

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of these securities in the provinces of Alberta, Ontario and Québec and may be offered therein only by persons authorized to sell such securities. The securities offered herein have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "1933 Act") or any other state securities law in the United States and may not be offered or sold in the United States or to U.S. persons.

PROSPECTUS

GEOMEGA RESOURCES INC.

Initial Public Offering

September 21, 2010

Minimum Offering: \$2,100,000 (6,000,000 Units)

Maximum Offering: \$2,905,000 (8,300,000 Units)

Price per Unit: \$0.35

Minimum Subscription: 500 Units (\$175)

The offering pursuant to this prospectus (the "**Offering**") consists in the issue of a minimum of 6,000,000 Units (\$2,100,000) (the "**Minimum Offering**") and a maximum of 8,300,000 Units (\$2,905,000) (the "**Maximum Offering**") of Geomega Resources Inc. (the "**Corporation**").

Each Unit is comprised of (i) one (1) common share of the Corporation (a "**Common Share**") at the price of \$0.35 per share and (ii) one-half common share purchase warrant, each whole warrant (a "**Warrant**") entitling its holder to subscribe one (1) additional Common Share (a "**Warrant Share**") at a price of \$0.55 at any time in the 18 months following the closing of this Offering.

The Units will be offered pursuant to an agency agreement dated the date hereof (the "**Agency Agreement**") between the Corporation and Industrial Alliance Securities Inc. (the "**Agent**"). The offering price of the Units has been determined by negotiation between the Corporation and the Agent. See "Plan of Distribution".

	Number of Units	Offering Price to the Public	Agent's Fee ⁽¹⁾	Net Proceeds to the Corporation ⁽²⁾
Per Unit	1	\$0.35	\$0,0298	\$0,3202
Minimum Offering	6,000,000	\$2,100,000	\$178,500	\$1,921,500
Maximum Offering	8,300,000	\$2,905,000	\$246,925	\$2,658,075

(1) Pursuant to the Agency Agreement, the Agent will offer the Units until December 7, 2010, subject to the fulfillment of all the applicable requirements of the TSX Venture Exchange (the "**TSXV**") and will receive a remuneration equal to 8.5% of the subscriptions received and accepted and will be reimbursed for its reasonable expenses incurred in the course of the Offering. Notwithstanding the foregoing, the subscriptions for an amount greater than \$5,000 from investors referred by the Corporation will be subject to a reduced commission rate of 5% of the amount subscribed by such subscribers. The Agent will also receive non transferable compensation options (the "**Agent's Options**") entitling the Agent to subscribe a number of Common Shares equal to 5% of the number of shares subscribed, at the price of \$0.35, in the period of 18 months following the closing of the Offering. This prospectus qualifies the distribution of the Agent's Options. See "Plan of Distribution".

(2) Before deduction of the expenses of issue estimated at \$190,000.

The Agent's position is as follows :

Agent's Position	Maximum size or number of securities available	Exercise Period or Acquisition Date	Exercise Price
Agent's Options	415,000	18 months after the closing	\$0.35

The Corporation is not a related issuer to the Agent pursuant to Regulation 33-105 respecting underwriting conflicts ("**Regulation 33-105**").

THERE IS NO MARKET THROUGH WHICH THESE SECURITIES MAY BE SOLD AND PURCHASERS MAY NOT BE ABLE TO RESELL SECURITIES PURCHASED UNDER THIS PROSPECTUS. THIS MAY AFFECT THE PRICING OF THE SECURITIES IN THE SECONDARY

MARKET, THE TRANSPARENCY AND AVAILABILITY OF TRADING PRICES, THE LIQUIDITY OF THE SECURITIES AND THE EXTENT OF ISSUER REGULATION.

The TSXV has conditionally accepted the listing of the Common Shares of the Corporation, including those qualified under this prospectus and those issuable pursuant to the exercise of the Warrants and the Agent's Options. Listing is conditional upon the Corporation fulfilling all the listing requirements of the TSXV. The Warrants will not be listed on the TSXV and there will be no market for the Warrants.

As at the date of this prospectus, the Corporation does not have any of its securities listed or quoted, has not applied to list or quote any of its securities and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace or a market place outside Canada and the United States of America, other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

The securities offered under this prospectus are highly speculative and involve a high degree of risk due to the nature of the activities of the Corporation and the actual stage of its development. The Units are more suitable for persons who can accept the risks inherent to the holding of shares of a mineral exploration company. A decision to subscribe for Units should be mainly based upon an assessment of the merits of the investment and on the possibility for a potential investor to lose its entire investment. See "Risk Factors".

Subscribers acquiring Common Shares under the Offering will suffer an immediate dilution of 36% or \$0.126 per Common Share if the Minimum Offering is subscribed and of 30% or \$0.105 per Common Share if the Maximum Offering is subscribed, based on gross proceeds of this issue and sales of securities prior to the filing of this prospectus, without deduction of commissions or related expenses incurred by the Corporation.

The Agent conditionally offers the securities under this prospectus on a best efforts basis, subject to prior sale, if, as and when issued and accepted by the Corporation in accordance with the terms and conditions of the Agency Agreement described under "Plan of Distribution" and subject to the approval of certain legal matters by Miller Thomson LLP on behalf of the Corporation and by Colby, Monet, Demers, Delage & Crevier L.L.P. on behalf of the Agent. The Agent has agreed to use its commercially reasonable efforts to sell the Units offered hereby but has no obligation to buy any.

The 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. The initial closing will occur as soon as the Minimum Offering will have been subscribed but at the latest on December 7, 2010. If the Minimum Offering is subscribed before such date, additional closings may occur until December 7, 2010. The Agent, pending the closing of the Minimum Offering, will hold the subscription funds received pursuant to the Agency Agreement. If the Minimum Offering is not subscribed, the subscription proceeds received by the Agent will be returned to subscribers without interest nor deduction. The Offering will be completed on a book-entry basis. A subscriber that subscribes for Units will receive confirmation of its subscription from the investment dealer that has directly or indirectly subscribed the Units and that participates to the service of CDS Clearing and Depository Services Inc. ("CDS") (the "CDS Participants"). CDS will register the CDS Participants that hold Units for holders that have subscribed or transferred them in accordance with the book-entry system. No certificates representing the Common Shares and the Warrants will be issued unless specifically required. See "Description of the Securities Distributed".

INDUSTRIAL ALLIANCE SECURITIES INC.

2200, McGill College avenue, Suite 350
Montréal, Québec H3A 3P8
Attention: Mathieu Séguin,
Vice-President, Investment Banking
Telephone: 514-284-4188

TABLE OF CONTENTS

GLOSSARY.....	3
PROSPECTUS SUMMARY	8
CORPORATE STRUCTURE.....	11
BUSINESS OF THE CORPORATION	11
PROPERTIES OF THE CORPORATION	11
USE OF PROCEEDS	25
DIVIDEND POLICY	26
MANAGEMENT'S DISCUSSION AND ANALYSIS.....	26
DESCRIPTION OF THE SECURITIES DISTRIBUTED	36
CAPITALIZATION	37
STOCK OPTIONS	38
PRIOR SALES	39
ESCROWED SECURITIES	39
RESTRICTED SECURITIES	40
PRINCIPAL SHAREHOLDERS	40
DIRECTORS AND EXECUTIVE OFFICERS	40
EXECUTIVE COMPENSATION	43
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS	44
AUDIT COMMITTEE	44
INFORMATION CONCERNING GOVERNANCE	45
PLAN OF DISTRIBUTION	46
ELIGIBILITY FOR INVESTMENT	47
RISK FACTORS	47
PROMOTERS.....	50
LEGAL PROCEEDINGS AND REGULATORY ACTIONS.....	50
INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	50
AUDITORS, REGISTRAR AND TRANSFER AGENT	51
MATERIAL CONTRACTS.....	51
EXPERTS	52
OTHER MATERIAL FACTS	52
RIGHTS OF WITHDRAWAL AND RESCISSION	52
AUDITORS' CONSENT	53
FINANCIAL STATEMENTS	54
CERTIFICATES.....	70
SCHEDULE A – AUDIT COMMITTEE CHARTER	72

GLOSSARY

Ag means the chemical symbol for silver.

Agency Agreement means the agency agreement entered into on the date hereof between the Agent and the Corporation.

Agent means Industrial Alliance Securities Inc.

Agent's Options mean the non-transferable compensation options entitling the Agent to subscribe a number of Common Shares equal to 5% of the number of Common Shares subscribed pursuant to the Offering, at the price of \$0.35 in the period of 18 months following the closing of the Offering.

Alkaline intrusion means an intrusion (rock of undetermined size that is formed under the earth surface) characterized by its content that is undersaturated in silica. A carbonatite is an alkaline rock.

Amphibolite facies means the general aspect of rocks that have experienced medium to high degree of metamorphism.

Apatite means the green mineral that contains phosphorus.

Archean means a geological era occurring before 2,500 million years ago.

Au means the chemical symbol for gold.

Basal till means the unsorted sediments (clay, sand, gravel, etc .) that were deposited directly by glacier action.

Base metals means the group of metals that are widely used in the industry such as copper (Cu), zinc (Zn), lead (Pb) and nickel (Ni).

Biotite means the dark brown to black coloured mineral consisting of flexible sheets.

Calco-silicated rocks means a metamorphic rock that contains significant amount of carbonates.

Carbonatite means a rock which contains at least 50% of carbonates.

CBCA means the *Canada Business Corporations Act*.

CDS means CDS Clearing and Depository Services Inc.

CDS Participant means the investment dealer that participates to the service of CDS.

Charnockite means a variety of granite where pyroxenes are replacing biotite (black mica).

Claim (or map-designated cell) means an area of approximately between 50 and 60 hectares registered to an owner wishing to conduct mineral exploration. A property is usually constituted of several claims;

Common Share means common shares in the capital of the Corporation.

Corporation means Geomega Resources Inc.

Cpx-rich phase means a specific rock horizon that is enriched in dark minerals (pyroxenes).

Cu means the chemical symbol for copper.

Definitive Agreement means the definitive agreement to be executed at the latest on the closing date of the Offering between NioGold and the Corporation.

Dyke means a rock that was formed under the Earth surface with a sheet like structure cutting across other geological units.

EM means electro-magnetic consisting of an energy wave emitted by conductors.

Epigenetic source means a source that is over, besides or outer the mineral deposit.

Equigranular means the rock grains that are all the same size.

Escrow Agent means Computershare Investor Services Inc.

Escrow Agreement means the agreement entered into on the date hereof between the Escrow Agent and the Corporation.

Fe means the chemical symbol for iron.

Felsic intrusive batholith means a very large surface of rocks that were formed under the Earth surface and consisting mostly of pale minerals such as quartz and feldspars.

Granite means a pink to grey and medium to coarse-grained rock composed with less than 25% of dark minerals (black mica, pyroxenes, etc).

Granitic gneiss means a banded rock derived from a granite that is formed under high and intense metamorphism.

Granulite facies means the general aspect of rocks that have experienced high to intense degree of metamorphism.

Greenschist facies means the general aspect of rocks that have experienced low degree of metamorphism.

Hornblende means a dark green to black coloured mineral.

Ijolite means an alkaline rock that is composed essentially of nepheline, a silica-undersaturated mineral, and pyroxenes (black mineral) with small amounts of feldspar. The ijolite is usually found at the outer rim of a carbonatite complex

IOCG means Iron Oxide Copper Gold representing a geological model by which an ore deposit contains iron, copper and gold with uranium either absent or in small amount.

IPO means the initial public offering of the Corporation.

Isoclinal folding means a very tight folding where the angle between the fold limbs is usually less than 10°.

Hectares or ha means an area of 100 meters by 100 meters.

Km² means a square kilometer which is an area of 1,000 meters by 1,000 meters.

Leurocratic gneiss means a light coloured banded metamorphic rock.

Lithotectonic domain means a geological area of several km² consisting of specific assemblage of rocks having a general homogeneous structural pattern.

Ma means a million years.

Magma means a liquid rock.

Magnetite means the mineral composed of iron and oxygen and referred as Fe_3O_4 .

Marble means originally a rock almost exclusively constituted of carbonates that was transformed by heat and pressure.

Maximum Offering means the offering of a maximum of 8,300,000 units described herein.

Minimum Offering means the offering of a minimum of 6,000,000 units described herein.

Metamorphism means the geological process by which heat and pressure are applied to rock forming minerals.

Metasediments means the sedimentary rocks that have been totally or partially transformed by metamorphism.

MMI soil survey means Mobile Metal Ion that is a patented assaying technology capable of distinguishing metal ions that are mobile from those associated with the leaching horizon.

Monzonite means a white to pale grey coarse-grained rock composed of feldspars with minor amounts of dark minerals and quartz.

Monzodiorite means a grey coarse-grained rock composed mostly of feldspars and some quartz with minor amounts of dark minerals.

Nb_2O_5 means niobium pentoxide.

Ni means the chemical symbol for nickel.

NI 43-101 means National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

NioGold means NioGold Mining Corp.

NSR means the Net Smelter Return which is a royalty paid by a producing mine.

NTS means National Topographic System where Canada is divided in map sheets for referencing and positioning.

Offering means the public offering and sale of a maximum of 8,300,000 units described herein.

Oligoclase means white or pale feldspar.

Orthogneiss means a banded rock derived from a magma that is formed under high and intense metamorphism.

P_2O_5 means phosphorus oxide.

Paleoproterozoic means a geological era occurring between 1 600 and 2 500 million years ago.

Paragneiss means a banded rock derived from sediments that is formed under high and intense metamorphism.

Pegmatite means a very coarse-grained rock that was formed under the Earth surface and having a composition similar to a granite.

Peridotite means a dark green coarse-grained rock composed almost exclusively of the mineral olivine.

PGE means the Platinum Group Elements that include platinum (Pt), ruthenium (Ru), rhodium (Rh), palladium (Pd), osmium (Os) and iridium (Ir).

Plan means the stock option plan of the Corporation adopted by the directors on July 20, 2010.

Polygenic intrusive breccia means a rock that was formed under the earth surface consisting of angular fragments of various neighboring rocks.

Pyrite and/or Pyrrhotite means minerals resulting from the combination of sulphur and iron.

Pyroxenite means a black coarse-grained rock composed almost exclusively of pyroxenes that are dark minerals.

QMNR means the Québec Ministry of Natural Resources.

Radiometric survey means a survey that picks up radiations emitted by surrounding rocks.

Rare earth elements or REE means a series of 17 elements in the Periodic Table that comprise the lanthanides (lanthanum (La), cerium (Ce), Praseodymium (Pr), neodymium (Nd), promethium (Pm), samarium (Sm), europium (Eu), gadolinium (Gd), terbium (Tb), dysprosium (Dy), holmium (Ho), erbium (Er), thulium TM, ytterbium (Yb) and lutetium (Lu)) with the addition of scandium (Sc) and yttrium (Y).

Regulation 33-105 means Regulation 33-105 respecting underwriting conflicts.

Regulation 52-110 means Regulation 52-110 – Audit Committee.

Residual deposit means an ore deposit usually formed in the overburden that covers immediately the bedrock by soil enrichment processes.

Rossing-type U mineralization means the Rossing uranium producing mine in Namibia, Africa characterized by its low grade, but large tonnage operations. The ore is associated to granite intrusion or similar rocks.

Sediments means a naturally occurring material derived from weathering, erosion and deposition processes.

Silicocarbonate means a rock composed of carbonates and silicates (feldspar, pyroxene and other dark minerals) with carbonates between 10 and 50%. This rock is usually encountered within the carbonatite complex,

Syenite means a coarse-grained rock composed of usually white feldspar and dark minerals with quartz either absent or present in small amounts

Tax Act means the *Income Tax Act* (Canada).

ThO₂ means thorium oxide.

Tonalite means a greyish coarse-grained rock composed of at least 20% of quartz and usually white feldspar with dark minerals present in small amounts,

TSX-V means the TSX Venture Exchange.

TSX-V Bulletin means the Bulletin of the TSX-V approving the listing of the shares of the Corporation.

U means the chemical symbol for uranium.

Ultramafic intrusion means a rock that was formed under the Earth surface containing less than 45% of silica. It is typically dark green to black in colour.

Urtite means a variety of ijolite that contains no feldspar.

Vermiculite means the soft mineral formed by the weathering of mica.

Warrant means a common share purchase warrant forming part of the Units to be issued and sold under the Offering. Each warrant entitles its holder to subscribe one additional Common Share at a price of \$0.55 at any time in the 18 months following the closing of the Offering.

Warrant Agent means Computershare Trust Company of Canada.

Warrant Indenture means the Indenture entered into on the date hereof between the Warrant Agent and the Corporation.

Warrant Share means a common share acquired pursuant to the exercise of a Warrant.

PROSPECTUS SUMMARY

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

The Issuer: Geomega Resources Inc. (the “**Corporation**”) is an exploration company. Its activities consist in acquiring, exploring, developing and, as the case may be, operating mining properties. The Corporation holds interests in 5 mining properties in Québec and focuses on rare earth elements (“**REE**”), niobium and tantalum. See “Corporate Structure”, “Business of the Corporation” and “Properties of the Corporation”.

The Offering: A minimum of 6,000,000 Units (\$2,100,000) and a maximum of 8,300,000 Units (\$2,905,000).

Each Unit is comprised of (i) one Common Share at the price of \$0.35 per share and (ii) one-half common share purchase warrant, each whole warrant entitling its holder to subscribe one additional Common Share at a price of \$0.55 and at any time in the 18 months following the closing.

See “Description of the Securities Distributed”.

Use of Proceeds: The proceeds from the sale of the Units, before the Agent's Fee and the expenses of issue, will be

- (i) \$2,100,000 in the case of the Minimum Offering, of which \$1,351,945 will be incurred by the Corporation in exploration work on the Montviel and Pump Lake properties; and
- (ii) \$2,905,000 in the case of the Maximum Offering, of which \$1,626,945 will be incurred by the Corporation in exploration work on the Montviel, Pump Lake and Sydney properties.

See “Properties of the Corporation”.

The balance of the proceeds will be used for the payment of the Agent's Fee (\$178,500 in the case of the Minimum Offering and \$246,925 in the case of the Maximum Offering) and of the expenses of issue (estimated at \$190,000), the balance to be added to the working capital of the Corporation. The proceeds from the exercise of the Warrants, as the case may be, will be used for the working capital of the Corporation. See “Use of Proceeds”.

The Corporation intends to use the available funds in the manner indicated in this prospectus. However, some circumstances may justify the reallocation of the funds for valid business reasons.

Agent: Industrial Alliance Securities Inc.

Agent's Remuneration: The Agent will receive a cash remuneration equal to 8.5% of the subscriptions received and accepted, and will be reimbursed for its reasonable expenses incurred in connection with this Offering. Notwithstanding the foregoing, subscriptions for an amount greater than \$5,000 from investors referred by the Corporation will

be subject to a reduced commission rate of 5% of the amount subscribed by such subscribers. The Agent will also receive the Agent's Options entitling it to subscribe a number of Common Shares equal to 5% of the number of Common Shares subscribed, at a price of \$0.35 per share, in the period of 18 months following the closing of the Offering. This prospectus qualifies the distribution of the Agent's Options. See "Plan of Distribution".

