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

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

# PRELIMINARY PROSPECTUS

**Initial Public Offering** March 2 2012

**ELCORA RESOURCES CORP.**
**(a capital pool company)**

**$375,000**
**(3,750,000 Common Shares)**

**Price: $0.10 per Common Share**

The purpose of this offering (the **"Offering"**) is to provide ELCORA RESOURCES CORP. (the **"Corporation"**) with a minimum of funds with which to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction (as defined herein). The Corporation hereby offers 3,750,000 Common Shares (as defined herein) to the public at a price of $0.10 per Common Share. Any proposed Qualifying Transaction must be approved by the TSX Venture Exchange Inc. (the **"Exchange"**) and, in the case of a Non-Arm's Length Qualifying Transaction, must also receive Majority of the Minority Approval (as defined herein), in accordance with Exchange Policy 2.4 – *Capital Pool Companies* (the **"CPC Policy"**). The Corporation is a Capital Pool Company (**"CPC"**). It has not commenced commercial operations and has no assets other than a minimum amount of cash. Except as specifically contemplated in the CPC Policy, until the Completion of the Qualifying Transaction (as defined below), the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a proposed Qualifying Transaction. See "Business of the Corporation" and "Use of Proceeds".

The Offering is made on a commercially reasonable efforts basis by Macquarie Private Wealth Inc. (the **"Agent"**) in the provinces of Nova Scotia, Ontario, Alberta and British Columbia (collectively, the **"Jurisdictions"**) and is subject to a subscription of 3,750,000 Common Shares for total gross proceeds to the Corporation of $375,000. The offering price of the Common Shares was determined arbitrarily by the board of directors of the Corporation (the **"Board of Directors"**). All funds received from subscriptions for Common Shares will be held by the Agent pursuant to the terms of the Agency Agreement (as defined herein). If the subscription for 3,750,000 Common Shares for gross proceeds of $375,000 is not completed within ninety (90) days of the issuance of a receipt for the (final) prospectus or such other time as may be authorized by the applicable securities regulatory authorities in the Jurisdictions (collectively the **"Commissions"**) and consented to by the Agent and persons or companies who subscribed within that period, all subscription monies will be returned to subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent. See "Plan of Distribution".

| | **Common Shares** | **Price to Public** | **Agent's Commission**(1) | **Net Proceeds to the Corporation**(2) |
|---|---|---|---|---|
| Per Common Share ................. | 1 | $0.10 | $0.008 | $0.092 |
| Total Offering(3) ...................... | 3,750,000 | $375,000 | $30,000 | 345,000 |

(1) A cash commission equal to 8% of the gross proceeds will be paid to the Agent. The Agent has been paid an expense retainer of $7,000 and will be reimbursed by the Corporation for its expenses, including legal fees. Additionally, a due diligence administration fee of $15,000 (plus HST) has been paid to the Agent. The Agent will also be granted the Agent's Option referred to below. The Agent's Option is exercisable for a period of twenty-four (24) months from the date of listing the Common shares on the Exchange. See "Plan of Distribution - Name of Agent and Agent's Compensation".

(2) Before deducting the costs and expenses of the Offering estimated at $90,000 (inclusive of the listing fee to the Exchange and the Agent's fees and expenses). See "Use of Proceeds".

(3) A total of 3,750,000 Common Shares are qualified for distribution hereunder. In addition, this Preliminary Prospectus qualifies for distribution: (i) the Agent's Option (as defined herein); (ii) the distribution of the Common Shares issuable upon the exercise of the Agent's Option; (iii) the grant of options to the directors, officers and technical consultants of the Corporation, exercisable for a period of ten (10) years from the date of grant, to purchase up to a total of 875,000 Common Shares at a price of $0.10 per Common Share, and the distribution of the Common Shares issuable upon the exercise of such options by the directors, officers and technical consultants. See "Plan of Distribution" and "Options to Purchase Securities".

Pursuant to the Agency Agreement, the Agent will be granted a non-transferable option to purchase up to 300,000 Common Shares, which is the number of Common Shares equal to eight percent (8%) of the total number of Common Shares sold in connection with this Offering, at a price of $0.10 per Common Share and exercisable for a period of twenty-four (24) months from the date of listing the Common Shares on the Exchange. The grant of the Agent's Option is qualified under this prospectus. See "Plan of Distribution - Name of Agent and Agent's Compensation". In addition, the Corporation intends to grant non-transferable options to purchase an aggregate of 875,000 Common Shares under the Corporation's Stock Option Plan (as defined herein). The grant of these options is also qualified under this prospectus. See "Plan of Distribution" and "Options to Purchase Securities".

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

Other than the initial distribution of the Common Shares pursuant to this prospectus, the grant of the Agent's Option and the grant of stock options to the directors, officers and technical consultants of the Corporation, as described herein, trading in all securities of the Corporation is prohibited during the period between the date a receipt for the preliminary prospectus in respect of this Offering is issued by the Commission that is designated the principal regulator pursuant to National Policy 11-202 – *Process for Prospectus Reviews in Multiple Jurisdictions* and the time the Common Shares are listed for trading on the Exchange except, subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the Commissions grant a discretionary order.

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

The Corporation owns no assets other than cash, has no record of earnings or dividends, has not entered into an Agreement in Principle (as defined herein) with respect to a proposed Qualifying Transaction and may not generate earnings or pay dividends in the immediate or foreseeable future. The proposed business of the Corporation involves a degree of risk and there is no assurance that the Corporation will identify assets or businesses which warrant, acquisition or participation or will be able to successfully negotiate same, or that any such opportunities or businesses acquired would be profitable. Until Completion of the Qualifying Transaction (as defined herein), the Corporation is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions and, except as otherwise provided in the CPC Policy, a maximum of the lesser of: (i) thirty percent (30%) of the gross proceeds realized from the sale of all securities issued by the Corporation, and (ii) $210,000 may be used for purposes other than evaluating potential Qualifying Transactions. Moreover, if a potential asset or business is identified and an acquisition or participation therein is warranted, additional funds may be required and there is no assurance that the Corporation will be able to obtain such financing. Subscribers hereunder will experience immediate dilution of approximately $0.032 per share or 32%, prior to deduction of selling commissions and related expenses. An acquisition financed by the issuance of additional Common Shares may result in further dilution and a change of control of the Corporation. In the event the Corporation identifies and completes the acquisition of a corporation or assets located outside of Canada, it may be difficult or impossible to effect service or notice to commence legal proceedings on any directors, officer and experts located outside of Canada. It may not be possible to enforce against such persons or such corporation any judgments obtained in Canadian courts predicated on the civil liability provisions of the applicable securities laws in Canada. **For these reasons, which are only summaries thereof, an investment herein is suitable only to those investors who are willing to rely solely on the management of the Corporation and who can afford to lose all of their investment. See "Business of the Corporation", "Use of Proceeds", "Distribution" and "Risk Factors".**

**The Corporation currently intends to pursue a Qualifying Transaction through the acquisition of a mineral exploration and development business or Significant Asset (as defined herein), however there is no assurance that the Qualifying Transaction will involve the acquisition of a business or Significant Assets in the mineral exploration and development industry.**

The Exchange may suspend from trading or delist the Common Shares if the Corporation fails to complete a Qualifying Transaction (as defined herein) within twenty-four (24) months following the date the Common Shares are listed on the Exchange. Suspension from trading of the Common Shares may, and delisting of the Common Shares will, result in the Commissions issuing an interim cease trade order against the Corporation. In addition, delisting of the Common Shares will result in the cancellation of all of the currently issued and outstanding shares of the Corporation held by Insiders, as defined hereinafter, that are Discounted Seed Shares within the meaning of the CPC Policy.

Pursuant to the CPC Policy, no purchaser of the Common Shares is permitted to directly or indirectly purchase more than two percent (2%) or 75,000 of the total number of Common Shares offered under this prospectus. In addition, the maximum number of Common Shares that may directly or indirectly be purchased by that purchaser, together with any Associates or Affiliates of that purchaser, is four percent (4%) or 150,000 of the total number of Common Shares offered under this prospectus.

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

No person is authorized to provide any information or to make any representations in connection with this offering other than as contemplated in this prospectus.

Macquarie Private Wealth Inc.
550 Burrard Street, Suite 500, Bentall V
Vancouver, BC V6C 2B5

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## GLOSSARY

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

A Company is an "**Affiliate**" of another Company if:

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

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

A Company is "**controlled**" by a Person if:

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

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

A Person beneficially owns securities that are beneficially owned by:

(a) a Company controlled by that Person, or

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

"**Agency Agreement**" means the agency agreement dated ●, 2012 between the Corporation and the Agent.

"**Agent**" has the meaning ascribed thereto on the cover page of this prospectus.

"**Agent's Option**" means the non-transferable option to be granted by the Corporation to the Agent entitling the Agent to acquire 300,000 Common Shares, which is the number of Common Shares equal to eight percent (8%) of the total number of Common Shares sold in connection with this Offering, at a price of $0.10 per Common Share and exercisable for a period of twenty-four (24) months from the date of listing the Common Shares on the Exchange.

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

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

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

(b) identifies the parties to the Qualifying Transaction;

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

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

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

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

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

(b) any partner of the Person;

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

(d) in the case of a Person who is an individual,

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

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

but

(e) where the Exchange determines that two Persons shall, or shall not, be deemed to be Associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D.1.00 of the Exchange's Rule Book and Policies with respect to that Member firm, Member corporation or holding company.

**"Board of Directors"** has the meaning ascribed to it on the cover page of this prospectus.

"**CBCA**" means the *Canada Business Corporations Act*, as amended from time to time.

**"Commissions"** has the meaning ascribed to it on the cover page of this prospectus.

"**Common Shares**" means common shares in the capital of the Corporation.

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

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

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

"**CPC**" means a corporation:

(a) that has been incorporated or organized in a jurisdiction in Canada;

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

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

"**CPC Policy**" has the meaning ascribed thereto on the cover page of this prospectus.

