

AMENDED AND RESTATED PROSPECTUS DATED APRIL 25, 2012, AMENDING AND RESTATING THE PROSPECTUS DATED NOVEMBER 28, 2011 AS AMENDED BY THE AMENDED AND RESTATED PROSPECTUS DATED MARCH 13, 2012.

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Initial Public Offering

April 25, 2012

AMENDED AND RESTATED PROSPECTUS

WINROCK RESOURCES INC.

501 – 325 Howe Street
Vancouver, BC V6C 1Z7
Phone Number: (604) 563-7912

**MINIMUM OF \$300,000 (3,000,000 UNITS) AND MAXIMUM OF \$400,000 (4,000,000 UNITS)
PRICE: \$0.10 PER UNIT**

This amended and restated prospectus (the "Prospectus") is being filed to qualify the distribution in British Columbia, Ontario and Alberta of a minimum (the "Minimum Offering") of 3,000,000 units and a maximum (the "Maximum Offering") of 4,000,000 units (each, a "Unit") of Winrock Resources Inc. (the "Company") at a price of \$0.10 per Unit (the "Offering"). Each Unit shall consist of one (1) common share (a "Common Share") of the Company and one-half (1/2) of one non-transferable share purchase warrant (a "Warrant") where each whole Warrant entitles the holder to acquire one additional Common Share for a period of 12 months from the closing of the Offering at a price of \$0.12 per share. See "Plan of Distribution".

	<u>No. of Units</u>	<u>Price to Public</u> ¹	<u>Agent's Commission</u> ⁴	<u>Net Proceeds to the Company</u> ^{2/3/4}
Per Unit	1	\$0.10	\$0.01	\$0.09
Minimum Offering	3,000,000	\$300,000	\$30,000	\$270,000
Maximum Offering	4,000,000	\$400,000	\$40,000	\$360,000

¹ Pursuant to the terms of an amended and restated agency agreement (the "Agency Agreement") between the Agent and the Company dated April 23, 2012, the Agent will receive a marketing commission (the "Commission") of 10% of the gross proceeds of the Offering payable in cash or Units (the "Commission Units") or any combination thereof at the election of the Agent on the closing of the Offering. The Agent will also be paid a fee of \$25,000 plus HST (the "Corporate Finance Fee"), of which \$10,000 plus HST has been advanced as a non-refundable due diligence fee, with the remaining \$15,000 to be paid in cash or Units ("CF Units") or any combination thereof, at the discretion of the Agent, and the Agent will be issued 60,000 Common Shares (the "Corporate Finance Shares") on the closing of the Offering. HST on the balance of the Corporate Finance Fee will be paid in cash. As additional compensation, the Company will also grant to the Agent an option (the "Agent's Option") to acquire Units in an amount equal to 10% of the number of Units sold under the Offering, at an exercise price of \$0.10 per Unit for a period of 36 months from the date of listing of the Company's shares on the Canadian National Stock Exchange ("CNSX"). This Prospectus qualifies for

distribution the Commission Units, the CF Units, the Corporate Finance Shares, and the Agent's Option to the extent the same are "Qualified Compensation Securities", as herein defined. The Agent will also be reimbursed for its expenses resulting from the Offering. The Agent has received a retainer of \$22,000 for such expenses. See "Plan of Distribution".

² Before deduction of the balance of the costs of the Offering, estimated at \$60,000, assuming the balance of the Corporate Finance Fee is paid in cash.

³ Assumes the Agent will receive the entire Commission in cash.

⁴ The Company has granted to the Agent an option (the "Option") exercisable, in whole or in part, until the closing of the Offering to solicit and accept subscriptions for up to 15% of the Units (the "Additional Units") sold pursuant to the Maximum Offering. If the Option is exercised in full, the total price to the public, the Commission (assuming the Commission is fully paid in cash) and proceeds to the Company would be \$460,000, \$46,000 and \$414,000, respectively. The Option and the Additional Units are also qualified under this Prospectus. See "Plan of Distribution".

National Instrument 41-101 – *General Prospectus Requirements* restricts the number of securities being issued to the Agent as compensation that may be qualified under a prospectus ("Qualified Compensation Securities"), to a maximum of 10% of the Units. In the case of this Offering, assuming the Maximum Offering is completed and the Option has not been exercised, the number of Qualified Compensation Securities will be limited to 400,000 Units. Under the Minimum Offering and assuming the Option has not been exercised, the number of Qualified Compensation Securities will be limited to 300,000 Units. For the purposes of this Offering, any combination of the Commission Units, CF Units, the Corporate Finance Shares, and the Units issuable pursuant to the Agent's Option which exceed 10% of the Units sold, will not be Qualified Compensation Securities, will not be qualified for distribution under this Prospectus and will be subject to a four month hold period in accordance with applicable securities laws. See "Plan of Distribution."

The completion of this Offering is subject to a minimum subscription of 3,000,000 Units. Closing of the Offering is conditional upon the minimum offering being sold on or before May 28, 2012. If the minimum subscription is not attained by the aforementioned date, all funds raised hereunder will be retained by the Agent in trust and refunded to investors without interest or deduction.

There is no market through which these securities may be sold and purchasers may not be able to resell the Units 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. See "Risk Factors".

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

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

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

The price of the Units and the terms of this Offering have been determined by negotiation between the Company and the Agent.

The Canadian National Stock Exchange (the “CNSX”) has conditionally accepted the listing of the Company’s Common Shares. Listing is subject to the Company fulfilling all the listing requirements of the CNSX.

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

Agent’s Position	Maximum size or number of securities available	Exercise period or Acquisition date	Exercise price or average acquisition price
Agent’s Option ⁵	400,000 Units ¹	36 months from the date of listing of the Common Shares on the CNSX	\$0.10
Option ⁶	600,000 Additional Units	Closing of the Offering	\$0.10
Commission Units ⁵	400,000 Units ³	On closing of the Offering	\$0.10
CF Units ⁵	150,000 Units ⁴	On closing of the Offering	\$0.10
Corporate Finance Shares ⁵	60,000 Shares	On closing of the Offering	\$0.10
Total securities issuable to Agent ²	950,000 Units 60,000 Shares	(See above)	\$0.10

¹ Assuming the Agent does not exercise the Option. Should the Agent elect to exercise the Option in full, the Agent’s Option will entitle the Agent to purchase up to a total of 460,000 Units.

² If the Option is exercised in full the total securities issuable to the Agent will be 1,070,000 Units and 60,000 Shares.

³ Assuming the Agent elects to receive the Commission in Units and that the Agent has not exercised the Option. Should the Agent exercise the Option, the Agent shall be entitled to 460,000 Commission Units.

⁴ Assuming the Agent elects to receive the balance of the Corporate Finance Fee in Units.

⁵ This Prospectus qualifies the grant of these securities to the extent that they are Qualified Compensation Securities. See “Plan of Distribution”.

⁶ The Company has granted to the Agent an option (the “Option”) exercisable, in whole or in part, until the closing of the Offering to solicit and accept subscriptions for up to 15% of the Units (the “Additional Units”) sold pursuant to the Maximum Offering. The Option and the Additional Units are also qualified under this Prospectus.

Wolverton Securities Ltd., as Agent, conditionally offers the Units on a commercially reasonable efforts basis subject to prior sale if, as and when issued by the Company and accepted by the Agent in accordance with the conditions contained in the Agency Agreement referred to under “Plan of Distribution”, subject to the approval of certain legal matters on behalf of the Company by Thomas, Rondeau LLP and on behalf of the Agent by Getz Prince Wells LLP. No person is

authorized to provide any information or make any representation in connection with the Offering other than as contained in this Prospectus.

WOLVERTON SECURITIES LTD.

17th Floor – 777 Dunsmuir Street
Vancouver, B.C. V7Y 1J5
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SUMMARY

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

Offering:

A Minimum Offering of 3,000,000 Units and a Maximum Offering of 4,000,000 Units at \$0.10 per Unit (each Unit shall consist of one Common Share and one-half of one share purchase warrant). One whole Warrant may be exercised at a price of \$0.12 per share for a period of one year from the closing of the Offering. In addition, on completion of the Offering, the Company will grant to the Agent the Agent's Option to purchase such number of Units as is equal to 10% of the Units sold under the Offering at a price of \$0.10 per Unit for a period of 36 months from the date of listing of the Common Shares on the CNSX. The Company has granted to the Agent an option (the "Option") exercisable, in whole or in part, until the closing of the Offering to purchase up to 15% of the Units (the "Additional Units") sold pursuant to the Maximum Offering. If the Option is exercised in full, the total price to the public, the Commission (assuming the Commission is fully paid in cash) and proceeds to the Company would be \$460,000, \$46,000 and \$414,000, respectively. The Option and the Additional Units issuable under the Option are also qualified under this Prospectus. See "Plan of Distribution". The Agent will receive the Commission constituting 10% of the gross proceeds of the Offering payable in cash or Commission Units or any combination thereof at the election of the Agent on the closing of the Offering. The Agent will also be paid the Corporate Finance Fee of \$25,000 plus HST, of which \$10,000 plus HST has been advanced as a non-refundable due diligence fee, with the remaining \$15,000 to be paid in cash or CF Units or any combination thereof, at the election of the Agent, on the closing of the Offering. HST on the Corporate Finance Fee is payable in cash. In addition, 60,000 Corporate Finance Shares are to be issued to the Agent on Closing. See "Plan of Distribution".

Business:

The Company is a natural resource company engaged in the acquisition and exploration of mining properties. The Company's main emphasis is on the exploration for copper, zinc, silver and gold in the Province of British Columbia where the Company has the option to acquire a 100% interest in the Horsefly Property which consists of 21 mineral claims. See "Business of the Company" and "The Horsefly Property".

Directors & Officers: The directors and officers of the Company are as follows:

Paul Dickson	President, Chief Executive Officer, Director
Harvey Dick	Director
Edward J. Drummond	Director
Derrick Strickland	Director
William E. Schmidt	Secretary
Robert Anderson	Chief Financial Officer

See “Directors and Executive Officers”.

Use of Proceeds: The net proceeds to be received by the Company from the Offering after deduction of the Commission (assuming the Commission will be paid in cash), plus the Company’s working capital of approximately \$29,000 as at March 31, 2012 will result in available funds of approximately \$299,000 in case of the Minimum Offering and \$389,000 in case of the Maximum Offering, which is proposed to be used as follows:

	<u>Minimum Offering</u>	<u>Maximum Offering</u>
To pay the balance of the costs of the Offering ¹	\$ 60,000	\$ 60,000
To fund work program on the Horsefly Property ²	75,000	75,000
Administrative Expenses for 12 months following the closing of the Offering ³	102,000	102,000
Unallocated working capital	62,000	152,000
TOTAL	<u>\$299,000</u>	<u>\$389,000</u>

¹ Includes the balance of legal fees, audit fees, filing fees with the regulatory authorities and securities commissions, the balance of the Corporate Finance Fee (assuming the balance is paid in cash) and the Agent’s expenses (less costs already paid of \$22,000) and incidental Offering costs.

² See “The Horsefly Property” for details of the proposed budget.

³ Includes management fees of \$60,000 which will be paid to directors and/or officers of the Company, office costs of \$12,000, transfer agent fees of \$5,000, professional fees of \$10,000 and miscellaneous costs (including travel and government fees) of \$15,000. See “Management’s Discussion and Analysis” and “Executive Compensation”.

See “Use of Proceeds”.

Objectives: Following the completion of the Offering, the Company intends to carry out the program recommended in the Report as defined herein. The recommended program consists of geophysical survey and geological reconnaissance at an estimated cost of \$75,000. See “Use of Proceeds”.

The program is expected to commence upon completion of this Offering and satisfactory weather conditions. The program is estimated to be completed within three to four months after commencement. Exploration results will be announced immediately after receiving any results.

Risk Factors:

An investment in the securities offered hereunder should be considered highly speculative due to the nature of the Company's business; being that it has only one mineral property under option, which is without any known body of ore and with limited amounts of recent exploration having been completed. The Company has no history of operations, success, revenue or earnings. An investment in the Company's securities is suitable only for those knowledgeable and sophisticated investors who are willing to risk a loss of their entire investment. Investors should consult with their professional advisors to assess an investment in the Company's securities.

The Company's activities are subject to the risks normally encountered in the mineral resource exploration and development business. The following risk factors should be considered in connection with an investment in the Company: liquidity concerns and future financing requirements; dilution; no history of operations, revenues, earnings or dividends; exploration and development risks; substantial capital expenditure requirements; operating hazards and risks; mineral prices; environmental and other regulatory factors; competition; title matters; political and economic changes; uninsurable risks; quarterly operating result fluctuations; and industry regulation. See "Risk Factors".

Financial Information: The following table sets forth selected financial information for the Company, summarized from the unaudited condensed interim financial statements for the six month period ended January 31, 2012 and the audited financial statements for the period from August 16, 2010 to July 31, 2011. This summary financial information should be read in conjunction with the financial statements and notes thereto and "Management's Discussion and Analysis". See "Management's Discussion and Analysis".

	(Unaudited) Six months ended January 31, 2012 (IFRS) \$	(Audited) For the period from August 16, 2010 (date of incorporation) to July 31, 2011 (Canadian GAAP) \$
Revenue	Nil	Nil
Operating Expenses	105,223	137,520
Net Loss	105,223	137,520
Basic and diluted loss per share	0.04	0.09

	(Unaudited) Six months ended January 31, 2012 (IFRS) \$	(Audited) For the period from August 16, 2010 (date of incorporation) to July 31, 2011 (Canadian GAAP) \$
Total Assets	107,389	152,408
Total Liabilities	87,100	49,000
Capital Stock	196,600	196,600
Contributed Surplus	66,432	44,328
Deficit	242,743	137,520

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated on August 16, 2010 under the *Business Corporations Act* of British Columbia.

The head office of the Company is 501 – 325 Howe Street, Vancouver, BC V6C 1Z7 and the registered and records office of the Company is Suite 300 – 576 Seymour Street, Vancouver, BC V6B 3K1.

Intercompany Relationship

The Company has no subsidiaries.

BUSINESS OF THE COMPANY

General Development

The Company is engaged in the business of mineral exploration. It acquires, explores, and develops mineral resource properties. The Company's immediate goal is to undertake follow-up exploration for copper, zinc, silver and gold in the Province of British Columbia. It commenced operations in October, 2010 with exploration activities on the Horsefly Property.

THE HORSEFLY PROPERTY

The Company entered into an option agreement (the "Option Agreement") dated October 12, 2010 with David Zamida of Etobicoke, Ontario, Craig Lynes of Grinrod, B.C., Dwayne Kress of Garibaldi Highlands, B.C. and Richard Billingsley of Surrey, B.C. (together the "Sellers") whereby it may acquire a 100% undivided interest in 21 mineral claims (the "Property") in the Skeena Mining Division, B.C. in consideration for \$15,000 due on signing of the Option Agreement (which has been paid) and the issuance of 200,000 common shares of the Company on the listing date of the Company to be allocated as follows:

David Zamida	\$2,812.50 and 37,500 common shares
Craig Lynes	\$2,812.50 and 37,500 common shares
Dwayne Kress	\$4,312.50 and 57,500 common shares
Richard Billingsley	\$5,062.50 and 67,500 common shares

During the term of the Option Agreement, the Company has an exclusive right to enter into and carry on work on the Property and to explore, examine, prospect, investigate, map, survey, mine, develop and carry out commercial production on the Property or on any part thereof, and to extract, remove and treat rock, earth, ore and minerals therefrom and to dump and store materials and waste materials thereon or therein. The Company shall have custody, possession and control

of all drill cores during the term of the Option Agreement and upon the termination of the Option Agreement shall deliver to the Sellers all such drill cores, together with all assays, geological information, models, maps and reports made or prepared or taken in connection with the work conducted, or to be conducted, on the Property. Forthwith after the execution of the Option Agreement, the Sellers was required to deliver to the Company all non-public data and other information in control of each of the Sellers.

The Company must maintain the Property in good standing during the term of the Option Agreement and must carry out its operations on the Property in a careful and miner like manner and in accordance with the applicable laws and regulations of British Columbia and Canada. The Company must obtain all necessary environmental permits prior to commencing operations on the Property and it is responsible for any environmental assessments made by governmental bodies as a result of operations on the Property. The Company will maintain and keep true and correct records of all production and disposition and of all costs and expenditures incurred as well as other data necessary or proper for the settlement of accounts between the parties, and such records shall be open for inspection by the Sellers upon reasonable notice. If the Option Agreement is terminated before the issuance of the 200,000 common shares of the Company, the Company will leave the Property in a safe condition and will apply one year of assessment work on the Property from the termination date. The Option Agreement provides that any dispute as to the interpretation or effect of any its provisions is to be settled by arbitration. The Company has agreed to indemnify and save harmless the Sellers from all loss, damage, costs, actions and suits arising out of or in connection with any breach of any representation, warranty, covenant, agreement or condition made by the Company.

Upon receipt of the cash and common share consideration, the Sellers will initiate the Bills of Sale to the Company to transfer a 100% undivided interest in the Horsefly Property free and clear of all encumbrances. The information in this Prospectus with respect to the Property, with the exception of the information set forth in the table entitled “Table 1 Claims Details, is derived from a technical report on the Horsefly Property (the “Report”) dated December 23, 2010 and entitled “Technical Report on the Horsefly Property” written by Glen Macdonald, P.Geo. (the “Author”), who was retained by the Company to prepare a technical report compliant with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”). Mr. Macdonald is a “Qualified Person” and considered “independent” as both those terms are defined in NI 43-101. The full text of the Report is available for review at the office of the Company at 501 – 325 Howe Street, Vancouver, BC, and may also be accessed by the reader of this Prospectus on the SEDAR website at www.sedar.com. The information in the table entitled “Table 1 Claims Details” below has been derived from a mineral tenure search dated March 13, 2012 conducted through the online database of the Government of British Columbia, Mineral Titles Branch.

Summary

The Horsefly Property consists of 21 mineral claims covering approximately 2,713.36 hectares of land located in the Skeena Mining Division of British Columbia Canada, NTS Map 103H/14. The Horsefly Property is located approximately 52 km southwest of the village of Kitimat and 85 km to the southeast of Prince Rupert. It can be accessed along Ecstall River by helicopter

available at Prince Rupert. The Company has an option to acquire a 100% interest in the mineral claims.

The Horsefly Property is underlain by metavolcanic rocks comprising of a metamorphosed interbedded sequence of calcareous, intermediate to felsic volcanoclastic, sedimentary and minor volcanic rocks. Regionally the Property is situated near the southern limit of the central region of the Scotia –Quaal metamorphic belt, a 60 km long and 10 to 15 km wide, north-northwest trending pendant contained within the Coastal Plutonic Complex. The pendant comprises metamorphosed volcanic, sedimentary and intrusive rock. It is bounded to the west by the early Late Cretaceous Ecstall pluton and to the east by the Paleocene to Eocene Quottoon pluton.

Packsack, Horsefly, and Steelhead are three mineral showings, containing mainly copper and zinc mineralization, located on the Horsefly Property. These showings were discovered during the late 1950's to the late 1960's and were worked by various operators until 1995. Historical exploration work included airborne and ground geophysical surveys, geochemical surveys, prospecting, geological mapping, and diamond drilling.

The Horsefly showing is a pyritic massive sulphide horizon exposed in three creeks over a strike length of 100 metres. Similar mineralization at the Steelhead area is associated with pyritic rhyolite, quartz sericite schist, and breccias.

Based on the property geology and mineralization, the most probable deposit model at the Horsefly Property is for volcanogenic massive sulphide (VMS) deposit type.

The data presented in this Report is based on published assessment reports available from the Company, the British Columbia Ministry of Mines, Minfile data, the Geological Survey of Canada, and the Geological Survey of BC. A part of the data was collected by the Author on the November 10, 2010 property visit. All the consulted data sources are deemed reliable. The data collected during the course of present study is considered sufficient to provide an opinion about the merit of the Property as a viable exploration target.

Based on its past exploration history, favorable geological and tectonic setting, presence of surface mineralization, and the results of present study, it is concluded that the Horsefly Property is a property of merit and possess a good potential for discovery of copper, zinc, silver, gold and other mineralization. The historical exploration data collected by previous operators on the Horsefly Property provides the basis for a follow-up work program

In the Author's opinion the character of the Horsefly Property is sufficient to merit the following phased work program, where the next phase is contingent upon the results of the first phase.

The recommendations of this Report include compilation of all the historical geological, geophysical, drilling, and geochemical data available for the Property, to create a new database in GIS format. This compilation work will include geo-referencing of historical survey grids; drill holes, samples, trenches, and geophysical survey locations; and detailed property geological maps.

Geophysical surveys and geological reconnaissance should be carried out. This program should include the following:

- Ground HLEM and magnetic surveys, and follow-up geological and trenching work on the satellite zone located west of the historical Horsefly grid baseline;
- Ground HLEM and magnetic survey to the north and south of the historical Steelhead grid. This work should be followed by geological reconnaissance work and trenching if warranted;
- If still available, chemical analysis of 49 core samples collected during 1995 drill program but never assayed; and
- Soil sampling at suitable grid in areas of poor exposures with thick overburden.

Introduction

Purpose of Report

The Author was retained by the Company to prepare an independent technical report on the Horsefly Property. The purpose of the Report is to provide the basis for listing on the CNSX and to support future financings.

Sources of Information

The present report is based on published assessment reports available from the British Columbia Ministry of Mines, Minfile data, and published reports by the Geological Survey of Canada (“GSC”), the Geological Survey of BC (BCGS), various researchers, websites, and personal observations.

The Author carried out a visit of the Horsefly Property on November 10, 2010. The purpose of the property inspection was to verify historical information about: underlying geology, mineralization, and structure; accessibility and location; and location of sources of water, electricity and utilities. Most of the property is covered with forested vegetation which limits outcrop and soil availability. The geological work performed in order to verify the existing data consisted of core re-sampling, and visiting reported approachable old workings.

The Author has also reviewed the land tenure on the MTO Database.

The Author reserves the right, but will not be obliged; to revise the Report and conclusions if additional information becomes known subsequent to the date of this report.

Reliance on Other Experts

Not applicable at this time.

Property Description and Location

The Horsefly Property consists of 21 mineral claims covering approximately 2,713.36 hectares and located in the Skeena Mining Division of British Columbia Canada, NTS Map 103H/14. Geographic coordinates of the approximate centre of the Horsefly Property are Latitude 53° 47’

03" North, Longitude 129° 25' 18" West on NTS Map 103H/14. The Horsefly Property is located approximately 52 km southwest of the village of Kitimat and 85 km to the southeast of Prince Rupert.

Most of the mineral claims were staked in August 2009, and five claims (Packsack A to E) were staked in October 2010 using the British Columbia Mineral Titles Online computer Internet system. The mineral claims cover an approximate area of 2,713.36 hectares.

Claim data with expiry dates is summarized in the Table 1.

Table 1 Claims Details

Tenure No	Claim Name	Issue Date	Good To Date	Area (ha)	Owner(s)	%
614713	Packsack 4	2009/Aug/04	July 25, 2012	343.87	BILLINGSLEY, RICHARD JOHN	100
614704	Packsack 1	2009/Aug/04	July 25, 2012	38.21	BILLINGSLEY, RICHARD JOHN	100
614706		2009/Aug/04	July 25, 2012	76.416	BILLINGSLEY, RICHARD JOHN	100
614707	Packsack 2	2009/Aug/04	July 25, 2012	38.206	BILLINGSLEY, RICHARD JOHN	100
614711		2009/Aug/04	July 25, 2012	38.202	BILLINGSLEY, RICHARD JOHN	100
614712	Packsack 3	2009/Aug/04	July 25, 2012	38.213	BILLINGSLEY, RICHARD JOHN	100
614723		2009/Aug/04	July 25, 2012	114.584	BILLINGSLEY, RICHARD JOHN	100
614725		2009/Aug/04	July 25, 2012	114.59	BILLINGSLEY, RICHARD JOHN	100
614726		2009/Aug/04	July 25, 2012	114.613	BILLINGSLEY, RICHARD JOHN	100
614743		2009/Aug/04	July 25, 2012	95.552	BILLINGSLEY, RICHARD JOHN	100
614744		2009/Aug/04	July 25, 2012	114.641	BILLINGSLEY, RICHARD JOHN	100
614763		2009/Aug/04	July 25, 2012	95.536	BILLINGSLEY, RICHARD JOHN	100
614783		2009/Aug/04	July 25, 2012	114.669	BILLINGSLEY, RICHARD JOHN	100
614785	Rainbow Grid	2009/Aug/04	July 25, 2012	57.341	BILLINGSLEY, RICHARD JOHN	100
831072		2010/Aug/04	July 25, 2012	19.111	BILLINGSLEY, RICHARD JOHN	100
833758	Steelhead	2010/Sept/16	July 25, 2012	114.686	BILLINGSLEY, RICHARD JOHN	100
835213	Packsack A	2010/Oct/06	July 25, 2012	439.562	BILLINGSLEY, RICHARD JOHN	100
835215	Packsack B	2010/Oct/06	July 25, 2012	267.64	BILLINGSLEY, RICHARD JOHN	100
835216	Packsack C	2010/Oct/06	July 25, 2012	19.109	BILLINGSLEY,	100

Tenure No	Claim Name	Issue Date	Good To Date	Area (ha)	Owner(s)	%
					RICHARD JOHN	
835217	Packsack D	2010/Oct/06	July 25, 2012	19.107	BILLINGSLEY, RICHARD JOHN	100
835225	Packsack E	2010/Oct/06	July 25, 2012	439.506	BILLINGSLEY, RICHARD JOHN	100
				2713.364		

The Company has the right to earn a 100% undivided interest in the mineral claims comprising the Horsefly Property through a cash payment and the issuances of common shares to the Vendors. The Option Agreement dated October 12, 2010 states that:

In order to keep the right and option granted to the Company respecting the Horsefly Property in good standing and in force the Company shall do the following:

- (i) on signing, pay a total of fifteen thousand (\$15,000.00) Dollars as the total cash purchase price for the Horsefly Property and make the following payments to each of the Vendors:
- (ii) pay to Zamida \$2,812.50 (18.75% interest) for his mineral claims listed in Schedule A;
- (iii) pay to Lynes \$2,812.50 (18.75% interest) for his mineral claims listed in Schedule A;
- (iv) pay to Kress \$4,312.50 (28.75% interest) for his mineral claims listed in Schedule A;
- (v) pay to Billingsley \$5,062.50 (33.75% interest) for his mineral claims listed in Schedule A;
- (vi) on the listing date, issue a total of 200,000 common shares of the Company to each of the following Vendors:
- (vii) issue to Zamida 37,500 common shares (18.75% interest);
- (viii) issue to Lynes 37,500 common shares (18.75% interest);
- (ix) issue to Kress 57,500 common shares (28.75% interest);
- (x) issue to Billingsley 67,500 common shares (33.75% interest).

Upon receipt of the above listed final payments, the Vendors will initiate the Bill of Sale to the Company or its agent.

In British Columbia, the owner of a mineral claim acquires the right to the minerals which were available at the time of claim location and as defined in the Mineral Tenure Act of British Columbia. Surface rights and placer rights are not included. Claims are valid for one year and the anniversary date is the annual occurrence of the date of record (the staking completion date of

the claim). To maintain a claim in good standing the claim holder must, on or before the anniversary date of the claim, pay the prescribed recording fee and either: (a) record the exploration and development work carried out on that claim during the current anniversary year; or (b) pay cash in lieu of work. The amount of work required in the first 3 years is \$4 per hectare per year and \$8 per hectare per year in years 4 and forward. Only work and associated costs for the current anniversary year of the mineral claim may be applied toward that claim unit. If the value of work performed in a year exceeds the required minimum, the value of the excess work, in full year multiples, can be applied to cover work requirements for that claim for additional years (subject to the regulations). A report detailing work done and expenditures must be filed with, and approved by, the British Columbia Ministry of Energy and Mines.

There are three historical mineral showings on the claims where majority of the exploration work was carried out by various operators in the past. Based on these showings the Horsefly Property is divided into “Horsefly”, “Packsack” and “Steelhead” areas.

There are no known environmental liabilities and no permits have been applied for or acquired for the Horsefly Property. A “Notice of Work and Reclamation Program” application will be required for issuance of a permit for any exploration work to be carried out on the Horsefly Property.