Dividends:

The Corporation has never declared or paid dividends on its Common Shares. Any decision to pay dividends will be made by the board of directors taking into account the Corporation's revenue, its financial needs and other factors deemed appropriate. See "Dividend Policy".

Risk Factors:

The acquisition of the securities offered hereby must be considered as a speculative investment involving material risks including namely (i) the risks inherent to the holding of securities of corporations active in the exploration and development of mining properties; (ii) the discretion in the application of the proceeds of the Offering; (iii) the fact that mining exploration is subject to governmental regulation, including environmental regulation; (iv) the fact that mining exploration activities require permits, licenses and approvals from various governmental authorities and that amendments to regulations may affect those permits and licenses; (v) the absence of certainty with respect to title to the exploration properties of the Corporation; (vi) the fact that the Corporation is competing with other corporations having greater financial resources; (vii) the need for the Corporation to obtain additional financing in the future to continue its activities; (viii) the dependence of the Corporation towards certain executive officers; (ix) the risks of conflicts of interests; (x) the risks inherent with the commercialization of metals; (xi) the risks of litigation; (xii) the fact that there is no market for the securities; and (xiii) the risks of native claims. Any investor should review those risks. **A decision to subscribe for Units should be mainly based upon an assessment of the merits of the investment and on the possibility for a potential investor to lose its entire investment.** See "Risk Factors".

Summary of financial information:

The following table presents selected financial information for the indicated periods. It must be read in conjunction with the financial information relating to the Corporation included herein:

	As of May 31, 2010 (audited) \$	As of May 31, 2009 (audited) \$
Cash and cash equivalents	89,854	82,189
Total assets	212,069	244,976
Shareholders' equity	199,204	243,283
Income	-	-
Net loss	110,952	6,718

Statement regarding forward-looking statements

This prospectus contains forward-looking statements which reflect management's expectations regarding the Corporation's future growth, results of operations, performance and business prospects

and opportunities. Wherever possible, words such as “anticipate”, “believe”, “plan”, “expect”, “intend” and similar expressions have been used to identify those forward-looking statements. These statements reflect management’s current beliefs and are based on information currently available to management. Forward-looking statements involve significant risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including those listed in “Risk Factors”. Although the forward-looking statements contained in this prospectus are based upon what management believes to be reasonable assumptions, the Corporation cannot assure prospective purchasers that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this prospectus and the Corporation assumes no obligation to update or revise them to reflect new events or circumstances, except if required by applicable laws.

CORPORATE STRUCTURE

Name, address and incorporation

The Corporation was incorporated on June 5, 2008 under the *Canada Business Corporations Act* (the “CBCA”). The Corporation has filed articles of amendment on May 11, 2010 to change its French name to its current name, to redesignate class A shares into common shares, to withdraw certain sections of its articles relating to the transfer of securities and to allow the appointment of new directors between meetings.

The head office of the Corporation is located at 276 St-Jacques Street, Suite 922, Montréal, Québec H2Y 1N3.

Intercompany Relationships

The Corporation has no subsidiary.

BUSINESS OF THE CORPORATION

Description of the Business

The Corporation is an exploration company. Its activities consist in acquiring, exploring, developing and, as the case may be, operating mining properties. It is anticipated that the Corporation will be mainly active in the field of mining exploration in Québec and that a material part of the funds from the subscription of the Units offered hereunder will be used in exploration work on the Montviel, Pump Lake and Sydney properties. See “Use of Proceeds” and “Properties of the Corporation”.

The Corporation does not presently operate a mine.

Mineral exploration and development of mining properties will constitute the principal business of the Corporation for the coming years. In the course of realizing its objectives, the Corporation will be called upon to enter into various agreements specific to the mining industry, such as purchase or option agreements to purchase mining claims and joint venture agreements.

History of the Corporation since its incorporation

The Corporation has begun its activities in June 2008 by the development of the Bartouille property, which has since been abandoned. Since April 2010, the Corporation has concentrated its exploration efforts in the REE, niobium and tantalum sector and has namely acquired an option to acquire an interest of 75% in the Montviel and Pump Lake properties. See “Properties of the Corporation”.

PROPERTIES OF THE CORPORATION

The Corporation holds interest in the following properties as of the date hereof:

Property	Interest
Montviel	75% ⁽¹⁾
Pump Lake	75% ⁽¹⁾
Sydney	100%
Oriana	100%
Émilie	100%

1) Option to acquire an interest of up to 75%

A – Montviel Property

The following information, with the exception of certain information relating to mining titles, has been taken from a technical report entitled "Montviel Property" – Abitibi Area, Montviel Township, NTS 32/F15, 32/F16 dated May 10, 2010, as amended on August 17, 2010, and prepared by Donald Théberge, Eng., MBA. A copy of such report, which has been prepared in accordance with *National Instrument 43-101 – Standards of Disclosure for Mineral Projects* ("**NI 43-101**"), may be reviewed at the head office of the Corporation during normal business hours during the period of distribution of the Units. Such report may also be consulted in the profile of the Corporation on SEDAR on www.sedar.com.

Title

Pursuant to a letter of agreement dated April 30, 2010 between the Corporation and NioGold Mining Corp. ("**NioGold**"), the Corporation has an option to acquire an interest of up to 75% in the Montviel and Pump Lake properties.

The Corporation has a first option to acquire an undivided interest of 50% in the properties in consideration of the following:

- i) the payment of a non-refundable amount of \$100,000 (paid on April 30, 2010);
- ii) the issuance of 1,300,000 Common Shares, including 1,100,000 upon the execution of a definitive agreement (the "**definitive agreement**") (which will occur at the latest on the closing date of this Offering) and 200,000 on the first anniversary of the definitive agreement; and
- iii) the conduct of exploration work on the properties for an amount of \$1,350,000, including \$500,000 before the first anniversary of the definitive agreement and \$850,000 before the second anniversary of the definitive agreement.

The letter of agreement also stipulates that the Offering must be completed at the latest on September 30, 2010 or, subject to a penalty of 50,000 Common Shares per month payable to NioGold, on December 31, 2010.

Once the Corporation will have acquired an undivided interest of 50%, the Corporation will have an option to acquire an additional undivided interest of 25% in consideration of the following:

- i) the issuance of 200,000 Common Shares before the third anniversary of the definitive agreement; and
- ii) the conduct of exploration work for an amount of \$2,000,000, including \$1,000,000 before the third anniversary of the definitive agreement and \$1,000,000 before the fourth anniversary of the definitive agreement.

The Corporation has also acquired from Benoît Moreau, President and Director of the Corporation, pursuant to a letter of agreement dated May 6, 2010, 36 mining claims adjacent to the Montviel property in consideration of the payment of a cash amount of \$15,000 and the issuance of 600,000 Common Shares. This letter of agreement was amended on September 10, 2010 to specify that Benoît Moreau paid an additional cash consideration of \$24,000 with respect to the issuance of the 600,000 Common Shares.

The Corporation has also acquired from Simon Britt, Vice-President, Chief Financial Officer, Secretary and Director of the Corporation, pursuant to a letter of agreement dated May 6, 2010, 35 mining claims adjacent to the Pump Lake property in consideration of the payment of a cash amount of \$1,820 and the issuance of 300,000 Common Shares. This letter of agreement was amended on September 10, 2010 to specify that Simon Britt paid an additional cash consideration of \$12,000 with respect to the issuance of the 300,000 Common Shares.

Property description and location

The Montviel property comprises 104 map-designated cells, for a total of 5,775.66 hectares (ha). To keep the claims in good standing, a minimum of \$115,200 (less \$3,285 in accrued work) will be required for the next renewal, along with mining duties of \$3,536. The expiry dates range from September 13, 2010, to March 7, 2012, with an amount of \$66,600 in exploration expenditures to be incurred by December 1, 2010. Other claims will expire from April 3, 2011 to March 7, 2012, and will require \$48,600 in exploration expenditures.

The property is currently free of any royalties. There are no environmental liabilities pertaining to the property nor is the property subject to any litigation; the only permits required to conduct work are the forestry management permits. There is no mining infrastructure on the property.

Accessibility, climate, local resources, infrastructure and physiography

The property is located in Montviel township and is covered by NTS sheets 32F/15 and 32F/16. It is located approximately 115 km by road from the town of Lebel-sur-Quevillon, where services and manpower are available. The property is easily accessible via a network of logging roads, after a 50 km drive from highway 113, which connects Val d'Or and Chibougamau. Heavy equipment can be mobilized by truck directly to the property.

The property shows a relatively flat topography, with a maximum elevation of 315 m above sea level and the lowest point shows an elevation of 290 m. The main hydrographic feature is the Nomans River, which crosses the property in a SW-NE direction. It flows to the NE, where it joins the Inconnue River, then the Maicasagi River and ultimately the Maicasagi Lake.

The property is covered by a mix of swamp and forest, the latter consisting mainly of black spruce. The area lies at the limit between the subarctic and humid continental climates. This climate zone is characterized by long, cold winters and short, cool summers. Daily average temperatures range from -20°C in January to +16.1°C in July. Break-up usually occurs in early April, and freeze-up in November. These are normal climatic conditions for the Abitibi region, where exploration work is usually conducted year round. Finally, at this latitude, there is no permafrost.

History

The history of the property dates back to 1895, when it was visited by R. Bell from the GSC¹. From 1895 to 1949, it was visited by other GSC and Quebec Bureau of Mines geologists. In 1949, P.E. Imbault mapped the area on behalf of the Quebec Bureau of Mines. Carbonatite rocks are not mentioned in his report, probably because of a lack of outcrops. The next systematic mapping of the area was by Goutier in 2005, where the outline of the alkaline intrusion was clearly established. The following year, Goutier and McNicoll dated the intrusion at 1894 Ma, or Paleoproterozoic, rather than Archean as previously thought.

The first exploration by a mining corporation was done by Jowsey Mining in 1958. Geophysical surveys revealed several anomalies, tested by three drill holes totalling 588.7 m. Carbonates, described as recrystallized limestones, were intersected. The geophysical anomalies were explained by narrow sections of pyrite/pyrrhotite and/or graphite. No assays were reported. The property remained dormant from 1958 to 1973.

Exploration resumed in 1973, when Duval International completed an airborne Dighem survey (Mag and EM) followed by ground work, including basal till sampling and re-assaying of the core drilled by Jowsey Mining. Values up to 0.27% Nb₂O₅ were obtained over a core length of 3 m. In 1976, Duval International and SDBJ² formed a joint venture, and from 1977 to 1979, 20 holes totalling 2,589 m were drilled. Two of these holes did not hit bedrock, because of thick overburden. The best value was 0.68% Nb₂O₅ over 1.5 m (core length) in Hole 79-1. The Duval / SDBJ joint venture remained in force until at least 1981, but no more drilling is reported.

¹ GSC: Geological Survey of Canada

² SDBJ: Société de Développement de la Baie James

In 1979, a geological assessment report was prepared for Shell Canada Ltd., but no follow-up is reported. In 1988, Corona Corporation staked 55 claims over the central part of the Montviel carbonatite complex. The only work reported is a search for the core drilled by Duval / SDBJ in 1977-1979. The next exploration was reported by Nomans Resources in 2002, with about 13 km of line cutting with Mag and MaxMin surveys followed by eight drill holes totalling 1,245.5 m. Three of these did not hit bedrock because of overburden as thick as 78 m in Hole MV-02-02A, drilled at a dip of -60° . Nb_2O_5 , P_2O_5 and REE mineralization was intersected. Some of the best values were as follow: 0.41% Nb_2O_5 over 7 m in Hole MV-02-01; 1.1% REE over 10.8 m also in Hole MV-02-01; and 6.35% P_2O_5 over 107 m in Hole MV-02-03. In 2002, the property was optioned by NioGold from Nomans Resources, which now holds a 100% interest.

Since acquiring the property in 2002, NioGold has completed airborne EM, magnetic and radiometric surveys followed by limited geological mapping, prospecting and an orientation MMI³ soil survey. The airborne survey delineated the area of the alkaline intrusion with the carbonate core. The MMI orientation survey revealed four anomalous zones, including three located in syenites and related rocks and one in the carbonate core; these remain untested to date. No resource estimate has been done.

Geological setting

The Montviel property is located in the eastern part of the Superior geological province, at the junction between the Opatica and Abitibi sub-provinces. The Montviel carbonatite complex, dated at 1,894 Ma, is enclosed in the Nomans tonalite, dated at 2,708.9 Ma. It is located just north of the Waswanipi – Saguenay corridor (Saguenay rift). Regional metamorphism is generally at the greenschist facies, with the amphibolite facies seen in the vicinity of the intrusions. The Montviel alkaline intrusion measures approximately 10 x 3 km for a total of 32 km². The carbonate core covers an approximate area of 3 km². The complex is made up of six units named Pmvt 1 to 6, described below, going from the outside to the core:

Pmvt 1: is composed of pyroxenite and peridotite both characterized by biotite.

Pmvt 2: is composed of syenite, melanosyenite and biotite-bearing pyroxenite. It forms the north part of the complex.

Pmvt 3: is the main intrusive unit, and composed of ijolites, urtites, syenites and ultramafic intrusions.

Pmvt 4: forms the south central part of the intrusion. It is composed of granite.

Pmvt 5: forms the carbonate core of the intrusion. It is composed of carbonates and silicocarbonates. It contains all the mineralization intersected by historical drilling.

Pmvt 6: is a polygenic intrusive breccia with a carbonate matrix, located at the top of the Pmvt 5 unit.

Exploration

Since it has optioned the property, the Corporation has not yet undertaken exploration expenditures. Exploration work completed to date by previous owners has barely scratched the surface of the potential of the Montviel carbonatite complex. The most reliable drilling, done by Nomans in 2002, totalled eight holes, only five of which hit the bedrock for a total of 1,245.5 m; given the 3 km² area of the Pmvt 5 unit, which contains the mineralization, there is substantial room for additional work. Finally, the possibility of a residual deposit over the Pmvt 5 unit was never assessed.

Mineralization

The Montviel carbonatite complex is classified as a primary or magmatic-type complex, which around the world have produced Nb, REE, P_2O_5 , Fe, Ni, vermiculite, Cu, Au and PGE. Historical exploration has revealed the potential of the Montviel carbonatite complex for Nb, REE, P_2O_5 and, to a lesser extent, base metals. All the mineralized intersections were obtained from the Pmvt 5 unit, which is the carbonate core of the complex. Potential also exists in the residual soil above the Pmvt 5 unit. Residual soil can be enriched to 5 or 6 times the bedrock grade. The best examples in Canada are

³ MMI: Mobile Metal Ion

Cargill and Martison Lake⁴ in Ontario, with respectively 62.5 Mt @ 19.5% P₂O₅ and 145 Mt @ 20.1% P₂O₅ and 0.35% Nb₂O₅. These resources have however not been verified by Mr. Donald Théberge, they are not NI 43-101 compliant and they are not necessarily an indication of the mineralization of the Montviel property.

Drilling

The Corporation has not completed diamond drilling or any other kind of drilling on the Montviel property since acquiring its option. However, Jowsey Mining Company, Duval International Corp., SDBJ, and Nomans Resources all carried out drilling on or in the immediate vicinity of the Montviel property. In all, 34 holes were drilled for a total of 4,423.55 m. Eight of them did not hit bedrock because of poor overburden conditions (deep overburden filled with large boulders).

Sampling method and approach

Since it has optioned the property, the Corporation did not take any sample from the Montviel property, and did not proceed to any assays. In terms of the exploration work completed before 2005, including the drilling by Nomans Resources, it is impossible to comment on the sampling method and approach as this was not described in the previous reports.

Sample preparation, analyses and security

Since it has optioned the property, the Corporation did not take any sample from the Montviel property, and did not proceed to any assays. It is impossible to comment on sample preparation, assays and quality control for samples as the methods were not described in the reports.

Mineral resource and mineral reserve estimates

As the property is still in an early exploration stage, mineral resource and mineral reserve estimates have never been done.

Mining operations

As the property is still in an early exploration stage, no mining operations are present.

Exploration and development

A two-phase exploration program is proposed to probe the potential of the property. Phase I would include a structural study based on high-definition satellite photos to define the main contacts of the intrusion. The airborne data collected by the 2004 airborne Fugro survey should also be reinterpreted, in conjunction with the results of the structural study. All the historical data from drilling, ground surveys, etc. should be integrated in a database, which will be updated with the new data collected. A total of 3,500 m of diamond drilling is recommended to test the targets defined in the Henriksen report and verify at depth the intersections obtained by Nomans.

If warranted by the results of Phase I, a second phase is suggested, which would include a systematic exploration of the carbonate core or Pmvt 5 unit. Line cutting, magnetic and soil surveys are recommended. To test the targets identified by these surveys and the results of Phase I, 5,000 m of diamond drilling is recommended. Finally, an amount of \$100,000 has been budgeted to test for the possibility of a residual deposit over the Pmvt 5 unit.

⁴ Source: Richardson, D.G., Birkett, T.C., 1996: *Gîtes résiduels associés à des carbonatites*, in "Géologie des types de gîtes minéraux du Canada", rev. by O.R. Eckstrand, W.D. Sinclair and R.I. Thorpe, Geological Survey of Canada, No. 8, pp. 121 to 132.

Recommendations

A quality assurance / quality control (QA/QC) process should be put in place to ensure that the assay results are accurate and reliable. The detailed budget to complete the proposed exploration program is as follows:

Phase I					
Work	Quantity	Unit	Unit cost	Total	
Program preparation	5	days	\$700	\$3,500	
Structural study				\$20,000	
Re-interpretation of the airborne geophysical data (Mag EM and radiometric)				\$5,000	
Data integration and database				\$40,000	
Permits (forestry intervention, etc.)				\$1,000	
Diamond drilling (\$150/m, all inclusive)	3500	M	\$150	\$525,000	
Report at the end of phase 1, and filing for statutory purposes				\$15,000	
Contingencies (±10%)				\$67,045	
	Total Phase I				\$676,545
Phase II					
Program preparation	5	Days	\$700	\$3,500	
Line cutting	140	Km	\$500	\$70,000	
Ground magnetic, total field and gradient survey	140	Km	\$150	\$21,000	
Geophysical report, mag				\$2,000	
Geochemical survey (MMI)	3000	samples	\$50	\$150,000	
Geochemical Report				\$10,000	
Diamond drilling (\$150/m all inclusive)	5000	m	\$150	\$750,000	
Reverse circulation drilling to verify if a residual deposit may exist over the Pmvt 5 (the core zone).				\$100,000	
Report at the end of phase 2, and filing for statutory purposes				\$15,000	
Contingencies (±10%)				\$123,365	
	Total Phase II				\$1,244,865
			Total Phases I and II		\$1,921,410

B – Pump Lake Property

The following information, with the exception of certain information relating to mining titles, has been taken from a technical report entitled "Pump Lake Property – Lesueur Lake Area, NTS 310/06, 310/11 dated June 18, 2010, as amended on August 17, 2010, and prepared by Donald Th  berge, Eng., MBA. A copy of such report, which has been prepared in accordance with NI 43-101 may be reviewed at the head office of the Corporation during normal business hours during the period of distribution of

the Units. Such report may also be consulted in the profile of the Corporation on SEDAR on www.sedar.com.

