

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

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

The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws and, subject to certain exceptions, may not be offered or sold within the United States. This Prospectus does not constitute an offer to sell or solicitation of an offer to buy any of the securities offered hereby within the United States. See “Plan of Distribution”.

INITIAL PUBLIC OFFERING

DATED: October 20, 2011

PRELIMINARY PROSPECTUS
Westline Resources Ltd.

19335 119B Avenue
Pitt Meadows, BC V3Y 1J9

Minimum: 5,600,000 Common Shares (\$560,000) at \$0.10 per Common Share
Maximum: 10,000,000 Common Shares (\$1,000,000) at \$0.10 per Common Share

Westline Resources Ltd. (the “**Issuer**”) is offering, and this Prospectus qualifies the distribution of, a minimum (the “**Minimum Offering**”) of 5,600,000 **Common Shares** (as defined herein) and a maximum (the “**Maximum Offering**”) of 10,000,000 Common Shares issuable at a price of \$0.10 per Share (the “**Offering**”). The offering price of the Common Shares offered under this Prospectus was determined by negotiations between the Issuer and Union Securities Ltd. (the “**Agent**”). See “**Plan of Distribution**”.

PRICE: \$0.10 per Common Share

	Price to the Public	Agent’s Commission ⁽¹⁾⁽²⁾	Net proceeds ⁽³⁾
Per Common Share	\$0.10	\$0.01	\$0.09
Minimum Offering	\$560,000	\$56,000	\$504,000
Maximum Offering	\$1,000,000	\$100,000	\$900,000

- (1) The Issuer will pay to the Agent a commission equal to 10% of the gross proceeds of the Offering. In addition, the Issuer will reimburse the Agent for certain of its out-of-pocket disbursements and expenses associated with conducting due diligence and other expenses incurred in connection with this Offering including, the fees, disbursements and applicable taxes of the Agent’s legal counsel, of which a deposit of \$25,000 has been advanced to the Agent. The Issuer will also grant to the Agent, that number of non-transferable share purchase warrants (“**Agent’s Warrants**”) that is equal to 10% of the number of Common Shares sold in the Offering, each Agent’s Warrant entitling the Agent to purchase one (1) Common Share of the Issuer at a price of \$0.10 per share. The Agent’s Warrants shall expire one year from the date the Offering closes (the “**Closing Date**”). This Prospectus also qualifies the distribution of the Agent’s Warrants that are Qualified

Compensation Securities (as defined herein). In connection with the services provided by the Agent, the Issuer will also pay the Agent a corporate finance fee comprised of (a) a cash payment of \$25,000 plus HST and (b) 250,000 Common Shares of the Issuer (the “**Corporate Finance Shares**”) to be issued on the Closing Date. This Prospectus qualifies the distribution of the Corporate Finance Shares to the extent that they are Qualified Compensation Securities. An advance payment on the Corporate Finance Fee of \$10,000 was made on July 22, 2011 and the balance of the cash payment (plus HST) is payable on the earlier of September 30, 2011 and the Closing Date. Refer to “Plan of Distribution”.

- (2) National Instrument 41-101 (“**NI 41-101**”) imposes a restriction on the maximum number of securities which may be distributed under a prospectus to an Agent as compensation (“**Qualified Compensation Securities**”). Pursuant to NI 41-101, the aggregate Qualified Compensation Securities must not exceed 10% of the securities offered pursuant to this Prospectus, which in the case of this Offering is of 560,000 securities (Minimum Offering) and 1,000,000 securities (Maximum Offering). For the purposes of the Offering, any combination of the following are Qualified Compensation Securities (within the aggregate amounts set forth above) and are qualified for distribution by this Prospectus: (a) up to 560,000 Agent’s Warrants (Minimum Offering) and 1,000,000 Agent’s Warrants (Maximum Offering); and (b) up to 250,000 Corporate Finance Shares. To the extent that the Agent is entitled to receive securities as compensation exceeding 10% of the securities issued under the Offering, those securities exceeding the 10% threshold will not be Qualified Compensation Securities, will not be qualified for distribution under this Prospectus and will be subject to a hold period in accordance with applicable securities laws.
- (3) After deducting the Agent’s Commission, but before deducting the balance of expenses related to this Offering including the balance of the Corporate Finance Fee, Agent’s expenses including legal fees, and the Issuer’s legal, printing and audit expenses, estimated to be \$90,000.

This Offering is being made to investors resident in the **Selling Provinces** (as defined herein). Closing of the Offering is conditional upon the Minimum Offering being sold within 90 days of the issuance of the final receipt for this Prospectus or, if a receipt is issued for an amendment to this Prospectus, within 90 days of the issuance of such receipt and, in any event, not later than 180 days from the date of a receipt issued for the final Prospectus.

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

As at the date of this Prospectus, the Issuer does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside 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 Issuer has applied to list its Shares on the Canadian National Stock Exchange (the “Exchange”). Listing of the Common Shares will be subject to the Issuer meeting all of the listing requirements prescribed by the Exchange.

An investment in natural resource companies involves a significant degree of risk. The degree of risk increases substantially where the Issuer’s properties are in the exploration as opposed to the development stage. The Issuer’s mineral property is in the exploration stage and is without a known body of commercial ore. The proposed exploration program is an exploratory search for ore. Investors should not invest any funds in this Offering unless they can afford to lose their entire investment. Refer to “Risk Factors”.

The following table sets out securities issuable to the Agent upon closing of the Offering:

Agent’s Position	Maximum size or number of securities available	Exercise period or Acquisition date	Exercise price or deemed acquisition price
Over-allotment option	None	Not applicable	Not applicable
Agent’s Warrants	1,000,000 Common Shares ⁽¹⁾	One year from the Closing Date	\$0.10

Agent's Position	Maximum size or number of securities available	Exercise period or Acquisition date	Exercise price or deemed acquisition price
Any other option granted by issuer or insider of issuer to underwriter	None	Not applicable	Not applicable
Total securities under option issuable to underwriter	1,000,000 Common Shares ⁽¹⁾	One year from the Closing Date	\$0.10
Other compensation securities issuable to the Agent	250,000 Corporate Finance Shares	Not applicable	Not applicable
Total securities issuable to the Agent	Up to 1,250,000 Common Shares	Closing Date	\$0.10

- (1) The 1,000,000 Agent's Warrants (in the event of the Maximum Offering) and the 250,000 Corporate Finance Shares are qualified for distribution pursuant to this Prospectus to the extent that they are Qualified Compensation Securities. See "Plan of Distribution".

The Agent, as agent, conditionally offers the Common Shares qualified hereunder on a "commercially reasonable efforts" basis if, as and when issued by the Issuer in accordance with the Agency Agreement referred to under "Plan of Distribution", subject to approval of certain legal matters on behalf of the Issuer by Thomas, Rondeau LLP, Vancouver, British Columbia and on behalf of the Agent by Miller Thomson LLP, Vancouver, British Columbia. No person is authorized to provide any information or to make any representation in connection with this Offering other than as contained in this Prospectus.

It is anticipated that a certificate or certificates representing the Common Shares will be issued in registered form to CDS Clearing and Depository Services Inc. ("CDS") or its nominee as a global security and will be deposited with CDS on the Closing Date. A purchaser of Common Shares will receive only a customer confirmation from a registered dealer that is a CDS participant and from or through which the Common Shares are purchased. Physical certificates may be issued to a purchaser of Common Shares under the Offering only in limited circumstances.

Union Securities Ltd.
900-609 Granville Street
Vancouver, BC V7Y 1H4
Telephone: (604) 685-7000
Facsimile: (604) 691-2814

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GLOSSARY

The following terms used in this Prospectus have the following meanings:

“Agency Agreement” means the agency agreement dated for reference ◆, 2011 between the Issuer and the Agent;

“Agent” means Union Securities Ltd.;

“Agent’s Commission” means the commission equal to 10% of the gross proceeds from the sale of Common Shares under the Offering payable to the Agent by the Issuer;

“Agent’s Warrants” means the share purchase warrants to be issued to the Agent or sub-agents of the Agent in consideration of their services in connection with the Offering. Each Agent’s Warrant entitles the holder to purchase one Common Share of the Issuer at a price of \$0.10 per Common Share for one year following the Closing Date;

“Closing Date” means the day on which the Offering closes, such date to be agreed upon by the Issuer and the Agent;

“Common Shares” means the Class 1 shares without par value in the capital of the Issuer;

“Corporate Finance Fee” means the corporate finance fee comprised of (a) a cash payment of \$25,000 (plus HST) payable to the Agent pursuant to the terms of the Agency Agreement and (b) 250,000 Corporate Finance Shares;

“Corporate Finance Shares” means 250,000 Common Shares of the Issuer to be issued to the Agent pursuant to the terms of the Agency Agreement;

“Escrow Agent” means Computershare Investor Services Inc., located at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia V6C 3B9;

“Escrow Agreement” means the escrow agreement dated September 9, 2011 between the Issuer, the Escrow Agent and certain shareholders of the Issuer;

“Exchange” means the Canadian National Stock Exchange;

“Listing Date” means the date the Common Shares of the Issuer are listed on the Exchange;

“Maximum Offering” means the offering and sale of 10,000,000 Shares;

“Minimum Offering” means the offering and sale of 5,600,000 Shares;

“Named Executive Officer” means each of the following individuals: (i) the Chief Executive Officer; (ii) the Chief Financial Officer; (iii) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000; and (iv) each individual who would be a Named Executive Officer under paragraph (iii) but for the fact that the individual was neither an executive officer of the Issuer, nor acting in a similar capacity, at the end of that financial year;

“NI 43-101” means National Instrument 43-101 (Standards of Disclosure for Mineral Projects);

“Offering” means the proposed offering by this Prospectus of a minimum of 5,600,000 Common Shares at a price of \$0.10 per Common Share to raise gross proceeds of \$560,000, and up to a maximum of 10,000,000 Common Shares at a price of \$0.10 per Common Share to raise gross proceeds of \$1,000,000 with the Agent acting as selling agent;

“Offering Date” means the date chosen by the Agent and the Issuer to contract the purchases of Common Shares by the purchasers;

“Offering Price” means \$0.10 per Common Share;

“Option Agreement” means the mineral property option agreement pertaining to the QT Property dated March 1, 2011 between Qualitas Holdings Corp. and the Issuer;

“Pooling Agreement” means the voluntary pooling agreement dated September 9, 2011 between the Issuer, Computershare Investor Services Inc., Rider Capital Corp. and Anthony Kerr;

“QT Property” means the mineral claims in the Clinton Mining Division, British Columbia with tenure numbers 853658, 853665, 853668; 853672 and 853673;

“Qualified Compensation Securities” means the maximum number of securities offered to the Agent which may be qualified under a prospectus, being 10% of the Common Shares sold pursuant to the Offering;

“Qualified Person” means an individual who is an engineer or geoscientist with a university degree, or equivalent accreditation, in an area of geoscience, or engineering, relating to mineral exploration or mining; has at least five years of experience in mineral exploration, mine development or operation, or mineral project assessment, or any combination of these, that is relevant to his or her professional degree or area of practice; has experience relevant to the subject matter of the mineral project and the technical report; and is in good standing with a professional association;

“SEDAR” means the System for Electronic Document Analysis and Retrieval for documents of publicly trading companies which are electronically filed and accessible to the general public at www.sedar.com;

“Selling Provinces” means the Provinces of British Columbia, Alberta and Ontario in which the Prospectus has been filed and in which the Offering may be offered for sale; and

“Technical Report” means the NI 43-101 compliant technical report entitled “Technical Report QT Property” dated May 31, 2011 prepared by Stephen B. Butrenchuk, P. Geol.

GLOSSARY OF TECHNICAL TERMS

andesite	an extrusive igneous, volcanic rock of intermediate composition with aphanitic-very fine-grained to porphyritic texture;
anomaly	a concentration or measurement in excess of statistical background;
assay	a laboratory analysis to determine the presence, absence or concentration of one or more elemental components such as gold or copper;
belt	a specific elongate area encompassing or grouping common unique geologic characteristics;
breccia	a rock consisting of angular rock or mineral fragments cemented by a fine-grained material;
clastic sediments	sedimentary rocks derived from the erosion of pre-existing, older rocks;
chalcedonic quartz	amorphous or ultra fine quartz, found in low-temperature hydrothermal systems;
epithermal	literally means shallow heat; Low temperature near surface (<1 kilometre) hydrothermal system. Precious (gold and/or silver) metal mineralization within the system is generally confined to a vertical interval approximately 300 to 900 metres below paleo-surface;
fault(s)	a fracture or break, or fractures or breaks in rocks with noticeable movement or displacement of one side relative to the other side;
float	a rock specimen which has been transported some distance by gravity, water or glacier from its original bedrock source;
intrusive	igneous rock which, while molten, penetrated into or between other rocks but solidified before reaching the surface;
mélange	mixture and collection of unrelated elements;
mineralization	a concentration of minerals of generally economic interest within a body of rock;
outlier	a limited area of younger rock completely surrounded by older rock;
porphyritic	a textural term used to describe igneous rocks with relatively large mineral crystals set in a fine grained igneous groundmass;
quartz	a mineral, the composition of which is silicon dioxide; a crystalline form of silica, which frequently occurs in veins;
sediments	the rock particles or debris resulting from the weathering, break-up and erosion of pre-existing rocks;
strike	the direction, or course or bearing, of a vein or rock formation measured on a horizontal surface;
terrane	a crustal block or fragment that preserves a distinct geologic history that is different from the surrounding areas and is often bounded by faults;
tuff	a volcanic rock formed from the compaction of fine rock fragments blasted from a volcano, the fragments are generally smaller than 4 mm in diameter;
volcanics	rocks originating from volcanic activity; and
volcaniclastics	a volcanic rock formed from the compaction of rock fragments of any size blasted from a volcano.

ABBREVIATIONS OF CHEMICAL ELEMENTS

Ag	Silver
Au	Gold
Cu	Copper
Fe	Iron
Pb	Lead
S	Sulphur
Zn	Zinc

CONVERSIONS

Imperial Measure	Metric Unit		Metric Measure	Imperial Unit
2.47 acres	1 hectare		0.4047 hectare	1 acre
3.28 feet	1 metre		0.3048 metre	1 foot
0.62 mile	1 kilometre		1.609 kilometres	1 mile
0.032 ounce	1 gram		31.1 grams	1 troy ounce
0.029 short ton	1 gram		34.28 gpt	troy ounce per ton
1.102 short ton	1 tonne		0.907 tonne	1 short ton
1.8028 pounds	1 kilogram		0.5547 kilogram	1 pound

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Prospectus constitute forward-looking statements. The use of any of the words “**anticipate**”, “**continue**”, “**estimate**”, “**expect**”, “**may**”, “**will**”, “**project**”, “**should**”, “**believe**” and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Issuer believes the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in, or incorporated by reference into, this Prospectus should not be unduly relied upon. These statements are current only as of the date of this Prospectus or as of the date specified in the documents incorporated by reference into this Prospectus, as the case may be.

In particular, this Prospectus contains forward-looking statements pertaining to the following:

- proposed expenditures under “*Use of Proceeds*”;
- capital expenditure programs;
- projections of market prices and costs;
- expectations regarding the ability to raise capital; and
- treatment under governmental regulatory regimes.

Actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this Prospectus:

- liabilities inherent in the Issuer’s operations;

- uncertainties associated with estimated market demand and sector activity levels;
- competition for, among other things, capital, acquisitions and skilled personnel;
- fluctuations in foreign exchange or interest rates and stock market volatility; and
- the other factors discussed under “*Risk Factors*”.

Statements relating to “**reserves**” or “**resources**” are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the resources and reserves described can be profitably produced in the future. Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this Prospectus are expressly qualified by this cautionary statement. Except as required under applicable securities laws, the Issuer does not undertake any obligation to publicly update or revise any forward-looking statements.

The forward-looking information contained in this Prospectus are based on a number of assumptions that may prove to be incorrect, including, but not limited to, assumptions about general business and economic conditions, changes in financial markets generally, the Issuer’s ability to attract and retain skilled staff, and the Issuer’s planned exploration expenditure and capital expenditure program. Although the Issuer has attempted to identify material factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Issuer does not assume the obligation to update forward-looking statements, except as required by applicable law.

SUMMARY OF PROSPECTUS

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.

Issuer: Westline Resources Ltd.

Business of the Issuer: The Issuer is a natural resource company engaged primarily in the acquisition, exploration and, if warranted, development of mineral properties. The Issuer's objective is to conduct an exploration program on the QT Property. See "Business of the Issuer".

The Offering: The Offering consists of a minimum of 5,600,000 Common Shares (\$560,000) and a maximum of 10,000,000 Common Shares (\$1,000,000). The Prospectus also qualifies the distribution of the Agent's Warrants and the Corporate Finance Shares to the extent that they are Qualified Compensation Securities. See "Plan of Distribution".