Schedule A

Registered in the Name of Richard Billingsley

Tenure No.	Claim Name	Area (ha)
614707	Packsack 2	38.206
614712	Packsack 3	38.213
611713	Packsack 4	343.870
835213	Packsack A	439.562
835215	Packsack B	267.640
835216	Packsack C	19.109
835217	Packsack D	19.107
835225	Packsack E	439.506

Registered in the Name of Dwayne Kress

Tenure No.	Claim Name	Area (ha)
614704	Packsack 1	38.210

Registered in the Name of Craig Lynes

Tenure No.	Claim Name	Area (ha)
614706		76.416
614744		114.641
614785	Rainbow Grid	57.341

Tenure No.	Claim Name	Area (ha)
833758	Steelhead	114.686

Registered in the Name of David Zamida

Tenure No.	Claim Name	Area (ha)
614711		38.202
614723		114.584
614725		114.590
614726		114.613
614743		95.552
614763		95.536
614783		114.069
831072		

Access, Climate, Physiography, Local Resources and Infrastructure

The Horsefly Property is located approximately 52 km southwest of the village of Kitimat and 85 km to the southeast of Prince Rupert. It is on the major south-facing bend of the Ecstall River, which from there flows north to meet the Skeena River at Tyee, which is 33 km by Highway 16 southeast of Prince Rupert. It can be accessed along Ecstall River by charter helicopter available at Prince Rupert or Terrace. For transportation of drill rigs and other heavy equipment an alternate way is by barge from Kitimat to Kitkiata, and then for 15 km to the Horsefly Property by helicopter. Ecstall Lake is located immediately south of the Horsefly Property and is suitable for float planes.

Deep snow accumulations are typical for this area, which limits the exploration season from July to Late October. In Kitimat average temperature in summer is 16 degrees C; and average temperature in winter is 1 degree C; average annual precipitation is 198 cm.

The Horsefly Property covers an area of rugged terrain typical of the Coast Mountains of British Columbia. Elevations range from 200 to approximately 1,200 m above sea level. Vegetation varies from over-mature coniferous rain forest to moss and grass covered alpine meadows. A number of small swampy meadows within the area can be used for helicopter landing and exploration camp sites. Based on historical mineral occurrences and exploration work, the Horsefly Property is divided into Horsefly, Packsack and Steelhead areas. The majority of the Horsefly Property area has gentle to moderate topography. Most of the area has been previously logged and is in various stages of re-growth with cedar, fir, alder and maple trees. The bush varies from dense second growth to clear-cut areas. Traverses on foot are difficult over much of the area due to debris left from old logging slash and forest thinning programs. On the slopes, felsic and less commonly intermediate volcanic rocks form cliffs averaging a few to several hundred metres high. Benches commonly are underlain by felsic volcanic rocks. Gullies eroded by a few youthful creeks on the east slope provide good stratigraphic sections. Glacial erratic

boulders, a reported few metres across and mainly of medium to coarse grained diorite are widespread and are concentrated locally in patches and trains on the slopes. The Ecstall River is an old, meandering river, where the broad, valley bottom contains abundant small lakes, beaver ponds, and swamps.

Prince Rupert, located to the northwest of the Horsefly Property, is a port city in the Province of British Columbia, Canada. It is the land, air, and water transportation hub of British Columbia's North Coast, and home to some 12,815 people. Fishing, port activities, tourism, logging and mining are the main industries in the area.

Kitimat, located to the northeast of the Horsefly Property, is a coastal city in northwestern British Columbia. The Kitimat Valley, which includes the adjacent community of Terrace, is the most populous urban district in Northwest British Columbia. The town of Kitimat is host to an aluminum smelter, an hydro-electric power station and a deep-sea port.

Mining supplies and basic personnel are available in Kitimat and Prince Rupert, while other specialized services (eg: ground and airborne geophysical survey companies) normally supply their crews on demand.

There appears to be no issues regarding the sufficiency of surface rights for mining operations. The availability and sources of power, water, mining personnel, potential tailings storage areas, potential waste disposal areas, heap leach pad areas and potential processing plant site are all unknown at this time. These details will need to be addressed as part of ongoing exploration on the Property.

History and Previous Work

Packsack, Horsefly, and Steelhead are three main mineral showings located on the Horsefly Property. The Packsack showing located on the Horsefly Property was discovered by TexasGulf in 1958, and carried out geological mapping and diamond drilling during 1958 to 1960. The Horsefly showing was discovered in 1968 by prospectors employed by TexasGulf. TexasGulf explored the area by grid geophysical surveys and mapping. The claims were allowed to lapse and were restaked in 1980 by C. Graf. Ecstall River Joint Venture, consisting of Welcome North Mines Ltd., Esperanza Explorations Limited, E&B Explorations Incorporated and Active Minerals Explorations Limited, explored the area in 1981. Noranda Exploration Company Limited optioned the property from C. Graf in 1985 and explored the area by airborne E. M. and Magnetometer surveys in 1986 (AR 24,368). Limited exploration was undertaken by Cominco in 1990, included drilling on the Packsack. Atna Resources Ltd. conducted geological mapping, ground geophysical surveys and drilling during 1990 at the Horsefly and Steelhead showings.

Most of the past exploration work was focused on three locations referenced in the assessment reports as Packsack, Horsefly and Steelhead grids, which were laid on the three mineral showings discovered on the Property.

1960 Diamond Drilling Program (Packsack Showing)

In 1960, eleven drill holes totalling 2,891 feet tested the Packsack showing over a strike length of approximately 2,000 feet. All holes intersected hydrothermally altered meta-rhyolite/rhyodacite, and all contained intervals of massive and semi-massive, pyrite rich sulphide with sphalerite and chalcopyrite. The two main lenses were interpreted as the main zone (Mz) and, to the west, the hanging-wall zone (Hwz). Anomalous intersections are shown in the following table.

Table 2 Summary of 1960 diamond drilling results at Packsack showing

Drill Hole	Zone	True Thickness (metres)	Copper (Cu) %	Zinc (Zn) %	Cu/(Cu+Zn)
11	Mz	2.5	0.4	5.60	0.07
	Hwz	4.7	0.23	1.59	0.13
1	Mz	2.0	0.31	2.04	0.13
10*	Mz	1.7	0.4	4.75	0.08
	Hwz	3.7	0.27	4.76	0.05
2	Mz	2.7	1.58	0.88	0.64
	Hwz	2.8	0.49	3.16	0.13
9*	Mz	6.2	0.10	0.76	0.12
3	Mz	2.3	0.18	2.46	0.07
	Hwz	1.6	0.98	1.46	0.40
4	Mz	5.9	0.52	2.57	0.17
5	Mz	2.7	0.24	2.42	0.09
	Hwz	2.8	0.23	1.63	0.12
6	Mz	4.0	0.65	1.24	0.34
	Hwz	4.2	0.35	3.21	0.10
7	Mz	8.0	0.35	1.46	0.19
8	Mz	6.5	0.53	0.95	0.36

Note: * deeper holes.

A preliminary isopach map of the deposit indicated that it is thicker at depth (a reported 70 m) than at surface, and that the Cu/(Cu+Zn) ratio decreases with depth (20,422).

The Author has not been able to verify the true thickness of the mineralization or sampling method used for much of the historical work undertaken on the property and therefore cannot comment. If the information is known it will be mentioned in the appropriate instance.

Cautionary statement: Investors are cautioned that the potential quantity indicated above has not been verified by the author nor does it comply with the current NI 43-101 standard. It has been provided only for illustration purposes. At this time, there is insufficient public information to verify the information.

TexasGulf Ltd. 1968 (AR 1804)

TexasGulf Canada Limited carried out ground electromagnetic survey in an area around Horsefly showing. The survey outlined a narrow conductive zone interpreted to be caused by massive pyrite or a combination of massive and disseminated pyrite along a shear zone. A drill program was recommended on the target.

TexasGulf Ltd. 1975 (AR 5607)

TexasGulf Canada Limited carried out ground electromagnetic survey on a group of eight claims (Packsack 1&2, and Gunnysack 1-6) which are presently covered by Claim No. 614704, 614706, 614707, 614711 and 614712 of Horsefly Property. The survey confirmed a previously known 600 metre long conductive zone tested by diamond drilling, and two other conductors needing follow up prospecting and geological work.

Noranda Exploration 1986 (AR 15,306 and AR 15,491)

Between June and September 1986, Noranda Exploration carried out an airborne and ground EM geophysical survey in an area mostly covered by Horsefly Property claims and a few other claims to the southeast and southwest. Nine large grids were established on ground: the Horsefly, Steelhead, Walleye, Flounder-Panda, Packsack, Dolly, Tyee, Piranha and Bear. The survey outlined several drill targets along favourable horizons for testing volcanogenic massive sulphides. Drilling was recommended on Horsefly and Packsack showings to test their continuity along strike and at depth. Conclusions and Recommendations on each grid are listed below:

1. Horsefly Grid located on the Horsefly Property: the massive sulphide Horsefly showing lies at the western margin of a thick package of conductivity outlined by Horizontal Loop Electromagnetic (HLEM) survey. One or two drill holes were recommended to test this package of conductivity and the sulphide occurrences. Further ground geophysical surveys recommended on another conductor defined as a satellite zone located west of the baseline.
2. Steelhead Grid located on the Horsefly Property: several conductors were interpreted to be associated with felsic schist units. Recommendations included a series of long blast trenches to test parallel conductive horizons; two or three drill holes to test some targets at depth and in areas of poor outcrop exposure; and further geological and geophysical surveys to the north and south of the grid.
3. Piranha Grid located just outside to the south of the Horsefly Property Claim 632923: No further work recommended.
4. Rainbow Grid located on the east side of Lower Lake on Horsefly Property Claim 614785: Continue blast trenching in the area of the conductive horizons; and drilling if trenching results are favourable.
5. Walleye Grid located outside the Horsefly Property, 3 km east of Lower Lake south of Claim 614743: No further work recommended.
6. Flour-Panda Grids located outside the Horsefly Property, 3 km east of Lower Lake south of Claim 614743: Trenching to test conductors; and a short drill hole if warranted.

7. Bear Grid located outside to the west of the Horsefly Property: Further HLEM (Horizontal Loop Electromagnetic) and magnetic surveys on the known conductors; and prospecting and blast trenching on previously untested zones.
8. Packsack Grid located on the Horsefly Property, around Packsack showing: Two deep holes to test the sulphide zone at a depth of at least 150 metres; two drill holes to test the strike extent of the sulphides; and blast trenching to test other geophysical targets on the grid.
9. Dolly Grid located outside to the west of the Horsefly Property: a complex conductivity source was interpreted at the south end of the grid which requires additional work. One drill hole to test the long conductive horizon was recommended.
10. Tyee Grid located outside to the west of the Horsefly Property: ground geophysical and geological surveys to further evaluate the airborne EM anomalies in this area.

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Noranda Exploration 1986 (AR 15,014)

During the above exploration program, Noranda Exploration also collected 15 samples for petrographic and chemical analysis from Ecstall 15 & 16 claims which are presently covered by Claim No. 614706 of Horsefly Property. Petrographic studies indicated that the samples represent two types of rocks: (i) Metamorphosed sediments predominantly comprised of quartz, sericite, alkali-feldspars, and pyrite; and (ii) Metamorphosed felsic volcanics, mainly metadacite with euhedral phenocrysts of quartz and/or alkali feldspars. The samples represent include recrystallized massive sulphides as indicated by relatively uniform grain size, presence of mosaic texture in pyrite at places and apparent absence of internal textures in pyrite. Lack of intergrowths of various minerals and coarse grain size were considered a favourable factor for metallurgy. Chemical results indicated two samples with a reported 8% zinc and two other samples with highly anomalous values of zinc. Copper values ranged from 135 ppm to 0.5%, silver greater than 16 grams/tonne and gold values with a reported 2 grams/tonne.

In 1986, unclassified resources (as determined by pre-NI 43-101 methodology, and therefore not to be relied upon) on Packsack showing were 2.7 million tonnes grading 0.5% copper, 0.2% zinc, 0.01% lead, 34 grams per tonne silver and 0.3 grams per tonne gold (Minfile No. 103H013).

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Cominco Limited – 1990 (AR 20,422) (Packsack Showing)

Cominco optioned the claims in 1989 and performed exploration work which included geological mapping focused on the structure and stratigraphy of the Horsefly Property area in an attempt to better define the down dip continuation of massive sulphide lenses and location of extensions of the favourable stratigraphic unit. Thirty-four samples were analyzed using lithium borate fusion and X-ray fluorescence to classify rock types based on SiO₂ and TiO₂ abundance. Three diamond drill holes totalling 934 meters were drilled to test the Packsack showing to a depth of a reported 250 m below surface. Drill holes DDH 90-1 and DDH 90-2 intersected pyrite seams and veinlets and quartz (pyrite) veins, and minor concentrations of chalcopyrite, pyrrhotite, and sphalerite. No sample was taken from DDH 90-3 due to low concentration of sulphides. Assay results of drill holes DDH 90-1 and DDH 90-2 are presented in the following tables.

Table 3 Summary of 1990 drilling results at Packsack showing

Drill Hole	Interval (feet)	Width (feet)	Gold (ppb)	Silver (ppm)	Copper (ppm)	Zinc (ppm)	Lead (ppm)
90-1	144.5 – 146.8	2.3	<10	0.8	476	4580	16
	727.0 – 729.5	2.5	24	0.8	348	383	8
	729.5 – 732.5	3.0	24	1.6	240	2030	200
	732.5 – 736.2	3.7	232	10.9	1010	4710	1820
	736.2 – 737.5	1.3	<10	<0.4	81	473	10
	737.5 – 739.2	1.7	40	2.1	216	5340	537
	739.2 – 744.2	5.0	<10	1.4	273	1770	309
90-2	723.0 – 728.2	5.2	56	0.9	1260	68	4
	746.2 – 749.8	3.6	<10	1.0	1970	126	10
	934.0 – 939.0	5.0	56	0.8	1260	228	15

Based on three drill hole results it was concluded that the massive sulphide zone thins at depth and the grade decreases from marginal to moderately anomalous but of little economic interest. Because of the narrow widths and low base/precious metal grades no further work was recommended on the Packsack showing at that time.

Atna Resources Ltd. – 1995 (Horsefly and Steelhead) (AR24, 368)

Atna Resources Ltd. optioned the Horsefly and Steelhead properties in 1994 from Ecstall Mining Corporation who acquired the claims from C. Graf. Atna Resources Ltd. carried out exploration work on Horsefly and Steelhead areas which included line-cutting, geological mapping and a Max-Min Electromagnetic survey in August-September 1995. During the period from September 26 to October 6, 1995, a total of 1,076 m diamond drilling in eight drill holes was completed during the period from September 26 to October 6, 1995, out of which seven drill holes were placed to test the reported geophysical conductors. All drill holes were drilled at an azimuth of 80° and an angle -45°. A 20 metre wide zone of strong chloritic alteration and disseminated and semi-massive copper bearing sulphide mineralization was outlined by two drill holes (DDH 95HF-6 and 95HF-8) on the south end of the Horsefly grid. This zone is reported to have a strike length of 90 metres and is open along strike and down dip. Diamond drill hole locations and highlights of assay results are shown on Figure 3 of the Report. These assay results are from 31 core samples, whereas an additional 49 samples were collected but never assayed. These samples are reported to be in storage. The style of mineralization was

interpreted as stockwork mineralization associated with a feeder zone in a volcanic-hosted massive sulphide system. Further diamond drilling was recommended to follow up on this zone. Drill testing of three other electromagnetic anomalies outlined in 1995 survey was also recommended, but not completed. Summary of drill results are presented in the following table.

Table 4: Summary of 1995 drilling results at Horsefly and Steelhead showings

Drill Hole	Mineralization Summary	Interval (metres)	Cu (ppm)	Pb (ppm)	Zn (ppm)	Ag (ppm)	Au (ppb)
95 HF-1	Argillite horizon at 38 m, mineralized with 20 to 30% coarse pyrrhotite and minor chalcopyrite.	4.6 at 38 m depth	270	1,276	362	13.8	24
95HF-2	Bottom of the hole tested a strong narrow conductor, intersected 1.2 m thick argillite horizon similar to surface exposures.	1.2 m at 122 m depth	No samples reported, commonly 5 to 10% pyrrhotite with traces of chalcopyrite.				
95HF-3	Tested a strong narrow conductor, intersected a 6 m thick argillite horizon, mineralized with coarse pyrite, pyrrhotite and trace chalcopyrite.	6.0 m at 58 m depth	8 core samples collected but not assayed commonly 5 to 10% pyrrhotite with traces of chalcopyrite.				
95HF-4	Tested a narrow conductor 10 m east of Horsefly showing, 3 to 5% sulphides over much of its length.	0.3 m at 72.0 m depth	5.637%	109	6,876	30.3	553
		0.6 m at 75 m depth	3.532%	208	7,678	20.4	860
95HF-5	Collared to test Horsefly showing and two other conductors.	0.5 m massive sulphide in a 14 m zone of disseminated sulphides at 23 m depth	5,090	900	1.65%	16.6	14
		2.1 m at the bottom of the above zone	3,510	23	4,225	4.0	18
		Two additional disseminated sulphide zones intersected at 102 and 131 m but were not assayed.					
95HF-6	Tested a narrow conductor 10 m to the east of Horsefly showing. 3 horizons from 49 to 55 m.	1.8 m at 49 m depth	5,430	62	2,203	4.7	61
		0.6 m at 55 m	1.005%	101	5,510	6.2	169
	Strongly chloritized quartz augen schist with coarse pyrrhotite, pyrite and chalcopyrite from 92 to 107 m.	19.5 m disseminated mineralization at 92 m depth	Intersection includes copper values of: 4.4 m of 0.105%, 1.5 m of 0.411%, 3.1 m of 1.543%, 4.3 m of 0.301%, 3.1 m of 0.48%, and 3.1 m of 0.32%; and some low anomalous values of Pb, Zn, Ag, and Au.				
95HF-7	Collared west of 95HF-4 to test sulphide zones west of Horsefly, encountered	0.5 m at 133 m depth	1,320	47	3,884	1.9	8

Drill Hole	Mineralization Summary	Interval (metres)	Cu (ppm)	Pb (ppm)	Zn (ppm)	Ag (ppm)	Au (ppb)
	similar mineralization to Hole 95HF-4.						
95HF-8	Two closely-spaced bands of massive sulphide with a combined thickness of 20 cm.	0.20 m at 31 m depth	4,560	1,790	2.49%	27.9	345
	Second mineralized interval from 75.6 to 93.6 m	18 m at 75.6 m depth	The highest grade from this interval returned 0.9 m of 0.991% Cu, and 4.8 m of 0.23% Cu				
	Third mineralized interval from 103 to 112 m	9 m at 103 m depth	The reported copper assays include: 0.6 m of 0.935%, 0.9 m of 2.717%, 1.2 m of 1.286%, 3.1 m of 0.269%, 2.7 m of 0.359%				

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Geological Setting

Regional Geology

(24,368, 20,422) The Horsefly Property is situated near the southern limit of the central region of the Scotia –Quaal metamorphic belt, a 60 km long and 10 to 15 km wide, north-northwest trending pendant within the Coastal Plutonic Complex. The pendant comprises metamorphosed volcanic, sedimentary and intrusive rock. It is bounded to the west by the early Late Cretaceous Ecstall pluton and by the Paleocene to Eocene Quottoon pluton to the east.

S.A. Gareau of the GSC subdivided the belt into eight lithologic units (GSC Open File 2337, 1990). Medium pressure, epidote-amphibolite to upper amphibolite facies metamorphic grades are preserved in the central region of the belt. Metamorphic grade increases gradually across the belt from west to east and from south to north (Figure 4 of the Report). Regional metamorphism has imparted a strong planar fabric on lithologies. This fabric was subsequently deformed by three periods of folding which occurred between the emplacement of the Middle Devonian Big Falls orthogneiss and early Late Cretaceous Ecstall intrusion.

The oldest rocks, of unknown but probably Paleozoic age, comprise metavolcanic, metasedimentary, layered gneiss units and quartzite.

The metavolcanic unit consists of mafic and intermediate metavolcanics interlayered with minor metasedimentary and felsic metavolcanic rocks. It hosts two sub-economic massive sulphide Packsack and Scotia.

Metasedimentary rocks are medium to fine grained, epidote-rich, hornblende-biotite gneisses. The quartzite unit is a white to grey quartzite interlayered with biotite gneiss, mica schist, black

phyllite, pelite and marble. The layered gneissic unit consists of medium-grained, epidote-bearing, hornblende-biotite quartz diorite to granodiorite gneiss and garnet.

The Middle Devonian Big Falls orthogneiss, a well-foliated augen gneiss, lies along the western margin of the belt and grades eastward into the metavolcanic unit over a distance of about 700 metres. This suggests a co-genetic relationship between the intrusive orthogneiss and metavolcanic unit.

Mesozoic rocks include the intrusive Ecstall pluton, late Early Jurassic Johnston Lake and Foch Lake orthogneisses and probable Jurassic or Cretaceous aged ultramafic rocks. All rocks are cut by late stage Tertiary age lamprophyre and hornblende porphyry dykes, and (possible) Eocene age porphyritic hornblende lamprophyre dykes.

The Horsefly Property is underlain by metavolcanic rocks comprising of a metamorphosed interbedded sequence of calcareous, intermediate to felsic volcanoclastic, sedimentary and minor volcanic rocks. Foliation strikes in a northerly direction with an average of 170° and a steep westerly dip ranging from 60° to 85° . This strike is maintained in the eastern property area from Horsefly showing to the Steelhead showing. There is an abrupt change in strike to a northwesterly direction with a steep northeasterly dip just north of Horsefly area but the lithologies remain the same.

The volcanoclastic sedimentary and volcanic rocks are complexly interbedded and generally lack primary textures. Exceptions are some of the sedimentary and pyroclastic rocks on the east side of the Steelhead showing. Narrow beds of argillite occur within the volcanoclastic succession at approximately 50 to 150 metre intervals. The argillite horizons form recessive weathering, distinctive marker horizons and help trace the boundaries of featureless lithologies. A compositional trend from intermediate to felsic is also apparent from east to west in the Steelhead area.

During a mapping program in 1995 by Atna Resources Ltd., the metavolcanic unit was subdivided into: intermediate volcanic and associated metamorphic rocks; metasedimentary and associated metavolcanic rocks; felsic volcanic and associated metavolcanic rocks. Volcanic and volcanoclastic rocks of intermediate composition were divided into 6 mappable units, of which lapilli and crystal tuffs are the most common. Next in abundance are calcareous quartz-chlorite schist and sericite varieties of chlorite schist which generally lack megascopic primary textures and are gradational with siltstones of the metasedimentary sub-division. Massive varieties of this unit may include andesitic flows.

Metasedimentary rocks were divided into 3 mappable units: argillite, siltstone, and calcareous chlorite schist. The argillite unit is siliceous, carbonaceous, pyritic, and recessive-weathering. It occurs in discontinuous beds of calcareous chlorite schist and pyritic quartz-sericite schist. Thin beds of argillite may also occur within the siltstone unit.

Geological map of Scotia – Quaal metamorphic belt.

The Geological map is attached as Schedule B.

Felsic volcanic rocks were divided into 4 mappable units. The most common of these are pyritic rhyolite flows, breccias, tuffs, and quartz sericite schists. The unit is prominently exposed in cliff-forming outcrops on the west side of the Steelhead area. Iron staining from weathered pyrite obscures textures and internal structures. Disseminated pyrite occurs throughout this unit and is present locally as semi-massive bands. At places, chalcopyrite, sphalerite and rare galena are associated with the pyrite.

Unmineralized rhyolite and quartz-sericite schist unit consists of pale grey to white sericite quartz-augen schists. Quartz-sericite schist commonly contains 5 to 10% disseminated pyrite, fine grained pyrrhotite and traces of chalcopyrite.

A late unmetamorphosed unit occurs in both Horsefly and Steelhead areas. Dark green to brown porphyritic hornblende lamprophyre dykes intrude late vertical fault zones. The age of this unit is unknown but may be related to Eocene aged quartz diorite dykes mapped by Gareau (24,368).

Structure

Strong planar fabrics, produced by regional metamorphism, are evident in all lithologies. A primary foliation direction is defined by biotite, chlorite, and muscovite and fragment elongation, parallels original stratigraphy. A second weaker foliation is recognized primarily in drill core and is defined by disseminated biotite porphyroblasts oriented at approximately 30° to the main foliation plane.

Gareau's regional mapping indentified three periods of folding between middle Devonian and early Late Cretaceous time. On a property scale, only small, metre-scale isoclinal folds are evident. Larger scale isoclinal folds are suggested by variation in foliation attitudes recognized on surface and in drill core, but their fold axis are likely sub-parallel to regional strike and therefore are difficult to trace.

Fragmental volcanic rocks on the east side of Steelhead area contain well-preserved primary textures. Abundant lapilli and crystal fragments and rare bombs are evident.

Numerous examples of drawn out volcanic fragments occur in the tuff units. These fragments are likely lapilli to bomb size fragments of pumice which have been compressed because of their low densities. A small number of quartz porphyry fragments within these units are unaffected by the same compaction forces.

Late sub-vertical faults are present in a number of areas. Faults cross cut and parallel stratigraphy. Argillite horizons are often faulted at their contacts. Young lamprophyre dykes intrude these structures (24,368).

Deposit and Models

Deposit Models

Based on the property geology and mineralization, the most probable deposit model for the Horsefly Property is volcanogenic massive sulphide (VMS) deposit type.

Volcanogenic massive sulphide (VMS) deposits are also known as volcanic-associated, volcanic-hosted, and volcano-sedimentary-hosted massive sulphide deposits. They typically occur as lenses of polymetallic massive sulphide that form at or near the seafloor in active submarine volcanic environments where they are deposited from metal-enriched fluids associated with seafloor hydrothermal convection. Their immediate host rocks can be either volcanic or sedimentary. VMS deposits are major sources of Zn, Cu, Pb, Ag and Au, and significant sources for Co, Sn, Se, Mn, Cd, In, Bi, Te, Ga and Ge. Some also contain significant amounts of As, Sb and Hg. Because of their polymetallic content, VMS deposits continue to be one of the best deposit types for security against fluctuating prices of different metals (Galley et. al., 2007). These deposit types are also known as volcanic-exhalative deposits in contrast to the similar SEDEX (sedimentary exhalative) deposits which are formed in sedimentary sequences.

Most VMS deposits have two components. There is typically a mound-shaped to tabular, stratabound body composed principally of massive (>40%) sulphide, quartz and subordinate phyllosilicates and iron oxide minerals and altered silicate wallrock. These stratabound bodies are typically underlain by discordant to semi-concordant stockwork veins and disseminated sulphides. The stockwork vein systems, or "pipes", are enveloped in distinctive alteration halos, which may extend into the hanging-wall strata above the VMS deposit.

Typical Section of a VMS deposit (see Schedule C)

The most common feature among all types of VMS deposits is that they are formed in extensional tectonic settings, including both oceanic seafloor spreading and arc environments. Modern seafloor VMS deposits are recognized in both oceanic spreading ridge and arc, but deposits that are still preserved in the geological record formed mainly in oceanic and continental nascent-arc, rifted arc and back-arc settings. This is because during subduction-driven tectonic activity much of the ancient ocean-floor is subducted, leaving only a few ophiolite suites as remnants of obducted ocean-floor.

Deposit Types

Volcanogenic massive and semi-massive sulphide deposits dominated by pyrite, with generally much less sphalerite and chalcopyrite, minor galena and very little precious metals, occur in two main stratabound zones in the belt. In a western, linear zone are the Ecstall Mine, and Marmot, Pond, and Strike Showings. In an eastern, folded zone are the Packsack and Horsefly/Steelhead Showings.

These massive sulphide deposits were formed by hydrothermal activity associated with late stages of felsic volcanism. The Packsack deposit has a well developed footwall alteration zone. The hanging-wall rocks were formed after the main hydrothermal event, and generally contain only minor sulphides.

One of the earliest hydrothermal events may have been the formation of lenses, patches and veinlets of very fine grained, commonly granular quartz-calcite. These generally are less than 1 cm wide, and are most common in mafic units. They contain very little pyrite or chlorite, and commonly are parallel to foliation.

In the main-stage alteration, footwall rocks were altered slightly to moderately to assemblages of quartz-sericite-chlorite-pyrite-(carbonate). No pervasive silicification was recognized. Sulphides occur mainly as wispy to discrete, very fine to fine grained lenses. Pyrite is by far the most abundant sulphide, and is most common in lenses averaging 1-3mm thick. Textures indicate that sulphides were mobilized into the lenses. In felsic rocks, pyrite commonly also forms 0.5-2% disseminated, extremely fine grains. In mafic rocks, it locally forms patches of medium to coarse, disseminated, cubic grains. The average pyrite content of the footwall alteration zone is 1-3%. Some thin mafic units between felsic units contain abundant lenses and patches of pyrite (a reported 10% of the rock). Sphalerite forms disseminated grains and patches, commonly associated with and interstitial to pyrite. Chalcopyrite and pyrrhotite are concentrated in coarser grained patches that probably formed by remobilization during the later stages of deformation.

Lenses of massive and semi-massive sulphides are up to a few metres thick. Sphalerite and chalcopyrite generally form interstitial grains and patches in massive sulphide, and occur in adjacent, altered felsic volcanic rocks and quartz veins as coarser grained lenses and patches. Semi-massive sulphide commonly grades into strongly altered rhyolite/ rhyodacite which consists of quartz and sericite with 5-15% sulphides (mainly pyrite).