Title

The Corporation has an option to acquire an interest of 75% in the Pump Lake property. For more details, see “Montviel Property – Title” above.

Property description and location

The Pump Lake property is made up of 414 map-designated cells totalling 23,869 ha or 238.7 km², in a single block. Expiry dates of the claims range from November 10, 2010 to May 18, 2012. There is an amount of \$527,991 registered in accrued work. A minimum of \$491,000 in exploration expenditures will be required for the next renewal, along with mining duties of \$21,476.

The Pump Lake property was acquired from Ressources Maxima in 2007. Pursuant to the Maxima deal, the property remains subject to a 2% NSR, of which 1% can be bought back for \$1M. In the NioGold / Maxima deal, an area of interest of 10 km from the central point of the property has been defined, and this NSR is now applicable to all the claims of the current Pump Lake property, with the exception of the 30 most southwesterly claims. There are no environmental liabilities pertaining to the Pump Lake property; the only permits required to conduct work is the forestry management permit. There is no mining infrastructure on the property.

Accessibility, climate, local resources, infrastructure and physiography

The Pump Lake property is located in NTS sheets 31O/06 and 31O/11, approximately 110 km north of the town of Mont-Laurier which offers a wide range of services. The property is easily accessible by road from Ste-Anne-du-Lac. Depending on which part of the property is to be accessed, heavy equipment can be mobilized directly by gravel road, or towed by a bulldozer on dirt road. An outfitter offering room and board is located along the gravel road, 11 km south of the south boundary of the property.

The property shows a relatively hilly topography, with a maximum elevation of 416 m above sea level in the east part, and a minimum elevation of 275 m in the west part of the property. The main hydrographic feature is Lac Lesueur, located in the north of the property. The Gatineau River crosses the south-western part of the property. Like much of the area, the property is covered by a mix of swamp and forest, the latter consisting mainly of spruce, pine, birch and alders. At this latitude, there is no permafrost.

History

Exploration work by mining companies dates back to 1971, with the discovery of the Watson showing and the drilling of 15 holes totalling 386 m by Noranda, with values of up to 0.53% Cu over 8.2 m intersected in Hole PS-1. These are the only holes reported on the property since that time. No work was done from 1971 to 1998. From 1998 to around 2003, exploration work was reported by a joint venture formed by Noranda and Soquem. The area surrounding the Watson and Ransom showings was explored. Several anomalous values for Au, Cu and REE were discovered. In 2005, Ressources Maxima staked the property, and identified several Cu-Au-Ag, U and REE showings. NioGold optioned the property in 2007.

In 2007 and 2008, NioGold carried out intensive exploration programs that included geophysical airborne and ground surveys followed by soil sampling, prospecting, satellite imagery and mineralogical studies. In 2009, an airborne gravity survey totalling 1,114 line-km was completed. Over the years, exploration work has led to the discovery of 15 showings with mineralization ranging from precious and base metals (Au, Ag, Cu, Ni) to iron (magnetite), phosphates (P₂O₅), uranium, thorium, niobium and REE.

The most up-to-date geological survey of the area covered by the property was completed by Nantel in 2003 for the Quebec Ministry of Natural Resources (“QMNR”). In 2009, an evaluation of the potential

for U and Cu-Au-U mineralization in mafic and ultramafic intrusions of the Grenville was produced and reported under EP 2009-03. The area covered by the property showed weak to moderate potential for IOCG⁵-type orebodies and moderate to high potential for Rossing-type U mineralization. New bottom lake sediment geochemistry data were also reported in 2009, in file PRO-2009-04, along with new analysis of the Parent survey completed in 1994. Strong Cu, U, Cu+U and La+Nb+Y anomalies were discovered on the Pump Lake property, in the Lac Lesueur area.

Geological setting

Regionally, the Pump Lake property is located in the southwest part of Grenville Province, which forms a belt 2,000 km long by 300 to 600 km wide. The property straddles the Baker lithotectonic domain. Rocks are metamorphosed to the superior amphibolite facies. Orthogneiss from the Lacoste magmatic suite covers most of the property. The supracrustal Ascension and the Brockaby suites (1.07 Ga) are present sporadically, and the youngest and most economically-interesting unit, the Lesueur alkaline suite (1.00 Ga) has been injected through the other units, likely several times, which could explain its numerous aspects observed in the field.

Exploration

The Corporation has not carried out any exploration work on the Pump Lake property since signing the option to acquire the property.

Mineralization

The mineralized occurrences and showings discovered on the property have been classified into five different types by NioGold; these are summarized in connection with the corresponding showings in the following table, which table is entirely composed of historical data that has not been sampled or assayed by Mr. Donald Théberge.

Description	Showing	Best Value
Calc-silicate, marbles and paragneiss units	Watson	0.53% Cu and 16.6 g/t Ag over 8.2 m (DDH) 1.88% Cu and 21 g/t Ag (stripping)
	Lac Ducarny	1.5% Cu over 4 m
Epigenetic source	Ransom	6.5 g/t Au
	Mélançon	4.27% Cu, 5.10 g/t Au and 11.5 g/t Ag
	Boisvert	0.43% Cu and 0.11% Ni
	De La Tour	0.59% Cu
Quartz-rich monzonite, monzonite, monzodiorite or alkaline granite units of the Lesueur suite	Showing #14	3.37% Cu, 0.57 g/t Au and 16.2 g/t Ag
	Lac aux Huards	0.50% Cu, 6.7 g/t Ag and 80 ppb Au
	Lake Edge	2.43% Cu, 21.7 g/t Ag
Magnetite and cpx –rich phase related to hydrothermalism of the Lesueur magmatic suite	Massive magnetite	66.38% Fe

⁵ IOCG: Iron Oxide Copper Gold

Description	Showing	Best Value
Late alkaline-carbonatite granites and pegmatite dykes and intrusives (IOCG) of the Lesueur suite	Gerber	14% P ₂ O ₅
	Carbonatite stream	0.14% U ₃ O ₈
	Roxane	0.20% U ₃ O ₈ , 1.20% Nb ₂ O ₅ and 0.68% REE
	Emma	0.24% U ₃ O ₈
	Showing #65	0.46% U ₃ O ₈ , 4.28% ThO ₂ and >10.00% Nb ₂ O ₅

A new type of mineralization should be added: the alkaline intrusion with a carbonate core, or carbonatite complex. The lake bottom anomalies reported in PRO 2009-04 show strong Cu, U, Cu+U and La+Nb+Y anomalies in the Lac Lesueur area on the Pump Lake property. Furthermore, a carbonatite block with 0.14% U₃O₈ was discovered about 1.5 km down-ice from Lac Lesueur, and >10,000 ppm Nb₂O₅ was discovered on showing #65 just east of Lac Lesueur. These mineral assemblages correspond fairly well with a carbonatite complex type of mineralization with base metals and Nb₂O₅ + REE mineralization.

Drilling

The Corporation has not done any diamond drilling or other kind of drilling on the Pump Lake property since acquiring its option. The only drilling on the property was reported by Noranda in 1971, on the Watson showing, when 15 short holes totalling 386 m were drilled.

Sampling method and approach

The Corporation has not taken any sample from the Pump Lake property since it acquired its option on the property, and has not had any assay done. In all the historical work consulted, the sampling method and approach were never disclosed.

Sample preparation, analyses and security

No mention of sample security was made in any of the reports consulted, including those by NioGold.

Mineral resource and mineral reserve estimates

As the property is still in an early exploration stage, mineral resource and mineral reserve estimates have never been done.

Mining operations

As the property is still in an early exploration stage, no mining operations are present.

Exploration and development

For the resumption of exploration on the property, a systematic exploration program centered on the Lac Lesueur area has been designed. Phase I will include a structural study based on satellite imagery and previous geophysical surveys, followed by an airborne magnetic, electromagnetic and radiometric survey over approximately 650 line-km. Prospecting of the anomalies discovered and a systematic soil survey are also recommended. The last part of Phase I will also include 1,500 m of diamond drilling to test several showings and for stratigraphic purposes.

Phase II will see the completion of the systematic soil survey, with about 4,000 samples, followed by a 6,000 m drilling program, to test targets generated by the previous surveys and complete the knowledge of the stratigraphy of the property.

Recommendations

The exploration of the property should be re-oriented towards an alkaline complex (carbonatite) type of mineralization in the area of Lac Lesueur. This opinion is also supported by the strong Cu, U, Cu+U and La+Nb+Y anomalies obtained from the lake bottom sediment survey in Lac Lesueur area reported in QMNR file PRO 2009-04, and on a carbonatite block found about 1.5 km down-ice from the Lac Lesueur area.

A quality assurance / quality control (QA/QC) process should be put in place to ensure that the assay results are accurate and reliable.

The detailed budget to complete the proposed exploration program is as follows:

Phase I					
Work	Quantity	Unit	Unit cost	Total	
<u>Structural study</u>				\$25,000	
<u>Mag+Em+radiometric survey (60 km²) over the Lac Lesueur area</u>					
Mob-demob				\$6,000	
Data acquisition	650	km	\$145	\$94,250	
Fuel + room and board				\$8,000	
Quality control				\$3,250	
Data interpretation				\$5,000	
Subtotal				\$116,500	
<u>Anomaly prospecting (report and analysis included)</u>				\$50,000	
<u>Geochemical soil survey (3,000 samples)</u>					
Mob-demob				\$1,000	
Data acquisition	3,000	samples	\$10	\$30,000	
Room and board (\$125/person/day ,4 persons)	28	days	\$500	\$14,000	
Multi-element analysis	3,000	samples	\$25	\$75,000	
Quality control				\$7,500	
Data interpretation	3,000	samples	\$5	\$15,000	
Subtotal				\$142,500	
<u>Re-interpretation of geophysical surveys</u>				\$10,000	
<u>Data integration and drill target definition</u>				\$45,000	
<u>Diamond drilling (\$150/m all inclusive)</u>	1,500	m	\$150	\$225,000	
<u>Contingencies (±10%)</u>				\$61,400	
	Total Phase I				\$675,400
Phase II					
Work	Quantity	Unit	Unit cost	Total	
<u>Geochemical soil survey (4,000 samples)</u>					
Mob-demob				\$1,000	
Data acquisition	4,000	samples	\$10	\$40,000	
Room and board (\$125/person/day, 4 persons)	35	days	\$500	\$17,500	
Multi-element analysis	4,000	samples	\$25	\$100,000	
Quality control				\$10,000	
Data interpretation	4,000	samples	\$5	\$20,000	
Subtotal				\$188,500	

Phase I					
Work	Quantity	Unit	Unit cost	Total	
<i>Data integration and drill target definition</i>				\$20,000	
<i>Diamond drilling (\$150/m all inclusive)</i>	6,000	m	\$150	\$900,000	
<i>Contingencies (±10%)</i>				\$110,850	
				Total Phase II	\$1,219,350
				Total Phase I and II	\$1,894,750

C – Sydney Property

The following information, with the exception of certain information relating to mining titles, has been taken from a technical report entitled "Sydney Property – Kempt Lake Area, NTS 310/08 dated June 23, 2010 and prepared by Donald Théberge, Eng., MBA and Alain Tremblay, Eng. A copy of such report, which has been prepared in accordance with NI 43-101 may be reviewed at the head office of the Corporation during normal business hours during the period of distribution of the Units. Such report may also be consulted in the profile of the Corporation on SEDAR on www.sedar.com.

Title

This property is comprised of 200 claims in the region of Lanaudière. 40 claims were acquired from Benoît Moreau, President and Director of the Corporation, in consideration of a cash amount of \$2,080, pursuant to a letter of agreement dated May 31, 2010. 160 claims were acquired from Simon Britt, Vice-President, Chief Financial Officer, Secretary and Director of the Corporation in consideration of a cash amount of \$8,320, pursuant to a letter of agreement dated May 31, 2010.

Property description and location

The Sydney property comprises 188 map-designated cells and 12 titles pending, totalling 11,641 ha or 116.41 km², in a single block. Expiry dates range from May 12 to May 24, 2012. There is no accrued work registered on the property. A minimum of \$225,600 in exploration expenditures will be required for the next renewal, along with mining duties of \$9,776.

The property is free of any NSR or other royalty. There are no environmental liabilities pertaining to the Sydney property. The only permit required to explore the property is the usual forestry management permit.

Accessibility, climate, local resources, infrastructure and physiography

The Sydney property is located in NTS sheet 310/08, approximately 112 km north of the village of St-Michel-des-Saints. There are two easy ways to access the property. The first starts at St-Michel-des-Saints, and consists of a gravel road going north for approximately 112 km; this road is in a good condition except for a few kilometres where it is a little rough. The second access is by the Rivière-aux-Rats road. The entrance to this road is located about 28 km south of the town of La Tuque, along provincial road #155. This access road goes west and is the main access to the property. It is in a very good condition. Both accesses are the same distance, at about 112 km. Many logging roads provide additional access to different parts of the property. Heavy equipment (like drill rigs and bulldozer) can be mobilized directly onto the property. An outfitter offering room and board is located about 4 km south of the southern boundary of the property by road.

The property displays a hilly topography, with minimum and maximum elevations of 425 and 560 m above sea level respectively. The property is located east of Kempt Lake and south of Manouane Lake. It contains at least 12 small lakes and Moreault Bay, an extension of Kempt Lake; these waterbodies cover about 15% to 20% of the area of the property. The property is covered by a mix of swamp and forest, the latter consisting mainly of spruce, pine, birch and alder. At this latitude, there is no permafrost.

History

No exploration work by mining companies was reported on the Sydney property or in its immediate vicinity. Other work reported was by the GSC and the QMNR. In 1966, Wynne-Edwards completed a large scale geological survey of the region on behalf of the GSC. Several gneiss outcrops were mapped on the property. The most interesting reports were released by the QMNR in 1996 and 2009. They consisted of two lake bottom sediment geochemistry surveys that outlined REE anomalies (Ce, Eu, La, Sm, Y with Th and U) and combined Y, Nb, and La anomalies on the Sydney property.

Geological setting

The property is located in the central part of the Grenville Province. The Grenvillian rocks include various type of metasediments (quartzites, marbles, calco-silicated rocks, garnet-sillimanite paragneisses), gneisses and felsic intrusive batholiths such as monzonite, charnockite, granite, etc.

The property is located just outside the northeast limit of the Grenvillian metasedimentary central belt, a wide area dominated by metasediments. The Grenvillian rocks vary in age from about 1 Ga to 1.4 Ga. They were subject to an extended, severe regional metamorphism that was responsible for mineral assemblages typical of amphibolite and granulite metamorphic facies. Structural features include both ductile and brittle deformations. In most places, at least three phases of folding, some very intense producing isoclinal folding, can be recognized.

From the Wynne-Edwards mapping, the property is essentially underlain by a leucocratic and granitic gneiss. This granitic gneiss is medium-grained, pink to grey, with equigranular biotite. It may contain interlayers or horizons of granitic gneisses with hornblende and biotite. The unit is generally layered and well foliated. Southwest of the property, the granitic gneisses are in contact with a subfacies, a leucocratic granitic gneiss with biotite, hornblende and oligoclase.

Exploration

The Corporation has not carried out any exploration since acquiring the Sydney property.

Mineralization

The property covers a zone of granitic gneisses where geochemical anomalies in yttrium (Y), lanthanum (La) and samarium (Sm) are present. This association of rare earth elements may be found in geological deposits that may also contain zirconium, cesium, neodymium, gadolinium, etc. The natural REE concentrations show a strong association with magmatic chamber of highly alkaline composition such as carbonatites or alkali-rich granitic intrusions.

Example of a known REE deposit in Canada is the Strange Lake deposit at the Quebec-Labrador border, where a multi-phase alkaline granite shows a zoned concentration of REE. The REE content is found to be richer in the younger and coarser phases of the intrusion. Another example is the recent discovery of the Hoidas deposit in Saskatchewan, where most of the REE mineralization is hosted by hydrothermal apatite-rich veins related to a regional-scale fault system. In this case, the mineralogy of the veins is highly variable and related to various phases of vein setting. It is believed that mobilization of the REE is of late magmatic-hydrothermal origin and the source rock is a distant carbonatite or alkaline granite. On the Sydney property, the bedrock consists of granitic gneisses. The REE anomalies may therefore be related to one of the two types of deposit described above.

Drilling

The Corporation has not done any diamond or other kind of drilling on the Sydney property since its acquisition, and no diamond drill holes were reported in the past.

Sampling method and approach

The Corporation has not taken any samples from the Sydney property since its acquisition.

Sample preparation, analyses and security

The Corporation has not taken any samples from the Sydney property since its acquisition.

Mineral resource and mineral reserve estimates

The Corporation has not calculated mineral resource and/or mineral reserve estimates for the property, and none has been reported in historical work.

Mining operations

As the property is at a very early exploration stage, no mining operations are present.

Exploration and development

The lack of geological information and the strong lake bottom sediment anomalies warrant the initiation of exploration on the Sydney property.

As this will be the first exploration program on this property, a two-phase program of systematic exploration is suggested. Phase I would include a structural study to outline the main structural features, such as faults, folds, etc., followed by an airborne magnetic, electromagnetic and radiometric survey covering the whole property. The final element of Phase I would be a geological and prospecting survey over the main anomalous areas.

If warranted by the results of Phase I, Phase II would include a geochemical soil survey followed by compilation of the results of this and previous surveys to generate drill targets. Approximately 4,000 m of diamond drilling is suggested on the targets generated.

Recommendations

The proposed budget to complete Phases I and II is shown below:

Phase I					
Work	Quantity	Unit	Unit cost	Total	
<u>Structural study</u>				\$17,500	
<u>Airborne magnetic, electromagnetic and radiometric survey</u>					
Mob-demob				\$7,500	
Data acquisition	1220	km	\$140	\$170,800	
Fuel, + room and board				\$15,000	
Quality control				\$4,200	
Data interpretation				\$5,000	
	Sub-total airborne survey			\$202,500	
<u>Prospection of the main anomalies, including report and multi-elements analyses</u>				\$30,000	
<u>Contingencies (±10%)</u>				\$25,000	
		Total Phase I			\$275,000

Phase II					
<u>Geochemical soil survey (4,000 samples)</u>					
Mob-demob				\$2,500	
Data acquisition	4000	samples	\$10	\$40,000	
Room and board (\$125/person/day or \$500/day, for 4 persons)	35	days	\$500	\$17,500	
Multi-elements analysis	4000	samples	\$25	\$100,000	
Quality control				\$10,000	
Data interpretation	4000	samples	\$5	\$20,000	
			Sub-total	\$190,000	
<u>Data integration and drill target definition</u>					
				\$60,000	
<u>Diamond drilling (all inclusive)</u>					
	4000	m	\$150	\$600,000	
<u>Contingencies (±10%)</u>					
				\$85,000	
			Total Phase II	\$935,000	
			Total Phase I and II	\$1,210,000	

The Phase 1 will only be completed if the Maximum Offering is subscribed.

D – Oriana Property

The Oriana property is located in the Northeastern Abitibi area of Quebec, approximately 60 km west of Chibougamau where services and manpower are available. The property is easily accessible by the Anville Lake logging road, after a 10 km drive from the highway 113, which links Chibougamau to Val-D'Or. The Oriana property consists of 270 mining claims covering 15,016 ha.