Use of Proceeds: The net proceeds from the Offering after deducting the Agent's commission will be \$504,000 if the Minimum Offering is sold and \$900,000 if the Maximum Offering is sold. As at September 30, 2011, the Issuer had working capital of approximately \$30,000 which, when added to the net proceeds of the Offering, will provide the Issuer with available funds of approximately \$534,000, if the Minimum Offering is sold, or \$930,000 if the Maximum Offering is sold. The available funds will be used as set out below:

Expenditure	Minimum (\$)	Maximum (\$)
Pay the balance of the costs of the Offering ⁽¹⁾	90,000	90,000
Payment under the Option Agreement ⁽²⁾	15,000	15,000
Pay the estimated cost of the recommended work program ⁽²⁾	150,000	150,000
General and administrative expenses for next 12 months	156,000	156,000
Unallocated working capital	123,000	519,000
TOTAL	\$534,000	\$930,000

(1) Includes the balance of legal, printing and audit costs and the balance of the Corporate Finance Fee plus HST. See "Plan of Distribution".

(2) See "QT Property".

For a more detailed discussion on the proposed expenditures see "Use of Proceeds".

Summary Financial Information:

The selected financial information set out below is based on and derived from, and is qualified in its entirety by reference to, the audited financial statements for the Issuer for the period from incorporation to July 31, 2011 and should be read in conjunction with such financial statements which are attached to this Prospectus:

	Period from incorporation to July 31, 2011 (audited)
Revenue.....	Nil
Expenses	14,408
Net Loss and comprehensive loss	(14,408)

Directors and Officers:

The directors and officers of the Issuer are:

George J. Nejedlo	President, Chief Executive Officer and Director
Donald A. Mosher	Director
Raymond Y.F. Szeto	Director
Wayne C. Cahill	Secretary and Chief Financial Officer

Risk Factors:

An investment in the Common Shares should be considered highly speculative due to the nature of the Issuer's business and its present stage of development. The Issuer has no history of operations and is still in an early stage of development. The exploration and development of minerals is highly speculative in nature and involves a high degree of financial and other risks over a significant period of time, during which even a combination of careful evaluation, experience and knowledge may not eliminate. The Issuer has no history of operations or revenues and it is unlikely that the Issuer will generate any revenues from operations in the foreseeable future. If the Issuer fails to keep the Option Agreement in good standing, the Issuer may lose its interest in the QT Property. The Issuer competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources, in the search for and the acquisition of attractive mineral properties. All phases of the Issuer's operations are subject to extensive environmental regulations. There can be no assurance that the Issuer will obtain on reasonable terms or at all the permits and approvals, and the renewals thereof, which the Issuer may require for the conduct of the Issuer's current or future operations. While the Issuer has exercised the usual due diligence with respect to determining title to the Issuer's properties, there is no guarantee that title to such properties will not be challenged or impugned. The QT Property may now or in the future be the subject of first nations land claims. Since inception, the Issuer has had negative operating cash flow, which is expected to continue for the foreseeable future. The price of the Issuer's securities, the Issuer's 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 metals. There is currently no market through which the Issuer's Common Shares can be sold and there can be no assurance that one will develop or be sustained after the Offering. The Issuer's success will be largely dependent, in part, on the services of the Issuer's senior management and directors, the loss of any member of which could have an adverse effect on the Issuer. Members of the Issuer's management team own a significant number of the Issuer's outstanding Common Shares and could influence the outcome of certain matters involving shareholder approval, including the election of directors. Some of the Issuer's directors are or will be directors of other companies, which could result in conflicts of interest. Investment in the Common Shares will result in a significant and immediate dilution in an investor's investment of approximately 42.2% after giving effect to the Minimum Offering.

See the section entitled "Risk Factors" for details of these and other risks relating to the Issuer's business.

CORPORATE STRUCTURE

The Issuer was incorporated as Westline Resources Ltd. under the *Business Corporations Act* (British Columbia) on February 22, 2011.

The Issuer's head office is located at 19335 119B Avenue, Pitt Meadows, BC V3Y 1J9. The Issuer's registered office is located at Suite 300 – 576 Seymour Street, Vancouver, BC V6B 3K1.

BUSINESS OF THE ISSUER

Description and General Development

The Issuer is an exploration stage natural resource company engaged in the evaluation, acquisition and exploration of mineral resource properties with the intention, if warranted, of placing them into production. The Issuer currently has one principal project, the QT Property.

Pursuant to an agreement (the “**Option Agreement**”) dated May 27, 2011 between Qualitas Holdings Corp. (“**Qualitas**”) and the Issuer, the Issuer acquired the right to earn an undivided one hundred percent interest in the QT Property. The interest is subject to a 2% net smelter return royalty (the “**Royalty Interest**”) payable to Qualitas. The terms of the Option Agreement provide that the Issuer will have earned a 100% undivided interest in the QT Property, subject only to the Royalty Interest, upon making cash payments of \$25,000 to Qualitas, incurring \$850,000 in exploration work on the QT Property and issuing a total of 1,200,000 Common Shares to Qualitas on or before the dates set out below:

Date	Cash Payments	Expenditures	Number of Common Shares to be Issued
Upon signing the Option Agreement	\$10,000 (Paid)	-	-
Within 5 days after the date Qualitas delivers the Technical Report to the Issuer	-	-	300,000 (Issued)
Within 5 days of the Listing Date.	\$15,000	-	-
May 27, 2012	-	\$150,000	300,000
May 27, 2013	-	\$200,000	300,000
May 27, 2014	-	\$500,000	300,000
Total:	\$25,000	\$850,000	1,200,000

The Issuer has the right to purchase, at any time prior to the commencement of commercial production, the Royalty Interest by paying to Qualitas \$500,000 per percentage point. Although not responsible for environmental liabilities arising prior to the date of the Option Agreement, the Issuer will be liable for all environmental liabilities and reclamation costs arising as a result of its activities during the term of the Option Agreement. The Option Agreement contains an “Area of Mutual Interest” provision that extends over an area of 2.5 kilometers from the external perimeter of the QT Property. The Option Agreement can be terminated by Qualitas upon default by the Issuer to make payments, incur expenditures or issue Common Shares, subject to a 30 day written notice of such default by Qualitas to the Issuer.

As at July 31, 2011, the Issuer had expended a total of \$40,000 in acquisition costs for the QT Property. The Issuer has not as yet expended any funds for exploration work on the QT Property.

As at July 31, 2011, the Issuer has raised \$110,100 privately through the sale of Common Shares of the Issuer which will be used for exploration activities and for general working capital. The Issuer had working capital of approximately \$45,000 at August 31, 2011.

The Offering is expected to provide the Issuer with sufficient financial resources to, among other things, fund the recommended Phase I exploration program on the QT Property. See “Use of Proceeds” and “QT Property”. Additional financing will be required to meet capital requirements for continued exploration on the QT Property and in order for the Issuer to be able to exercise the Option. The Issuer’s ability to finance its operations and exploration beyond the recommended Phase I program will depend on, among other things, the results of the Phase I exploration program and the availability of additional financing.

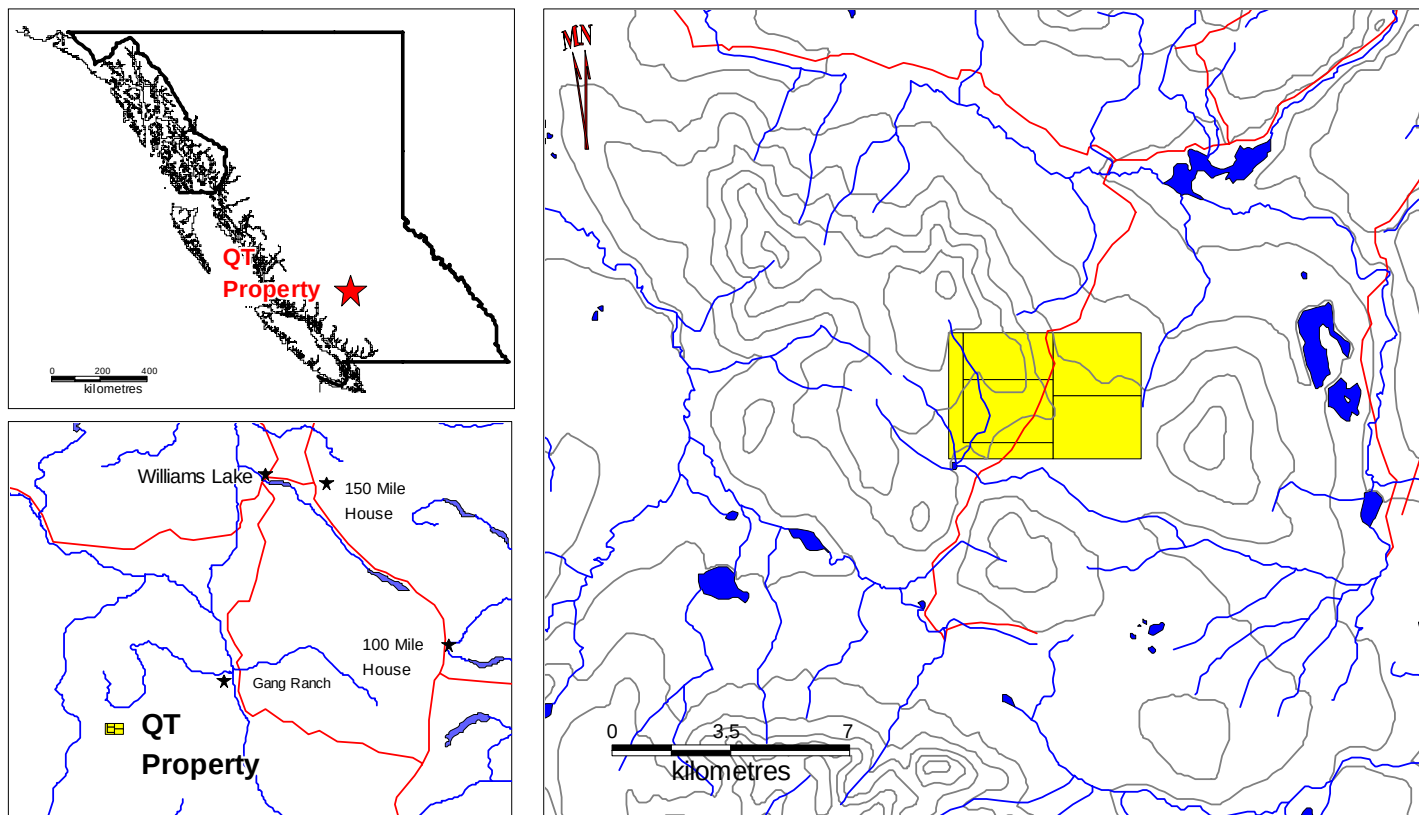
QT PROPERTY

The information in this Prospectus with respect to the QT Property is derived from the NI 43-101 compliant Technical Report prepared by Stephen B. Butrenchuk, P. Geol. (the “**Author**”). The Author is an independent Qualified Person for purposes of 43-101. The full text of the Technical Report is available for review at the office of the Issuer at 19335 119B Avenue, Pitt Meadows, BC V3Y 1J9, and may also be accessed online, under the Issuer’s profile, on the SEDAR website: www.sedar.com. Readers are encouraged to review the Technical Report in its entirety.

Property Description and Location

The QT Property is located 95 kilometres southwest of Williams Lake or 94 kilometres northwest of Clinton, British Columbia. The QT Property lies on TRIM claim sheets 092O036 and 092O046, which are located on portions of National Topographic System map sheet 092B in the Clinton Mining Division. The property consists of 5 claims totaling 2,097 hectares. The geographic center of the QT Property is approximately 511000E 5695400N in UTM ZONE 10 in map datum (NAD 83). The location of the QT Property is shown below in Figure 1 – Location of the QT Property.

Figure 1. Location of the QT Property



The claims comprising the QT Property are summarized in the table below:

List of Mineral Tenures

<u>Tenure Number ID</u>	<u>Claim Name</u>	<u>Issue Date</u>	<u>Good to Date</u>	<u>Hectares</u>
853658	QT1A	May 6, 2011	May 6, 2012	483.95
853665	QT2A	May 6, 2011	May 6, 2012	362.81
853668	QT3A	May 6, 2011	May 6, 2012	483.90
853672	QT4A	May 6, 2011	May 6, 2012	484.13
853673	QT5A	May 6, 2011	May 6, 2012	282.29

The claims are registered in the name of Qualitas Holdings Corp. Pursuant to the terms of the Option Agreement, the Issuer can earn a 100% interest in the QT Property, subject to the 2.0% Royalty Interest. See the description of the Option Agreement under the heading “Business of the Issuer – Description and General Development”.

The QT Property appears to be on crown land. It has not been legally surveyed as all claims are map claims acquired under the British Columbia Energy, Mines and Petroleum Resources Mineral Titles Online system. To the best of the Author’s knowledge, the QT Property is not subject to any environmental liabilities. A permit is not required to conduct soil, silt and rock sampling programs but is required for mechanical trenching. There are no other obligations that the Issuer has towards the local

government. Discussions with local First Nation Bands are expected to take place while work progresses on the QT Property.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Access to the QT Property is via Highway 97 north from Clinton, British Columbia for 16 kilometres to Meadow Lake Road. The Meadow Lake, Canoe Creek road system crosses the Fraser River and continues to Gang Ranch and through to the 2800 Road which provides access to the various claim blocks that comprise the QT Property. The claim blocks are 36 kilometres southwest of Gang Ranch. Local accommodations are available at Gaspard Camp at km 16 on 2200 Road or Meadow Camp at km 31 on 2800 Road. The Hamm and Rob Veins are accessible by foot. The QT Property is subject to road access restrictions along the 3100 Road during migration periods in the fall of the year and access for this period is along an old 4 by 4 road from the 2900 road.

From Williams Lake the QT Property is accessible via Highway 20 to Riske Creek and then southward by logging road across the Chilcotin River. From here, access is via the 2000 Forest Access road, south and west on the 2200 Road and then southeasterly on the 2900 Road to the old 4 by 4 road.

All of the claims are covered with open stands of pine, with lesser spruce and fir. Much of this area is being actively logged because of the pine beetle infestation. Underbrush is generally thin except along creeks.

The terrain on the QT Property is moderate, with broad rolling hills that are transected by a few steep gullies. Total relief is in the order of 700 metres, varying from 1500 to 1900 metres ASL. There are a few creeks, some of which are ephemeral, and the rare small lake on the QT Property.

Climate conditions are typical for this part of central British Columbia. The summer field season is generally warm and dry and runs from mid-April through to late October. Winters are relatively cold with moderate to significant snow accumulations. Temperatures can drop to minus 20 Celsius for extended periods.

The logistics of working in this area are good to excellent. A well established network of gravel logging roads provides access to most of the claim blocks. These roads allow for the movement of heavy equipment and supplies. Significant services are available in Williams Lake and Clinton.

History

The north central part of the QT Property was explored in 1992 as the Hamm Claims (Meyers, 1993). Prospecting discovered a 0.4m to 1.37m wide quartz vein within a well defined structural break. Assay results returned values from 60 ppb Au to 5.19 grams per ton Au over 1.37 metres. This showing was examined during the 2007 exploration program.

Appleton Exploration Inc. (“**Appleton**”) completed a preliminary evaluation of the Stobart Group, which includes the claims of the current QT Property, in 2006 through a program of road soil sampling and follow-up coarse grid geochemistry and limited prospecting and bedrock sampling. Spot gold-in-soil anomalies were located on each of the grids.

A follow-up program in 2007 consisted of further prospecting, rock chip sampling of the Hamm Vein and newly discovered Rob Vein and a soil geochemistry grid. The results of this program are detailed in the exploration section of the Technical Report. Appleton subsequently dropped the property. The property was then acquired by Qualitas Holdings Corp.

Geological Setting

Regional Geology

The QT Property lies within the Intermontane Tectonic Belt of Central British Columbia, proximal to its western boundary with the Coast Plutonic Belt. The Intermontane Belt is a region of relatively low topographic and structural relief, while the Coast Plutonic Belt is a region of high topographic and structural relief.

The two primary belts are further divided into a number of lithographic terranes, four of which lie in the map area: Cadwallader, Methow, Stikinia and Cache Creek respectively from west to east. Each terrane is bounded by major faults.

The Cadwallader Terrane lies to the western portion of the map area. It comprises a series of Cretaceous clastic sediments and the Powell River Group volcanoclastics. The Methow Terrane forms much of the boundary between the two belts. It comprises sequences of Jurassic through to Cretaceous, predominantly fine grained, clastic sediments. The south end of the Stikinia Terrane includes Cretaceous clastic sediments and a series of Jurassic through to Cretaceous intrusives. The geology of the Cache Creek Terrane is complex with units ranging in age from Pennsylvanian to middle Jurassic. The rocks include a melange of Permian to Pennsylvanian carbonates with minor clastic sediments and volcanics in the eastern and central sections and a series of Permian to middle Jurassic clastic sediments with minor carbonates and volcanoclastics in the west.