Early veins, a reported few metres across (averaging 2-10cm) are dominated by fine to coarse grained, milky quartz. Locally these contain moderately abundant patches of one or more calcite, chlorite, and sulphides. Large quartz veins occur mainly in the southeastern part of the Horsefly Property. Pyrite and chlorite are common in quartz veins in the footwall of the massive sulphide. Chalcopyrite and pyrrhotite occur in quartz veins in and near the massive sulphide zone (both below and above), commonly as medium to coarse grained clots averaging 0.3-1 cm in size (Payne, J.G. 1990 – AR 20,422).

Exploration Criteria:

The following are the major exploration criteria for Canadian VMS deposits and key attributes of VMS-hosting volcanic complexes.

1. The deposits occur in volcanic belts from Late Archean to Eocene in which extension is indicated by relatively primitive (tholeiitic to transitional) bimodal volcanism in nascent arc, rifted arc and back-arc environments. Some obducted seafloor-spreading centers and rifted continental margins are also prospective.
2. VMS formation occurs during periods of major ocean-closing and terrane accretion. This includes the Late Archean (2.8-2.69 Ga), Paleoproterozoic (1.92-1.87 Ga), Cambro-Ordovician (500-450 Ma), Devonian-Mississippian (370-340 Ma), and Early Jurassic (200-180 Ma).
3. In effusive flow-dominated settings in oceanic arc and continental margin arcs, VMS can be associated with 15-25 km-long mafic to composite synvolcanic intrusions. These intrusions are Na-rich and depleted in low field strength elements and have low airborne radiometric responses but commonly show magnetic halos due to surrounding zones of high-temperature fluid interaction. Exploration should be focused a reported 3000 m up-section in the co-magmatic volcanic suites in the hanging wall of the intrusions. Rhyolites

with high Zr (>300 ppm), negative chondrite-normalized Eu anomalies, (La/Yb) N<7, (Gd/Yb) N<2 and Y/Zr< 7 define high-temperature (>900°C) felsic volcanic environments favourable for VMS formation. The presence of synvolcanic dike swarms and exhalite horizons are indicative of areas of high paleo-heat flow.

4. In continental back arc, bimodal siliciclastic-dominated settings aeromagnetic surveys can be used to identify spatially extensive Fe-formations to target hydrothermally active paleo-seafloor horizons. Variations in the mineralogy of the iron formations and varying element ratios can serve as vectors toward high-temperature hydrothermal centers. Volumetrically minor sill-dike complexes also may identify higher temperature hydrothermal centers.
5. In upper greenschist-amphibolite metamorphic terranes distinctive, coarse-grained mineral suites commonly define VMS alteration zones. These include chloritoid, garnet, staurolite, kyanite, andalusite, phlogopite and gahnite. More aluminous mineral assemblages commonly occur closer to a high temperature alteration pipe. Metamorphic mineral chemistry, such as Fe/Zn ratio of staurolite, is also a vector to ore. These largely refractory minerals have a high survival rate in surficial sediments, and can be used through heavy mineral separation as further exploration guides in till-covered areas.
6. Mineralogy and chemistry can be used to identify large-scale hydrothermal alteration systems in which clusters of VMS deposits may form. Broad zones of semiconformable alteration will show increases in Ca-Si (epidotization-silicification), Ca-Si-Fe (actinolite-clinozoisite-magnetite), Na (spilitization), or K-Mg (mixed chlorite-sericite±K-spar). Proximal alteration associated with discordant sulphide-silicate stockwork vein systems includes chlorite-quartz-sulphide- or sericite-quartz-pyrite±aluminosilicate-rich assemblages and is typically strongly depleted in Na and Ca due to high-temperature feldspar destruction. In addition to geochemical analysis, X-ray diffraction, PIMA and oxygen isotope analysis can assist in vectoring towards higher-temperature proximal alteration zones and associated VMS mineralization. Although PIMA has been used most effectively on alteration systems that contain minerals with a high reflective index, there has been some success in identifying greenschist facies minerals within Precambrian VMS hydrothermal systems.

Mineralization

The Horsefly showing is a pyritic massive sulphide horizon which is exposed in three creeks over a strike length of 100 metres. Sampling by Noranda geologists returned assays of a reported 1.16% copper, 4.6% zinc, 0.13% lead and 39 gram/tonne silver. An additional sampling of this showing by Atna geologists in 1994 confirmed the Noranda results.

Sulphide mineralization at the south end of the showing consists of a 30 cm thick bed of banded pyrite with sphalerite, chalcopyrite and pyrrhotite, dipping to the west at 55°. Twenty five metres north, in a second creek exposure, the zone has narrowed to two sulphide bands measuring 5 and 10 cm in thickness. The banded massive pyrite horizons lie within a broad zone of disseminated pyrite. The north end of the showing is exposed in a third creek approximately 100 metres north of

the southern outcrop. At this site, the sulphide horizon is exposed in two limbs of tightly folded west dipping synform. Pyrite concentration of 30% with chalcopyrite is exposed over a width of 2 metres. Sulphides are hosted by calcareous chlorite schist dipping to the west at 80°. Additional pyritic horizons occur east and west of the showing. These horizons are commonly hosted by quartz-sericite schist and may contain chalcopyrite and pyrrhotite in low concentration.

Siliceous argillite horizons are also commonly mineralized with disseminated pyrite, pyrrhotite and rare chalcopyrite. Sampling in 1994 by Atna indicated that the argillites are also geochemically anomalous in zinc and lead.

Mineralization on the Steelhead area is associated with pyritic rhyolite, quartz sericite-schist, and breccias. Sampling by Noranda geologists obtained isolated copper and zinc assays of a reported 1.65% copper and 3.8% zinc. Concentrations of chalcopyrite or sphalerite occur with higher concentrations of pyrite and pyrrhotite, but mineralization lacks continuity. Some of the mineralization appears to occur in coarse breccia fragments.

Black siliceous argillite horizons in the Steelhead area are also mineralized with disseminated pyrite, pyrrhotite and rare chalcopyrite.

Mineralization intercepted in diamond drill holes in 1995 exploration work was classified into the following four categories.

1. Disseminated pyrite, pyrrhotite with traces of chalcopyrite is common in quartz-sericite schist. Pyrite occurs as euhedral, medium grained disseminated crystals. Pyrrhotite occurs in fine grained disseminated blebs and thin laminations. Chalcopyrite content is variable but commonly associated with pyrrhotite.
2. Banded massive sulphide mineralization consists of 60 to 80% pyrite with chalcopyrite and sphalerite. It is similar to the Horsefly surface showing but is much thinner.
3. Coarse aggregates of pyrrhotite, pyrite and chalcopyrite in siliceous argillite horizons on the west side of Steelhead grid. This style of mineralization is highly anomalous in lead and low in copper concentration.
4. Chalcopyrite associated with large irregular aggregates of pyrrhotite in a strongly chloritized quartz augen schist. This mineralization is low in lead, zinc and precious metals. The mineralogy and alteration suggests that it is related stockwork mineralization found in the footwalls of massive sulphide system. (AR 24,368).

The Packsack showing is a stratabound, volcanogenic massive sulphide occurrence in strongly deformed mafic to felsic volcanic rocks. It consists of two massive sulphide bodies, 170 m apart, occurring within the quartz-sericite schist, and are associated with a 600 m long and 34 m wide shear zone. The southern body is a reported 6 metres wide and traced for 365 metres, consists of massive pyrite with minor chalcopyrite, chalcocite and sphalerite. The mineralized body is open at depth and along strike in both directions and appears to be thickening and more zinc rich (relative

to copper) with depth. The northern body is a reported 0.6 m wide. Disseminated pyrite is common in the quartz-sericite schist (AR 15756).

Exploration

The Company has not carried out any exploration work on the Property.

Drilling

No drilling was done on the Horsefly Property by the Company. Any historical drilling done prior to the Company's involvement is in the history section of the said Report.

Sampling method and approach

The Horsefly Property area was traversed to view local geological conditions, rock outcrops, and local structural trends and controls of mineralization. For the present study the grab rock samples were collected from core boxes stored on site from the 1990 drill program. The sampling approach for this reconnaissance work was to collect representative samples from the available core. A total of 7 samples of core were collected and placed in marked poly bags, sealed with zap straps, and shipped to the laboratory for analysis. All samples were under the care and control of the Author.

All of samples collected by the Author were taken directly to Acme Analytical Laboratories ("Acme") in Vancouver, BC where they were analyzed for 36-element ICP-MS with a Group 1DX2 analysis.

Winrock has not undertaken exploration on the Property and therefore, the author is unable to comment on the Company's sampling method.

Convention would be to collection duplicate samples (none collected) and insert blank and known standards into the sample stream (none were inserted). Additionally, separate laboratories would be used to check for inter-laboratory variations (none were used). These would be examined statistically to see if the blanks returned true zeros (none were tested), the duplicate samples returned reasonably similar results (none were returned) and that the laboratory standards were reported within reasonable accuracy (none were tested).

Sample preparation, analysis and security

All the rock samples collected by the Author for the present study work were prepared and analyzed by Acme in Vancouver, an accredited laboratory in Canada. Acme Canada has consistently achieved Certificates of Laboratory Proficiency from the Standards Council of Canada for precious and base metal analysis. All rock samples were crushed to -10 mesh followed by pulverizing a 250-gram split to -150 mesh (95%). A 30-gram cut of the -150-mesh material from each sample was then analyzed for using Aqua Regia Digestion / ICP-MS Multi Element Analysis.

All sample pulps and rejects are stored by Acme in Vancouver, British Columbia. All of the samples are recorded in a number of digital database formats, using Excel spreadsheets.

For the present study, the sample preparation, security and analytical procedures used by the laboratories are considered adequate. No officer, director, employee or associate of the Company was involved in sample preparation.

The author is unable to comment on the quality control measures utilized by previous workers. This information was not noted in the reports reviewed by the author. The convention would be to collect duplicate samples and insert blank and known standards into the sample stream. Additionally, separate laboratories would be used to check for inter-laboratory variations. These would be examined statistically to see if the blanks returned true zeros, the duplicate samples returned reasonably similar results and that the laboratory standards were reported within reasonable accuracy.

The author is of the opinion that the description of sampling methods and details of location, number, type, nature and spacing or density of samples collected and the size of the area covered are all adequate for the current stage of exploration for the Property.

Data Verification

The Author has carried out a visit to the Horsefly Property on November 10, 2010 by helicopter from Prince Rupert.

The Author collected 7 samples in 2010 from the core that was stored on site from the 1990 drill program. The sample descriptions in Table 2 and assay results Table 3 (full results in Appendix B of the Report).

There was no bias for the samples taken in the sampling program completed during the property visit which was undertaken to test the repeatability of sample results obtained from previous sampling campaigns.

The Author is of the opinion that the description of sampling methods and details of location, number, type, nature and spacing or density of samples collected, and the size of the area covered are all adequate for the current stage of exploration for the Horsefly Property.

Author Collected Samples

Sample No	Drill Hole Number	Depth Feet	Comments
PS-01	90-2	684-703	fine to locally coarse grained diorite/gabbro
PS-02	90-2	684-703	fine to locally coarse grained diorite/gabbro
PS-03	90-2	722-741	pyritic Felsitic, with local concentrations of chalcopyrite, and galena, dacite/latite
PS-04	90-2	722-741	pyritic Felsitic, with local concentrations of chalcopyrite, and galena, dacite/latite
PS-05	90-2	722-741	pyritic Felsitic, with local concentrations of chalcopyrite, and galena, dacite/latite
PS-06	90-1	721-740	rhyolite to rhodacite
PS-07			rhyolite to rhodacite core location unknown.

Based on the available data all appear to be representative and there is no apparent sample biases. The Author is unaware of any environmental liabilities associated on the Horsefly Property.

Historical (pre-NI 43-101) grades and tonnages referred to herein are taken from BC Minister of Mines reports and are deemed reliable as indications of the local mineral potential. Historical geological descriptions taken from the British Columbia Minfile database were prepared and approved by accredited professional geologists or engineers of their time and are deemed reliable.

Field description of the samples collected during the February 23, 2008 property visit is provided in the following table.

Highlights of the assay results are provided in the following table.

Highlights of Sample Assay Results

Sample	Cu PPM	Pb PPM	Zn PPM	Mn PPM	Fe %	Au PPB
PS01	1112.4	13.5	132	881	14	50.1
PS02	270.7	17.8	75	586	9.16	9.6
PS03	457.3	4.8	62	571	9.9	22
PS04	306.5	3.6	96	792	10.65	22.1
PS05	2545.8	7	63	385	13.96	130.3
PS06	163.8	8	352	748	5.6	7.8
PS07	38.7	2.6	585	1049	4.73	4.2

The data collected during the present study is considered reliable because it was collected by the Author. The data quoted from other sources is also deemed reliable because it was taken from, the assessment reports approved by the BC Ministry of Energy, Mines and Petroleum Resources, and other published geological and engineering reports and journals. The Authors of these reports were accredited professionals of that time.

Adjacent Properties

Not applicable.

Mineral Processing and Metallurgical Testing

No metallurgical testing was done on the Horsefly Property by the Company.

Mineral Resource and Mineral Reserve Estimates

No Mineral Resource or Mineral Reserve estimates were calculated by the Company. The historical estimates referred to in this Report were made by earlier workers prior to implementation of NI 43-101 and are therefore not to be relied upon.

Other Relevant Data and Information

There is no additional information relevant to the Horsefly Property at this time.

Interpretation and Conclusions

The Horsefly Property is underlain by metavolcanic rocks comprising of a metamorphosed interbedded sequence of calcareous, intermediate to felsic volcanoclastic, sedimentary and minor volcanic rocks. Regionally the Horsefly Property is situated near the southern limit of the central region of the Scotia–Quaal metamorphic belt, a 60 km long and 10 to 15 km wide, north-northwest trending pendant within the Coastal Plutonic Complex. The pendant comprises metamorphosed volcanic, sedimentary and intrusive rock. It is bounded to the west by the early Late Cretaceous Ecstall pluton and to the east by the Paleocene to Eocene Quottoon pluton. Strong planar fabrics, produced by regional metamorphism, are evident in all lithologies on the Property. A primary foliation direction, defined by biotite, chlorite, muscovite and fragment elongation, parallels original stratigraphy.

The Horsefly Property is located to the south of Ecstall deposit discovered in 1890 which is reported to contain 8 million tons resources at an average grade of 0.9% Cu, 3.1% Zn, 0.01% Pb, 0.8 oz/ton Ag, and 0.013 oz/ton Au. This resource estimate pre-dates the introduction of NI 43-101, and is consequently not to be relied upon. There are several other mineral showings located in the vicinity of the Horsefly Property and within the same stratigraphic package.

Cautionary statement: Investors are cautioned that the potential quantity indicated above has not been verified by the Author nor does it comply with the current NI 43-101 standards. It has been provided only for illustration purposes. At this time, there is insufficient public information to verify the information.

Packsack, Horsefly, and Steelhead are three mineral showings, containing mainly copper and zinc, located on the Property. These showings were discovered during the late 1950's to the late 1960's and were worked by various operators until 1995. This historical exploration work included airborne and ground geophysical survey, prospecting, geological mapping, and diamond drilling.

Exploratory drilling on Packsack showing included 11 drill holes totalling 881 metres in 1960 and three drill holes totalling 934 metres in 1990. Based on 1960 drilling, unclassified (not NI 43-101 compliant) resources on Packsack showing were estimated to be 2.7 million tonnes grading 0.5% copper, 0.2% zinc, 0.01% lead, 34 grams per tonne silver and 0.3 grams per tonne gold (Minfile No. 103H 013). The drilling in 1990 failed to intersect any significant down dip extension of massive and disseminated sulphide mineralization, therefore no further work was recommended in this area. Geophysical surveys indicated various conductors in this area, out of which one 600 m long conductive zone was tested by above-mentioned diamond drilling while two other conductors were recommended for a follow up geological and prospecting work in 1975.

Cautionary statement: Investors are cautioned that the potential quantity indicated above has not been verified by the Author nor does it comply with the current NI 43-101 standards. It has been

provided only for illustration purposes. At this time, there is insufficient public information to verify the information.

Exploratory drilling on Horsefly and Steelhead showings included eight drill holes totalling 1,076 metres diamond drilling in 1995. Five drill holes from this program on Horsefly showing intersected mineralization ranging in thickness from 0.3 m to 3.0 m, with 0.5% to 5.637% copper and anomalous values of zinc, gold and silver. These assay results were from 31 core samples, while an additional 49 samples were collected but never assayed. The style of mineralization was interpreted as stockwork mineralization associated with a feeder zone in a volcanic-hosted massive sulphide system. This zone is reported to have a strike length of 90 metres and is open along strike and down dip. Follow up geological and trenching work was also recommended on another geophysical conductor defined as a satellite zone, located west of the baseline of the Horsefly grid in 1986.

Past exploration work also delineated several untested geophysical conductors in other areas of the Horsefly Property, which require further evaluation.

The Horsefly showing is a pyritic massive sulphide horizon which is exposed in three creeks over a strike length of 100 metres. Similarly, mineralization on the Steelhead area is associated with pyritic rhyolite, quartz sericite-schist, and breccias.

Based on the property geology and mineralization, the most probable deposit model for the Horsefly Property is a volcanogenic massive sulphide (VMS) deposit type. These massive sulphide deposits were interpreted to be formed by hydrothermal activity associated with late stages of felsic volcanism. The Packsack deposit has a well developed footwall alteration zone. The hanging-wall rocks were formed after the main hydrothermal event, and generally contain only minor sulphides.

The Horsefly Property can be accessed along Ecstall River by helicopter available at Prince Rupert. For transportation of drill rigs and other heavy equipment an alternate way is by barge from Kitimat to Kitkiata, and thence by helicopter for 15 km to the Property. Ecstall Lake, located immediately south of the Property, is suitable for float planes.

The data presented in this Report is based on published assessment reports available from Winrock, the British Columbia Ministry of Mines, Minfile data, the Geological Survey of Canada, and the Geological Survey of BC.

All the consulted data sources are deemed reliable. The data collected during the course of present study is considered sufficient to provide an opinion about the merit of the Horsefly Property as a viable exploration target.

Based on its past exploration history, favourable geological and tectonic setting, presence of surface mineralization, and the results of present study, it is concluded that the Horsefly Property is a property of merit with a good potential for discovery of additional copper, zinc, silver and gold, mineralization. Property access is difficult, and deep snow accumulations are typical for

this area, which limits the exploration season from July to late October. The historical exploration data collected by previous operators on the Horsefly Property provides the basis for a follow-up work program.

The Author is of the opinion that the present study has met its original objectives and provides the basis for listing on the CNSX.

The Author is of the opinion that the description of sampling methods and details of location, number, type, nature and spacing or density of samples collected and the size of the area covered are all adequate for the current stage of exploration for the Property.

Recommendations

In the Author's opinion the character of the Horsefly Property is sufficient to merit the following phased work program.

The recommended work includes compilation of all the historical geological, geophysical drilling, and geochemical data available for the Horsefly Property in GIS format for further interpretation. This compilation work will include geo-referencing historical survey grids, drill holes, samples, trenches, and detailed geological maps.

A geophysical survey and geological reconnaissance program should be conducted as follows:

- Ground HLEM and magnetic surveys, and follow-up geological and trenching work on the satellite zone located west of the historical Horsefly grid baseline;
- Ground HLEM and magnetic survey to the north and south of the historical Steelhead grid. This work should be followed by geological reconnaissance work and trenching if warranted;
- If still available, chemical analysis of 49 core samples collected during 1995 drill program but never assayed; and
- Soil sampling at detailed grid spacing in areas of poor exposures with thick overburden.

The estimated budget for the program is \$75,000.

Ground HLEM and Mag Surveys	\$30,000
Soil sampling and detailed grid	25,000
Assays	1,500
Field transportation (helicopter)	10,000
Camp costs (food and lodging)	5,000
Reports and maps	<u>3,500</u>
TOTAL	\$75,000

There is no surface or underground plant or equipment on the Horsefly Property.

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

USE OF PROCEEDS

Proceeds and Funds Available

The Company will have the following funds available for its future use:

	Minimum Offering Funds Available ¹	Maximum Offering Funds Available ¹
Gross Proceeds of Offering	\$300,000	\$400,000
Less: the Commission ²	30,000	40,000
Net Proceeds of Offering	270,000	360,000
Working Capital as at March 31, 2012	<u>29,000</u>	<u>29,000</u>
Total	\$299,000	\$389,000

¹ Assumes that the Agent does not exercise the Option.

² Assumes the Agent receives the entire Commission in cash.

Principal Purposes

The Company intends to use the net available funds as follows:

To pay the balance of the costs of the Offering ¹	\$ 60,000	\$ 60,000
Work program on the Horsefly Property ²	75,000	75,000
Administrative Expenses for 12 months following the closing of the Offering ³	102,000	102,000
Unallocated working capital	<u>62,000</u>	<u>152,000</u>
Total	\$299,000	\$389,000

¹ Includes legal fees, audit fees, filing fees with the regulatory authorities and securities commissions, the balance of the Corporate Finance Fee (assuming the balance is paid in cash) and the Agent’s expenses (less costs already paid of \$22,000) and incidental Offering costs.

² See “Business of the Company – The Horsefly Property” for details of the proposed budget.

³ Includes management fees of \$60,000 which will be paid to directors and/or officers of the Company, office costs of \$12,000, transfer agent fees of \$5,000, professional fees of \$10,000 and miscellaneous costs (including travel and government fees) of \$15,000. See “Management’s Discussion and Analysis” and “Executive Compensation”.

The Company will spend the funds available on the completion of this Offering to carry out its proposed exploration program as set out in “Business of the Company”. There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. The Company will only redirect the funds to other properties on the basis of a written recommendation from an independent professional geologist or engineer.

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

Business Objectives and Milestones

Following the completion of the Offering, the Company intends to carry out the program recommended in the Report. The recommended program consists of geophysical survey and geological reconnaissance at an estimated cost of \$75,000. See “Use of Proceeds”.

The exploration program is expected to commence upon completion of this Offering and satisfactory weather conditions. The program is estimated to be completed within three to four months after commencement.

DIVIDENDS OR DISTRIBUTIONS

The Company has not, since its incorporation on August 16, 2010, paid any dividends on any of the Common Shares. The Company has no present intention to pay dividends. The future dividend policy will be determined by the Board of Directors on the basis of earnings, financial requirements and other relevant factors.

MANAGEMENT’S DISCUSSION AND ANALYSIS

Overall Performance

From August 16, 2010, the date of incorporation, to January 31, 2012, the Company’s primary focus has been to raise funds from the sale of its Common Shares, the acquisition and exploration of the Horsefly Property and to prepare for a listing on the CNSX.

Selected Annual Information

The following table sets forth selected financial information for the Company, summarized from the unaudited condensed interim financial statements for the six month period ended January 31, 2012 and the audited financial statements for the period from August 16, 2010 to July 31, 2011 and should be read in conjunction with the said financial statements and related notes that are included elsewhere in this Prospectus.

	(Unaudited) Six months ended January 31, 2012 (IFRS) \$	(Audited) For the period from August 16, 2010 (date of incorporation) to July 31, 2011 (Canadian GAAP) \$
Revenue	Nil	Nil
Operating Expenses	105,223	137,520
Net Loss	105,223	137,520
Basic and diluted loss per share	0.04	0.09
Total Assets	107,389	152,408
Total Liabilities	87,100	49,000
Capital Stock	196,600	196,600
Contributed Surplus	66,432	44,328
Deficit	242,743	137,520

Results of Operations

To date the Company has not generated any revenue as it is currently exploring its Horsefly Property.

The Company had no revenues for the six month period ended January 31, 2012. During the six months ended January 31, 2012, the Company's comprehensive loss of \$105,223 was all derived from operating expenses comprised of the following: consulting fees totalling \$31,350 (Period from August 16, 2010 to January 31, 2011 - \$25,100), exploration expenses of \$12,919 (Period from August 16, 2010 to January 31, 2011 - \$19,240), office and miscellaneous expenses of \$300 (Period from August 16, 2010 to January 31, 2011 - \$168), professional fees of \$34,500 (Period from August 16, 2010 to January 31, 2011 - \$1,023), rent of \$4,050 (Period from August 16, 2010 to January 31, 2011 - \$1,556) and share-based payments of \$22,104 (Period from August 16, 2010 to January 31, 2011 - \$44,328).

The Company incurred a net loss of \$137,520 for the period from August 16, 2010 (date of incorporation) to July 31, 2011. Significant expenditures during this period included consulting fees totalling \$55,100, mineral property exploration expenditures of \$16,780, stock-based compensation (non-cash item) of \$44,328, professional fees of \$15,623 and rent of \$4,398. Upon completion of the Offering, the Company intends to carry out the program recommended in the Report at an estimated cost of \$75,000.

Summary of Quarterly Results

The Company became a reporting issuer on November 30, 2011. Accordingly, the Company was not required to, and did not prepare quarterly statements for any period prior to that date.

Liquidity and Capital Resources

As at July 31, 2011, the Company had working capital of \$81,728. As at January 31, 2012, the Company had working capital of \$5,289. The decrease in working capital resulted from costs associated with the Company's preparation for an initial public offering of its Common Shares. To date, the Company has relied entirely upon the sale of Common Shares to generate working capital for exploration activities and to fund the administration expenses of the Company. Since the Company does not expect to generate any revenues in the near future, it will continue to rely primarily upon the sale of Common Shares to raise capital. There can be no assurance that financing will be available to the Company when required.

The Company has financed its operations primarily through the proceeds of the sale of its Common Shares. The Company incurred a total of \$21,680 for mineral property acquisition costs and \$16,780 in exploration expenditures on the Horsefly Property from incorporation to July 31, 2011, consisting of \$16,552 in geological surveys, consulting and reports and \$228 in assay and recording. The initial retainers of \$22,000 paid to the Agent were recorded as a deferred financing cost.

During the six month period ended January 31, 2012, the Company incurred \$12,919 in exploration expenditures on the Horsefly Property consisting entirely of claim renewals and filings. At October 31, 2011, the Company wrote off filing fees related to the Horsefly Property previously capitalized in the amount of \$6,680.

Current liabilities as at July 31, 2011 consisted of accounts payable and accrued liabilities of \$14,500 and an amount due to a related party of \$34,500. As at January 31, 2012, current liabilities consisted of accounts payable and accrued liabilities of \$21,250 and an amount due to a related party of \$65,850.

At present, there are no known demands, commitments, events or uncertainties that would adversely affect the trends and expected fluctuations in the Company's liquidity. Upon completion of the Offering, it is expected that the Company will have available funds of \$299,000 if the Minimum Offering is completed or \$389,000 if the Maximum Offering is completed. The Company believes that this amount will be adequate to meet its business objectives and projected working capital and other cash requirements for at least 12 months following completion of the Offering. However, there can be no assurance that these funds will be sufficient and the Company may have to evaluate additional means of financing, including additional debt or equity financings. See "Risk Factors" and "Use of Proceeds".

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Related Party Transactions

Paul Dickson, Harvey D. Dick, Edward Drummond and Derrick Strickland have been granted options to purchase an aggregate of 550,000 shares at a price of \$0.20 per share for three years after the listing of the Company's shares on the CNSX. See "Options to Purchase Securities" and "Promoters".

During the period from incorporation to July 31, 2011 the Company incurred an aggregate of \$50,000 for consulting fees payable to two of its directors, Paul Dickson and Harvey D. Dick. Mineral property expenses included \$6,052 for the reimbursement of travel costs related to geological services paid to a company of which Derrick Strickland is a director, \$5,680 for reimbursement of claim fees paid to a director, Paul Dickson, and \$1,000 for acquisition costs paid to a family member of a director, Paul Dickson.

During the six month period ended January 31, 2012 the Company incurred an aggregate of \$30,000 (Period from August 16, 2010 to January 31, 2011 - \$25,100) for consulting fees payable to two of its directors, Paul Dickson and Harvey D. Dick. Mineral property expenses included \$6,239 (Period from August 16, 2010 to January 31, 2011 - \$9,241) for reimbursement of claim fees paid to a director, Paul Dickson. As at January 31, 2012, amounts payable to these directors was \$65,850 and are included in due to related parties.

Critical Accounting Estimates

Mineral Property Interests

The Company defers all costs related to acquisitions of in mineral property interests on a property-by-property basis, net of any recoveries and expense all mineral property expense incurred. The costs incurred to date do not necessarily reflect present or future values. Costs are deferred until such time as the extent of mineralization has been determined and mineral property interests are either developed or the Company's mineral rights are allowed to lapse.

All deferred mineral property acquisition costs are reviewed quarterly, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company's assessment of its ability to sell the interest for an amount exceeding the deferred costs, provision is made for the impairment in value.