The Corporation acquired 40 claims from Alain Moreau and Sylvie Charbonneau pursuant to a letter of agreement dated August 2, 2010 in consideration of the payment of a cash amount of \$4,000 and the issuance of 100,000 Common Shares.

The Corporation acquired 230 claims from Fleetwood Capital Management Inc. pursuant to a letter of agreement dated August 10, 2010 in consideration of the payment of a cash amount of \$11,960 and the issuance of 100,000 Common Shares.

The Oriana property is located in the Northeastern part of the Abitibi greenstone belt that is comprised within the Superior geological province. It hosts the Archean Dolodau carbonatite, dated at 2,677 Ma, that is associated with the volcanics of the Obatogamau Formation and the Anville tonalite. This rare carbonatite belongs to a set of only eight (8) carbonatites of Archean age that have been discovered thus far on the Earth. The carbonatite body was only evidenced by the presence of dykes and thus its size has yet to be defined.

The Corporation intends to explore the property for its REE potential as well as for niobium and tantalum which are often associated with a carbonatite. No record in the government assessment files indicate that the property was ever explored for its REE potential and/or niobium and tantalum.

No work has been performed to date by the Corporation on the property and no part of the proceeds of this Offering will be used on the Oriana property.

E – Émilie Property

The Émilie property is located in the Northern Abitibi area of Quebec, 175 km northeast of Val-D'Or, where services and manpower are available. The highway 113, which connects Val-D'Or and Chibougamau, transects the property on its eastern edge at approximately 25 km east of the town of Lebel-sur-Quévillon. The Émilie property consists of 40 mining claims covering 1,984 ha.

The Corporation acquired the 40 claims from Benoît Moreau, President and Director of the Corporation, pursuant to a letter of agreement dated August 19, 2010 in consideration of the payment of a cash amount of \$2,080.

Geologically, the Émilie property is located in the eastern part of the Superior geological province and borders to the north the important southeast trending Cameron Deformation Zone. Numerous carbonatite dykes were recognized on the eastern margin of the property and are often referred as the Grevet carbonatite. The exact size and the extent of the carbonatite complex remain to be determined.

The Corporation intends to explore the property for its REE potential as well as for niobium and tantalum which are often associated with a carbonatite. No record in the government assessment files indicate that the property was ever explored for its REE potential and/or niobium and tantalum.

No work has been performed to date by the Corporation on the property and no part of the proceeds of this Offering will be used on the Émilie property.

USE OF PROCEEDS

The net proceeds from the Offering will be \$1,731,500 in the case of the Minimum Offering and \$2,468,075 in the case of the Maximum Offering, after deduction of the Agent's Fee and the expenses of issue.

Of this net proceeds (i) an amount between \$1,351,945 (Minimum Offering) and \$1,626,945 (Maximum Offering) will be used by the Corporation to complete the Phases 1 of the work programs described under "Properties of the Corporation"; and (ii) an amount between \$379,555 (Minimum Offering) and \$841,130 (Maximum Offering) will be added to the working capital of the Corporation for its general purposes. The Corporation will use the proceeds of the exercise of the Warrants, if applicable, for its working capital.

	Minimum Offering	Maximum Offering
Exploration Work:		
- Montviel Property	\$676,545	\$676,545
- Pump Lake Property	\$675,400	\$675,400
- Sydney Property	-	\$275,000
Expenses of Issue	\$190,000	\$190,000
Agent's Fee	\$178,500	\$246,925
Working Capital	\$379,555	\$841,130
Total	\$2,100,000	\$2,905,000

Due to the nature of mineral exploration and the results obtained during the performance of the exploration work, it must be understood that the work programs and budget allocations may be re-evaluated, changed and allocated differently.

No part of the proceeds of this Offering will be used to reimburse a loan or to acquire assets outside the normal course of business of the Corporation.

Available funds

The following table indicates the total amount of funds that will be available to the Corporation following the Minimum Offering and the Maximum Offering.

	Minimum Offering	Maximum Offering
Net Proceeds of the Offering ⁽¹⁾	\$1,731,500	\$2,468,075
Working Capital as at July 9, 2010 (unaudited)	\$154,899	\$154,899
Total	\$1,886,399	\$2,622,974

(1) After deduction of the expenses of issue and the Agent's Fee.

Principal objectives

The principal objectives of the Corporation, following the completion of the Offering, will be to start the exploration campaigns on the Montviel, Pump Lake and Sydney properties. The short-term objectives of the Corporation are: (i) to complete the Offering; (ii) to list its Common Shares on the TSXV; and (iii) to start the Phases 1 of the recommended work programs on the Montviel, Pump Lake and Sydney properties.

DIVIDEND POLICY

Since its incorporation, the Corporation has not paid any dividends in cash. The future payment of dividends will depend on the financial needs of the Corporation to finance its exploration programs and its future growth, its financial situation and other factors that the board of directors of the Corporation may deem relevant under the circumstances.

MANAGEMENT'S DISCUSSION AND ANALYSIS

General

This Management's Discussion and Analysis provides an analysis of the Corporation's financial results for the year ended May 31, 2010. The following discussion and analysis should be read in conjunction with the Corporation's audited financial statements included in this prospectus.

The audited financial statements were prepared by the Corporation's management in accordance with Canadian generally accepted accounting principles ("GAAP"). All dollar amounts mentioned in this discussion are expressed in Canadian dollars.

Our discussion contains «forward-looking statements» not based on historical facts. Forward-looking statements express, as of the date hereof, our estimates, forecasts, projections, expectations and opinions as to future events or results. Forward-looking statements herein expressed are reasonable, but involve a number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and future events could differ materially from those anticipated in such statements. The Corporation disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Strategy and Overview

Focus

The Corporation is a Quebec-based exploration company focused on the identification and discovery of carbonatites containing economic deposits of 21st century strategic metals. On April 15, 2010,

Quebec received, for the third year in a row, the coveted award of the world's most attractive jurisdiction for mineral exploration and development⁶.

Strategic metals are those metals which are required for the economic development and national defense of a country. As society emerges from fossil energy to a more efficient eco friendly source, the Corporation believes the 21st century strategic metals are the Rare Earth Elements ("REE") family (the 14 elements called Lanthanides plus Lanthanum, Scandium and Yttrium), Niobium and Tantalum.

These 19 elements are critical to clean energy technologies (electric vehicles, wind power turbines, light-emitting diode light source), existing and emerging high-tech uses (cell phones, fiber optics, lasers, hard disk drives) and numerous defense applications. These elements are the foundation of the 21st century's economic sustainability and durable development.

Carbonatites rock!

Carbonatites are very special and relatively rare magmatic rocks. In 2008, the Natural Resources Ministry of Canada completed a geological survey identifying 527 carbonatites occurrences around the world. They are often rich in REE, niobium and tantalum and can be used for these rare metal ores.

Historically, roughly one carbonatite out of five contains an economic deposit of ore. The world's current most prolific deposits of REE, namely Bayan Obo (Inner Mongolia, China), Mountain Pass (California, US) and Mount Weld (Australia) are all carbonatites. The Corporation plans to secure interests in as many carbonatites as possible within Quebec's geographical limits.

Industry Outlook

Today, 95% of the world's supply in REE comes from mines in China. China has large natural reserves of rare earth metals, mostly in Inner Mongolia and the global dominance in this area is the result of a twenty (20) year plan to position China as the "OPEC of rare earth metals."

A draft report by China's Ministry of Industry and Information Technology "Rare Earths Industry Development Plan 2009-2015" has called for a total ban on foreign shipments of terbium, dysprosium, yttrium, thulium, and lutetium. Other metals such as neodymium, europium, cerium, and lanthanum will be restricted to a combined export quota of 35,000 metric tons per year, far below global needs. According to information received by The Independent⁷, by 2012 China may cease all exports of REE, reserving them for its own economic expansion.

Total global demand for REE is expected to increase from 124,000 mt in 2008 to 180,000 mt by 2014⁸. China consumes approximately 55% of global demand, leaving 45% in need of supply. China's retraction from the rare earth market will create a three to seven year gap in which REE supply won't meet demand. It will take years for fresh supply to come on stream from deposits in Australia, North America, and South Africa. This creates a huge investment opportunity for people willing to take a risk on the rising prices of REE.

Activity Highlights for Fiscal 2010

Option agreement – mineral properties

On April 30, 2010, the Corporation signed a Letter Agreement with NioGold giving the Corporation an option to earn up to seventy five percent (75%) interest in the carbonatites of the properties Montviel and Pump Lake by making a cash payment of \$100,000, paid on April 30, 2010, and by issuing 1,500,000 shares of the Corporation over a three-year period following the completion of an initial public offering ("IPO"), and incurring at least \$3,350,000 in exploration expenditures over four years. The Letter Agreement is also subject to the following conditions:

⁶ The Fraser Institute.

⁷ The Independent is a British daily newspaper.

⁸ Roskill Consulting Group Ltd, a rare earth market consultant.

- the Corporation shall have completed an IPO and other private placements for a minimum amount of \$2,000,000 at the latest on September 30, 2010 or, subject to a penalty of up to 150,000 shares, on December 31, 2010;
- both parties sign a Definitive Agreement;
- the Corporation shall meet the minimum listing requirements of a Tier 2 Mining Issuer pursuant to the policies of the TSXV; and
- the transaction shall have been approved by the TSXV.

Listing of the Corporation on the TSXV

On June 25, 2010, the Corporation signed an agreement with the Agent whereby the Agent has agreed to act as lead manager of the Corporation's IPO of Units. Each Unit will cost \$0.35 and be comprised of one common share and one-half common share purchase warrant. Each full common share purchase warrant entitles the holder to acquire one additional common share of the Corporation at a price of \$0.55 over a period of 18 months following closing.

The Agent shall be paid a fee equal to 8.5% of the gross proceeds from the sale of Units sold pursuant to the IPO, excluding subscriptions for an amount greater than \$5,000 from investors referred by the Corporation, for which the fee will be reduced to 5 % of the amount subscribed by such subscribers. Also, the Agent shall receive options entitling it to purchase that number of common shares equal to 5% of the total number of Units sold pursuant to the IPO, exercisable in whole or in part at \$0.35 per common share for a period of 18 months from the closing.

Equity issuances

- On May 7, 2010, the Corporation issued 900,000 common shares in exchange for 36 and 35 mining claims adjacent to the Montviel and Pump Lake properties respectively;
- On May 31, 2010, the Corporation completed a private placement for 800,000 common shares of the Corporation at a price of \$0.10 per common share for net proceeds of \$80,000;
- On July 2, 2010, the Corporation completed a private placement for 355,000 units of the Corporation at a price of \$0.35 per unit for net proceeds of \$124,250. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Corporation at a price of \$0.55 over a period of 18 months.
- On August 17, 2010, the Corporation issued 200,000 Common Shares in exchange for the Oriana property.

Results of Operations

Summary of exploration activities

During the year ended May 31, 2010 the Corporation did not incur any exploration expenses compared to \$93,686 (net of \$50,446 of tax credits) in the previous year.

The Corporation did not follow up on results obtained from the initial exploration phase on the Bartouille property completed in the previous year. Limited financial resources obliged management to take the necessary time and determine the best course of action going forward. That decision was made clear on April 30, 2010 following the signing of the Letter Agreement with NioGold described above. Consequently, management decided to write-off the Bartouille property in whole for an expense of \$94,561. No write-off occurred in the previous year.

Additionally, during the year ended May 31, 2010 the Corporation paid \$115,000 and \$15,955 in acquisitions and additional claims respectively. No acquisition costs were incurred in the previous year.

As of May 31, 2010, mineral properties and deferred exploration expense are as follows:

Properties	Balance, beginning of year	Acquisition costs	Write-off / Subsidies	Balance, end of year
Montviel	-	\$51,872	-	\$51,872
Pump Lake	-	\$54,681	-	\$54,681
Sydney	-	\$10,400	-	\$10,400
Bartouille	\$93,686	\$875	\$(94,561)	-
Total	\$93,686	\$117,828	\$(94,561)	\$116,953

Property Description

1. *Montviel (Option, interest up to 75%)*

The Montviel property is located in the Northern Abitibi area of Quebec, 215 km due north of Val-d'Or, where services and manpower are available. The property is easily accessible via a network of logging roads, after a 50 km drive from highway 113, which connects Val d'Or and Chibougamau. The Montviel property consists of 104 mining claims covering 5,776 ha.

Geologically, the Montviel property is located in the eastern part of the Superior geological province, at the junction between the Opatika and Abitibi sub-provinces. The Montviel carbonatite complex, dated at 1,894 Ma, is enclosed in the Nomans tonalite, dated at 2,708.9 Ma. It is located just north of the Waswanipi – Saguenay corridor (Saguenay rift). The Montviel alkaline intrusion measures approximately 10 x 3 km for a total of 32 km². The carbonate core covers an approximate area of 3 km².

Scheduled exploration work going forward:

Work – Phase 1	Expected cost	Timeline
Program preparation	\$3,500	Fall 2010
Structural study	\$20,000	Fall 2010
Re-interpretation of the airborne geophysical data (Mag+EM+radiometric)	\$5,000	Fall 2010
Data integration and database	\$40,000	Fall 2010
Permits (forestry intervention, etc.)	\$1,000	Fall 2010
Diamond drilling – 3,500 m @ \$150/m, all inclusive	\$525,000	Fall 2010
Report at the end of phase 1, and filing for statutory purposes	\$15,000	Fall 2010
Contingencies (±10%)	\$67,045	
Total	\$676,545	

2. *Pump Lake (Option, interest up to 75%)*

The Pump Lake property is located 200 km southeast of Val-d'Or and 50 km north of the Mt-Laurier district, where services and manpower are available. The property is easily accessible by road from Ste-Anne-du-Lac. The Pump Lake property consists of 414 mining claims covering 23,869 ha.

Geologically, the Pump Lake property is located in the southwest part of Grenville Province, which forms a belt 2,000 km long by 300 to 600 km wide. It holds the Lesueur carbonatite complex recently uncovered by regional mapping conducted by the Ministry of Natural Resources of Quebec.

Scheduled exploration work going forward:

Work – Phase 1	Expected cost	Timeline
Structural study	\$25,000	Fall 2010
Mag+Em+radiometric survey (60 km ²) over the Lac Lesueur area	\$116,500	Fall 2010
Anomaly prospecting (report and analysis included)	\$ 50,000	Fall 2010
Geochemical soil survey (3,000 samples)	\$142,500	Fall 2010
Re-interpretation of geophysical surveys	\$10,000	Fall 2010
Data integration and drill target definition	\$45,000	Winter 2011
Diamond drilling (1,500 m @ \$150/m all inclusive)	\$225,000	Winter 2011
Contingencies (±10%)	\$61,400	
Total	\$675,400	

3. *Sydney (100% interest)*

Geographically, the property is located approximately 100 km North of St-Michel des Saints, where services and manpower are available. The property is easily accessible via gravel roads. The Sydney property comprises a total 200 cells for 11,641 ha.

Scheduled exploration work going forward:

Work – Phase 1	Expected cost	Timeline
Structural study	\$17,500	Fall 2010
Airborne magnetic, electromagnetic and radiometric survey	\$202,500	Fall 2010
Prospection of the main anomalies, including report and multi-elements analyses	\$30,000	Fall 2010
Contingencies (±10%)	\$25,000	
TOTAL	\$275,000	

4. *Bartouille (100% interest)*

Following the signing of the Letter Agreement with NioGold Mining Corp. on April 30, 2010, the Corporation decided to write-off the accumulated costs of claims and deferred exploration expenses of Bartouille, of 875\$ and 93,686\$ respectively. The nature of the property no longer fits in the Corporation's strategic metals focus.

5. *Oriana (100% interest)*

The Oriana property is located in the Northeastern Abitibi area of Quebec, approximately 60 km west of Chibougamau where services and manpower are available. The property is easily accessible by the Anville Lake logging road, after a 10 km drive from the highway 113, which links Chibougamau to Val-D'Or. The Oriana property consists of 270 mining claims covering 15,016 ha.

No exploration work is planned for the next 12 months.

6. *Émilie (100% interest)*

The Émilie property is located in the Northern Abitibi area of Quebec, 175 km northeast of Val-D'Or, where services and manpower are available. The highway 113, which connects Val-D'Or and Chibougamau, transects the property on its eastern edge at approximately 25 km east of the town of Lebel-sur-Quévillon. The Émilie property consists of 40 mining claims covering 1,984 ha.

No exploration work is planned for the next 12 months.

Overall Performance and Selected Annual Information

Net loss for the year is \$110,952 compared to a net loss of \$6,718 in the previous year. The increase of \$104,234 in net loss is mainly due to the Bartouille write-off of \$94,561 following the shift of the Corporation from the exploration of precious metals to the exploration of 21st century strategic metals.

	As at May 31, 2010 \$	As at May 31, 2009 \$
Total assets	212,069	244,976
Other income / (expenses)	(94,511)	-
Administrative expenses	16,441	6,718
Net loss	110,952	6,718
Net loss per share (basic)	0,04	-
Long term liabilities	Nil	Nil

Other income/expenses: 2010 compared to 2009

Increase in Other expenses in 2010 over 2009 is due to the Bartouille write-off for a total of \$94,561. There was no such write-off in 2009.

Total assets: 2010 compared to 2009

Decrease in Total Assets in 2010 over 2009 of \$32,907 is explained by the following:

- Cash increased by \$7,665 mainly due to the following: i) reimbursement of 2009 amounts receivables for \$69,101; ii) issuance of common shares for \$80,000 iii) mineral property acquisitions and claims for a cost \$130,080; and iv) administrative costs of \$16,441.
- Amounts receivable decreased by \$67,339 following the reception of the 2009 amounts which included \$50,446 in exploration tax credits and \$18,655 in commodity taxes.
- Prepaid expenses increased by \$3,500 following a deposit for the Corporation's website currently in construction.
- Mineral properties and deferred exploration expenses increased by \$23,267 following: i) the optioning of the Montviel and Pump Lake properties for \$100,000; ii) other acquisition costs and claims staking for \$17,827; and iii) less the Bartouille write-off for a total of \$94,561.

Administrative expenses: 2010 compared to 2009

The increase in administrative expenses in 2010 over 2009 of \$9,723 is mainly due to professional fees incurred in relation with the Letter of Agreement signed with NioGold and the update of the corporate minutes. Professional fees of 2009 relate to incorporation and filing fees.

Liquidity and Commitments

The working capital decreased by \$67,346 over the year ended May 31, 2010 going from a surplus of \$149,597 as at May 31, 2009 to a surplus of \$82,251 as at May 31, 2010. The decrease is explained

by payments made for the mineral properties acquisitions (\$130,955), administrative expenses (\$16,441) net of the common shares issuance (\$80,000).

Cash totals \$89,854 as at May 31, 2010 compared to \$82,189 as at May 31, 2009.

On June 25, 2010, the Corporation signed an agreement with the Agent whereby the Agent has agreed to act as lead manager of the Corporation's IPO of Units. Each Unit will cost \$0.35 and be comprised of one common share and one-half common share purchase warrant. Each full common share purchase warrant entitles the holder to acquire one additional common share of the Corporation at a price of \$0.55 over a period of 18 months following closing.