The Methow, Stikinia and Cache Creek Terranes through much of the map area are covered by Cretaceous and/or Tertiary sedimentary and volcanic overlap assemblages. These include Miocene - Pliocene plateau basalts and coarse clastic sediments of the Chilcotin Group, Eocene to Oligocene volcanics and Eocene basalt and andesite, local rhyolite, breccia, tuff and sandstone thought to be related to the Kamloops Group. Spences Bridge Group flows and volcanoclastics occur as a series of outliers through the lower end of the Stikinia Terrane.

Property Geology

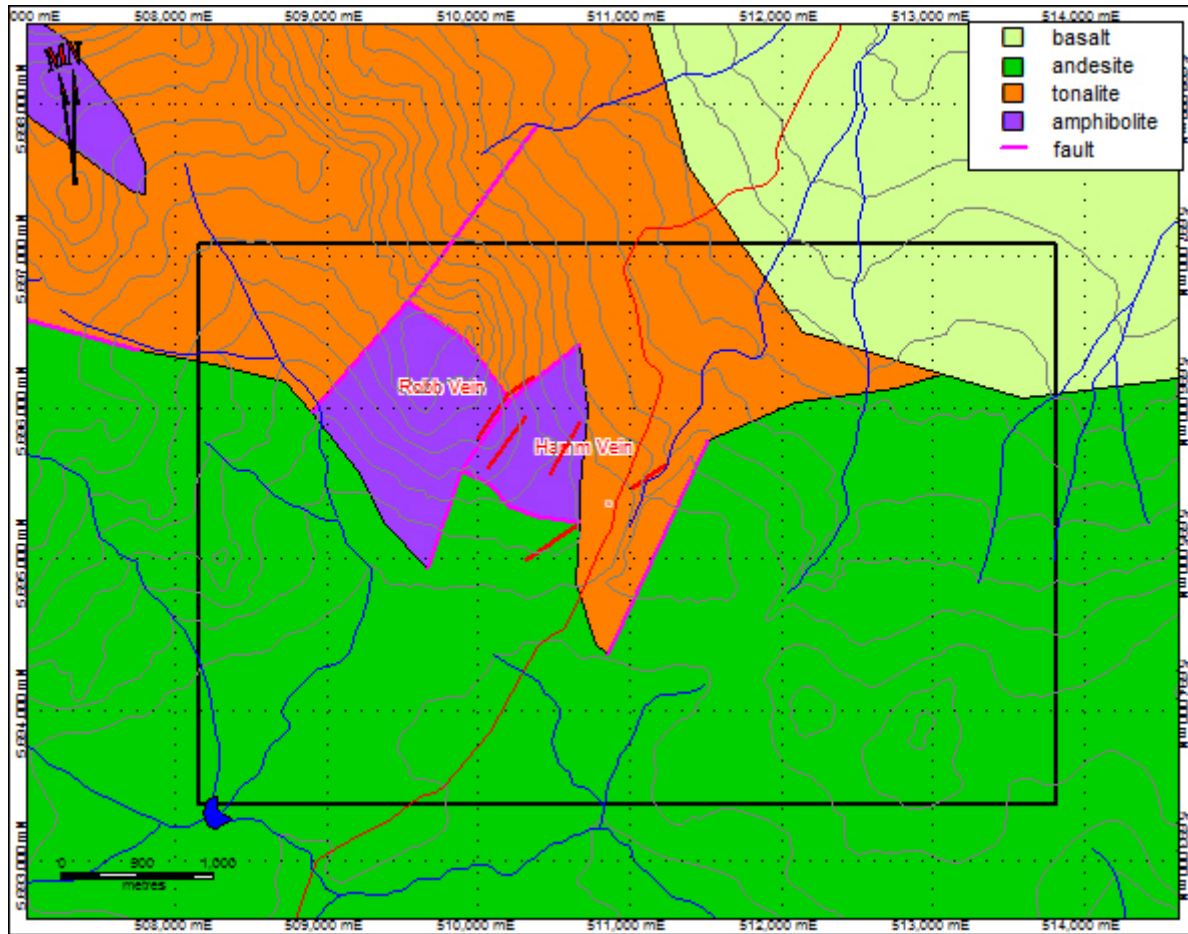
The QT Property has not been mapped in detail.

Andesite is the main rock type in the Hungry Creek grid area on the QT property. The andesitic rocks are typically light green to grey weathering and vary from dark green to maroon to grey in colour. These rocks are generally massive and aphanitic to very fine-grained. Locally, the rock is porphyritic. Near known mineralized showings the rock is moderately fractured, sheared and brecciated and contains varying amounts of quartz stringers. Some vesicular andesite was observed in float but was not observed in outcrop.

The geology map from the British Columbia Ministry of Energy, Mines and Petroleum Resources MapPlace appears to be incorrect as it shows the intrusive rocks lying much further south than they actually do in the field. The andesites continue further to the north as the Rob and Hamm veins actually lie within the andesites. See Figure 2 – Property Geology of the QT Property.

This area contains a network of north-south trending quartz veins that vary in thickness from a few centimetres to in excess of 1.0 metre and attain lengths up to 70 metres. Andesite adjacent to these veins exhibits varying degrees of alteration and is commonly sheared or foliated.

Figure 2 – Property Geology of the QT Property



Exploration

The Issuer has not done any exploration on the QT Property. The last exploration program completed by Appleton was in 2007/2008. This work consisted of prospecting and soil geochemistry in the Hungry Creek area. The results of the prospecting and rock sampling have been described in the sections entitled “Property Geology” and “Mineralization”, respectively, of the Technical Report.

In the Hungry Creek area (Hamm Grid) 718 soil samples were collected. Samples were collected at 50 metre intervals along east-west trending lines spaced at 100 metre intervals. A large proportion of this grid was located outside of the area where quartz veining was subsequently observed in outcrop. Analytical results indicate the presence of a series of north-northeast trending gold anomalies that parallel the orientation of quartz veins observed in outcrop. Anomalous gold values range from 14 to 120 ppb Au. These anomalies are most abundant in the northwest corner of the grid where quartz veining has been observed.

Mineralization

Mineralization on the QT Property was first discovered in 1992 in what now appears to be a set of north-northeasterly trending quartz veins that have intruded andesite. These veins vary in thickness from a few centimetres to in excess of 1 metre and have been traced over lengths varying from a few metres to in excess of 60 metres. The original Hamm vein, discovered in 1992 returned gold values from 5 to 5031

ppb Au. One metre chip sampling in 2007 at 4 separate localities along strike returned values of 380, <5, 380 and 1480 ppb Au from southwest to northeast. An additional sample 120 metres to the south returned a value of 1040 ppb Au from a vein that may represent the faulted southern extension of the Hamm vein. Another vein (Rob vein) located 150 metres northwest of the Hamm vein is 1 metre wide and 15 metres long. Samples collected from this vein across 1 metre intervals returned values of 880 and 1180 ppb Au. Because there is no visible mineralization, the Author was unable to describe the morphology in any detail. Further work is required to better understand the nature of the mineralization.

Drilling

There has not been any drilling undertaken on the present QT Property.

Sampling, Analysis and Security

The Issuer has not completed any exploration on the QT Property. The following discussion is from the 2007/2008 exploration program carried out by Appleton. All soil and rock samples were taken by 665777 B.C. Ltd. personnel. Two of the principals of 665777 B.C. Ltd. in 2007 were directors of Appleton and one was the president of Appleton. They did not participate in the actual sampling program. The samples were delivered to the laboratory by Appleton personnel. No aspect of the sample preparation was done by an employee, director or associate of either 665777 B.C. Ltd. or Appleton.

All rock and soil samples were shipped to Eco-Tech Laboratories Ltd. in Kamloops, B.C. Eco-Tech is an ISO 9001:2008 accredited facility. Eco-Tech analytical procedures are described below. Samples are first catalogued and dried. They are then prepared as follows:

- Soils are prepared by sieving through an 80 mesh screen to obtain a minus 80 mesh fraction. Samples unable to produce adequate minus 80 mesh material area screened at a coarser fraction. These samples are flagged with the relevant mesh.
- Rock samples are two stage crushed to minus 10 mesh and a 250 gram sub-sample is pulverized on a ring mill pulverizer to -140 mesh. The sub-sample is rolled, homogenized and bagged in a pre-numbered bag.

Samples for gold geochemical analysis are weighed to 30 grams and fused along with proper fluxing materials. The bead is digested in aqua regia and analyzed on an atomic absorption instrument. Over-range values for rocks are re-analyzed using gold assay methods.

For multi element ICP analysis, a 0.5 gram sample is digested with 3 ml of a 3:1:2 (HCl:HN03:H2O) which contains beryllium which acts as an internal standard for 90 minutes in a water bath at 95°C. The sample is then diluted to 10 ml with water. The sample is analyzed on a Jarrell Ash ICP unit.

The quality control measures for the 2007/2008 exploration program on the QT Property consisted of resplits, rechecks and standards. Eco-Tech runs three quality control measures. First they insert standards in to the sample stream. Second, they complete a repeat analysis on every tenth sample. Thirdly, they complete a resplit and analysis on every 25th sample.

To establish further confidence in the results, standards were obtained from CDN Resources Laboratories Ltd. of Delta, B.C. Three standards were obtained: P1 – 121 ± 21 ppb Au, P3 – 300 ± 40 ppb Au and P5 – 500 ± 42 ppb Au. The standards were placed in small Ziploc bags within kraft soil sample bags. The sample bags was given the same coordinates as one of the samples along the soil line, but also identified as “B” sample. These were then inserted into the sample strings and submitted to the lab at an interval of

approximately 1 standard for every 20 samples. Standards were also submitted at an approximate interval of 1 to 20 for the rock sampling as well.

The assay results from the standards appear to show good reproducibility. The P1 – 121 ppb Au standard assayed at 115 ppb to 150 ppb. The P3 – 300 ppb Au standard assayed at 315 ppb to 350 ppb. The P5 – 525 ppb Au standard assayed at 520 ppb to 590 ppb.

The Author believes the sample preparation, security and analytical procedures were adequate for the 2007/2008 exploration program.

Mineral Resources and Mineral Reserve Estimates

There are presently no mineral reserves or mineral resources on the QT Property.

Conclusions and Recommendations

The presence of low sulphidation type epithermal mineralization has been identified on the QT Property. Exploration to date has only partially tested these mineralized zones. In addition, large areas of the QT Property have only been partially explored or have not had any exploration.

Initial prospecting was successful in locating the Hamm vein first sampled in 1992 and also was successful in discovering the sub-parallel Rob vein. The Hamm soil grid was also successful in identifying several sub-parallel linear anomalies that may prove to represent additional veins. Anomalous gold values range from 14-120 ppb Au. These anomalies are most abundant in the northwest corner of the grid where quartz veining has been observed. Further prospecting needs to be done in this area and should continue to the northwest.

The Author has learned from past experience of working with gold occurrences hosted by Spences Bridge rocks that detailed soil geochemical grids are required to properly delineate gold anomalies. The present northwest section of the Hamm soil grid needs to be tightened from a 50m by 100m spacing to a 25m by 50m spacing. The soil grid also needs to be expanded to the northwest at the same 25m by 50m spacing.

Further work is required to fully evaluate known mineralized occurrences and to search for additional mineralization on the QT Property.

A program of soil geochemistry, mapping at a scale of 1:5000, and prospecting is recommended as the next phase of exploration for the QT Property. A 1500 metre by 1500 metre grid at 50 metre line spacing and 25 metre sample spacing along the lines will cover the target area. The grid will also be mapped and prospected, concentrating heavily in the northwest corner, where two gold bearing veins have been located. Further sampling and trenching, where needed will be done on veins located to date. The cost of the program is estimated at \$150,000.

Cost Estimates

Soil Geochemistry

1500 metres long, 1500 metres wide

30 lines of 1500 metres with 61 samples per line (25m by 50m spacing)

1830 samples - 30 samples per man day = 61 man days

Prospecting budget 15 days for geologist and prospector

Personnel

Senior Geologist	7	days	@	\$650 /day	\$4,550
Senior Geologist	15	days	@	\$650 /day	\$9,750
Field Geologist	15	days	@	\$500 /day	\$7,500
Lead Hand	15	days	@	\$400 /day	\$6,000
Lead Hand	15	days	@	\$400 /day	\$6,000
Assistant	15	days	@	\$400 /day	\$6,000
Assistant	15	days	@	\$400 /day	\$6,000
Support					
Room and Board	97	days	@	\$125 /day	\$12,125
Vehicle+Fuel	37	days	@	\$200 /day	\$7,400
Supplies					\$2,000
Travel					\$4,000
Analysis					
Rocks	100	samples	@	\$32 /sample	\$3,200
Soils	1800	samples	@	\$32 /sample	\$57,600
Standards	90	samples	@	\$32 /sample	\$2,880
Contingency					\$9,995
Documentation					\$5,000
Soil Grid Total					\$150,000

USE OF PROCEEDS

Funds Available

The net proceeds to be received by the Issuer from the Offering (after deducting the Agent's Commission) will be \$504,000 (assuming the Minimum Offering) and \$900,000 (assuming the Maximum Offering). Together with the working capital of the Issuer at September 30, 2011 of approximately \$30,000, the Issuer will have available funds of \$534,000 if the Minimum Offering is sold, or \$930,000 if the Maximum Offering is sold.

Principal Purposes

The available funds will be used to fund, in order of priority, the estimated expenditures during the next 12 months of operations, which we have budgeted for as follows:

Expenditure	Minimum (\$)	Maximum (\$)
Pay the balance of the costs of the Offering ⁽¹⁾	90,000	90,000
Payment under the Option Agreement ⁽²⁾	15,000	15,000
Pay the estimated cost of the recommended work program ⁽³⁾	150,000	150,000

Expenditure	Minimum (\$)	Maximum (\$)
General and administrative expenses for next 12 months	168,000	168,000
Unallocated working capital	123,000	519,000
TOTAL	534,000	930,000
(1) Includes the balance of legal, printing and audit costs and the balance of the Corporate Finance Fee plus HST. See “Plan of Distribution”.		
(2) See “QT Property”.		
(3) See “QT Property – Conclusions and Recommendations”		

The Issuer expects to incur approximately \$14,000 in general and administrative costs on a monthly basis to cover the expenses of operating as a public company over the next twelve (12) months. A breakdown of the estimated general and administrative costs for that period is as follows:

	Monthly	Annual
Audit Expense	\$3,000	\$36,000
Accounting and Book Keeping	\$1,500	\$18,000
Geological Consulting Fees	\$2,500	\$30,000
Executive Compensation – Management Fee	\$2,500	\$30,000
Legal	\$2,000	\$24,000
Miscellaneous Office and Supplies	\$500	\$6,000
Transfer Agent and Regulatory Filing Fees	\$1,000	\$12,000
Travel and Accommodation	\$1,000	\$12,000
Total:	\$14,000	\$168,000

The Issuer intends to spend its available funds as stated in this Prospectus. There may be circumstances, however, where, for sound business reasons, a reallocation of funds may be necessary.

Business Objectives and Milestones

The business objectives the Issuer expects to achieve using the available funds are to: (i) complete the Offering; (ii) obtain a listing of the Common Shares on the Exchange and (iii) complete the work program recommended in the Technical Report.

The Issuer’s business objectives of completing the Offering and listing on the Exchange will occur on the Closing Date and the Listing Date respectively. The cost of covering administrative costs for the first 12 months following listing is estimated at \$168,000. The Issuer’s business objective of completing the recommended work program on the QT Property is currently expected to occur over the course of approximately 10 months following the Closing Date. The cost of this objective is estimated at \$150,000.

DIVIDENDS OR DISTRIBUTIONS

To date, the Issuer has not paid nor declared any cash dividends or distributions on its outstanding Common Shares. The future payment of dividends or distributions will be dependent upon the financial

requirements to fund further growth, the Issuer's financial condition, and other factors that the Issuer's board of directors may consider important. The Issuer does not contemplate declaring any dividends or distributions in the immediate or foreseeable future.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis includes financial information from, and should be read in conjunction with, the financial statements of the Issuer and the notes thereto, appearing elsewhere in this Prospectus, as well as the disclosure contained throughout this Prospectus. The Issuer's financial statements have been prepared in accordance with international financial reporting standards.

Annual Information

The following table is a summary of selected financial information for the Issuer for the period from February 22, 2011, the date of incorporation, to July 31, 2011. The information presented below has been summarized from the Issuer's audited financial statements for the period from February 22, 2011 to July 31, 2011 included elsewhere in this Prospectus.

	Period from Incorporation to July 31, 2011 (audited)
Revenue	Nil
Expenses	\$14,408
Net loss and Comprehensive Loss	(\$14,408)
Basic and Diluted Loss per share	(\$0.07)
 Balance Sheet Data:	 As at July 31, 2011 (audited)
Total Assets	\$132,114
Total long-term liabilities	\$422
Cash Dividends declared per share	Nil

Management's Discussion and Analysis

The following management discussion and analysis of the financial condition and results of operations of the Issuer for the period from incorporation to July 31, 2011 was prepared by management of the Issuer based on information available as at October 20, 2011.