From time to time the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as property costs or recoveries when the payments are made or received.

Financial Instruments

All financial instruments are classified as one of the following: held-to-maturity, loans and receivables, held-for-trading, available-for-sale or other financial liabilities. Financial assets and liabilities held-for-trading are measured at fair value with gains and losses recognized in net income (loss). Financial assets held-to-maturity, loans and receivables, and other financial liabilities are measured at amortized cost using the effective interest method. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) and reported in shareholders' equity. Any financial instrument may be designated as held-for-trading upon initial recognition.

Transaction costs that are directly attributable to the acquisition or issue of financial instruments that are classified as other than held-for-trading, which are expensed as incurred, are included in the initial carrying value.

Outstanding Securities

The Company has one class of voting securities, being common shares without par value. As at January 31, 2012, 5,732,000 Common Shares were issued and outstanding. As at the date of this Prospectus, 5,732,000 Common Shares are issued and outstanding. As at the date of this Prospectus, the Company has no securities convertible into, or exercisable or exchangeable, for Common Shares, except for 550,000 options granted to the directors, officers, and employees of the Company, exercisable at \$0.20 per Common Share for a period of three years from the date of listing of the Common Shares on the CNSX.

Administration

During the first year after completion of this Offering, the Company estimates that the aggregate monthly cost of administration will be approximately \$8,500 and the total aggregate annual cost will be approximately \$102,000. These annual costs are comprised of management fees (\$60,000), transfer agent fees (\$5,000), professional fees (\$10,000) and other costs (travel, government fees, office and miscellaneous costs of \$27,000).

Additional Disclosure

During the period from incorporation (August 16, 2010) to July 31, 2011 the Company has incurred exploration and development costs of \$16,780 on the Horsefly Property and \$120,740 in

general and administrative costs. During the six month period ended January 31, 2012, the Company has incurred exploration and development costs of \$12,919 on the Horsefly Property and \$92,304 in general and administrative costs.

The proceeds raised under the Prospectus will fund the operations of the Company for a period of one year from closing the Offering.

IFRS 1, First-time Adoption of International Financial Reporting Standards (“IFRS”)

IFRS 1 provides entities adopting IFRS for the first time with a number of optional exemptions and mandatory exceptions, in certain areas, to the general requirement for full retrospective applications of IFRS. The purpose of the options is to provide relief to companies and simplify the conversion process by not requiring them to recreate information that may not exist or may not have been collected at the inception of the transaction.

The unaudited condensed interim financial statements for the six months ended January 31, 2012 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”) and IFRS 1, First-Time Adoption of IFRS (“IFRS 1”). An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Company is provided in note 11 to the unaudited condensed interim financial statements. The Company has consistently applied the same accounting policies in the opening IFRS balance sheet as at August 16, 2010 (date of incorporation) and throughout all periods presented, as if these policies had always been in effect.

The unaudited condensed interim financial statements for the three month period ended October 31, 2011 have also been included in this Prospectus to provide the reader with information regarding the effects of the transition to IFRS on the Company to October 31, 2011.

Mineral Properties, Exploration and Development Costs

IFRS currently allows exploration and evaluation expenses to be either capitalized or expensed. The Company has maintained its current policy of expensing exploration and evaluation expenses.

Impairment of Mineral Properties

Canadian GAAP provides for a 2 step test with no impairment being required if the undiscounted future expected cash flows relating to an asset are higher than the carrying value of that asset. Under IFRS, the undiscounted cash flows are not considered and an impairment is recorded when the recoverable amount (defined as the higher of ‘value in use’ and ‘fair value less costs to sell’) is below the asset’s carrying value. Impairment under this approach may generate a greater likelihood of write-down in future.

Write down to net realizable value can be reversed under IFRS if the conditions of impairment ceased to exist. This difference in approach between Canadian GAAP and IFRS could result in potentially significant volatility in earnings. The transition to IFRS did not result in any adjustment to the Company’s financial statements.

Asset Retirement Obligations

IFRS defines asset retirements obligations (“ARO”) as legal or constructive obligations. Under IFRS, ARO is calculated using a current pre-tax discount rate (which reflects current market assessment of the time value of money and the risk specific to the liability) and is revised every reporting period to reflect changes in assumptions or discount rates. Under Canadian GAAP, ARO is calculated using a current credit-adjusted, risk-free rate for upward revisions and the original credit-adjusted, risk-free rate for downward revisions. The original liability is not adjusted for changes in current discount rate. The change in calculation of ARO and the discounting process will likely generate some changes in the value of ARO on transition. The Company does not have any ARO’s at this time.

Share Based Payments

Under IFRS, each installment is to be treated as a separate share option grant with graded-vesting features, forfeitures are to be estimated at time of grant and revised if actual forfeitures are likely to differ from previous estimates and options granted to parties other than employees are measured on the date the goods or services received. The concept of employees and others providing similar services under IFRS is a broader concept. The Company is currently recording its share based payment expenses on a straight line basis over the vesting period and forfeitures as they occur. The transition to IFRS did not impact the Company’s financial statements.

The Company continues to monitor IFRS standards development as issued by the International Accounting Standard Board and the regulators which may affect the timing, nature and disclosure of the Company’s adoption of IFRS.

DESCRIPTION OF SECURITIES DISTRIBUTED

The Company is authorized to issue an unlimited number of common shares without par value, of which as of the date hereof 5,732,000 are issued and outstanding as fully paid and non-assessable. The holders of the common shares are entitled to share pro rata in any dividends if, as and when declared by the Board of Directors. The holders of the common shares are entitled to receive notice of and attend all meetings of the shareholders of the Company and are entitled to one vote in respect of each common share held at such meetings. In the event of liquidation, dissolution or winding-up of the Company, the holders of common shares are entitled to share rateably the remaining assets of the Company. There are no special rights or restrictions of any nature attached to any of the common shares, all of which rank equally as to all benefits which might accrue to the holders of the common shares.

CAPITALIZATION

There has been no material change in the share capital of the Company since July 31, 2011, being the date of the Company’s audited financial statements.

The following table summarizes the Company's capitalization and should be read in conjunction with the audited financial statements appearing elsewhere in this Prospectus:

Designation of Security	Amount Authorized	Amount Outstanding at July 31, 2011 (audited)	Amount Outstanding at the date of this Prospectus	Amount to be Outstanding upon Completion of the Offering^{1/2/3}
Common Shares	Unlimited number	5,732,000	5,732,000	9,792,000
Warrants	N/A	N/A	Nil	2,000,000
Options	N/A	550,000	550,000	550,000

¹ This figure assumes that the Agent does not exercise the Option and the Agent did not elect to receive the balance of the Corporate Finance Fee and Commission in Units.

² If the Option and the Agent's Options are exercised in full, but assuming that the Agent did not elect to receive the balance of the Corporate Finance Fee and Commission in Units, the amount outstanding upon completion of the Offering will be 10,852,000 Common Shares and 2,530,000 Warrants.

³ Assuming the Maximum Offering is completed.

OPTIONS TO PURCHASE SECURITIES

Incentive Stock Options

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

Category	Aggregate Options Granted	Exercise Price	Market Value of Securities Underlying Options on the Date of Grant (\$/Security)¹	Expiry Date
Options held by all executive officers of the Company	150,000 ²	\$0.20	N/A	Three years after the listing of the Common Shares on the CNSX
Options held by all directors of the Company who are not also executive officers	400,000 ³	\$0.20	N/A	Three years after the listing of the Common Shares on the CNSX

¹ As the common shares were not listed on the CNSX at the date of grant, the market value of the securities underlying the options on the date of grant is not available.

² These options are held by Paul Dickson.

³ These options are held by Harvey D. Dick, Derrick Strickland and Edward J. Drummond.

Stock Option Plan

The Board of Directors of the Company has adopted an incentive stock option plan (the "Stock Option Plan") which reserves for issuance a maximum of 10% of the Company's issued and outstanding share capital at the time of a grant of options under the Stock Option Plan. The Stock Option Plan will be administered by the Board of Directors and provides for grants of

options to directors, executive officers, employees, consultants, management company employees or their permitted assigns (collectively the “Optionees”) of the Company at the discretion of the Board of Directors.

The term of any options granted under the Stock Option Plan will be fixed by the Board of Directors and may not exceed ten years. The exercise price of options granted under the Stock Option Plan will be determined by the Board of Directors, and if the common shares are listed on the CNSX, the exercise must not be lower than the last closing sales price for such common shares as quoted on the CNSX for the market trading day immediately prior to the date of grant of the option, less any discount permitted by the CNSX.

Any options granted pursuant to the Stock Option Plan will terminate upon the earliest of:

- (i) the expiration date of the option;
- (ii) the end of the period of time permitted for exercise of the option (such period of time to not be in excess of six months), to be terminated by the Board of Directors at the time of the grant of an option, after the Optionee ceases to be an Optionee for any reason other than death, disability or employment with cause;
- (iii) the 30th day after the Optionee who is engaged in investor relations activities for the Company ceases to be employed to provide such activities;
- (iv) the date on which an Optionee is terminated for cause;
- (v) the first anniversary of the date on which an Optionee ceases to be an employee or consultant on account of disability; and
- (vi) the first anniversary of the date of death of an Optionee.

The Stock Option Plan also provides for adjustments to outstanding options in the event of any merger, consolidation, amalgamation, recapitalization, reclassification, split, reverse split, combination of shares. The Board of Directors may, at its discretion at the time of any grant, impose a schedule over which period of time the option will vest and become exercisable by the Optionee.

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

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

- (b) materially modify the requirements as to the eligibility for participation in the Stock Option Plan which would have the potential of broadening or increasing Insider participation;
- (c) add any form of financial assistance or any amendment to a financial assistance provision which is more favourable to participants under the Stock Option Plan;
- (d) add a cashless exercise feature, payable in cash or securities, which does not provide for a full deduction of the number of underlying securities from the Stock Option Plan; and
- (e) materially increase the benefits accruing to participants under the Stock Option Plan.

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

- (a) amendments to the Stock Option Plan of a housekeeping nature;
- (b) a change to the vesting provisions of a security or the Stock Option Plan; and
- (c) a change to the termination provisions of a security or the Stock Option Plan which does not entail an extension beyond the original expiry date.

PRIOR SALES

From incorporation to the date of this Prospectus, the Company issued the following Common Shares:

<u>Date</u>	<u>Number of Common Shares</u>	<u>Issue Price per Share</u>
August 16, 2010	1	\$1.00
September 2, 2010	1,500,000	\$0.005
October 5, 2010	2,450,000	\$0.02
November 27, 2010	762,000	\$0.05
December 26, 2010	510,000	\$0.10
December 31, 2010	(1)	--
March 10, 2011	<u>510,000</u>	\$0.10
	5,732,000	

From incorporation to the date of this Prospectus, the Company issued the following securities convertible into Common Shares:

<u>Date</u>	<u>Number and Type of Securities</u>	<u>Exercise Price</u>
January 11, 2011	450,000 Incentive Stock Options	\$0.20
July 14, 2011	100,000 Incentive Stock Options	\$0.20

ESCROWED SECURITIES

The following table sets forth details of the securities of the Company to be held in escrow as of the date of the Prospectus.

<u>Designation of Class</u>	<u>Number of common shares Held in Escrow ^{1/2}</u>	<u>Percentage of Class upon Completion of Offering (Maximum Offering) ³</u>
Common	3,350,000	34.21%

¹ Common shares held in escrow (the “Escrowed Shares”) pursuant to an escrow agreement (the “Escrow Agreement”) dated February 10, 2011 among the Company, Computershare Investor Services Inc. and certain shareholders of the Company.

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

³ Assuming the Option is not exercised and the Agent does not elect to take in any Units as payment of its Commission or Corporate Finance Fee.

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

PRINCIPAL SECURITYHOLDERS

As of the date of this Prospectus, the only persons known by the Company to own, control, directly or indirectly, or exercise control, or direction over voting securities carrying 10% or

more of the voting rights attached to any class of voting securities of the Company are as follows:

Name and Municipality of Residence	Number of Shares beneficially owned and of record	Percentage of Shares Outstanding Prior to Offering	Percentage of Shares Outstanding after Offering³
Paul Dickson North Vancouver, B.C.	1,125,000	19.63%	11.49% ¹
Tyro Industries Ltd. ² Vancouver, B.C.	625,000 ²	10.9%	6.38% ¹
Harvey D. Dick Vancouver, B.C.	1,600,000	27.91%	16.34% ¹

¹ Following the completion of the Offering, the issued and outstanding share capital of the Company, assuming the Agent has not exercised the Option and the Agent did not elect to receive the balance of the Corporate Finance Fee and Commission in Units, will be 9,792,000 Common Shares. The shareholdings of Messrs. Dickson, Strickland and Dick and/or their holding companies (assuming no Common Shares are purchased by them pursuant to the Offering, assuming the exercise of their stock options) will be 12.45%, 7.57% and 17.09% respectively. Following the completion of the Offering and listing on the CNSX, the fully-diluted share capital of the Company, assuming the Maximum Offering, the Agent has exercised the Option and that the Agent elects to receive the balance of the Corporate Finance Fee and Commission in Units will be 15,047,000 Common Shares. The shareholdings of each of Messrs. Dickson, Strickland and Dick and their holding companies (assuming the exercise of their stock options and assuming no Common Shares are purchased by them pursuant to the Offering) on a fully-diluted basis will be 8.47%, 5.15% and 11.63% respectively (assuming their option has been exercised).

² Tyro Industries Ltd. is Mr. Strickland's wholly owned company.

³ Assumes that the Maximum Offering has been completed.

FULLY DILUTED SHARE CAPITAL

The following table sets out the number of and percentage of the securities of the Company proposed to be outstanding on a fully diluted basis (assuming exercise of the Option and that the Agent elects to receive the balance of the Corporate Finance Fee and Commission in Units) after giving effect to the Offering and on listing of the Common Shares on the CNSX.

	<u>No. of Shares</u>	<u>Percentage of Total</u>
Balance outstanding at the date of this Prospectus	5,732,000	38.09%
Offering - maximum	4,000,000	26.58%
Offering Warrants exercised – maximum	2,000,000	13.29%
Shares comprising Additional Units	600,000	3.99%
Warrants comprising Additional Units	300,000	1.99%
Shares comprising Agents Option Units	460,000	3.06%
Warrants comprising Agents Option Units	230,000	1.53%

	<u>No. of Shares</u>	<u>Percentage of Total</u>
Shares comprising Commission Units	460,000	3.06%
Warrants comprising Commission Units	230,000	1.53%
Shares comprising CF Units	150,000	0.99%
Warrants comprising CF Units	75,000	0.49%
Corporate Finance Shares	60,000	0.40%
Exercise of Incentive Stock Options	550,000	3.66%
Shares issued for Property	<u>200,000</u>	<u>1.33%</u>
Total shares outstanding on a fully diluted basis	15,047,000	100%

DIRECTORS AND EXECUTIVE OFFICERS

Each director of the Company holds office until the next annual general meeting of the shareholders of the Company or until his successor is duly elected or appointed, unless his office is earlier vacated in accordance with the articles of the Company or he becomes disqualified to act as a director. As at the date of this Prospectus, the number and percentage of the Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, by all of the directors and executive officers of the Company is 3,350,000 or 58.44%. Upon completion of the Maximum Offering, assuming the Agent has not exercised the Agent's Option or the Option, the Agent has elected not to receive the balance of the Corporate Finance Fee or the Commission in Units, and the directors and officers have not exercised their Incentive Stock Options or purchased any Common Shares under the Offering, the number and percentage of the Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, by all of the directors and executive officers of the Company will be 3,350,000 or 34.21%.

The names, province and country of residence, positions and offices, and principal occupations of each of the directors and executive officers of the Company are as follows:

<u>Name, Province and Country of Residence</u>	<u>Office Held</u>	<u>Principal Occupation for past Five Years</u>
Paul Dickson ³ B.C., Canada	President and Director since August 17, 2010 CEO since September 1, 2010	President and Co-Publisher of Resource World Magazine
Derrick Strickland ² B.C., Canada	Director since August 17, 2010	Professional Geologist
Harvey D. Dick ^{1/2} B.C., Canada	Director since August 16, 2010	Director of public companies

Name, Province and Country of Residence	Office Held	Principal Occupation for past Five Years
Robert Anderson ³ B.C., Canada	CFO since March 16, 2011	Accountant
William E. Schmidt B.C., Canada	Secretary since August 17, 2010	Barrister & Solicitor
Edward J. Drummond ^{1/2} B.C., Canada	Director since July 14, 2011	Chief Operating Officer of Kingsman Resources Inc.

¹ Member of the Nominating and Corporate Governance Committee.

² Member of the Audit and Finance Committee.

³ Member of the Disclosure Committee.

MANAGEMENT

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

Paul Dickson – Age 38 – President, Chief Executive Officer and Director

Mr. Dickson is responsible for the day-to-day management of the Company.

Prior to serving as President and CEO of Winrock Resources Inc., Mr. Dickson co-founded Resource World Magazine Inc. in 2002, a monthly magazine reporting on the business of mining, oil & gas and alternative energy and the events that affect these sectors. Mr. Dickson has served as Vice President and co-publisher of Resource World for nine years. Mr. Dickson has previously completed the Directors program at Simon Fraser University.

He will spend approximately 25% of his working time on the Company's business. He has not entered into a non-competition or non-disclosure agreement with the Company.

Derrick Strickland – Age 45 – Director

Mr. Strickland is an independent director.

Mr. Strickland is a professional geologist. He received a B.Sc. Geology from Concordia University in April 1993 and an MBA from the University of Phoenix in February 2001. He received his British Columbia Professional Geologist designation (P.Geol.) in January 2002. He has more than 18 years of industry experience as a geological consultant.

Mr. Strickland is currently a director of the following TSX-V companies: New Shoshoni Ventures Ltd. since October 2004 and Bastion Resources Ltd. since December 2009. He was previously a director of Ringbolt Ventures Ltd. (now North American Potash Developments Inc.) from June 2006 to January 2012, Challenger Development Corp. from January 2008 to

December 2011, E-Energy Ventures Ltd. from February 2009 to June 2011, Xenex Minerals Ltd. from June 2006 to June 2011, Gem International Resource Corp. from September 2010 to June 2011, International Samuel Exploration Corp. from January 2007 to October 2010, Bold Ventures Inc. from October 2009 to August 2010; Enwin Resources Inc. (OTC-US) from January 2002 to February 2007 and Gravity West Mining Corp. from June 2007 to May 2009. He was an officer of Ringbolt Ventures Ltd. (now North American Potash Developments Inc.) from June 2006 to October 2008.

He will spend approximately 10% of his working time on the Company's business. He has not entered into a non-competition or non-disclosure agreement with the Company.

Harvey D. Dick – Age 79 – Director

Mr. Dick was the President of Jet Gold Corp. (formerly Veto Resources Ltd.), a mineral exploration company, from December 1995 to May 2003 and a director of Jet Gold Corp. from August 1995 to February 2006. He has been a director of TAC Gold Corp. since March, 2010 and a Director of Regal Resources Inc. since January, 2006 as well as President from January 2006 until January, 2010 and CEO from January 2006 to January 2010. Mr. Dick received an B.A. Degree in Economics from the University of British Columbia in 1957.

He will spend approximately 10% of his working time on the Company's business. He has not entered into a non-competition or non-disclosure agreement with the Company.

Robert W. Anderson – Age 57 – Chief Financial Officer

Mr. Anderson has been the CFO of the Company since March 16, 2011. His responsibilities include maintaining the financial reporting systems of the Company, provide accurate financial information to senior management and directors, establish and maintain positive working relationships with bankers, insurance providers, directors and auditors, ensure that all statutory and regulatory filings are made on a timely basis and liaise with regulatory authorities as required with respect to financial matters. Mr. Anderson is an accountant with experience in the mining industry with the Canadian operations of Amax Inc. He has been CFO and/or Secretary for public mining and exploration companies. Mr. Anderson is the President of RWA Management Services Ltd., which provides accounting and management services to public and private companies. He was also CFO for TAC Gold Corporation and Regal Resources Inc. Mr. Anderson is also a director of Hi Ho Silver Resources Inc. and chairman of their audit committee.

He will spend approximately 10% of his working time on the Company's business. He has not entered into a non-competition or non-disclosure agreement with the Company.

Edward J. Drummond – Age 65 – Director

Mr. Drummond has been Chief Operating Officer and a director of Kingsman Resources Inc. since June 2006.

He will spend approximately 5% of his working time on the Company's business. He has not entered into a non-disclosure agreement with the Company.

William E. Schmidt – Age 70 – Secretary

Mr. Schmidt is responsible for the corporate secretarial work of the Company.

Mr. Schmidt is currently a director of Exchequer Resource Corp., San Antonio Ventures Inc. and Noram Ventures Inc. He is a former director and/or officer of Oroya Minerals Inc., One World Investments Inc., Bold Ventures Inc., Discovery Ventures Inc., Gold Standard Ventures Corp., San Marco Resources Inc., First Bauxite Corporation, Unbridled Energy Corp., San Telmo Energy Ltd., Clifton Star Resources Inc., Stronghold Metals Inc. and Lignol Energy Corporation. He has a Bachelor of Arts Degree (1966) and Bachelor of Law Degree (1969) from the University of British Columbia.

Mr. Schmidt will spend 5% of his working time on the Company's business.

Prior to the date of this Prospectus, Mr. Schmidt's law firm had received legal fees for performing legal work to the Company. He is not an employee of the Company. Mr. Schmidt has not entered into a non-competition or non-disclosure agreement with the Company.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

Corporate Cease Trade Orders

As at the date of this Prospectus, no director or executive officer of the Company is, or within the ten years prior to the date of this Prospectus has been, a director, chief executive officer or chief financial officer of any company (including the Company), that:

- (a) was the subject to
 - (i) a cease trade order (including any management cease trade order which applied to directors or executive officers of a company, whether or not the person is named in the order); or
 - (ii) an order similar to a cease trade order; or
 - (iii) an order that denied the relevant company access to any exemption under securities legislation;

that was in effect for a period of more than 30 consecutive days (an "Order"); that was issued while the director or executive officer was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer, or

- (b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer, save and except Robert Anderson was a director and CFO of Molystar Resources Inc. which was cease traded by the B.C. Securities Commission on May 11, 2009 because it failed to prepare the audited financial statement and management discussion and analysis for the financial year ended December 31, 2008. Further, the Ontario Securities Commission issued a temporary cease trade order against Molystar Resources Inc. on May 13, 2009, which was replaced by a permanent cease trade order on May 25, 2009, due to its failure to file annual financial statements and management's discussion and analysis for its financial year ended December 31, 2008, and the Alberta Securities Commission issued a cease trade order on August 11, 2009 for its failure to file the annual financial statements and management's discussion and analysis for its financial year ended December 31, 2008 and its interim financial statements and management's discussion and analysis for the interim period ended March 31, 2009. The British Columbia, Alberta and Ontario Securities Commission cease trade orders are all still currently in effect.

Bankruptcy

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

- (a) been a director or executive officer of any company (including the Company), that while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, save and except that Robert Anderson was a director of Algis Autograding Inc., a private company, when it filed for bankruptcy in February 2009;
- (b) become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties and Sanctions

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

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

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

Conflicts of Interest

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

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Company was not a reporting issuer at any time during the most recently completed period ended July 31, 2011.

The Company's executive compensation program is based on similar type and size companies. The Company's compensation program is comparable to the compensation program of newly organized companies that are in the process of initial public distributions and subsequent development such as Discovery Ventures Inc. and Orofino Minerals Inc. Both individual and corporate performance are also taken into account, on a subjective basis at the discretion of the Company's Board of Directors, when determining executive compensation.

Compensation Objectives and Principles

As the Company is in an exploration and development phase with no significant revenue from operations, the Company operates with limited financial resources and controls costs to ensure that funds are available to complete scheduled programs. As a result, the Board of Directors has to consider not only the financial situation of the Company at the time of the determination of executive compensation, but also the estimated financial situation of the Company in the mid- and long-term. An important element of executive compensation is that of stock options which does not require cash disbursement by the Company.

Compensation Process

The Company will rely solely on its Board of Directors, through discussion without any formal objectives, criteria or analysis, in determining the compensation of its executive officers. The

Board of Directors is responsible for determining all forms of compensation, including long-term incentives in the form of stock options to be granted to the Company's Named Executive Officers, and to its directors, and for reviewing the recommendations respecting compensation for any other officers of the Company from time to time, to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining the compensation of its officers, the Board considers: i) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value; ii) providing fair and competitive compensation; iii) balancing the interests of management and the Company's shareholders; iv) rewarding performance, both on an individual basis and with respect to operations in general; and v) available financial resources.

Incentive Stock Options

Long-term incentives in the form of options to purchase Common Shares are intended to align the interests of the Company's directors and its executive officers with those of its shareholders, to provide a long term incentive that rewards these individuals for their contribution to the creation of shareholder value, and to reduce the cash compensation the Company would otherwise have to pay. The Company's Stock Option Plan is administered by the Board of Directors. In establishing the number of the incentive stock options to be granted, reference is made to the number of stock options granted to officers of other publicly traded companies that, similar to the Company, are involved in the mining industry, as well as those of publicly traded Canadian companies of a comparable size to that of the Company in respect of assets. The Board of Directors will also consider previous grants of options and the overall number of options that are outstanding relative to the number of outstanding Common Shares in determining whether to make any new grants of options and the size and terms of any such grants, as well as the level of effort, time, responsibility, ability, experience and level of commitment of the executive officer in determining the level of incentive stock option compensation.

Summary Compensation Table

Paul Dickson has served as President of the Company since August 17, 2010 and Chief Executive Officer of the Company since September 1, 2010 and Robert Anderson has served as Chief Financial Officer since March 16, 2011 (together, the "Named Executive Officers"). No other executive officer of the Company was paid more than \$150,000 in compensation during the last completed financial year. The following summary compensation table provides a summary of the compensation paid to the Named Executive Officers during the period from August 16, 2010 (date of incorporation) to July 31, 2011.

Summary Compensation Table

Name and Principal Position (a)	Year ended July 31 (b)	Salary (\$) (c)	Share-Based Awards (\$) (d)	Option-Based Awards (\$) (e)	Non-equity Incentive Plan Compensation (\$) (f)		Pension Value (\$) (g)	All Other Compensation (\$) (h)	Total Compensation (\$) (i)
					Annual Incentive Plans (f1)	Long-Term Incentive Plans (f2)			
Paul Dickson ¹ President, CEO	2011 ²	Nil	Nil	20,479 ³	Nil	Nil	Nil	25,000	45,479
Robert Anderson CFO	2011 ²	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

¹ Fees paid pursuant to a Contract for Services Agreement dated October 1, 2010. For additional information, please see “Executive Compensation - Termination of Employment, Change in Responsibilities and Employment Contracts” below.

² For the period from August 16, 2010 (date of incorporation) to July 31, 2011, the Company’s financial period end.

³ The grant date fair value of incentive stock options to purchase 150,000 Common Shares at a per share exercise price of \$0.20 for three years from the date of listing of the Common Shares on the CNSX, estimated using the Black-Scholes option pricing model (see the notes to the Company’s audited financial statements for the period ended July 31, 2011, for the assumptions and estimates used for this calculation).

Incentive Stock Options and Stock Appreciation Rights

The following table sets out all incentive stock option grants to the Named Executive Officers during the period from August 16, 2010 (date of incorporation) to July 31, 2011.

Option-Based Awards					Share-Based Awards	
Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiry Date	Value of Unexercised In-the-Money Options (\$) ¹	Number of Shares or Units of Share that have not Vested (#)	Market or Payout Value Of Share-Based Awards that have not Vested (\$) ¹
Paul Dickson President, CEO	150,000 Common Shares ¹	\$0.20 ¹	3 years after Listing of the Common Shares on the CNSX	Nil ¹	Nil	Nil
Robert Anderson CFO	Nil	N/A	N/A	N/A	N/A	N/A

¹ There was no market for the Common Shares underlying the options on the date of grant. The exercise price per Common Share was determined using the price per Unit under the Offering.

No incentive stock options were exercised by the Named Executive Officers during the period from August 16, 2010 (date of incorporation) to July 31, 2011, and there was no value in favour

of Mr. Dickson earned as a result of vesting of his options, as the options will not vest and become exercisable until the date of listing of the Common Shares on the CNSX.

Termination of Employment, Changes in Responsibility and Employment Contracts

As at the financial period ended July 31, 2011 a Contract for Services Agreement was in place between the Company and Paul Dickson.

The Company entered into a Contract for Services on October 1, 2010 (the “Dickson Contract”) with Paul Dickson pursuant to which he has agreed to perform various managerial functions as Manager for the Company and providing other managerial assistance as the Company may request from time to time.