"**Escrow Agreement**" has the meaning ascribed thereto under "Escrow Securities".

"**Exchange**" has the meaning ascribed thereto on the cover page of this prospectus.

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

"**HST**" means harmonized sales tax at the rate of twelve percent (12%) applicable in the Province of British Columbia, Canada.

"**Initial Release**" has the meaning ascribed thereto under "Escrow Securities".

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

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

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

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

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

"**IPO**" means initial public offering.

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

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

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

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

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

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

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

"**Member**" has the meaning ascribed thereto in Rule A.1.00 of the Exchange's Rule Book and Policies.

"**NEX**" means the separate trading board of the Exchange which provides a trading market for the securities of an issuer that has ceased to meet the Tier 2 maintenance requirements of the Exchange.

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

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

"**Non Arm's Length Qualifying Transaction**" means a proposed Qualifying Transaction where the same party or parties or their respective Associates or Affiliates are Control Persons in both the CPC and in relation to the Significant Assets which are to be the subject of the proposed Qualifying Transaction.

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

"**Principal**" means:

(a) a Person who acted as a promoter of the issuer within two years before the IPO prospectus or Final Exchange Bulletin;

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

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

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

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

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

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

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

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

"**Pro Group**" has the meaning given under the policies of the Exchange, and generally includes Members of the Exchange and their Affiliates, partners, directors, officers and employees, as well as their respective Associates and any other Person or party determined by the Exchange in its discretion to not be acting at arm's length to such Members of the Exchange.

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

"**Related Party Transaction**" has the meaning ascribed to the term under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, and includes a related party transaction that is determined by the Exchange to be a Related Party Transaction. The Exchange may deem a transaction to be a Related Party Transaction where the transaction involves Non-Arm's Length Parties, or other circumstances exist which may compromise the independence of the issuer with respect to the transaction.

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

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

"**Seed Shares**" means the 6,500,000 Common Shares issued and outstanding prior to the Offering.

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

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

"**Sponsorship Acknowledgment Form**" has the meaning ascribed thereto in Exchange Policy 2.2 – *Sponsorship and Sponsorship Requirements*.

"**Stock Option Plan**" means the Corporation's incentive stock option plan.

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

"**TSX-V**" has the same meaning as given to "Exchange", above.

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

## PROSPECTUS SUMMARY

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

| | |
|---|---|
| **Offering:** | A total of 3,750,000 Common Shares are being offered under this prospectus at a price of $0.10 per share for gross proceeds of $375,000. The Offering is being made on a commercially reasonable efforts basis. In addition, the Corporation will grant a non-transferable option to the Agent to purchase 300,000 Common Shares, which is the number of Common Shares equal to eight percent (8%) of the total number of Common Shares sold in connection with this Offering, at a price of $0.10 per Common Share and exercisable for a period of twenty-four (24) months from the date of listing the Common Shares on the Exchange, which Agent's Option is qualified for distribution under this prospectus. The Corporation intends to grant non-transferable options to purchase an aggregate of 875,000 Common Shares, representing 8.54% of the issued and outstanding Common Shares, at $0.10 per share to directors, officers and technical consultants of the Corporation under the Stock Option Plan, exercisable for a period of ten (10) years from the date of grant, all 875,000 of which options are also being qualified for distribution under this prospectus. See "Plan of Distribution" and "Options to Purchase Securities". |
| **Corporation:** | The principal business of the Corporation will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. Any Qualifying Transaction must be approved by the Exchange and, in the case of a Non-Arm's Length Qualifying Transaction, must also receive Majority of the Minority Approval in accordance with the CPC Policy. The Corporation has not commenced commercial operations and has no assets other than a minimum amount of cash. An acquisition financed by the issuance of treasury shares could result in a change in control of the Corporation and may cause the shareholders' interests in the Corporation to be reduced. See "Business of the Corporation". |
| **Use of Proceeds:** | The net proceeds to the Corporation will be $345,000, after deducting the Agent's commission but before deducting expenses of the offering, estimated at $60,000 (inclusive of the listing fee to the Exchange and the Agent's fees and expenses). The net proceeds of this Offering will be used to provide the Corporation with funds to be used to identify and evaluate assets or businesses for acquisition with a view to completing a Qualifying Transaction. The Corporation may not have sufficient funds to secure such business or assets once identified and evaluated and additional funds may be required. Until Completion of the Qualifying Transaction and except as otherwise provided in the CPC Policy, a maximum of the lesser of thirty percent (30%) of the gross proceeds realized from the sale of all securities issued by the Corporation and $210,000, may be used for purposes other than evaluating businesses or assets with a view to completing a Qualifying Transaction. See "Use of Proceeds", "Business of the Corporation - Method of Financing" and "Risk Factors". |
| **Directors and Management:** | Troy Grant - Director, President, Chief Executive Officer and Corporate Secretary<br>John Cumming – Director and Chief Financial Officer<br>Kelly Fielder - Director<br>Gregory Isenor - Director<br><br>See "Directors, Officers and Promoter". |
| **Escrow Provisions:** | All of the 6,500,000 currently issued and outstanding Common Shares will be deposited in escrow pursuant to the terms of the Escrow Agreement and will be released from escrow in stages over a period of up to three (3) years after the date of the Final Exchange Bulletin. See "Escrow Securities". |
| **Risk Factors:** | Investment in the Common Shares must be regarded as highly speculative due to the proposed nature of the Corporation's business and its present stage of development. The Corporation was only recently incorporated and has no active business or assets other than cash. It does not have a history of earnings, it has not paid any dividends and it will not generate earnings or pay dividends until at least after the Completion of the Qualifying Transaction. The Offering is suitable only to investors who are prepared to rely entirely on |

the directors and management of the Corporation and can afford to risk the loss of their entire investment. The directors and officers of the Corporation will devote only part of their time and attention to the affairs of the Corporation and there are potential conflicts of interest to which some of the directors and officers of the Corporation may be subject in connection with the operations of the Corporation. Assuming completion of the Offering, an investor will suffer an immediate dilution on investment of approximately $0.032 per share or 32%, prior to deduction of selling commissions and related expenses. There can be no assurance that an active and liquid market for the Corporation's Common Shares will develop and an investor may find it difficult to resell the Common Shares. Until Completion of the Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Corporation has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Corporation will be able to identify or complete a suitable Qualifying Transaction.

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

## THE CORPORATION

**ELCORA RESOURCES CORP.** was incorporated under the CBCA on June 6, 2011. The head office and the registered office of the Corporation are located at Suite 2108, Purdy's Wharf Tower 2, 1969 Upper Water Street, Halifax, Nova Scotia B3J 3R7.

## BUSINESS OF THE CORPORATION

### Preliminary Expenses

To date, the Corporation has incurred administrative or development expenses of approximately $80,000, representing the costs of incorporation, organization, filing fees and this Offering. The Corporation has incurred expenses of approximately $nil since the date of the Corporation's balance sheet dated February 15, 2012 included in this prospectus. Part of the net proceeds of the Offering may be utilized to satisfy the obligations of the Corporation related to this Offering, including the expenses of its auditors, legal counsel and the Agent's legal counsel. The Corporation has paid the Agent a due diligence fee of $15,000 plus HST and paid an expense retainer to the Agent of $7,000 for the Agent's legal fees and other expenses. See "Use of Proceeds".

### Proposed Operations until Completion of a Qualifying Transaction

The Corporation proposes to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the Exchange and, in the case of a Non Arm's Length Qualifying Transaction, is also subject to Majority of the Minority Approval in accordance with the CPC Policy. The Corporation has not conducted commercial operations other than to enter into discussions for the purpose of identifying potential acquisitions or interests and does not own any assets, other than cash. **The Corporation currently intends to pursue a Qualifying Transaction through the acquisition of a mineral exploration and development business, but there is no assurance that this will in fact be the business sector of a proposed Qualifying Transaction or of the Corporation following completion of the Qualifying Transaction.** See "Potential Qualifying Transaction".

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

Although the Corporation has commenced the process of identifying potential acquisitions with a view to completing a Qualifying Transaction, the Corporation has not yet entered into an Agreement in Principle.

### Method of Financing

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

### Criteria for a Qualifying Transaction

The Board of Directors must approve any proposed Qualifying Transaction. In exercising their powers and discharging their duties in relation to a proposed Qualifying Transaction, the directors will act honestly and in good faith with a view to the best interests of the Corporation and will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. All potential acquisitions will be screened initially by management of the Corporation to determine their economic viability. The Board of Directors will examine proposed acquisitions having regard to sound business fundamentals, utilizing the expertise and experience of the directors.

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

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

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

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

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

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

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

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

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

**Potential Qualifying Transaction**

The Corporation intends to focus on developing a Qualifying Transaction with a resource-based business. The Corporation has had preliminary discussions with several businesses to determine whether there is a mutual interest in the Corporation concluding an acquisition. None of these discussions have progressed to the point where the Corporation is close to having an Agreement in Principle or where any particular acquisition would be described as probable.

**Initial Listing Requirements**

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

**Trading Halts, Suspension and Delisting**

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

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

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

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

The Exchange may suspend from trading or delist the Common Shares of the Corporation where the Exchange has not issued a Final Exchange Bulletin to the Corporation within twenty-four (24) months of the date of listing. If the Common Shares of the Corporation are delisted by the Exchange, then within ninety (90) days from the date of such delisting the Corporation shall wind up and liquidate its assets pursuant to the CBCA and shall make a pro rata distribution of its remaining assets to its shareholders unless, within that ninety (90) day period and pursuant to a majority vote of shareholders (exclusive of the vote of Non Arm's Length Parties to the Corporation), the shareholders determine to deal with the remaining assets in some other manner. See "Business of the Corporation - Filings and Shareholder Approval of a Non Arm's Length Qualifying Transaction".

**Refusal of Qualifying Transaction**

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

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

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

  (i) a member firm of the Exchange;

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

  (iii) associates of any such person,

  collectively, would exceed twenty percent (20%) of the issued and outstanding securities of the Resulting Issuer;

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

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

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

## USE OF PROCEEDS

### Proceeds and Principal Purposes

(a) The gross proceeds received by the Corporation from the sale of 6,500,000 Common Shares prior to the date of this prospectus amount to $325,000.

(b) The Corporation incurred expenses and costs totalling approximately $40,000 with respect to incorporation and organization and filing fees.

(c) The gross proceeds to be received by the Corporation from the sale of the Common Shares distributed under this prospectus amount to $375,000.

(d) The expenses and cost of this Offering, including the Agent's commission and listing fees, incurred to date and expected to be incurred, amount to $90,000

(e) The Corporation estimates that an amount of $570,000 will be available to it from the sale of the Common Shares distributed under this prospectus and prior sales of Common Shares.

The following indicates the principal uses which the Corporation proposes for the total funds available to it upon the completion of this Offering, a portion of which has already been spent, as reflected in the Corporation's balance sheet as at February 15, 2012, which is set out at page 9 of this prospectus.

| | **Offering** |
|---|---|
| Cash proceeds raised prior to this Offering(1) | $325,000 |
| Expenses and costs relating to raising seed share cash proceeds, incorporation and organization and filing fees | ($40,000) |
| Cash proceeds to be raised pursuant to this Offering(2) | $375,000 |
| Expenses and costs relating to the Offering (including listing fees, Agent's commission, legal fees, audit fees and expenses) (3) (4) | ($90,000) |
| **Estimated funds available (on completion of the Offering)** (2) | $570,000 |
| Funds available for identifying and evaluating assets or business prospects(5) | $570,000 |
| Estimated general and administrative expenses until completion of a Qualifying Transaction | ($100,000) |
| **TOTAL NET PROCEEDS** | $470,000 |

(1) See "Prior Sales".

(2) In the event, and to the extent, that the Agent exercises the Agent's Option or the directors, officers or technical consultants exercise their options, there will be available to the Corporation additional funds in the maximum amount of $30,000 on the exercise of the Agent's Option and additional funds in the maximum aggregate amount of $87,500 on the exercise of the options of directors, officers and technical consultants which will be added to the working capital of the Corporation. There is no assurance that any of the foregoing options will be exercised.

(3) Of this amount, $40,000 has been incurred to date. See "Preliminary Expenses" and the Corporation's balance sheet as at February 15, 2012, which is set out at page 9 of this prospectus.

(4) The Agent has been paid a non-refundable due diligence fee of $15,000 plus HST and a deposit that has been applied to the Agent's legal expenses which are estimated to be $7,000.

(5) In the event that the Corporation enters into an Agreement in Principle prior to spending the amount of funds available for identifying and evaluating assets or business prospects, the remaining funds may be used to finance or partially finance the acquisition of Significant Assets or for working capital after Completion of the Qualifying Transaction.

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

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

**Permitted Use of Funds**

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

The proceeds may be used for expenses incurred for the preparation of: (a) valuations or appraisals; (b) business plans; (c) feasibility studies and technical assessments; (d) sponsorship reports; (e) engineering or geological reports; (f) financial statements, including audited financial statements; (g) fees for legal and accounting services; and (h) Agent's fees, costs and commissions, relating to the identification and evaluation of assets or businesses and the obtaining of shareholder approval, if applicable, for the Corporation's proposed Qualifying Transaction.

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

**Restrictions on Use of Proceeds**

Until Completion of a Qualifying Transaction, not more than the lesser of: (i) thirty percent (30%) of the gross proceeds from the sale of all securities issued by the Corporation and (ii) $210,000, will be used for purposes other than those described above under "Permitted Use of Funds". For greater certainty, expenditures which are not included as "Permitted Uses of Funds" listed above, include: (a) listing and filing fees (including SEDAR fees); (b) other costs for the issuance of securities (including legal, accounting and audit expenses relating to the preparation and filing of this prospectus); and (c) administrative and general expenses of the Corporation, including: (i) office supplies, office rent and related utilities; (ii) printing costs (including the printing of this prospectus and share certificates); (iii) equipment leases; and (iv) fees for legal advice and audit expenses, other than those described above under "Permitted Use of Funds". No proceeds will be used to acquire or lease a vehicle.

**Private Placements for Cash**

After the closing of the Offering and until the Completion of the Qualifying Transaction, the Corporation will not issue any securities unless written acceptance of the Exchange is obtained before issuance. Prior to the Completion of the Qualifying Transaction, the Exchange generally will not accept a private placement by the Corporation where the gross proceeds raised from the issuance of securities both prior to and pursuant to the Offering, together with any proceeds anticipated to be raised upon closing of the private placement, will exceed $5,000,000. The only securities issuable pursuant to such a private placement will be Common Shares. Subject to certain limited exceptions, any Common Shares issued pursuant to the private placement to Non Arm's Length Parties to the Corporation and to Principals of the Resulting Issuer will be subject to escrow.

**Prohibited Payments to Non Arm's Length Parties**

Except as described herein under "Options to Purchase Securities" and "Restrictions on Use of Proceeds", the Corporation has not made, and until the Completion of the Qualifying Transaction will not make, any payment of any kind, directly or indirectly, to a Non Arm's Length Party to the Corporation or a Non Arm's Length Party to the Qualifying Transaction, or to a Person engaged in investor relations activities, by any means, including: (a) remuneration, which includes but is not limited to salaries, consulting fees, management contract fees, directors' fees, finders' fees, loans, advances and bonuses; and (b) deposits and similar payments. Further, no such payment will be made on or after the Completion of a Qualifying Transaction if such payment relates to services rendered or obligations incurred prior to or in connection with the Qualifying Transaction.

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

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

## PLAN OF DISTRIBUTION

### Name of Agent and Agent's Compensation

Pursuant to the Agency Agreement, the Corporation has appointed the Agent as its agent to offer for sale on a commercially reasonable efforts basis to the public of 3,750,000 Common Shares, as provided in this prospectus, at a price of $0.10 per Common Share, for gross proceeds of $375,000, subject to the terms and conditions in the Agency Agreement. The Agent will receive a commission equal to eight percent (8%) of the aggregate gross proceeds from the sale of the Common Shares. Additionally, a due diligence administration fee of $15,000 plus HST has been paid to the Agent. The Agent has also been paid an expense retainer of $7,000 and the Agent will be reimbursed by the Corporation for its expenses, including legal fees.

The Corporation has also agreed to grant the Agent a non-transferable Agent's Option to purchase that number of Common Shares representing eight percent (8%) of the total number of Common Shares sold pursuant to this Offering, at an exercise price of $0.10 per Common Share, which may be exercised for a period of twenty-four (24) months from the date the Common Shares of the Corporation are listed on the Exchange. The Agent's Option is qualified under this prospectus. The Agent intends to sell to the public any Common Shares received by it upon exercise of the Agent's Option. Not more than fifty percent (50%) of the Common Shares received on the exercise of the Agent's Option may be sold by the Agent prior to the Completion of the Qualifying Transaction. The remaining fifty percent (50%) may be sold following the Completion of the Qualifying Transaction.

The Agent has agreed to use its commercially reasonable efforts to secure subscriptions for the Common Shares offered hereunder on behalf of the Corporation and may make co-brokerage arrangements with other investment dealers at no additional cost to the Corporation.

The obligations of the Agent under the Agency Agreement may be terminated at its discretion on the basis of its assessment of the state of financial markets and may also be terminated on the occurrence of certain events as stated in the Agency Agreement.

### Best Efforts Offering

The Offering is for 3,750,000 Common Shares at a price of $0.10 per share for total gross proceeds of $375,000. The Offering price was determined arbitrarily by the Board of Directors. Under the CPC Policy, no purchaser of the Common Shares is permitted to purchase more than twenty percent (2%) of the total number of Common Shares offered in the Offering, representing a limit of 75,000 Common Shares. In addition, the maximum number of Common Shares permitted to be purchased by that purchaser together with any Associates or Affiliates of that purchaser is four percent (4%) of the total number of Common Shares offered under the Offering, representing a limit of 130,000 Common Shares. The funds received from the Offering will be deposited with the Agent, and will not be released until all proceeds from the Offering have been deposited and the Agent consents to the release thereof. A subscription of 3,750,000 Common Shares for aggregate gross proceeds of $375,000 must be raised within ninety (90) days of the date a receipt for the prospectus is issued, or such other time as may be authorized by the Commissions and consented to by the Agent and Persons who subscribed within that period, failing which the Agent will remit the funds collected to the original subscribers without interest or deduction, unless subscribers have otherwise instructed the Agent.

**Other Securities to be Distributed**

The Corporation also intends to grant options to purchase up to 875,000 Common Shares to the directors, officers and technical consultants of the Corporation pursuant to the Stock Option Plan, in accordance with the policies of the Exchange, all of which options are qualified for distribution under this prospectus.

**Determination of Price**

The Offering price was determined arbitrarily by the Board of Directors.

**Listing Application**

The Exchange has conditionally accepted the listing of the Common Shares. Listing is subject to the Corporation fulfilling all of the listing requirements of the Exchange.

**Subscriptions by and Restrictions on the Agent**

The Agent has advised the Corporation that to the best of its knowledge and belief, the following directors, officers, employees or contractors of the Agent or any Associate or Affiliate of the foregoing have subscribed for Common Shares in the following amounts:

| Name of Subscriber | Number of Common Shares Subscribed | Subscription Price per Common Share |
|---|---|---|
| Annette Savage[(1)] | 500,000 | $0.10 |

(1) Annette Savage is the spouse of Richard Savage, an employee of the Agent.

Until Completion of the Qualifying Transaction, the aggregate number of Common Shares permitted to be owned directly or indirectly by the Pro Group, including the participants referred to above, is 20% of the issued and outstanding Common Shares exclusive of Common Shares reserved for issuance at a future date.

Subject to: (i) compliance with any applicable client priority rules, and (ii) applicable restrictions for the Offering described under "Plan of Distribution – Best Efforts Offering", such participants are permitted to subscribe for Common Shares pursuant to this Offering. The Exchange will require that any securities issued to the Pro Group in connection with or in contemplation of the Qualifying Transaction will be subject to a four month hold period and the securities certificates will be legended accordingly as prescribed in Exchange Policy 3.2 – *Filing Requirements and Continuous Disclosure*.

**Restrictions on Trading**

Other than the initial distribution of the Common Shares pursuant to this prospectus, the grant of the Agent's Option and, the grant of options to the directors, officers and technical consultants of the Corporation, no securities of the Corporation will be permitted to be issued during the period between the date a receipt for the preliminary prospectus in respect of this Offering is issued by the Commissions and the time the Common Shares are listed for trading on the Exchange, except subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable securities regulatory authorities grant a discretionary order.

## DESCRIPTION OF SHARE CAPITAL

### Common Shares

The Corporation is authorized to issue an unlimited number of Common Shares without nominal or par value of which, at the date hereof, 6,500,000 are issued and outstanding as fully paid and non-assessable Common Shares. In addition, 3,750,000 Common Shares are reserved for issuance under this prospectus; 300,000 Common Shares are reserved for issuance under the Agent's Option; and, 875,000 Common Shares are reserved for issuance upon exercise of the options the Board of Directors intends to grant to directors, officers and technical consultants of the Corporation pursuant to the Stock Option Plan, representing 10% of the issued and outstanding Common Shares of the Corporation after giving effect to the Offering. All of the Common Shares issued and outstanding on completion of the Offering will be fully paid and non-assessable. See "Plan of Distribution".

The holders of the Common Shares are entitled to: (a) vote at all meetings of shareholders, except meetings at which only holders of a specified class of shares are entitled to vote; (b) receive dividends, if, as and when declared by the Board of Directors; and (c) subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation, receive the remaining property of the Corporation upon dissolution, liquidation or winding-up of the Corporation as is distributable to the holders of the Common Shares.

## CAPITALIZATION

The following table sets forth the capitalization of the Corporation on an unaudited basis as at March 2, 2012 and the pro forma capitalization after giving effect to this Offering assuming the distribution of all Common Shares offered:

| Designation of security | Amount Authorized | Outstanding as at February 15, 2012 (1) | Outstanding as at March 2, 2012 | Amount to be outstanding after giving effect to the Offering(2)(3) |
|---|---|---|---|---|
| Common Shares | Unlimited | $325,000<br>(6,500,000 Common Shares) | $325,000<br>(6,500,000 Common Shares) | $610,000<br>(10,250,000 Common Shares) |

(1) As at February 15, 2012, the date of the most recent balance sheet of the Corporation, which is contained in this prospectus, the Corporation has not commenced commercial operations.

(2) The Board of Directors intends to grant non-transferable options in respect of an aggregate of 875,000 Common Shares at an exercise price of $0.10 per share to directors, officers and technical consultants of the Corporation pursuant to the Corporation's Stock Option Plan, which options shall be exercisable for a period of ten (10) years from the date of grant. The Corporation has reserved an aggregate of 300,000 Common Shares at $0.10 per share pursuant to the Agent's Option. The Agent's Option may be exercised for a period of twenty-four (24) months from the date of the listing of Common Shares on the Exchange. See "Plan of Distribution".

(3) Represents the March 2, 2012 balance plus the proceeds of the offering of $375,000 net of cash commission of $30,000 to be paid and includes all remaining estimated expenses of the offering, estimated to be $60,000.

## OPTIONS TO PURCHASE SECURITIES

After the closing of the Offering, the Board of Directors intends to grant options to directors, officers and technical consultants of the Corporation pursuant to the Stock Option Plan, subject to regulatory approval, as set out in the table below.

| Name of Optionee | Number of Common Shares Reserved Under Option | Exercise Price | Expiration Date |
|---|---|---|---|
| Troy Grant | 425,000 | $0.10 | Ten (10) years from grant date |
| John Cumming | 150,000 | $0.10 | Ten (10)years from grant date |
| Kelly Fielder | 150,000 | $0.10 | Ten (10)years from grant date |
| Gregory Isenor | 150,000 | $0.10 | Ten (10)years from grant date |

| | |
|---|---|
| **Total** | **875,000** |

The Agent shall be granted the Agent's Option, which is a non-transferable option to acquire eight percent (8%) of the total number of Common Shares sold pursuant to the Offering, at an exercise price of $0.10 per Common Share, which may be exercised for a period of twenty-four (24) months from the date the Common Shares are listed on the Exchange.

All options to acquire Common Shares, including the Agent's Option, are qualified for issuance under this prospectus.

The Board of Directors has adopted the Stock Option Plan. Under the Stock Option Plan, the Board of Directors may from time to time, in its discretion, and in accordance with the Exchange requirements and applicable securities legislation, grant to directors, officers, employees, consultants and management company employees of the Corporation non-transferable options to purchase Common Shares, exercisable for a period of up to ten (10) years from the date of grant.

The number of Common Shares reserved for issuance under the Stock Option Plan will not exceed ten percent (10%) of the issued and outstanding Common Shares of the Corporation. The number of Common Shares reserved for issuance to any one individual Director or Officer will not exceed five percent (5%) of the issued and outstanding Common Shares and the aggregate number of Common Shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding Common Shares.

Options may be exercised until the greater of twelve (12) months after the completion of the Qualifying Transaction and ninety (90) days following the date the optionee ceases to be a director, officer or employee of the Corporation or its Affiliates, a consultant or management company employee, provided that if the cessation of such position or arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

If an optionee does not continue as a director, officer, technical consultant or employee of the Resulting Issuer upon the Corporation successfully completing its Qualifying Transaction, then all unexercised options granted to such optionee shall expire on the later of: (i) one year from the date of the Final Exchange Bulletin issued by the Exchange in connection with such Qualifying Transaction and (ii) ninety (90) days after such optionee ceases to become a director, officer, employee or consultant of the Reporting Issuer. Where any options granted to optionees under the Stock Option Plan are subject to vesting provisions, those options will automatically vest as at the date of the Final Exchange Bulletin. Any Common Shares acquired pursuant to the exercise of options prior to the Completion of the Qualifying Transaction must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued. See "Escrow Securities"

Notwithstanding the terms of the Stock Option Plan described above, the CPC Policy imposes certain restrictions on stock options during the period that the Corporation remains a CPC. Such restrictions shall remain in place until the Exchange issues the Final Exchange Bulletin (such bulletin indicating that the Resulting Issuer will not be considered a CPC). Under the CPC Policy, the Corporation, while it remains a CPC, is limited to granting stock options to only directors, officers and technical consultants of the Corporation. In addition, the total number of Common Shares reserved under option of issuance pursuant to the Stock Option Plan may not exceed ten percent (10%) of the Common Shares to be outstanding at the closing of the Offering. The maximum number of Common Shares reserved under option for issuance to all technical consultants may not exceed two percent (2%) of the issued and outstanding Common Shares to be outstanding at the closing of the Offering. Furthermore, while the Corporation is a CPC, it is prohibited from granting stock options to any person providing investor relations activities, promotional or market making services. The exercise price per Common Share under any stock option granted by the Corporation while it is a CPC may not be less than the greater of $0.10 and the Discounted Market Price (as defined under Exchange policies). Any Common Shares acquired pursuant to the exercise of stock options prior to the Completion of the Qualifying Transaction, must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued. See "Escrowed Securities".

## PRIOR SALES

Since the date of incorporation, the Corporation has issued 6,500,000[(1)(2)] Common Shares, as follows:

| Date | Number of Common Shares | Issue Price per Common Share | Aggregate Issue Price | Nature of Consideration Received |
|---|---|---|---|---|
| July 27, 2011 | 1,000,000 | $0.05 | $50,000 | Cash |
| January 30, 2012 | 1,000,000 | $0.05 | $50,000 | Cash |
| February 6, 2012 | 3,000,000 | $0.05 | $150,000 | Cash |
| February 9, 2012 | 1,500,000 | $0.05 | $75,000 | Cash |

(1) All of these 6,500,000 Common Shares will be held in escrow until the Final Exchange Bulletin is issued by the Exchange. See "Escrow Securities".

(2) 500,000 of these Common Shares were issued to members of the Aggregate Pro Group, as follows: Annette Savage, spouse of Richard Savage, employee of the Agent.

## ESCROW SECURITIES

### Securities Escrowed Prior to the Completion of the Qualifying Transaction

All of the 6,500,000 Common Shares issued prior to this Offering at a price below $0.10 per Common Share or to Non-Arm's Length Parties, all Common Shares that may be acquired by Non Arm's Length Parties of the Corporation either under the Offering or otherwise prior to Completion of the Qualifying Transaction and all Common Shares acquired by members of the Aggregate Pro Group prior to this Offering will be deposited with Computershare Investor Services Inc. pursuant to an escrow agreement dated ●, 2012 (the "Escrow Agreement").

All Common Shares acquired on exercise of stock options prior to Completion of the Qualifying Transaction must also be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued. In addition, all Common Shares acquired in the secondary market prior to Completion of the Qualifying Transaction by any Person who becomes a Control Person are required to be deposited in escrow. Subject to certain exemptions permitted by the Exchange, all securities of the Corporation held by Principals of the Resulting Issuer will also be escrowed.

The following table sets out, as at the date hereof, the number of Common Shares which are held in escrow.

| Name and municipality of residence of shareholder | Common Shares | Number of Common Shares held in Escrow | Percentage of Common Shares prior to giving effect to the Offering | Percentage of Common Shares after giving effect to Offering |
|---|---|---|---|---|
| Troy Grant<br>Bedford, Nova Scotia | 2,000,000 | 2,000,000 | 30.7% | 19.5%[(1)] |
| John Cumming<br>Vancouver, BC | 1,000,000 | 1,000,000 | 15.4% | 9.8%[(1)] |
| Kelly Fielder<br>Vancouver, BC | 1,000,000 | 1,000,000 | 15.4% | 9.8%[(1)] |
| Gregory Isenor<br>Halifax, Nova Scotia | 1,000,000 | 1,000,000 | 15.4% | 9.8%[(1)] |
| Jane Jessome<br>Halifax, Nova Scotia | 1,000,000 | 1,000,000 | 15.4% | 9.8%[(1)] |
| Annette Savage[(2)]<br>Vancouver, BC | 500,000 | 500,000 | 7.7% | 4.9%[(1)] |
| | **6,500,000** | **6,500,000** | **100%** | |

(1) Assuming that no Common Shares are purchased by these shareholders under the Offering and before the exercise of the Agent's Option or any stock options proposed to be granted to directors, officers and technical consultants of the Corporation.

(2) Annette Savage is the spouse of Richard Savage, an employee of the Agent.

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

Under the Escrow Agreement, ten percent (10%) of the escrowed Common Shares will be released from escrow on the issuance of the Final Exchange Bulletin (the "**Initial Release**") and an additional fifteen percent (15%) will be released on the dates that are six (6) months, twelve (12) months, eighteen (18) months, twenty-four (24) months, thirty (30) months and thirty-six (36) months following the Initial Release.

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

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

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

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

(b) if the Corporation lists on NEX, either:

   (i) cancel all Seed Shares purchased by Non-Ann's Length Parties to the CPC at a discount from the IPO price, namely $0.10 per Common Share, in accordance with section 11.2(a) of the CPC Policy, or

   (ii) subject to majority shareholder approval, cancel an amount of Seed Shares purchased by Non Arm's Length Parties to the Corporation so that the average cost of the remaining Seed Shares is at least equal to $0.10.

**Escrowed Securities on Qualifying Transaction**

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

The principal distinction between a Value Security Escrow Agreement and a Surplus Security Escrow Agreement is the time period for release of securities from escrow. In the case of a Resulting Issuer that will be a Tier 2 issuer when the Final Exchange Bulletin is issued, the Value Security Escrow Agreement provides for a three year escrow release mechanism with ten percent

(10%) of the escrowed securities being releasable at the time of the Final Exchange Bulletin, and fifteen percent (15%) of the escrowed securities, being releasable every six (6) months thereafter until the date which is thirty-six (36) months after the Final Exchange Bulletin. In the case of a Resulting Issuer that will be a Tier 2 issuer subject to a Surplus Security Escrow Agreement, when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement provides for a three (3) year escrow release mechanism with: (a) five percent (5%) of the escrowed securities releasable at the time of the Final Exchange Bulletin, five percent (5%) on the date which is six (6) months after the Final Exchange Bulletin; ten percent (10%) on each of the dates which are twelve (12) and eighteen (18) months after the Final Exchange Bulletin; fifteen percent (15%) on each of the dates which are twenty-four (24) and thirty (30) months after the Final Exchange Bulletin and forty percent (40%) on the date which is thirty-six (36) months after the Final Exchange Bulletin. In the case of a Resulting Issuer that will be a Tier 1 issuer when the Final Exchange Bulletin is issued, the Value Security Escrow Agreement provides for an eighteen (18) month escrow release mechanism with twenty-five percent (25%) of the escrowed securities being releasable at the time of the Final Exchange Bulletin, and twenty-five percent (25%) of the escrowed securities being releasable every six (6) months thereafter. In the case of a Resulting Issuer that will be a Tier 1 issuer when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement provides for an eighteen (18) month escrow release mechanism with ten percent (10%) of the escrowed securities being releasable upon the issuance of the Final Exchange Bulletin' twenty percent (20%) on the date which is six (6) months after the Final Exchange Bulletin; thirty percent (30%) on the date which is twelve (12) months after the Final Exchange Bulletin and forty percent (40%) on the date which is eighteen (18) months after the Final Exchange Bulletin.

Securities issued pursuant to a private placement to Principals of the Corporation and the proposed Resulting Issuer will generally be exempt from escrow requirements where: (a) the private placement is announced at least five trading days after the news release announcing the Agreement in Principle and the pricing for the financing is at not less than the Discounted Market Price (as define in the Exchange policies; or (b) the private placement is announced concurrently with the Agreement in Principle and (i) at least seventy-five percent (75%) of the proceeds from the private placement are not from Principals of the Corporation or the proposed Resulting Issuer, (ii) if subscribers, other than Principals of the Corporation or the proposed Resulting Issuer, will obtain securities subject to hold periods, then in addition to any resale restrictions under applicable securities legislation, any securities issued to such Principals will be subject to a four month hold period, and (iii) none of the proceeds of the private placement are allocated to pay compensation or to settle indebtedness owing to Principals of the Resulting Issuer.

## PRINCIPAL SHAREHOLDERS

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

| Name and Municipality of Residence | Type of Ownership | Number of Shares | Percentage of Shares Owned Before Offering | Percentage Owned After Offering |
|---|---|---|---|---|
| Troy Grant<br>Bedford, Nova Scotia | Record and Beneficially | 2,000,000 | 30.7% | 19.5%(1)<br>17.3%(2) |
| John Cumming<br>Vancouver, BC | Record and Beneficially | 1,000,000 | 15.4% | 9.8%(1)<br>8.6%(2) |
| Kelly Fielder<br>Vancouver, BC | Record and Beneficially | 1,000,000 | 15.4% | 9.8%(1)<br>8.6%(2) |
| Gregory Isenor<br>Bedford, Nova Scotia | Record and Beneficially | 1,000,000 | 15.4% | 9.8%(1)<br>8.6%(2) |
| Jane Jessome<br>Halifax, Nova Scotia | Record and Beneficially | 1,000,000 | 15.4% | 9.8%(1)<br>8.6%(2) |

(1) Assuming no Common Shares are purchased by these shareholders under the Offering and before the exercise of the Agent's Option or any stock options proposed to be granted to the directors, officers and technical consultants of the Corporation pursuant to the Stock Option Plan.

(2) On a fully diluted basis, assuming the exercise of all of the Agent's Option and all of the options proposed to be granted to the directors and, officers and technical consultants of the Corporation pursuant to the Stock Option Plan, as a group, the officers and directors of the Corporation would own or exercise control over in aggregate approximately 51%, of the Common Shares after giving effect to the Offering, assuming no Common Shares are purchased by an officer or director of the Corporation under the Offering.

## DIRECTORS, OFFICERS AND PROMOTER

### Name, Address, Occupation, Security Holding and Involvement with other Reporting Issuers

The following are the names and municipalities of residence of the directors and officers of the Corporation, their positions and offices with the Corporation and their principal occupations during the last five years:

| Name, Age and Municipality of Residence | Office | Principal Occupation and Positions Held |
|---|---|---|
| **Troy Grant**, 37 years old<br>Bedford, Nova Scotia | Director, President, Chief Executive Officer and Corporate Secretary | Stock Broker, Institutional Sales with Grafton Securities; Director of Corporate Finance with Citadel Securities[(1)] |
| **John Cumming**, 51 years old<br>Vancouver, British Columbia | Director Chief Financial Officer | Securities and mining lawyer; Executive Vice President and Corporate Counsel of Merrex Gold Inc.[(1)] |
| **Kelly Fielder** 42 years old<br>Vancouver, British Columbia | Director | Self Employed Consultant; Corporate Secretary, Vice-President, Operations and Director of Lion One Metals Limited; Director of Resilient Energy Inc.[(1)] |
| **Gregory Isenor**, 64years old<br>Bedford, Nova Scotia | Director | Professional geologist; President & Chief Executive Officer of Merrex Gold Inc.[(1)] |

(1) Each of the individuals has held these positions for five years, except as otherwise described in the résumés that follow.

All of the directors and officers currently have employment outside of the Corporation and will devote such time as is required to the affairs of the Corporation, although it is contemplated that each of the following persons will initially be available to devote the following percentages of his time to the affairs of the Corporation: Troy Grant (75%), John Cumming (10%), Kelly Fielder (10%) and Gregory Isenor (10%)

The following are brief résumés of the directors and officers of the Corporation:

**Troy Grant** – Mr. Grant graduated from St. Francis Xavier University with a Bachelor of |Business. He started his career with Midland Walyn as a retail broker. He then moved over to the investment banking side of business where he was Director of Corporate Finance. In that role he was involved in several financings and IPO's in the mining sector both in North America and Europe.

**John Cumming** – Mr. Cumming is a corporate, securities and mining lawyer and businessman, and has been active in the Canadian securities markets and resource exploration sector for over thirty (30) years. Until 1992, Mr. Cumming was the senior securities and mining law partner at a mid-sized Vancouver law firm. Mr. Cumming is Executive Vice President and General Counsel for Merrex Gold Inc. and Frontline Gold Corp., was the director and president of Yaletown Entertainment Corp., and director of ComWest Enterprise Corp.

**Kelly Fielder –** Since 2007, Mr. Fielder has been Chief Executive Officer and a Director of Resilient Energy Inc. a North American energy company with oil and gas producing projects in Denver, New Mexico, Wyoming and Montana. Having served on the board of directors of several reporting public and private companies in North America including Holloman Energy Inc., Cia. Minera Cerros del Sur S.A. de C. V., SETI Corp. and Spectrum Meditech Inc., Mr. Fielder has experience in mergers and acquisitions and corporate reorganizations as well as in dealing with North American stock exchanges. As a founder and director of biomedical technology for Spectrum Meditech Inc., he has experience in co-ordinating and obtaining FDA, CE and CSA approvals, trademarks, licensing and patent requirements, including for due diligence in regulatory compliance. From 1993-2005, Mr. Fielder was a Managing Director of Bartlien Investment and Banking AG. of Zurich, Switzerland. His responsibilities included profitability analysis and strategic planning.

**Gregory Isenor** – Mr. Isenor is President and Chief Executive Officer of Merrex Gold Inc. and Vice-President, Exploration of Frontline Gold Corp. As President and Chief Executive Officer of Merrex Gold Inc., Mr. Isenor identified and developed the Siribaya Gold Project and attracted the interest of IAMGold Corporation, which optioned 50% of Siribaya for $12M in cash and work commitments. Prior to its 2005 takeover by High River Gold Mines Ltd., Mr. Isenor was President, Chief Executive Officer and director of Jilbey Gold Exploration Ltd. and was instrumental in the identification of the Bissa Gold Deposit in Burkina Faso, West Africa, which was the principal asset of Jilbey. He is a director of Riverstone Resources Inc. and is active with its exploration programs in Burkina Faso. Mr. Isenor is a professional geologist, a qualified person (within the meaning of that term: National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*) and businessman with over thirty-five (35) years experience in the mineral and oil and gas resource industries. He has worked throughout the world, including North America, Asia, Africa, Australia and New Zealand. Mr. Isenor holds a Bachelor of Science degree from Acadia University and is a member of the Association of Professional Geologists of Nova Scotia. Mr. Isenor is a 12-year director of the Prospectors and Developers Association of Canada and a director and past President of the Nova Scotia Chamber of Mineral Resources.

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

As a group, the directors and officers of the Corporation exercise control or direction over 5,000,000 Common Shares, which represents 76.9% of the issued and outstanding Common Shares prior to this Offering, and which will represent 48.8% of the issued and outstanding Common Shares after the Offering, assuming no Common Shares are purchased by any director or officer of the Corporation and before the exercise of the Agent's Option or any stock options.

The audit committee of the Board of Directors is comprised of Messrs. John Cumming, Kelly Fielder and Gregory Isenor.

The Board of Directors after closing of the Offering, intends to grant options to directors, officers and technical consultants in respect of an aggregate of up to 875,000 Common Shares. See "Options to Purchase Securities".

**Other Reporting Issuer Experience**

The following table sets out the directors, officers and promoter(s) of the Corporation that are, or have been within the last five (5) years, directors, officers or promoters of other issuers that are or were reporting issuers in any Canadian jurisdiction.

| | **Name of Reporting Issuer** | **Name of Exchange of Market (if applicable)** | **Position** | **From** | **To** |
|---|---|---|---|---|---|
| John Cumming | Yaletown Entertainment Corp. | TSX-V and NEX | Director | 08/94 | present |
| | Net Soft Systems Inc. | TSX-V | Director | 01/03 | present |
| | ComWest Enterprise Inc. | TSX-V | Director | 12/03 | present |
| | Merrex Gold Inc. | TSX-V | Director and Officer | 07/01 | present |
| | Frontline Gold Corp | TSX-V | Director and Officer | 12/09 | present |
| Kelly Fielder | Seti, Inc. | NASD BB | Chief Executive Officer | 04/03 | 04/05 |
| | Quantum MRI | NASD BB | Director | 09/04 | present |
| | Iciena Ventures Inc. | TSX | Director | 11/10 | 07/11 |
| | Lion One Metals Limited | TSX-V | Corporate Secretary & Director | 11/11 | present |
| Gregory Isenor | Riverstone Resources Inc. | TSX-V | Director | 01/06 | present |
| | Merrex Gold Inc. | TSX-V | Director and Officer | 08/05 | present |
| | Frontline Gold Corp | TSX-V | Director and Officer | 12/09 | present |

**Corporate Cease Trade Orders or Bankruptcies**

No director, officer, Insider or promoter of the Corporation, or any shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation is or has within the ten (10) years before the date of the prospectus been a director, officer, Insider or promoter of any issuer that, while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the issuer access to any exemptions under applicable securities legislation for a period of more than thirty (30) consecutive days or became a 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, except as follows:

Mr. Cumming was a director of Yaletown Entertainment Corp. which was issued a cease trade order on April 25, 2005 for failure to file financial statements. The Company was de-listed in 2010. Mr. Cumming was a director of Net Soft Systems Inc. which was issued a cease trade order on June 1, 2005 for failure to file financial statements and which has now been rescinded. Mr. Cumming was a director of LMX Resources Ltd. which was issued cease trade orders on January 25, 2002 and February 1, 2002 for failure to file required financial statements and the orders were rescinded on April 29, 2002.

Mr. Kelly was a director of Iciena Ventures Inc. which was issued a cease trade order on August 5, 2010 for failure to file financial statements. To date the cease trade order has not been revoked. Mr. Kelly resigned as a director on July 5, 2011.

**Penalties or Sanctions**

No director, officer, Insider or promoter of the Corporation, or any shareholder holding sufficient securities of the Corporation to affect materially the control of the Corporation has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

**Personal Bankruptcies**

No director, officer, Insider or promoter of the Corporation, or any shareholder holding sufficient securities of the Corporation to affect materially the control of the Corporation, or a personal holding company of any such persons, has, within the ten (10) years preceding the date of this prospectus, as applicable, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets.

**Conflict of Interest**

There are potential conflicts of interest to which some of the directors, officers, Insiders and promoters of the Corporation will be subject in connection with the operations of the Corporation. Some of the directors, officers, Insiders and promoters are engaged in and will continue to be engaged in corporations or businesses which may be in competition with the search by the Corporation for businesses or assets in order to close a Qualifying Transaction. Accordingly, situations may arise where some of the directors, officers, insiders and promoters will be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies as provided under the CBCA.

**Promoter**

Troy Grant may be considered to be the promoter of the Corporation in that he took the initiative in founding and organizing the Corporation. Troy Grant beneficially owns 2,000,000 Common Shares representing 30.7% of those outstanding before the Offering and 19.5% of those outstanding after the Offering and will also be granted options pursuant to the Stock Option Plan. Troy Grant will not receive any compensation in his capacity as promoter of the Corporation. See "Principal Shareholders" and "Options to Purchase Securities".

## EXECUTIVE COMPENSATION

### Remuneration

Except as set out below or otherwise permitted by the CPC Policy and disclosed in this prospectus, prior to completion of a Qualifying Transaction, no payment of any kind has been made, or will be made, directly to indirectly, by the Corporation to a Non Arm's Length Party to the Corporation or a Non Arm's Length Party to the Qualifying Transaction, or to any Person engaged in investor relations activities in respect of the securities of the Corporation or any Resulting Issuer by any means, including: (a) remuneration, which includes but is not limited to: (i) salaries; (ii) consulting fees; (iii) management contract fees or directors' fees; (iv) finders fees; (v) loans, advances, bonuses; and (b) deposits and similar payments.

However, the Corporation may reimburse Non Arm's Length Parties for the Corporation's reasonable allocation of rent, secretarial services and other general administrative expenses, at fair market value ("**Permitted Reimbursement**"). No reimbursement may be made for any payment made to lease or buy a vehicle. Since its incorporation, the Corporation has not incurred any such expenses.

The directors and officers of the Corporation will be granted stock options as set out under "Options to Purchase Securities".

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

## DILUTION

Purchasers of Common Shares under this prospectus will suffer an immediate dilution of approximately $0.032 per Common Share or 32%, prior to deduction of selling commissions and related expenses on the basis of there being 10,250,000 Common Shares issued and outstanding following completion of this Offering. Dilution has been computed on the basis of total gross proceeds to be raised by this prospectus and from sales of securities prior to filing this prospectus, without deduction of commissions or related expenses incurred by the Corporation.

## RISK FACTORS

The following is a list of risk factors that a prospective investor should consider before subscribing for Common Shares, which list is not exhaustive:

### Recent Incorporation

The Corporation was only recently incorporated, has not commenced commercial operations and has no assets other than cash. It has no history of earnings, and will not generate earnings or pay dividends until at least after Completion of the Qualifying Transaction.

### Nature of Business

Investment in the Common Shares offered by the prospectus is highly speculative given the proposed nature of the Corporation's business and its present stage of development.

### Conflicts of Interest

The directors and officers of the Corporation will devote only a portion of their time to the business and affairs of the Corporation and some or all of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time.

**Dilution**

Assuming completion of the Offering, an investor will suffer an immediate dilution to its investment of 32% or $0.032 per Common Share. See "Dilution".

**Absence of Liquid Market**

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

**Limitations on Business**

Until Completion of a Qualifying Transaction, the Corporation is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions.

**Limited Funds**

The Corporation has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Corporation will be able to identify a suitable Qualifying Transaction.

**Completion of Qualifying Transaction**

Even if a proposed Qualifying Transaction is identified, there can be no assurance that the Corporation will be able to successfully complete the transaction. Completion of a Qualifying Transaction is subject to a number of conditions, including acceptance by the Exchange and, in the case of a Non Arm's Length Qualifying Transaction, Majority of the Minority Approval.

**Absence of Right to Dissent**

Unless the shareholder has the right to dissent and be paid fair value in accordance with applicable corporate or other law, a shareholder who votes against a proposed Non Arm's Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given will have no right to dissent and no entitlement to payment by the Corporation of the fair value for the Common Shares.

**Halts in Trading**

Upon public announcement of a proposed Qualifying Transaction, trading in the Common Shares will be halted and will remain halted for an indefinite period of time, typically until a Sponsor has been retained and certain preliminary reviews have been conducted. The Common Shares will be reinstated to trading before the Exchange has reviewed the transaction and before the Sponsor has completed its full review. Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Corporation completing the proposed Qualifying Transaction.

Trading in the Common Shares of the Corporation may be halted at other times for other reasons, including for failure by the Corporation to submit documents to the Exchange in the time periods required.

**Suspension of Trading or Delisting**

The Exchange will generally suspend trading in the Common Shares or delist the Corporation in the event that the Exchange has not issued a Final Exchange Bulletin within twenty-four (24) months from the date of listing.

**Merits of the Qualifying Transaction**

Neither the Exchange nor any securities regulatory authority passes upon the merits of any potential Qualifying Transaction.

**Foreign Business**

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

**Dilution upon Qualifying Transaction**

The Qualifying Transaction may be financed in all or in part by the issuance of additional securities by the Corporation and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Corporation.

**Recovery of Loans**

Subject to prior Exchange acceptance, the Corporation may be permitted to loan or advance as a refundable deposit up to an aggregate of $250,000 of its proceeds to a target business without requiring shareholder approval and there can be no assurance that the Corporation will be able to recover that loan.

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

## AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are PricewaterhouseCoopers LLP, 1601 Lower Water Street, Suite 400, Halifax, Nova Scotia, B3J 3P6.

Computershare Investor Services Inc., at its principal offices in Halifax and Toronto, is the transfer agent and registrar for the Common Shares.

## RELATIONSHIP BETWEEN THE CORPORATION AND THE AGENT

The Agent for the Offering is Macquarie Private Wealth Inc. The Corporation is not a related party or a connected party (as such terms are defined in National Instrument N1 33-105 - *Underwriting Conflicts*) to the Agent.

## RELATIONSHIP BETWEEN THE CORPORATION AND PROFESSIONAL PERSONS

The legal counsel of the Corporation is JESSOMELAW, Purdy's Wharf, Tower 2, 1969 Upper Water Street, Suite 2108, Halifax, Nova Scotia, B3J 3R7. Glenn Jessome is the sole lawyer practitioner that owns JESSOMELAW. Jane Jessome, the spouse of Glenn Jessome, owns 1,000,000 Common Shares.

## LEGAL PROCEEDINGS

All payments made by the Corporation to JESSOMELAW as responsible solicitor prior to the completion of a Qualifying Transaction have been made in compliance with restrictions on payments made to related parties set forth in TSX-V Policy 2.4 - *Capital Pool Companies*.

Other than as set forth above: a) no Person whose profession or business gives authority to a statement made by such Person and who is named in this prospectus has received or shall receive a direct or indirect interest in the property of the Corporation or any Associate or Affiliate of the Corporation; and b) as at the date hereof, the aforementioned Persons beneficially own, directly or indirectly, no securities of the Corporation or its Associates and Affiliates. In addition, other than as set forth above, none of the aforementioned Persons nor any director, officer or employee of any of the aforementioned Persons, is or is expected to be elected, appointed or employed as a director, senior officer or employee of the Corporation or of an Associate or Affiliate of the Corporation, or a promoter of the Corporation or of an Associate or Affiliate of the Corporation.

The Corporation is not party to any legal proceedings nor, to the Corporation's knowledge, are any such proceedings contemplated or threatened.

## MATERIAL CONTRACTS

The Corporation has not entered into any contracts material to investors in the Common Shares, other than:

(a) the Transfer Agent and Registrar Agreement dated ●, 2012 between the Corporation and Computershare Investor Services Inc.;

(b) the Agency Agreement referred to under "Plan of Distribution"; and

(c) the Escrow Agreement referred to under "Escrow Securities".

Copies of these agreements will be available for inspection at the offices of JESSOMELAW, counsel to the Corporation, during ordinary business hours and will be available on SEDAR at www.sedar.com.

## ELIGIBILITY FOR INVESTMENT

In the opinion of JESSOMELAW, counsel to the Corporation, the Common Shares, if, as and when listed on a prescribed stock exchange (which includes the Exchange), will be qualified investments for a trust governed by a registered retirement savings plan ("**RRSP**"), a registered retirement income fund ("**RRIF**"), a registered education savings plan, a registered disability savings plan, a deferred profit sharing plan or a tax free savings account ("**TFSA**") (collectively, the "**Plans**") as defined under the *Income Tax Act* (Canada) and the regulations made thereunder. The Corporation has advised counsel to the Corporation that if the Common Shares are not listed on a prescribed stock exchange at the time of issue hereunder, the Corporation will file an election to be a public corporation with the Canada Revenue Agency in its tax return for its first taxation year such that the Common Shares will be qualified investments for such Plans notwithstanding that the Common Shares were not listed on a prescribed stock exchange at the time of issue hereunder.

Notwithstanding the foregoing, a holder of Common Shares may be subject to a penalty tax if the Common Shares are held in a TFSA, RRSP or RRIF and are a "prohibited investment" for the TFSA, RRSP or RRIF, as the case may be, under the *Income Tax Act* (Canada). However, the Common Shares will generally not be prohibited investments for a TFSA, RRSP or RRIF held by a particular holder provided that the holder deals at arm's length with the Corporation for purposes of the *Income Tax Act* (Canada), and does not have a "significant interest", as defined in the *Income Tax Act* (Canada), in either the Corporation or a person or partnership that does not deal at arm's length with the Corporation for purposes of the *Income Tax Act* (Canada). Holders should consult their own tax advisors as to whether the Common Shares would be a "prohibited investment" in their particular circumstances.

## PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the provinces provides purchasers with the right to withdraw from an agreement to purchase securities within two (2) business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages where the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such 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.

## AUDITOR’S CONSENT

We have read the prospectus dated ●, 2012 relating to the sale and issue of 3,750,000 common shares of Elcora Resources Corp. (the "Corporation"). We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above-mentioned prospectus of our report to the board of directors of the Corporation on the statement of financial position of the Corporation as at February15, 2012 and the statements of comprehensive loss, changes in equity and cash flows for the period from June 6, 2011, the date of incorporation of the Corporation, to February 15, 2012. Our report is dated ●, 2012.

Chartered Accountants
Halifax, Canada
●, 2012

# ELCORA RESOURCES CORP.

(a Capital Pool Corporation)

**Financial Statements**

For the period from June 6, 2011, date of incorporation, to February 15, 2012

## Independent Auditor's Report

**To the Directors of**
**Elcora Resources Corp.**

We have audited the accompanying financial statements of Elcora Resources Corp., which comprise the statement of financial position as at February 15, 2012 and the statements of comprehensive loss, changes in equity and cash flows for the period from June 6, 2011, date of incorporation, to February 15, 2012 and the related notes including 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.

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

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

**Opinion**
In our opinion, the financial statements present fairly, in all material respects, the financial position of Elcora Resources Corp. as at February 15, 2012 and its financial performance and its cash flows for the period then ended 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 matters and conditions that indicate the existence of material uncertainties that may cast significant doubt about Elcora Resources Corp.'s ability to continue as a going concern.

**Chartered Accountants**
Halifax, Nova Scotia
●, 2012

EXPRESSED IN CANADIAN DOLLARS

| As at | February 15, 2012 $ |
|---|---|
| **Assets** | |
| **Current assets** | |
| Cash | **251,986** |
| **Deferred share issuance costs** | **39,862** |
| **Total assets** | **291,848** |
| **Liabilities and shareholder's Equity** | |
| **Current liabilities** | |
| Accounts payable and accrued liabilities | **7,050** |
| **Total liabilities** | **7,050** |
| **Shareholder's Equity** | |
| Share capital *(note 5)* | **325,000** |
| Deficit | **(40,202)** |
| | **284,798** |
| **Total liabilities and shareholder's equity** | **291,848** |

***-See Accompanying Notes-***

Nature of operations and going concern (Note 1)
Subsequent Events (Note 10)

**Approved on behalf of the Board on March 2, 2012:**

(signed) *Troy Grant*
Director

(signed) *Gregory Isenor*
Director

## STATEMENT OF COMPREHENSIVE LOSS
## FOR THE PERIOD FROM JUNE 6, 2011, DATE OF INCORPORATION, TO FEBRUARY 15, 2012
## EXPRESSED IN CANADIAN DOLLARS

| | $ |
|---|---|
| **EXPENSES** | |
| Professional fees | **40,202** |
| **Net loss and comprehensive loss for the period attributable to shareholders** | **40,202** |
| | |
| **Loss per share** | |
| Basic and diluted loss per share | **(0.04)** |
| Weighted average number of shares outstanding | **(1,025,491)** |

***-See Accompanying Notes-***

## STATEMENT OF CHANGES IN EQUITY
## FOR THE PERIOD FROM JUNE 6, 2011, DATE OF INCORPORATION, TO FEBRUARY 15, 2012
## EXPRESSED IN CANADIAN DOLLARS

| | Attributable to equity shareholders of the Corporation | | | |
|---|---|---|---|---|
| | **Share Capital (#)** | **Share Capital ($)** | **Deficit ($)** | **Total Equity ($)** |
| Shares issued for cash | **6,500,000** | **325,000** | **-** | **325,000** |
| Net loss and comprehensive loss for the period | **-** | **-** | **(40,202)** | **(40,202)** |
| **Balance – February 15, 2012** | **6,500,000** | **325,000** | **(40,202)** | **284,798** |

***-See Accompanying Notes-***

STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM JUNE 6, 2011, DATE OF INCORPORATION, TO FEBRUARY 15, 2012
EXPRESSED IN CANADIAN DOLLARS

| | $ |
|---|---|
| **Cash flows from operating activities** | |
| Net loss for the period | **(40,202)** |
| Changes in non-cash working capital items: | |
| Increase in accounts payable | **7,050** |
| Net cash used for operating activities | **(33,152)** |
| **Financing activities** | |
| Proceeds on issuance of common shares | **325,000** |
| Share issuance costs | **(39,862)** |
| Net cash provided by financing activities | **285,138** |
| Net increase in cash | **251,986** |
| Cash, beginning of the period | **-** |
| **Cash, end of the period** | **251,986** |

***-See Accompanying Notes-***

## 1. Nature of operations and going concern

Elcora Resources Corp. ("the Corporation") was incorporated pursuant to the Canada Business Corporations Act ("CBCA") on June 6, 2011. The principal business of the Corporation is the identification and evaluation of a Qualifying Transaction and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities.

The Corporation's head office is located at Suite 2108, Purdy's Tower Two, 1969 Upper Water Street, Halifax, Nova Scotia, B3J 3R7, Canada.

The Corporation is currently investigating prospective acquisitions and is devoting all of its present efforts to securing and establishing a new business and its planned principal operations have not commenced. Accordingly, no revenue has been derived during the period from June 6, 2011, date of incorporation, to February 15, 2012.

These financial statements ("financial statements") have been prepared on a going-concern basis, which assumes the realization of assets and settlement of liabilities and commitments in the normal course of business. There are material uncertainties that may cast significant doubt about the appropriateness of the going concern assumption as the Corporation incurred net losses for the period of $40,202 and has no operations at this time which will generate revenue. Continuing operations, as intended, are dependent on management's ability to raise required funding through future equity issuances, its ability to acquire resource property or business interests and develop profitable operations or a combination thereof, which is not assured, given the volatile and uncertain financial markets. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Corporation be unable to continue as a going concern, and these adjustments could be material.

The Corporation is in the process of conducting an Initial Public Offering ("IPO") to raise gross proceeds of $375,000 through the issuance of 3,750,000 common shares (see note 10).

## 2. Basis of presentation

The financial statements of the Corporation have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"), as set out in the Handbook of the Canadian Institute of Chartered Accountants ("CICA").

The policies applied in these financial statements are based on IFRS issued and outstanding as of February 15, 2012 the date the Board of Directors approved the financial statements. Any subsequent changes to IFRS that are given effect in the Corporation's annual financial statements for the year ending March 31, 2012 could result in restatement of these financial statements.

## 3. Significant accounting policies

### 3.1. Use of estimates

The preparation of the 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. Actual results may differ from those estimates.

### 3.2. Share issuance costs

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

## 3. Significant accounting policies (continued)

### 3.3. Cash

Cash include cash on hand and funds held in trust with the corporation's lawyer.

### 3.4. Financial instruments

The Financial instruments are classified as follows:

Cash is classified as "Loans and Receivables". After its initial fair value measurement, it is measured at amortized cost using the effective interest method, less a provision for impairment.

Accounts payable and accrued liabilities and amounts due to parent company are classified as "Other Financial Liabilities". Other Financial Liabilities are initially recognized at fair value less transaction costs. Subsequent to initial recognition, Other Financial Liabilities are measured at amortized cost using the effective interest method.

*Impairment of financial assets*

At each reporting date, the Corporation assesses whether there is objective evidence that a financial asset is impaired. If such evidence exists, the Corporation recognizes an impairment loss, as follows:

a) Financial assets carried at amortized cost: The loss is the difference between the amortized cost of the loan or receivable and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

### 3.5 Income taxes

a) **Current income tax** assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities using income tax rates that are enacted or substantively enacted at the reporting date.

b) **Deferred income tax** is recorded using the liability method of accounting. Deferred income tax assets and liabilities are recognized for the temporary differences between the tax basis and carrying value of assets and liabilities and are measured using the substantively enacted tax rates expected to be in effect when the deferred income tax liability is estimated to be settled. Deferred income tax assets are recognized to the extent that it is probable that sufficient future taxable profit will be available to allow the deferred income tax asset to be utilized. Changes in income tax rates that are substantively enacted are reflected in the accumulated deferred income tax balances in the period the change occurs. Deferred income tax assets and liabilities are presented as non-current. Deferred income tax relating to items recognized directly in equity is recognized in equity.

### 3.6 Loss per share

The loss per share is calculated based on the weighted-average number of common shares outstanding during the period. Diluted loss per share is calculated giving effect to the potential dilution that would occur if the stock options were exercised, using the treasury stock method. This method assumes that the proceeds received upon exercise of all outstanding stock options and other dilutive instruments, with an exercise price below the average market price, would be used to repurchase the Corporation's common shares at the average market price during the year. Diluted loss per share for the period presented is the same as basic loss per share as the Corporation has no dilutive instruments outstanding.

## 3. Significant accounting policies (continued)

### 3.7 Functional and presentation currency

The Canadian dollar is the functional currency of the Corporation. Accordingly, amounts in these financial statements are expressed in Canadian ("CAD") dollars.

## 4. Recent accounting pronouncements

The International Accounting Standards Board ("IASB") issued the following standards which have not yet been adopted by the Corporation: IFRS 9, Financial instruments - Classification and Measurement, IFRS 10, Consolidated Financial Statements, IFRS 11, Joint Arrangements IFRS 12, Disclosure of Interests in Other Entities, IAS 27, Separate Financial Statements, IFRS 13, Fair Value Measurement and amended IAS 28, Investments in Associates and Joint Ventures. Each of the new standards, except IFRS 9 which is effective January 1, 2015, is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. The Corporation has not yet begun the process of assessing the impact that the new and amended standards will have on its consolidated financial statements or whether to early adopt any of the new requirements. The following is a brief summary of these new standards:

### IFRS 9 – Financial instruments - classification and measurement

This is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss. Requirements for financial liabilities were added to IFRS 9 in October 2010. Most of the requirements for financial liabilities were carried forward unchanged from IAS 39. However, some changes were made to the fair value option for financial liabilities to address the issue of own credit risk.

### IFRS 10 – Consolidation

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 Consolidation—Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements.

### IFRS 11 - Joint arrangements

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities—Non-Monetary Contributions by Venturers.

### IFRS 12 – Disclosure of interests in other entities

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

## 4. Recent accounting pronouncements (continued)

### 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.

### Amendments to other standards

In addition, there have been amendments to existing standards, including IAS 27, Separate Financial Statements, and IAS 28, Investments in Associates and Joint Ventures. IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 – 13.

IAS 1, Presentation of Financial Statements, has been amended to require entities to separate items presented in OCI into two groups, based on whether or not items may be recycled in the future. Entities that choose to present OCI items before tax will be required to show the amount of tax related to the two groups separately. The amendment is effective for annual periods beginning on or after July 1, 2012 with earlier application permitted.

## 5. Share capital and contributed surplus

### Authorized capital stock

Unlimited common shares without nominal or par value

### Stock options

The Board of Directors of the Corporation has adopted an incentive stock option plan ("Option Plan"). Under the Option Plan, the Board of Directors of the Corporation may from time to time, in its discretion, and in accordance with the Exchange requirements and applicable securities legislation, grant to directors, officers, employees, consultants and management company employees of the Corporation, non-transferable options to purchase Common Shares, exercisable for a period of up to 10 years from the date of grant. The number of Common Shares reserved for issuance under the Stock Option Plan will not exceed 10% of the issued and outstanding Common Shares of the Corporation. The number of Common Shares reserved for issuance to any one individual Director or Officer may not exceed 5% of the issued and outstanding Common Shares and the aggregate number of Common Shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding Common Shares. Vesting terms are determined by the Board of Directors at the time of grant. No options were issued during the period ended February 15, 2012.

EXPRESSED IN CANADIAN DOLLARS

## 6. Income taxes

At February 15, 2012 the Corporation's effective income tax rate differs from the amount that would be computed from applying the federal and provincial statutory rate of 31% to the pre-tax loss for the period. The reasons for the difference are as follows:

| | **Period ended February 15, 2012** |
|---|---|
| Loss before income taxes | (40,202) |
| Income tax recovery based on statutory rates | 12,500 |
| Unrecorded tax benefit of losses | (12,500) |
| Provision for income taxes | - |

The Corporation has non-capital tax losses of approximately $40,202 available for carry-forward to reduce future years' taxable income. These non-capital tax losses expire in 2032. No deferred tax asset has been recognized for these losses as it is not probable that the related deferred tax asset will be realized.

## 7. Financial instruments and risks

The Corporation's financial instruments consist of cash and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying values due to their short-term nature. The Corporation's risk exposures and the impact on the Corporation's financial instruments are summarized below:

### Credit risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Corporation's exposure to credit risk includes cash. The Corporation reduces its credit risk by maintaining its cash in trust with the corporation's lawyer. The maximum exposure to credit risk is equal to the carrying value of the financial assets.

### Liquidity risk

Liquidity risk is the risk that the Corporation will not have sufficient liquidity to meet liabilities as they come due. As at February 15, 2012, the Corporation had a cash balance of $251,986 to settle current liabilities of $7,050.

## 8. Management of capital

The Corporation manages its capital structure and makes adjustments to it, based on the funds available to the Corporation, in order to support the acquisition, exploration and development of resource properties. The Corporation considers capital to be shareholders' equity, which at February 15, 2015 totaled $284,798. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Corporation's management to sustain future development of the business. Additional funds will be required to finance the Corporation's activities. The Corporation is not subject to externally imposed capital requirements.

## 9. Related party transactions

There was no compensation to key management personnel during the period.

## 10. Subsequent events

On ______, 2012, the Corporation filed a preliminary prospectus related to an IPO through the issuance of 3,750,000 common shares at a price of $0.10 per share. Pursuant to an agency agreement with Macquarie Private Wealth Inc. (the “Agent"), the Agent will receive a cash commission equal to 8% of the gross proceeds raised, an Agent's option to purchase the number of common shares equal to 8% of the shares sold in connection with the offering and reimbursement of legal and other costs. The Agent's option is exercisable at a price of $0.10 per share for a period of twenty four months from the date the Corporation's shares are listed on the TSX Venture Exchange.

**CERTIFICATE OF THE CORPORATION**

Dated: March 2, 2012

This preliminary prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of the Provinces of Nova Scotia, Ontario, Alberta and British Columbia and the regulations thereunder.

| | |
|---|---|
| *Signed "Troy Grant"* | *signed "John Cumming"* |
| **Troy Grant**<br>President and Chief Executive Officer | **John Cumming**<br>Chief Financial Officer |

On Behalf of the Board

| | |
|---|---|
| *Signed "Kelly Fielder"* | *signed "Gregory Isenor"* |
| **Kelly Fielder**<br>Director | **Gregory Isenor**<br>Director |

## CERTIFICATE OF THE PROMOTER

Dated: March 2, 2012

This preliminary prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation in the Provinces of Nova Scotia, Ontario, Alberta and British Columbia and the regulations thereunder.

“signed “Troy Grant”

________________________________

Troy Grant
Promoter

## CERTIFICATE OF THE AGENT

Dated: March 2, 2012

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 the provinces of Nova Scotia, Ontario, Alberta and British Columbia and the regulations thereunder.

**MACQUARIE PRIVATE WEALTH INC.**

*Signed "Nargis Sunderji"*

Nargis Sunderji
Vice-President