Overall Performance

The Issuer was incorporated on February 22, 2011 under the *Business Corporations Act* (British Columbia). The Issuer is engaged primarily in the business of evaluating, acquiring and, if warranted, developing natural resource properties in British Columbia. The Issuer holds, subject to the 2% Royalty Interest, an option to acquire an undivided 100% interest in and to the QT Property, an exploration property situated in British Columbia as further described under the heading "Business of the Issuer – Description and General Development". Following completion of the Offering, the Issuer plans to conduct the recommended program on the QT Property, the details of which are described in the Technical Report. See "QT Property".

The Issuer has made an application to have its Common Shares listed on the Exchange. The Issuer is an exploration stage company and has produced no revenues to date.

Results of Operations

During the period from incorporation to July 31, 2011, the Issuer was primarily involved with acquiring the QT Property and taking the necessary steps to prepare for the Offering. In order to commence preparation for the Offering, the Issuer raised net proceeds from sales of Common Shares totaling \$110,100.

During the period from incorporation to July 31, 2011, the Issuer's net loss and comprehensive loss was \$14,408. The Issuer recorded general and administration expenses of \$14,408 comprised of the following: office and general of \$421 and professional fees of \$13,987. These general and administrative expenses primarily related to the Issuer's preparation for an initial public offering of its Common Shares.

As at July 31, 2011 and as the date hereof, there were 4,510,000 Common Shares issued and outstanding.

Liquidity and Capital Resources

The Issuer is a mining exploration and development company with no revenue producing properties and, consequently, does not generate operating income or cash flow. The Issuer has incurred losses since inception. The only current source of revenue is interest earned on its cash deposits. The Issuer has relied upon the issuance of equity capital to provide working capital to fund the Issuer's operations.

For the period from February 22, 2011 to July 31, 2011, the Issuer's capital resources were limited to the \$110,100 raised from the sale of Common Shares. Since the Issuer does not expect to generate any revenue 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 Issuer when required or at all.

Other than for purposes of the Option Agreement, and as described under the heading "Use of Proceeds", the Issuer does not have any commitments for material expenditures over either the near or long term and none are presently contemplated over and above normal operating requirements. The estimated balance of the costs of this Offering of \$90,000, the proposed \$150,000 Phase I program, the property payment of \$15,000 payable pursuant to the Option Agreement and the estimated general and administrative costs to be incurred by the Issuer during the 12 months following this Offering of \$168,000 are all expected to be paid from the net proceeds of this Offering.

Off Balance Sheets Transactions

The Issuer has no off-balance sheet arrangements.

Transactions with Related Parties

There were no transactions with related parties during the fiscal period nor was there any compensation paid or payable to key management for employee services.

Financial Instruments

As at July 31, 2011, the Issuer's financial instruments are comprised of cash, accounts payable and accrued liabilities and due to shareholder. The carrying value of accounts payable and accrued liabilities approximate their fair value due to their short-term maturity. The fair value of the amounts due to shareholder has not been disclosed as their fair value cannot be reliably measured since there are no set terms for repayment.

The Issuer is exposed in varying degrees to a variety of financial instrument and related risks. Those risks and management's approach to mitigating those risks is as follows:

i) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Issuer's exposure to credit risk is in its cash balance held. Cash is held with a Canadian bank, which is a high credit quality financial institution. The Issuer does not believe it has significant credit risk with respect to its cash.

ii) Interest rate risk

The Issuer has cash held in bank account. The Issuer's exposure to interest rate risk relates to its ability to earn interest income on cash balance at variable rates. The fair value of the Issuer's cash is not significantly affected by changes in short-term interest rates. The income earned from the bank account is subject to movements in interest rates, although the effect would be insignificant.

iii) Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Issuer's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at July 31, 2011, the Issuer had a cash balance of \$47,195 to settle current liabilities of \$6,000. All of the Issuer's accounts payable and accrued liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

iv) Price risk

The value of the Issuer's interests in mineral properties is related to the mineral price and the outlook for these minerals. Mineral prices have historically fluctuated widely and are affected by numerous factors outside of the Issuer's control, including, but not limited to, industrial and retail demand, forward sales by producers and speculators, level of worldwide production, short-term changes in supply and demand because of speculators, hedging activities and certain other factors. The Issuer is not actively managing its commodity risk.

v) Sensitivity analysis

Based on management's knowledge of and experience in the financial markets, management does not believe that the Issuer's current financial instruments will be materially affected by credit risk, liquidity risk or market risk.

Initial Adoption of Accounting Policies

The Issuer was incorporated on February 22, 2011 and immediately proceeded to enter into the business of mineral property acquisition and exploration. Detailed disclosure of the Issuer's significant accounting policies is included in Note 2 to the audited financial statements included in and forming part of this Prospectus.

Accounting Standards Issued but not yet Effective

The Issuer has not early adopted these revised standards and is currently assessing the impact that these standards will have on the financial statements.

IFRS – Financial Statements

IFRS 9 addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit and loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at fair value through profit and loss or at fair value through other comprehensive income. The new standard is effective for fiscal periods beginning on or after January 1, 2013.

Other MD&A Requirements

Additional Disclosure for Venture Issuers without Significant Revenue

The components of expensed exploration costs are described in the financial statements of the Issuer included in this Prospectus. The details of general and administrative expenses are included in the consolidated statement of loss, comprehensive loss and deficit in the financial statements of the Issuer.

Disclosure of Outstanding Security Data

As at the date of this Prospectus, the Issuer has one class of share capital, being the Common Shares, of which 4,510,000 Common Shares are currently issued and outstanding. Other than Agent's Warrants to be issued to the Agent in connection with the Offering and incentive stock options that have been issued pursuant to the Issuer's Stock Option Plan, the Issuer has no securities convertible to or exercisable to acquire Common Shares of the Issuer. See "Description of Securities Distributed" and "Options to Purchase Securities".

Additional Disclosure for Junior Issuers

The Issuer has had negative cash flow since incorporation. The proceeds raised under this Prospectus are expected to fund the operations of the Issuer for 12 months. See "Use of Proceeds – Principal Purposes" for detailed information concerning the general and administration expenses for the 12-month period following the completion of the Offering. The estimated total operating costs necessary for the Issuer to achieve its stated business objectives during the 12 month period subsequent to the completion of the Offering is approximately \$306,000, including all material capital expenditures during that period. This amount is based on completion of the Minimum Offering.

DESCRIPTION OF SECURITIES DISTRIBUTED

The Issuer is authorized to issue an unlimited number of Common Shares, of which 4,510,000 are issued and outstanding as of the date of this Prospectus.

Common Shares

The holders of the Issuer's Common Shares are entitled to dividends as and when declared by the Issuer's directors, to one vote per share at meetings of the Issuer's security holders and, upon liquidation, to receive such of the Issuer's assets as are distributable to the holders of Common Shares. All of the Common Shares to be outstanding on completion of this Offering will be fully paid and non-assessable. There are no pre-emptive rights or conversion rights attached to the Common Shares. There are also no redemption or purchase for cancellation or surrender provisions, sinking or purchase fund provisions, or any provisions as to modification, amendment or variation of any such rights or provisions attached to the Common Shares.

Agent's Warrants

The Agent's Warrants are non-transferable. Each Agent's Warrant entitles the holder thereof to acquire one Common Share at an exercise price of \$0.10 per Common Share for a period of one year from the Closing Date. The certificates representing the Agent's Warrants will contain provisions for the appropriate adjustment in the class, number and price of shares issuable under such warrants upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Common Shares, the payment of stock dividends or the Issuer's amalgamation with another entity.

CONSOLIDATED CAPITALIZATION

The following table represents selected particulars of the Issuer's share capital as at July 31, 2011, as at the date of this Prospectus and following the completion of the Offering:

Designation of Security	Amount Authorized	Amount Outstanding as at July 31, 2011 (audited)	Amount Outstanding as at the date hereof (unaudited)	Amount Outstanding as at the date hereof assuming completion of the Offering (unaudited)	
				Minimum Offering	Maximum Offering
Common Shares	Unlimited	4,510,000	4,510,000	10,360,000 ⁽¹⁾⁽²⁾	14,760,000 ⁽¹⁾⁽²⁾

(1) The Issuer will issue up to 1,000,000 Agent's Warrants to the Agent on the Closing Date. The Common Shares issuable upon exercise of the Agent's Warrants are not reflected in these figures.

(2) Includes the 250,000 Corporate Finance Shares issuable to the Agent on the Closing Date.

OPTIONS TO PURCHASE SECURITIES

Stock Option Plan

The directors of the Issuer have approved a stock option plan (the "**Stock Option Plan**"). The aggregate number of Common Shares reserved for issuance under the Stock Option Plan will be a maximum of 10% of the issued and outstanding share capital of the Issuer at the date of grant. If any options granted under the Stock Option Plan expire or terminate for any reason without having been exercised in full, the unpurchased shares will again be available under the Stock Option Plan.

The purpose of the Stock Option Plan is to encourage ownership of the Common Shares by persons who are directors, senior officers and key employees of, as well as consultants, advisory board members and employees of management companies providing services to the Issuer. Management believes that the Stock Option Plan will advance the interests of the Issuer by providing incentive compensation to all eligible recipients through participation in the Issuer's growth and development.

The following summary is a brief description of the Stock Option Plan:

1. The maximum number of Common Shares that may be issued upon the exercise of stock options previously granted and those granted under the Stock Option Plan will be a maximum of 10% of the issued and outstanding Common Shares at the time of the grant.
2. Stock options can be issued to persons who are directors, senior officers, employees, advisory board members and consultants of, or employees of management companies providing services to, the Issuer or its subsidiaries, if any.

3. The option price of any Common Share in respect of which an option may be granted under the Stock Option Plan shall be fixed by the board of directors but shall be not less than the minimum price permitted by the Exchange.
4. The number of options granted to any one individual may not exceed 5% of the outstanding listed Common Shares in any 12 month period unless the Issuer has obtained disinterested shareholder approval to exceed such limit.
5. The number of options granted to any one consultant may not exceed 2% of the Issuer's outstanding listed Common Shares in any 12 month period.
6. All options granted under the Stock Option Plan may be exercisable for a maximum of ten years from the date they are granted.
7. If the optionee ceases to be (other than by reason of death) an eligible recipient of options, then the option granted shall expire within a reasonable period of time, as determined by the board of directors, following the date that the option holder ceases to be eligible, subject to the terms and conditions set out in the Stock Option Plan.
8. If an optionee ceases to be an eligible recipient of options by reason of death, an optionee's heirs or administrators shall have until the earlier of:
 - (a) one year from the death of the option holder; and
 - (b) the expiry date of the options
 in which to exercise any portion of options outstanding at the time of death of the optionee.
9. The Stock Option Plan will be administered by the Issuer's board of directors who will have the full authority and sole discretion to grant options under the Stock Option Plan to any eligible recipient, including themselves.
10. The options are not assignable or transferable by an optionee.
11. The board of directors may from time to time, subject to regulatory approval, amend or revise the terms of the Stock Option Plan.

Outstanding Options

As of the date of this Prospectus, options to purchase an aggregate of 1,000,000 Common Shares at an exercise price of \$0.10 per Common Share until 5 years following the Listing Date have been granted and are outstanding, the particulars of which are set out below:

Optionee	Number of Common Shares under Option	Date of Grant
George J. Nejedlo	300,000	August 26, 2011
Donald A. Mosher	300,000	August 26, 2011
Raymond Y.F. Szeto	300,000	August 26, 2011
Wayne C. Cahill	100,000	August 26, 2011

PRIOR SALES

The following table summarizes the sales of securities of the Issuer prior to the date of this Prospectus:

Date	Number of Common Shares	Price per Common Share	Total Issue Price
February 22, 2011	10,000 ⁽¹⁾	\$0.01	\$100
May 27, 2011	300,000 ⁽²⁾	\$0.10	\$30,000
July 28, 2011	2,500,000 ⁽³⁾	\$0.01	\$25,000
July 28, 2011	1,700,000 ⁽⁴⁾	\$0.05	\$85,000

(1) These Common Shares are subject to escrow restrictions. See “Escrowed Securities and Other Securities Subject to Resale Restrictions”.

(2) These Common Shares were issued to Qualitas Holdings Corp. pursuant to the terms of the Option Agreement at a deemed price of \$0.10 per share. See “Business of the Issuer – Description and General Development”.

(3) 1,000,000 of these Common Shares are subject to escrow restrictions and 1,500,000 of these Common Shares are subject to the terms of a voluntary pooling agreement. See “Escrowed Securities and Other Securities Subject to Resale Restrictions”.

(4) 800,000 of these Common Shares are subject to escrow restrictions. See “Escrowed Securities and other Securities Subject to Resale Restrictions”.

ESCROWED SECURITIES AND OTHER SECURITIES SUBJECT TO RESALE RESTRICTIONS

Escrowed Securities

The following table sets forth information as at the date of this Prospectus with respect to all Common Shares of the Issuer held in escrow:

Designation of class	Number of securities held in escrow	Percentage of class
Common Shares	1,810,000	40.13% ⁽¹⁾

- (1) The Escrowed Securities will represent 17.47% of the total issued and outstanding Common Shares upon completion of the Offering if the Minimum Offering is subscribed and 12.26% of the total issued and outstanding Common Shares upon completion of the Offering if the Maximum Offering is subscribed.

Under National Policy 46-201 “Escrow for Initial Public Offerings” (the “**Escrow Policy**”), securities held by Principals (as defined below) are required to be held in escrow in accordance with the national escrow regime applicable to initial public distributions. Equity securities owned or controlled by Principals are subject to the escrow requirements.

A “**Principal**” is defined as:

- (i) directors and senior officers of the Issuer or of a material operating subsidiary of the Issuer, as listed in this Prospectus;
- (ii) promoters of the Issuer during the two years preceding this Offering;
- (iii) those who own and/or control more than 10% of the Issuer’s voting securities immediately before and immediately after completion of this Offering if they also have elected or appointed or have

the right to elect or appoint a director or senior officer of the Issuer or of a material operating subsidiary of the Issuer;

- (iv) those who own and/or control more than 20% of the Issuer's voting securities immediately before and immediately after completion of this Offering; and
- (v) associates and affiliates of any of the above.

Pursuant to an agreement (the "**Escrow Agreement**") dated as of September 9, 2011 among the Issuer, Computershare Investor Services Inc. (the "**Escrow Agent**") and certain Principals of the Issuer, the Principals agreed to deposit in escrow their Common Shares (the "**Escrowed Securities**") with the Escrow Agent. The Escrow Agreement provides that ten (10%) percent of such securities will be released from escrow upon receipt of notice from the Exchange confirming the listing of the Issuer's Common Shares on the Exchange. The remaining ninety (90%) percent of such securities will be released from escrow in fifteen percent (15%) tranches at six month intervals over a 36 month period following receipt of such notice.

The Issuer is an "emerging issuer" as defined in the Escrow Policy. If, within 18 months of the Listing Date, the Issuer meets the "established issuer" criteria (as defined in the Escrow Policy), that number of Escrowed Securities that would to that date have been eligible for release from escrow if the Issuer had been an "established issuer" on the Listing Date will be immediately released from escrow. After 18 months from the Listing Date, if the Issuer meets the "established issuer" criteria, all the securities held in escrow will be immediately released from escrow.

Pursuant to the terms of the Escrow Agreement, the securities held in escrow may not be transferred or otherwise dealt with during the term of the Escrow Agreement unless the transfers or dealings of such shares relate to:

- (i) transfers to continuing or, upon their appointment, incoming directors and senior officers of the Issuer or of a material operating subsidiary, with approval of the Issuer's Board of Directors;
- (ii) transfers to an RRSP or similar trustee plan provided that the only beneficiaries are the transferor or the transferor's spouse or children;
- (iii) transfers upon bankruptcy to the trustee in bankruptcy;
- (iv) pledges to a financial institution as collateral for a *bona fide* loan, provided that upon a realization the securities remain subject to escrow; and
- (v) tenders of Escrowed Securities to a business combination, provided that, if the tender is a Principal of the successor Issuer upon completion of the take-over bid, securities received in exchange for tendered Escrowed Securities are substituted in escrow on the basis of the successor Issuer's escrow classification.

The following table sets forth details of the Escrowed Securities that are subject to the Escrow Agreement:

Name	Number of Escrowed Securities	Percentage of Outstanding Common Shares Prior to the Offering	Percentage of Common Shares Outstanding Subsequent to the Offering ⁽¹⁾	
			Minimum offering	Maximum offering
George J. Nejedlo	1,310,000	29.05%	12.64%	8.88%
Donald A. Mosher	500,000	11.09%	4.83%	3.39%
Total	1,810,000	40.33%	17.47%	12.26%

(1) Assuming no additional Common Shares are purchased under the Offering.