The Corporation's ability to realize its assets and discharge its obligations and commitments depends on the Corporation's ability to raise additional funds over and above amounts raised to date to complete the acquisition, exploration and development of its interests and while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future. Pending the successful completion of the IPO, the Corporation considers the cash on hand sufficient to meet its current obligations.

As at the date hereof, the Corporation had the following commitments on its properties:

	Montviel and Pump Lake			Sydney		
Years	1	2 to 4	5 +	1	2 to 4	5 +
Exploration expenditures	\$500,000	\$2,850,000	-	-	\$360,000	-
Shares Issuance	1,100,000	400,000	-	-	-	-

Capital Resources

As at the date hereof:

- 4,755,001 common shares were issued;
- 355,000 warrants were issued, each warrant entitling the holder to purchase one common share at a price of \$0.55 until January 2, 2012.

Share Capital

On May 7, 2010, the Corporation issued 900,000 common shares in exchange for 36 and 35 mining claims adjacent to the Montviel and Pump Lake properties respectively.

On May 31, 2010, the Corporation completed a private placement for 800,000 common shares of the Corporation at a price of \$0.10 per common share for net proceeds of \$80,000.

On July 2, 2010, the Corporation issued 355,000 units at \$0.35 for net proceeds of \$124,250. Each unit contains one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.55 for a period of eighteen (18) months.

On August 17, 2010, the Corporation issued 200,000 common shares in consideration for the Oriana property.

Variations in share capital as at the date hereof are as follows:

Description	Number of shares	Amount \$
As at May 31, 2009	2,500,001	250,001
Issuance – Mining properties (May 7, 2010)	900,000	1
Issuance – Private placement (May 31, 2010)	800,000	80,000

Description	Number of shares	Amount \$
As at May 31, 2010	4,200,001	330,002
Issuance – Private Placement (July 2, 2010)	355,000	124,250
Issuance – Oriana property	200,000	70,000
Total	4,755,001	524,252

Warrants

Variations in warrants as at the date hereof are as follows:

Date	Number of warrants	Exercise price \$	Expiry date
As at May 31, 2009	-	-	-
As at May 31, 2010	-	-	-
Issuance (July 2, 2010)	355,000	0.55	January 2, 2012

Related Party Transactions

The Corporation conducts transactions with companies and entities controlled by its officers and directors. These transactions are conducted in the normal course of business and are accounted for at the exchange value, which is the value agreed upon by both parties.

Description	May 31, 2010	May 31, 2009
Professional fees	\$7,752	\$3,500

On May 6, 2010, the Corporation acquired from two directors a total of 71 claims adjacent to the Montviel and Pump Lake properties, in exchange for 900,000 common shares and \$16,820 in cash. On May 31, 2010, the Corporation has also acquired from these two directors a total of 200 claims related to the Sydney property in exchange of \$10,400 in cash. These transactions were measured at the carrying amount, with the difference between the carrying amount and the consideration given being charged directly to equity.

Off-Balance Sheet Arrangements

During the year ended May 31, 2010 there are no off-balance sheet transactions.

Critical Accounting Policies and Estimates

Mining properties and deferred exploration expenses

The Corporation defers exploration costs, including: acquisition costs, geological, topographical, geochemical, geophysical studies, drilling, trenching, sampling and analysis and feasibility studies. These costs are aggregated on a property-by-property basis through the exploration and evaluation stage only after permits have been obtained; hence the capitalization of costs is supported by the existence of legal right. The end/conclusion of this stage would occur with the production of feasibility study or commercial viability which recommends or not that the property be developed.

In the event of a positive recommendation, aggregated costs will be amortized on a unit of production basis based on proven and probable reserves or until the properties are abandoned, sold or considered to be impaired in value, at which time, an appropriate charge will be made.

The recoverability of the amounts shown for mining interests is dependent on the existence of economically recoverable reserves, the ability of the Company to obtain financing to complete the

development of such reserves and meet its obligations under various agreements and the success of future operations or dispositions.

Mineral properties and exploration expenses are tested for recoverability when events or changes in circumstances indicate that their carrying amount may not be recoverable. The Corporation performs a recoverability test when estimate future cash flows are available. If management has not enough information to estimate future cash flows to evaluate the recoverability of capitalized amounts, management will evaluate it by comparing the fair value and the carrying value, without doing a recoverability test. Management will also consider whether results from exploration works justify further investments, the confirmation of the interest of the Corporation in the mining claims, the ability of the Corporation to obtain the necessary financing to complete the future development or if the disposal of the properties will be for proceeds in excess of their carrying value.

Changes in Accounting Policies

The Accounting Standards Board of the CICA requires all public companies to adopt International Financial Reporting Standards (“**IFRS**”) for interim and annual financial statements for fiscal years beginning on or after January 1, 2011. Companies will be required to provide IFRS comparative information for the previous fiscal period. The transition from Canadian Generally Accepted Accounting Principles to IFRS will be applicable for the Corporation’s first quarter period ending August 31, 2011.

The Corporation has begun the planning activities and is currently progressing through the detailed assessment and design of the overall implementation strategy. At the date hereof, IFRS standards whose applications are compulsory in 2011 will cease to be amended.

The detailed analysis of the accounting policies impacted by the IFRS convergence is expected to be completed throughout 2010. Based on preliminary analysis, the following IFRS could have a potential impact on the financial statements of the Corporation:

IFRS 1: Under IFRS 1, there is a requirement to disclose not only comparative information but also, in the year of adoption, the opening balance sheet at the start of the comparative period. IFRS 1 also provides guidance concerning retrospective application and prescribes optional exemptions and exceptions. The Corporation does not expect any significant changes to its opening balance sheet as a result of applying IFRS 1.

IFRS 2: For graded-vesting features, this IFRS requires each instalment to be treated as a separate share option grant. It is not expected to have a material impact for the Corporation.

IFRS 6: IFRS allows accounting in line with Canadian GAAP for the exploration and evaluation phase but expenditures beyond the exploration and evaluation phase must be considered in line with the capitalisation criteria for property, plant and equipment. Exploration expenditures being the critical accounting policy, the Corporation has developed and implemented an accounting policy, in line with IFRS 6, identifying which exploration expenditures on exploration and evaluation activities will be recorded as assets. Since the Corporation’s mineral properties are not in the production phase, no impact is expected.

IAS (International Accounting Standards) 36: The methodology of testing impairment under IFRS is slightly different than Canadian GAAP. However, no complications are expected on the transition to IFRS. IFRS requires reversal of impairment losses where there has been a change in estimates used to determine the recoverable amount. This standard concerns the method of depreciation of assets based on discounted cash flows.

Accounting, internal controls and information system

The Corporation is an exploration company and its accounting system and internal controls are simple and the Corporation believes to be able to adapt them under the IFRS. The IFRS convergence will not prevent the Corporation from pursuing its business plan or continue to certify the financial information.

Financial Instruments

Fair value of financial instruments: The book value of accounts payable and accrued liabilities approximate their fair value because of their short term nature.

Objectives and policies concerning financial risks management: The Corporation is exposed to different financial risks resulting from both its operations and investing activities. The management of the financial risks is done by the management of the Corporation. The Corporation does not conclude agreements for financial instruments including financial derivatives for speculation purposes.

Liquidity risk: The management objective is to maintain sufficient cash to ensure that the Corporation has at its disposal sufficient sources of financing such as private financing. The Corporation also establishes budget and liquidity forecasts to ensure that it has at its disposal sufficient funds to meet its financial obligations. Obtaining additional funds make it possible for the Corporation to continue its operations and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

Credit risk: Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Corporation has no exposure to bad debt. The Corporation's cash is held at one financial institution.

Risks and Uncertainties

Risks inherent in the nature of mineral exploration and development: Mineral exploration and development involve several risks which experience, knowledge and careful evaluation may not be sufficient to overcome. Large capital expenditures are required in advance of anticipated revenues from operations. Many exploration programs do not result in the discovery of mineralization; moreover, mineralization discovered may not be of sufficient quantity or quality to be profitably mined. Unusual or unexpected formations, formation pressures, fires, labour disruptions, flooding, explosions, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in the conduct of exploration programs and the operation of mines. The commercial viability of exploiting any strategic metal deposit is dependent upon a number of factors including infrastructure and governmental regulations, price, taxes, and royalties. No assurance can be given that minerals of sufficient quantity, quality, size and grade will be discovered or defined on any of the Corporation's properties to justify commercial operation. Many external factors have an influence and can have a significant impact on the financial results of the Corporation and on its capital financing requirements.

Uncertainty of ore reserve and resource estimates: The mining and exploration business relies upon the accuracy of determinations as to whether a given deposit has significant mineral reserves and resources. This reliance is important in that reported mineral reserves and resources are only estimates and do not represent with certainty that estimated mineral reserves and resources will be recovered or that they will be recovered at the rates estimated. Mineral reserve and resource estimates are based on limited sampling, and inherently carry the uncertainty that samples may not be representative. Mineral reserve and resource estimates may require revision (either upward or downward) based on actual production experience. Market fluctuations in the price of metals, as well as increased production costs or reduced recovery rates, may render certain mineral reserves and resources uneconomic. Inaccurate estimates may result in a misallocation of resources such that an excess amount could be allocated to a less than economic deposit or, conversely, failure to develop a significant deposit.

Additional funding: The Corporation is at the exploration stage. The Corporation must raise additional funds regularly to pursue its exploration activities. While it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future.

Dependence on Key Personnel: The development of the Corporation's business is and will continue to be dependent on its ability to attract and retain highly qualified management and mineral exploration personnel. The Corporation faces competition for personnel from other companies.

Management's Responsibility for Financial Information

The Corporation's annual financial statements are the responsibility of the Corporation's management and have been approved by the Board of Directors. The annual financial statements were prepared by the Corporation's management in accordance with generally accepted Canadian accounting principles. The annual financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.

DESCRIPTION OF THE SECURITIES DISTRIBUTED

The Offering consists in the issue of a minimum of 6,000,000 Units (\$2,100,000) and a maximum of 8,300,000 Units (\$2,905,000).

Each Unit, at the price of \$0.35 each, is comprised of:

- 1) one (1) Common Share at a price of \$0.35 per share; and
- 2) one-half ($\frac{1}{2}$) common share purchase warrant, each whole warrant entitling its holder to acquire one (1) Common Share at a price of \$0.55 for a period of 18 months following the date of closing.

The minimum subscription is 500 Units.

Common Shares

The Common Shares of the Corporation are shares without par value. Each Common Share confers on its holder the right to vote at all meetings of the shareholders, to receive any dividend declared by the Corporation in respect of such shares and, at the time of dissolution of the Corporation, to participate proportionally with the other holders of Common Shares in any distribution of the assets of the Corporation.

Warrants

The following text is only a summary and is subject to the more detailed provisions of the warrant indenture described below.

The Warrants offered hereby, which will be transferable, will be governed by an agreement (the "**Warrant Indenture**") entered into on the date hereof between the Corporation and Computershare Trust Company of Canada, in its capacity of warrant agent (the "**Warrant Agent**").

One whole Warrant will entitle its holder to purchase one (1) Common Share at a price of \$0.55 at any time during the 18 months following the closing date, after which the Warrant will become null and void. Upon the exercise of a Warrant, the Warrant Agent will deliver the exercise price to the Corporation and will deliver to the holder of the Warrant a newly issued Common Share.

The Warrant Indenture contains provisions with respect to the adjustment of the exercise price and of the number of Common Shares to be issued pursuant to the exercise of Warrants upon the occurrence of certain events, namely in the event of a subdivision, a recapitalization or a modification of the Common Shares or in the event of the reorganization or recapitalization of the Corporation or in the event of the merger of the Corporation with another company.

No fraction of Common Shares will be issued upon the exercise of a Warrant. The holders of Warrants, in this capacity, have no voting rights nor any other rights or privileges.

CAPITALIZATION

The share capital of the Corporation consists of an unlimited number of Common Shares without par value, of which 4,755,001 are issued and outstanding as at the date hereof.

The following table describes the capital structure of the Corporation before and after giving effect to this Offering.

Securities	Authorized Number of Securities	Amount of Outstanding Securities as at May 31, 2010 (audited)	Amount of Outstanding Securities as at May 31, 2010 if the Minimum Offering is Subscribed (unaudited) ^{(1) (2)}	Amount of Outstanding Securities as at May 31, 2010 if the Maximum Offering is Subscribed (unaudited) ⁽¹⁾⁽²⁾
Common Shares	Unlimited	\$330,002 (4,200,001 Common Shares)	\$2,061,502 (11,300,001 Common Shares)	\$2,798,077 (13,600,001 Common Shares)
Deficit	-	\$130,798	\$130,798	\$130,798
Total Shareholders' Equity	-	\$199,204	\$1,930,704	\$2,667,279

(1) Excluding the Common Shares that may be issued upon exercise of the Warrants and of the Agent's Options to be issued pursuant to this Offering but including the 1,100,000 Common Shares to be issued to NioGold at the latest on the date of closing of this Offering.

(2) After deduction of the expenses of issue and the Agent's Fee.

The following table sets out the share capital of the Corporation on a fully diluted basis after giving effect to the Offering:

	Minimum Offering			Maximum Offering		
	Number of shares	Percentage of shares	Percentage of invested capital	Number of shares	Percentage of shares	Percentage of invested capital
Common Shares issued and outstanding prior to completion of the Offering	4,755,001	27.57	10.00	4,755,001	22.60	7.82
Common Shares issued under the Offering	6,000,000	34.79	37.48	8,300,000	39.46	40.56
Common Shares reserved for issuance upon exercise of the Warrants	3,000,000	17.40	29.46	4,150,000	19.73	31.87
Common Shares reserved for issuance pursuant to the Agent's Options	300,000	1.74	1.87	415,000	1.97	2.03
Common Shares to be issued to NioGold at the closing of the Offering	1,100,000	6.38	6.87 ⁽¹⁾	1,100,000	5.22 ⁽¹⁾	5.38
Common Shares to be issued pursuant to the exercise of existing warrants	355,000	2.06	3.48	355,000	1.68	2.73
Additional Common Shares to be issued to NioGold	550,000	3.19	3.43 ⁽¹⁾	550,000	2.61 ⁽¹⁾	2.69
Common Shares to be issued pursuant to the options granted under the Stock Option Plan	1,185,500	6.87	7.41 ⁽²⁾	1,415,500	6.73	6.92 ⁽³⁾
TOTAL	17,245,501	100	100	21,040,501	100	100

(1) Assuming an issue price of \$0.35.

(2) Assuming the exercise of 1,185,500 options at the price of \$0.35.

(3) Assuming the exercise of 1,415,500 options at the price of \$0.35.

STOCK OPTIONS

The directors of the Corporation have adopted on July 20, 2010 a stock option plan (the “**Plan**”) subject to the approval of the TSXV.

The objective of the Plan is to permit the directors, executive officers, employees, consultants and persons providing investor relation services to participate in the growth and development of the Corporation through the grant of options to purchase Common Shares.

The principal conditions of the Plan are the following:

- 1) the maximum number of shares that may be issued under the Plan will be limited to 10% of the issued shares at the time of the grant of the options.
- 2) the number of shares reserved for issuance during a twelve month period cannot exceed the following percentage of issued and outstanding shares of the Corporation, being:
 - i) 5% in the case of an individual;
 - ii) 2% in the case of a consultant; and
 - iii) 2% for all persons providing investor relation services, with these options to be acquired gradually over that 12 month period, with a maximum of 25% per quarter.
- 3) the exercise price of the options shall not be less than the closing price of the Common Shares on the TSXV on the day preceding the grant.
- 4) the options are non-assignable and have a maximum term of 5 years.
- 5) the options shall terminate upon the death, retirement, resignation or termination of employment of the beneficiary, the beneficiaries or their heirs sometimes having additional delays (that cannot exceed 12 months) stipulated by the Plan to exercise their options.

The proceeds from the exercise of the options will be used for the working capital of the Corporation.

As at the date hereof, no option has been granted pursuant to the Plan.

However, it is anticipated that options will be issued to the directors and officers of the Corporation at the closing of this Offering as follows:

		Number of Options			
	Position	Minimum Offering	Maximum Offering	Exercise Price	Expiration Date
Benoît Moreau	President and Director	250,000	350,000	\$0.35	5 years from Closing
Simon Britt	Vice-President, Chief Financial Officer, Secretary and Director	250,000	350,000	\$0.35	5 years from Closing
René Lacroix	Director	150,000	175,000	\$0.35	5 years from Closing
Claude Britt	Director	200,000	225,000	\$0.35	5 years from Closing
Mario Spino	Director	150,000	175,000	\$0.35	5 years from Closing
TOTAL		1,000,000	1,275,000		

PRIOR SALES

Since its incorporation, the Corporation has completed the following placements:

Date	Number of Common Shares	Issue Price per Common Share	Nature of the Consideration Received
June 5, 2008	1	\$1.00	Cash
August 20, 2008	2,500,000 ⁽¹⁾	\$0.10	Cash
May 7, 2010	900,000 ⁽²⁾	\$0.04 ⁽³⁾	Acquisition of claims adjacent to the Montviel and Pump Lake Properties and cash
May 31, 2010	800,000 ⁽⁴⁾	\$0.10	Cash
July 2, 2010	355,000 ⁽⁵⁾	\$0.35	Cash
August 17, 2010	200,000 ⁽⁶⁾	\$0.35	Acquisition of the Oriana property

(1) These shares have been issued to 7 subscribers in the context of a private placement.

(2) 600,000 were issued to Benoît Moreau, President and Director of the Corporation and 300,000 were issued to Simon Britt, Vice-President, Chief Financial Officer, Secretary and Director of the Corporation. These shares will be escrowed pursuant to the Escrow Agreement described under "Escrowed Securities".

(3) Following the payment of an additional cash consideration of \$36,000 on September 10, 2010.

(4) These shares were issued to 4 subscribers in the context of a private placement. These shares will be subject to a hold period of 1 year pursuant to the rules of the TSXV. 20% of the shares will be released every 3 months, with a first release on the closing date of this Offering.

(5) These shares were issued to 2 subscribers in the context of a private placement. Each share was accompanied by a share purchase warrant, each warrant entitling its holder to purchase one Common Share at a price of \$0.55 per share at any time until January 2, 2012. Such securities are subject to a statutory hold period until November 3, 2010.

(6) These shares were issued to 2 prospectors and are subject to a statutory hold period until December 18, 2010.

ESCROWED SECURITIES

Pursuant to the requirements of *National Policy 46-201 – Escrow for initial public offerings*, the directors, officers and other principals of the Corporation have executed on the date hereof an agreement (the "**Escrow Agreement**") with Computershare Investor Services Inc. (the "**Escrow Agent**") pursuant to which those persons have agreed to escrow with the Escrow Agent all the shares of the Corporation that they hold. The following table sets out the number of Common Shares that will be escrowed and the name of their holders:

Name of Shareholder	Number of Shares to be Held in Escrow	Percentage of Shares, without giving effect to the Offering	Percentage of Shares if the Minimum Offering is Subscribed ⁽¹⁾	Percentage of Shares if the Maximum Offering is Subscribed ⁽¹⁾
Benoît Moreau	600,000	12.62%	5.06%	4.24%
Simon Britt	300,000	6.31%	2.53%	2.12%
Mario Spino	285,000 ⁽²⁾	5.99%	2.40%	2.01%
Claude Britt	250,000	5.26%	2.11%	1.77%
TOTAL	1,435,000	30.18%	12.10%	10.14%

(1) Including the 1,100,000 shares to be issued to NioGold at the closing of the Offering with respect to the Montviel and Pump Lake Properties.