Pursuant to the Dickson Contract, the Company has agreed to pay Mr. Dickson a fee of \$2,500 per month for his services effective October 1, 2010. The Dickson Contract is for a period of five years unless terminated earlier in accordance with the Dickson Contract. Each of the Company and Mr. Dickson has the right to terminate the Dickson Contract. However, if the event of a notice of termination is given before the 15th day of the month, Mr. Dickson shall provide his services if requested by the Company until the last day of the month in which notice is given or if the notice is given after the 15th day of the month, Mr. Dickson shall provide his services for a minimum of ten business days immediately following the date of notice.

Compensation of Administrator

The Company entered into a Contract for Services on October 1, 2010 (the “Dick Contract”) with Harvey Dick pursuant to which he has agreed to perform various administrative functions and providing other assistance as the Company may request from time to time. Pursuant to the Dick Contract, the Company has agreed to pay Mr. Dick a fee of \$2,500 per month for his services effective October 1, 2010. The Dick Contract is for a period of five years unless terminated earlier in accordance with the Dick Contract. Each of the Company and Mr. Dickson has the right to terminate the Dick Contract. However, if the event of a notice of termination is given before the 15th day of the month, Mr. Dick shall provide his services if requested by the Company until the last day of the month in which notice is given or if the notice is given after the 15th day of the month, Mr. Dick shall provide his services for a minimum of ten business days immediately following the date of notice.

Future Compensation

The Dickson and Dick Contracts will continue for a period of five years from the date of execution.

Compensation of Directors

The Company does not pay its directors a fee for acting as such. They are, however, entitled to be reimbursed for reasonable expenditures incurred in performing their duties as directors. The Company may, from time to time, grant to the directors options to purchase Common Shares.

The following disclosure of director compensation for the Company’s most recently completed financial period ended July 31, 2011, excludes compensation of Paul Dickson, in his capacity as

President and Chief Executive Officer of the Company. Mr. Dickson's compensation is disclosed above at "Executive Compensation – Summary Compensation Table".

Name (a)	Fees Earned \$ (b)	Share- based awards(\$) (c)	Option- based awards(\$) (d)	Non-equity incentive plan compensation (\$) (e)	Pension value (\$) (f)	All other compensation \$ (g)	Total (\$) (h)
Derrick Strickland	Nil	Nil	20,479 ²	Nil	Nil	Nil	20,479
Harvey D. Dick	25,000 ¹	Nil	20,479 ²	Nil	Nil	Nil	45,479
Edward J. Drummond ⁽³⁾	Nil	Nil	12,934 ⁴	Nil	Nil	Nil	12,934

¹ For administrative services paid to Mr. Dick pursuant to the Dick Contract as defined and described above under heading "Compensation of Administrator".

² The grant date fair value of incentive stock options to purchase 150,000 Common Shares at a per share exercise price of \$0.20 for three years from the date of listing of the Common Shares on the CNSX, estimated using the Black-Scholes option pricing model (see the notes to the Company's audited financial statements for the period ended July 31, 2011, for the assumptions and estimates used for this calculation).

³ Edward J. Drummond became a director of the Company on July 14, 2011.

⁴ The grant date fair value of incentive stock options to purchase 100,000 Common Shares at a per share exercise price of \$0.20 for three years from the date of listing of the Common Shares on the CNSX, estimated using the Black-Scholes option pricing model (see the notes to the Company's audited financial statements for the period ended July 31, 2011, for the assumptions and estimates used for this calculation).

Outstanding Share-Based Awards and Option-Based Awards

The following table sets out the details of all grant of options to the directors during the most recently completed financial period ended July 31, 2011.

Option-Based Awards					Share-Based Awards	
Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiry Date	Value of Unexercised In-the-Money Options (\$) ¹	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value Of Share-Based Awards that Have not Vested (#) ¹
Harvey D. Dick	150,000 Common Shares ¹	0.20 ¹	3 years from listing the Common Shares on the CNSX	Nil	Nil	Nil
Derrick Strickland	150,000 Common Shares ¹	0.20 ¹	3 years from listing the Common Shares on the CNSX	Nil	Nil	Nil

Option-Based Awards					Share-Based Awards	
Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiry Date	Value of Unexercised In-the-Money Options (\$) ¹	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value Of Share-Based Awards that Have not Vested (#) ¹
Edward J. Drummond	100,000 Common Shares	0.20 ¹	3 years from the listing the Common Shares on the CNSX	Nil	Nil	Nil

¹ There was no market for the Common Shares underlying the options on the date of grant. The exercise price per Common Share was determined using the price per Unit under the Offering.

No incentive stock options were exercised by the directors during the period from August 16, 2010 (date of incorporation) to July 31, 2011, and there was no value in favour of the directors earned as a result of vesting of their options, as the options will not vest and become exercisable until the date of listing of the Common Shares on the CNSX.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND OTHER MANAGEMENT

No director, executive officer, employee, promoter or former director, executive officer, employee or promoter of the Company nor any associate of such person has been indebted to the Company at any time for other than “routine indebtedness”, as that term is defined by applicable securities law; nor was any indebtedness to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the company.

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

Audit and Finance Committee

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

Audit and Finance Committee’s Charter

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

Audit and Finance Committee Members

The Audit and Finance Committee of the Company consists of Edward J. Drummond, Derrick Strickland and Harvey D. Dick. Messrs. Drummond and Strickland are independent and all three

of the Audit Committee members have the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. Mr. Dick is not considered to be independent pursuant to applicable securities legislation as he is an employee of the Company pursuant to the Dick Contract. See "Executive Compensation".

Relevant Education and Experience

All of the Audit and Finance Committee members are businessmen with experience in financial matters; each has an understanding of accounting principles used to prepare financial statements and varied experience as to general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavor. Mr. Drummond has gained financial experience through serving as the Chief Operating Officer of a public mining company. Mr. Strickland holds an MBA. He also serves on the audit committee of another public mining and mineral exploration issuer. Mr. Dick holds a BA in economics and also serves on a number of audit committees of public mining and mineral exploration companies. Mr. Dick has also served as the CEO of a public company and, as such, was responsible for reviewing the financial statements of that company.

Pre-Approved Policies and Procedures for Non-Audit Services

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

External Auditor Fees

Aggregate audit fees, audit related fees, tax fees, and all other fees billed by the Company's external auditor, Smythe Ratcliffe LLP, Chartered Accountants, for the period from August 16, 2010 (date of incorporation) to July 31, 2011, as follows:

For the period from August 16, 2010 (date
of incorporation) to July 31, 2011

Audit fees	10,000
Audit related fees	Nil
Tax related fees	Nil
All other fees	Nil

Reliance on Exemption

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

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial period ended July 31, 2011 has the Company relied on:

- the exemption in Section 2.4 of NI 52-110 – *Audit Committee (De Minimis Non-audit Services)*, or
- an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

CORPORATE GOVERNANCE

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

Board of Directors

The Board of Directors of the Company facilitates its exercise of independent supervision over management by ensuring sufficient representation by directors independent of management. The Board, at present, is composed of four directors. Edward J. Drummond and Derrick Strickland are not employees or officers of the Company. Messrs. Drummond and Strickland are considered to be independent. In determining whether a director is independent, the Board considers, for example, whether the director has a relationship which could, or could be perceived to, interfere with the director's ability to objectively assess the performance of management. On this basis, Paul Dickson, by reason of his office as Chief Executive Officer, is not considered to be independent and Harvey Dick, by reason of the fees paid under the Dick Contract is not considered to be independent.

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

Other Directorships

Certain of the Company's current directors are also directors and officers of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

<u>Name</u>	<u>Reporting Issuer (or equivalent in a foreign jurisdiction)</u>
Paul Dickson	--
Derrick Strickland	Bastion Resources Ltd. New Shoshoni Ventures Ltd.
Harvey D. Dick	Regal Resources Inc. Tac Gold Corp.

Name	Reporting Issuer (or equivalent in a foreign jurisdiction)
Edward J. Drummond	Kingsman Resources Inc.

Orientation and Continuing Education

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

Ethical Business Conduct

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

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

Nomination of Directors

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

- (a) the appropriate size of the Company's Board;
- (b) the needs of the Company with respect to the particular talents and experience of its directors;

- (c) personal and professional integrity of the candidate;
- (d) level of education and/or business experience;
- (e) broad-based business acumen;
- (f) the level of understanding of the Company's business and the industry in which it operates and other industries relevant to the Company's business;
- (g) the ability and willingness to commit adequate time to Board and committee matters;
- (h) the fit of the individual's skills and personality with those of other directors and potential directors in building a Board that is effective, collegial and responsive to the needs of the Company;
- (i) the ability to think strategically and a willingness to share ideas; and
- (j) diversity of experiences, expertise and background.

Compensation

The Board of Directors is responsible for determining all forms of compensation to be granted to the Chief Executive Officer of the Company and the other officers, directors and/or employees of the Company (see "Executive Compensation – Termination of Employment, Change in Responsibilities and Employment Contracts").

Committees of the Board of Directors

The Board has only three committees: the Audit and Finance Committee, a Nominating and Corporate Governance Committee and the Disclosure Committee.

The Disclosure Committee's function is to ensure that information required to be disclosed by the Company in reports that it files or submits under applicable securities legislation is recorded, processed, summarized and reported within the time periods specified in the applicable rules and forms.

Assessments

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

PLAN OF DISTRIBUTION

The Company entered into an amended and restated agency agreement (the "Agency Agreement") dated April 23, 2012 with the Agent, pursuant to which the Agent has agreed to offer for sale on a commercially reasonable efforts basis, a minimum offering of 3,000,000 Units and a maximum offering of 4,000,000 Units (each Unit consists of one Common Share and one-half of one share purchase warrant (a "Warrant")). Each whole Warrant entitles the holder to

purchase one Common Share at \$0.12 per share for a period of 12 months from the closing date of the Offering. The offering price was determined by negotiation between the Company and the Agent.

The completion of this Offering is subject to a minimum subscription of 3,000,000 Units. Closing of the Offering is conditional upon the minimum offering being sold on or before May 28, 2012. If the minimum subscription is not attained by the aforementioned date, all funds raised hereunder will be retained by the Agent in trust and refunded to investors without interest or deduction.

The CNSX has conditionally accepted the listing of the Company's Common Shares. Listing is subject to the Company fulfilling all the listing requirements of the CNSX.

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

The Agent will receive the Commission equal to 10% of the gross proceeds of the Offering, payable in cash, Commission Units, or any combination thereof, at the election of the Agent on the closing of the Offering. The Agent will also be paid the Corporate Finance Fee of \$25,000 plus applicable taxes, of which \$10,000 plus HST has been advanced as a non-refundable due diligence fee, with the remaining \$15,000 plus HST to be paid in cash, CF Units or any combination thereof at the Agent's election. The Company will issue to the Agent 60,000 Corporate Finance Shares on the closing of the Offering.

The Agent will be granted the Agent's Option, entitling the Agent to acquire Units equal to 10% of the number of Units sold under the Offering at an exercise price of \$0.10 per Unit, for a period of 36 months from the date of listing of the Common Shares on the CNSX. This Prospectus qualifies the grant of the Agent's Option and the issuance of the Commission Units and the CF Units and the Corporate Finance Shares, to the extent the same are "Qualified Compensation Securities" as defined herein.

The Agent will also be reimbursed for reasonable expenses in relation to the Offering. The Agent has received a retainer of \$22,000 for such expenses.

The Company has granted to the Agent the Option exercisable, in whole or in part, until the closing of the Offering, to solicit and accept subscription agreements for up to 15% (the "Additional Units") of the Maximum Offering. If the Option is exercised in full, the total price to the public, the Commission (assuming the Commission is fully paid in cash) and proceeds to the Company would be \$460,000, \$46,000 and \$414,000 respectively. The Option and Additional Units are also qualified under this Prospectus.

National Instrument 41-101 – *General Prospectus Requirements* restricts the number of securities being issued to an Agent as compensation which may be qualified under a prospectus

("Qualified Compensation Securities"), to a maximum of 10% of the Units. In the case of the Maximum Offering assuming the Option has not been exercised, the number of Qualified Compensation Securities will be limited to 400,000 Units. For the purposes of this Offering, any combination of the Commission Units, CF Units, the Corporate Finance Shares, and the Units issuable pursuant to the Agent's Option which exceed 10% of the Units sold, will not be Qualified Compensation Securities, will not be qualified for distribution under this Prospectus and will be subject to a four month hold period in accordance with applicable securities laws.

The Agent reserves the right to offer selling group participation, in the normal course of the brokerage business to selling groups of other licensed dealers, brokers or investment dealers, who may or may not be offered part of the Commission or Agent's Option derived from this Offering.

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

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

The directors, officers and other insiders of the Company may purchase Units from this Offering. The price of the Units and the terms of this Offering have been determined by negotiations between the Company and the Agent.

The Agent will have a right of first refusal to provide all or any part of any further financings on or before the first anniversary of the closing of the Offering.

RISK FACTORS

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

Exploration Stage Company

The Company is engaged in the business of acquiring and exploring mineral properties in the hope of locating economic deposits of minerals. The Horsefly Property is in the exploration stage and is without a known deposit of commercial ore. Exploration for minerals is a speculative venture necessarily involving substantial risk. The program proposed by the Company is an exploratory search for ore. There is no certainty that the expenditures to be made by the Company in the acquisition and exploration of the interests described herein will result in discoveries of commercial quantities of ore. The Property does not contain any known body of commercial ore and the development will occur only if satisfactory exploration results are obtained.

Development of the Horsefly Property will only follow upon obtaining satisfactory exploration results. There can be no assurance that the Company's existing or future exploration programs

will result in the discovery of commercially viable deposits. Further, there can be no assurance that even if an economic deposit of minerals is located, that it can be commercially mined. The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

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

Limited Business History

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

No Established Market

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

Operating Loss

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

Mineral Exploration and Development

Resource exploration and development is a speculative business and involves a high degree of risk. The marketability of natural resources which may be acquired or discovered by the

Company will be affected by numerous factors beyond the control of the Company. There is no assurance that, even if commercial quantities of mineral resources are discovered, a profitable market will exist for the sale of the same. There can be no assurance that mineral prices will be such that the Property can be mined at a profit. Factors beyond the control of the Company may affect the marketability of any minerals discovered. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. Currency fluctuations may affect the cash flow which the Company may realize from its operations since most mineral commodities are sold in a world market in US dollars. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

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

The Horsefly Property includes mineral claims which have not been surveyed, and therefore, the precise location of the mineral claims may be in doubt.

Property Interests

There is no guarantee the Company will be able to raise sufficient funding in the future to explore and develop the Horsefly Property so as to maintain its interests therein. If the Company loses or abandons its interest in the Horsefly Property, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the CNSX. There is also no guarantee that the CNSX will approve the acquisition of any additional properties by the Company, whether by way of option or otherwise, should the Company wish to acquire any additional properties.

Uncertainty of Estimates

There is a degree of uncertainty attributable to the calculation of reserves, resources and corresponding grades being dedicated to future production. Until reserves or resources are actually mined and processed, the quantity of reserves or resources and grades must be considered as estimates only. In addition, the quantity of reserves or resources may vary depending on metal prices. Any material change in the quantity of reserves, resource grade or stripping ratio may affect the economic viability of the Property. In addition, there can be no

assurance that mineral recoveries in small scale laboratory tests will be duplicated in large tests under on-site conditions or during production.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have

experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. The value of the Units distributed hereunder will be affected by such volatility.

Title of Property

While the Company has obtained the usual industry standard title report with respect to its Horsefly Property, this should not be construed as a guarantee of title. The Horsefly Property may be subject to prior unregistered agreements or transfers or alternative native claims and title may be affected by undetected defects.

Dependence on Management

The Company is dependent on a relatively small number of key personnel, the loss of any one of whom could have an adverse effect on the Company. The Company does not maintain key-person insurance on the lives of any of its key personnel. In addition, while certain of the Company's officers and directors have experience in the exploration of mineral producing properties, the Company will remain highly dependent upon contractors and third parties in the performance of its exploration and development activities. There can be no guarantee that such contractors and third parties will be available to carry out such activities on behalf of the Company or be available upon commercially acceptable terms.

Competition

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

Environmental Risks and Other Regulatory Requirements

The current or future operations of the Company, including exploration and development activities and commencement of production on its properties, require permits from various levels of government. Such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational

health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. The Company believes it is in substantial compliance with all material laws and regulations that currently apply to its activities. There can be no assurance however, that all permits which the Company may require for construction of mining facilities and conduct of mining operations, particularly environmental permits, will be obtainable on reasonable terms or that compliance with such laws and regulations would not have an adverse effect on the profitability of any mining project that the Company might undertake.

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

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

Uninsured or Uninsurable Risks

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

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

The Company does not have insurance to adequately protect itself against certain risks associated with mineral exploration. Even if it were to obtain insurance, the Company will remain at risk and will be potentially subject to liability for hazards which it cannot insure against or which it may elect not to insure against because of premium cost or other reasons.

Infrastructure

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

Factors Beyond the Company's Control

Location of mineral deposits depends upon a number of factors, not the least of which is the technical skill of the exploration personnel involved. The exploration and development of mineral properties and the marketability of any minerals contained in such properties will also be affected by numerous factors beyond the control of the Company. These factors include availability of adequate transportation and refining facilities and the imposition of new or amendments to existing taxes and royalties. The effect of these factors cannot be accurately predicted.

Commodity Prices

The price of the Company's securities, its financial results and exploration, development and mining activities have previously been, or may in the future be, significantly adversely affected by declines in the price of precious or base minerals. Precious or base minerals prices fluctuate widely and are affected by numerous factors beyond the Company's control such as the sale or purchase of precious or base metals by various dealers, central banks and financial institutions, interest rates, exchange rates, inflation or deflation, currency exchange fluctuation, global and regional supply and demand; production and consumption patterns. The price of precious or base metals has fluctuated widely in recent years, and future serious price declines could cause continued development of the Company's properties to be impracticable.

Further, reserve calculations and life-of-mine plans using significantly precious or base minerals prices could result in material write-downs of the Company's investment in mining properties and increased amortization, reclamation and closure charges.

In addition to adversely affecting reserve estimates and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed. The effect of these factors cannot be predicted.

Conflicts of Interest

Directors of the Company will not be devoting all of their time to the affairs of the Company. Certain of the directors of the Company serve as directors of other companies or have significant shareholdings in other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such

participation. In the event that such a conflict of interest arises at a Board of Directors meeting, a director who has such a conflict will abstain from voting for or against the approval of such a participation or such terms. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with the laws of the Province of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time. See "Conflict of Interest" above.

Dilution

The Common Shares offered under this Prospectus will be subject to a dilution of \$0.04 per share (40%), calculated based on total gross proceeds to be raised by this prospectus and from the sales of securities prior to filing this prospectus, without deduction of commissions or related expenses incurred by the Company.

Uncertainty of Use of Proceeds

Although the Company has set out its intended use of proceeds from this Offering, the same are estimates only and subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such proceeds.

Stress in the Global Economy

Reduction in credit, combined with reduced economic activity and the fluctuations in the United States dollar, may adversely affect businesses and industries that purchase commodities, affecting commodity prices in more significant and unpredictable ways than the normal risks associated with commodity prices. The availability of services such as drilling contractors and geological service companies and/or the terms on which these services are provided may be adversely affected by the economic impact on the service providers. The adverse effects on the capital markets generally make the raising of capital by equity or debt financing much more difficult and the Company is dependent upon the capital markets to raise financing. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on the Company's business, operating results and financial condition.

Liquidity Concerns and Additional Funding Requirements

The purpose of the present Offering is to raise funds to carry out further exploration on the Company's Horsefly Property with the ultimate objective of establishing ore reserves of commercial tonnage and grade. If the Company's exploration program is successful, additional funds will be required for the development of an economic ore body and to place it in commercial production (see "Horsefly Property – Recommendations"). The only source of future funds presently available to the Company is through the sale of equity capital. The only alternative for the financing of further exploration would be the offering by the Company of an interest in its Property to be earned by another party or parties carrying out further exploration or

development thereof, which is not presently contemplated. There is no assurance that such sources of financing will be available on acceptable terms, if at all.

PROMOTERS

The promoters of the Company are Paul Dickson, Derrick Strickland and Harvey Dick. See “Directors and Executive Officers”, “Management”, “Cease Trade Orders, Bankruptcies, Penalties or Sanctions” and “Executive Compensation”.

The following table provides for each of the promoters (i) the number and percentage of each class of voting securities of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised, and (ii) the number of options granted:

Name	Number of Shares Beneficially owned and of Record ¹	Percentage of Shares Outstanding prior to Offering ³	Number of Options
Paul Dickson	1,125,000	19.63%	150,000
Harvey D. Dick	1,600,000	27.91%	150,000
Derrick Strickland	Nil	Nil	150,000
Tyro Industries Ltd. ²	625,000	10.9%	Nil

¹ These shares are subject to escrow restrictions. See “Escrowed Securities”.

² Wholly owned by Derrick Strickland.

³ Prior to giving effect of the Offering.

During the period from incorporation to July 31, 2011, Paul Dickson has received \$25,000 under his Contract for Services. Harvey D. Dick has received \$25,000 for administration fees. During the six month period ended January 31, 2012, Paul Dickson has received \$15,000 under his Contract for Services. Harvey D. Dick has received \$15,000 for administration fees. See “Executive Compensation”.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

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

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed in this Prospectus, no director, executive officer, or person or company that beneficially owns directly or indirectly, or over which control or direction is exercised, more than 10% of the outstanding voting securities, or an associate or affiliate of any of those persons or companies, has or has had any material interest, directly or indirectly, in any transaction or in any proposed transaction which has materially affected or is reasonably expected to materially affect the Company, since the inception of the Company.

RELATIONSHIP BETWEEN THE COMPANY AND THE AGENT

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

AUDITORS, TRANSFER AGENTS AND REGISTRARS

The Registrar and Transfer Agent for the Company is Computershare Investor Services Inc., 3rd Floor – 510 Burrard Street, Vancouver, B.C.

The Auditor for the Company is Smythe Ratcliffe LLP, Chartered Accountant, of 7th Floor, Marine Building, 355 Burrard Street, Vancouver, B.C. V6C 2G8.

MATERIAL CONTRACTS

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

1. The Amended and Restated Agency Agreement dated April 23, 2012 between the Company and Wolverton Securities Ltd. See “Plan of Distribution”.
2. The Escrow Agreement dated February 10, 2011 between the Company, Computershare Investor Services Inc. and certain shareholders of the Company. See “Escrowed Securities”.
3. The Option Agreement dated October 12, 2010 between David Zamida, Craig Lynes, Dwayne Kress and Richard Billingsley and the Company. See “The Horsefly Property”.
4. Contract for Services dated October 1, 2010 between the Company and Paul Dickson. See “Executive Compensation”.
5. Contract for Services dated October 1, 2010 between the Company and Harvey D. Dick. See “Executive Compensation”.
6. Transfer Agent Agreement with Computershare Investor Services Inc. dated February 10, 2011.
7. Stock Option Agreements dated January 11, 2011 and July 14, 2011.

Material contracts may be inspected at the offices of Thomas, Rondeau LLP at 300 – 576 Seymour Street, Vancouver, BC during normal business hours during the period of distribution of the securities being offered under this Prospectus and for a period of 30 days thereafter.

EXPERTS

Smythe Ratcliffe LLP, Chartered Accountants, have audited the Company's Financial Statements for the period from August 16, 2010 to July 31, 2011. Smythe Ratcliffe LLP has confirmed that they are independent with respect to the Company within the meaning of the Rules of professional Conduct of the Institute of Chartered Accountants of British Columbia.

Glenn Macdonald, P.Geo., is the Company's "Qualified Person" as that term is defined in NI 43-101.

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

OTHER MATERIAL FACTS

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

RIGHT OF WITHDRAWAL AND RESCISSION

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

AUDITORS' CONSENT

We have read the amended and restated prospectus of Winrock Resources Inc. (the "Company") dated April 25, 2012 relating to the offering of a minimum of 3,000,000 units and a maximum of 4,000,000 units of the Company at a price of \$0.10 per unit. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above-mentioned Prospectus of our auditors' report to the directors of the Company on the balance sheet of the Company as at July 31, 2011 and the statements of operations, comprehensive loss and deficit, and cash flows for the period from August 16, 2010 (date of incorporation) to July 31, 2011. Our report thereon is dated October 7, 2011, except as to note 12 which is as of April 25, 2012.

Vancouver, British Columbia
April 25, 2012

Smythe Ratcliffe LLP
Chartered Accountants

WINROCK RESOURCES INC.
(An Exploration Stage Company)

Financial Statements
July 31, 2011

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of Winrock Resources Inc. (an exploration stage company) have been prepared by management in accordance with Canadian generally accepted accounting principles and reflect management's best estimates and judgment based on information currently available. The financial information contained elsewhere in this report has been reviewed to ensure consistency with the financial statements.

Management maintains systems of internal control designed to provide reasonable assurance that the assets are safeguarded. All transactions are authorized and duly recorded and financial records are properly maintained to facilitate the preparation of financial statements in a timely manner. The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Audit Committee of the Board of Directors has reviewed the financial statements with management and the external auditors. Smythe Ratcliffe LLP, an independent firm of chartered accountants, appointed as external auditors by the shareholders, have audited the financial statements and their report is included herein.

"Paul Dickson" (signed)

President

"Robert W. Anderson" (signed)

Chairman

Vancouver, British Columbia
April 25, 2012

INDEPENDENT AUDITORS' REPORT

TO THE DIRECTORS OF WINROCK RESOURCES INC.

(An Exploration Stage Company)

We have audited the accompanying financial statements of Winrock Resources Inc. (an exploration stage company), which comprise the balance sheet as at July 31, 2011, and the statement of operations, comprehensive loss and deficit, and cash flows for the period from August 16, 2010 (date of incorporation) to July 31, 2011, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Winrock Resources Inc. as at July 31, 2011, and the results of its operations and its cash flows for the period from August 16, 2010 (date of incorporation) to July 31, 2011 in accordance with Canadian generally accepted accounting principles.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 1 in the financial statements which indicates that the Company incurred a net loss of \$137,520 during the period from August 16, 2010 (date of incorporation) to July 31, 2011 and, as of that date does not have sufficient cash to meet its property expenditure and overhead obligations for the ensuing 12 months. These conditions, along with other matters set forth in note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Smythe Ratcliffe LLP

Chartered Accountants

Vancouver, British Columbia

October 7, 2011, except as to note 12

which is as of April 25, 2012.

WINROCK RESOURCES INC.
(An Exploration Stage Company)
Balance Sheet
July 31

	2011
Assets	
Current	
Cash	\$ 106,366
Deferred financing costs (note 5)	22,000
HST receivable	2,362
	130,728
Mineral Property Interest (notes 7 and 9(b))	21,680
	\$ 152,408
Liabilities	
Current	
Accounts payable and accrued liabilities	\$ 14,500
Due to related parties (note 9(a))	34,500
	49,000
Shareholders' Equity	
Capital Stock (note 8)	196,600
Contributed Surplus (note 8(d))	44,328
Deficit	(137,520)
	103,408
	\$ 152,408

Subsequent Events (note 12)

Approved on Behalf of the Board:

"Paul Dickson" (signed) _____ Director

"Harvey D. Dick" (signed) _____ Director

WINROCK RESOURCES INC.
(An Exploration Stage Company)
Statement of Operations, Comprehensive Loss and Deficit

	For the period from August 16, 2010 (date of incorporation) to July 31, 2011
Operating Expenses	
Consulting fees (note 9(a))	\$ 55,100
Mineral property exploration expenditures (notes 7 and 9(b))	16,780
Office and miscellaneous	91
Professional fees	15,623
Transfer agent fees	1,200
Rent	4,398
Stock-based compensation (note 8(d))	44,328
Net Loss and Comprehensive Loss for Period	137,520
Deficit, Beginning of Period	-
Deficit, End of Period	\$ 137,520
Basic and Diluted Loss Per Common Share	\$ 0.09
Weighted Average Number of Common Shares Outstanding	1,609,863

WINROCK RESOURCES INC.
(An Exploration Stage Company)
Statement of Cash Flows

	For the period from August 16, 2010 (date of incorporation) to July 31, 2011
Operating Activities	
Net loss	\$ (137,520)
Item not involving cash	
Stock-based compensation	44,328
Changes in non-cash working capital	
HST receivable	(2,362)
Accounts payable and accrued liabilities	14,500
Due to related parties	34,500
Cash Used in Operating Activities	(46,554)
Investing Activity	
Expenditures on mineral property interest	(21,680)
Financing Activities	
Proceeds from issuance of common shares	196,600
Deferred financing costs	(22,000)
Cash Provided by Financing Activities	174,600
Inflow of Cash	106,366
Cash, Beginning of Period	-
Cash, End of Period	\$ 106,366
Supplemental Cash Flow Information	
Interest paid	\$ -
Income taxes paid	\$ -

WINROCK RESOURCES INC.