Pooling Agreement

Pursuant to an agreement (the “**Voluntary Pooling Agreement**”) dated as of September 9, 2011 among the Issuer, Computershare Investor Services Inc. and certain non-principal seed shareholders of the Issuer (the “**Pooled Shareholders**”), the Pooled Shareholders agreed to a voluntary pooling period of 36 months from the Listing Date of the Common Shares held by them and not otherwise subject to escrow. The terms of the Pooling Agreement are virtually identical to the Escrow Agreement, and provides that ten (10%) percent of such securities will be released from pool upon receipt of notice from the Exchange confirming the listing of the Issuer’s Common Shares on the Exchange. The remaining ninety (90%) percent of such securities will be released from the pool in fifteen percent (15%) tranches at six month intervals over a 36 month period following receipt of such notice.

A total of 1,500,000 Common Shares issued prior to the Closing Date hereof will be subject to the Pooling Agreement representing 33.25% of the Common Shares issued and outstanding prior to the completion of the Offering, and 14.47% of the Common Shares issued and outstanding after completion of the Offering if the Minimum Offering is subscribed and 10.16% of the total issued and outstanding upon completion of the Offering if the Maximum Offering is subscribed.

Shares Subject to Resale Restrictions

Canadian securities legislation generally requires that shares issued by a company during its private stage may not be resold without a prospectus or an applicable prospectus exemption until the expiration of certain hold periods. This legislation generally provides that, except for the Escrow Securities, all of the Issuer’s currently issued and outstanding Common Shares will no longer be subject to a hold period if they were issued during the time that the Issuer was a private company, so long as the Issuer becomes a reporting issuer by filing a prospectus in certain Canadian jurisdictions (including the Selling Provinces). To the extent that the Agent’s Warrants or the Corporate Finance Shares are not Qualified Compensation Securities, such securities will not be qualified for distribution pursuant to the Prospectus and will be subject to a four month hold period in accordance with applicable securities laws.

PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and officers of the Issuer, no person or company currently beneficially owns, controls or directs, directly or indirectly, shares of the Issuer carrying more than 10% of the voting rights attached to the Issuer's Common Shares except for the following:

Name	Number and Percentage of Common Shares Presently Owned ⁽¹⁾	Number of Common Shares Owned After the Offering ⁽¹⁾	Percentage of Common Shares Owned After the Offering ⁽¹⁾	
			Minimum Offering ⁽²⁾	Maximum Offering ⁽³⁾
George J. Nejedlo	1,310,000 (29.05%)	1,310,000	12.64% ⁽⁵⁾	8.88% ⁽⁵⁾
Donald A. Mosher	500,000 (11.09%)	500,000	4.83% ⁽⁶⁾	3.39% ⁽⁶⁾
Rider Capital Corp. ⁽⁴⁾	1,000,000 (22.17%)	1,000,000	9.65% ⁽⁷⁾	6.78% ⁽⁷⁾
Anthony Kerr	500,000 (11.09%)	500,000	4.83% ⁽⁸⁾	3.39% ⁽⁸⁾
Teresita Kerr	800,000 (17.74%)	800,000	7.72% ⁽⁹⁾	5.42% ⁽⁹⁾

- (1) Number of Common Shares legally and beneficially owned, assuming no securities are purchased by the principal shareholders under the Offering and assuming no exercise of the Agent's Warrants.
- (2) Based on 10,360,000 issued and outstanding Common Shares.
- (3) Based on 14,760,000 issued and outstanding Common Shares.
- (4) The shares of Rider Capital Corp. are beneficially owned by Kevin Crawford.
- (5) On a fully diluted basis the holdings will be 13.51% (based on 11,920,000 issued and outstanding Common Shares) and 9.61% (based on 16,760,000 issued and outstanding Common Shares).
- (6) On a fully diluted basis the holdings will be 6.71% (based on 11,920,000 issued and outstanding Common Shares) and 4.77% (based on 16,760,000 issued and outstanding Common Shares).
- (7) On a fully diluted basis the holdings will be 8.39% (based on 11,920,000 issued and outstanding Common Shares) and 5.97% (based on 16,760,000 issued and outstanding Common Shares).
- (8) On a fully diluted basis the holdings will be 4.19% (based on 11,920,000 issued and outstanding Common Shares) and 2.98% (based on 16,760,000 issued and outstanding Common Shares).
- (9) On a fully diluted basis the holdings will be 6.71% (based on 11,920,000 issued and outstanding Common Shares) and 4.77% (based on 16,760,000 issued and outstanding Common Shares).

DIRECTORS AND EXECUTIVE OFFICERS

Name, Place of Residence and Occupation

The following is a list of the current directors and executive officers of the Issuer, the province and country, their current positions with the Issuer and their principal occupations during the past five years.

Name, place of residence and position with Issuer	Present and principal occupation during the last five years	Date of appointment as director
George J. Nejedlo BC, Canada <i>President, Director and Chief Executive Officer</i>	Self employed as a general contractor in the construction and building maintenance business since 1989 and, since 2007, has been providing such services through Westline Enterprises Ltd., a private company of which he is the President;	February 22, 2011
Donald A. Mosher BC, Canada <i>Director</i>	Chief Executive Officer of Rodinia Minerals Inc. (now known as Rodinia Lithium Inc.) from 2003 to 2010; Director of Dajin Resources Corp., since 2003; self employed as a consultant since 2003;	July 13, 2011
Raymond Y.F. Szeto BC, Canada <i>Director</i>	President of KCrew Communications Inc., a private company providing public relations and investor relations services since March 2003;	July 13, 2011
Wayne C. Cahill, CGA BC, Canada <i>Secretary and Chief Financial Officer</i>	Chief Financial Officer of Sona Resources Corp. since December 2009; Certified General Accountant with and President of The Newport Group, Chartered Accountant Inc., a private company providing accounting and administrative services since July 2003; President of Public Company Services Inc. (“PCSI”), a private company providing accounting and financial statement preparation services to private and public companies since December 2010;	July 28, 2011

The Issuer does not currently have an executive committee of the Board of Directors. All of the directors are members of the Issuer’s Audit Committee. See “Audit Committee”.

Upon the completion of this Offering, the directors, officers and promoters of the Issuer, as a group, will own, directly or indirectly, 1,810,000 Common Shares of the Issuer representing 17.47% of the Common Shares then issued and outstanding based on the Minimum Offering or 12.26% of the Common Shares then issued and outstanding based on the Maximum Offering.

Management

George J. Nejedlo – President, Director and Chief Executive Officer (Age: 57)

George Nejedlo has been a general contractor in the construction and building maintenance business since 1989, and since 2007, has been providing these services through Westline Enterprises Ltd., a privately held company of which he is the President. In 1972, Mr. Nejedlo earned a diploma in technical arts from the Prague Institute of Arts.

Mr. Nejedlo expects to devote approximately 50% of his time to the business of the Issuer.

Donald A. Mosher – Director (Age: 55)

Donald Mosher has been a self-employed consultant since 2003. Since 2004 he has been a director of Dajin Resources Corp., a company listed on the TSX Venture Exchange. From December 2003 to January 2010, he was the President, Chief Executive Officer and a director of Rodinia Lithium Inc. (“**Rodinia**”, formerly Rodinia Minerals Inc.). From October 2007 to February 2010, he was a director of Alder Resources Ltd. (“**Alder**”). From June 2008 to June 2009, he was a director of Electric Metals Inc. (“**Electric**”). Rodinia, Alder and Electric are all companies listed on the TSX Venture Exchange. Mr. Mosher is also a director and officer of Big Dog Capital Partners Inc., a private company providing corporate consulting services.

Mr. Mosher expects to devote approximately 10% of his time to the business of the Issuer.

Raymond Y.F. Szeto – Director (Age: 35)

Since 2003, Mr. Szeto has been the President and sole shareholder of KCrew Communications Inc., a privately owned company providing investor and public relations services.

Mr. Szeto expects to devote approximately 20% of his time to the business of the Issuer.

Wayne C. Cahill – Chief Executive Officer and Secretary (Age: 49)

Mr. Cahill is an accountant having earned a Certified General Accountant designation in 1992. He is a current member of the Certified General Accountants Association of British Columbia. Since December 2009, Mr. Cahill has been the Chief Financial Officer of Sona Resources Corporation, a company listed on the TSX Venture Exchange. Since July 2003, he has been a Certified General Accountant with and the President of the Newport Group Chartered Accountants Inc. Since December, 2010, Mr. Cahill has been a director and president of PCSI, a firm providing accounting and financial statement preparation services to private and public companies.

Mr. Cahill expects to devote approximately 20% of his time to the business of the Issuer.

None of the above individuals have entered into non-competition, non-solicitation or non-disclosure agreements with the Issuer.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

For the purposes of this section, “order” means a cease trade order; an order similar to a cease trade order; or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

No director or executive officer of the Issuer is, as at the date hereof, or has been, within the 10 years before the date of this Prospectus, a director, chief executive officer or chief financial officer of any corporation (including the Issuer) that:

- (a) was subject to 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.

No director or executive officer of the Issuer or a shareholder holding a sufficient number of securities of the Issuer to affect materially the control of the Issuer:

- (a) is, as at the date of this Prospectus, or has been within the 10 years before the date of this Prospectus, a director or executive officer of any company (including the Issuer) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of this Prospectus, 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, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director or executive officer of the Issuer, or a shareholder holding a sufficient number of the Issuer's securities to affect materially the control of the Issuer, 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

Conflicts of interest may arise as a result of the directors and officers of the Issuer also holding positions as directors and/or officers of other companies. Some of the directors and officers have been and will continue to be engaged in the identification and evaluation of assets and businesses, with a view to potential acquisition of interests in businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers will be in direct competition with the Issuer. See "Risk Factors".

EXECUTIVE COMPENSATION

Compensation Discussion & Analysis

The Issuer was not a reporting issuer at any time during the most recently completed financial period. The following is a discussion of all significant elements of the compensation to be awarded to, earned by, paid to or payable to Named Executive Officers of the Issuer once it becomes a reporting issuer, to the extent this compensation has been determined.

At its present stage of development, the Issuer does not have any formal objectives, criteria and analysis for determining the compensation of its Named Executive Officers and primarily relies on the discretion and determination of the board of directors. To date, the Named Executive Officers have been primarily compensated through the grant of incentive stock options. See "Options to Purchase Securities".

Except as disclosed below, the Issuer does not have any arrangements pursuant to which directors are compensated by the Issuer for their services in their capacity as directors, for committee participation, involvement in special assignments, or for services as consultants or experts.

Mr. Nejedlo is the Issuer's President and Chief Executive Officer and will provide certain management and administrative services to the Issuer. Upon completion of the Offering, the Issuer will enter into a management consulting agreement with Mr. Nejedlo pursuant to which Mr. Nejedlo will be paid a monthly fee of \$2,500 (plus HST). The agreement can be terminated by the Issuer upon two (2) months written notice to Mr. Nejedlo.

PCSI, of which Mr. Cahill is the President, provides accounting and financial statement preparation services to the Issuer pursuant to an unwritten agreement. Fees are charged on a normal commercial basis for such services. As an estimate, it is anticipated that the Issuer will pay to PCSI approximately \$1,500 per month in consulting fees for monthly accounting related services to the Issuer.

It is expected that in the future, directors and officers of the Issuer, including the Named Executive Officers, will be granted, from time to time, incentive stock options in accordance with the Issuer's Stock Option Plan. In addition, payments may be made from time to time to directors and officers or companies they control for the provision of consulting services. Such consulting services will be paid for by the Issuer at competitive industry rates for work of a similar nature by reputable arm's length service providers.

INDEBTEDNESS OF DIRECTORS, OFFICERS AND PROMOTERS

No director, officer or promoter of the Issuer is or has been indebted to the Issuer at any time.

AUDIT COMMITTEE

Audit Committee

As the date of this Prospectus, the members of the audit committee of the Issuer are George J. Nejedlo, Raymond Y.F. Szeto and Donald A. Mosher. Raymond Y.F. Szeto and Donald A. Mosher are "independent" as that term is defined in National Instrument 52-110 Audit Committees ("NI 52-110"). All members of the audit committee are "financially literate" as that term is defined in NI 52-110.

Audit Committee Charter

Pursuant to NI 52-110, the Issuer's audit committee is required to have a charter. The full text of the Issuer's audit committee charter is attached as Appendix "A" hereto.

Relevant Education and Experience

All of the members of the Issuer's audit committee have gained their education and experience by participating in the management of private and publicly traded companies and all members are "financially literate", meaning that they have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can be reasonably expected to be raised by the Issuer's financial statements.

Mr. Nejedlo has enhanced his financial literacy through the operation and management of Westline Enterprises Ltd., a general contractor and building maintenance business established in 2007. Mr. Szeto has also gained financial literacy through his operation of KCrew Communications Inc., which has involved reviewing and becoming conversant with the financial statements of clients that were public companies. Finally, Mr. Mosher has been on the board of directors of Dajin Resources Corp. including as a member of its audit committee.

Audit Committee Oversight

At no time since inception was a recommendation of the audit committee to nominate or compensate an external auditor not adopted by the board of directors.

Reliance on Certain Exemptions

At no time since inception has the Issuer relied on the exemption in Section 2.4 of NI 52-110 (*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.

Pre-Approval of Policies and Procedures

The audit committee is authorized by the board of directors to review the performance of the Issuer's external auditors and approve in advance, provision of services other than auditing and to consider the independence of the external auditors.

External Auditor Service Fees

The aggregate fees billed by the Issuer's external auditors from the date of incorporation to July 31, 2011 for audit fees are as follows:

Period	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
February 22, 2011 (date of incorporation) to July 31, 2011	\$6,000 ⁽¹⁾	\$Nil	\$Nil	\$Nil

(1) Accrual for audit fees relating to audit of July 31, 2011 financial statements.

Exemption

The Issuer is relying on the exemption from full compliance with NI 52-110 granted for "venture issuers" under Part 6 of NI 52-110.

CORPORATE GOVERNANCE

Board of Directors

The independent members of the board of directors are Donald A. Mosher and Raymond Y.F. Szeto. George J. Nejedlo is not independent as he is also the Chief Executive Officer of the Issuer.

Directorships

The following table lists the directorships of other reporting issuers that are held by the directors of the Issuer:

Director	Name of Reporting Issuer	Market	Position	From	To
Donald A. Mosher	Dajin Resources Corp.	TSX-V	Director	2004	Present

Orientation

The Issuer has not yet developed an official orientation or training program for directors. If and when new directors are added, however, they have the opportunity to become familiar with the Issuer by meeting with other directors and officers of the Issuer. As each director has a different skill set and professional background, orientation and training activities are and will continue to be tailored to the particular needs and experience of each director.

Ethical Business Conduct

The board of directors conducts itself with high business and moral standards and follows all applicable legal and financial requirements. The board of directors have not adopted a written code of ethics for its directors, officers, employees and consultants.

The board has concluded that the fiduciary duties placed on individual directors by the Issuer'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 Issuer and its shareholders.

Nomination of Directors

The full board of directors will be involved in the nomination of new candidates for board positions. Board members would be asked for recommendations of people that they know of or have heard of that would contribute to the success of the Issuer if added to the board of directors.

Compensation

The Issuer does not have a compensation committee. 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 directors, officers and consultants of the Issuer. The board of directors is also responsible for reviewing recommendations for compensation of the Chief Executive Officer and other officers of the Issuer, to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining the compensation of its officers, the board of directors will consider: (i) recruiting and retaining officers critical to the success of the Issuer and the enhancement of shareholder value; (ii) providing fair and competitive compensation (iii) balancing the interests of management and the

Issuer's shareholders; and (iv) rewarding performance, both on an individual basis and with respect to operations in general.

Other Board Committees

The Issuer has no other committees other than the audit committee.

Assessments

Any committee of the directors and individual directors are assessed on an ongoing basis by the board of directors in their entirety. The board of directors has not, as yet, adopted formal procedures for assessing the effectiveness of the board, the audit committee or individual directors.

PLAN OF DISTRIBUTION

By an agency agreement (the "Agency Agreement") dated ♦, 2011, the Issuer appointed the Agent to offer for sale in the Selling Provinces, on a commercially reasonable efforts basis, a minimum of 5,600,000 Common Shares and a maximum of 10,000,000 Common Shares at a price of \$0.10 per Common Share. The price of the Common Shares and the amount of the Agent's Commission were established through negotiation between the Issuer and the Agent.