(2) The 285,000 warrants held by Mr. Spino will also be escrowed.

The above-mentioned persons will have to wait 36 months for the complete release of the Escrowed Shares, based on the following schedule:

10% on the date of the Bulletin of the TSXV approving the listing of the shares of the Corporation (the "**TSXV Bulletin**");

15% 6 months after the date of the TSXV Bulletin;

15% 12 months after the date of the TSXV Bulletin;

15% 18 months after the date of the TSXV Bulletin;

15% 24 months after the date of the TSXV Bulletin;
 15% 30 months after the date of the TSXV Bulletin; and
 15% 36 months after the date of the TSXV Bulletin.

RESTRICTED SECURITIES

The 800,000 Common Shares issued on May 31, 2010 are subject to a hold period of 1 year pursuant to Policy 5.4 of the TSXV. 20% of such shares will be released every 3 months, with a first release on the closing date of the Offering. Any Common Share released will be subject to the resale restrictions under applicable securities legislation.

The 355,000 Common Shares issued on July 2, 2010 are subject to a statutory hold period until November 3, 2010.

The 200,000 Common Shares issued on August 17, 2010 are subject to a statutory hold period until December 18, 2010.

PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and officers of the Corporation, as of the date hereof, no person beneficially owns, directly or indirectly, or exercises control over more than 10% of the Common Shares, with the exception of:

				Percentage of Common Shares issued after giving effect to the Offering⁽²⁾	
Name	Type of Ownership	Number of Common Shares Held	Percentage of Common Shares issued at the date hereof	Minimum Offering	Maximum Offering
Gestion Victor SENC ⁽¹⁾	Direct	700,000	14.72%	5.90%	4.94%
Benoît Moreau	Direct	600,000	12.62%	5.06%	4.24%
Jean-Paul Lacasse	Direct	500,000	10.52%	4.22%	3.53%

(1) A person controlled by André Corbin and Bertrand Potvin.

(2) Including the 1,100,000 Common Shares to be issued to NioGold.

None of the above-mentioned persons will own more than 10% of the Common Shares following the completion of the Offering.

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets out, for each director and executive officer of the Corporation, its name, age, municipality of residence and date on which he became a director. The directors are elected until the next annual shareholders' meeting or, if there is a vacancy or resignation, until their successor is elected or appointed.

Name, Age and Municipality of Residence	Position with the Corporation	Number of Securities Held	Director Since	Principal Occupation
Benoît Moreau ⁽¹⁾ , 51 St-Bruno de Montarville, Québec	President and Director	600,000	April 9, 2010	Executive Officer of the Corporation
Simon Britt, 34 Greenfield Park, Québec	Vice-President, Chief Financial Officer, Secretary and Director	300,000	April 9, 2010	Executive Officer of the Corporation
René Lacroix ⁽¹⁾⁽²⁾ , 52 Montreal, Québec	Director	–	April 9, 2010	Consultant
Claude Britt, 59 Burlington, Ontario	Director	250,000	April 9, 2010	Geological Consultant
Mario Spino ⁽¹⁾⁽²⁾ , 34 Montreal, Québec	Director	285,000	May 7, 2010	Senior Advisor (Advisory Services) KPMG

(1) Member of the Audit Committee

(2) Member of the Compensation Committee

Benoit Moreau is a geologist (University of Montreal, 1982) and a mining engineer (Polytechnique of Montreal, 1985). He has been a member of the Ordre des Ingénieurs du Québec since 1985. He also holds an MBA (University of Quebec in Montreal, 2000). Since May 2010, he acts as president of the Corporation. Mr. Moreau has been the vice president of exploration and a Director of Otish Energy (OEI-V), a company listed on the TSXV, since February 2008. From June 2006 to January 2008, he was project manager for EarthMetrix Inc., a company offering services in mineral exploration. From April 1996 to May 2006, he was president of Global Ionix Inc., a company specialized in metallurgical processes, purchased by Capimont Inc. in 2006.

Simon Britt is a chartered accountant and has been a member of the Ordre des Comptables Agréés du Québec since January 2009. He completed his bachelor of commerce degree at the HEC of Montreal in April 2000. Since June 2005, Mr. Britt has been the President of VCOS Inc., an accounting and securities consultant firm acting for listed junior mining companies. He was, from January 2007 to August 2009, chief financial officer for Kinbauri Gold Corp, taken over by Orvana Minerals in August 2009. From January 2000 to May 2005, Mr. Britt practiced auditing and corporate finance mainly with public companies for Deloitte.

René Lacroix is a chartered accountant and has been a member of the Ordre des Comptables Agréés du Québec since 1982. He completed his bachelor of commerce degree at the HEC of Montreal in 1980. Since April 1985, Mr. Lacroix is a partner of Lacroix Frères Consultants Inc., an accounting, tax and securities consultant firm acting for listed junior mining companies. Currently, he is chief financial officer and director of Dios Exploration (DOS-V), a company listed on the TSXV.

Claude Britt is a geologist (University of Western Ontario, 1974) and has been a member of the Ordre des Géologues du Québec since 2007. Since 2001, Mr. Britt is a geological consultant and sits on several boards of directors. He was director of X-Ore Resources from March 2003 to January 2010 and Kinbauri Gold Corp. from October 2005 to November 2008. Currently, he is a director of Dios Exploration Inc. (DOS-V), Hana Mining (HMG-V), Manicouagan Minerals Inc. (MAM-V) and Graniz Mondal (NEX), all listed on the TSXV. From 1994 to 2001, he was vice president of Pangea Goldfields, purchased by Barrick Gold during his tenure. Mr. Britt has been active in mineral exploration and production for over 35 years, and has been instrumental in several mineral discoveries including the Silidor mine in Rouyn Noranda, the Tulawaka and Buzwagi mines in Tanzania and the Pukakaka Sur deposit in Peru.

Mario Spino holds a bachelor of commerce degree from HEC (Montreal) since May 2000 and a master in financial engineering from HEC (Montreal) since 2004. He currently holds a senior advisor position (Advisory services) at KPMG where he advises asset managers and Canadian banks, on financial risk management and derivative valuations best practices. From May 2004 to November 2008, Mr. Spino was a market risk management advisor at Caisse centrale Desjardins.

No director or executive officer has entered into a non-competition or confidentiality agreement with the Corporation.

Benoît Moreau and Simon Britt dedicate all of their time to the affairs of the Corporation while the other directors dedicate approximately less than 5% of their time.

As at the date hereof, the directors and officers of the Corporation, as a group, beneficially own, directly or indirectly, or exercise control over 1,435,000 Common Shares, being 30.18% of the Common Shares issued and outstanding. This participation will be reduced to 10.14% in the case of the completion of the Maximum Offering.

Cease-Trade Orders or Bankruptcy

None of the directors or executive officers of the Corporation or, to the best of the Corporation's knowledge, any shareholder of the Corporation holding a sufficient number of securities of the Corporation to materially affect the control of the Corporation, is or has been within the last 10 years, a director or executive officer of a corporation that:

- (a) was the subject of a cease-trade order or similar order or an order that denied the corporation access to an exemption under securities legislation that was in effect for a period of more than 30 consecutive days (an "**order**") while such person was acting in the capacity of director or executive officer; or
- (b) was subject to an order that was issued after the director or executive officer ceased to be a director or executive officer and which resulted from an event that occurred while that person was acting in the capacity of director or executive officer.

None of the directors or executive officers of the Corporation or to the best of the Corporation's knowledge, any shareholder of the Corporation holding a sufficient number of securities of the Corporation to materially affect the control of the Corporation:

- (a) is or has been within the last 10 years, a director or executive officer of a corporation that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, was subject to or instituted any proceedings, arrangements or compromises with creditors or had a receiver, receiver-manager or trustee appointed to hold its assets; or
- (b) has, within the last 10 years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, was subject to or instituted any proceedings, arrangements or compromises with creditors or had a receiver, receiver-manager or trustee appointed to hold its assets.

Penalties or Sanctions

None of the directors or executive officers of the Corporation or, to the best of the Corporation's knowledge, any shareholder of the Corporation holding a sufficient amount of securities of the Corporation to materially affect the control of the Corporation has been subject to:

- a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority;
- b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor having to make an investment decision.

Conflicts of Interest

The directors and officers of the Corporation may be directors or officers or both of another corporation or have a material participation in another corporation of the resource sector and, to the extent that such other corporations may participate in projects in which the Corporation may participate, the directors of the Corporation may be in a situation of conflict of interest at the time of the negotiation and the establishment of the terms of such participation. The conflicts, as the case may be, will be subject to the procedures prescribed under the CBCA. At the date hereof, no such conflict exists.

Each insider of the Corporation has submitted the information with respect to the holding of the securities of the Corporation, the cease-trade orders or the bankruptcies, the penalties or sanctions or other actual or potential conflicts of interests concerning such person.

Experience with Other Reporting Issuers

The following table lists the directors and executive officers of the Corporation that are or have been in the last five years directors, officers or promoters of other reporting issuers:

Name	Name and Jurisdiction of the Reporting Issuer	Position	From	To
Simon Britt	Kinbauri Gold Corp. (TSX-V)	Chief Financial Officer	01-2007	08-2009
	Augyva Resources Inc. (TSX-V)	Chief Financial Officer	09-2008	03-2009
	X-Ore Resources Inc. (TSX-V)	Chief Financial Officer	12-2006	05-2008
Benoît Moreau	Otish Energy Inc. (TSX-V)	Director	02-2008	Today
René Lacroix	Dios Exploration Inc. (TSX-V)	Director	06-2001	Today
	Section Rouge Media Inc. (TSX-V)	Director	08-2001	02-2007
Claude Britt	Manicouagan Minerals Inc. (TSX-V)	Director	05-2010	Today
	Dios Exploration Inc. (TSX-V)	Director	02-2003	Today
	Hana Mining (TSX-V)	Director	04-2007	Today
	Graniz Mondial (NEX)	Director	04-2008	Today
	X-Ore Resources Inc. (TSX-V)	Director	03-2003	01-2010
	Kinbauri Gold Corp. (TSX-V)	Director	10-2005	11-2008

Fees

Since June 8, 2010, the Corporation pays to each director who is not an executive officer of the Corporation a fee of \$500 for each meeting of the board of directors or committee of the board of directors to which such director attends and will also reimburse such director for the reasonable expenses incurred to attend such meetings.

EXECUTIVE COMPENSATION

None of the directors and officers of the Corporation has been remunerated by the Corporation pursuant to any arrangement from the incorporation of the Corporation until May 31, 2010.

Starting on June 1, 2010 and until the date of closing of this Offering, the Corporation has agreed to pay a remuneration of \$5,625 per month to each of the President and the Vice-President, Chief Financial Officer and Secretary of the Corporation.

Also, the directors and officers of the Corporation will benefit from grants of options pursuant to the Plan, as more fully described under "Stock Options".

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or executive officer of the Corporation, nor any affiliates of such person, is or has been indebted at any time towards the Corporation.

AUDIT COMMITTEE

Charter and Composition of the Audit Committee

The charter of the audit committee of the Corporation is attached as Schedule A of this prospectus. The members of the audit committee of the Corporation are Benoît Moreau, René Lacroix and Mario Spino. The members of the audit committee are, with the exception of Benoît Moreau, independent directors and are financially literate, as those terms are defined in *Regulation 52-110 – Audit Committee* (“**Regulation 52-110**”).

Relevant Education and Experience

The three members of the audit committee of the Corporation have gained their education and experience by participating in the management of private and public companies and are financially literate, meaning that they have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can be reasonably expected to be raised by the Corporation’s financial statements. See “Directors and Executive Officers” for a description of the experience of Messrs. Moreau, Lacroix and Spino.

Audit Committee Oversight

At no time during the financial year ended May 31, 2010 was a recommendation of the audit committee concerning the nomination or compensation of an external auditor not adopted by the board of directors of the Corporation.

Reliance on Certain Exemptions

At no time during the financial year ended May 31, 2010 has the Corporation relied on various exemptions provided in Regulation 52-110. However, the Corporation is exempted from the application of Parts 3 and 5 of Regulation 52-110 because it is an emerging issuer as defined in Regulation 52-110.

Pre-Approval Policies and Procedures

The audit committee has adopted specific policies and procedures for the engagement of non-audit services, as described in the charter of the audit committee.

External Auditor Service Fees

The aggregate fees billed over the last two financial years by the external auditors of the Corporation are as follows:

Year ended on	Audit Fees	Audit Related Fees	Tax Fees	Other Fees
May 31, 2010	–	–	–	–
May 31, 2009	–	–	–	–

INFORMATION CONCERNING GOVERNANCE

National Policy 58-101 – Disclosure of Corporate Governance Practices and *National Policy 58-201 – Corporate Governance Guidelines* set out a series of guidelines for effective corporate governance. These guidelines address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. Each reporting issuer must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. The following is the Corporation's required annual disclosure of its corporate governance practices.

Board of Directors

1. Independent Directors

The independent directors of the Corporation are René Lacroix and Mario Spino.

2. Non-Independent Directors

Benoît Moreau and Simon Britt must be considered as non-independent directors since they are respectively President and Vice-President, Chief Financial Officer and Secretary of the Corporation. Claude Britt is also a non-independent director since he is an immediate family member of Simon Britt.

Directorships

Benoît Moreau, René Lacroix and Claude Britt are currently directors of other issuers that are also reporting issuers (or the equivalent) in a territory of Canada or a foreign territory. See "Directors and Executive Officers – Experience with Other Reporting Issuers".

Orientation and Continuing Education

The Corporation does not currently have a formal orientation program for its new directors. The board of directors has not currently taken any measures to ensure the continuing education of directors. However, the directors are invited to follow, at the expense of the Corporation, the various seminars offered by the TSXV and the Canadian securities authorities on the management of public corporations and on the duties of directors of such corporations. Also, the directors have access to the legal counsels of the Corporation for any question concerning their duties as director.

Ethical Business Conduct

The directors of the Corporation have the obligation to fulfill their duties and assume their functions in the best interest of the Corporation. The Corporation requires that all directors comply with the laws and regulations governing the affairs of the Corporation. Also, the Corporation promotes the integrity and follows an ethical business conduct in the conduct of its affairs. Finally, the board of directors requests that all its members actively participate to the meetings of the board and of the committees, as applicable.

The board of directors of the Corporation has adopted a policy with respect to internal controls to address issues like banking transactions, related party transactions and various exploration expenditures.

The Corporation also requires each director to disclose any potential conflict of interest and will address any such issue on a case-by-case basis.

Nomination of Directors

The candidates to the board of directors are chosen by the board of directors depending on the needs of the Corporation.

Compensation

All matters with respect to the compensation is determined by the compensation committee, which is comprised of René Lacroix and Mario Spino, two independent directors. The compensation is based upon a regular review of the practices in the industry, the financial capacity of the Corporation and the particulars of the functions within the Corporation.

Other Board Committees

The Corporation has an audit committee and a compensation committee.

Assessment

The board of directors regularly review its performance and the role of the directors and the members are encouraged to give their comments on the efficiency of the board as a whole.

PLAN OF DISTRIBUTION

Pursuant to an Agency Agreement entered into on the date hereof between the Corporation and the Agent, the Corporation has appointed the Agent to offer the Units to the public, subject to the terms and conditions contained in the Agency Agreement.

This Agreement namely provides that no Units will be sold unless 6,000,000 Units (\$2,100,000) have been subscribed (the **"Minimum Offering"**). A maximum of 8,300,000 Units (\$2,905,000) may be sold (the **"Maximum Offering"**). The offering price of the Units has been determined by negotiation between the Corporation and the Agent.

Subscriptions for Units 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. The initial closing will be held as soon as the Minimum Offering will have been subscribed but at the latest on December 7, 2010. If the Minimum Offering is subscribed before such date, additional closings may occur until December 7, 2010. The Agent, pending the closing of the Minimum Offering, will hold the subscription funds received pursuant to the Agency Agreement. If the Minimum Offering is not subscribed, the subscription proceeds received by the Agent will be returned to the subscribers without interest nor deduction. The placement will be coordinated pursuant to the book-entry system. A subscriber that subscribes to Units will receive a confirmation of its subscription from the CDS participant. CDS will register the CDS participants that hold Units for the holders that have subscribed or transferred them pursuant to the book-entry system. No share certificate or Warrant certificate will be issued unless specifically required.

The Agent may form a syndicate comprised of investment dealers and may determine the compensation of the members of such syndicate. The Agent has agreed to use its best efforts to sell the Units but has no obligation to purchase any. 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 or upon the occurrence of certain stated events. The Agent will receive a remuneration of 8.5% of the total amount of subscriptions of Units received and accepted by the Corporation and will be reimbursed for its reasonable expenses incurred in connection with the Offering. Notwithstanding the foregoing, subscriptions for an amount greater than \$5,000 from investors referred by the Corporation will be subject to a reduced commission rate of 5% of the amount subscribed by such subscribers. The Agent will also receive the Agent's Options. This prospectus qualifies the distribution of the Agent's Options.

The Units have not been and will not be registered under the 1933 Act or any state securities laws and may not be offered or sold within the United States or to U.S. persons.

The Corporation is not a related issuer to the Agent within the meaning of Regulation 33-105.

As at the date of this prospectus, the Corporation does not have any of its securities listed or quoted, has not applied to list or quote any of its securities and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace or a market place outside Canada and the United States of America, other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

The TSXV has conditionally accepted the listing of the Common Shares of the Corporation, including those offered hereunder and those that may be issued upon exercise of the Warrants and the Agent's Options. The listing will be subject to the obligation for the Corporation to fulfill all the listing requirements of the TSXV, including the distribution of securities to a minimum number of public holders. The Warrants will not be listed on the TSXV and there will be no market for the negotiation of the Warrants.

ELIGIBILITY FOR INVESTMENT

In the opinion of Miller Thomson LLP, based on the provisions of the *Income Tax Act* (Canada) (the "**Tax Act**"), and all proposed amendments to the Tax Act that have been publicly announced on behalf of the Minister of Finance (Canada) prior to the date hereof (and assuming that any such amendments will be enacted substantially as proposed), the Common Shares and the Warrant Shares, when issued, will be "qualified investments" under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered disability savings plans, registered education savings plans and tax-free savings accounts, provided that, at such time, they are listed on a designated stock exchange in Canada (which includes the TSXV). The Warrants will also be "qualified investments" provided that the Corporation is not a "connected person" (within the meaning of the Tax Act) under said plans.

Notwithstanding the foregoing, if the Common Shares, the Warrants and the Warrant Shares (collectively the "**Securities**" and individually, a "**Security**") are "prohibited investments" for purposes of the Tax Act, a holder will be subject to a penalty tax on the Securities held in a tax-free savings account as set out in the Tax Act. A Security will not be a prohibited investment for a trust governed by a tax-free savings account held by a particular holder provided that the holder deals at arm's length with the Corporation for purposes of the Tax Act, and does not have a "significant interest" (as defined in the Tax Act) in either the Corporation or a person or partnership that does not deal at arm's length with the Corporation for the purposes of the Tax Act. Generally, a holder will not be considered to have a significant interest in the Corporation or any other corporation unless the holder is a "specified shareholder" (for purposes of the Tax Act) of the Corporation or such other corporation, as the case may be.