(An Exploration Stage Company)

Notes to Financial Statements

For the period from August 16, 2010 (date of incorporation) to July 31, 2011

1. NATURE OF OPERATIONS AND GOING CONCERN

Winrock Resources Inc. (the "Company") was incorporated under the *Business Corporations Act* of British Columbia on August 16, 2010. The Company is engaged in the acquisition, exploration and development of mineral properties. The Company is in the process of a prospectus offering and a concurrent listing ("IPO") of its shares for trading on the Canadian National Stock Exchange ("CNSX").

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") on a going concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business for the foreseeable future.

The Company reported a net loss of \$137,520 for the period from August 16, 2010 (date of incorporation) to July 31, 2011 and has an accumulated deficit of \$137,520 as at July 31, 2011. As at July 31, 2011, the Company had \$106,366 in cash and working capital of \$81,728, which is not sufficient to fund the Company's operations for the ensuing 12 months. The Company has an ongoing requirement for capital investment for its mineral property interest and administrative overhead and, accordingly, the Company will need to raise substantial additional capital through equity financing to accomplish its business plan over the next several years. There can be no assurance as to the availability or terms upon which such financing might be available (note 12).

The business of exploring for minerals involves a high degree of risk and there can be no assurance that any of the Company's current or future exploration programs will result in profitable mining operations. The recoverability of amounts shown for mineral property interests is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete their development and establish future profitable operations or realize proceeds from their sale.

Failure to continue as a going concern may require restatement of assets and liabilities on a liquidation basis, which could differ materially from the going concern basis. These financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PRESENTATION

The financial statements are prepared in accordance with Canadian GAAP. The Company's functional and reporting currency is the Canadian dollar. All dollar amounts presented are in Canadian dollars, unless otherwise indicated.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Mineral property interest

The Company defers all costs related to acquisition of mineral property interests on a property-by-property basis, net of any recoveries, and expenses all mineral property exploration expenditures as incurred. The costs incurred to date do not necessarily reflect present or future values. Costs are deferred until such time as the extent of mineralization has been determined and mineral property interests are either developed or the Company's mineral rights are allowed to lapse.

WINROCK RESOURCES INC.

(An Exploration Stage Company)

Notes to Financial Statements

For the period from August 16, 2010 (date of incorporation) to July 31, 2011

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Mineral property interest (Continued)

All deferred mineral property acquisition costs are reviewed quarterly, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company's assessment of its ability to sell the interest for an amount exceeding the deferred costs, provision is made for the impairment in value.

From time to time the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, option payments are recorded as property costs or recoveries when the payments are made or received.

(b) Financial instruments

All financial instruments are classified as one of the following: held-to-maturity, loans and receivables, held-for-trading, available-for-sale or other financial liabilities. Financial assets and liabilities held-for-trading are measured at fair value with gains and losses recognized in net income (loss). Financial assets held-to-maturity, loans and receivables, and other financial liabilities are measured at amortized cost using the effective interest method. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) and reported in shareholders' equity. Any financial instrument may be designated as held-for-trading upon initial recognition.

Transaction costs that are directly attributable to the acquisition or issue of financial instruments that are classified as other than held-for-trading, which are expensed as incurred, are included in the initial carrying value.

(c) Asset retirement obligations ("ARO")

The Company recognizes an estimate of the liability associated with an ARO in the financial statements at the time the liability is incurred. The estimated fair value of the ARO is recorded as a long-term liability, with a corresponding increase in the carrying amount of the related asset. The capitalized amount will be depleted on a straight-line basis over the estimated life of the asset. The liability amount is increased each reporting period due to the passage of time and the amount of accretion is charged to earnings in the period. The ARO can also increase or decrease due to changes in the estimates of timing of cash flows or changes in the original estimated undiscounted cost. Actual costs incurred upon settlement of the ARO are charged against the ARO to the extent of the liability recorded. As at July 31, 2011, the Company has determined that it has no material AROs to record in the financial statements.

WINROCK RESOURCES INC.

(An Exploration Stage Company)

Notes to Financial Statements

For the period from August 16, 2010 (date of incorporation) to July 31, 2011

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Stock-based compensation

The Company accounts for stock-based compensation using a fair value based method with respect to all stock-based payments measured and recognized, to directors, employees and non-employees. For directors and employees, the fair value of the options is measured at the date of grant. For non-employees, the fair value of the options is measured on the earlier of the date at which the counterparty performance is completed or the date the performance commitment is reached or the date at which the equity instruments are granted if they are fully vested and non-forfeitable. The fair value of the options is accrued and charged either to operations or mineral interests, with the offset credit to contributed surplus.

For directors and employees the options are recognized over the vesting period, and for non-employees the options are recognized over the related service period. If and when the stock options are ultimately exercised, the applicable amounts of contributed surplus are transferred to capital stock.

(e) Loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

(f) Income taxes

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

WINROCK RESOURCES INC.

(An Exploration Stage Company)

Notes to Financial Statements

For the period from August 16, 2010 (date of incorporation) to July 31, 2011

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Use of estimates

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the impairment and carrying value of mineral property interests, the determination of environmental obligations and AROs, accrued liabilities, the assumptions used in the calculation of stock-based compensation and the determination of the valuation allowance for future income tax assets. While management believes the estimates are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

(h) Future accounting change

International Financial Reporting Standards ("IFRS")

In February 2008, the Canadian Accounting Standards Board confirmed that GAAP for publicly accountable enterprises will be converged with IFRS effective for fiscal years beginning on or after January 1, 2011.

The Company will therefore be required to report using IFRS commencing with its first unaudited interim financial statements for the three months ended October 31, 2011, which must include restated interim results for the comparative prior period prepared on the same basis. The conversion to IFRS will impact the Company's accounting policies, information technology and data system, internal control over financial reporting, and disclosure controls and procedures.

The Company has identified current GAAP applicable to the Company that will be affected by the changeover and differences with the corresponding IFRS, and has outlined appropriate policy choices allowed under IFRS.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments have been designated as follows: cash as held-for-trading; and accounts payable and accrued liabilities and due to related parties as other financial liabilities.

The carrying values of cash, accounts payable and accrued liabilities, and due to related parties approximate their fair values due to the short-term maturity of these financial instruments.

(a) Credit risk

The Company manages credit risk, in respect of cash, by holding it at a major Canadian financial institution in accordance with the Company's investment policy. The Company's concentration of credit risk and maximum exposure is for cash at July 31, 2011 in the amount of \$106,366.

The credit risk associated with cash is managed by ensuring that it is placed with major Canadian financial institutions with strong investment-grade ratings by a primary ratings agency.

WINROCK RESOURCES INC.

(An Exploration Stage Company)

Notes to Financial Statements

For the period from August 16, 2010 (date of incorporation) to July 31, 2011

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to mitigating liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due. The Company has cash of \$106,366 at July 31, 2011, and accounts payable and accrued liabilities of \$14,500 to be paid within the next quarter and due to related parties of \$34,500 payable on demand.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

(i) Interest rate risk

The Company is not exposed to significant interest rate risk as all its cash is held in bank accounts and the effect of interest rate fluctuations will be minimal.

(ii) Foreign currency risk

The Company is not exposed to foreign currency risk.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

5. DEFERRED FINANCING COSTS

Costs directly identifiable with the raising of capital will be charged against the related capital stock. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related capital stock or charged to operations if the shares are not issued.

6. CAPITAL MANAGEMENT

The Company is an exploration stage company and currently does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of capital stock. The Company does not use other sources of financing that require fixed payments of interest and principal and is not subject to any externally imposed capital requirements.

The Company defines its capital as capital stock. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet its strategic goals. The Company monitors actual expenses to budget to manage its costs and commitments.

WINROCK RESOURCES INC.**(An Exploration Stage Company)****Notes to Financial Statements****For the period from August 16, 2010 (date of incorporation) to July 31, 2011****6. CAPITAL MANAGEMENT (Continued)**

The Company's capital management objective is to maximize investment returns to its equity-linked stakeholders within the context of relevant opportunities and risks associated with the Company's operating segment. Achieving this objective requires management to consider the underlying nature of exploration activities, availability of capital, the cost of various capital alternatives and other factors. Establishing and adjusting capital requirements is a continuous management process. Although the Company has been successful at raising funds in the past through the issuance of capital stock, it is uncertain whether it will continue this financing due to uncertain economic conditions.

The Company does not have sufficient funds to meet its working capital requirements for the coming year and will need to generate additional capital through equity financing to meet these requirements.

7. MINERAL PROPERTY INTEREST

	Horsefly Property
Acquisition costs	
Additions during the period - cash payments (note 9(b))	\$ 21,680

Horsefly Property

On October 12, 2010, the Company signed an agreement to acquire a 100% undivided interest in claims located near Kitimat, British Columbia.

Under the terms of the agreement, the Company would earn its interest by making the following payments:

- (a) Cash payment of \$15,000 (paid); and
- (b) Issuing 200,000 common shares at a deemed price equal to the sale price of the shares of the Company at the time of its IPO.

Realization of assets

The investment in mineral property interests comprises a substantial portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

The amounts shown for acquisition costs represent costs incurred to date and do not necessarily reflect present or future values.

WINROCK RESOURCES INC.**(An Exploration Stage Company)****Notes to Financial Statements****For the period from August 16, 2010 (date of incorporation) to July 31, 2011****7. MINERAL PROPERTY INTEREST (Continued)****Title to mineral property interests**

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

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation.

The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the mineral property interests, the potential for production on the property may be diminished or negated.

Mineral property exploration expenditures

The table below summarizes the exploration expenditures incurred for the period from August 16, 2010 (date of incorporation) to July 31, 2011.

	<u>Horsefly Property</u>	
Exploration expenditures		
Geological (note 9(b))	\$	16,552
Assay and recording		228
Total as at July 31, 2011	\$	16,780

WINROCK RESOURCES INC.**(An Exploration Stage Company)****Notes to Financial Statements****For the period from August 16, 2010 (date of incorporation) to July 31, 2011****8. CAPITAL STOCK****(a) Authorized**

Unlimited number of common shares without par value

(b) Issued

	Number of Common Shares	Amount
Shares issued for cash, and balance, July 31, 2011	5,732,000	\$ 196,600

During the period, the Company issued 1,500,000 common shares at \$0.005, 2,450,000 common shares at \$0.02, 762,000 common shares at \$0.05, and 1,020,000 common shares at \$0.10, for gross proceeds of \$196,600.

(c) Escrowed shares

As at July 31, 2011, there were 3,350,000 common shares held in escrow.

(d) Stock options

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

The term of any options granted under the Plan will be fixed by the Board of Directors and may not exceed ten years. The exercise price of options granted under the Plan will be determined by the Board of Directors, and if the common shares are listed on an exchange, the exercise must not be lower than the last closing sale price for such common shares as quoted on the exchange for the market trading day immediately prior to the date of grant of the option, less any discount permitted by the Exchange.

The Company granted 450,000 options on January 11, 2011 and 100,000 options on July 14, 2011 to four of its directors at an exercise price of \$0.20 per share. The options will be exercisable for a period of three years from the date the Company's common shares are listed for trading on the CNSX and will vest immediately upon commencement of trading. The total fair value of these options was calculated at \$74,370, of which \$44,328 has been recognized as stock-based compensation during the current period. The fair value of stock options granted was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: risk-free interest rate of 1.90%; expected share price volatility of 100%; expected option life of 3.71 years and an expected dividend yield of 0%. The weighted average fair value of the options granted during the period is \$0.14 per option.

WINROCK RESOURCES INC.**(An Exploration Stage Company)****Notes to Financial Statements****For the period from August 16, 2010 (date of incorporation) to July 31, 2011****9. RELATED PARTY TRANSACTIONS**

During the period from August 16, 2010 (date of incorporation) to July 31, 2011:

- (a) Consulting fees were paid or accrued to directors totalling \$50,000. Amounts payable as at July 31, 2011 were \$34,500 and included in due to related parties; and
- (b) Mineral property exploration expenditures of \$6,052 for the reimbursement of travel costs related to geological services were paid to a company with a common director; \$5,680 for reimbursement of claim fees were paid to a director; and \$1,000 for acquisition costs were paid to a family member of a director.

The amounts due to related parties are without interest and are due on demand.

The above transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

10. INCOME TAXES

As at July 31, 2011, the Company has non-capital losses of approximately \$76,000 that may be applied to reduce future income for Canadian income tax purposes. The losses expire in 2031.

A reconciliation of income tax provision computed at the statutory rate of 28.5% to the reported income tax provision is as follows:

	2011
Income tax benefit computed at statutory rate	\$ 39,193
Stock-based compensation	(12,633)
Change in timing differences	(4,805)
Effects of change in tax rates reduction	(2,715)
Change in valuation allowance	(19,040)
	\$ -

Future income tax assets and liabilities are recognized for temporary differences between the carrying amounts of the balance sheet items and their corresponding tax values as well as for the benefit of losses available to be carried forward to future years for tax purposes that are likely to be realized.

The significant components of future income tax assets and liabilities are as follows:

	2011
Future tax assets and liabilities	
Deferred financing costs	\$ (537)
Excess of book value over tax value of cumulative eligible capital	186
Non-capital losses carried forward	19,391
Total future income tax assets	19,040
Valuation allowance	(19,040)
Net future income tax assets	\$ -

WINROCK RESOURCES INC.**(An Exploration Stage Company)****Notes to Financial Statements****For the period from August 16, 2010 (date of incorporation) to July 31, 2011**

10. INCOME TAXES (Continued)

The valuation allowance reflects the Company's estimate that the tax assets more likely than not will not be realized.

11. SEGMENTED INFORMATION

The Company has one industry segment, the exploration and development of mineral property interests, and operates in one geographic segment, Canada.

12. SUBSEQUENT EVENT

On November 30, 2011, the Company filed a prospectus offering, and on April 25, 2012 an amended and restated prospectus offering, of a minimum of 3,000,000 and a maximum of 4,000,000 units at \$0.10 per unit as its IPO, with up to a 15% over-allotment option if the maximum offering is sold. Each unit is comprised of one common share and one-half of one share purchase warrant, each warrant exercisable for a period of 12 months from closing of the offering at a price of \$0.12 per share. The agent will receive a commission of 10% of the gross proceeds of the offering payable in cash or units, a finance fee of \$25,000 payable in cash or units, 60,000 common shares of the Company and an option to acquire units equal to 10% of the number of units sold under the offering (exercisable at \$0.10 per unit for 36 months from the date of the listing of the Company's shares on the CNSX (all units issuable to the agent are on the same terms as the placement units). If the minimum subscription is not raised on or before May 28, 2012, all subscription monies will be returned to subscribers without interest or deduction, unless the subscribers have otherwise instructed the agent. The offering is subject to regulatory approval.

WINROCK RESOURCES INC.
(An Exploration Stage Company)

Condensed Interim Financial Statements
October 31, 2011
(Expressed in Canadian Dollars)

(Prepared by Management)
(Unaudited)

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WINROCK RESOURCES INC.
(An Exploration Stage Company)
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	October 31, 2011	July 31, 2011	August 16, 2010 (date of incorporation)
		(note 11)	(note 11)
Assets			
Current			
Cash	\$ 62,995	\$ 106,366	\$ -
Deferred financing costs (note 5)	45,327	22,000	-
HST receivable	5,462	2,362	-
	113,784	130,728	-
Mineral Property Interest (notes 7 and 9)	15,000	21,680	-
	\$ 128,784	\$ 152,408	\$ -
Liabilities			
Current			
Accounts payable and accrued liabilities	\$ 4,500	\$ 14,500	\$ -
Due to related parties (note 9)	49,500	34,500	-
	54,000	49,000	-
Shareholders' Equity			
Capital Stock (note 8)	196,600	196,600	-
Share-based payment reserve (note 8(d))	66,432	44,328	-
Deficit	(188,248)	(137,520)	-
	74,784	103,408	-
	\$ 128,784	\$ 152,408	\$ -

Subsequent Event (note 12)

Approved on Behalf of the Board:

"Paul Dickson" (signed)

Director

"Harvey D. Dick" (signed)

Director

See notes to condensed interim financial statements.

WINROCK RESOURCES INC.**(An Exploration Stage Company)****Condensed Interim Statements of Operations and Comprehensive Loss****(Expressed in Canadian Dollars)****(Unaudited)**

	For the three months ended October 31, 2011	For the period from August 16, 2010 (date of incorporation) to October 31, 2010
		(note 11)
Operating Expenses		
Consulting fees (note 9)	\$ 15,000	\$ 5,000
Exploration expenses (note 7)	11,750	-
Office and miscellaneous	-	237
Professional fees	200	1,023
Rent	1,674	389
Share-based payments (note 8(d))	22,104	-
Net Loss and Comprehensive Loss for Period	50,728	\$ 6,649
Basic and Diluted Loss Per Common Share	\$ 0.02	\$ 0.03
Weighted Average Number of Common Shares Outstanding	2,382,000	205,264

See notes to condensed interim financial statements.

WINROCK RESOURCES INC.
(An Exploration Stage Company)
Condensed Interim Statements of Changes in Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Common Number	Shares Amount	Share-based payment reserve	Share Subscription	Deficit	Total Shareholders' Equity
Balance, August 16, 2010 (date of incorporation)	1	\$ -	\$ -	\$ -	\$ -	\$ -
Shares issued for cash	3,949,999	56,500	-	-	-	56,500
Share subscription	-	-	-	1,500	-	1,500
Net loss for the period	-	-	-	-	(6,649)	(6,649)
Balance at October 31, 2010 (note 11)	3,950,000	56,500	-	1,500	(6,649)	51,351
Shares issued for cash	1,782,000	140,100	-	(1,500)	-	138,600
Share-based payments	-	-	44,328	-	-	44,328
Net loss for the period	-	-	-	-	(130,871)	(130,871)
Balance at July 31, 2011 (note 11)	5,732,000	196,600	44,328	-	(137,520)	103,408
Share-based payments	-	-	22,104	-	-	22,104
Net loss for the period	-	-	-	-	(50,728)	(50,728)
Balance at October 31, 2011	5,732,000	\$196,600	\$66,432	\$ -	\$(188,248)	\$74,784

See notes to condensed interim financial statements.

WINROCK RESOURCES INC.
(An Exploration Stage Company)
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	For the three months ended October 31, 2011	For the period from August 16, 2010 (date of incorporation) to October 31, 2010
		(note 11)
Operating Activities		
Net loss	\$ (50,728)	\$ (6,649)
Item not involving cash:		
Share-based payments	22,104	-
Write-off of mineral properties	6,680	-
Changes in non-cash working capital		
HST receivable	(3,100)	(124)
Accounts payable and accrued liabilities	(10,000)	-
Due to related parties	15,000	-
Cash Used in Operating Activities	(20,044)	(6,773)
Financing Activities		
Proceeds from issuance of common shares	-	56,500
Share subscription received	-	1,500
Deferred financing costs	(23,327)	-
Cash Provided by Financing Activities	(23,327)	58,000
Inflow of Cash	(43,371)	36,227
Cash, Beginning of Period	106,366	-
Cash, End of Period	\$ 62,995	\$ 36,227

See notes to condensed interim financial statements.

WINROCK RESOURCES INC.
(An Exploration Stage Company)
Notes to Condensed Interim Financial Statements
For the three month period ended October 31, 2011
(Expressed in Canadian Dollars)
(Unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

Winrock Resources Inc. (the "Company") was incorporated under the *Business Corporations Act* of British Columbia on August 16, 2010. The Company is engaged in the acquisition, exploration and development of mineral properties. The Company filed a prospectus offering and a concurrent listing ("IPO") of its shares for trading on the Canadian National Stock Exchange ("CNSX") on November 30, 2011 and has not closed the financing. The address of the Company's registered office is Suite 300 – 576 Seymour Street, Vancouver, B.C. V6B 3K1.

These condensed interim financial statements have been prepared on a going concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business for the foreseeable future.

The Company reported a net loss of \$50,728 for the three month period ended October 31, 2011 (\$6,649 for the period from August 16, 2010 (date of incorporation) to October 31, 2010) and has an accumulated deficit of \$188,248 as at October 31, 2011 (July 31, 2011 - \$137,520). As at October 31, 2011, the Company had \$62,995 (July 31, 2011 - \$106,366) in cash and working capital of \$59,784 (July 31, 2011 - \$81,728), which is not sufficient to fund the Company's operations for the ensuing 12 months. The Company has an ongoing requirement for capital investment for its mineral property interest and administrative overhead and, accordingly, the Company will need to raise substantial additional capital through equity financing to accomplish its business plan over the next several years. There can be no assurance as to the availability or terms upon which such financing might be available (note 12).

The business of exploring for minerals involves a high degree of risk and there can be no assurance that any of the Company's current or future exploration programs will result in profitable mining operations. The recoverability of amounts shown for mineral property interests is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete their development and establish future profitable operations or realize proceeds from their sale.

Failure to continue as a going concern may require restatement of assets and liabilities on a liquidation basis, which could differ materially from the going concern basis. These financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PRESENTATION AND FIRST TIME ADOPTION OF IFRS

(a) Transition to International Financial Reporting Standards

The Company prepared its financial statements in accordance with Canadian generally accepted accounting principles as set out in the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook"). In 2010, the CICA Handbook was revised to incorporate International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, and requires publicly accountable enterprises to apply such standards effective for years beginning on or after January 1, 2011. Accordingly, the Company has commenced reporting on this basis in the three month period ended October 31, 2011 condensed interim financial statements. In these condensed interim financial statements, the term "Canadian GAAP" refers to Canadian GAAP before the adoption of IFRS.

WINROCK RESOURCES INC.
(An Exploration Stage Company)
Notes to Condensed Interim Financial Statements
For the three month period ended October 31, 2011
(Expressed in Canadian Dollars)
(Unaudited)

2. BASIS OF PRESENTATION AND FIRST TIME ADOPTION OF IFRS (Continued)

(a) Transition to International Financial Reporting Standards (continued)

The condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") and IFRS 1, First-Time Adoption of IFRS ("IFRS 1"). An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Company is provided in note 11. The Company has consistently applied the same accounting policies in the opening IFRS balance sheet as at August 16, 2010 (date of incorporation) and throughout all periods presented, as if these policies had always been in effect.

The policies applied in these condensed interim financial statements are presented in Note 3 and are based on IFRS issued and outstanding as of October 31, 2011. The Board of Directors approved these condensed interim financial statements on April 25, 2012. Any subsequent changes to IFRS that are given effect in the annual consolidated financial statements for the year ending July 31, 2012 could result in restatement of these condensed interim financial statements, including the transition adjustments recognized on change-over to IFRS.

(b) Basis of preparation

These condensed interim financial statements have been prepared in accordance with IAS 34. These condensed interim financial statements do not include all the information required for full annual financial statements. The condensed interim financial statements should be read in conjunction with the Company's Canadian GAAP financial statements for the period from August 16, 2010 (date of incorporation) to July 31, 2011. Note 11 contains disclosure of IFRS information for the period ended July 31, 2011 that is material to the understanding of these condensed interim financial statements.

Management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates include:

- balances of accrued liabilities;
- the fair value of financial instruments;
- the recoverability of mineral properties;
- determination of asset retirement and environmental obligations;
- the utilization of deferred income tax assets; and
- the determination of the variables used in the calculation of share-based payments.

While management believes that these estimates are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

The condensed interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss ("FVTPL"), which are stated at their fair values. In addition these condensed interim financial statements have been prepared using the accrual basis of accounting.

WINROCK RESOURCES INC.
(An Exploration Stage Company)
Notes to Condensed Interim Financial Statements
For the three month period ended October 31, 2011
(Expressed in Canadian Dollars)
(Unaudited)

2. BASIS OF PRESENTATION AND FIRST TIME ADOPTION OF IFRS (Continued)

(b) Basis of Preparation (continued)

The condensed interim financial statements are presented in Canadian dollars, which is also the Company's functional currency, and all values are rounded to the nearest dollar, unless otherwise indicated.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Mineral property interest

The Company defers all costs related to acquisition of mineral property interests on a property-by-property basis, net of any recoveries, and expenses all mineral property exploration expenditures as incurred. The costs incurred to date do not necessarily reflect present or future values. Costs are deferred until such time as the extent of mineralization has been determined and mineral property interests are either developed or the Company's mineral rights are allowed to lapse.

All deferred mineral property acquisition costs are reviewed quarterly, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company's assessment of its ability to sell the interest for an amount exceeding the deferred costs, provision is made for the impairment in value.

From time to time the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, option payments are recorded as property costs or recoveries when the payments are made or received.

(b) Financial instruments

Financial assets

All financial assets are initially recorded at fair value and classified upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans and receivables or at FVTPL.

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through earnings.

Financial assets classified as loans and receivables and held-to-maturity are measured at amortized cost.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Financial instruments (continued)

Financial liabilities

All financial liabilities are initially recorded at fair value and classified upon inception as FVTPL or other financial liabilities. Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. The Company's trade and other payables are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives, are also classified as held-for-trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through net income.

Other financial liabilities

Other financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest and any transaction costs over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition. Other financial liabilities are de-recognized when the obligations are discharged, cancelled or expired.

Impairment of financial assets

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or group of financial assets.

- **Assets carried at amortized cost**

If there is objective evidence that an impairment loss on assets carried at amortized cost has occurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment and the amount of the loss is recognized in comprehensive loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in comprehensive loss.

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Financial instruments (continued)

In relation to trade and other receivables, a provision for impairment is made and an impairment loss is recognized in profit and loss when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Group will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

- Available for sale

If an available for sale asset is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognized in comprehensive loss, is transferred from accumulated other comprehensive loss to profit and loss.

- Derecognition of financial assets and liabilities

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive loss.

(c) Asset retirement obligations ("ARO")

The Company recognizes an estimate of the liability associated with an ARO in the financial statements at the time the liability is incurred. The estimated fair value of the ARO is recorded as a long-term liability, with a corresponding increase in the carrying amount of the related asset. The capitalized amount will be depleted on a straight-line basis over the estimated life of the asset. The liability amount is increased each reporting period due to the passage of time and the amount of accretion is charged to earnings in the period. The ARO can also increase or decrease due to changes in the estimates of timing of cash flows or changes in the original estimated undiscounted cost. Actual costs incurred upon settlement of the ARO are charged against the ARO to the extent of the liability recorded. As at October 31, 2011 and July 31, 2011, the Company has determined that it has no material AROs to record in the financial statements.

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Share-based payments

The Company accounts for share-based payments using a fair value based method with respect to all stock-based payments measured and recognized, to directors, employees and non-employees. For directors and employees, the fair value of the options is measured at the date of grant using the Black-Scholes option pricing model. For non-employees, the options are recorded at the fair value of the goods or services received. When the value of the goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured using the Black-Scholes option pricing model. The fair value of the options is accrued and charged either to operations or mineral interests, with the offset credit to share-based payment reserve.

For directors and employees the options are recognized over the vesting period, and for non-employees the options are recognized over the related service period. If and when the stock options are ultimately exercised, the applicable amounts of share-based payment reserve are transferred to capital stock.

(e) Loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

(f) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income/loss.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current period and any adjustment to income taxes payable in respect of previous periods. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in profit or loss.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous years.

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Income taxes (continued)

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it provides a valuation allowance against that excess.

(g) New accounting standards and interpretations not yet adopted

The Company will be required to adopt certain standards and amendments issued by the IASB, as described below, for which the Company is currently assessing the impact on its financial statements. All of the new and revised standards described below may be early adopted.

IAS 27 *Separate Financial Statements* (2011)

This amended version of IAS 27 which now only deals with the requirements for separate financial statements, which have been carried over largely unamended from IAS 27 *Consolidated and Separate Financial Statements*. Requirements for consolidated financial statements are now contained in IFRS 10 *Consolidated Financial Statements*.

Applicable to annual reporting periods beginning on or after January 1, 2013. If early adopted, must be adopted together with IFRS 10, IFRS 11, IFRS 12, and IAS 28 (2011).

IAS 28 *Investments in Associates and Joint Ventures* (2011)

This Standard supersedes IAS 28 *Investments in Associates* and prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

The Standard defines 'significant influence' and provides guidance on how the equity method of accounting is to be applied (including exemptions from applying the equity method in some cases). It also prescribes how investments in associates and joint ventures should be tested for impairment.

Applicable to annual reporting periods beginning on or after January 1, 2013. If early adopted, must be adopted together with IFRS 10, IFRS 11, IFRS 12, and IAS 27 (2011).

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

- (h) New accounting standards and interpretations not yet adopted (Continued)

IFRS 9 Financial Instruments (2009)

IFRS 9 introduces new requirements for classifying and measuring financial assets, as follows:

- Debt instruments meeting both a 'business model' test and a 'cash flow characteristics' test are measured at amortised cost (the use of fair value is optional in some limited circumstances)
- Investments in equity instruments can be designated as 'fair value through other comprehensive income' with only dividends being recognised in profit or loss
- All other instruments (including all derivatives) are measured at fair value with changes recognised in the profit or loss
- The concept of 'embedded derivatives' does not apply to financial assets within the scope of the Standard and the entire instrument must be classified and measured in accordance with the above guidelines.