Under the terms of the Agency Agreement, the Issuer has agreed to pay to the Agent a cash commission of 10% of the gross proceeds pursuant to the Offering. In addition, the Issuer has agreed to grant to the Agent that number of Agent's Warrants, that is equal to 10% of the number of Common Shares sold in the Offering, each Agent's Warrant entitling the Agent to purchase one (1) Common Share of the Issuer at a price of \$0.10 per Common Share until the close of business on the date that is one year from the Closing Date. This Prospectus also qualifies the grant of the Agent's Warrants. The Issuer has also agreed to pay to the Agent the Corporate Finance Fee. An advance payment on the Corporate Finance Fee of \$10,000 of the cash portion of the Corporate Finance Fee has been paid and the balance (plus HST) is payable upon the earlier of September 30, 2011 and the Closing Date. The Corporate Finance Shares will be issued on the Closing Date. The Issuer is responsible for all reasonable out-of-pocket expenses incurred by the Agent in connection with the Offering, including fees of the Agent's legal counsel, marketing, due diligence and accounting costs, as well as the costs of any required consultant reports. As of the date hereof, the Issuer has paid the Agent a retainer of \$25,000 to be applied by the Agent against these anticipated expenses.

Pursuant to NI 41-101, the aggregate Qualified Compensation Securities must not exceed 10% of the securities offered pursuant to this Prospectus, which in the case of this Offering is 560,000 Common Shares (Minimum Offering) and 1,000,000 Common Shares (Maximum Offering). For the purposes of the Offering, any combination of the following are Qualified Compensation Securities (within the aggregate amounts set forth above) and are qualified for distribution by this Prospectus: (a) 560,000 Agent's Warrants (Minimum Offering) and up to 1,000,000 Agent's Warrants (Maximum Offering); and (b) up to 250,000 Corporate Finance Shares. To the extent that the Agent is entitled to receive securities as compensation exceeding 10% of the securities issued under the Offering, those securities exceeding the 10% threshold will not be Qualified Compensation Securities, will not be qualified for distribution under this Prospectus and will be subject to a hold period in accordance with applicable securities laws.

Except as may otherwise be agreed by the Issuer and the Agent, a definitive certificate or certificates representing the Common Shares to be issued to purchasers pursuant to the Offering will be issued in registered form to CDS & Co. ("CDS") or its nominee and will be deposited with CDS on the Closing Date. A purchaser of Common Shares will receive only a customer confirmation or confirmations from a

registered dealer who is a CDS participant and from or through which the Common Shares are purchased. Physical certificates may be issued to a purchaser of Common Shares under the Offering only in limited circumstances.

Closing of the Offering is conditional upon the Minimum Offering being sold within 90 days of the issuance of the final receipt for this Prospectus or, if a receipt is issued for an amendment to this Prospectus, within 90 days of the issuance of such receipt and, in any event, not later than 180 days from the date of a receipt issued for the final Prospectus.

The Issuer has applied to list the Common Shares distributed under this Prospectus on the Exchange. Listing will be subject to, among other things, the Issuer fulfilling all the listing requirements of the Exchange.

The obligations of the Agent under the Agency Agreement may be terminated at any time before the 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 on the occurrence of certain other stated events.

Other than the Offering expenses disclosed elsewhere in this Prospectus and payments to be made to the Agent as disclosed in this section, 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 this Offering.

Subscriptions will be received for the Common Shares offered hereby subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time. Upon rejection of a subscription, or in the event that the Offering does not complete within the time required, the subscription price and the subscription will be returned to the Subscriber forthwith without interest or deduction.

Listing Application

The Issuer has applied to list its Common Shares, including the Common Shares distributed pursuant to this Prospectus, on the Exchange. Listing of the Issuer's Common Shares will be subject to the Issuer meeting all of the listing requirements prescribed by the Exchange.

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

RISK FACTORS

An investment in the Common Shares offered hereunder is highly speculative and involves a number of significant risk factors. These securities are suitable only for those purchasers who are willing to rely upon the ability, judgement and integrity of the management and directors of the Issuer and who can afford a total loss of their investment. Each purchaser should carefully consider the following risk factors, many of which are inherent in the ownership of securities of a junior resource corporation:

Exploration Stage Company: The Issuer has no history of operations and is still in an early stage of development. The Issuer is engaged in the business of acquiring and exploring mineral properties in the hope of locating economic deposits of minerals. The QT Property is in the early stages of exploration and is without a known deposit of commercial ore. Development of the QT Property will only follow upon obtaining satisfactory exploration results. There can be no assurance that the Issuer's existing or future exploration programs will result in the discovery of commercially viable mineral deposits. Further, there can be no assurance that even if a deposit of minerals is located, that it can be commercially mined.

Mineral Exploration and Development: The exploration and development of minerals is highly speculative in nature and involves a high degree of financial and other risks over a significant period of time, during which even a combination of careful evaluation, experience and knowledge may not eliminate. The proposed program on the QT Property is an exploratory search for mineral deposits. While discovery of an ore body may result in significant rewards, few properties which are explored are ultimately developed into producing mines. Substantial expenses are required to establish ore reserves by drilling, sampling and other techniques and to design and construct mining and processing facilities. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit, financing costs, the cyclical nature of commodity prices, and government regulations (including those related to prices, taxes, currency controls, royalties, land tenure, land use, importing and exporting of mineral products, and environmental protection). The effect of these factors or a combination thereof, cannot be accurately predicted but could have an adverse impact on the Issuer. The Issuer's operations are also subject to all of the hazards and risks normally encountered in mineral exploration and development. These risks include unusual and unexpected geological formations, seismic activity, rock bursts, cave-ins, water inflows and other conditions involved in the drilling and removal of material, environmental hazards, industrial accidents, periodic interruptions due to adverse weather conditions, labour disputes, political unrest and theft. The occurrence of any of the foregoing could result in damage to, or destruction of, mineral properties or interests, production facilities, personal injury, damage to life or property, environmental damage, delays or interruption of operations, increases in costs, monetary losses, legal liability and adverse government action. The Issuer does not currently carry insurance against these risks and there is no assurance that such insurance will be available in the future, or if available, at economically feasible premiums or upon acceptable terms. The potential costs associated with losses or liabilities not covered by insurance coverage may have a material adverse effect upon the Issuer's financial condition.

Operating History and Financial Resources: The Issuer has no history of operations or revenues and it is unlikely that the Issuer will generate any revenues from operations in the foreseeable future. The Issuer anticipates that its existing cash resources, together with the net proceeds of the Offering, will be sufficient to cover the Issuer's projected funding requirements for the ensuing year. If the Issuer's exploration program is successful, additional funds will be required for further exploration and development to determine if any deposits are economic and, if economic, to possibly bring such deposits to production. Additional funds will also be required for the Issuer to acquire and explore other mineral interests. The Issuer has limited financial resources and there is no assurance that sufficient additional funding will be available to enable it to fulfill the Issuer's existing obligations or for further exploration and development on acceptable terms or at all. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development and could cause the Issuer to forfeit its interests in some or all of the Issuer's properties or to reduce or terminate the Issuer's operations. Additional funds raised by the Issuer from treasury share issuances may result in further dilution to its shareholders or result in a change of control.

Possible Loss of Interest in the QT Property: The Issuer's ability to maintain an interest in the QT Property will be dependent on its ability to raise additional funds by equity financing. Failure to obtain additional financing may result in the Issuer being unable to expend certain minimum amounts on the exploration of the QT Property. If the Issuer fails to incur such expenditures in a timely fashion, the Issuer may lose its interest in the QT Property.

Competition: The mineral exploration business is competitive in all of its phases. The Issuer competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources, in the search for and the acquisition of attractive mineral properties. The Issuer's ability to acquire properties in the future will depend not only on the Issuer's ability to develop the QT Property, but also on the Issuer's ability to select and acquire suitable prospects for mineral exploration or development. In addition, the mining industry periodically faces a shortage of equipment

and skilled personnel and there can be intense competition for experienced geologists, engineers, field personnel and other contractors. There is no assurance that the Issuer will be able to compete successfully with others in acquiring prospective properties, equipment or personnel.

Dilution: Dilution per Common Share represents the amount by which the price per Common Share to be paid by a new investor will exceed the net tangible book value per Common Share immediately after the Offering is completed. The issue price of \$0.10 paid for each Common Share exceeds by \$0.04216 per Common Share the net tangible book value per Common Share as at July 31, 2011 after giving effect to the Minimum Offering. As a result, investors will incur a significant and immediate dilution of 42.2% in their investment.

Environmental Risks and Hazards: All phases of the Issuer's operations are subject to extensive environmental regulations. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation, provide for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry activities and operations. They also set forth limitations on the generation, transportation, storage and disposal of hazardous waste. A breach of these regulations may result in the imposition of fines and penalties. In addition, certain types of mining operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the viability or profitability of operations. Environmental hazards may exist on the properties in which the Issuer holds its interests or on properties that will be acquired which are unknown to the Issuer at present and which have been caused by previous or existing owners or operators of those properties.

Government Regulations: The Issuer's current or future operations, including exploration and development activities and the commencement and continuation of commercial production, require licenses, permits or other approvals from various federal, provincial and/or local governmental authorities and such operations are or will be governed by laws and regulations relating to prospecting, development, mining, production, exports, taxes, labour standards, occupational health and safety, waste disposal, toxic substances, land use, water use, environmental protection, aboriginal land claims and other matters. The Issuer believes that it is in substantial compliance with all material laws and regulations which currently apply to the Issuer's activities. There can be no assurance, however, that the Issuer will obtain on reasonable terms or at all the permits and approvals, and the renewals thereof, which the Issuer may require for the conduct of the Issuer's current or future operations or that compliance with applicable laws, regulations, permits and approvals will not have an adverse effect on any mining project which the Issuer may undertake. Possible changes to mineral tax legislation and, regulations could cause additional expenses, capital expenditures, restrictions and delay on the Issuer's planned exploration and operations, the extent of which cannot be predicted. Failure to comply with applicable laws, regulations and permitting 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.

Title Risks: While the Issuer has exercised the usual due diligence with respect to determining title to the Issuer's properties, there is no guarantee that title to such properties will not be challenged or impugned. The Issuer's properties have not been surveyed. The Issuer's properties may be subject to prior unregistered agreements or transfers or aboriginal land claims and title may be affected by undetected defects. If title defects do exist, it is possible that the Issuer may lose all or a portion of its rights, title,

estate and interest in and to the properties, when and if earned, to which the title defects relate. Further, the Issuer does not own the QT Property and only has a right to acquire an interest therein pursuant to the Option Agreement. In the event that the Issuer does not fulfill its obligations under the Option Agreement, it will lose its interest in the QT Property.

First Nations Land Claims: The QT Property or other properties optioned by the Issuer may now or in the future be the subject of first nations land claims. The legal nature of aboriginal land claims is a matter of considerable complexity. The impact of any such claim on the Issuer's ownership interest in the properties optioned by the Issuer cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of aboriginal rights in the area in which the properties optioned by the Issuer are located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on the Issuer's activities. Even in the absence of such recognition, the Issuer may at some point be required to negotiate with first nations in order to facilitate exploration and development work on the properties optioned by the Issuer.

Negative Operating Cash Flow: Since inception, the Issuer has had negative operating cash flow. The negative operating cash flow is expected to continue for the foreseeable future as funds are expended on the exploration program on the QT Property and administrative costs. The Issuer cannot predict when it will reach positive operating cash flow.

Commodity Prices: The price of the Issuer's securities, the Issuer's financial results and exploration, development and mining activities have previously been, and may in the future be, significantly adversely affected by declines in the price of precious or base metals. Precious or base metal prices fluctuate widely and are affected by numerous factors beyond the Issuer'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, speculative activities, increased production due to improved mining and production methods, government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, environmental protection, the degree to which a dominant producer uses its market strength to bring supply into equilibrium with demand, and international political and economic trends, conditions and events. The prices of precious or base metals have fluctuated widely in recent years, and future price declines could cause continued development of the Issuer's properties to be impracticable.

Price Volatility and Lack of Active Market: In recent years, the securities markets in Canada and elsewhere have experienced a high level of price and volume volatility, and the market prices of securities of many public companies have experienced significant fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any quoted market for the Issuer's securities will be subject to such market trends and that the value of such securities may be affected accordingly. There is currently no market through which the Issuer's Common Shares can be sold and there can be no assurance that one will develop or be sustained after the Offering. If an active market does not develop, the liquidity of your investment may be limited and the market price of the Common Shares may decline below the Offering Price.

Reliance on Management and Experts: The Issuer's success will be largely dependent, in part, on the services of the Issuer's senior management and directors. The Issuer has not purchased any "key man" insurance, nor has the Issuer entered into any non-competition or non-disclosure agreements with any of the Issuer's directors, officers or key employees and has no current plans to do so. The Issuer may hire consultants and others for geological and technical expertise but there is no guarantee that the Issuer will be able to retain personnel with sufficient technical expertise to carry out the future development of the Issuer's properties.

Concentration of Ownership: Immediately following the completion of the Offering the Issuer's directors, major shareholders, executive officers and their respective associates will beneficially own 4,110,000 Common Shares representing approximately 39.67% of the Issuer's outstanding share capital assuming the Minimum Offering and 27.85% assuming the Maximum Offering assuming none of the foregoing persons participate in the Offering. These shareholders could significantly influence the outcome of actions taken by management that require shareholder approval. For example, these shareholders could significantly influence the election of the Issuer's directors and control changes in management.

Conflicts of Interest: Certain of the Issuer's directors, officers and other members of management do, and may in the future, serve as directors, officers, promoters and members of management of other companies and, therefore, it is possible that a conflict may arise between their duties as a director, officer, promoter or member of the Issuer's management team and their duties as a director, officer, promoter or member of management of such other companies. The Issuer's directors and officers are aware of the laws governing accountability of directors and officers for corporate opportunity and the requirement of directors to disclose conflicts of interest. The Issuer will rely upon these laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers.

PROMOTERS

George J. Nejedlo, the President, Chief Executive Officer and a director of the Issuer, may be considered to be the promoter of the Issuer within the meaning of securities legislation of the Selling Provinces as he took the initiative in founding and organizing the Issuer. Mr. Nejedlo holds 1,310,000 Common Shares of the Issuer, representing 29.05% of the Issuer's voting securities. Mr. Nejedlo also has 300,000 stock options of the Issuer. The number of Common Shares currently held by Mr. Nejedlo, and the number of Common Shares he will hold on the completion of the Offering, is set out above under the heading "Directors and Executive Officers". Upon completion of the Offering, Mr. Nejedlo will enter into a management consulting agreement with the Issuer for his services as the Issuer's President and Chief Executive Officer. Mr. Nejedlo will be paid a management fee of \$2,500 per month and will be reimbursed for certain expenses. See "Executive Compensation".

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no pending legal proceedings to which the Issuer is or is likely to be a party or of which any of its properties are or are likely to be the subject. There are no penalties or sanctions imposed against the Issuer by a court or regulatory body nor have any penalties or sanctions been imposed against the Issuer since its incorporation.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as set out elsewhere in this Prospectus, none of the directors or executive officers of the Issuer, principal shareholders, or any associate or affiliate of such persons, has or has had any material interest, direct or indirect, in any material transaction since the date of incorporation of the Issuer or in any proposed transaction that has materially affected or may affect the Issuer. Certain directors and/or officers of the Issuer subscribed for shares pursuant to private equity financings of the Issuer. In addition, the directors and officers of the Issuer have been granted incentive stock options. See "Options to Purchase Securities".

AUDITOR, REGISTRAR AND TRANSFER AGENT

The Issuer's auditor is Ken Lee & Company, Chartered Accountants, located at 1850-1066 West Hastings Street, Vancouver BC V6E 3X2. The registrar and transfer agent for the Issuer is Computershare Investor Services Inc., located at 3rd Floor, 510 Burrard Street, Vancouver, BC V6C 3B9 who will maintain the Issuer's securities register.

MATERIAL CONTRACTS

The following are the material contracts of the Issuer that are outstanding as at the date of this Prospectus:

- (a) Option Agreement dated May 27, 2011 between Qualitas Holdings Corp. and the Issuer. See "Business of the Issuer – Description and General Development".
- (b) Agency agreement dated ♦, 2011 between the Issuer and the Agent. See "Plan of Distribution".
- (c) Escrow Agreement dated September 9, 2011 between the Issuer, the Escrow Agent, George J. Nejedlo and Donald A. Mosher. See "Escrowed Securities and Other Securities Subject to Resale Restrictions-Escrowed Securities".
- (d) Pooling Agreement dated September 9, 2011 between the Issuer, Computershare Investor Services Inc., Rider Capital Corp. and Anthony Kerr. See "Escrowed Securities and Other Securities Subject to Resale Restrictions – Pooling Agreement".

The material contracts described above may be inspected at the registered offices of the Issuer, located at Suite 300-576 Seymour Street, Vancouver, BC, during normal business hours during the period of the primary distribution of the Common Shares being distributed under this Prospectus and for a period of thirty days thereafter.

EXPERTS

The following persons or companies whose profession or business gives authority to a statement made by the person or company are named in the Prospectus as having prepared or certified a part of that document or a report of valuation described in the Prospectus:

- 1. Stephen B. Butrenchuk, P. Geol., an independent consulting geologist and "qualified person" as defined in NI 43-101, is the author responsible for the preparation of the Technical Report;
- 2. The information in this Prospectus under the headings "Eligibility for Investment" and "Certain Canadian Federal Income Tax Considerations" has been included in reliance upon the opinion of Thomas, Rondeau LLP; and
- 3. The audited financial statements of the Issuer included with this Prospectus have been subject to audit by Ken Lee & Company, Chartered Accountants and their audit report is included herein.