RISK FACTORS

General

The acquisition of Units of the Corporation must be considered a speculative investment involving a high degree of risk. **A decision to subscribe for Units must be mainly based upon an assessment of the merits of the investment and on the possibility for a potential investor to lose its entire investment.** Each investor should carefully review the risks described hereinafter.

Risks Inherent to Mining Exploration

Mining exploration involves a high degree of risk and while gains may be considerable if there is a discovery, only a few explored properties are eventually developed as productive mines. The Corporation currently does not have any operating property and its eventual success will depend upon its capacity to generate revenues from an operating property.

The discovery of mineral deposits depends on various factors, including the professional qualification of the personnel in charge of the exploration. The commercial viability of a mineral deposit, once it is discovered, depends on various factors, including the particular characteristics of the deposit, namely its size and its grade, and the proximity of infrastructures and the price of commodities. The majority

of those factors are beyond the control of the Corporation. Also, there may be a delay of many years before a property becomes an operating property. To the extent that the Corporation may wish to operate a property in the future, no assurance can be given to the effect that in such case, it would succeed in obtaining the required expropriations or to pay their costs. The exploration and development activities of the Corporation are also subject to other risks inherent to its activities. The exploration of mineral deposits is subject to unexpected or unusual formations or geological conditions.

There is no assurance that sufficient quantities of minerals will be discovered nor that one of the properties of the Corporation will attain the stage of production. If the Corporation discovers a profitable mineralization, it does not have the necessary financial means to bring a mine into production. Since the Corporation does not have properties with proven reserves and taking into account the above-mentioned risk factors, it is unlikely that the Corporation will register profits in a foreseeable future.

Discretion in the Application of Proceeds from the Offering

The proposed allocation of the net proceeds of the Offering represents the Corporation's best estimate of the expected use of the funds. Management and the board of directors may allocate the funds in different proportions depending on their assessment of the Corporation's needs subsequent to the Offering.

Impact of Regulation and State of the Markets

Mining activities are subject to governmental regulations. Such activities may be affected at various degrees by the governmental regulation, including restrictions to production, control of prices, tax increases, expropriation of properties, labour standards, occupational health, environmental controls and/or changes in conditions to which minerals may be sold. A situation of excessive offer of certain minerals may occur from time to time due to the absence of market and restrictions on exportations.

The exploration and the development are subject to regulations at the federal, provincial and local levels governing the protection of the environment. Such terms impose strict standards to the mining industry which aim to control the evacuation of used water and require the participants to render accounts of such controls to the competent authorities, to reduce or eliminate the impacts of the waste produced by certain extraction and milling activities that are later deposited on the ground or rejected in the air or the water, to complete restoration work on mining properties, to control waste and hazardous material and to reduce the risks of accidents in the work place. Failure to conform to the above-mentioned standards may cause important penalties or sanctions.

Permits, Licenses and Approvals

The activities of the Corporation require permits, licenses and approvals of various governmental authorities. The Corporation considers that it holds all permits and licenses required for the activities that it currently conducts, in accordance with the applicable laws and regulations. Amendments to the regulations may affect such licenses and permits. There is no assurance that the Corporation can obtain licenses and permits that may be required in order to pursue its mining activities, construct mines or extraction plants or commence the operation of its exploration properties. Also, if the Corporation commences operation of an exploration property, it must obtain all permits and licenses required and respect them concerning its milling activities, its use of water, the deposit of material on the ground or their propagation in the air or the water, waste removal, discharges, abandonment programs and restoration of sites and financial guarantees. There is no guarantee that the Corporation will be able to obtain such permits and licenses or that it will be able to meet their requirements.

Title to Property

There can be no assurances that the title to the properties of the Corporation will not be contested or challenged. Third parties may have valid claims with respect to portions of certain interests of the Corporation.

Competition

The activities of the Corporation are based on the research, assessment and development of mineral deposits. It is impossible to guaranty that the expenses described in this prospectus that will be incurred by the Corporation will result in the discovery of sufficient quantities of minerals to justify commercial operation. The Corporation will compete with other corporations having greater financial resources in the context of opportunities to participate in promising projects. The Corporation will have to incur material additional expenses to bring its properties into commercial production.

Additional Financing

Additional funds will be required to finance the exploration work or development work in the future. The source of funds available to the Corporation is the issuance of additional share capital or the borrowing of funds. There is no assurance that such financings will be available to the Corporation. Also, even if such a financing is successfully completed, there is no assurance that it will be obtained upon terms that are favorable to the Corporation or that it will provide the Corporation with sufficient funds to meet its objectives, which might unduly affect the activities of the Corporation and its financial situation.

The programs contemplated by the Corporation may require future financing, which might cause a dilution of the value of the investment of the current shareholders.

The exploration work may be interrupted at any moment due to the fact that the Corporation may not obtain the necessary funds to pursue the additional work that may be required and that are not included in the exploration programs described in this prospectus.

Dependence on Management

The Corporation is dependent on certain officers. The loss of their services may affect in a material way the Corporation. The subscribers must rely on the management and those who are not willing to do so should not invest.

Conflict of Interests

Certain directors of the Corporation act as directors of other corporations engaged in exploration, development or production activities. Such situations may give rise to conflicts of interests. Any decision taken by those directors concerning the Corporation will be in compliance with their obligation to deal fairly and in good faith with the Corporation and such corporations. Also, such directors will declare their interests and will not vote on any question that may give rise to a conflict of interests.

Commercialization

The commercialization of minerals depends on a number of factors that are beyond the control of the Corporation. Such factors include the fluctuation of the market and the governmental regulation with respect to prices, taxes, royalties, authorized production, importation and exportation. The impact of such factors cannot be accurately predicted.

Risk of Litigation

The Corporation may be held responsible due to pollution or other risks against which it cannot be insured or against which it may decide not to be insured given the high cost of the premiums or other reasons. The payment of amounts in that respect may cause the loss of the assets of the Corporation.

No Market

There is currently no market for the negotiation of the securities offered by this prospectus.

The TSXV has however conditionally accepted the listing of the Common Shares of the Corporation, including those offered under this prospectus and those that may be issuable

upon exercise of the Warrants and the Agent's Options. Listing will be subject to the Corporation fulfilling all the listing requirements of the TSXV, including the distribution of securities to a minimum number of public holders. The Warrants will not be listed on the TSXV and there will be no market for the Warrants.

Native Claims

To the knowledge of management, its properties are currently not the object of any native claims. No assurance can be given that such will not be the case in the future.

PROMOTERS

Benoît Moreau and Simon Britt, respectively President and Director and Vice-President, Chief Financial Officer, Secretary and Director of the Corporation, may be considered to be the promoters of the Corporation pursuant to applicable securities laws. Mr. Moreau holds 600,000 Common Shares and Mr. Britt holds 300,000 Common Shares.

On May 6, 2010, Mr. Moreau sold to the Corporation 36 mining claims adjacent to the Montviel property in consideration of the payment of a cash amount of \$15,000 and the issuance of 600,000 Common Shares. The consideration was negotiated between the parties. On September 10, 2010, Mr. Moreau paid an additional cash consideration of \$24,000 with respect to the issuance of the 600,000 Common Shares.

On May 6, 2010, Mr. Britt sold to the Corporation 35 mining claims adjacent to the Pump Lake property in consideration of the payment of a cash amount of \$1,820 and the issuance of 300,000 Common Shares. The consideration was negotiated between the parties. On September 10, 2010, Mr. Britt paid an additional cash consideration of \$12,000 with respect to the issuance of the 300,000 Common Shares.

On August 19, 2010, Mr. Moreau sold to the Corporation the 40 claims comprising the Émilie property in consideration of the payment of a cash amount of \$2,080. The consideration is equal to the amount paid to the QMNR by Mr. Moreau for the claims.

Mr. Moreau and Mr. Britt also receive from the Corporation, since June 1, 2010, a monthly remuneration of \$5,625 for their services. See "Executive Compensation".

Finally, Mr. Moreau and Mr. Britt will also be granted options on the closing of the Offering, as described in "Stock Options".

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

The Corporation is not a party to, nor any of its properties subject to, any legal proceedings.

Regulatory Actions

No penalties or sanctions were imposed to the Corporation by a court or a securities regulatory authority within the last three years.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

With the exception of the transactions concerning the sale of certain mining claims by Mr. Benoît Moreau and Mr. Simon Britt to the Corporation, which transactions are described under "Properties of the Corporation" and with the exception of the disclosure under "Executive Compensation" and "Stock

Options”, the Corporation has not concluded any material transactions in which directors, officers or principal shareholders, or affiliates thereof, had a material interest, direct or indirect.

AUDITORS, REGISTRAR AND TRANSFER AGENT

The auditors of the Corporation are Raymond Chabot Grant Thornton LLP, at their offices located at 2505 St-Laurent Blvd., Ottawa, Ontario K1H 1E4.

Computershare Investor Services Inc., at its offices located at 1500 University Street, Suite 700, Montréal, Québec H3A 3S8, is the transfer agent and registrar for the Common Shares.

MATERIAL CONTRACTS

The only material contracts entered into by the Corporation since its incorporation are:

1. the letter of intent dated April 30, 2010 between the Corporation and NioGold with respect to the Montviel and Pump Lake Properties. See “Properties of the Corporation”;
2. the letter of agreement dated May 6, 2010, as amended on September 10, 2010, between the Corporation and Simon Britt concerning the Pump Lake Property. See “Properties of the Corporation”;
3. the letter of agreement dated May 6, 2010, as amended on September 10, 2010, between the Corporation and Benoît Moreau concerning the Montviel Property. See “Properties of the Corporation”;
4. the letter of agreement dated May 31, 2010 between the Corporation and Simon Britt concerning the Sydney Property. See “Properties of the Corporation”;
5. the letter of agreement dated May 31, 2010 between the Corporation and Benoît Moreau concerning the Sydney Property. See “Properties of the Corporation”;
6. the letter of agreement dated August 2, 2010 between the Corporation and Alain Moreau and Sylvie Charbonneau concerning the Oriana property. See “Properties of the Corporation”;
7. the letter of agreement dated August 10, 2010 between the Corporation and Fleetwood Capital Management Inc. concerning the Oriana property. See “Properties of the Corporation”;
8. the letter of agreement dated August 19, 2010 between the Corporation and Benoît Moreau concerning the Émilie property. See “Properties of the Corporation”.
9. the Agency Agreement between the Agent and the Corporation. See “Plan of Distribution”;
10. the Transfer Agent and Registrar Agreement between Computershare Investor Services Inc. and the Corporation. See “Auditors, Registrar and Transfer Agent”;
11. the Escrow Agreement between Computershare Investor Services Inc. and the Corporation. See “Escrowed Securities”; and
12. the Warrant Indenture between Computershare Trust Company of Canada and the Corporation. See “Description of the Securities Distributed”.

Such contracts and the technical reports on the properties may be consulted during the period of distribution of this Offering at the head office of the Corporation.

EXPERTS

Certain legal matters relating to the Offering will be passed upon by Miller Thomson LLP on behalf of the Corporation and by Colby, Monet, Demers, Delage & Crevier L.L.P. on behalf of the Agent. As at the date hereof, the partners and associates of Miller Thomson LLP, as a group, own, directly or indirectly, no Common Shares and the partners and associates of Colby, Monet, Demers, Delage & Crevier L.L.P., as a group, own, directly or indirectly, no Common Shares.

Raymond Chabot Grant Thornton LLP has advised the Corporation that they are independent of the Corporation within the meaning of the *Rules of Professional Conduct* of the *Ordre des comptables agréés du Québec*.

Information of a scientific or technical nature regarding the Montviel, Pump Lake and Sydney properties is included in this prospectus based upon the three technical reports prepared by Donald Théberge and Alain Tremblay, as the case may be, two qualified persons pursuant to NI 43-101. Donald Théberge and Alain Tremblay do not own, directly or indirectly, any Common Shares.

OTHER MATERIAL FACTS

There are no other material facts that may affect the value of the securities distributed under this prospectus.

RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provide 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 or any amendment. In several of the provinces, securities legislation further provides a purchaser with remedies for rescission or in some jurisdictions, revisions of the price or damages if the prospectus or any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

AUDITORS' CONSENT

We have read the prospectus of Geomega Resources Inc. (the "**Corporation**") dated September 21, 2010. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation in the above-mentioned prospectus of our report to the directors of the Corporation on the balance sheets of the Corporation as at May 31, 2010 and 2009 and the statements of operations and comprehensive loss, deficit, and cash flows for the years then ended. Our report is dated July 9, 2010, except for Note 13, which is dated September 21, 2010.

(signed) *Raymond Chabot Grant Thornton LLP*

Chartered Accountants
Licensed Public Accountants

Ottawa, Canada
September 21, 2010

FINANCIAL STATEMENTS

Auditors' Report

To the Directors of
Geomega Resources Inc.

We have audited the balance sheets of Geomega Resources Inc. as at May 31, 2009 and 2010 and the statements of operations and comprehensive loss, deficit, and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at May 31, 2009 and 2010 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

(signed) Raymond Chabot Grant Thornton LLP

Chartered Accountants,
Licensed Public Accountants

Ottawa, Canada
July 9, 2010
(except for note 13 which is as at September 21, 2010)

Geomega Resources Inc.
(An exploration stage corporation)
Balance Sheets

(As at May 31)

	2010	2009
	\$	\$
ASSETS		
Current assets		
Cash	89,854	82,189
Amounts receivable (note 5)	1,762	69,101
Prepaid expenses	3,500	-
	95,116	151,290
Mineral properties and deferred exploration expenses (note 6)	116,953	93,686
	212,069	244,976
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	12,865	1,693
SHAREHOLDERS' EQUITY		
Share Capital (note 7)	330,002	250,001
Deficit	(130,798)	(6,718)
	199,204	243,283
	212,069	244,976

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

On behalf of the Board:

(signed) Mario Spino

Director

(signed) René Lacroix

Director

Geomega Resources Inc.
(An exploration stage corporation)
Statements of Operations and Comprehensive loss and of Deficit
(Years ended May 31)

OPERATIONS AND COMPREHENSIVE LOSS

	2010	2009
	\$	\$
General and Administrative expenses		
Professional fees	13,124	6,500
Investor relations	2,418	-
Office expenses	771	100
Bank charges	128	118
	16,441	6,718
Other Income/(expenses)		
Interest	50	-
Write-off of mineral property and deferred exploration expenses – Bartouille (note 6 iv))	(94,561)	-
Net loss and comprehensive loss	(110,952)	(6,718)
Net loss per share (Basic)	(0.04)	(0.00)

Weighted average number of common shares outstanding

2,561,645 1,945,209

DEFICIT

Deficit, beginning of year	(6,718)	-
Net loss	(110,952)	(6,718)
Difference between carrying amount and consideration of related party transactions (note 8)	(13,128)	-
Deficit, end of year	(130,798)	(6,718)

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

Geomega Resources Inc.
(An exploration stage corporation)
Statements of Cash Flows
(Years ended May 31)

	2010	2009
	\$	\$
OPERATING ACTIVITIES		
Net loss	(110,952)	(6,718)
Non-cash items:		
Write-off of mineral property and deferred exploration expenses - Bartouille	94,561	-
Changes in non-cash operating working capital items:		
Amounts receivable	67,339	(69,101)
Prepaid expenses	(3,500)	-
Accounts payable and accrued liabilities	11,172	1,693
	58,620	(74,126)
INVESTING ACTIVITIES		
Mineral properties and deferred exploration expenses	(130,955)	(93,686)
FINANCING ACTIVITIES		
Share issuance	80,000	250,001
Net increase in cash	7,665	82,189
Cash, beginning of year	82,189	-
Cash, end of year	89,854	82,189

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

1. NATURE OF ACTIVITIES

Geomega Resources Inc. ("Geomega" or the "Corporation") was incorporated on June 5, 2008 under the Canada Business Corporations Act and its principal business activity is undertaking the acquisition, exploration and development of mineral properties, particularly rare earth elements, niobium and tantalum properties. To date, the Corporation has not earned significant revenue and is considered to be in the development stage.

Although the Company has taken steps to verify title to mining properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and noncompliance with regulatory requirements.

2. GOING CONCERN ASSUMPTION

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and on the basis of the going concern assumption, meaning the Corporation will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations.

Given that the Corporation has not yet started the exploitation activities in properties containing mineral deposits that are economically recoverable the Corporation has not generated any income or cash flows from operations. As at May 31, 2010, the Corporation has a deficit of \$117,670 (\$6,718 in 2009). These conditions raise significant doubt regarding the Corporation's ability to continue as a going concern.

The Corporation's ability to realize its assets and discharge its liabilities depends on the Corporation's ability to raise additional funds over and above amounts raised to date to complete the acquisition, exploration and development of its interests (see Note 13 "**Subsequent events**") and while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future.

The carrying amounts of assets, liabilities, expenses and other income presented in the financial statements and the balance sheet classification have not been adjusted as would be required if the going concern assumption were not appropriate.

3. ACCOUNTING CHANGES

Mining exploration costs

In March 2009, the Emerging Issues Committee issued EIC-174, "Mining Exploration Costs", which provides guidance on the capitalization of exploration costs related to mining properties and the impairment review of such capitalized exploration costs. This EIC was effective for the Corporation on June 1, 2009. The application of this EIC did not have an effect on the Corporation's financial statements.

3. ACCOUNTING CHANGES (continued)

Financial instruments

In June 2009, the Canadian Institute of Chartered Accountants amended Section 3862, "Financial instruments - disclosure". This section has been amended to introduce new financial disclosure requirements, particularly with respect to fair value measurement of financial instruments (three hierarchy levels) and entity exposure to liquidity risk. The amendments to this section apply to annual statements for years ending after September 30, 2009. The Company adopted the amendments of Section 3862 during the fiscal year ended May 31, 2010 and there was no impact on the financial statements regarding the adoption of this standard.

4. ACCOUNTING POLICIES

a. Basis of presentation

These financial statements, which are expressed in Canadian dollars, have been prepared by management in accordance with Canadian generally accepted accounting principles and include all of the assets, liabilities and expenses of the Corporation.

b. Financial assets and liabilities

On initial recognition, all financial assets and liabilities are measured and recognized at their fair value. Subsequently, financial assets and liabilities are measured and recognized as follows:

Held-for-trading financial assets and liabilities

Cash is classified as a held-for-trading financial asset.

Other financial liabilities

Accounts payable and accrued liabilities are classified as other financial liabilities. They are measured at amortized cost using the effective interest method.

c. Mineral properties and deferred exploration expenses

The Corporation defers exploration costs, including acquisition costs, geological, topographical, geochemical, geophysical studies, drilling, trenching, sampling and analysis and feasibility studies. These costs are aggregated on a property-by-property basis through the exploration and evaluation stage only after permits have been obtained; hence the capitalization of costs is supported by the existence of legal right. The conclusion of this stage occurs with the production of a feasibility study or commercial viability which recommends or not that the property be developed.