This standard is only applicable if it is optionally adopted for annual periods beginning before 1 January 2013. For annual periods beginning on or after 1 January 2013, the Company must adopt IFRS 9 (2010).

IFRS 9 Financial Instruments (2010)

A revised version of IFRS 9 incorporating revised requirements for the classification and measurement of financial liabilities, and carrying over the existing derecognition requirements from IAS 39 *Financial Instruments: Recognition and Measurement*.

The revised financial liability provisions maintain the existing amortised cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss – in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss.

Applies to annual periods beginning on or after 1 January 2013. This Standard supersedes IFRS 9 (2009). However, for annual reporting periods beginning before 1 January 2013, an entity may early adopt IFRS 9 (2009) instead of applying this Standard.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

- (h) New accounting standards and interpretations not yet adopted (Continued)

IFRS 10 Consolidated Financial Statements

Requires a parent to present consolidated financial statements as those of a single economic entity, replacing the requirements previously contained in IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidation - Special Purpose Entities*.

The Standard identifies the principles of control, determines how to identify whether an investor controls an investee and therefore must consolidate the investee, and sets out the principles for the preparation of consolidated financial statements.

The Standard introduces a single consolidation model for all entities based on control, irrespective of the nature of the investee (i.e. whether an entity is controlled through voting rights of investors or through other contractual arrangements as is common in 'special purpose entities'). Under IFRS 10, control is based on whether an investor has power over the investee, exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the returns.

Applicable to annual reporting periods beginning on or after 1 January 2013. If early adopted, must be adopted together with IFRS 11, IFRS 12, IAS 27 (2011) and IAS 28 (2011).

IFRS 11 Joint Arrangements

Replaces IAS 31 *Interests in Joint Ventures*. Requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and then account for those rights and obligations in accordance with that type of joint arrangement.

Joint arrangements are either joint operations or joint ventures:

- A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint operators recognise their assets, liabilities, revenue and expenses in relation to its interest in a joint operation (including their share of any such items arising jointly)
- A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (joint venturers) have rights to the net assets of the arrangement. A joint venturer applies the equity method of accounting for its investment in a joint venture in accordance with IAS 28 *Investments in Associates and Joint Ventures* (2011). Unlike IAS 31, the use of 'proportionate consolidation' to account for joint ventures is not permitted.

Applicable to annual reporting periods beginning on or after 1 January 2013. If early adopted, must be adopted together with IFRS 10, IFRS 12, IAS 27 (2011) and IAS 28 (2011).

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

- (h) New accounting standards and interpretations not yet adopted (Continued)

IFRS 12 Disclosure of Interests in Other Entities

Requires the extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.

In high-level terms, the required disclosures are grouped into the following broad categories:

- Significant judgements and assumptions - such as how control, joint control, significant influence has been determined
- Interests in subsidiaries - including details of the structure of the group, risks associated with structured entities, changes in control, and so on
- Interests in joint arrangements and associates - the nature, extent and financial effects of interests in joint arrangements and associates (including names, details and summarised financial information)
- Interests in unconsolidated structured entities - information to allow an understanding of the nature and extent of interests in unconsolidated structured entities and to evaluate the nature of, and changes in, the risks associated with its interests in unconsolidated structured entities

IFRS 12 lists specific examples and additional disclosures which further expand upon each of these disclosure objectives, and includes other guidance on the extensive disclosures required.

Applicable to annual reporting periods beginning on or after 1 January 2013. If early adopted, must be adopted together with IFRS 10, IFRS 11, IAS 27 (2011) and IAS 28 (2011).

IFRS 13 Fair Value Measurement

Replaces the guidance on fair value measurement in existing IFRS accounting literature with a single standard.

This IFRS defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. However, IFRS 13 does not change the requirements regarding which items should be measured or disclosed at fair value.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

- (h) New accounting standards and interpretations not yet adopted (Continued)

IFRS 13 Fair Value Measurement (Continued)

IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements). With some exceptions, the standard requires entities to classify these measurements into a 'fair value hierarchy' based on the nature of the inputs:

- **Level 1** - quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date
- **Level 2** - inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- **Level 3** - unobservable inputs for the asset or liability

Entities are required to make various disclosures depending upon the nature of the fair value measurement (e.g. whether it is recognised in the financial statements or merely disclosed) and the level in which it is classified.

Applicable to annual reporting periods beginning on or after 1 January 2013

Amendments to IFRS 7 Financial Instruments: Disclosures

Makes amendments to IFRS 7 *Financial Instruments: Disclosures* resulting from the IASB's comprehensive review of off balance sheet activities.

The amendments introduce additional disclosures, designed to allow users of financial statements to improve their understanding of transfer transactions of financial assets (for example, securitisations), including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.

Applies to annual periods beginning on or after 1 July 2011.

Deferred Tax: Recovery of Underlying Assets (Amendments to IAS 12)

Amends IAS 12 *Income Taxes* to provide a presumption that recovery of the carrying amount of an asset measured using the fair value model in IAS 40 *Investment Property* will, normally, be through sale.

As a result of the amendments, SIC-21 *Income Taxes — Recovery of Revalued Non-Depreciable Assets* would no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC-21, which is accordingly withdrawn.

Applicable to annual periods beginning on or after 1 January 2012.

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

- (h) New accounting standards and interpretations not yet adopted (Continued)

Presentation of Items of Other Comprehensive Income (Amendments to IAS 1)

Amends IAS 1 *Presentation of Financial Statements* to revise the way other comprehensive income is presented.

The amendments:

- Preserve the amendments made to IAS 1 in 2007 to require profit or loss and OCI to be presented together, i.e. either as a single 'statement of profit or loss and comprehensive income', or a separate 'statement of profit or loss' and a 'statement of comprehensive income' – rather than requiring a single continuous statement as was proposed in the exposure draft
- Require entities to group items presented in OCI based on whether they are potentially reclassifiable to profit or loss subsequently. i.e. those that might be reclassified and those that will not be reclassified
- Require tax associated with items presented before tax to be shown separately for each of the two groups of OCI items (without changing the option to present items of OCI either before tax or net of tax).

Applicable to annual reporting periods beginning on or after 1 July 2012.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments have been designated as follows: cash as held-for-trading; and accounts payable and due to related parties as other financial liabilities.

The carrying values of accounts payable and due to related parties approximate their fair values due to the short-term maturity of these financial instruments.

- (a) Credit risk

The Company manages credit risk, in respect of cash, by holding it at a major Canadian financial institution in accordance with the Company's investment policy. The Company's concentration of credit risk and maximum exposure is for cash at October 31, 2011 in the amount of \$62,995.

The credit risk associated with cash is managed by ensuring that it is placed with major Canadian financial institutions with strong investment-grade ratings by a primary ratings agency.

- (b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to mitigating liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due. The Company has cash of \$62,995 at October 31, 2011, and accounts payable and accrued liabilities of \$4,500 and due to related parties of \$49,500 payable on demand.

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4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

(i) Interest rate risk

The Company is not exposed to significant interest rate risk as all its cash is held in bank accounts and the effect of interest rate fluctuations will be minimal.

(ii) Foreign currency risk

The Company is not exposed to foreign currency risk.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

5. DEFERRED FINANCING COSTS

Costs directly identifiable with the raising of capital will be charged against the related capital stock. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related capital stock or charged to operations if the shares are not issued.

6. CAPITAL MANAGEMENT

The Company is an exploration stage company and currently does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of capital stock. The Company does not use other sources of financing that require fixed payments of interest and principal and is not subject to any externally imposed capital requirements.

The Company defines its capital as capital stock. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet its strategic goals. The Company monitors actual expenses to budget to manage its costs and commitments.

The Company's capital management objective is to maximize investment returns to its equity-linked stakeholders within the context of relevant opportunities and risks associated with the Company's operating segment. Achieving this objective requires management to consider the underlying nature of exploration activities, availability of capital, the cost of various capital alternatives and other factors. Establishing and adjusting capital requirements is a continuous management process. Although the Company has been successful at raising funds in the past through the issuance of capital stock, it is uncertain whether it will continue this financing due to uncertain economic conditions.

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6. CAPITAL MANAGEMENT (Continued)

The Company does not have sufficient funds to meet its working capital requirements for the coming year and will need to generate additional capital through equity financing to meet these requirements.

7. MINERAL PROPERTY INTEREST

	Horsefly Property
Acquisition costs	
Additions during the period - cash payments (note 9)	\$ 21,680
Total as at July 31, 2011	21,680
Write-off during the period	(6,680)
Total as at October 31, 2011	\$ 15,000

Horsefly Property

On October 12, 2010, the Company signed an agreement to acquire a 100% undivided interest in claims located near Kitimat, British Columbia.

Under the terms of the agreement, the Company would earn its interest by making the following payments:

- (a) Cash payment of \$15,000 (paid); and
- (b) Issuing 200,000 common shares at a deemed price equal to the sale price of the shares of the Company at the time of its IPO.

Exploration expenditures of \$11,750 (October 31, 2010 - \$nil) is comprised of claim renewal fees.

Realization of assets

The investment in mineral property interests comprises a substantial portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

The amounts shown for acquisition costs represent costs incurred to date and do not necessarily reflect present or future values.

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7. MINERAL PROPERTY INTEREST (Continued)

Title to mineral property interests

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

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation.

The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral property interests, the potential for production on the property may be diminished or negated.

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8. CAPITAL STOCK

(a) Authorized

Unlimited number of common shares without par value

(b) Issued

On August 16, 2010, an incorporation share was issued for no proceeds and surrendered on October 1, 2010. During the period from August 16, 2010 (date of incorporation) to July 31, 2011, the Company issued 1,500,000 common shares at \$0.005 and 2,450,000 common shares at \$0.02, 762,000 common shares at \$0.05, and 1,020,000 common shares at \$0.10, for gross proceeds of \$196,600. No common shares were issued during the period from August 1, 2011 to October 31, 2011.

(c) Escrowed shares

As at October 31, 2011 and July 31, 2011, there were 3,350,000 common shares held in escrow.

(d) Stock options

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

The term of any options granted under the Plan will be fixed by the Board of Directors and may not exceed ten years. The exercise price of options granted under the Plan will be determined by the Board of Directors, and if the common shares are listed on an exchange, the exercise must not be lower than the last closing sale price for such common shares as quoted on the exchange for the market trading day immediately prior to the date of grant of the option, less any discount permitted by the Exchange.

The Company granted 450,000 options on January 11, 2011, and 100,000 options on July 14, 2011 to four of its directors at an exercise price of \$0.20 per share. The options will be exercisable for a period of three years from the date the Company's common shares are listed for trading on the Canadian National Stock Exchange ("CNSX") and will vest immediately upon commencement of trading. The total fair value of these options was calculated at \$74,961, of which \$22,104 has been recognized as share-based payments during the current period. The fair value of stock options granted was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: risk-free interest rate of 1.90%; expected share price volatility of 100%; expected option life of 3.80 years and an expected dividend yield of 0%. The weighted average fair value of the options granted during the period is \$0.14 per option.

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9. RELATED PARTY TRANSACTIONS

During the three-month period ended October 31, 2011:

- (i) Consulting fees were paid or accrued to directors totalling \$15,000 (October 31, 2010 - \$5,000). Amounts payable as at October 31, 2011 were \$49,500 (July 31, 2011 - \$34,500) and included in due to related parties;
- (ii) Mineral property exploration expenditures of \$5,070 (October 31, 2010 - \$nil) for reimbursement of claim fees paid by a director; and
- (iii) Share-based payments to directors of \$74,961 (October 31, 2010 - \$nil), of which \$22,104 (October 31, 2010 - \$nil) is expensed in the current period.

The Company has no short-term employee benefits, post-employment benefits, other long-term employee benefits and termination benefits.

The amounts due to related parties are without interest and are due on demand. The above transactions are in the normal course of operations.

10. SEGMENTED INFORMATION

The Company has one industry segment, the exploration and development of mineral property interests, and operates in one geographic segment, Canada.

11. IFRS

As stated in note 2, these are the Company's first interim financial statements for the period covered by the first annual financial statements prepared in accordance with IFRS. An explanation of how the transition from Canadian GAAP to IFRS has affected the Company's financial position, comprehensive loss and cash flow is set out in this note.

The accounting policies set out in note 3 have been applied in preparing the condensed interim financial statements for the three-month period ended October 31, 2011, the comparative information presented in these condensed interim financial statements for the period from August 16, 2010 (date of incorporation) to October 31, 2010, and in the preparation of an opening IFRS statement of financial position at August 16, 2010 (the Company's date of transition) and the statement of financial position as at July 31, 2011.

IFRS employs a conceptual framework that is similar to Canadian GAAP. The adoption of IFRS has not changed the actual cash flows of the Company nor resulted in significant changes to the reported financial position as at August 16, 2010 (date of incorporation) and July 31, 2011 and, results of operations and cash flows of the Company for the period from August 16, 2010 (date of incorporation) to October 31, 2010, from those reported previously under Canadian GAAP.

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11. IFRS (Continued)

The August 16, 2010 (date of incorporation) and July 31, 2011 Canadian GAAP statement of financial position has been reconciled to IFRS as follows:

	July 31, 2011	October 31, 2010	August 16, 2010 (date of incorporation)
Total assets under Canadian GAAP	\$ 152,408	\$ 51,351	\$ -
Adjustment required on adoption of IFRS	-	-	-
Total assets under IFRS	\$ 152,408	\$ 51,351	\$ -
Total liabilities under Canadian GAAP	\$ 49,000	\$ -	\$ -
Adjustment required on adoption of IFRS	-	-	-
Total liabilities under IFRS	\$ 49,000	\$ -	\$ -
Total equity under Canadian GAAP	\$ 103,408	\$ 51,351	\$ -
Adjustment required on adoption of IFRS	-	-	-
Total equity under IFRS	\$ 103,408	\$ 51,351	\$ -
Total liabilities and equity under IFRS	\$ 152,408	\$ 51,351	\$ -

The Canadian GAAP statement of operations and comprehensive loss for the period from August 16, 2010 (date of incorporation) to October 31, 2010 and for the period from August 16, 2010 (date of incorporation) to July 31, 2011 have been reconciled to IFRS as follows:

	From August 16, 2010 (date of incorporation) to July 31, 2011	From August 16, 2010 (date of incorporation) to October 31, 2010
Net comprehensive loss under Canadian GAAP	\$ 137,520	\$ 6,649
Adjustment required on adoption of IFRS	-	-
Net comprehensive loss under IFRS	\$ 137,520	\$ 6,649

WINROCK RESOURCES INC.
(An Exploration Stage Company)
Notes to Condensed Interim Financial Statements
For the three month period ended October 31, 2011
(Expressed in Canadian Dollars)
(Unaudited)

11. IFRS (Continued)

The following is the reconciliation of the statement of cash flows for the period from August 16, 2010 (date of incorporation) to October 31, 2010 and for the period from August 16, 2010 (date of incorporation) to July 31, 2011:

	From August 16, 2010 (date of incorporation) to July 31, 2011	From August 16, 2010 (date of incorporation) to October 31, 2010
Operating activities under Canadian GAAP	\$ (46,554)	\$ (6,773)
Adjustment required on adoption of IFRS	-	-
Operating activities under IFRS	\$ (46,554)	\$ (6,773)
Investing activities under Canadian GAAP	\$ (21,680)	\$ (15,000)
Adjustment required on adoption of IFRS	-	-
Investing activities under IFRS	\$ (21,680)	\$ (15,000)
Financing activities under Canadian GAAP	\$ 174,600	\$ 58,000
Adjustment required on adoption of IFRS	-	-
Financing activities under IFRS	\$ 174,600	\$ 58,000

12. SUBSEQUENT EVENT

On November 30, 2011, the Company filed a prospectus offering, and on April 25, 2012 an amended and restated prospectus offering, of a minimum of 3,000,000 and a maximum of 4,000,000 units at \$0.10 per unit as its IPO, with up to a 15% over-allotment option if the maximum offering is sold. Each unit is comprised of one common share and one-half of one share purchase warrant, each warrant exercisable for a period of 12 months from closing of the offering at a price of \$0.12 per share. The agent will receive a commission of 10% of the gross proceeds of the offering payable in cash or units, a finance fee of \$25,000 payable in cash or units, 60,000 common shares of the Company and an option to acquire units equal to 10% of the number of units sold under the offering (exercisable at \$0.10 per unit for 36 months from the date of the listing of the Company's shares on the CNSX (all units issuable to the agent are on the same terms as the placement units). If the minimum subscription is not raised on or before May 28, 2012, all subscription monies will be returned to subscribers without interest or deduction, unless the subscribers have otherwise instructed the agent. The offering is subject to regulatory approval.

WINROCK RESOURCES INC.
(An Exploration Stage Company)

Condensed Interim Financial Statements
January 31, 2012
(Expressed in Canadian Dollars)

(Prepared by Management)
(Unaudited)

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WINROCK RESOURCES INC.
(An Exploration Stage Company)
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	January 31, 2012 \$	July 31, 2011 \$
		(note 10)
Assets		
Current		
Cash	37,913	106,366
Deferred financing costs (note 4)	45,327	22,000
Advances and prepaids	1,260	-
HST receivable	7,889	2,362
	92,389	130,728
Mineral Properties (notes 6 and 8)	15,000	21,680
	107,389	152,408
Liabilities		
Current		
Accounts payable and accrued liabilities	21,250	14,500
Due to related parties (note 8)	65,850	34,500
	87,100	49,000
Shareholders' Equity		
Capital Stock (note 7)	196,600	196,600
Share-based payment reserve (note 7(d))	66,432	44,328
Deficit	(242,743)	(137,520)
	20,289	103,408
	107,389	152,408

Approved on Behalf of the Board:

"Paul Dickson" (signed)

Director

"Harvey D. Dick" (signed)

Director

See notes to condensed interim financial statements.

WINROCK RESOURCES INC.**(An Exploration Stage Company)****Condensed Interim Statements of Operations and Comprehensive Loss****(Expressed in Canadian Dollars)****(Unaudited)**

	For the three months ended January 31, 2012 \$	For the three months ended January 31, 2011 \$	For the six months ended January 31, 2012 \$	For the period from August 16, 2010 (date of incorporation) to January 31, 2011 \$
				(note 10)
Operating Expenses				
Consulting fees (note 8)	16,350	20,100	31,350	25,100
Exploration expenses	1,169	19,240	12,919	19,240
Office and miscellaneous	300	(69)	300	168
Professional fees	34,300	-	34,500	1,023
Rent	2,376	1,167	4,050	1,556
Share-based payments (note 7(d))	-	44,328	22,104	44,328
Net Loss and Comprehensive Loss for Period	54,495	64,766	105,223	91,415
Basic and Diluted Loss Per Common Share	0.02	0.05	0.04	0.11
Weighted average number of common shares outstanding	2,382,000	1,337,935	2,382,000	825,536

See notes to condensed interim financial statements.

WINROCK RESOURCES INC.
(An Exploration Stage Company)
Condensed Interim Statements of Changes in Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Common Shares Number	Amount \$	Share-based payment Surplus \$	Deficit \$	Total Shareholders' Equity \$
Balance, August 16, 2010 (date of incorporation) (note 10)	1	-	-	-	-
Shares issued for cash	5,221,999	145,600	-	-	145,600
Net loss for the period	-	-	-	(91,415)	(91,415)
Balance at January 31, 2011 (note 10)	5,222,000	145,600	-	(91,415)	54,185
Shares issued for cash	510,000	51,000	-	-	51,000
Share-based payments	-	-	44,328	-	44,328
Net loss for the period	-	-	-	(46,105)	(46,105)
Balance at July 31, 2011 (note 10)	5,732,000	196,600	44,328	(137,520)	103,408
Share-based payments	-	-	22,104	-	22,104
Net loss for the period	-	-	-	(105,223)	(105,223)
Balance at January 31, 2012	5,732,000	196,600	66,432	(242,743)	20,289

WINROCK RESOURCES INC.
(An Exploration Stage Company)
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	For the six months ended January 31, 2012 \$	For the period from August 16, 2010 (date of incorporation) to January 31, 2011 \$
		(note 10)
Operating Activities		
Net loss	(105,223)	(91,415)
Item not involving cash:		
Share-based payments	22,104	44,328
Write-off of mineral properties	6,680	-
Changes in non-cash working capital		
HST receivable	(5,527)	(767)
Advances and prepaids	(1,260)	-
Accounts payable and accrued liabilities	6,750	10,500
Due to related parties	31,350	-
Cash Used in Operating Activities	(45,126)	(37,354)
Investing Activity		
Expenditures on mineral property interest	-	(16,000)
Financing Activities		
Proceeds from issuance of common shares	-	145,600
Deferred financing costs	(23,327)	-
Cash Provided by Financing Activities	(23,327)	145,600
Increase (decrease) of Cash	(68,453)	92,246
Cash, Beginning of Period	106,366	-
Cash, End of Period	37,913	92,246

See notes to condensed interim financial statements.

WINROCK RESOURCES INC.
(An Exploration Stage Company)
Notes to Condensed Interim Financial Statements
For the six month period ended January 31, 2012
(Expressed in Canadian Dollars)
(Unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

Winrock Resources Inc. (the "Company") was incorporated under the *Business Corporations Act* of British Columbia on August 16, 2010. The Company is engaged in the acquisition, exploration and development of mineral properties. The Company filed a prospectus offering and a concurrent listing ("IPO") of its shares for trading on the Canadian National Stock Exchange ("CNSX") on November 30, 2011 and has not closed the financing. The address of the Company's registered office is Suite 430 – 580 Hornby Street, Vancouver, B.C. V6C 3B6.

These condensed interim financial statements have been prepared on a going concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business for the foreseeable future.

The Company reported a net loss of \$105,223 for the six-month period ended January 31, 2012 (\$91,415 for the period from August 16, 2010 (date of incorporation) to January 31, 2011) and has an accumulated deficit of \$242,743 as at January 31, 2012 (July 31, 2011 - \$137,520). As at January 31, 2012, the Company had \$37,913 (July 31, 2011 - \$106,366) in cash and working capital of \$5,289 (July 31, 2011 - \$81,728), which is not sufficient to fund the Company's operations for the ensuing 12 months. The Company has an ongoing requirement for capital investment for its mineral property interest and administrative overhead and, accordingly, the Company will need to raise substantial additional capital through equity financing to accomplish its business plan over the next several years. There can be no assurance as to the availability or terms upon which such financing might be available (note 11).

The business of exploring for minerals involves a high degree of risk and there can be no assurance that any of the Company's current or future exploration programs will result in profitable mining operations. The recoverability of amounts shown for mineral property interests is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete their development and establish future profitable operations or realize proceeds from their sale.

Failure to continue as a going concern may require restatement of assets and liabilities on a liquidation basis, which could differ materially from the going concern basis. These financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

The condensed consolidated interim financial statements of the Company were authorized for issue by the Board of Directors on April 25, 2012.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance and Conversion to International Financial Reporting Standards

As these are condensed interim financial statements, they should be read in conjunction with the Company's annual financial statements for the year ended July 31, 2011, and its first condensed interim financial statements as at and for the three months ended October 31, 2011. These condensed consolidated interim financial statements were prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* and, accordingly, they do not include all of the information required for annual financial statements.

WINROCK RESOURCES INC.
(An Exploration Stage Company)
Notes to Condensed Interim Financial Statements
For the six month period ended January 31, 2012
(Expressed in Canadian Dollars)
(Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Statement of Compliance and Conversion to International Financial Reporting Standards (continued)

These condensed interim financial statements have been prepared in accordance with IFRS 1 *First-time Adoption of International Financial Reporting Standards* and the explanation of how the transition to IFRS has affected the reported financial position and performance of the Company is provided in note 10.

These condensed consolidated interim financial statements have been prepared on a historical cost basis. In addition these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The accounting policies set out below have been applied consistently to all periods presented.

(b) Basis of preparation

These condensed interim financial statements have been prepared in accordance with IAS 34. These condensed interim financial statements do not include all the information required for full annual financial statements. The condensed interim financial statements should be read in conjunction with the Company's Canadian GAAP financial statements for the period from August 16, 2010 (date of incorporation) to July 31, 2011.

Management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates include:

- balances of accrued liabilities;
- the fair value of financial instruments;
- the recoverability of mineral properties;
- determination of asset retirement and environmental obligations;
- the utilization of deferred income tax assets; and
- the determination of the variables used in the calculation of share-based payment.

While management believes that these estimates are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

The condensed interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss ("FVTPL"), which are stated at their fair values. In addition these condensed interim financial statements have been prepared using the accrual basis of accounting.

The condensed interim financial statements are presented in Canadian dollars, which is also the Company's functional currency, and all values are rounded to the nearest dollar, unless otherwise indicated.

WINROCK RESOURCES INC.
(An Exploration Stage Company)
Notes to Condensed Interim Financial Statements
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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Mineral properties

The Company defers all costs related to acquisition of mineral properties on a property-by-property basis, net of any recoveries, and expenses all mineral property exploration expenditures as incurred. The costs incurred to date do not necessarily reflect present or future values. Costs are deferred until such time as the extent of mineralization has been determined and mineral property interests are either developed or the Company's mineral rights are allowed to lapse.

All deferred mineral property acquisition costs are reviewed quarterly, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company's assessment of its ability to sell the interest for an amount exceeding the deferred costs, provision is made for the impairment in value.

From time to time the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, option payments are recorded as property costs or recoveries when the payments are made or received.

(d) Financial instruments

Financial assets

All financial assets are initially recorded at fair value and classified upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans and receivables or at FVTPL.

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through earnings.

Financial assets classified as loans and receivables and held-to-maturity are measured at amortized cost.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities

All financial liabilities are initially recorded at fair value and classified upon inception as FVTPL or other financial liabilities. Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. The Company's trade and other payables are classified as other financial liabilities.

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(An Exploration Stage Company)
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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial instruments (continued)

Financial liabilities classified as FVTPL include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives, are also classified as held-for-trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through net income.

Other financial liabilities

Other financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest and any transaction costs over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition. Other financial liabilities are de-recognized when the obligations are discharged, cancelled or expired.

Impairment of financial assets

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or group of financial assets.

- Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has occurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment and the amount of the loss is recognized in comprehensive loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in comprehensive loss.

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial instruments (continued)

In relation to trade and other receivables, a provision for impairment is made and an impairment loss is recognized in profit and loss when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Group will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

- Available for sale

If an available for sale asset is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognized in comprehensive loss, is transferred from accumulated other comprehensive loss to profit and loss.

- Derecognition of financial assets and liabilities

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive loss.

(e) Asset retirement obligations ("ARO")

The Company recognizes an estimate of the liability associated with an ARO in the financial statements at the time the liability is incurred. The estimated fair value of the ARO is recorded as a long-term liability, with a corresponding increase in the carrying amount of the related asset. The capitalized amount will be depleted on a straight-line basis over the estimated life of the asset. The liability amount is increased each reporting period due to the passage of time and the amount of accretion is charged to earnings in the period. The ARO can also increase or decrease due to changes in the estimates of

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Asset retirement obligations ("ARO") (continued)

timing of cash flows or changes in the original estimated undiscounted cost. Actual costs incurred upon settlement of the ARO are charged against the ARO to the extent of the liability recorded. As at January 31, 2012 and July 31, 2011, the Company has determined that it has no material AROs to record in the financial statements.

(f) Share-based payments

The Company accounts for share-based payment using a fair value based method with respect to all share-based payments measured and recognized, to directors, employees and non-employees. For directors and employees, the fair value of the options is measured at the date of grant using the Black-Scholes option pricing model. For non-employees, the options are recorded at the fair value of the goods or services received. When the value of the goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured using the Black-Scholes option pricing model. The fair value of the options is accrued and charged either to operations or mineral interests, with the offset credit to share-based payment reserve.

For directors and employees the options are recognized over the vesting period, and for non-employees the options are recognized over the related service period. If and when the stock options are ultimately exercised, the applicable amounts of share-based payment reserve are transferred to capital stock.

(g) Loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

(h) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income/loss.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current period and any adjustment to income taxes payable in respect of previous periods. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Income taxes (continued)

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in profit or loss.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it provides a valuation allowance against that excess.

(i) New accounting standards and interpretations not yet adopted

The Company will be required to adopt certain standards and amendments issued by the IASB, as described below, for which the Company is currently assessing the impact on its financial statements. All of the new and revised standards described below may be early adopted.

IAS 27 *Separate Financial Statements* (2011)

This amended version of IAS 27 which now only deals with the requirements for separate financial statements, which have been carried over largely unamended from IAS 27 *Consolidated and Separate Financial Statements*. Requirements for consolidated financial statements are now contained in IFRS 10 *Consolidated Financial Statements*.

Applicable to annual reporting periods beginning on or after January 1, 2013. If early adopted, must be adopted together with IFRS 10, IFRS 11, IFRS 12, and IAS 28 (2011).

IAS 28 *Investments in Associates and Joint Ventures* (2011)

This Standard supersedes IAS 28 *Investments in Associates* and prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

The Standard defines 'significant influence' and provides guidance on how the equity method of accounting is to be applied (including exemptions from applying the equity method in some cases). It also prescribes how investments in associates and joint ventures should be tested for impairment.

WINROCK RESOURCES INC.
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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

- (i) New accounting standards and interpretations not yet adopted (continued)

IAS 28 *Investments in Associates and Joint Ventures* (2011) (continued)

Applicable to annual reporting periods beginning on or after January 1, 2013. If early adopted, must be adopted together with IFRS 10, IFRS 11, IFRS 12, and IAS 27 (2011).

IFRS 9 *Financial Instruments* (2009)

IFRS 9 introduces new requirements for classifying and measuring financial assets, as follows:

- Debt instruments meeting both a 'business model' test and a 'cash flow characteristics' test are measured at amortised cost (the use of fair value is optional in some limited circumstances)
- Investments in equity instruments can be designated as 'fair value through other comprehensive income' with only dividends being recognized in profit or loss
- All other instruments (including all derivatives) are measured at fair value with changes recognized in the profit or loss
- The concept of 'embedded derivatives' does not apply to financial assets within the scope of the Standard and the entire instrument must be classified and measured in accordance with the above guidelines.

This standard is only applicable if it is optionally adopted for annual periods beginning before 1 January 2013. For annual periods beginning on or after 1 January 2013, the Company must adopt IFRS 9 (2010).

IFRS 9 *Financial Instruments* (2010)

A revised version of IFRS 9 incorporating revised requirements for the classification and measurement of financial liabilities, and carrying over the existing derecognition requirements from IAS 39 *Financial Instruments: Recognition and Measurement*.

The revised financial liability provisions maintain the existing amortized cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss – in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss.

Applies to annual periods beginning on or after 1 January 2013. This Standard supersedes IFRS 9 (2009). However, for annual reporting periods beginning before 1 January 2013, an entity may early adopt IFRS 9 (2009) instead of applying this Standard.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

- (i) New accounting standards and interpretations not yet adopted (continued)

IFRS 10 Consolidated Financial Statements

Requires a parent to present consolidated financial statements as those of a single economic entity, replacing the requirements previously contained in IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidation - Special Purpose Entities*.

The Standard identifies the principles of control, determines how to identify whether an investor controls an investee and therefore must consolidate the investee, and sets out the principles for the preparation of consolidated financial statements.

The Standard introduces a single consolidation model for all entities based on control, irrespective of the nature of the investee (i.e. whether an entity is controlled through voting rights of investors or through other contractual arrangements as is common in 'special purpose entities'). Under IFRS 10, control is based on whether an investor has power over the investee, exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the returns.

Applicable to annual reporting periods beginning on or after 1 January 2013. If early adopted, must be adopted together with IFRS 11, IFRS 12, IAS 27 (2011) and IAS 28 (2011).

IFRS 11 Joint Arrangements

Replaces IAS 31 *Interests in Joint Ventures*. Requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and then account for those rights and obligations in accordance with that type of joint arrangement.

Joint arrangements are either joint operations or joint ventures:

- A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint operators recognize their assets, liabilities, revenue and expenses in relation to its interest in a joint operation (including their share of any such items arising jointly)
- A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (joint venturers) have rights to the net assets of the arrangement. A joint venturer applies the equity method of accounting for its investment in a joint venture in accordance with IAS 28 *Investments in Associates and Joint Ventures* (2011). Unlike IAS 31, the use of 'proportionate consolidation' to account for joint ventures is not permitted.

Applicable to annual reporting periods beginning on or after 1 January 2013. If early adopted, must be adopted together with IFRS 10, IFRS 12, IAS 27 (2011) and IAS 28 (2011).

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

- (i) New accounting standards and interpretations not yet adopted (continued)

IFRS 12 Disclosure of Interests in Other Entities

Requires the extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.

In high-level terms, the required disclosures are grouped into the following broad categories:

- Significant judgements and assumptions - such as how control, joint control, significant influence has been determined
- Interests in subsidiaries - including details of the structure of the group, risks associated with structured entities, changes in control, and so on
- Interests in joint arrangements and associates - the nature, extent and financial effects of interests in joint arrangements and associates (including names, details and summarised financial information)
- Interests in unconsolidated structured entities - information to allow an understanding of the nature and extent of interests in unconsolidated structured entities and to evaluate the nature of, and changes in, the risks associated with its interests in unconsolidated structured entities

IFRS 12 lists specific examples and additional disclosures which further expand upon each of these disclosure objectives, and includes other guidance on the extensive disclosures required.

Applicable to annual reporting periods beginning on or after 1 January 2013. If early adopted, must be adopted together with IFRS 10, IFRS 11, IAS 27 (2011) and IAS 28 (2011).

IFRS 13 Fair Value Measurement

Replaces the guidance on fair value measurement in existing IFRS accounting literature with a single standard.

This IFRS defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. However, IFRS 13 does not change the requirements regarding which items should be measured or disclosed at fair value.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

- (i) New accounting standards and interpretations not yet adopted (continued)

IFRS 13 Fair Value Measurement (continued)

IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements). With some exceptions, the standard requires entities to classify these measurements into a 'fair value hierarchy' based on the nature of the inputs:

- **Level 1** - quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date
- **Level 2** - inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- **Level 3** - unobservable inputs for the asset or liability

Entities are required to make various disclosures depending upon the nature of the fair value measurement (e.g. whether it is recognised in the financial statements or merely disclosed) and the level in which it is classified.

Applicable to annual reporting periods beginning on or after 1 January 2013.

Amendments to IFRS 7 Financial Instruments: Disclosures

Makes amendments to IFRS 7 *Financial Instruments: Disclosures* resulting from the IASB's comprehensive review of off balance sheet activities.

The amendments introduce additional disclosures, designed to allow users of financial statements to improve their understanding of transfer transactions of financial assets (for example, securitisations), including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.

Applies to annual periods beginning on or after 1 July 2011.

Deferred Tax: Recovery of Underlying Assets (Amendments to IAS 12)

Amends IAS 12 *Income Taxes* to provide a presumption that recovery of the carrying amount of an asset measured using the fair value model in IAS 40 *Investment Property* will, normally, be through sale.

As a result of the amendments, SIC-21 *Income Taxes — Recovery of Revalued Non-Depreciable Assets* would no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC-21, which is accordingly withdrawn.

Applicable to annual periods beginning on or after January 1, 2012.

WINROCK RESOURCES INC.
(An Exploration Stage Company)
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(Expressed in Canadian Dollars)
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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

- (i) New accounting standards and interpretations not yet adopted (continued)

Presentation of Items of Other Comprehensive Income (Amendments to IAS 1)

Amends IAS 1 *Presentation of Financial Statements* to revise the way other comprehensive income is presented.

The amendments:

- Preserve the amendments made to IAS 1 in 2007 to require profit or loss and OCI to be presented together, i.e. either as a single 'statement of profit or loss and comprehensive income', or a separate 'statement of profit or loss' and a 'statement of comprehensive income' – rather than requiring a single continuous statement as was proposed in the exposure draft
- Require entities to group items presented in OCI based on whether they are potentially reclassifiable to profit or loss subsequently. i.e. those that might be reclassified and those that will not be reclassified
- Require tax associated with items presented before tax to be shown separately for each of the two groups of OCI items (without changing the option to present items of OCI either before tax or net of tax).

Applicable to annual reporting periods beginning on or after 1 July 2012.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments have been designated as follows: cash as held-for-trading; and accounts payable and due to related parties as other financial liabilities.

The carrying values of accounts payable and due to related parties approximate their fair values due to the short-term maturity of these financial instruments.

- (a) Credit risk

The Company manages credit risk, in respect of cash, by holding it at a major Canadian financial institution in accordance with the Company's investment policy. The Company's concentration of credit risk and maximum exposure is for cash at January 31, 2012 in the amount of \$37,913.

The credit risk associated with cash is managed by ensuring that it is placed with major Canadian financial institutions with strong investment-grade ratings by a primary ratings agency.

- (b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to mitigating liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due. The Company has cash of \$37,913 at January 31, 2012, and accounts payable and accrued liabilities of \$21,250 and due to related parties of \$65,850 payable on demand.

WINROCK RESOURCES INC.
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3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

(i) Interest rate risk

The Company is not exposed to significant interest rate risk as all its cash is held in bank accounts and the effect of interest rate fluctuations will be minimal.

(ii) Foreign currency risk

The Company is not exposed to foreign currency risk.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

4. DEFERRED FINANCING COSTS

Costs directly identifiable with the raising of capital will be charged against the related capital stock. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related capital stock or charged to operations if the shares are not issued.

5. CAPITAL MANAGEMENT

The Company is an exploration stage company and currently does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of capital stock. The Company does not use other sources of financing that require fixed payments of interest and principal and is not subject to any externally imposed capital requirements.

The Company defines its capital as capital stock. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet its strategic goals. The Company monitors actual expenses to budget to manage its costs and commitments.

The Company's capital management objective is to maximize investment returns to its equity-linked stakeholders within the context of relevant opportunities and risks associated with the Company's operating segment. Achieving this objective requires management to consider the underlying nature of exploration activities, availability of capital, the cost of various capital alternatives and other factors. Establishing and adjusting capital requirements is a continuous management process. Although the Company has been successful at raising funds in the past through the issuance of capital stock, it is uncertain whether it will continue this financing due to uncertain economic conditions.

WINROCK RESOURCES INC.
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5. CAPITAL MANAGEMENT (Continued)

The Company does not have sufficient funds to meet its working capital requirements for the coming year and will need to generate additional capital through equity financing to meet these requirements.

6. MINERAL PROPERTIES

	Horsefly Property \$
Acquisition costs	
Additions during the period - cash payments (note 8)	21,680
Total as at July 31, 2011	21,680
Write-off during the period	(6,680)
Total as at January 31, 2012	15,000

Horsefly Property

On October 12, 2010, the Company signed an agreement to acquire a 100% undivided interest in claims located near Kitimat, British Columbia.

Under the terms of the agreement, the Company would earn its interest by making the following payments:

- (a) Cash payment of \$15,000 (paid); and
- (b) Issuing 200,000 common shares at a deemed price equal to the sale price of the shares of the Company at the time of its IPO.

Realization of assets

The investment in mineral property interests comprises a substantial portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

The amounts shown for acquisition costs represent costs incurred to date and do not necessarily reflect present or future values.

Title to mineral property interests

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

WINROCK RESOURCES INC.
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6. MINERAL PROPERTIES (Continued)

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation.

The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the mineral property interests, the potential for production on the property may be diminished or negated.

7. CAPITAL STOCK

(a) Authorized

Unlimited number of common shares without par value

(b) Issued

On August 16, 2010, an incorporation share was issued for no proceeds and surrendered on October 1, 2010. During the period from August 16, 2010 (date of incorporation) to July 31, 2011, the Company issued 1,500,000 common shares at \$0.005 and 2,450,000 common shares at \$0.02, 762,000 common shares at \$0.05, and 1,020,000 common shares at \$0.10, for gross proceeds of \$196,600. No common shares were issued during the period from August 1, 2011 to January 31, 2012.

(c) Escrowed shares

As at January 31, 2012 and July 31, 2011, there were 3,350,000 common shares held in escrow.

(d) Stock options

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

WINROCK RESOURCES INC.
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7. CAPITAL STOCK (Continued)

(d) Stock options (continued)

The term of any options granted under the Plan will be fixed by the Board of Directors and may not exceed ten years. The exercise price of options granted under the Plan will be determined by the Board of Directors, and if the common shares are listed on an exchange, the exercise must not be lower than the last closing sale price for such common shares as quoted on the exchange for the market trading day immediately prior to the date of grant of the option, less any discount permitted by the Exchange.

The Company granted 450,000 options on January 11, 2011, and 100,000 options on July 14, 2011 to four of its directors at an exercise price of \$0.20 per share. The options will be exercisable for a period of three years from the date the Company's common shares are listed for trading on the Canadian National Stock Exchange ("CNSX") and will vest immediately upon commencement of trading. The total fair value of these options was calculated at \$74,961, of which \$22,104 has been recognized as share-based payment during the current period. The fair value of stock options granted was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: risk-free interest rate of 1.90%; expected share price volatility of 100%; expected option life of 3.80 years and an expected dividend yield of 0%. The weighted average fair value of the options granted during the period is \$0.14 per option.

8. RELATED PARTY TRANSACTIONS

During the three-month period ended January 31, 2012:

- (i) Consulting fees were paid or accrued to directors totalling \$15,000 (January 31, 2011 - \$20,100). Amounts payable as at January 31, 2012 were \$65,850 (July 31, 2011 - \$34,500) and included in due to related parties;
- (ii) Mineral property exploration expenditures of \$1,169 (January 31, 2011 - \$9,241) for reimbursement of claim fees and field work paid by directors; and
- (iii) Stock-based compensation for directors of \$Nil (January 31, 2011 - \$44,328).

During the six-month period ended January 31, 2012:

- (iv) Consulting fees were paid or accrued to directors totalling \$30,000 (January 31, 2011 - \$25,100). Amounts payable as at January 31, 2012 were \$65,850 (July 31, 2011 - \$34,500) and included in due to related parties;
- (v) Mineral property exploration expenditures of \$6,239 (January 31, 2011 - \$9,241) for reimbursement of claim fees and field work paid by directors; and
- (vi) Share-based payment for directors of \$74,961, (January 31, 2011 - \$44,328).

The Company has no short-term employee benefits, post-employment benefits, other long-term employee benefits and termination benefits.

The amounts due to related parties are without interest and are due on demand. The above transactions are in the normal course of operations.

WINROCK RESOURCES INC.
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9. SEGMENTED INFORMATION

The Company has one industry segment, the exploration and development of mineral property interests, and operates in one geographic segment, Canada.

10. IFRS

The accounting policies set out in note 2 have been applied in preparing the condensed interim financial statements for the three- and six-month period ended January 31, 2012, the comparative information presented in these condensed interim financial statements for the period from August 16, 2010 (date of incorporation) to January 31, 2011, and in the preparation of an opening IFRS statement of financial position at August 16, 2010 (the Company's date of transition) and the statement of financial position as at July 31, 2011.

IFRS employs a conceptual framework that is similar to Canadian GAAP. The adoption of IFRS has not changed the actual cash flows of the Company nor resulted in significant changes to the reported financial position as at August 16, 2010 (date of incorporation) and July 31, 2011 and, results of operations and cash flows of the Company for the period from August 16, 2010 (date of incorporation) to January 31, 2011, from those reported previously under Canadian GAAP.

The July 31, 2011 and January 31, 2011 Canadian GAAP statement of financial position has been reconciled to IFRS as follows:

	July 31, 2011 \$	January 31, 2011 \$
Total assets under Canadian GAAP	152,408	83,214
Adjustment required on adoption of IFRS	-	-
Total assets under IFRS	152,408	83,214
Total liabilities under Canadian GAAP	49,000	29,500
Adjustment required on adoption of IFRS	-	-
Total liabilities under IFRS	49,000	29,500
Total equity under Canadian GAAP	103,408	53,714
Adjustment required on adoption of IFRS	-	-
Total equity under IFRS	103,408	53,714
Total liabilities and equity under IFRS	152,408	83,214

WINROCK RESOURCES INC.
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10. IFRS (Continued)

The Canadian GAAP statement of operations and comprehensive loss for the three months ended January 31, 2011, and for the period from August 16, 2010 (date of incorporation) to July 31, 2011 have been reconciled to IFRS as follows:

	Three Months Ended January 31, 2011 \$	From August 16, 2010 (date of incorporation) to January 31, 2011 \$
Net comprehensive loss under Canadian GAAP	64,766	91,415
Adjustment required on adoption of IFRS	-	-
Net comprehensive loss under IFRS	64,766	91,415

The following is the reconciliation of the statement of cash flows for the period from August 16, 2010 (date of incorporation) to January 31, 2011:

	From August 16, 2010 (date of incorporation) to January 31, 2011 \$
Operating activities under Canadian GAAP	(37,354)
Adjustment required on adoption of IFRS	-
Operating activities under IFRS	(37,354)
Investing activities under Canadian GAAP	(16,000)
Adjustment required on adoption of IFRS	-
Investing activities under IFRS	(16,000)
Financing activities under Canadian GAAP	145,600
Adjustment required on adoption of IFRS	-
Financing activities under IFRS	145,600

WINROCK RESOURCES INC.
(An Exploration Stage Company)
Notes to Condensed Interim Financial Statements
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11. EVENTS AFTER THE REPORTING PERIOD

On April 25, 2012, the Company filed an amended and restated prospectus offering, of a minimum of 3,000,000 and a maximum of 4,000,000 units at \$0.10 per unit as its IPO, with up to a 15% over-allotment option if the maximum offering is sold. Each unit is comprised of one common share and one-half of one share purchase warrant, each warrant exercisable for a period of 12 months from closing of the offering at a price of \$0.12 per share. The agent will receive a commission of 10% of the gross proceeds of the offering payable in cash or units, a finance fee of \$25,000 payable in cash or units, 60,000 common shares of the Company and an option to acquire units equal to 10% of the number of units sold under the offering (exercisable at \$0.10 per unit for 36 months from the date of the listing of the Company's shares on the CNSX (all units issuable to the agent are on the same terms as the placement units). If the minimum subscription is not raised on or before May 28, 2012, all subscription monies will be returned to subscribers without interest or deduction, unless the subscribers have otherwise instructed the agent. The offering is subject to regulatory approval.

SCHEDULE A - AUDIT AND FINANCE COMMITTEE CHARTER

Organization

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

Membership and Qualifications

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

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

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

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

Role

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

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

Authority

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

Responsibilities and Processes

The Committee's primary responsibilities include:

- Overseeing Winrock's financial reporting process on behalf of the Board and reporting the results or findings of its oversight activities to the Board.
- Having sole authority to appoint, retain and oversee the work of Winrock's independent auditor and establishing the compensation to be paid to the independent auditor. Winrock's independent auditor shall report directly to the Committee.
- Establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls and/or auditing matters for the confidential, anonymous submission by Winrock's employees of concerns regarding questionable accounting or auditing matters.
- Pre-approving all audit services and permissible non-audit services as may be amended from time to time.
- Overseeing Winrock's system to monitor and manage risk, and legal and ethical compliance programs, including the establishment and administration (including the grant of any waiver from) a written code of ethics applicable to each of Winrock's principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions.

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

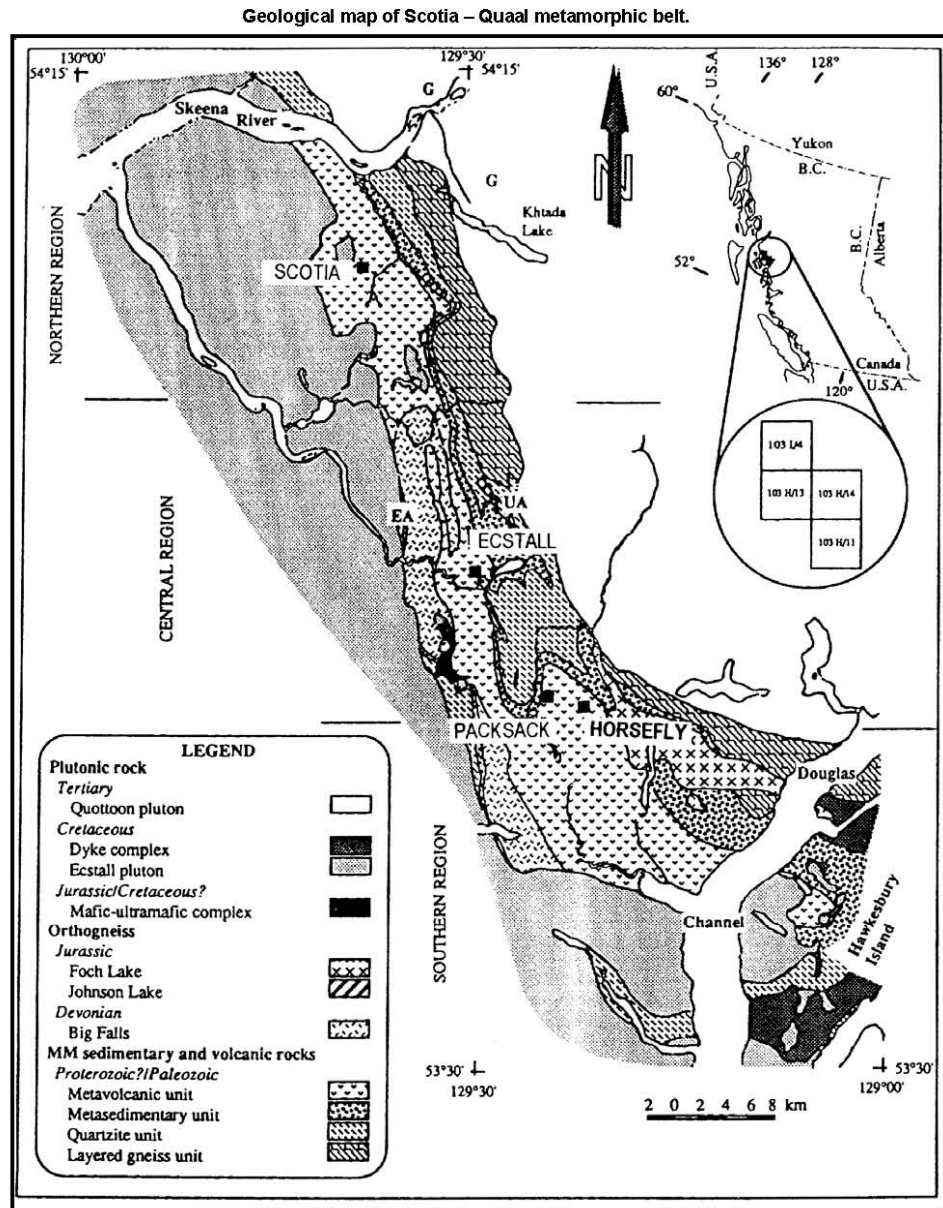
The following shall be the principal recurring processes of the Committee relating to its oversight responsibilities. These processes are set forth as a guide, with the understanding that the Committee may supplement them as appropriate and is not intended to be a comprehensive list of all the actions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

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

- Overseeing the independent auditor relationship by discussing with the auditor the nature and scope of the audit process, receiving and reviewing audit reports, and providing the auditor full access to the Committee to report on any and all appropriate matters. The Committee has the sole authority to resolve disagreements, if any, between management and the independent auditor.
- Discussing with the independent auditor and Winrock's financial and accounting personnel, together and in separate sessions, the adequacy and effectiveness of the accounting and financial controls of Winrock and eliciting recommendations for the improvement of such internal control procedures or particular areas where new or more detailed controls or procedures may be desirable.
- Providing sufficient opportunity for the independent auditor to meet with the members of the Committee without members of management present. Among the items to be discussed in these meetings are the independent auditor's evaluation of Winrock's financial and accounting personnel and the cooperation that the independent auditor received during the course of the audit.
- Discussing with management their review of the adequacy of Winrock's disclosure controls and procedures, the effectiveness of such controls and procedures and any findings following such review.
- Reviewing Winrock's system to monitor, assess and manage risk and legal and ethical compliance program.
- Reviewing and discussing with management and the independent auditor prior to the filing of Winrock's annual report:
 1. Winrock's annual financial statements and related footnotes and other financial information, including the information in the "Management's Discussion and Analysis.
 2. The selection, application and effects of Winrock's critical accounting policies, practices and the reasonableness of significant judgements and estimates made by management.
 3. Alternative and preferred treatment of financial information under generally accepted accounting principles.
 4. All material arrangements, off-balance sheet transactions and relationship with any unconsolidated entities or any other persons which may have a material, current or future, effect on the financial condition of Winrock.
 5. Any material written communications between the independent auditor and management.
 6. The independent auditor's audit of the financial statements and its report thereon.
 7. Any significant finding and recommendations of the independent auditor and management's responses thereto.
 8. Any significant changes in the independent auditor's audit plan.
 9. Any serious difficulties or disputes with management encountered during the course of the audit.
 10. Any related significant findings and recommendations of the independent auditor together with management's responses thereto.

11. Other matters related to the conduct of the audit, which are to be communicated to the Committee under generally accepted auditing standards.
- Preparing a report to be included in Winrock's Information Circular that states the Committee has:
 1. Analyzed and discussed the audited financial statements with management;
 2. Discussed with the independent auditor the auditor's independence;
 3. Considered the audit and non-audit services provided by the independent auditor, and the fees paid for such services; and
 - The Committee shall review in advance all announcements of interim and annual financial results, as well as any periodic guidance to be publicly released by Winrock and discuss such announcements with management and the independent auditors.
 - Reviewing and discussing with management and the independent auditor prior to the filing of Winrock's Quarterly Report:
 1. CFO's interim financial statements and related footnotes and other financial information, including the information in the "Management's Discussion and Analysis?"
 2. The selection, application and effects of Winrock's critical accounting policies, practices and the reasonableness of significant judgments and estimates made by management.
 3. Alternative and preferred treatment of financial information under generally accepted accounting principles.
 4. All material arrangements, off-balance sheet transactions and relationship with any unconsolidated entities or any other persons which may have a material current or future effect on the financial condition of Winrock.
 - Reviewing and either approving or disapproving all related party transactions.
 - Submitting the minutes of all meetings of the Committee to, or discussing the matters discussed at each committee meeting with, the Board
 - Reviewing and assessing the adequacy of this charter annually and recommend any proposed changes to the Board for its approval.
 - The Chairman of the Committee, or another Committee member designated by the Chairman, is authorized to act on behalf of the Committee with respect to required Committee responsibilities which arise between regularly scheduled Committee meetings, with the independent auditors and management, as well as the pre-approval of non-audit services provided by the independent auditors, as necessary, as contemplated by the Committee's policies. Any such pre-filing discussions and pre-approvals shall be reported to the Committee at a subsequent meeting.

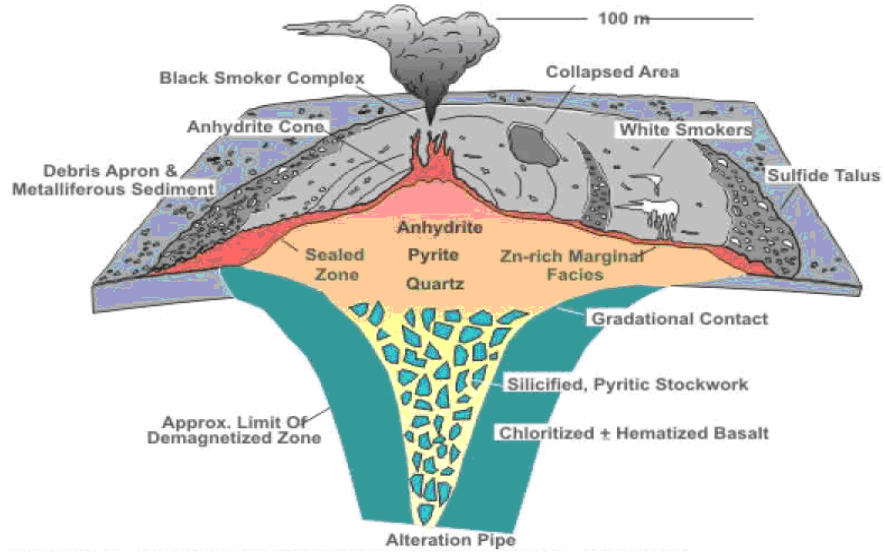
SCHEDULE B - GEOLOGICAL MAP OF SCOTIA – QUAAL METAMORPHIC BELT



Bold letters designate facies of metamorphism: EA, epidote=amphibolite, UA, upper amphibolite, G, granulite (Source: Gareau 1991) 9.2Property Geology

SCHEDULE C - TYPICAL SECTION OF A VMS DEPOSIT

Typical Section of a VMS deposit (Source: Galley 1993, 2007)



CERTIFICATE OF COMPANY

Dated: April 25, 2012

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

“Paul Dickson”

PAUL DICKSON
Chief Executive Officer

“Robert Anderson”

ROBERT ANDERSON
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

“Harvey D. Dick”

HARVEY D. DICK
Director

“Derrick Strickland”

DERRICK STRICKLAND
Director

CERTIFICATE OF PROMOTERS

Dated: April 25, 2012

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

“Paul Dickson”

PAUL DICKSON
Promoter

“Harvey D. Dick”

HARVEY D. DICK
Promoter

“Derrick Strickland”

DERRICK STRICKLAND
Promoter

CERTIFICATE OF AGENT

Dated: April 25, 2012

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

WOLVERTON SECURITIES LTD.

“Brent N. Wolverton”

BRENT N. WOLVERTON,
President