Based on information provided by the relevant persons listed above, none of such persons or companies have received or will receive any direct or indirect interests in the property of the Issuer. As at the date hereof, partners and associates of Thomas, Rondeau LLP owns less than 1% of the issued Common Shares of the Issuer. None of the other aforementioned persons or companies, nor any of the directors, officers, employees and partners thereof, beneficially own, directly or indirectly, any securities of the Issuer or its associates and affiliates.

Ken Lee & Company, Chartered Accountants is the auditor of the Issuer and is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

OTHER MATERIAL FACTS

There are no other material facts about the securities being distributed that are not disclosed elsewhere in this Prospectus.

CERTAIN CANADIAN FEDERAL INCOME TAX PROVISIONS

In the opinion of Thomas, Rondeau LLP, legal counsel to the Issuer, the following summary fairly describes the principal Canadian federal income tax considerations generally applicable to persons (“**Holders**”) resident in Canada who will acquire Common Shares of the Issuer pursuant to this Offering and who will hold their Common Shares as capital property and deal at arm’s length with the Issuer.

This summary is not applicable to Holders that hold their Common Shares as an adventure in the nature of trade or in the course of carrying on a business of trading or dealing in securities. This summary also does not apply to Holders that are “financial institutions” as defined in subsection 142.2(1) of the *Tax Act*.

This summary is based on the provisions of the *Tax Act*, the regulations under the *Tax Act* (the “**Regulations**”), counsel’s understanding of the current published administrative and assessing policies of Canada Revenue Agency (“**CRA**”) and all specific proposals to amend the *Tax Act* or Regulations (collectively, the “**Proposed Amendments**”) publicly announced before the date hereof. This summary does not take into account provincial, territorial or foreign income tax considerations, and does not take into account or anticipate any changes in law whether by judicial, governmental or legislative action except to the extent of the Proposed Amendments. No assurance can be given that any of the Proposed Amendments will be enacted into law or that legislation will implement the Proposed Amendments in the manner now proposed.

This summary is of a general nature and is not intended to be, and should not be construed to be, legal or tax advice to any particular Holder. Holders should therefore consult their own independent tax advisors with respect to their particular tax positions. The discussion below is qualified accordingly.

Eligibility for Investment

In the opinion of Thomas, Rondeau LLP, legal counsel to the Issuer, as and when the Common Shares are listed on the Exchange, the Common Shares would, at such time, be “qualified investments” under the *Tax Act* and the regulations thereunder for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit sharing plans, registered disability savings plans, and tax-free savings accounts (collectively, the “**Plans**”). The listed status of the Common Shares as of a particular time cannot be guaranteed. The Common Shares will also be “qualified investments” for such Plans at a time when the Issuer is a “public corporation” for purposes of the *Tax Act*, and for this purpose, the Issuer has advised counsel that the Issuer will file an election, in its tax return for its first taxation year, to be deemed to have been a public corporation from the beginning of that year and will provide a covenant in the Agency Agreement to this effect. Counsel will not be involved in implementing this election or monitoring its implementation.

Notwithstanding the foregoing, if the Common Shares are “prohibited investments” for the purposes of a tax-free savings account (“TFSA”), the holder of such TFSA will be subject to a penalty tax as set out in the *Tax Act*. Shares will generally be prohibited investments if the holder of the TFSA does not deal at arm’s length with the Issuer for the purposes of the *Tax Act* or if the holder of the TFSA has a “significant interest” (within the meaning of the *Tax Act*) in the Issuer or

a corporation, partnership or trust with which the Issuer does not deal at arm's length for the purposes of the *Tax Act*. The June, 2011 federal budget proposed that these rules also apply in respect of registered retirement savings plans ("RRSPs") and registered retirement income funds ("RRIFs") after March 22, 2011. Accordingly, prospective investors who wish to hold their Common Shares in a TFSA, RRSP or RRIF should consult their own tax advisors in this regard.

Dividends

Dividends received or deemed to be received on the Common Shares will be included in computing the Holder's income for the purposes of the *Tax Act*.

In the case of an individual Holder such dividends will be subject to the gross-up and dividend tax credit rules normally applicable in respect of taxable dividends received from taxable Canadian corporations (as defined in the *Tax Act*).

Dividends received by a corporation on the Common Shares must be included in computing its income but generally will be deductible in computing its taxable income. Private corporations (as defined in the *Tax Act*) and certain other corporations controlled by or for the benefit of an individual (other than a trust) or related group of individuals (other than trusts) generally will be liable to pay a 33 1/3% refundable tax under Part IV of the *Tax Act* on dividends to the extent such dividends are deductible in computing taxable income. This refundable tax generally will be refunded to a corporate holder at the rate of \$1 for every \$3 of taxable dividends paid while it is a private corporation.

Adjusted Cost Base of Shares

The adjusted cost base of each Share held by a shareholder of the Issuer at any particular time is calculated as the average cost (as adjusted) to him/her of all Shares of the Issuer owned by him/her at that time.

Disposition of Shares

In general, a disposition or deemed disposition of a Common Share by a Holder will give rise to a capital gain (or capital loss) equal to the amount by which the proceeds of disposition of such Common Share, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such Common Share to that Holder immediately before the disposition.

Generally, one-half of any capital gain realized by a Holder on the disposition or deemed disposition of a Common Share in a taxation year must be included in computing the Holder's income for that year as a taxable capital gain. Similarly, one-half of any capital loss realized by a Holder on the disposition or deemed disposition of a Common Share in a taxation year is an allowable capital loss that may (subject to detailed rules in the *Tax Act*) be deducted from the Holder's capital gains for that year or the three preceding taxation years or any subsequent taxation year. A capital loss otherwise arising upon the disposition of a Common Share by a corporate Holder will be reduced by the amount of dividends received or deemed to have been received on the Common Share where the period of ownership of such Common Share was less than 365 days or where the corporate Holder (together with persons with whom it did not deal at arm's length) held more than 5% of the issued Common Shares of any class of the Issuer at the time the dividends were received or deemed to be received.

A Holder that is throughout the relevant taxation year a "Canadian-controlled private corporation" (as defined in the *Tax Act*) also may be liable to pay an additional refundable tax of 6 2/3% on its "aggregate investment income" for the year, which will include an amount in respect of taxable capital gains.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a Prospectus and any amendment. 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. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

AUDITORS' CONSENT

[KEN LEE & CO. LETTERHEAD]

We have read the prospectus of Westline Resources Ltd. dated ♦, 2011 relating to the sale and issue of a minimum of 5,600,000 Common Shares and a maximum of 10,000,000 Common Shares at \$0.10 per Common Share. We have complied with Canadian generally accepted standards for an auditor's involvement with securities offering documents.

We consent to the use in the above-referenced prospectus of our report to the Directors of the Company on the statement of financial position of the Company as at July 31, 2011 and the statements of operations and comprehensive loss, changes in equity and cash flows for the period from incorporation on February 22, 2011 to July 31, 2011. Our report is dated October 20, 2011.

Vancouver, BC
♦, 2011

Chartered Accountants

Westline Resources Ltd.

Financial Statements

July 31, 2011

AUDITORS' REPORT

BALANCE SHEET

STATEMENT OF NET LOSS AND COMPREHENSIVE LOSS

STATEMENT OF CASH FLOWS

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

NOTES TO FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Westline Resources Ltd.

We have audited the accompanying financial statements of Westline Resources Ltd. which comprise the balance sheet as at July 31, 2011 and the statement of net loss and comprehensive loss, cash flows and changes in shareholders' equity for the period from incorporation on February 22, 2011 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 International Financial Reporting Standards, 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 in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Westline Resources Ltd. as at July 31, 2011 and the results of its operations and its cash flows for the period from incorporation on February 22, 2011 to July 31, 2011 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Westline Resources Ltd.'s ability to continue as a going concern.

Vancouver, B.C.
October 20, 2011

Chartered Accountants

WESTLINE RESOURCES LTD.
BALANCE SHEET
As at July 31, 2011
(Expressed in Canadian dollars)

	2011
ASSETS	
<i>Current assets</i>	
Cash	\$ 47,195
Mineral properties under exploration – Note 6	40,000
Deferred financing costs – Note 7	<u>44,919</u>
	<u>\$ 132,114</u>
LIABILITIES	
<i>Current liabilities</i>	
Accounts payable and accrued liabilities – Note 8	\$ 6,000
Due to related party – Note 9	<u>422</u>
	<u>6,422</u>
SHAREHOLDERS' EQUITY	
Share capital - Note 10	140,100
Deficit	<u>(14,408)</u>
	<u>125,692</u>
	<u>\$ 132,114</u>

Nature and continuance of operations (Note 1)

Subsequent events (Note 13)

Approved by the Board:

George J. Nejedlo, Director

Raymond Szeto, Director

See accompanying notes to the financial statements

WESTLINE RESOURCES LTD.
STATEMENT OF NET LOSS AND COMPREHENSIVE LOSS
For the period from incorporation on February 22, 2011 to July 31, 2011
(Expressed in Canadian dollars)

	2011
Expenses	
Office and general	\$ 421
Professional fees	<u>13,987</u>
	<u>14,408</u>
Loss before income taxes	(14,408)
Income tax expense – Note 12	<u>-</u>
Net loss and comprehensive loss	<u>\$ (14,408)</u>
Loss per share	
Basic and diluted	<u>\$ (0.07)</u>
Weighted average number of shares outstanding	
Basic and diluted	<u>211,887</u>

See accompanying notes to the financial statements

WESTLINE RESOURCES LTD.
STATEMENT OF CASH FLOWS
For the period from incorporation on February 22, 2011 to July 31, 2011
(Expressed in Canadian dollars)

	2011
Operating activities	
Net loss for the period	\$ (14,408)
<i>Changes in non-cash working capital balances:</i>	
Accounts payable and accrued liabilities	<u>6,000</u>
	<u>(8,408)</u>
Investing activities	
Mineral property costs	<u>(10,000)</u>
	<u>(10,000)</u>
Financing activities	
Deferred financing costs	(44,919)
Advances from related party	422
Proceeds from issuance of shares	<u>110,100</u>
	<u>65,603</u>
Increase in cash in the period	47,195
Cash, beginning of period	<u>-</u>
Cash, end of period	<u><u>\$ 47,195</u></u>

See accompanying notes to the financial statements

WESTLINE RESOURCES LTD.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the period from incorporation on February 22, 2011 to July 31, 2011
(Expressed in Canadian dollars)

	<i>Class 1 common shares without par value</i>			
	<i>Number of shares</i>	<i>Amount</i>	<i>Deficit</i>	<i>Shareholders' Equity</i>
Issued for cash	4,210,000	\$ 110,100	\$ -	\$ 110,100
Issued for mineral properties	300,000	30,000	-	30,000
Net loss for the period	-	-	(14,408)	(14,408)
Balance, July 31, 2011	4,510,000	\$ 140,100	\$ (14,408)	\$ 125,692

See accompanying notes to the financial statements

WESTLINE RESOURCES LTD.
NOTES TO FINANCIAL STATEMENTS
July 31, 2011
(Expressed in Canadian dollars)

NOTE 1 - NATURE AND CONTINUANCE OF OPERATIONS

Westline Resources Ltd. ("the Company") was incorporated under the laws of British Columbia on February 22, 2011. Its principle business activity is the exploration and development of mineral properties. All of the Company's mineral properties are located in Canada.

The Company is in the process of exploring and developing its mineral properties, and has not yet determined whether the properties contain reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and related deferred exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production. The business of mining and exploring for resources involves a high degree of risk and there can be no assurance that planned exploration and development programs will result in profitable mining operations. Changes in future conditions could require material write-downs of the carrying values of resource properties.

These financial statements have been prepared in accordance with International Financial Reporting Standards on the basis of a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business for the foreseeable future.

As the Company is a junior resource stage company, it does not generate any revenue and has been relying on equity-based financing to fund its operations. While the Company expects to meet its financial obligations in the near term, it will require additional financing to meet its administrative costs and to continue work on its mineral properties. There is no assurance that future funding will be available to sufficiently conduct further exploration of its mineral properties.

The application of the going concern concept is dependent upon the Company's ability to generate future profitable operations and maintain an adequate level of financial resources to discharge its on-going obligations. Management seeks to raise capital, when necessary, to meet its funding requirements and has undertaken available cost-cutting measures. There can be no assurance that management's plan will be successful as it is dependent on prevailing capital market conditions and the availability of other financing opportunities. The financial statements do not include any adjustments that would be necessary to the carrying value and classification of assets and liabilities and reported expenses if the going concern assumption were not appropriate.

		July 31, 2011
Working capital	\$	41,195
Deficit	\$	(14,408)

WESTLINE RESOURCES LTD.
NOTES TO FINANCIAL STATEMENTS
July 31, 2011
(Expressed in Canadian dollars)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The financial statements were authorized for issue by the Board of Directors on October 20, 2011.

Basis of presentation

The financial statements have been prepared on the historical cost basis except for the financial instruments that have been measured at fair value as explained in the accounting policies set out below.

Foreign Currency Translation

The functional and reporting currency of the Company and its subsidiary is the Canadian dollar. Amounts recorded in foreign currency are translated into Canadian dollars as follows:

- i. Monetary assets and liabilities, at the rate of exchange in effect as at the balance sheet date;
- ii. Non-monetary assets and liabilities, at the exchange rates prevailing at the time of the acquisition of the assets or assumption of the liabilities; and
- iii. Income and expenses (excluding depreciation, which is translated at the same rate as the related asset), at the rate of exchange on the transaction date.

Gains and losses arising from this translation of foreign currency are included in the determination of net loss and comprehensive loss for the period.

Use of Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Significant areas requiring the use of management estimates include the determination of environmental obligations, asset retirement obligations (“ARO”), accrued liabilities, impairment of mineral properties and valuation allowances applied to deferred income tax assets. Actual results could differ from these estimates.

Mineral Properties under Exploration

All costs related to the acquisition, exploration and development of mineral properties are capitalized by property. If economically recoverable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. When a property is abandoned, all related costs are written off to operations. If, after management review, it is determined that the carrying amount of a mineral property is impaired, that property is written down to its estimated net realizable value. A mineral property is reviewed for impairment at each financial statement date or whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

WESTLINE RESOURCES LTD.
NOTES TO FINANCIAL STATEMENTS
July 31, 2011
(Expressed in Canadian dollars)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Mineral Properties under Exploration (continued)

From time to time the Company may acquire or dispose of a mineral property 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.

The amounts shown for mineral properties do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing and permitting to complete the development and future profitable production or proceeds from the disposition thereof.

Mineral property risk

The Company's mineral exploration activities are subject to environmental laws and regulations specific to countries in which exploration, development or mining is conducted. It is management's policy to review environmental compliance and exposure on an ongoing basis. Management is of the opinion that the Company addresses environmental risk and compliance in accordance with industry standard and specific project environmental requirements. However, there is no certainty that all environmental risks and contingencies have been addressed.

Although management has taken steps to verify title on the properties on which it conducts exploration and in which it has an interest, these procedures may not guarantee the Company's title. Property title may be at risk from unregistered prior agreements, unregistered claims, other land claims and non-compliance with regulatory and environmental requirements.

Asset Retirement Obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of property and equipment, or site closure or reclamation activities when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from site preparation work is capitalized to mining assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

At present, the Company has determined that it has no significant asset retirement obligations to record in these financial statements.

WESTLINE RESOURCES LTD.
NOTES TO FINANCIAL STATEMENTS
July 31, 2011
(Expressed in Canadian dollars)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

Impairment of non-financial assets

The Company reviews and evaluates its property, including exploration and evaluation assets, plant and equipment for indications of impairment when events or changes in circumstances indicate that the related carrying amount may not be recoverable or at least at the end of each reporting period. The asset's recoverable amount is estimated if an indication of impairment exists.

Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets. Future cash flows are estimated based on expected future production, commodity prices, operating costs and capital costs.

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the asset.

Impairment losses reducing the carrying value to the recoverable amount are recognized in profit and loss. An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

WESTLINE RESOURCES LTD.
NOTES TO FINANCIAL STATEMENTS
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(Expressed in Canadian dollars)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred income taxes

The Company uses the balance sheet method of accounting for income taxes. Under the balance sheet method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry forwards, resource related pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on earnings per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. However, the calculation of diluted loss per share excludes the effects of conversions or exercise of options and warrants if they would be anti-dilutive.

Basic earnings per common share is calculated using the weighted-average number of shares outstanding during the year.