4. ACCOUNTING POLICIES (continued)

c. Mineral properties and deferred exploration expenses

In the event of a positive recommendation, aggregated costs will be amortized on a unit of production basis based on proven and probable reserves or until the properties are abandoned, sold or considered to be impaired in value, at which time, an appropriate charge will be made.

The recoverability of the amounts shown for mining interests is dependent on the existence of economically recoverable reserves, the ability of the Corporation to obtain financing to complete the development of such reserves and meet its obligations under various agreements and the success of future operations or dispositions.

Mineral properties and exploration expenses are tested for recoverability when events or changes in circumstances indicate that their carrying amount may not be recoverable. The Corporation performs a recoverability test when estimate future cash flows are available. If management has not enough information to estimate future cash flows to evaluate the recoverability of capitalized amounts, management will evaluate it by comparing the fair value and the carrying value, without doing a recoverability test. Management will also consider whether results from exploration works justify further investments, the confirmation of the interest of the Corporation in the mining claims, the ability of the Corporation to obtain the necessary financing to complete the future development or if the disposal of the properties will be for proceeds in excess of their carrying value.

d. Tax credits and mining duties

The Government of Quebec provides a non-taxable refundable credit for losses to help operators meet exploration, mineral deposit evaluation and mine development costs by refunding part of eligible expenditures incurred. The credit is equal to 14% of 50% of the lesser of:

- the amount of the annual loss; and
- the exploration, mineral deposit evaluation and mine development expenses.

The Government of Quebec also offers businesses having establishments and that carry on activities in Quebec a refundable tax credit for mineral exploration activities, covering up to 38.75% of exploration expenses.

Tax credits and mining duties which are earned as a result of qualifying mineral exploration expenses are recognized when the exploration expenses are incurred. They are applied to reduce related mineral exploration expenses in the period recognized.

4. ACCOUNTING POLICIES (continued)

e. Income taxes

The Corporation uses the asset and liability method of accounting for income taxes. Under the asset and liability method, future income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Future income tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the year in which those temporary differences are expected to be recovered or settled. The effect on future income tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment. The Corporation establishes a valuation allowance against future income tax assets if, based on available information, it is more likely than not that some or all of the future income tax assets will not be realized.

f. Loss per share

Basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average number of common shares outstanding is increased to include additional shares from the assumed exercise of stock options and warrants, if dilutive. The number of additional shares for stock options and warrants is calculated by assuming that outstanding stock options and warrants were exercised at that proceeds were used to acquire shares of common stock at the average market price during the reporting period.

g. Stock-based compensation

The Corporation accounts for stock options issued using the fair value based method. Under the fair value based method, compensation cost is measured at fair value at the date of grant using the Black-Scholes pricing model and is expensed over the award's vesting period with a corresponding increase to contributed surplus. Any consideration received when options are exercised is credited to capital stock together with the related compensation cost recorded as contributed surplus.

h. Share consideration

Warrants, stock options and other equity instruments issued as purchase consideration in non-cash transactions are recorded at fair value determined by management using the Black-Scholes option pricing model. The fair value of the shares issued as purchase consideration is based upon the price of those shares on the date of the agreement to issue shares as determined by the Board of Directors. Proceeds from unit placements are allocated between shares and warrants using the residual method.

Share issue costs are recorded as a reduction of share capital when the related shares are issued.

Geomega Resources Inc.
(An exploration stage corporation)
Notes to the Financial Statements
(Years ended May 31, 2010 and 2009)

4. ACCOUNTING POLICIES (continued)

i. Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates are based on management's best knowledge of current events and actions that the Corporation may undertake in the future. Actual results could differ from those estimates.

Significant estimates include the carrying value of mineral properties and deferred exploration expenses, environmental and reclamation costs.

5. AMOUNTS RECEIVABLE

	<u>2010</u>	<u>2009</u>
	\$	\$
Commodity taxes	1,762	18,655
Tax credits on exploration expenses	-	50,446
	<u>1,762</u>	<u>69,101</u>

6. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENSES

MINERAL PROPERTIES – 2010

	<u>As at May 31, 2009</u>	<u>Additions</u>	<u>Write-off</u>	<u>As at May 31, 2010</u>
	\$	\$	\$	\$
Montviel	-	51,872	-	51,872
Pump Lake	-	54,681	-	54,681
Sydney	-	10,400	-	10,400
Bartouille	-	875	(875)	-
	-	117,828	(875)	116,953

6. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENSES (continued)

DEFERRED EXPLORATION EXPENSES – 2010

	As at May 31, 2009	Additions	Write-off	As at May 31, 2010
	\$	\$	\$	\$
Bartouille	93,686	-	(93,686)	-
	-	-	-	-
TOTAL - 2010	93,686	117,828	(94,561)	116,953

DEFERRED EXPLORATION EXPENSES – 2009

	As at June 5, 2008	Additions	Subsidies	As at May 31, 2009
	\$	\$	\$	\$
Bartouille	-	144,132	(50,446)	93,686
	-	-	-	-
TOTAL – 2009	-	144,132	(50,446)	93,686

Optioned properties

On April 30, 2010, Geomega signed a Letter Agreement with NioGold Mining Corp. (NOX-V) which gives Geomega an option to earn up to seventy five percent (75%) interest in the Montviel and Pump Lake properties by making a cash payment of \$100,000, paid on April 30, 2010, and by issuing 1,500,000 shares of Geomega over a three-year period following the completion of an initial public offering (see "**Subsequent Events**" note 13), and incurring at least \$3,350,000 in exploration expenditures over four years.

The Letter Agreement is also subject to the following conditions:

- Geomega shall have completed an IPO and other private placements for a minimum amount of \$2,000,000 at the latest on September 30, 2010 or, subject to a penalty of up to 150,000 shares, on December 31, 2010;
- both parties sign a Definitive Agreement;
- Geomega shall meet the minimum listing requirements of a Tier 2 Mining Issuer pursuant to the policies of the TSXV; and
- the transaction shall have been approved by the TSXV.

6. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENSES (continued)

i) Montviel property description (Option, up to 75% interest)

Geographically, the property is located in Montviel Township, approximately 215 km north of Val-d'Or, where services and man power are available. The property is easily accessible via a network of logging roads, after a 50km drive from highway 113, which connects Val-d'Or and Chibougamau. The Montviel property comprises a total 104 cells for 5,776 ha.

Geologically, the Montviel property is located in the eastern part of the Superior geological province, at the junction between the Opatica and Abitibi sub-provinces. The Montviel carbonatite complex, dated at 1,894 Ma, is enclosed in the Nomans tonalite, dated at 2,708.9 Ma. It is located just north of the Waswanipi-Saguenay corridor (Saguenay rift). The Montviel alkaline intrusion measures approximately 10 x 3 km for a total of 32 km². The carbonate core covers an approximate area of 3 km².

ii) Pump Lake property description (Option, up to 75% interest)

Geographically, the property is located approximately 110 km north of Mont-Laurier, where services and man power are available. The property is easily accessible by road from Ste-Anne-du-Lac. The Pump Lake property comprises a total 414 cells for 23,869 ha.

Geologically, the Pump Lake property is located in the south west part of Grenville Province, which forms a belt 2,000 km long by 300 to 600 km wide. It holds the LeSueur carbonatite complex recently uncovered by regional mapping conducted by the Ministry of Natural Resources of Quebec.

A portion of the property is subject to a 2% NSR, of which 1% can be bought back for \$1,000,000.

iii) Sydney property description (100% interest)

Geographically, the property is located approximately 100 km North of St-Michel des Saints, where services and man power are available. The property is easily accessible via gravel roads. The Sydney property comprises a total 200 cells for 11,108 ha.

iv) Bartouille property description (written off)

Following the signing of the Letter Agreement with NioGold on April 30, 2010, the Corporation decided to write-off the accumulated costs of claims and deferred exploration expenses of Bartouille, of \$875 and \$93,686 respectively. The nature of the property no longer fits in Geomega's strategic metals focus.

Geomega Resources Inc.
(An exploration stage corporation)
Notes to the Financial Statements
(Years ended May 31, 2010 and 2009)

7. SHARE CAPITAL

a. Authorized

Unlimited common shares without par value, voting, participating, dividend as declared by the Board of Directors.

Common shares issued and paid

	Shares	Share Capital
	#	\$
Share issuance - founder	1	1
Share issuance - private placement	2,500,000	250,000
Balance as at May 31, 2009	<u>2,500,001</u>	<u>250,001</u>
Share issuance - mineral properties	900,000	1
Share issuance - private placement	800,000	80,000
Balance as at May 31, 2010	<u>4,200,001</u>	<u>330,002</u>

i) Share issuance – 2009

On August 20, 2008, Geomega completed a private placement with accredited investors for 2,500,000 common shares of Geomega at a price of \$0.10 per common share for net proceeds of \$250,000.

ii) Share issuance – 2010

On May 6, 2010, Geomega issued 600,000 common shares in exchange for 36 mining claims adjacent to the Montviel property.

On May 6, 2010, Geomega issued 300,000 common shares in exchange for 35 mining claims adjacent to the Pump Lake property.

On May 31, 2010, Geomega completed a private placement with accredited investors for 800,000 common shares of Geomega at a price of \$0.10 per common share for net proceeds of \$80,000.

b. Loss per share

The calculation of loss per share in the year ended May 31, 2010 is based upon the weighted average of shares outstanding of 2,561,645 (1,945,209 in 2009). No options or warrants have been issued in the years ended May 31, 2009 or 2010.

Geomega Resources Inc.
(An exploration stage corporation)
Notes to the Financial Statements
(Years ended May 31, 2010 and 2009)

8. RELATED PARTY TRANSACTIONS

The Corporation conducts transactions with companies and entities controlled by its Officers and Directors. These transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the related parties. Related party transactions are as follows:

	2010	2009
	\$	\$
Professional fees	7,752	3,500

On May 6, 2010, the Corporation acquired from 2 directors a total of 71 claims adjacent to the Montviel and Pump Lake properties, in exchange for 900,000 common shares and \$16,820 in cash. On May 31, 2010, the Corporation also acquired from those two directors a total of 200 claims related to the Sydney property in exchange for \$10,400 in cash. These transactions were measured at the carrying amount, with the difference between the carrying amount and the consideration given being charged directly to equity.

9. INCOMES TAXES

The tax effects of temporary differences that gave rise to significant portions of the future tax asset and future tax liability are as follows:

	As at May 31, 2010	As at May 31, 2009
	\$	\$
Future tax assets		
Losses available for carry forward	6,216	1,807
Deferred exploration expenses	25,437	-
Less valuation allowance	(31,653)	(1,807)
Net future taxes	-	-

The Company's effective income tax rate differs from the combined federal and provincial income tax rate in Canada. The difference results from the following :

Loss before income taxes	(110,952)	(6,718)
Combined federal and provincial statutory tax rate	30,90%	30,90%
Expected tax benefit resulting from loss before income taxes	(34,284)	(2,076)
Increase in taxes resulting from:		
Change in valuation allowance	29,846	1,807
Difference in rate	4,438	269
Income taxes recovery	-	-

The Corporation has the following loss carry forwards available to reduce future years' incomes for tax purposes, the tax benefit of which has not been recorded in the accounts and which expire as follows:

	Federal
	\$
2029	6,718
2030	16,391

10. FINANCIAL RISK MANAGEMENT OBJECTIVE, POLICIES AND RISKS

a) Fair value of financial instruments

The book values of accounts payable and accrued liabilities approximate their fair values because of their short term nature.

b) Financial risks

The Company is exposed to various financial risks resulting from both its operations and its investments activities. The Company's management manages financial risks.

The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

The Corporation's main financial risk exposure and its financial risk management policies are as follows:

i) *Credit risk*

The Company has no exposure to bad debts. The Company's cash is held at one financial institution.

ii) *Liquidity risk*

Management's objective is to maintain sufficient cash and cash equivalents to ensure that the Company has at its disposal sufficient sources of financing such as private and public financing. The Company manages its liquidity needs by carefully monitoring cash out flows due in day-to-day business. Liquidity needs are monitored in various time bands, including 30-day projection, 180-day and 360-day lookout periods. Due to the nature of the activities of the Company, the funding for long-term liquidity needs are dependant on the Company's ability to obtain additional financing, through various means, including equity financing. The amount and timing of additional funding will be impacted by, among others, the strength of the capital markets.

11. CAPITAL DISCLOSURES

The Corporation's objective in managing capital is to safeguard its ability to continue its operations as well as its acquisition and exploration program. The Corporation manages its capital structure and makes adjustment to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Corporation may issue new shares and acquire or sell mining properties to improve its financial performance and flexibility.

The Corporation's capital consists of shareholders' equity. To effectively manage the Corporation's capital requirements, the Corporation has in place a planning and budgeting process to help determine the funds required to ensure the Corporation has appropriate liquidity to meet its operating and growth objectives. The Corporation is not subjected to any externally imposed capital requirements, unless the Corporation closes a flow-through private placement where the funds are restricted in use for exploration expenses. The Corporation does not have any unspent exploration funds as at May 31, 2010 (\$nil in 2009).

As at May 31, 2010, the capital stock totals \$330,002 (\$250,001 in 2009). The Corporation has an accumulated deficit of \$117,670 (\$6,718 in 2009). Shareholders' equity totals \$212,332 as at May 31, 2010 (\$243,283 in 2009).

12. SEGMENTED INFORMATION.

The Corporation has determined that it only operates in one segment, being the acquisition and exploration of mineral properties with the aim of discovering commercially exploitable deposits of minerals. All of the long term assets are held in Canada.

13. SUBSEQUENT EVENTS

On July 2, 2010, Geomega issued 355,000 Units at \$0.35 for net proceeds of \$124,250. Each Unit contains one common share and one common share purchase warrants. Each purchase warrant entitles the holder to purchase one common share at a price of \$0.55 for a period of eighteen (18) months.

On August 17, 2010, Geomega issued 200,000 common shares at a price of \$0.35 per share, and also paid a cash amount of \$15,960, in consideration for the acquisition of the 270 claims constituting the Oriana property.

On August 19, 2010, Geomega acquired the Émilie property, in consideration of the payment of a cash amount of \$2,080.

On September 10, 2010, Geomega received an additional cash consideration of \$36,000 from Mr. Moreau and Mr. Britt with respect to the 900,000 Common Shares issued on May 7, 2010.

On September 21, 2010, Geomega proceeded with an initial public offering of Units of Geomega to raise gross proceeds of up to \$2,905,000 by way of long-form prospectus. Each Unit is to sell at a cost of \$0.35 and will be comprised of one common share and one-half common share purchase warrant. Each full purchase warrant entitles the holder to purchase one common share at a price of \$0.55 for a period of eighteen (18) months. On closing of the offering, Geomega is to pay to the Agent a fee equal to 8.5% of the gross proceeds received in connection with the offering, subject to certain exceptions where the fee may be equal to 5% of gross proceeds. In addition, the Agent will receive compensation options entitling it to purchase a number of common shares equal to 5% of the total number of Units sold pursuant to the offering, exercisable in whole or in part at \$0.35 per common share for a period of eighteen (18) months from the closing of the offering.

CERTIFICATES

CERTIFICATE OF THE CORPORATION

September 21, 2010

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

GEOMEGA RESOURCES INC.

(s) Benoît Moreau

Benoît Moreau
President

(s) Simon Britt

Simon Britt
Chief Financial Officer

On behalf of the Board

(s) René Lacroix

René Lacroix
Director

(s) Mario Spino

Mario Spino
Director

CERTIFICATE OF THE PROMOTERS

September 21, 2010

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

(s) Benoît Moreau

Benoît Moreau

(s) Simon Britt

Simon Britt

CERTIFICATE OF THE AGENT

September 21, 2010

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

INDUSTRIAL ALLIANCE SECURITIES INC.

(s) *Pierre Colas*

Pierre Colas

Vice-President and Managing Director, Investment Banking

SCHEDULE A

AUDIT COMMITTEE CHARTER

The following charter is adopted in compliance with *Regulation 52-110 respecting Audit Committees* (“MI 52-110”).

1. MANDATE AND OBJECTIVES

The mandate of the audit committee of the Corporation (the “**Committee**”) is to assist the board of directors of the Corporation (the “**Board**”) in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation’s systems of internal controls regarding finance and accounting and the Corporation’s auditing, accounting and financial reporting processes.

The objectives of the Committee are to:

- (i) serve as an independent and objective party to monitor the Corporation’s financial reporting and internal control system and review the Corporation’s financial statements;
- (ii) ensure the independence of the Corporation’s external auditors; and
- (iii) provide better communication among the Corporation’s auditors, the management and the Board.

2. COMPOSITION

The Committee shall be comprised of at least three (3) Directors as determined by the Board. The majority of the members of the Committee shall be independent, within the meaning of MI 52-110.

At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices.

For the purposes of this Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Corporation’s financial statements.

The members of the Committee shall be elected by the Board at its first meeting following each annual shareholder’s meeting. Unless a Chairman is elected by the Board, the members of the Committee may designate a Chairman by a majority vote of all the Committee members.

3. MEETINGS AND PROCEDURES

- 3.1 The Committee shall meet at least four (4) times a year or more frequently if required.
- 3.2 At all meetings of the Committee, every question shall be decided by a majority of the votes cast. In the case of an equality of votes, the Chairman shall not be entitled to a second vote.

- 3.3 A quorum for meetings of the Committee shall be a majority of its members and the rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing meetings of the Board.

4. DUTIES AND RESPONSIBILITIES

The following are the general duties and responsibilities of the Committee:

4.1 Financial Statements and Disclosure Matters

- a) review the Corporation's financial statements, MD&A and any press releases regarding annual and interim earnings, before the Corporation publicly discloses such information, and any reports or other financial information which are submitted to any governmental body or to the public;

4.2 External Auditors

- a) recommend to the Board the selection and, where applicable, the replacement of the external auditors to be nominated annually as well the compensation of such external auditors;
- b) oversee the work and review annually the performance and independence of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Corporation;
- c) on an annual basis, review and discuss with the external auditors all significant relationships they may have with the Corporation that may impact their objectivity and independence;
- d) consult with the external auditors about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements;
- e) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation;
- f) review the audit plan for the year-end financial statements and intended template for such statements;
- g) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, as well as any non-audit services provided by the external auditors to the Corporation or its subsidiary entities. The pre-approval requirement is satisfied with respect to the provision of non-audit services if:
 - i) the aggregate amount of all such non-audit services provided to the Corporation constitutes no more than 5% of the total amount of fees paid by the Corporation and its subsidiary entities to its external auditors during the fiscal year in which the non-audit services are provided;
 - ii) such services were not recognized by the Corporation or its subsidiary entities as non-audited services at the time of the engagement; and
 - iii) such services are promptly brought to the attention of the Committee by the Corporation and approved, prior to the completion

of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee.

The Committee may delegate to one or more independent members of the Committee the aforementioned authority to pre-approve non-audited services, provided the pre-approval of the non-audit services is presented to the Committee at its first scheduled meeting following such approval.

4.3 Financial Reporting Processes

- a) in consultation with the external auditors, review with management the integrity of the Corporation's financial reporting process, both internal and external;
- b) consider the external auditor's judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting;
- c) consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditors and management;
- d) review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;
- e) review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- f) establish procedures for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters and the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters.