducting costs of the Offering estimated at $67,500 (exclusive of the Agent's Commission), of which $10,000 has already been paid. Costs of the Offering include: administration fee of $10,000, expenses and legal fees of the Agent estimated at $10,000 plus taxes and disbursements and legal and auditor's fees of the Company estimated at $26,500, Exchange listing fees of approximately $15,000 and filing fees of approximately $3,700. See "Use of Proceeds".

(3) "Offering" means a total of 2,000,000 Common Shares offered hereunder at a price of $0.10 per Common Share, not including the Agent's Warrants. See "Plan of Distribution".

This Offering is being made on a commercially reasonable efforts basis by Canaccord Financial Ltd. (the "Agent") in the Province of British Columbia and certain offshore jurisdictions and is subject to a minimum subscription of 2,000,000 Common Shares at a purchase price of $0.10 (the "Offering Price") per Common Share for aggregate gross proceeds to the Company of $200,000. See "Plan of Distribution". The Offering Price was determined by negotiation between the Company and the Agent. All funds received from subscriptions for Shares will be held by the Agent pursuant to the terms of an agency agreement to be entered into between the Company and the Agent (the "Agency Agreement"). If the subscription is not raised within 90 days of the issuance of a receipt for the final prospectus or such other time as may be consented to by persons or companies who subscribed within that period, all subscription monies will be returned to subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent.

Pursuant to the Agency Agreement, the Company will grant non-transferable warrants to the Agent to purchase up to 200,000 Common Shares (the "Agent's Warrants") at a purchase price of $0.10 per Common Share, exercisable for a period of 24 months from the date of listing of the Common Shares on the Exchange which warrants are qualified for distribution under this prospectus. See "Plan of Distribution".

There is currently no market through which the securities offered hereby may be sold. The Company has applied to list its Common Shares on the Exchange. Listing will be subject to the Company fulfilling all of the listing requirements of the Exchange.

Other than the initial distribution of the Shares pursuant to this prospectus and the grant of the Agent's Warrants, trading in all securities of the Company is prohibited during the period between the date a receipt for this prospectus is issued by the British Columbia Securities Commission and the time the Common Shares are listed for trading except, subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable securities regulatory authorities grant a discretionary order.

Investment in the Shares offered by this prospectus is highly speculative due to the nature of the Company's business and its present stage of development. This Offering is suitable only to those investors who are prepared to risk the loss of their entire investment. See "Risk Factors".

The Company has not commenced commercial operations and has no assets other than cash. It has no history of earnings and will not generate earnings or pay dividends until at least after the Completion of the Qualifying Transaction (as hereinafter defined). Until Completion of the Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions. See "Corporate Structure", "Business of the Company" and "Use of Proceeds".

The directors and officers of the Company will only devote a portion of their time to the business and affairs of the Company and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time. See "Directors, Officers and Promoters".

There can be no assurance that an active and liquid market for the Common Shares will develop and an investor may find it difficult to resell its Shares.

Investors acquiring the Shares offered by this prospectus will suffer an immediate dilution of 36% or $0.036 per Share upon completion of the Offering, without the deduction of selling commissions and related expenses incurred by the Company. See "Dilution".

The Company has only limited funds available to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify a suitable Qualifying Transaction. Further, even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to complete the transaction. The Qualifying Transaction may be financed in whole, or in part, by the issuance of additional securities by the Company and this may result in further dilution to investors. See "Use of Proceeds".

The Exchange will generally suspend trading in the Common Shares or delist the Common Shares from trading on the Exchange in the event that the Exchange has not issued a Final Exchange Bulletin within 24 months from the date of the listing of the Common Shares on the Exchange. If the Company does not complete a Qualifying Transaction within 24 months of the date of listing it may apply for listing on the NEX board of the Exchange rather than be delisted subject to satisfying certain requirements. See "Business of the Company – Trading Halts, Suspension and Delisting". Neither the Exchange, nor any securities regulatory authority, passes upon the merits of any proposed Qualifying Transaction.

In the event that the management or directors of the Company reside outside of Canada, or the Company identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any member of management or directors resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts.

As a result of these factors, the Offering is suitable only to investors who are willing to rely solely on the management of the Company and who can afford to lose their entire investment. Those investors who are not prepared to do so should not invest in the Shares. See “Business of the Company”, “Directors, Officers and Promoters - Management and Key Personnel”, “Use of Proceeds” and “Risk Factors”.

Pursuant to the CPC Policy, no purchaser of Shares is permitted to directly or indirectly purchase more than 2% of the total Shares offered under this prospectus, being 40,000 Shares, a $4,000 investment. In addition, the maximum number of Shares that may directly or indirectly be purchased by that purchaser, together with any Associates (as hereinafter defined) or Affiliates (as hereinafter defined) of that purchaser, is 4% of the total Shares offered under this prospectus, being 80,000 Shares, an $8,000 investment.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that share certificates evidencing the Shares in definitive form will be available for delivery on the closing of the Offering.

Canaccord Financial Ltd.
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V7Y 1H2

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Facsimile: 604-643-7606

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GLOSSARY

Unless the context otherwise specifies or requires, capitalized terms and phrases used in this prospectus and not otherwise defined herein shall have the same meaning ascribed to them in the CPC Policy or in Exchange Policy 1.1 "Interpretation", as the case may be.

"**Affiliate**" means a company that is affiliated with another company as described below.

A company is an "Affiliate" of another company if:

(a) one of them is the subsidiary of the other, or

(b) each of them is controlled by the same Person.

A company is "controlled" by a Person if:

(a) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person, and

(b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the company.

A Person beneficially owns securities that are beneficially owned by:

(a) a company controlled by that Person, or

(b) an Affiliate of that Person or an Affiliate of any company controlled by that Person.

"**Agency Agreement**" means the agency agreement dated as of ●, 2010 between the Company and the Agent.

"**Agent**" means Canaccord Financial Ltd. with an office in Vancouver, British Columbia.

"**Aggregate Pro Group**" means all Persons who are members of any Pro Group whether or not the Member is involved in a contractual relationship with the Company to provide financing sponsorship and other advisory services.

"**Agent's Warrants**" means the non-transferable warrants to be issued by the Company to the Agent which will entitle the Agent to purchase that number of Common Shares equal to 10% of the aggregate number of Shares sold pursuant to the Offering, being 200,000 Common Shares, at a price of $0.10 per Common Share and which may be exercised for a period of 24 months from the day the Common Shares are listed on the Exchange.

"**Agent's Warrant Shares**" means up to 200,000 previously unissued Common Shares in the authorized share structure of the Company, as presently constituted, issuable on exercise of the Agent's Warrants.

"**Agreement in Principle**" means any enforceable agreement or any other agreement or similar commitment which identifies the fundamental terms upon which the parties agree or intend to agree which:

(a) identifies assets or a business to be acquired which would reasonably appear to constitute Significant Assets and the acquisition of which would reasonably appear to constitute a Qualifying Transaction;

(b) identifies the parties to the Qualifying Transaction;

(c) identifies the consideration to be paid for the Significant Assets or otherwise identifies the means by which the consideration will be determined; and

(d) identifies the conditions to any further formal agreements to complete the transaction, and

in respect of which there are no material conditions to closing (other than receipt of shareholder approval and Exchange acceptance), the satisfaction of which is dependent upon third parties and beyond the reasonable control of the Non Arm's Length Parties to the CPC or the Non Arm's Length Parties to the Qualifying Transaction.

"**Associate**" when used to indicate a relationship with a Person or company, means:

(a) an issuer of which the Person or company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer,

(b) any partner of the Person or company,

(c) any trust or estate in which the Person or company has a substantial beneficial interest or in respect of which a Person or company serves as trustee or in a similar capacity,

(d) in the case of a Person, a relative of that Person, including

(i) that Person's spouse or child, or

(ii) any relative of the Person or of his spouse who has the same residence as that Person;

but

(e) where the Exchange determines that two Persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D of the Exchange with respect to that Member firm, Member corporation or holding company.

"**Change of Business**" means a transaction or series of transactions that will redirect an issuer's resources and will change the nature of its business, for example, through the acquisition of an interest in another business that represents a material amount of the issuer's market value, assets or operations, or which becomes the principal enterprise of the issuer.

"**Change of Control**" includes situations where after giving effect to the contemplated transaction and as a result of such transaction:

(a) any one Person holds a sufficient number of the voting shares of the issuer or Resulting Issuer to affect materially the control of the issuer or Resulting Issuer; or

(b) any combination of Persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, hold in total a sufficient number of the voting shares of the issuer or Resulting Issuer to affect materially the control of the issuer or Resulting Issuer,

where such Persons or combination of Persons did not previously hold a sufficient number of voting shares to affect materially the control of the issuer or the Resulting Issuer. In the absence of evidence to the contrary, any Person or combination of Persons acting in concert by virtue of an agreement, arrangement, commitment or understanding holding more than 20% of the voting shares of the issuer or Resulting Issuer is deemed to materially affect the control of the issuer or Resulting Issuer.

"**Closing**" means the completion of the Offering.

"**Common Shares**" means the common shares without par value in the capital of the Company as constituted on the date hereof.

"**company**" unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

"**Completion of the Qualifying Transaction**" means the date the Final Exchange Bulletin is issued by the Exchange.

"**Control Person**" means any Person or company that holds or is one of a combination of Persons or companies that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

"**CPC**" means a company:

(a) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities regulatory authorities in compliance with the CPC Policy; and

(b) in regard to which the Final Exchange Bulletin has not yet been issued.

"**Exchange**" means the TSX Venture Exchange Inc.

"**Final Exchange Bulletin**" means the Exchange bulletin which is issued following closing of the Qualifying Transaction and the submission of all required documentation and that evidences the final Exchange acceptance of the Qualifying Transaction.

"Initial Public Offering" or **"IPO"** means a transaction that involves an issuer issuing securities from its treasury pursuant to its first prospectus.

"**Insider**" if used in relation to an issuer, means:

(a) a director or senior officer of the issuer;

(b) a director or senior officer of the company that is an Insider or subsidiary of the issuer;

(c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the issuer; or

(d) the issuer itself if it holds any of its own securities.

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

"**Majority of the Minority Approval**" means the approval of a Non Arm's Length Qualifying Transaction by the majority of the votes cast by shareholders, other than:

(a) Non Arm's Length Parties to the CPC;

(b) Non Arm's Length Parties to the Qualifying Transaction; and

(c) in the case of a Related Party Transaction:

(i) if the CPC holds its own shares, the CPC, and

(ii) a Person acting jointly or in concert with a Person referred to in paragraph (a) or (b) in respect of the transaction,

at a properly constituted meeting of the common shareholders of the CPC.

"**Member**" means a Person who has executed the Members' Agreement (as defined in the Exchange Rules and Trading Policies), as amended from time to time, and is accepted as and becomes a member of the Exchange under the Exchange Requirements.

"**NEX**" means the market on which former Exchange and Toronto Stock Exchange issuers that do not meet Exchange tier maintenance requirements for Tier 2 Issuers may continue to trade.

"Non Arm's Length Parties to the Qualifying Transaction" means the Vendor, any Target Company and includes, in relation to Significant Assets or Target Company, the Non Arm's Length Parties of the Vendor, the Non Arm's Length Parties of any Target Company and all other parties to or associated with the Qualifying Transaction and Associates or Affiliates of all such other parties.

"Non Arm's Leng**th Party**" means in relation to a company, a promoter, officer, director, other Insider or Control Person of that company (including an issuer) and any Associates or Affiliates of any of such Persons; or another entity or an Affiliate of that entity, if that entity or its Affiliate have the same Promoter, officer, director, Insider or Control Person as the company. In relation to an individual, means any Associate of the individual or any company of which the individual is a promoter, officer, director, Insider or Control Person.

"**Non Arm's Length Qualifying Transaction**" means a proposed Qualifying Transaction where the same party or parties or their respective Associates or Affiliates control the CPC and the Significant Assets which are the subject of the proposed Qualifying Transaction.

"**Person**" means a company or individual.

"**Principal**" means:

(a) a Person or company who acted as a promoter of the issuer within two years or their respective Associates or Affiliates, before the IPO prospectus or Final Exchange Bulletin;

(b) a director or senior officer of the issuer or any of its material operating subsidiaries at the time of the IPO prospectus or Final Exchange Bulletin;

(c) a 20% holder - a Person or company that holds securities carrying more than 20% of the voting rights attached to the issuer's outstanding securities immediately before and immediately after the issuer's IPO or immediately after the Final Exchange Bulletin for non IPO transactions;

(d) a 10% holder - a Person or company that:

(i) holds securities carrying more than 10% of the voting rights attached to the issuer's outstanding securities immediately before and immediately after the issuer's IPO or immediately after the Final Exchange Bulletin for non IPO transactions; and

(ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the issuer or any of its material operating subsidiaries.

In calculating these percentages, securities that may be issued to the holder under outstanding convertible securities must be included in both the holder's securities and the total securities outstanding.

A company, trust, partnership or other entity more than 50% held by one or more Principals will be treated as a Principal. (In calculating this percentage, securities of the entity that may be issued to the Principals under outstanding convertible securities must be included in both the Principals' securities of the entity and the total securities of the entity outstanding). Any securities of the issuer that this entity holds will be subject to escrow requirements.

A Principal's spouse and their relatives that live at the same address as the Principal will also be treated as Principals and any securities of the issuer they hold will be subject to escrow requirements.

"**Pro Group**" means:

(a) Subject to subparagraphs (b), (c) and (d) "Pro Group" shall include, either individually or as a group:

(i) the Member;

(ii) employees of the Member;

(iii) partners, officers and directors of the Member;

(iv) Affiliates of the Member; and

(v) Associates of any parties referred to in subparagraphs (i) through (iv).

(b) The Exchange may, in its discretion, include a Person or party in the Pro Group for the purposes of a particular calculation where the Exchange determines that the Person is not acting at arm's length to the Member;

(c) The Exchange may, in its discretion, exclude a Person from the Pro Group for the purposes of a particular calculation where the Exchange determines that the Person is acting at arm's length of the Member;

(d) The Member may deem a Person who would otherwise be included in the Pro Group pursuant to subparagraph (a) to be excluded from the Pro Group where the Member determines that:

(i) the Person is an affiliate or associate of the Member acting at arm's length of the Member;

(ii) the associate or affiliate has a separate corporate and reporting structure;

(iii) there are sufficient controls on information flowing between the Member and the associate or affiliate; and

(iv) the Member maintains a list of such excluded Persons.

"**Promoter**" means the definition prescribed by applicable Securities Laws.

"**Qualifying Transaction**" means a transaction where a CPC acquires Significant Assets, other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means.

"**Resale Restrictions**" means restrictions on the ability to trade securities including restrictions imposed under applicable Securities Laws such as hold periods and notice requirements and any restrictions under escrow or pooling agreements.

"**Resulting Issuer**" means the issuer that was formerly a CPC that exists upon issuance of the Final Exchange Bulletin.

"**Reverse Take-Over**" or **"RTO"** means a transaction or series of transactions, involving an acquisition by the issuer or of the issuer, and a securities issuance by an issuer that results in:

(a) new shareholders holding more than 50% of the outstanding voting securities of the issuer; and

(b) a "Change of Control" of the issuer. The Exchange may deem a transaction to have resulted in a Change of Control by aggregating the shares of a vendor group and/or incoming management group;

but does not include any transaction or series of transactions whereby the newly issued securities are to be issued to shareholders of an issuer listed on the Toronto Stock Exchange or another senior exchange under a formal takeover bid made pursuant to Securities Laws.

A transaction or series of transactions may include an acquisition of a business or assets, an amalgamation, arrangement or other reorganization.

Any securities issued pursuant to a private placement effected concurrently, contingent upon, or otherwise linked to a transaction or series of transactions, may be used in order to determine whether a transaction or series of transactions satisfies (a) and/or (b), above.

"**Securities Laws**" means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to a company.

"**SEDAR**" means System for Electronic Document Analysis and Retrieval.

"**Seed Shares**" means securities issued before an issuer's IPO, or by a private Target Company before a Reverse Take-over, Change of Business or Qualifying Transaction, regardless of whether the securities are subject to Resale Restrictions or are free trading.

"**Significant Assets**" means one or more assets or businesses which, when purchased, optioned or otherwise acquired by the CPC, together with any other concurrent transactions, would result in the CPC meeting the minimum listing requirements of the Exchange.

"**Shares**" means 2,000,000 previously unissued Common Shares in the authorized share structure of the Company, as presently constituted, being offered for sale at a purchase price of $0.10 per Common Share under the Offering.

"**Sponsor**" has the meaning specified in Exchange Policy 2.2 - Sponsorship and Sponsorship Requirements.

"**Sponsorship Acknowledgement Form**" means the form prepared in accordance with Exchange Form 2G.

"**Sponsor Report**" means the report to be provided to the Exchange by the Sponsor.

"**Stock Options**" means stock options granted by the Company to purchase up to a maximum of 730,000 Common Shares to directors and officers.

"**Target Company**" means a company to be acquired by the CPC as its Significant Asset pursuant to a Qualifying Transaction.

"**Vendors**" means one or all of the beneficial owners of the Significant Assets (other than a Target Company).

PROSPECTUS SUMMARY

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

Company: The principal business of the Company will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Company has not commenced commercial operations and has no assets other than a minimum amount of cash and prepaid share capital issuance costs**.** See "Business of the Company".

Offering: An aggregate of 2,000,000 Common Shares in the capital of the Company are being offered under this prospectus at a purchase price of $0.10 per Share in the Province of British Columbia and certain offshore jurisdictions. In addition, the Company will grant the Agent the Agent's Warrants to purchase up to a maximum of 200,000 Common Shares (assuming completion of the Offering) at a purchase price of $0.10 per Common Share, exercisable for a period of 24 months from the date of listing of the Common Shares on the Exchange. The Agent's Warrants are qualified for distribution under this prospectus. See "Use of Proceeds" and "Plan of Distribution". The Company has also granted 730,000 stock options to directors and officers of the Company. See "Stock Options".

Use of Proceeds: The net proceeds to the Company from the Offering after the payment of all costs in respect of the Offering, together with existing funds of the Company, are estimated to be $377,500. After deducting the estimated general and administrative expenses of the Company until the Completion of the Qualifying Transaction of $73,020, the Company will have $304,480 available, which will be used to provide the Company with a minimum of funds with which to identify and evaluate assets or businesses for acquisition with a view to completing a Qualifying Transaction. The Company may not have sufficient funds to secure such businesses or assets once identified and evaluated and additional funds may be required. Until Completion of the Qualifying Transaction and except as otherwise provided in the CPC Policy, a maximum of the lesser of: (i) 30% of the gross proceeds realized; and (ii) $210,000 may be used for purposes other than evaluating businesses or assets. See "Use of Proceeds", "Business of the Company - Criteria for Qualifying Transaction" and "Risk Factors".

Directors and Officers: The directors and officers of the Company are as follows: Edward Farrauto, **C**hief Executive Officer, Chief Financial Officer and Director, Douglas Forster, Director, Blayne Johnson, Director, and Ryan King, Director and Corporate Secretary. See "Directors, Officers and Promoters - Management and Key Personnel".

Escrowed Securities: All of the currently issued and outstanding Common Shares of the Company, being 5,300,000 Common Shares, will be deposited into escrow pursuant to the terms of an Escrow Agreement (as hereinafter defined) and will be released from escrow in stages over a period of up to three years after the date of the Final Exchange Bulletin. See "Escrowed Securities".

Risk Factors: Investment in the Shares must be regarded as highly speculative due to the proposed nature of the Company's business and its present stage of development. The Company was only recently incorporated and has no active business or assets other than cash, and has not identified a potential company, asset or business with a view to completing a Qualifying Transaction. It does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the Completion of the Qualifying Transaction. The Offering is only suitable to investors who are prepared to rely entirely on the directors and management of the Company and can afford to risk the loss of their entire investment. The directors and officers of the Company will only devote part of their time and attention to the affairs of the Company and there are potential conflicts of interest to which some of the directors and officers of the Company will be subject in connection with the operations of the Company. Assuming completion of the Offering, investors will suffer an immediate dilution on investment of 36% or $0.036 per Share, without deduction of selling commissions and related expenses incurred by the Company. There can be no assurance that an active and liquid market for the Common Shares will develop and an investor may find it difficult to resell the Common Shares. Until Completion of the Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Company has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Company will be able to identify or complete a suitable Qualifying Transaction. See “Corporate Structure”, “Business of the Company”, “Directors, Officers and Promoters - Management and Key Personnel”, “Use of Proceeds”, “Risk Factors” and “Conflicts of Interest”.

The Qualifying Transaction may involve the acquisition of a business or assets located outside of Canada. It may, therefore, be difficult or impossible to effect service or notice to commence legal proceedings upon any directors, officers and experts outside of Canada and it may not be possible to enforce against such persons or companies judgments obtained in Canadian courts predicated upon the civil liability provisions applicable to securities laws in Canada.

CORPORATE STRUCTURE

Pinecrest Resources Ltd. was incorporated by a Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (British Columbia) dated January 18, 2010.

The head office of the Company is located at 1250 – 999 W. Hastings St., Vancouver, British Columbia V6C 2W2. The registered office of the Company is located at Suite 3350, Four Bentall Centre, 1055 Dunsmuir Street, Vancouver, British Columbia V7X 1L2.

BUSINESS OF THE COMPANY

Preliminary Expenses

As at the date hereof, the Company has incurred or accrued preliminary expenses with respect to legal and auditing fees and expenses in the aggregate amount of approximately $48,289, $31,789 of which have been incurred since the date of the financial statements included in this prospectus, which amount includes a deposit of $10,000 paid to the Agent.

Upon completion of the Offering, the deposit of $10,000, which has been paid to the Agent, will be applied towards the payment of the expenses of the Agent and its legal counsel. The Company will have also incurred legal expenses, including expenses in respect of the prior issuances of Common Shares, general legal services and costs associated with the incorporation and organization of the Company.

A portion of the proceeds of the Offering will be used to satisfy the obligations of the Company related to the Offering, including the expenses of its legal counsel and auditor and the Agent's legal counsel. See "Use of Proceeds".

Proposed Operations Until Completion of a Qualifying Transaction

The Company proposes to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the Exchange and in the case of a Non Arm's Length Qualifying Transaction will also be subject to Majority of the Minority Approval in accordance with the CPC Policy. The Company has not conducted commercial operations. The Company currently intends to pursue a Qualifying Transaction in the natural resources or industrial sector but there is no assurance that this will, in fact be the business sector of a proposed Qualifying Transaction or of the Company following Completion of the Qualifying Transaction. See "Business of the Company - Minimum Listing Requirements".

Until Completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction. With the consent of the Exchange, this may include the raising of additional funds in order to finance an acquisition. Except as described under "Use of Proceeds - Restrictions on Use of Proceeds" and "Use of Proceeds - Private Placements for Cash", the funds raised pursuant to the Offering and any subsequent financing will be utilized only for the identification and evaluation of potential Qualifying Transactions and not for any deposit, loan or direct investment in a potential acquisition.

The Company has not yet entered into an Agreement in Principle.

Method of Financing Participation or Acquisitions

The Company may use either cash, secured or unsecured debt, issuance of treasury shares, public financing of debt or equity, or a combination of these, for the purpose of financing its proposed Qualifying Transaction. **A Qualifying Transaction financed by the issue of treasury shares could result in a change in the control of the Company and may cause the shareholders' interest in the Company to be further diluted.**

Criteria for Qualifying Transaction

The Company will consider acquisitions of assets or businesses operated or located both inside and outside of Canada, as permitted by applicable Exchange policies. All potential acquisitions will be screened initially by management of the Company to determine their economic viability. The board of directors of the Company must approve any proposed Qualifying Transaction. In exercising their powers and discharging their duties in relation to a proposed Qualifying Transaction, the directors will act honestly and in good faith with a view to the best interests of the Company and will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Filings and Shareholder Approval of a Non Arm's Length Qualifying Transaction

Upon the Company reaching an Agreement in Principle, the Company must issue a comprehensive news release, at which time the Exchange will generally halt trading in the Common Shares until the filing requirements of the Exchange have been satisfied as set forth under "Business of the Company - Trading Halts, Suspension and Delisting". Within 75 days after the issuance of such news release, the Company will be required to submit for review to the Exchange either an information circular that complies with applicable corporate and securities laws or a filing statement that complies with Exchange requirements. An information circular must be submitted where there is a Non Arm's Length Qualifying Transaction or where shareholder approval is otherwise required. A filing statement must be submitted where the Qualifying Transaction is not a Non Arm's Length Qualifying Transaction. The information circular or filing statement, as applicable, must contain prospectus level disclosure of the Target Company and the Company, assuming Completion of the Qualifying Transaction, and be prepared in accordance with the CPC Policy and Exchange Form 3B1/Form 3B2. Upon acceptance by the Exchange, the Company must then either:

(a) file the filing statement on SEDAR at least seven business days prior to the closing of the Qualifying Transaction, and issue a news release which discloses the scheduled closing date for the Qualifying Transaction as well as the fact that the filing statement is available on SEDAR; or

(b) mail the information circular and related proxy material to its shareholders in order to obtain Majority of the Minority Approval of the Qualifying Transaction or other requisite approval at a meeting of shareholders of the Company.

Unless waived by the Exchange, the Company will also be required to retain a Sponsor, who must be a Member of the Exchange, and who will be required to submit to the Exchange a Sponsor Report prepared in accordance with the Policies of the Exchange. The Company will no longer be considered to be a CPC upon the Exchange having issued the Final Exchange Bulletin. The Exchange will generally not issue the Final Exchange Bulletin until the Exchange has received:

(a) in the case of a Non Arm's Length Qualifying Transaction, confirmation of Majority of Minority Approval of the Qualifying Transaction;

(b) confirmation of closing of the Qualifying Transaction; and

(c) all post-meeting or final documentation, as applicable, otherwise required to be filed with the Exchange pursuant to the CPC Policy.

Upon issuance of the Final Exchange Bulletin, the CPC Policy will generally cease to apply, with the exception of the escrow provisions of the CPC Policy and the restrictions in the CPC Policy precluding the Company from completing a Reverse Take-Over for a period of one year from the Completion of the Qualifying Transaction.

Minimum Listing Requirements

The Resulting Issuer must satisfy the Exchange's minimum listing requirements for the particular industry sector in either Tier 1 or Tier 2 as prescribed under the applicable policies of the Exchange.

Trading Halts, Suspension and Delisting

The Exchange will generally halt trading in the Common Shares from the date of the public announcement of an Agreement in Principle until all filing requirements of the Exchange have been satisfied, which includes the submission of a Sponsorship Acknowledgment Form, where the Qualifying Transaction is subject to sponsorship. In addition, personal information forms or, if applicable, declarations, for all individuals who may be directors, senior officers, promoters, or Insiders of the Resulting Issuer must be filed with the Exchange and any preliminary background searches that the Exchange considers necessary or advisable must also be completed before the trading halt will be lifted by the Exchange.

Even if all filing requirements have been satisfied and preliminary background checks completed, the Exchange may continue or reinstate a halt in trading of the Common Shares for public policy reasons including:

(a) the unacceptable nature of the business of the Resulting Issuer, or

(b) the number of conditions precedent to, or the nature and number of deficiencies required to be resolved prior to, Completion of the Qualifying Transaction, are so significant or numerous as to make it appear to the Exchange that the halt should be reinstated or continued.

A trading halt may also be imposed by the Exchange where the Company fails to file the supporting documents relating to the Qualifying Transaction within a period of 75 days after public announcement of the Agreement in Principle or if the CPC fails to file post-meeting or final documents, as applicable, within the time required. A trading halt may also be imposed if a Sponsor terminates its sponsorship.

The Exchange may suspend from trading or delist the Common Shares of the Company where the Exchange has not issued a Final Exchange Bulletin to the CPC within 24 months of the date of listing. In the event that the Common Shares of the Company are delisted by the Exchange, within 90 days from the date of such delisting, the Company shall wind-up and shall make a pro rata distribution of its remaining assets to its shareholders, unless shareholders, pursuant to a majority vote exclusive of the votes of Non Arm's Length Parties to the Company, determine to deal with the issuer or its remaining assets in some other manner. See "Filings and Shareholder Approval of a Non Arm's Length Qualifying Transaction" and "Refusal of Qualifying Transaction".

If the Company does not complete a Qualifying Transaction within 24 months of the date of listing, it may apply for listing on the NEX board of the Exchange rather than be delisted. In order to be eligible to list on NEX, the Company must:

(a) either:

  (i) cancel all Seed Shares purchased by Non Arm's Length Parties to the Company at a discount to the Offering price, in accordance with section 11.2(a) of the CPC Policy, as if the Company had delisted from the Exchange, or

  (ii) subject to majority shareholder approval, cancel an amount of the Seed Shares purchased by Non Arm's Length Parties to the Company so that the average cost of the remaining Seed Shares is at least equal to the Offering price; and

(b) obtain majority shareholder approval for the transfer to NEX, exclusive of the votes of Non Arm's Length Parties of the Company.

If the Company lists the Common Shares on NEX it must continue to comply with all requirements and restrictions of the CPC Policy.

Refusal of Qualifying Transaction

The Exchange, in its sole discretion, may not accept a Qualifying Transaction where:

(a) the Resulting Issuer fails to satisfy the applicable minimum listing requirements of the Exchange;

(b) the aggregate number of securities of the Resulting Issuer owned, directly or indirectly, by:

(i) member firms of the Exchange;

(ii) registrants, unregistered corporate finance professionals, employee shareholders and partners of such member firms; and

(iii) associates of any such person,

collectively, would exceed 20% of the issued and outstanding securities of the Resulting Issuer;

(c) the Resulting Issuer will be a financial institution, finance company, finance issuer or mutual fund, as defined in the securities legislation;

(d) the majority of the directors and senior officers of the Resulting Issuer are not residents of Canada or the United States of America or are individuals who have not demonstrated positive association as directors or officers with public companies that are subject to a regulatory regime comparable to the companies listed on a Canadian exchange; or

(e) notwithstanding the definition of a Qualifying Transaction, there is any other reason for denying acceptance of the Qualifying Transaction.

USE OF PROCEEDS

Proceeds and Principal Purposes

The gross proceeds to be received by the Company from the sale of the Shares will be $200,000. The gross proceeds received by the Company from the sale of Common Shares prior to the date of this prospectus were $265,000. From the aggregate gross proceeds of $465,000 will be deducted the expenses and costs of the Offering estimated in the aggregate, including the Company's legal fees, audit fees, regulatory fees, transfer agent fees and the Agent's Commission, administration fee, legal fees and expenses, to be approximately $87,500. The Company estimates that the net amount of $377,500 will be available to the Company from the combination of prior sales of Common Shares and the sale of the Shares offered by the Offering.

The following indicates the principal uses to which the Company proposes to use the total funds available to it upon the completion of the Offering:

	Offering
Cash proceeds raised prior to the Offering (Seed Shares)(1)	$265,000
Cash Proceeds from this Offering(2)	$200,000
Total Proceeds	$465,000
Commission, Administration Fee and Legal Expenses of the Agent(3)	($40,000)
Legal, Accounting, Audit and Other Expenses Relating to the Offering(4)	($47,500)
Estimated funds available (on completion of Offering)	$377,500
Funds available for identifying and evaluating assets or business prospects(5)	$304,480
Estimated general and administrative expenses until Completion of the Qualifying Transaction	$73,020

	Offering
Total Net Proceeds	$377,500

(1) Since the date of incorporation of the Company, 5,300,000 Common Shares have been issued. See “Prior Sales”.

(2) In the event the Agent exercises the Agent’s Warrants, there will be available to the Company an additional $20,000, which may be added to the working capital of the Company. In the event that all Stock Options are exercised, there will be available to the Company a maximum of an additional $73,000 which may be added to the working capital of the Company. There is no assurance that all, or part of, the Agent’s Warrants or Stock Options will be exercised.

(3) Of this amount, $10,000 has been paid to date. See “Business of the Company – Preliminary Expenses”.

(4) Of this amount $Nil has been paid to date. See “Business of the Company – Preliminary Expenses”.

(5) In the event that the Company enters into an Agreement in Principle prior to spending the entire $304,480 on identifying and evaluating assets or businesses, the remaining funds may be used to finance or partially finance the acquisition of Significant Assets or for working capital after Completion of the Qualifying Transaction.

Until required for the Company’s purposes, the proceeds from the sale of securities of the Company will only be invested in securities of, or those guaranteed by, the Government of Canada or any province or territory of Canada or the Government of the United States of America, in certificates of deposit or interest-bearing accounts of Canadian chartered banks, trust companies or credit unions.

The proceeds from the Offering and any prior sale of Common Shares of the Company, after deducting the expenses associated with the Offering, will only be sufficient to identify and evaluate a finite number of assets and businesses, and additional funds may be required to finance any acquisition to which the Company may commit.

Permitted Use of Funds

Until the Completion of the Qualifying Transaction and except as otherwise specifically provided by the CPC Policy and described in “Restrictions on Use of Proceeds”, “Private Placements for Cash” and “Prohibited Payments to Non Arm’s Length Parties”, the gross proceeds realized from the sale of all securities issued by the Company will be used by the Company only to identify and evaluate businesses or assets and obtain shareholder approval for a proposed Qualifying Transaction.

The proceeds may be used for expenses incurred for the preparation of:

(a) valuations or appraisals;

(b) business plans;

(c) feasibility studies and technical assessments;

(d) sponsorship reports;

(e) engineering or geological reports;

(f) financial statements, including audited financial statements;

(g) fees for legal and accounting services; and

(h) Agent’s fees, costs and commissions,

relating to the identification and evaluation of assets or businesses and in the case of a Non Arm’s Length Qualifying Transaction, the obtaining of shareholder approval for the Company’s proposed Qualifying Transaction.

In addition, with the prior acceptance of the Exchange, up to an aggregate of $225,000 may be advanced as a refundable deposit or secured loan by the Company to a Vendor or Target Company, as the case may be, for a proposed arm’s length Qualifying Transaction that has been publicly announced at least 15 days prior to the date of such advance, due diligence with respect to the Qualifying Transaction which is well underway and either a Sponsor has been engaged or sponsorship has been waived. A maximum aggregate amount of $25,000 may also be advanced as a non-refundable deposit, unsecured deposit or advance to a Vendor or Target Company, as the case may be, to preserve assets without the prior acceptance of the Exchange.

Restrictions on Use of Proceeds

Until Completion of a Qualifying Transaction, not more than the lesser of: (i) $30% of the gross proceeds from the sale of all securities issued by the Company; or (ii) $210,000 will be used for purposes other than those described above. For greater certainty, expenditures which are not included under “Permitted Use of Funds”, listed above, include:

(a) listing and filing fees (including SEDAR fees);

(b) other costs for the issuance of securities, (including legal, accounting and audit expenses) relating to the preparation and filing of this prospectus; and

(c) administrative and general expenses of the Company, including:

  (i) office supplies, office rent and related utilities;

  (ii) printing costs (including the printing of this prospectus and share certificates);

  (iii) equipment leases; and

  (iv) fees for legal advice and audit expenses, other than those described above under “Permitted Use of Funds”.

No proceeds will be used to acquire or lease a vehicle.

Private Placements for Cash

After the Closing and until the Completion of the Qualifying Transaction, the Company will not issue any securities unless written acceptance of the Exchange is obtained before issuance. Prior to the Completion of the Qualifying Transaction, the Exchange generally will not accept a private placement by the Company where the gross proceeds raised from the issuance of securities both prior to and pursuant to the Offering, together with any proceeds anticipated to be raised upon closing of the private placement, will exceed $2,000,000. The only securities issuable pursuant to such a private placement will be Common Shares. Subject to certain limited exceptions, any Common Shares issued by the Company pursuant to a private placement to Non Arm’s Length Parties to the Company and to Principals of the Resulting Issuer will be subject to escrow.

Prohibited Payments to Non Arm’s Length Parties

Except as described under “Stock Options” and “Restrictions on Use of Proceeds”, the Company has not made, and until the Completion of the Qualifying Transaction will not make, any payment of any kind, directly or indirectly, to a Non Arm’s Length Party to the Company or a Non Arm’s Length Party to the Qualifying Transaction, or to a person engaged in investor relations activities, by any means, including:

(a) remuneration, which includes but is not limited to salaries, consulting fees, management contract fees or directors’ fees, finders’ fees, loans, advances and bonuses, and

(b) deposits and similar payments.

Further, no such payment will be made on or after the Completion of the Qualifying Transaction if such payment relates to services rendered or obligations incurred prior to or in connection with the Qualifying Transaction.

Notwithstanding the above, the Company may reimburse a Non Arm's Length Party to the Company for reasonable expenses for office supplies, office rent and related utilities, equipment leases (excluding vehicle leases), and legal services (provided that neither the lawyer providing the legal services nor any member of the law firm providing the services is a promoter of the Company or in the case of a law firm, no member of the firm owns greater than 10% of the outstanding Common Shares of the Company), and the Company may also reimburse a Non Arm's Length Party to the Company for reasonable out-of-pocket expenses incurred in pursuing the business of the Company described in "Permitted Use of Funds".

The foregoing restrictions on the use of proceeds and prohibitions on payments to Non Arm's Length Parties and persons engaged in investor relations activities continue to apply until the Completion of the Qualifying Transaction.

PLAN OF DISTRIBUTION

Agent and Agent's Compensation

Pursuant to the Agency Agreement, the Company has appointed the Agent as its agent to offer for sale on a commercially reasonable efforts basis to the public 2,000,000 Shares, as provided in this prospectus, at a price of $0.10 per Share for gross proceeds of $200,000 subject to the terms and conditions in the Agency Agreement. The Agent will receive a cash commission of 10% of the gross proceeds from the sale of the Shares, aggregating $20,000. In addition, the Company will pay to the Agent an administration fee of $10,000 and the Agent's legal fees incurred pursuant to the Offering, estimated at $10,000 plus disbursements and taxes, and any other reasonable expenses of the Agent.

The Company has also agreed to grant to the Agent the Agent's Warrants to purchase up to a maximum of 200,000 Agent's Warrant Shares at a purchase price of $0.10 per Agent's Warrant Share (representing 10% of the total number of Shares sold under the Offering), which may be exercised during the period of 24 months from the date the Common Shares are listed on the Exchange. The Agent's Warrants are qualified for distribution under this prospectus. Not more than 50% of the Agent's Warrant Shares received on the exercise of the Agent's Warrants may be sold by the Agent prior to the Completion of the Qualifying Transaction. The remaining 50% may be sold after the Completion of the Qualifying Transaction. The Agent has agreed to use its commercially reasonable efforts to secure subscriptions for the Shares offered hereunder on behalf of the Company and may make co-brokerage arrangements with other investment dealers at no additional cost to the Company. The obligations of the Agent under the Agency Agreement may be terminated at its discretion on the basis of its assessment of the state of financial markets and may also be terminated on the occurrence of certain events as stated in the Agency Agreement.

Commercially Reasonable Efforts Offering and Minimum Distribution

The total Offering is for 2,000,000 Shares at a purchase price of $0.10 per Share for total gross proceeds to the Company of $200,000. Under the CPC Policy, no purchaser is permitted to purchase more than 2% or 40,000 Shares, a $4,000 investment, under the Offering. In addition, the maximum number of Shares permitted to be purchased by that purchaser, together with any Associates or Affiliates of that purchaser, is 4% or 80,000 Shares, an $8,000 investment, under the Offering. The funds received from the Offering will be deposited with the Agent and will not be released until proceeds of $200,000 have been deposited. The total subscription must be raised within 90 days of the date a receipt for the prospectus is issued, or such other time as may be consented to by the Agent and persons or companies who subscribed within that period, failing which the Agent will remit the funds collected to the original subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent.

Determination of Price

The purchase price of the Shares offered pursuant to the Offering was determined by negotiation between the Company and the Agent.

Right of First Refusal

Pursuant to the terms of the Agency Agreement, the Company has granted to the Agent a right of first refusal in respect of any further brokered equity financing (or securities convertible into equity) that the Company requires or proposes to obtain until the date (the "Termination Date") which is the later of: (i) the day which falls 12 months from the date the Common Shares are listed on the Exchange; and (ii) the date of the Completion of the Qualifying Transaction.

Also pursuant to the terms of the Agency Agreement, the Company has granted the Agent a right of first refusal until the Termination Date to act as the Company's Sponsor with respect to a Qualifying Transaction if a Sponsor is required by the Exchange.

Listing Application

The Company has applied to list its Common Shares on the Exchange. Listing will be subject to the Company fulfilling all the listing requirements of the Exchange.

Subscriptions by and Restrictions on the Agent

All subscriptions by any member of the Aggregate Pro Group are subject to the applicable client priority rules and the general rule of the CPC Policy that no purchaser can: (i) directly or indirectly purchase more than 2% of the total Shares offered under this Offering; and (ii) together with any Associates or Affiliates purchase more than 4% of the total Shares offered under this Offering. Any Common Shares issued to any member of the Aggregate Pro Group prior to the date of this prospectus will be held in escrow pursuant to the CPC Policy.

Until completion of the Qualifying Transaction, the aggregate number of Common Shares permitted to be owned directly or indirectly by the members of the Pro Group is 20% of the issued and outstanding Common Shares exclusive of Common Shares reserved for issuance at a future date. The Exchange will require that any securities issued to the Pro Group in connection with or in contemplation of the Qualifying Transaction will be required to be subject to a four month Exchange hold period and the securities certificate(s) legended accordingly, as prescribed by Exchange Policy 3.2 "Filing Requirements and Continuous Disclosure".

The Agent has advised the Company that to the best of its knowledge and belief, no directors, officers, employees or contractors of the Agent or any Associate or Affiliate of the foregoing has subscribed for Common Shares of the Company prior to the date hereof.

Restrictions on Trading

Other than the initial distribution of the Shares pursuant to this prospectus and the grant of the Agent's Warrants, no securities of the Company will be permitted to be issued during the period between the date a receipt for the preliminary prospectus is issued by the British Columbia Securities Commission and the time the Common Shares are listed for trading on the Exchange, except subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable securities regulatory authorities grant a discretionary order.

DESCRIPTION OF SECURITIES DISTRIBUTED

The Company is authorized to issue an unlimited number of Common Shares without nominal or par value of which, as of the date hereof, 5,300,000 Common Shares are issued and outstanding as fully-paid and non-assessable shares. The holders of Common Shares are entitled to receive notice of and attend all meetings of the shareholders of the Company and are entitled to one vote in respect of each Common Share held at such meetings. In the event of liquidation, dissolution or winding-up of the Company, the holders of Common Shares are entitled to share rateably the remaining assets of the Company.

In addition, up to a maximum of 200,000 Agent's Warrant Shares are authorized for issuance upon the exercise of the Agent's Warrants and up to a maximum of 730,000 Common Shares are authorized for issuance upon the exercise of Stock Options. See "Plan of Distribution" and "Stock Options".

CAPITALIZATION

The following table represents the share capital of the Company both before and after the issuance of the Shares issuable upon completion of the Offering:

Capital	**Amount Authorized**	**Amount outstanding as of the date of the balance sheet contained in the prospectus** [(1)]	**Amount outstanding as of the date hereof**[(1)]	**Amount to be outstanding after giving effect to the Offering**[(2)(3)]
Common Shares	Unlimited	$265,000 (5,300,000 Common Shares)	$265,000 (5,300,000 Common Shares)	$465,000 (7,300,000 Common Shares)
Preferred Shares	Unlimited	Nil	Nil	Nil

(1) As at the date of the balance sheet, and as at the date hereof, the Company had not commenced commercial operations.

(2) Assuming no exercise of the Agent's Warrants or the Stock Options. The Company has reserved 200,000 Agent's Warrant Shares for issuance upon the exercise of the Agent's Warrants. See "Plan of Distribution". The Company has granted Stock Options to purchase up to a maximum of 730,000 Common Shares to directors and officers of the Company in accordance with the policies of the Exchange, which options expire five years from the Listing Date. See "Stock Options".

(3) This amount represents gross proceeds of this Offering and prior issuances of Common Shares, prior to deducting the expenses of the prior issuances of Common Shares, Agent's commission and administration fee and the estimated expenses of the Offering (estimated to be $87,500). See "Use of Proceeds".

The following table sets out the fully diluted share capital structure of the Company upon completion of the Offering:

Common Shares Issued or Allotted	Number of Common Shares	Percentage of Total
Issued as of the date of this Prospectus	5,300,000	64.40%
Offering	2,000,000	24.30%
Common Shares reserved for future issuance:		
Stock Options	730,000	8.87%
Agent's Warrants	200,000	2.43%
TOTAL:	**8,230,000**	**100%**

STOCK OPTIONS

The Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 730,000, being 10% of the issued and outstanding Common Shares after Closing the Offering, exercisable for a period of up to five years from the Listing Date. The number of Common Shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding Common Shares. Options may be exercised for a period of five years from the date the Company's Common Shares are listed on the Exchange, subject to the following cancellation provisions. If the optionee does not continue as a director, officer, technical consultant or employee of the Resulting Issuer following the Completion of the Qualifying Transaction, the options will have a maximum term of the later of 12 months after the Completion of the Qualifying Transaction and 90 days after the optionee ceases to be a director, officer, technical consultant or employee of the Resulting Issuer. However, the options shall terminate immediately on the date the optionee ceases to be a director of the Company as a result of: (a) ceasing to meet the qualifications set forth in the *Business Corporations Act* (British Columbia); (b) a special resolution passed by the shareholders of the Company removing the optionee as a director of the Company; or (c) by order of any securities regulatory body having jurisdiction to so order. If the optionee should die while still a director of the Company, the options may then be exercised by the optionee's legal heirs or personal representatives for a period of one year after the optionee's death, subject to the expiry date of the option. Any Common Shares acquired pursuant to the exercise of the options prior to the Completion of the Qualifying Transaction, must be deposited into escrow and will be subject to escrow until the Final Exchange Bulletin is issued. See "Escrowed Securities".

The Company has entered into stock option agreements dated March 12, 2010 granting the following Stock Options to directors and officers of the Company:

Name	**Number of Common Shares Under Option**	**Exercise Price per Common Share**	**Expiry Date**
Edward Farrauto	120,000	$0.10	5 years from the Listing Date
Douglas Forster	255,000	$0.10	5 years from the Listing Date
Blayne Johnson	255,000	$0.10	5 years from the Listing Date
Ryan King	100,000	$0.10	5 years from the Listing Date
Total	**730,000**		

PRIOR SALES

Since the date of incorporation of the Company, 5,300,000 Common Shares have been issued as follows:

Date	**Number of Common Shares**	**Issue Price per Common Share**	**Aggregate Issue Price**	**Consideration Received**
January 18, 2010	1(1)	$1.00	$1.00	Cash
January 28, 2010	5,300,000(2)	$0.05	$265,000	Cash

(1) This Common Share was subsequently cancelled and returned to treasury.

(2) These Common Shares will be held in escrow. See "Escrowed Securities".

ESCROWED SECURITIES

Securities Escrowed Prior to the Completion of Qualifying Transaction

All of the 5,300,000 Common Shares issued prior to this Offering which were issued at a price of $0.05 per Common Share, all Common Shares that may be acquired by Non Arm's Length Parties of the Company either under the Offering or otherwise prior to the Completion of the Qualifying Transaction and all Common Shares acquired by members of the Aggregate Pro Group prior to this Offering will be deposited into escrow with Computershare Investor Services Inc. ("Computershare") under an escrow agreement (the "Escrow Agreement") to be entered into prior to the completion of the Offering in accordance with the CPC Policy.

All Common Shares acquired on exercise of Stock Options prior to Completion of a Qualifying Transaction must also be deposited into escrow and will be subject to escrow until the Final Exchange Bulletin is issued.

In addition, all Common Shares acquired in the secondary market prior to the Completion of a Qualifying Transaction by any person or company who becomes a Control Person are required to be deposited into escrow. Subject to certain exemptions permitted by the Exchange, all securities of the Company held by Principals of the Resulting Issuer will also be escrowed.

The following table sets out, as at the date hereof, the number of Common Shares, which will be held in escrow pursuant to the Escrow Agreement:

Name and Municipality of Residence of Shareholder(1)	**Common Shares**	**Number of Common Shares To Be Held in Escrow**	**Percentage of Common Shares Prior to Giving Effect to the Offering**	**Percentage of Common Shares After Giving Effect to the Offering**(1)(2)
Edward Farrauto *Penticton, BC*	1,000,000	1,000,000	18.86%	13.70%
Douglas Forster *West Vancouver, BC*	2,000,000(3)	2,000,000(3)	37.74%	27.40%
Blayne Johnson *West Vancouver, BC*	2,000,000	2,000,000	37.74%	27.40%
Ryan King *North Vancouver, BC*	300,000	300,000	5.66%	4.11%
Total	**5,300,000**	**5,300,000**	**100.00%**	**72.61%**

(1) Assuming no Shares are purchased by these persons under the Offering.

(2) Assuming no exercise of the Agent's Warrants or the Stock Options.

(3) 1,000,000 of these Common Shares are held by Quarry Capital Corp., a private company which is controlled by Mr. Forster.

Where the Common Shares which are required to be held in escrow are held by a non-individual (a "holding company"), each holding company pursuant to the terms and conditions of the Escrow Agreement has agreed, or will agree, not to carry out any transactions during the currency of the Escrow Agreement which would result in a change of control of the holding company, without the consent of the Exchange. Any holding company must sign an undertaking to the Exchange that, to the extent reasonably possible, it will not permit or authorize any issuance of securities or transfer of securities which could reasonably result in a change of control of the holding company. In addition, the Exchange may require an undertaking from any control person of the holding company not to transfer the shares of that company.

Under the Escrow Agreement, 10% of the escrowed Common Shares will be released from escrow on the issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 15% will be released on each of the dates which are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release.

If the Resulting Issuer meets the Exchange's Tier 1 minimum listing requirements either at the time the Final Exchange Bulletin is issued or subsequently, the release of the escrowed Common Shares will be accelerated. An accelerated escrow release will not commence until the Resulting Issuer has made an application to the Exchange for listing as a Tier 1 issuer and the Exchange has issued a bulletin that announces the acceptance for listing of the Resulting Issuer on Tier 1 of the Exchange.

The Exchange's prior consent must be obtained before a transfer within escrow of escrowed Common Shares. Generally, the Exchange will only permit a transfer within escrow to be made to incoming Principals in connection with a proposed Qualifying Transaction.

If a Final Exchange Bulletin is not issued, the escrowed Common Shares will not be released. Under the Escrow Agreement, each Non Arm's Length Party to the Company who holds escrowed Common Shares acquired at a price below the Offering price under this prospectus has irrevocably authorized and directed Computershare to immediately:

(a) cancel all of those escrowed Common Shares upon the issuance by the Exchange of a bulletin delisting the Common Shares of the Company; or

(b) if the Company lists on the NEX board of the Exchange, either:

  (i) cancel all Seed Shares purchased by Non Arm's Length Parties to the Company at a discount from the IPO price in accordance with Section 11.2(a) of Exchange Policy 2.4 – Capital Pool Companies, or

  (ii) subject to majority shareholder approval, cancel an amount of Seed Shares purchased by Non Arm's Length Parties to the Company so that the average cost of the remaining Seed Shares is at least equal to the IPO price.

Escrowed Securities on Qualifying Transaction

Generally, if at least 75% of the securities issued pursuant to the Qualifying Transaction are "Value Securities", then all the securities issued to Principals of the Resulting Issuer pursuant to the Qualifying Transaction will be deposited into escrow pursuant to a value security agreement (a "Value Security Escrow Agreement"). "Value Securities" are securities issued pursuant to a transaction, for which the deemed value of the securities at least equals the value ascribed to the asset, using a valuation method acceptable to the Exchange, or securities that are otherwise determined by the Exchange to be Value Securities and required to be placed in escrow under a Value Security Escrow Agreement. However, if at least 75% of the securities issued pursuant to the Qualifying Transaction are not Value Securities, all securities issued pursuant to the Qualifying Transaction will be deposited into a surplus security escrow agreement (a "Surplus Security Escrow Agreement").

The principal distinction between a Value Security Escrow Agreement and a Surplus Security Escrow Agreement is the time period for release of securities from escrow. In the case of a Resulting Issuer that will be a Tier 2 issuer when the Final Exchange Bulletin is issued, the Value Security Escrow Agreement provides for a three year escrow release mechanism with 10% of the escrowed securities being releasable at the time of the Final Exchange Bulletin, and 15% of the escrowed securities being releasable every 6 months thereafter, on each of the 6, 12, 18, 24, 30 and 36 month anniversaries of the Final Exchange Bulletin. In the case of a Resulting Issuer that will be a Tier 2 issuer when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement provides for a three year escrow release mechanism with: 5% of the escrowed securities releasable at the time of the Final Exchange Bulletin, 5% on the date which is 6 months after the Final Exchange Bulletin, 10% on each of the dates which are 12 and 18 months after the Final Exchange Bulletin, 15% on each of the dates which are 24 and 30 months after the Final Exchange Bulletin and 40% on the date which is 36 months after the Final Exchange Bulletin.

In the case of a Resulting Issuer that will be a Tier 1 issuer when the Final Exchange Bulletin is issued, the Value Security Escrow Agreement provides for an 18 month escrow release mechanism with 25% of the escrowed securities being releasable at the time of the Final Exchange Bulletin, and 25% of the escrowed securities being releasable every 6 months thereafter. In the case of a Resulting Issuer that will be a Tier 1 issuer when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement provides for an 18 month escrow release mechanism with: 10% of the escrowed securities being releasable upon the issuance of the Final Exchange Bulletin, 20% on the date which is 6 months after the Final Exchange Bulletin, 30% on the date which is 12 months after the Final Exchange Bulletin and 40% on the date which is 18 months after the Final Exchange Bulletin.

Securities issued pursuant to a private placement to Principals of the Company and the proposed Resulting Issuer will generally be exempt from escrow requirements where:

(a) the private placement is announced at least five trading days after the news release announcing the Agreement in Principle and the pricing for the financing is at not less than the discounted market price, as determined in accordance with the policies of the Exchange; or

(b) the private placement is announced concurrently with the Agreement in Principle and

(i) at least 75% of the proceeds from the private placement are not from Principals of the Company or the proposed Resulting Issuer,

(ii) if subscribers, other than Principals of the Company or the proposed Resulting Issuer, will obtain securities subject to hold periods, then in addition to any resale restrictions under applicable securities legislation, any securities issued to such Principals will be subject to a four month hold period, and

(iii) none of the proceeds of the private placement are allocated to pay compensation or to settle indebtedness owing to Principals of the Resulting Issuer.

PRINCIPAL SHAREHOLDERS

The following table lists those persons who own 10% or more of the issued and outstanding Common Shares of the Company as at the date hereof:

Name and Municipality of Residence	Type of Ownership	Number of Common Shares	Percentage of Common Shares Owned Before Offering	Percentage Owned After Offering(1)(2)
Edward Farrauto *Penticton, BC*	Direct	1,000,000	18.87%	13.70%
Douglas Forster(3) *West Vancouver, BC*	Direct	2,000,000	37.74%	27.40%
Blayne Johnson *West Vancouver, BC*	Direct	2,000,000	37.74%	27.40%

(1) Assuming no exercise of the Agent's Warrants or the Stock Options.

(2) On a fully diluted basis, assuming the exercise of the Agent's Warrants and all Stock Options, Mr. Farrauto will own 13.61% of the Common Shares of the Company after giving effect to the Offering, and Messrs. Forster and Johnson will each own 27.40% of the Common Shares of the Company after giving effect to the Offering.

(3) 1,000,000 of these Common Shares are held by Quarry Capital Corp., a private company which is controlled by Mr. Forster.

DIRECTORS, OFFICERS AND PROMOTERS

The following are the names and municipalities of residence of the directors and officers of the Company and their position and offices with the Company. The Company does not have any promoters. See also "Directors, Officers and Promoters - Management and Key Personnel".

Name, Municipality of Residence and Position	**Principal Occupations During the Past Five Years**	**Number of Common Shares**(1)
Edward Farrauto Penticton, BC *Chief Executive Officer, Chief Financial Officer and Director*	Certified General Accountant; President of Sail View Capital Ltd. since February 1994.	1,000,000
Douglas Forster West Vancouver, BC *Director*	President and chief executive officer of Featherstone Capital Advisors Inc. since 2005 and President of Quarry Capital Corp. since 1994. Founder, advisor and/or director of a number of publicly traded mineral exploration and mine development companies from 1987 to present.	2,000,000(2)(3)
Blayne Johnson West Vancouver, BC *Director*	Chairman of Featherstone Capital Advisors Inc. since November 2005, and businessperson from 2002 to 2005.	2,000,000(2)
Ryan King North Vancouver, BC *Corporate Secretary and Director*	Information Manager & Investor Relations for Terrane Metals Corp. from September 2007 to January 2010; Computer consultant for Vancity Computer Solutions from January 2003 to April 2009. From January 2003 to November 2005, Mr. King was the Information Technology Manager for Guild Yule & Company. From November 2005 to June 2007, Mr. King was the Information Technology Manager & Marketing for Transeuro Energy Corp.	300,000(2)

(1) These Common Shares are subject to escrow restrictions. See “Escrowed Securities”.

(2) Member of Audit Committee.

(3) 1,000,000 of these Common Shares are held by Quarry Capital Corp., a private company which is controlled by Mr. Forster.

In addition to any other requirements of the Exchange, the Exchange expects management of the Company to meet a high management standard. The directors and officers of the Company believe that, on a collective basis, management possesses the appropriate experience, qualifications and history to be capable of identifying, investigating and acquiring a Significant Asset.

Prior to the completion of the Offering, the directors and officers of the Company collectively hold 5,300,000 Common Shares or 100% of the issued and outstanding Common Shares. Following the completion of the Offering, the directors and officers of the Company will collectively hold 72.60% of the Common Shares of the Company and 73.27% on a fully-diluted basis.

Management and Key Personnel

Edward Farrauto (Age 53), Director, Chief Executive Officer and Chief Financial Officer

Mr. Farrauto has 18 years of experience as a senior financial officer in working for private and public companies. His experience encompasses financial and regulatory compliance and public company management. Mr. Farrauto is the Chief Financial Officer and a director of Terrane Metal Corp. and the Chief Financial Officer and a director of Calibre Mining Corp. (formerly TLC Ventures Corp.). Mr. Farrauto is a Certified General Accountant and has been a member of the Certified General Accountants Association since 1991. Mr. Farrauto has been the President of Sail

View Capital Ltd. from February 1994 to present. Mr. Farrauto will devote the time necessary to perform the work required in connection with the management of the Company and the Completion of the Qualifying Transaction.

Douglas Forster (Age 51), Director

Mr. Forster has been associated with the mineral exploration and mine development industry for the past 29 years. He holds a B.Sc. (1981) in Geology and a M.Sc. (1984) in Economic Geology from the University of British Columbia, Canada. Mr. Forster has extensive experience in resource project development, mergers and acquisitions, equity financings and public company management. He has been a founder, senior executive and/or director of numerous publicly traded companies listed on North American Stock Exchanges and is currently a director of Calibre Mining Corp. and Potash One Inc. Mr. Forster is a registered member of the Association of Professional Engineers and Geologists of British Columbia. Mr. Forster will devote the time necessary to perform the work required in connection with the management of the Company and the Completion of the Qualifying Transaction.

Blayne Johnson (Age 52), Director

Mr. Johnson has been involved in the investment community for the past 20 years. Since 1996, he has managed his own investment and real estate portfolios and has been an active investor in the mining and energy sectors. He is currently Chairman of Featherstone Capital Advisors Inc. Mr. Johnson will devote the time necessary to perform the work required in connection with the management of the Company and the Completion of the Qualifying Transaction.

Ryan King (Age 31), Director and Corporate Secretary

Mr. King has seven years' experience as an information technology specialist, as well as being a Microsoft Certified Systems Engineer. He was the Information Manager & Investor Relations for Terrane Metals Corp. from September 2007 until January 2010 and was a computer consultant for Vancity Computer Solutions from January 2003 to April 2009. From January 2003 to November 2005 Mr. King was the Information Technology manager for Guild Yule & Company, where he managed all aspects of the computer network infrastructure, and from November 2005 to June 2007 he was the Information Technology Manager & Marketing for Transeuro Energy Corp. Mr. King will devote the time necessary to perform the work required in connection with the management of the Company and the Completion of the Qualifying Transaction.

REPORTING ISSUER EXPERIENCE OF THE DIRECTORS AND OFFICERS OF THE COMPANY

The following table sets out the directors and officers of the Company that are, or have been within the last five years, directors, officers or promoters of other issuers that are or were reporting issuers in any Canadian jurisdiction:

Name	Name of Reporting Issuer	Exchange or Market	Position	From	To
Edward Farrauto	Calibre Mining Corp. (formerly TLC Ventures Corp.)	TSXV	Director	12/2003	present
	Raystar Capital Ltd.	TSXV	President and CFO	07/1998	present
	Terrane Metals Corp.	TSXV	CFO and Director	07/2006	present
	Edgewater Exploration Ltd.	TSXV	President and Director	06/2007	present
	Transeuro Energy Corp.	TSXV	Executive Vice President	05/2002	04/2009
	Sandwell Mining Ltd.	TSXV	CFO and Director	05/2009	12/2009

Name	Name of Reporting Issuer	Exchange or Market	Position	From	To
	International X-Chequer Resources Inc.	TSXV	Director	08/2007	06/2008
	Sonic Environmental Solutions Inc.	TSXV	CFO	01/2003	06/2006
	Crux Industries Inc.	TSXV	Director	10/2003	09/2005
Douglas Forster	Calibre Mining Corp. (formerly TLC Ventures Corp.)	TSXV	Chairman and Director	12/2003	present
	Potash One Inc.	TSX	Director	09/2008	present
	Sonic Technology Solutions Inc.	TSXV	Director	02/2000	06/2007
	Rubicon Minerals Corporation	TSX	Director	06/1996	02/2005
Blayne Johnson	Calibre Mining Corp.	TSXV	Director	12/2003	present
	Sonic Technology Solutions Inc.	TSXV	Director	11/2003	04/2004
Ryan King	Edgewater Exploration Ltd.	TSXV	Director	11/2007	01/2010
	Sandwell Mining Ltd.	TSXV	Director	05/2009	12/2009

CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES

Other than as set out below, no director, officer, insider or promoter of the Company or a shareholder holding sufficient securities of the Company to affect materially the control of the Company, has, within the previous ten year period, been a director, officer, insider or promoter of any other issuer that, while the person was acting in that capacity: (a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under applicable securities legislation for a period of more than 30 consecutive days; or (b) 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.

Edward Farrauto was the chief financial officer of Deloro Minerals Ltd. (now called Deloro Resources Ltd.) (“Deloro”) from April 2003 until December 2, 2003. On November 25, 2003, the Exchange issued a cease trade order against Deloro for failure to file comparative financial statements for the interim period ending June 30, 2003. Deloro filed such financial statements on December 18, 2003 and trading in the securities of Deloro was reinstated on February 10, 2004.

PENALTIES OR SANCTIONS

Other than as set out below, no director, officer, insider or promoter of the Company or a shareholder holding sufficient securities of the Company to affect materially the control of the Company, has (a) been subject to any penalties or sanctions imposed by court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

An order (the “Order”), made effective on June 1, 2001, was issued by the British Columbia Securities Commission (the "BCSC") against Mr. Johnson pursuant to sections 161(1) and 162 of the *Securities Act* (British Columbia) in respect of his securityholdings in Cartaway Resources Corporation and his status as a registered representative. Pursuant to the terms of the Order, Mr. Johnson was prohibited for a period of one year from the date of the Order from personally trading as a registered representative under exemptions from the registration requirements of the *Securities Act* (British Columbia) and from acting as a director or officer of a reporting issuer. Mr. Johnson also paid an administrative penalty to the BCSC of $100,000 under the terms of the Order.

PERSONAL BANKRUPTCIES

No director, officer, insider or promoter of the Company, or a shareholder holding sufficient securities of the Company to affect materially the control of the Company, or a personal holding company of any such persons has, within the ten years before the date of this prospectus, as applicable, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets.

CONFLICTS OF INTEREST

There may be potential conflicts of interest to which all of the directors, officers, insiders and promoters of the Company will be subject in connection with the operations of the Company. All of the directors, officers, insiders and promoters are engaged in and will continue to be engaged in corporations or businesses which may be in competition with the search by the Company for businesses or assets in order to close a Qualifying Transaction. Accordingly, situations may arise where all of the directors, officers, insiders and promoters will be in direct competition with the Company. Conflicts, if any, will be subject to the procedures and remedies as provided under the *Business Corporations Act* (British Columbia). See “Risk Factors”.

EXECUTIVE COMPENSATION

Except as disclosed in this prospectus, prior to the Completion of a Qualifying Transaction, no payment of any kind has been made, or will be made, directly or indirectly, by the Company to a Non Arm’s Length Party to the Company or a Non Arm’s Length Party to the Qualifying Transaction, or to any person engaged in investor relations activities in respect of the securities of the Company or any Resulting Issuer by any means, including:

(a) remuneration, which includes but is not limited to:

   (i) salaries;

   (ii) consulting fees;

   (iii) management contract fees or directors’ fees;

   (iv) finders fees;

   (v) loans, advances, bonuses; and

(b) deposits and similar payments.

However, the Company may reimburse Non Arm’s Length Parties for the Company’s reasonable allocation of rent, secretarial and accounting services and other general administrative expenses, at fair market value (“Permitted Reimbursement”). No reimbursement may be made for any payment made to lease or buy a vehicle.

The directors and officers of the Company may also be granted stock options. See “Stock Options”.

Following Completion of the Qualifying Transaction, the Company may pay compensation to its directors and officers. However, no payment other than the Permitted Reimbursements will be made by the Company or by any party on behalf of the Company, after Completion of the Qualifying Transaction, if the payment relates to services rendered or obligations incurred or in connection with the Qualifying Transaction.

DILUTION

Purchasers of the Shares offered under this prospectus will suffer an immediate dilution of 36% or $0.036 per Share on the basis of there being 7,300,000 Common Shares of the Company issued and outstanding following completion of this Offering. Dilution has been computed on the basis of total gross proceeds to be raised by this prospectus and from sales of securities prior to filing this prospectus without deduction of commissions or related expenses incurred by the Company, and is set forth below:

Item		Total Offering
Gross Proceeds of prior Common Share issues	$	265,000
Gross proceeds of this Offering	$	200,000
Total gross proceeds after this Offering	$	**465,000**
Offering price per Share	$	0.10
Proceeds per Share after this Offering	$	0.064
Dilution per Share to subscriber	$	**0.036**
Percentage of dilution in relation to offering price		**36%**

RISK FACTORS

Investment in the Shares offered by this prospectus is highly speculative due to the nature of the Company's business and its present stage of development. This Offering is suitable only to those investors who are prepared to risk the loss of their entire investment.

The Company was only recently incorporated, has not commenced commercial operations and has no assets other than cash. It has no history of earnings and will not generate earnings or pay dividends until at least after the Completion of the Qualifying Transaction. The Company has not identified a potential asset or business for acquisition or participation and has not entered into an Agreement in Principle as defined in the CPC Policy. Until Completion of the Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions. There can be no assurance that an active and liquid market for the Common Shares will develop and an investor may find it difficult to resell its Common Shares. See "Business of the Company".

The directors and officers of the Company will only devote a portion of their time to the business and affairs of the Company and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time. See "Directors, Officers, and Promoters".

Assuming completion of the Offering, Investors acquiring the Shares offered by this prospectus will suffer an immediate dilution of 36% or $0.036 per Share pursuant to completion of the Offering. Dilution has been computed on the basis of total gross proceeds to be raised by this prospectus and from sales of securities prior to filing this prospectus without deduction of commissions or related expenses incurred by the Company. The Qualifying Transaction may be financed in all or part by the issuance of additional securities by the Company and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Company. See "Dilution".

The Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify a suitable Qualifying Transaction. Further, even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to complete the transaction. Subject to prior Exchange approval, the Company may be permitted to loan or advance up to an aggregate of $250,000 of its proceeds to a target business without requiring shareholder approval and there can be no assurance that the Company will be able to recover that loan. See “Business of the Company” and “Use of Proceeds”.

Completion of the Qualifying Transaction is subject to a number of conditions, including acceptance by the Exchange and in the case of a Non Arm’s Length Qualifying Transaction, Majority of the Minority Approval. Unless the shareholder has the right to dissent and be paid fair value in accordance with applicable corporate or other applicable law, a shareholder who votes against a proposed Non Arm’s Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no other entitlement to payment by the Company of fair value for the Common Shares.

Upon public announcement of a proposed Qualifying Transaction, trading in the Common Shares of the Company will remain halted for an indefinite period of time, typically until a Sponsor has been retained and certain preliminary reviews have been conducted. The Common Shares will be reinstated to trading before the Exchange has reviewed the transaction and before the Sponsor has completed its full review. Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Company completing the proposed Qualifying Transaction. Trading in the Common Shares may be halted at other times for other reasons, including for failure by the Company to submit documents to the Exchange in the time periods required. The Exchange will generally suspend trading in the Common Shares or delist the Company in the event that the Exchange has not issued a Final Exchange Bulletin within 24 months from the date of listing. See “Business of the Company”.

The Company cannot be certain and provides no guarantee that, if a Qualifying Transaction is completed, the business acquired pursuant to the Qualifying Transaction will be profitable or ultimately benefit the Company and its shareholders. The Qualifying Transaction may also result in additional dilution to the Company’s shareholders or increased debt. Any failure to successfully integrate a business acquired pursuant to the Qualifying Transaction or a failure of such business to benefit the Company could have a material adverse effect on the Resulting Issuer’s business and results of operations.

The Company is relying solely on the past business success of its directors and officers to identify, negotiate, and complete a Qualifying Transaction. The success of the Company is dependent upon the efforts and abilities of its management team. The loss of any member of the management team could have a material adverse effect upon the business and prospects of the Company. See “Directors, Officers and Promoters”.

In the event that the management of the Company resides outside of Canada or the Company identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts.

Neither the Exchange nor any securities regulatory authority passes upon the merits of the proposed Qualified Transaction.

As a result of these factors, this Offering is suitable only to investors who are willing to rely solely on the management of the Company and who can afford to lose their entire investment. Those investors who are not prepared to do so should not invest in the Shares.

LEGAL PROCEEDINGS

The Company is not party to any legal proceedings, nor to the best of its knowledge are any legal proceedings threatened or pending.

RELATIONSHIP BETWEEN THE COMPANY AND THE AGENT

The Company is not a related or connected issuer (as such terms are defined in National Instrument 33-105 Underwriting Conflicts) to the Agent.

RELATIONSHIP BETWEEN THE COMPANY AND PROFESSIONAL PERSONS

Certain legal matters relating to this Offering will be passed upon by Axium Law Corporation, Vancouver, British Columbia, on behalf of the Company, and by Miller Thomson LLP, Vancouver, British Columbia on behalf of the Agent.

As at the date hereof, no "professional person" (including the Company's auditor or solicitors) holds any beneficial interest, direct or indirect, in any securities or properties of the Company or of an associate or affiliate of the Company; however, such "professional person" may subscribe for Share pursuant to the Offering

No professional person is or is expected to be elected, appointed or employed as a director, senior officer or employee of the Company or of an associate or affiliate or a promoter of the Company or of an associate or affiliate of the Company.

PricewaterhouseCoopers LLP, Chartered Accountants, are the auditors of the Company and have performed the audit in respect to the audited annual financial statements for the period from January 18, 2010 (date of incorporation) to January 31, 2010. PricewaterhouseCoopers LLP Chartered Accountants, are independent of the Company in accordance with applicable rules of professional conduct.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditor of the Company is PricewaterhouseCoopers LLP, Chartered Accountants, of Suite 700, 250 Howe Street, Vancouver, British Columbia, V7Y 1K2.

The transfer agent and registrar for the Common Shares of the Company is Computershare Investor Services Inc. of 510 Burrard Street, Vancouver, British Columbia, V6C 3B9.

MATERIAL CONTRACTS

The Company has not entered into any contracts material to investors in the Shares since incorporation, other than contracts in the ordinary course of business, except:

1. the Agency Agreement dated ●, 2010 between the Company and the Agent. See "Plan of Distribution";

2. the Escrow Agreement dated ●, 2010 entered into among the Company, Computershare Investor Services Inc. and certain shareholders of the Company. See "Escrowed Securities";

3. Stock Option Agreements dated March 12, 2010 between the Company and each of Edward Farrauto, Douglas Forster, Blayne Johnson and Ryan King; and

4. Transfer Agent and Registrar Agreement dated February 5, 2010 between the Company and Computershare Investor Services Inc.

Copies of these agreements will be available for inspection at the offices of the Company's counsel, Axium Law Corporation, at Suite 3350, Four Bentall Centre, 1055 Dunsmuir Street, Vancouver, British Columbia at any time during ordinary business hours while the securities offered by this prospectus are in the course of distribution and for a period of 30 days thereafter.

OTHER MATERIAL FACTS

To management of the Company's knowledge, there are no other material facts about the Shares being distributed that are not otherwise disclosed in this prospectus, or are necessary in order for the prospectus to contain full, true and plain disclosure of all material facts relating to the Shares being distributed.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

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

AUDITOR’S CONSENT

We have read the prospectus of Pinecrest Resources Ltd. (the “Company”) dated March 18, 2010 relating to the distribution of 2,000,000 common shares of the Company. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above-named prospectus of our report to the directors of the Company on the balance sheet of the Company as at January 31, 2010 and the statements of loss, comprehensive loss and deficit and cash flows for the period from incorporation (January 18, 2010) to January 31, 2010. Our report is dated March ●, 2010.

Chartered Accountants
Vancouver, British Columbia, Canada
March ●, 2010

PINECREST RESOURCES LTD.

FINANCIAL STATEMENTS
(Expressed in Canadian Funds)

Period from Incorporation on January 18, 2010 to January 31, 2010

Auditor's Report

To the Directors of Pinecrest Resources Ltd.

We have audited the balance sheet of Pinecrest Resources Ltd. as at January 31, 2010 and the statements of loss, comprehensive loss and deficit and cash flows for the period from January 18, 2010 (date of incorporation) to January 31, 2010. 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 January 31, 2010 and the results of its operations and its cash flows for the period from January 18, 2010 to January 31, 2010 in accordance with Canadian generally accepted accounting principles.

Yours very truly,

Chartered Accountants
Vancouver, British Columbia
March ●, 2010

PINECREST RESOURCES LTD.
BALANCE SHEET
(Expressed in Canadian Funds)
AS AT JANUARY 31, 2010

ASSETS		
CURRENT		
Cash and cash equivalents	$	265,000
DEFERRED COSTS (NOTE 3)		
	$	8,579
		273,579
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities		25,079
SHAREHOLDERS' EQUITY		
Share capital (Note 4)		265,000
Deficit		(16,500)
		248,500
	$	273,579

Nature of Operations and Going Concern (Note 1)
Subsequent Events (Note 6)

On behalf of the Board:

"Edward Farrauto" Director *"Ryan King"* Director

The accompanying notes are an integral part of these financial statements

PINECREST RESOURCES LTD.
STATEMENT OF LOSS, COMPREHENSIVE LOSS AND DEFICIT
(Expressed in Canadian Funds)
FOR THE PERIOD FROM JANUARY 18, 2010 (DATE OF INCORPORATION) TO JANUARY 31, 2010

EXPENSES		
Accounting and audit fees	$	16,500
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	$	16,500
Deficit – Beginning of period	$	-
DEFICIT – END OF PERIOD	$	16,500
Loss per share	$	0.003

The accompanying notes are an integral part of these financial statements

PINECREST RESOURCES LTD.
STATEMENT OF CASH FLOWS
(Expressed in Canadian Funds)
FOR THE PERIOD FROM JANUARY 18, 2010 (DATE OF INCORPORATION) TO JANUARY 31, 2010

CASH PROVIDED BY (USED IN):		
OPERATIONS:		
Loss for the period	$	(16,500)
Net changes in non-cash working capital components:		
Change in operating accounts payable and accrued liabilities		16,500
		-
FINANCING:		
Net proceeds on share issuance		265,000
NET INCREASE IN CASH AND CASH EQUIVALENTS		265,000
Cash and cash equivalents – beginning of period		-
CASH AND CASH EQUIVALENTS – END OF PERIOD	$	265,000

Cash flow supplementary information:

Deferred costs included in accounts payable and accrued liabilities	$8,579

The accompanying notes are an integral part of these financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

The Company was incorporated by a Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations* Act (British Columbia) on January 18, 2010.

The Company is a Capital Pool Company and its principal business is the identification and evaluation of companies, assets or businesses with a view to completing a Qualifying Transaction in accordance with Policy 2.4 of the TSX Venture Exchange (the "Exchange").

These financial statements have been prepared using Canadian generally accepted accounting principles applicable to a going concern which assume that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has not commenced commercial operations and has no assets other than cash and cash equivalents. The Company has commenced the process of identifying potential acquisitions. To date, the Company has not yet identified a company or assets for a potential Qualifying Transaction. The Company may not have sufficient funds to secure such businesses or assets once identified and evaluated and additional funds may be required. These circumstances lend significant doubt as to the appropriateness of the use of accounting principles applicable to a going concern.

These financial statements do not reflect the adjustments that would be necessary if the going concern assumption were considered to be inappropriate.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

These financial statements have been prepared in accordance with accounting principles generally accepted in Canada and are presented in Canadian dollars.

b) Cash and cash equivalents

Cash and cash an equivalent includes cash on account and highly liquid treasury bills with a remaining term to maturity of three months or less at the date of purchase, that are readily convertible to known amounts of cash.

c) Deferred costs

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

d) Stock-Based Compensation

All stock-based awards made to employees and non-employees are measured and recognized using a fair value based method. Accordingly, the fair value of the options at the date of the grant is accrued and charged to operations, with the offsetting credit to contributed surplus, over the vesting period and using the straight line method. If and when the stock options are ultimately exercised, the applicable amounts of contributed surplus are transferred to share capital.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

e) Income Taxes

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

f) Use of Estimates

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

g) Loss per Share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated in accordance with the treasury stock method which assumes that proceeds received from the exercise of stock options and warrants would be used to repurchase common shares at the prevailing market rate. Stock options and warrants are dilutive when the Company has income from continuing operations and when the average market price of the common shares during the period exceeds the exercise price of the options and warrants.

h) Accounting Pronouncements adopted as part of Company's accounting policies

The Company has adopted the following accounting standards updates issued by the Canadian Institute of Chartered Accountants ("CICA") as part of its accounting policies above.

i) Financial instruments (Section 3855)

Section 3855 was amended to change the categories into which a debt instruments is required or permitted to be classified, changed the impairment model for held-to-maturity financial assets to the incurred credit loss model of CICA 3025. The amendment also requires, under specified circumstances, the reversal of previously recognized impairment losses on available-for-sale financial assets. These amendments apply to annual financial statements for years beginning on/after November 1, 2008

The Section was also amended to provide guidance concerning the assessment of embedded derivatives upon reclassification of a financial asset out of the held-for-trading category and to clarify the application of the effective interest method after a debt instrument has been impaired.

The adoption of the Section had no impact on the Company's consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

ii) Financial instrument disclosure (Section 3862)

In June 2009, the CICA amended Handbook Section 3862, Financial Instruments – Disclosures, to enhance disclosures about fair value measurements and the liquidity risk of financial instruments. These amendments are intended to provide further detail on the relative reliability of the data or inputs used to measure the fair value of the entities' financial instruments. Specifically, financial instruments recognized at fair value on the Consolidated Balance Sheet must be classified in one of the following three fair value hierarchy levels:
Level 1 – measurement based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities;
Level 2 – measurement based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability;
Level 3 – measurement based on inputs that are not observable (supported by little or no market activity) for the asset or liability.
The Company incorporated this amendment into its consolidated financial statements.

iii) Credit risk and the fair value of financial assets and financial liabilities (EIC 173)

This Abstract confirms that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities, including derivative instruments, for presentation and disclosure purposes. The adoption of this Abstract had no significant impact on the Company's consolidated financial statements.

i) Recent Canadian Accounting Pronouncements

In January 2009, the CICA issued Handbook Sections 1582, Business Combinations, ("Section 1582"), 1601, Consolidated Financial Statements, ("Section 1601") and 1602, Non-controlling Interests, ("Section 1602") which replaces CICA Handbook Sections 1581, Business Combinations, and 1600, Consolidated Financial Statements. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under International Financial Reporting Standards ("IFRS"). Section 1582 is applicable for the Company's business combinations with acquisition dates on or after January 1, 2011. Early adoption of this Section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company's interim and annual consolidated financial statements for its fiscal year beginning January 1, 2011. Early adoption of this Section is permitted. The Company has not chosen to early adopt any one of these Sections at the year end date.

3. DEFERRED COSTS

The Company incurred $8,579 in costs during the period consisting of legal fees to be paid related to the potential initial public offering (IPO). Costs will be charged against gross proceeds raised from the potential IPO or charged to operations if the offering does not complete.

(Expressed in Canadian Funds)

4. SHARE CAPITAL

	Number of Shares		Amount
Authorized:			
Unlimited common shares without par value			
Issued and fully paid:			
Balance at beginning of period	-	$	-
Common shares issued for cash	5,300,000		265,000
Balance January 31, 2010	5,300,000	$	265,000

During the period the Company issued 5,300,000 common shares at $0.05 per common share. During the period the Company entered into an agreement with Canaccord Financial Ltd. (the "Agent") to act as its agent in connection with its initial public offering ("IPO") of 2,000,000 common shares for aggregate gross proceeds of up to $200,000. Agent fees of $20,000 and an administration fee of $10,000 will be paid. In addition the Agent will be granted 200,000 warrants. Each warrant will entitle the agent to purchase one common share for $0.10 for a period of two years from closing.

5. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from the financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

6. SUBSEQUENT EVENTS

The Company granted 730,000 options on March 12, 2010 with an exercise price of $0.10 per common share and an expiry date of five years from the date the common shares become listed for trading on the TSX Venture Exchange Inc.

CERTIFICATE OF COMPANY

Dated: March 18, 2010

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

"Edward Farrauto"

Edward Farrauto
Chief Executive Officer and Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

"Douglas Forster"	*"Blayne Johnson"*
Douglas Forster	**Blayne Johnson**
Director	Director

CERTIFICATE OF AGENT

Dated: March 18, 2010

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

CANACCORD FINANCIAL LTD.

"Steve Swaffield"

By: Steve Swaffield
Managing Director, Investment Banking