Financial Instruments

All financial instruments are classified into one of five categories: fair value through profit or loss ("FVTPL"), held-to-maturity, loans and receivables, available-for-sale financial assets, or other financial liabilities. All financial instruments, including derivatives, are measured at the balance sheet date at fair value except for loans and receivables, held-to-maturity investments, and other financial liabilities which are measured at amortized cost.

The Company classifies and measures its financial instruments as follows:

- i) Cash is classified as "FVTPL". It is measured at fair value and changes in fair value are recognized in earnings.
- ii) Accounts payable and accrued liabilities and due to shareholder are classified as other financial liabilities. The carrying value of accounts payable and accrued liabilities approximate their fair value due to their short-term maturity. The fair value of the amounts due to shareholder has not been disclosed as their fair value cannot be reliably measured since there are no set terms for repayment.

WESTLINE RESOURCES LTD.**NOTES TO FINANCIAL STATEMENTS****July 31, 2011****(Expressed in Canadian dollars)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments (continued)

The Company has designated cash as asset at fair value through profit and loss. Accounts payable and accrued liabilities and due to shareholder are designated as other liabilities. These financial instruments are initially measured at fair value. Accounts payable and accrued liabilities are subsequently measured on the basis of amortized cost using the effective interest rate method. Assets at fair value through profit and loss are revalued on the reporting date based on relevant market information about the financial instrument. These valuations are estimates and changes in assumptions could significantly affect the estimates.

The fair value hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value is as follows:

- i) Level 1 – Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- ii) Level 2 – Applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.
- iii) Level 3 – Applies to assets or liabilities for which there are unobservable market data.

As at July 31, 2011, the Company's financial instruments are comprised of cash, accounts payable and accrued liabilities and due to shareholder. The carrying value of accounts payable and accrued liabilities approximate their fair value due to their short-term maturity. The fair value of the amounts due to shareholder has not been disclosed as their fair value cannot be reliably measured since there are no set terms for repayment.

Financial instruments measured at fair value on the statement of balance are summarized in levels of fair hierarchy as follows:

	Level 1	Level 2	Level 3	Total
Cash	\$ 47,195	\$ -	\$ -	\$ 47,195

WESTLINE RESOURCES LTD.
NOTES TO FINANCIAL STATEMENTS
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NOTE 3 - ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following new accounting standards have been issued, but are not yet effective and have not yet been adopted by the Company. The Company is currently evaluating the effects of adopting these standards:

IAS 1 – Presentation of Financial Statements

This standard requires companies preparing financial statements under IFRS to group items within Other Comprehensive Income (“OCI”) that may be reclassified to profit or loss. The amendments also reaffirm existing requirements that items in OCI and profit or loss should be presented as either a single statement or two consecutive statements. The amendments to IAS 1 are set out in Presentation of Items of Other Comprehensive Income and are effective for fiscal years beginning on or after January 1, 2013.

IFRS 7 – Financial Instruments: Disclosures

IFRS 7 was amended by the IASB in October 2010 and provides guidance on identifying transfers of financial assets and continuing involvement in transferred assets for disclosure purposes. The amendments introduce new disclosure requirements for transfers of financial assets including disclosures for financial assets that are not derecognized in their entirety, and for financial assets that are derecognized in their entirety but for which continuing involvement is retained. The amendments to IFRS 7 are effective for annual periods beginning on or after July 1, 2011. The Company is currently assessing the impact on its financial statements.

IFRS 9 – Financial Instruments

IFRS 9 addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit and loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at fair value through profit and loss or at fair value through other comprehensive income. The new standard is effective for fiscal periods beginning on or after January 1, 2013.

IFRS 13 – Fair Value Measurement

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

NOTE 4 - CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of resource properties. The board of directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company’s management to sustain future development of the business.

WESTLINE RESOURCES LTD.
NOTES TO FINANCIAL STATEMENTS
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NOTE 4 - CAPITAL MANAGEMENT (continued)

The properties in which the Company currently has an interest are in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period from incorporation on February 22, 2011 to July 31, 2011. The Company is not subject to externally imposed capital requirements.

NOTE 5 - RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument and related risks. Those risks and management's approach to mitigating those risks is as follows:

i) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is in its cash balance held. Cash is held with a Canadian bank, which is a high credit quality financial institution. The Company does not believe it has significant credit risk with respect to its cash.

ii) Interest rate risk

The Company has cash held in bank account. The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balance at variable rates. The fair value of the Company's cash is not significantly affected by changes in short-term interest rates. The income earned from the bank account is subject to movements in interest rates, although the effect would be insignificant.

iii) Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at July 31, 2011, the Company had a cash balance of \$47,195 to settle current liabilities of \$6,000. All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

iv) Price risk

The value of the Company's interests in mineral properties is related to the mineral price and the outlook for these minerals. Minerals price have historically fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial and retail demand, forward sales by producers and speculators, level of worldwide production, short-term changes in supply and demand because of speculators, hedging activities and certain other factors. The Company is not actively managing its commodity risk.

v) Sensitivity analysis

Based on management's knowledge of and experience in the financial markets, management does not believe that the Company's current financial instruments will be materially affected by credit risk, liquidity risk or market risk.

WESTLINE RESOURCES LTD.
NOTES TO FINANCIAL STATEMENTS
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NOTE 6 - MINERAL PROPERTIES UNDER EXPLORATION

The following table summarizes mineral property costs:

QT property, BC, Canada		
Acquisition costs	\$	40,000
Exploration and developments costs		-
Total acquisition costs and exploration expenditures, end of period	\$	40,000

QT Property, BC, Canada

The Company held an option to acquire a 100% interest in 5 mineral claims in the Clinton Mining District, BC. The option is exercisable by completing \$850,000 in exploration, making cash payments of \$25,000, and issuing 1,200,000 common shares on or before May 27, 2014 as described in the following schedules. These claims are subject to a 2% net smelter returns ("NSR") royalty.

Exploration Requirements

The Company is to complete exploration on the Properties and incur exploration expenditures in the amounts and on or before the dates set out in the following schedule:

Date	Exploration
May 27, 2012	\$ 150,000
May 27, 2013	200,000
May 27, 2014	500,000
Total	\$ 850,000

Shares

The Company is to issue 1,200,000 shares to the Optionor, in the amounts and on or before the dates set out in the following table and subject to regulatory approval.

Date	No. of shares
May 27, 2011 (issued)	300,000
May 27, 2012	300,000
May 27, 2013	300,000
May 27, 2014	300,000
Total	1,200,000

WESTLINE RESOURCES LTD.
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NOTE 6 - MINERAL PROPERTIES UNDER EXPLORATION (CONTINUED)

Payments to Optionor

The Company is to make payments to the Optionor in the amounts and on or before the dates set out in the following schedule:

Date	Payment
On May 27, 2011 (paid)	\$ 10,000
Within 5 days of the date shares of the Company are listed on a stock exchange in Canada.	15,000
Total	\$ 25,000

NOTE 7 - DEFERRED FINANCING COSTS

Deferred financing costs consist of financing and legal costs with respect to the prospectus offering.

NOTE 8 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Trade accounts payable	\$ -
Accrued liabilities	6000
	\$ 6,000

NOTE 9 - DUE TO RELATED PARTY

Advances from a director are non-interest bearing and without specific terms of repayment.

WESTLINE RESOURCES LTD.
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 - SHARE CAPITAL

Authorized:

Unlimited class 1 shares without par value

Issued:

Class	Number of shares	Amount
Class 1 shares without par value	4,510,000	\$ 140,100
Total	4,510,000	\$ 140,100

NOTE 11 - SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASHFLOWS

Non-cash financing and investing activities:

Shares issued for mineral properties	\$ 30,000
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NOTE 12 - INCOME TAXES

	<u>2011</u>
Tax rate	<u>26.5%</u>
Loss before income taxes	\$ (14,408)
Expected income tax recovery at statutory rate	3,818
Adjustment in income taxes resulting from:	
Unrecognized tax benefit of unutilized losses	(3,818)
Income tax expense	<u>\$ -</u>

WESTLINE RESOURCES LTD.
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NOTE 12 - INCOME TAXES (CONTINUED)

Deferred Income Taxes

Deferred income taxes result primarily from differences in the recognition of certain revenue and expense items for financial and income tax reporting purposes. The temporary differences that give rise to deferred tax assets and liabilities at July 31, 2011 are as follows:

	<u>2011</u>
Deferred tax assets (liabilities)	
Non-capital losses carried forward	\$ 4,587
Share issue costs	<u>(985)</u>
	3,554
Less: valuation allowance	<u>(3,554)</u>
Net deferred income tax assets	<u>\$ -</u>

The Company has experienced non-capital losses totalling approximately \$ 18,350 which are deductible against future taxes payable and expire in 2031.

NOTE 13 - SUBSEQUENT EVENTS

i) The Company has entered into an agreement with Union Securities Ltd. ("Union") to act as a financial advisor and exclusive financing agent to the Company with respect to a proposed offering ("Offering") of up to \$1,000,000 by way of a prospectus offering. A corporate finance fee will be payable to Union as follows:

- \$10,000 upon signing the agreement and non-refundable
- \$15,000 on earlier of September 30, 2011 or the closing of the Offering
- 250,000 shares to be issued pursuant to the prospectus and free trading

Upon closing of the Offering, the Company will pay Union a commission of 10% of the gross proceeds of the Offering. Union will also receive agents warrants entitling Union to purchase up to 10% of the number of shares sold pursuant to the Offering for a 1 year period at a price of \$0.10 per share.

Management foresees the Offering being structured as an offering of a minimum of 5,600,000 common shares and a maximum of 10,000,000 Class 1 shares to be issued at \$0.10 per share.

ii) In August 2011, the Company has granted stock options for the purchase of up to 1,000,000 common shares of the Company's capital stock at a price of \$0.10 per common share, such options to be effective from the date the Company's public listing and exercisable for five years thereafter.

WESTLINE RESOURCES LTD.
NOTES TO FINANCIAL STATEMENTS
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NOTE 13 - SUBSEQUENT EVENTS (CONTINUED)

- iii) On September 9, 2011, the Company, the escrow agent and certain principals of the Company entered into an escrow agreement. The principals agreed to deposit in escrow their 1,810,000 common shares with the escrow agent. The shares are subject to the escrow agreement whereby 10% of the escrowed shares are to be released from escrow upon the public listing of the Company's common shares. The remaining 90% of the escrowed shares are to be released from escrow in 15% tranches at six month intervals over a 36 month period following the listing date.
- iv) On September 9, 2011, the Company and certain non-principal seed shareholders of the Company (the "Pooled Shareholders") entered into a Voluntary Pooling Agreement ("Pooling Agreement"). Pursuant to Pooling Agreement, the Pooled Shareholders agreed to a voluntary pooling period of 36 months from the Listing Date of 1,500,000 common shares held by them and not otherwise subject to escrow. The shares are subject to the Pooling Agreement whereby 10% of such shares are to be released from the pool upon the public listing of the Company's common shares.. The remaining 90% of such shares are to be released from the pool in 15% tranches at six month intervals over a 36 month period following the listing date.

APPENDIX “A”

WESTLINE RESOURCES LTD.

(the “Company”)

AUDIT COMMITTEE CHARTER

(Dated for Reference August 26, 2011)

MANDATE

The audit committee (the “Committee”) will assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reporting process, the system of internal control and the audit process.

COMPOSITION

The Committee shall be comprised of at least three members. Each member must be a director of the Company. A majority of the members of the Committee shall not be officers or employees of the Company or of an affiliate of the Company. At least one member of the Committee shall be financially literate. All members of the Committee who are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of this Audit Committee Charter, the term “financially literate” means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

The members of the Committee shall be appointed by the Board of Directors at its first meeting following the annual shareholders’ meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership. The Chair shall be financially literate and an independent director as defined in Section 1.4 of National Instrument 52-110 *Audit Committees*.

MEETINGS

Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly. Unless all members are present and waive notice, or those absent waive notice before or after a meeting, the Chairman will give Committee members 24 hours’ advance notice of each meeting and the matters to be discussed at it. Notice may be given personally, by telephone, facsimile or e-mail.

The external auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Company’s annual financial statements and, if the Committee feels it is necessary or appropriate, at any other meeting. On request by the external auditor, the Chair shall call a meeting of the Committee to consider any matter that the external auditor believes should be brought to the attention of the Committee, the Board of Directors or the shareholders of the Company.

At each meeting of the Committee, a quorum shall consist of a majority of members that are not officers or employees of the Company or of an affiliate of the Company. A member may participate in a meeting of the Committee in person or by telephone if all members participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A member may participate in a meeting of the Committee by a communications medium other than telephone if all

members participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all members who wish to participate in the meeting agree to such participation.

As part of its goal to foster open communication, the Committee may periodically meet separately with each of management and the external auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee should meet with the external auditor and management annually to review the Company's financial statements.

The Committee may invite to its meetings any director, any manager of the Company, and any other person whom it deems appropriate to consult in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate to exclude in order to carry out its responsibilities.

RESPONSIBILITIES AND DUTIES

Financial Accounting and Reporting Process and Internal Controls

The Committee is responsible for reviewing the Company's financial accounting and reporting process and system of internal control. The Committee shall:

- (a) Review the annual audited financial statements to satisfy itself that they are presented in accordance with international financial reporting standards ("IFRS") and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review the interim financial statements.
- (b) With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the external auditor and have meetings with the Company's auditor without management present, as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.
- (c) Review any internal control reports prepared by management and the evaluation of such report by the external auditor, together with management's response.
- (d) Review the Company's financial statements, management's discussion and analysis and annual and interim profit or loss, and any press releases related thereto before the Company publicly discloses this information.
- (e) Review and satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in paragraph (d) above, and periodically assess the adequacy of those procedures.
- (f) Meet no less frequently than annually with the external auditor and the Chief Financial Officer to review accounting practices, internal controls and such other matters as the Committee or Chief Financial Officer deem appropriate.

- (g) Inquire of management and the external auditor about significant financial risks or exposures, both internal and external, to which the Company may be subject, and assess the steps management has taken to minimize such risks.
- (h) Review the post-audit or management letter containing the recommendations of the external auditor and management's response and subsequent follow-up to any identified weaknesses.
- (i) Establish procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
 - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Audit

External Auditor

The Committee has primary responsibility for the selection, appointment, dismissal and compensation and oversight of the external auditor, subject to the overall approval of the Board of Directors. In carrying out this duty, the Committee shall:

- (a) Require the external auditor to report directly to the Committee.
- (b) Recommend to the Board of Directors the external auditor to be nominated at the annual general meeting for appointment as the external auditor for the ensuing year for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company and the compensation for the external auditor, or, if applicable, the replacement of the external auditor.
- (c) Review, annually, the performance of the external auditor.
- (d) Review and confirm the independence of the external auditor.
- (e) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the external auditor and former independent external auditor of the Company.
- (f) Pre-approve all non-audit services to be provided to the Company or its subsidiaries by the Company's external auditor.

Audit and Review Process and Results

The Committee is directly responsible for overseeing the work by the external auditor (including resolution of disagreements between management and the external auditor regarding financial reporting) engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company. The Committee shall:

- (a) Review the external auditor's audit plan, including the scope, procedures and timing of the audit.

- (b) Review the results of the annual audit with the external auditor, including matters related to the conduct of the audit.
- (c) Obtain timely reports from the external auditor describing critical accounting policies and practices, alternative treatments of information with IFRS that were discussed with management, their ramifications, and the external auditor's preferred treatment.
- (d) Ensure that all material written communications between the Company and the external auditor are sent to the Committee.
- (e) Review fees paid by the Company to the external auditor and other professionals in respect of audit and non-audit services on an annual basis.
- (f) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditor of the Company.

Other

- (a) Perform such other duties as may be assigned to it by the Board of Directors from time to time or as may be required by applicable regulatory authorities or legislation.
- (b) Report regularly and on a timely basis to the Board of Directors on matters coming before the Committee.
- (c) Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board of Directors for approval.

AUTHORITY

The Committee is authorized to:

- (a) to seek any information it requires from any employee of the Company in order to perform its duties;
- (b) to engage, at the Company's expense, independent legal counsel or other professional advisors on any matter within the scope of the role and duties of the Committee under this Charter;
- (c) to set and pay the compensation for any advisors engaged by the Committee; and
- (d) to communicate directly with the internal and external auditor of the Company.

This Charter supersedes and replaces all prior charters and other terms of reference pertaining to the Committee.

CERTIFICATE OF THE ISSUER

Date: October 20, 2011

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

"George J. Nejedlo"
George J. Nejedlo
Chief Executive Officer

"Wayne C. Cahill"
Wayne C. Cahill
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

"Raymond Y.F. Szeto"
Raymond Y.F. Szeto
Director

"Donald A. Mosher"
Donald A. Mosher
Director

CERTIFICATE OF THE PROMOTER

Date: October 20, 2011

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

"George J. Nejedlo"
George J. Nejedlo

CERTIFICATE OF THE AGENT

Date: October 20, 2011

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

UNION SECURITIES LTD.

“Rex Thompson”

Rex Thompson, Executive VP