

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

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

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

## PRELIMINARY PROSPECTUS



Suite 440 - 789 West Pender Street  
Vancouver, BC V6C 1H2

**INITIAL PUBLIC OFFERING**

**DATED: NOVEMBER 6, 2012**

**OFFERING OF 5,000,000 SHARES  
PRICE: \$0.15 PER SHARE**

**ALTAMONT EXPLORATION CORP.** (the "Issuer") hereby offers, through its agent, Haywood Securities Inc. (the "Agent"), on a commercially reasonable efforts basis (the "Offering"), for sale to the public in the provinces of Alberta, British Columbia and Ontario (the "Selling Jurisdictions"), 5,000,000 Shares (the "Offered Shares") of the Issuer (the "Offering") at a price of \$0.15 per Share (the "Offering Price").

	<b>Number of Offered Shares</b>	<b>Price to Public</b> <sup>(1)</sup>	<b>Agent's Commission</b> <sup>(2)</sup>	<b>Net Proceeds to the Issuer</b> <sup>(3)</sup>
<b>Per Share</b>	<b>1</b>	<b>\$0.15</b>	<b>\$0.012</b>	<b>\$0.138</b>
<b>Offering</b>	<b>5,000,000</b>	<b>\$750,000</b>	<b>\$60,000</b>	<b>\$690,000</b>

Notes:

<sup>(1)</sup> The Offering Price was fixed by negotiations between the Agent and the Issuer.

<sup>(2)</sup> The Agent will receive a cash commission of 8% of the gross proceeds of the Offering payable in cash (the "Agent's Commission") and 100,000 Shares payable upon closing of the Offering (the "Compensation Shares"). The Issuer will also grant to the Agent, that number of non-transferable share purchase warrants ("Agent's Warrants") that is equal to 10% of the number of the Offered Shares sold in the Offering, each Agent's Warrant entitling the Agent to purchase one Share at an exercise price of \$0.15 per Share for a period of two years from the Listing Date. The Agent has been paid a Work Fee of \$10,000 plus HST of \$1,200 and a

retainer of \$15,000 for legal and corporate finance expenses which will arise from its duties as Agent in connection with the Offering. Refer to “Plan of Distribution”.

- (3) After deducting the Agent’s Commission, but before deducting the remaining expenses related to this Offering estimated to be \$80,000.

This Prospectus also qualifies for distribution the Compensation Shares and the Agent’s Warrants in the Selling Jurisdictions, to the extent permitted by NI 41-101. NI 41-101 restricts the maximum number of securities which may be qualified under a prospectus being issued to an Agent as compensation (“Qualified Compensation Securities”) to not more than 10% of the number of securities being offered, which in the case of the Offering, equates to 500,000 Shares. To the extent that the Agent’s Qualified Compensation Securities exceeds 10% of the Shares sold, those securities exceeding the 10% threshold will not be Qualified Compensation Securities, will not be qualified for distribution under this Prospectus, and will be subject to a four month hold period in accordance with applicable securities laws. See “*Plan of Distribution*”.

This Offering is not underwritten and is subject to receipt by the Issuer of subscriptions for the Offering of \$750,000. The proceeds from subscriptions will be held by the Agent, pursuant to the Agency Agreement, until subscriptions for the Offering of 5,000,000 Shares are received. In the event the full subscription for the Offering is not obtained within 90 days from the date a final receipt is issued for the Prospectus, all funds raised hereunder will be refunded to investors without interest or deduction unless an amendment is filed and the securities regulatory authorities have issued a receipt. The Offering must be completed within 90 days after the date of the issue of a final receipt for the Prospectus (unless an amendment is filed and receipted, in which event on a date not more than 180 days from the date of final receipt).

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

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

**These securities are considered to be highly speculative and involve a significant degree of risk due to the nature of the Issuer’s business and its formative stage of development. The Issuer was incorporated to find, explore and develop resource properties in British Columbia. The Issuer’s property is in the exploration stage as opposed to the development stage and is without a known body of commercial ore. The proposed exploration program is an exploratory search for ore. The Issuer has no present intention to pay any dividends on its Shares. The Issuer has no history of earnings. Subscribers must rely upon the ability, expertise, judgment, integrity and good faith of the management of the Company. An investment in the Units should only be considered by those investors who can afford to lose their entire investment. See “*Risk Factors*”.**

**Upon completion of the Offering, the Shares issued pursuant to the Offered Shares will represent 44.56% of the Issuer’s issued and outstanding Shares, and 28.52% of the Issuer’s issued and outstanding Shares will be owned by the promoters, insiders and holders of escrow securities. One or more of the directors of the Issuer has an interest, direct or indirect, in other natural resource**

**companies. Reference should be made to the items “Risk Factors” and “Conflict of Interest” herein for a comment as to the resolution of possible conflicts of interest.**

The Agent or registered sub-agents who assist the Agent in the distribution of the Offered Shares, conditionally offers the Offered Shares, subject to prior sale, on a commercially reasonable efforts basis, if, as, and when issued and delivered by the Issuer and accepted by the Agent in accordance with the conditions contained in the Agency Agreement (as defined herein) referred to under “*Plan of Distribution*” and subject to the approval of certain legal matters on behalf of the Issuer by McClusky & Dalling and Koffman Kalef LLP and on behalf of the Agent by Miller Thomson LLP.

The Issuer is not a related or connected issuer (as such terms are defined in National Instrument 33-105 Underwriting Conflicts) to the Agent. See “*Relationship Between the Issuer and the Agent*”. No person is authorized to provide any information or make any representation in connection with the Offering other than as contained in this Prospectus.

<b>Agent’s Position</b>	<b>Maximum size or number of securities available</b>	<b>Exercise period or acquisition date</b>	<b>Exercise price or average acquisition price</b>
Agent’s Warrants <sup>(1)</sup>	500,000 Shares	24 months from the Listing Date	\$0.15
Compensation Shares <sup>(2)</sup>	100,000 Shares	Upon Closing of the Offering.	\$0.15
Total Securities issuable to the Agent	600,000 Shares	Closing Date	\$0.15

<sup>(1)</sup> Issuance of the Agent’s Warrants shall be qualified by this Prospectus to the maximum extent permissible by National Instrument 41-101.

<sup>(2)</sup> Issuance of the Compensation Shares shall be qualified by the Prospectus to the maximum extent permissible by National Instrument 41-101.

The Issuer has applied for listing on the TSX Venture Exchange (“TSX-V”). Listing is subject to the Issuer fulfilling all of the listing requirements of the TSX-V which include completion of the distribution of the minimum number of public shareholders.

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

AGENT

**HAYWOOD SECURITIES INC.**  
Suite 700, 200 Burrard Street  
Vancouver, British Columbia V6C 3L6

(604) 697-7100

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## CURRENCY RATES, METRIC EQUIVALENTS AND ABBREVIATIONS

All currency amounts in the Prospectus are stated in Canadian dollars unless otherwise indicated. All financial information with respect to the Issuer has been presented in Canadian dollars in accordance with international financial reporting standards.

The following table sets forth certain standard conversions from Standard Imperial Shares to the International System of Shares (or metric Shares).

<u>To Convert from Metric</u>	<u>To Imperial</u>	<u>Multiply by</u>
Grams (g)	Grains	15.430
Grams (g)	Ounces (troy) (oz)	0.032
Grams per tonne (g/t)	Ounces (troy) per ton (oz/ton)	0.029
Hectares	Acres	2.471
Kilometres (km)	Miles (mi)	0.621
Square Kilometres (km <sup>2</sup> )	Square Mile (mi <sup>2</sup> )	0.386
Metres	Feet	3.281
Millimetres (mm)	Inches (in)	0.039
Tonnes (t)	Short tons (2000 pds)	1.102
Acres	Hectares	0.155
Hectares	Acres	2.471

## GLOSSARY OF GEOLOGICAL AND MINING TERMS

Unless otherwise indicated or inconsistent in the context, the terms and abbreviations defined hereunder shall have in the Prospectus the relative meanings set out below:

“**Ag**”: silver.

“**As**”: arsenic.

“**Assay**”: an analysis of minerals and mine products to determine the concentration of their components.

“**Au**”: gold.

“**Base Metals**”: metals more chemically active than gold, silver and the platinum group metals (e.g. copper, zinc, nickel).

“**Breccia**”: a rock made up of angular or sub-angular fragments >2mm embedded in a fine-grained matrix.

“**Basin**”: a depression, usually of considerable size, which may be erosional or structural in origin.

“**Chromite**”: a dark brown to black mineral. It is an iron-chromium oxide, with traces of magnesium and aluminum.

“**Cu**”: copper.

“**Deposit**”: a mineralized body which has been physically delineated by sufficient drilling, trenching, and/or underground work, and found to contain a sufficient average grade of metal or metals to warrant further exploration and/or development expenditures; such a deposit does not qualify as a commercially mineable ore body or as containing mineral reserves until final legal, technical and economic factors have been resolved.

“**Dip**”: an angle of inclination of a geological feature/rock from the horizontal.

“**Dump**”: an accumulation of debris.

“**Fault**”: a fracture in a geological shear accompanied with relative movement between its two blocks. Faults are the result of the rock’s mechanical response when submitted to sufficient stress as to induce permanent deformation.

“**Fe**”: iron.

“**Fracture**”: a break in material, but commonly applied to more or less clean breaks in rocks or minerals that are not due to cleavage or foliation.

“**Galena**”: a sulphite of lead containing traces of Ag (up to 1%) or Fe, Zn.

“**Gossan**”: a rusty, ferruginous deposit filling the exposed upper regions of mineral vein.

“**Igneous**”: a primary crystalline rock formed by the solidification of magma.

“**Intrusion**”: a body of igneous rock formed by the consolidation of magma intruded into other rocks, in contrast to lavas, which are extruded upon the surface.

“**Lithological**”: geological description pertaining to different rock types.

“**Maar**”: a circular lake filling a crater (tens to hundreds of metres), sometimes surrounded by a low thin boulder layer of volcanic debris.

“**Mafic**”: a magmatic rock composed of dark, iron and magnesium rich minerals.

“**Mg**”: magnesium.

“**Meta**”: as a prefix means occurring later than or in succession to. Used with the name of a rock to indicate that it has undergone metamorphosis.

“**Metaphorphic**”: relating to a pronounced change of a rock affected by pressure and/or heat.

“**Metasomatism**”: a metamorphism that involves changes in the global chemical composition of primeval rocks.

“**Mineralization**”: a concentration of minerals within a body of rock.

“**Mo**”: molybdenum.

“**Olivine**”: an iron-magnesium silicate mineral. It is a common constituent of magnesium-rich, silica-poor igneous rocks; metamorphism of some high magnesium sediments also can form olivine.

“**Ore**”: a metal or mineral or a combination of these of sufficient value as to quality and quantity to enable it to be mined at a profit.

“**Outcrop**”: the part of a rock formation that is exposed at the Earth’s surface.

“**Pb**”: lead.

“**Pluton**” (or “**Plutonic**”) a general term applied to a body of intrusive igneous rock, irrespective of its shape, size or composition.

“**ppb**”: part per billion.

“**ppm**”: part per million.

“**Rhyolite**”: a magmatic silica rich rock.

“**Sampling**”: a technique for collecting representative sub-volumes from a larger volume of geological material. The particular sampling method employed depends on the nature of the material being sampled and the kind of information required.

“**Sb**”: antimony (technically “stibium”).

“**Sedimentary**”: pertaining to rocks formed by the accumulation of sediments, formed by the

erosion of other rocks.

“**Shale**”: fine-grained laminated sedimentary rock made up of silt or clay-sized particles.

“**Shear**”: a plane of fracture and a sliding along that plane, in a rock bed.

“**Stratigraphy**”: the study of stratified rocks in terms of time and space; branch of geology specifically concerned with the arrangement of layered rocks.

“**Strike**”: a direction of line formed by the intersection of strata surfaces with the horizontal plane, always perpendicular to the dip direction.

“**Sulphide**”: a sulphur-bearing mineral.

“**Tectonic**”: relating to the deformation of geological grounds after their formation.

“**Zn**”: zinc.

### ABBREVIATIONS OF CHEMICAL ELEMENTS

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

## CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Certain statements included in this Prospectus constitute forward-looking statements, including those identified by the expressions “anticipate”, “believe”, “plan”, “estimate”, “aim”, “schedule”, “expect”, “intend”, “may”, “should”, “could”, “might”, “will”, “indicate”, “suggest” and similar expressions (including negative and grammatical variations) to the extent they relate to the Issuer or its management. The forward-looking statements are not historical facts but reflect current expectations regarding future results or events and are based on various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors. Information concerning the interpretation of drill results also may be considered forward-looking statements, as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed. The risk factors described in this Prospectus are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in the Issuer’s forward-looking statements. In addition, any forward-looking statements represent the Issuer’s estimates only as of the date of this Prospectus and should not be relied upon as representing the Issuer’s estimates as of any subsequent date. The material factors and assumptions that were applied in making the forward-looking statements in this Prospectus include, among others: (a) execution of the Issuer’s existing plans or exploration programs for each of its properties, either of which may change due to changes in the views of the Issuer, or its joint venture partners, or if new information arises which make it prudent to change such plans or programs; and (b) the accuracy of current interpretation of exploration results, since new information or new interpretation of existing information may result in changes in the Issuer’s expectations. Readers should not place undue reliance on the Issuer’s forward-looking statements, as the Issuer’s actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Issuer’s business, or if the Issuer’s estimates or assumptions prove inaccurate. Therefore, the Issuer cannot provide any assurance that forward-looking statements will materialize. Subject to applicable laws, the Issuer assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason. The Issuer does not have any policies or procedures in place concerning the updating of forward looking information other than those required under applicable securities law. For a description of material factors that could cause the Issuer’s actual results to differ materially from the forward-looking statements in this Prospectus, see “*Risk Factors*”.

## DEFINED TERMS

In this Prospectus, including the summary hereto, unless the subject matter context is inconsistent therewith, the following terms shall have the meanings set forth below:

“**Agency Agreement**” means the agency agreement dated \*, 2012 with respect to the Offering between the Issuer and the Agent as more particularly described under the heading “*Plan of Distribution*”;

“**Agent**” means Haywood Securities Inc.;

“**Agent’s Commission**” means the cash fee of 8% of the gross proceeds of the Offering payable to the Agent pursuant to the Agency Agreement;

“**Agent’s Warrants**” means the 500,000 share purchase warrants to be issued to the Agent or sub-agents of the Agent in consideration of their services in connection with the Offering. Each Agent’s Warrant entitles the holder to purchase one Share of the Issuer at a price of \$0.15 per Share for 24 months following the Listing Date;

“**BCA-BC**” means the *Business Corporations Act*- British Columbia;

“**CEO**” means Chief Executive Officer;

“**CFO**” means Chief Financial Officer;

“**Claims**” means the six contiguous mineral claims comprising the Harmony Property;

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

“**Company**”, “**Issuer**” or “**Altamont**” means Altamont Exploration Corp., a corporation incorporated pursuant to the *BCA-BC*;

“**Compensation Shares**” means 100,000 Shares issuable to the Agent upon completion of this Offering;

“**Board**” means the Board of Directors of the Issuer.

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

“**Escrow Agreement**” means the escrow agreement between the Issuer, the Escrow Agent and various escrow holders, dated September 30, 2012 respecting certain Shares held in escrow in connection with the Offering;

“**Harmony Property**” means the six mineral claims located in the Nanaimo Mining Division of British Columbia with tenure numbers 916729, 920795, 920796, 920794, 920797, 953288.

“**IFRS**” means International Financial Reporting Standards;

“**Incentive Stock Options**” means the options granted to the Directors, Officers, employees and consultants of the Issuer to acquire Shares pursuant to the Stock Option Plan;

“**Listing Date**” means the first day of trading of the Shares on the TSX-V;

**“Management Agreement”** means the Management Services Agreement dated May 1, 2012 between the Issuer and Progressive. Progressive was paid \$3,500 a month from May 1, 2012 to September 30, 2012. Effective October 1, 2012 the monthly fee increased to \$8,500.

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

**“NSR”** means net smelter return;

**“NI 41-101”** means National Instrument 41-101 General Prospectus Requirements and Related Amendments;

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

**“Offering”** means the proposed public offering of the Offered Shares described herein to raise gross proceeds of \$750,000 with the Agent acting as selling agent, or in any amendment hereto;

**“Offered Shares”** means the 5,000,000 Shares offered for sale pursuant to this Prospectus;

**“Offering Price”** means a price of \$0.15 per Share;

**“Office Service Agreement”** means the Office Services Agreement dated May 1, 2012 between the Issuer and Progressive Exploration Group (2008) Inc.

**“Option to Purchase Agreement”** means an agreement dated February 28, 2012 as amended September 29, 2012, between the Issuer and the Optionor whereby the Issuer was granted an option to acquire a 100% interest in the Harmony Property. See *“Our Business”*, *“Our Property”* and *“Material Contracts”*.

**“Optionor”** means Andrew Molnar, who granted the option to acquire the Harmony Property;

**“Progressive”** means Progressive Exploration Group (2008) Inc. a private merchant banking and corporate services firm owned by Toma Sojony and Krister Kottmeier;

**“Prospectus”** means this Prospectus dated \*, 2012;

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

**“SEDAR”** means the System for Electronic Document Analysis and Retrieval for documents of publicly trading companies which are electronically filed and accessible to the general public at [www.sedar](http://www.sedar)

**“Selling Jurisdictions”** means the provinces of Alberta, British Columbia and Ontario;

**“Share”** or **“Shares”** means, respectively, one or more common shares without par value in the capital of the Issuer;

**“Stock Option Plan”** means the plan adopted by the Issuer governing the grant of stock options;

**“Technical Report”** means the report dated July 3, 2012 prepared by Andris Kikauka, P. Geo. that is compliant with NI 43-101 and entitled “Technical Report on the Harmon Property”;

**“Transfer Agent”** means Computershare Investor Services Inc.;

**“TSX-V”** or **“Exchange”** means the TSX Venture Exchange.

**“Value Security Escrow Agreement”** means the escrow agreement between the Issuer, the Escrow Agent and various escrow holders, dated October 24, 2012 respecting certain Shares held in escrow in connection with the Offering;

## SUMMARY OF PROSPECTUS

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus. Reference is made to the *Glossary of Non-Technical Terms for the definitions of certain terms with initial capital letters used in this Prospectus and in this summary*. Reference is also made to the *Glossary of Select Geological, Technical and Mineral Terms for certain technical terms used in this Prospectus*.

**Issuer:** Altamont Exploration Corp.

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

**The Offering:** The Offering consists of 5,000,000 Shares at a price of \$0.15 per Share for gross proceeds of (\$750,000). The Prospectus also qualifies the distribution of the 500,000 Agent's Warrants. See "Plan of Distribution".

**Use of Proceeds:** The net proceeds from the Offering, after deducting the Agent's commission, will be \$690,000. As at October 31, 2012 the Issuer had working capital of \$105,479\* which, when added to the net proceeds of the Offering, will provide the Issuer with available funds of approximately \$795,479.

\*This figure includes the \$15,000 Harmony Property payment which has been accrued as a current liability in the June 30, 2012 audited financial statements. The \$15,000 will be paid for the Harmony Property on the Listing Date.

The available funds will be used as set out below:

Expenditure	(\$)
Pay the balance of the costs of the Offering <sup>(1)</sup>	80,000
Pay the estimated cost of the recommended work program <sup>(2)</sup>	254,650
General and administrative expenses for next 12 months <sup>(3)</sup>	177,000
Unallocated working capital	283,829
<b>TOTAL</b>	<b>\$795,479</b>

<sup>(1)</sup> Includes the balance of legal, audit, printing costs and Exchange fees.. See "Plan of Distribution".

<sup>(2)</sup> See "Harmony Property".

<sup>(3)</sup> For a more detailed discussion see "Use of Proceeds".

**Summary Financial Information:**

The selected financial information set out below is based on and derived from, and is qualified in its entirety by reference to, the audited financial statements for the Issuer for the period from incorporation to June 30, 2012 and the unaudited interim financial statements for the Issuer for the three month period ended September 30, 2012 and should be read in conjunction with such financial statements which are attached to this Prospectus:

	<b>For the three month period ended September 30, 2012 (unaudited)</b>	<b>Period from incorporation to Year ended June 30, 2012 (audited)</b>
Revenue.....	2	Nil
Expenses.....	15,201	82,830
Net Loss and comprehensive loss ...	15,199	82,830

**Directors and Officers:** The directors and officers of the Issuer are:

Derek C. Pink            President, Chief Executive Officer and Director

Toma S. Sojonky            Director

Krister A. Kottmeier            Director

Derrick A. Strickland            Director

Margo J. Peters            Corporate Secretary and Director

Alyssa Weyrauch            Chief Financial Officer

**Risk Factors:**

An investment in the Shares should be considered highly speculative due to the nature of the Issuer's business and its present stage of development. The Issuer has no history of operations and is still in an early stage of development. The exploration and development of minerals is highly speculative in nature and involves a high degree of financial and other risks over a significant period of time, during which even a combination of careful evaluation, experience and knowledge may not eliminate. The Issuer has no history of operations or revenues and it is unlikely that the Issuer will generate any revenues from operations in the foreseeable future. The Issuer competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources, in the search for and the acquisition of attractive mineral properties. All phases of the Issuer's operations are subject to extensive environmental regulations. There can be no assurance that the Issuer will obtain, on reasonable terms or at all, the permits and approvals, and the renewals thereof, which the Issuer may require for the conduct of the Issuer's current or future operations. While the Issuer has exercised the usual due diligence with respect to determining title to the Harmony Property, there is no guarantee that title to the Harmony Property will not be challenged or impugned. The Harmony Property may now or in the future be the subject of first nations land claims. Since inception, the Issuer has had negative operating cash flow, which is expected to continue for the foreseeable future. The price of the Issuer's securities, the Issuer's financial results and exploration, development and mining activities have previously been, or may in the future be, significantly adversely affected by declines in the price of precious or base metals. There is currently no market through which the Issuer's Shares can be sold and there can be no assurance that one will develop or be sustained after the Offering. The Issuer's success will be largely dependent, in part, on the services of the Issuer's senior management and directors, the loss of any member of which could have an adverse effect on the Issuer. Members of the Issuer's management team own a significant number of the Issuer's outstanding Shares and could influence the outcome of certain matters involving shareholder approval, including the election of directors. Some of the Issuer's directors are or will be directors of other companies, which could result in conflicts of interest. Investment in the Shares will result in a significant and immediate dilution in an investor's investment of approximately 40.56% after giving effect to the Offering.

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

## CORPORATE STRUCTURE

The Issuer was incorporated on January 16, 2012 pursuant to the *BCA-BC* with incorporation number BC0930189.

The Issuer's head office and registered and records office are located at Suite 440 – 789 West Pender Street, Vancouver, BC V6C 1H2.

The Issuer does not have any subsidiaries.

The Issuer's Shares are not listed or posted for trading on any stock exchange. See "*Listing Application*".

## OUR BUSINESS

### Three-Year History

The Issuer was formed on January 16, 2012 to acquire, explore and develop mining properties. As at the date hereof, the Issuer has an option to acquire a 100% interest in one mining exploration property, the Harmony Property located in the Nanaimo Mining Division of British Columbia. See "*Material Contracts*".

### Significant Acquisitions and Dispositions

Pursuant to the Option to Purchase Agreement the Issuer was granted an option by the Optionor to acquire a 100% interest in the Harmony Property by paying as follows:

Date	Cash
	\$15,000 (paid)
The later of March 29, 2013 or within 10 days of the Listing Date (on or before June 30, 2013).	\$15,000
<b>Total:</b>	<b>\$30,000</b>

Immediately upon closing of the Offering, the Issuer intends on making the final \$15,000 payment under the Option to Purchase Agreement.

The Optionor retained a 2% NSR royalty on the Harmony Property. The Issuer has the option to purchase the royalty at any time by making a payment to the Optionor of a cash amount equal to \$1,000,000.

### Trends

The Issuer anticipates that it will continue to experience net losses as a result of ongoing exploration and general corporate and administrative costs and expenses until such time, if any, as revenue generating activity is commenced. The Issuer's future financial performance is dependent on many external factors. Both the prices of, and the markets for, minerals are volatile, difficult to predict and subject to changes in domestic and international political, social and economic environments. These circumstances and events could materially affect the future financial performance of the Issuer. The Issuer is not currently aware of any trend, event or uncertainty that can reasonably be expected to have a material adverse effect on the business, financial condition,

or operating results of the Issuer other than as described in this Prospectus and, in particular, under the headings “*Risk Factors*” and “*Forward-Looking Statements*”.

## **HARMONY PROPERTY**

### **General**

The Issuer’s business objective is to carry out the recommendations of the Technical Report on the Harmony Property. The Technical Report author, Andris Kikauka, P. Geo. visited the Harmony Property from March 11 to March 12, 2012, April 2 to 6, 2012 and April 22 to 26, 2012 and is a “qualified person” and considered “independent” in each case within the meaning of NI 43-101. Prospective purchasers of the Offered Shares are encouraged to read the Technical Report in its entirety. The tables and figures referred to in the extract of the Technical Report can be seen in the complete Technical Report which is available for review under the Issuer’s profile at [www.sedar.com](http://www.sedar.com).

The following information about the Harmony Property is an extract from the Technical Report which reviews among other things the geology of the Harmony Property as well as surrounding geologies and recommends a Phase 1 work program with a proposed budget of \$254,650 that includes compilation of historic data, geophysical surveying, trenching, blasting, and sampling on the soil geochemical anomalies, and detailed geological mapping.

### **Property Description and Location**

The Harmony Property is located approximately 16 km to 22 km southwest of the town of Campbell River, British Columbia, Canada (Figure 1). The Harmony Property consists of six contiguous Mineral Claims covering approximately 2,418.2 hectares. The Mineral Claims are registered in the Nanaimo Mining Division of British Columbia on map sheets 092F.074 and 92F.084. Altamont is the 100% owner of the Mineral Claims. The Harmony Property Mineral Claims were staked using the British Columbia Mineral Titles Online computer Internet system. With the British Columbia mineral claim staking system there can be no internal fractions or open ground. The centre of the Harmony Property is located at latitude 49° 49’ 12” N and 125° 18’ 03” W longitude, located on NTS map sheet 092F14. Claim data is summarized in Table 1; while a map showing all the claims is presented in Figure 1. Altamont is the 100% registered owner of the Mineral Claims.

Table 1: Property Claim Information

Tenure Number	Claim	Owner	Good To Date	Area in Ha

916729	H-1	ALTAMONT EXPLORATION CORP.	2017/Jun/15	250.19
920795	H-2	ALTAMONT EXPLORATION CORP.	2017/Jun/15	500.32
920796	H-2	ALTAMONT EXPLORATION CORP.	2017/Jun/15	500.28
920794	H-3	ALTAMONT EXPLORATION CORP.	2017/Jun/15	437.95
920797	H-4	ALTAMONT EXPLORATION CORP.	2017/Jun/15	520.98
953288	H-5	ALTAMONT EXPLORATION CORP.	2017/Jun/15	208.48

There has been no historical production on the Harmony Property, and the author is not aware of any environmental liabilities that have potentially accrued from any historical activity. The author is not aware of any permits obtained for the Harmony Property. A “Notice of Work and Reclamation Program” application will be required to get a permit for the proposed exploration work to be carried out on the Harmony Property. As of the date of this report Altamont has informed the author that they have not applied for these permits.

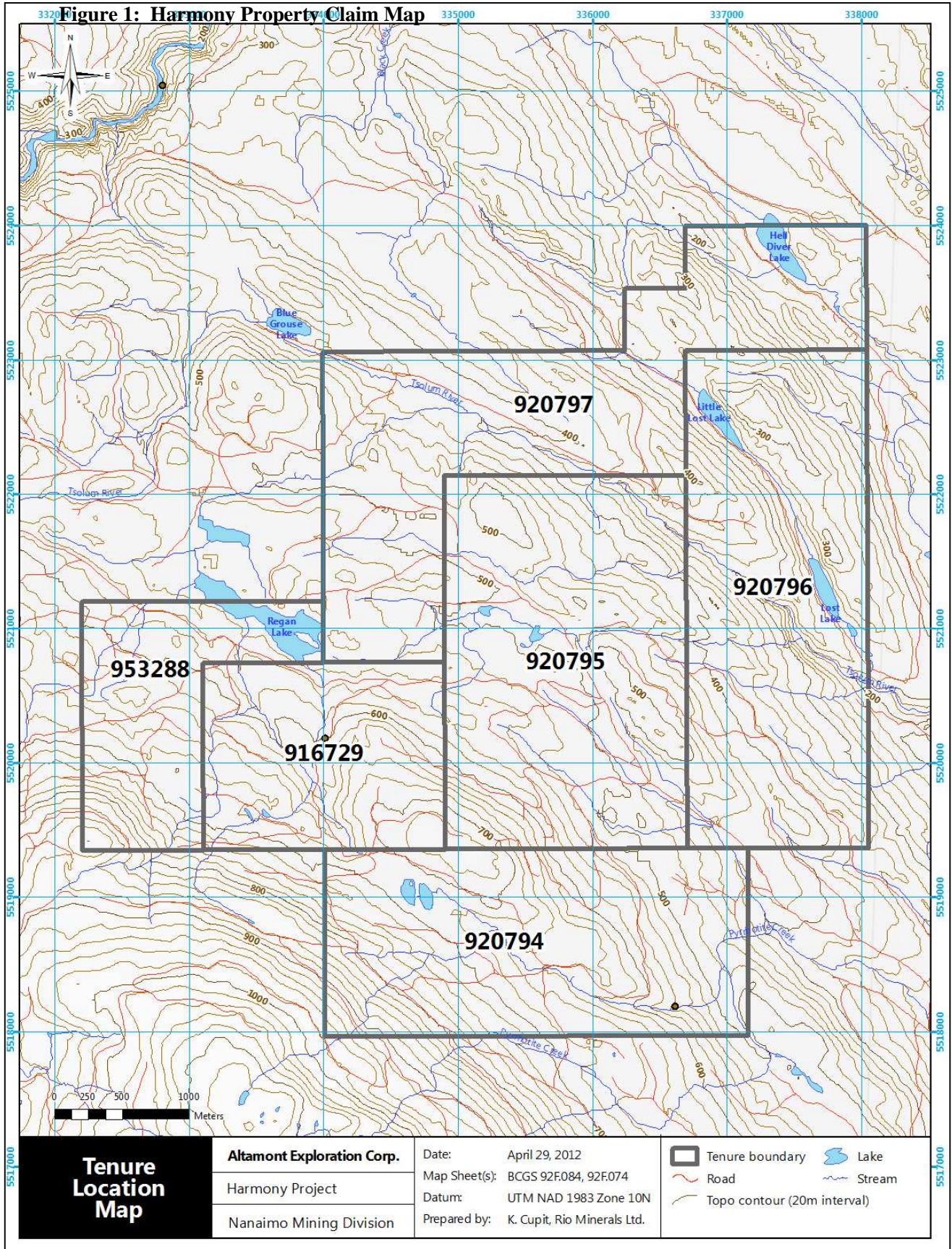
The author undertook a search of the tenure data on the British Columbia government’s Mineral Titles Online (MTO) web site which confirms the geospatial locations of the claims boundaries and that title did transfer from Andrew Molnar to Altamont.

In British Columbia, the owner of a mineral claim acquires the right to the minerals which were available at the time of claim location and as defined in the Mineral Tenure Act of British Columbia. Surface rights and placer rights are not included. Claims are valid for one year and the anniversary date is the annual occurrence of the date of record (the staking completion date of the claim). To maintain a claim in good standing the claim holder must, on or before the anniversary date of the claim, pay the prescribed recording fee and either: (a) record the exploration and development work carried out on that claim during the current anniversary year; or (b) pay cash in lieu of work. The amount of work required in the year one and two is \$5 per hectare per year, year 3 and 4 \$10 per hectare, year 5 and 6 \$15 per hectare, and \$20 per hectare for each subsequent year. Only work and associated costs for the current anniversary year of the mineral claim may be applied toward that claim unit. If the value of work performed in any year exceeds the required minimum, the value of the excess work can be applied, in full year multiples, to cover work requirements for that claim for additional years (subject to the regulations). A report detailing work done and expenditures must be filed with, and approved by, the B.C. Ministry of Energy and Mines.

The author is not aware of any historical production from mineralized zones on the Harmony Property. The author is not aware of any environmental liabilities associated with the Harmony Property. Altamont is bound by the laws of the Province of BC concerning environmental compliance.



**Figure 1: Harmony Property Claim Map**



**Tenure Location Map**

**Altamont Exploration Corp.**  
 Harmony Project  
 Nanaimo Mining Division

Date: April 29, 2012  
 Map Sheet(s): BCGS 92F.084, 92F.074  
 Datum: UTM NAD 1983 Zone 10N  
 Prepared by: K. Cupit, Rio Minerals Ltd.

- Tenure boundary
- Lake
- Road
- Stream
- Topo contour (20m interval)

## **Accessibility, Climate, Physiography, Local Resources, And Infrastructure**

### ***Access***

The Harmony Property has good year round road access from the city of Campbell River, British Columbia. From the Inter-Island Highway, a series of two lane gravel roads traverse through the centre of the Mineral Claims. Logging roads provide access to the rest of the Mineral Claims. Campbell River, Comox, and airports are located approximately 18 km and 30 km respectively from the Harmony Property.

### ***Climate***

The climate is typical of the eastern coast of Vancouver Island, British Columbia, with warm and dry summers, and mild winters with rain and snow. The temperature in the summer averages 20 degrees Celsius, and in the winter averages +1 degrees Celsius. In winters snow may reach 90 cm (2.95 feet). Although the area normally has about eleven months of snow-free conditions, historical exploration has been successfully conducted throughout the year. Water is readily accessible in the project area.

### ***Physiography***

The Harmony Property is located in low-lying, coastal terrain covered by second growth forest and numerous logging blocks. Elevation across most of the Harmony Property ranges between 200 and 650 metres above sea level (ASL); slopes are mostly gentle to moderate. The amount of rock outcrop is highly variable across the district, and in most of the area ranges between 0 and 10%.

### ***Local Resources and Infrastructure***

The town of Campbell River is located approximately 16 to 22 kilometres to the northeast of the Harmony Property. The town and area have a long mining history and as such, most services are readily available. The city of Comox with a population of 13,000 is located 30 kilometres east of the Property. The Property size is sufficient to accommodate future mining operations, potential tailings storage areas; potential waste disposal areas, and potential processing plant sites but Altamont has to acquire surface rights to build these facilities.

### **History**

#### ***Historical Work 1986***

In 1986 Joseph L. Paquet carried out a prospecting program on the Harmony Property. The work consisted of the collection of 54 rock samples (Figure 2) prospecting and rock sampling of outcrops along the main rivers located on the Harmony Property. (Paquet, 1987) Three samples #1B, #1F, #5A all had assay results >10,000 ppm copper. See Table 2 for selected assays for the 1986 program.

**Table 2: Select Rock Samples from Paquet**

Sample ID	Map No	Au ppb	Au oz/t	Ag ppm	Cu ppm	Pb ppm	Zn ppm
#1 B	B			7	>10000	3	68
#1 F	4			16.2	>10000	2	380
#5 A	5			1.6	>10000	2	33
DV-8	6	22		10.5	7377	8	308
#1 C	7			1.6	4390	2	52
#1 A	8			1.4	3920	4	43
DV-12	9	3		0.7	1809	2	32
DV-9	10	4		2.8	1802	3	108
DV-13	11	1		2.4	1470	2	31
Har-3	12	5		0.3	996	8	108
#2 A	13			0.4	695	3	55
#1 H	14			0.4	645	2	21
DV-10	15	1		0.7	526	9	113

***Historical Work 1988***

A much larger property, which included the current Harmony Property, was optioned from Mr. Paquet by Visible Gold and Westmin Resources in 1987. In 1988, Westmin Resources commissioned line cutting and an airborne EM resistivity magnetometer survey over a large area which included the Harmony claim area. The EM survey mapped numerous bedrock conductors which occur as broad conductive units which are best represented by the 7200 Hz resistivity data. Numerous discrete thin conductive bedrock sources were also identified. The conductors are generally non- magnetic. The total field and enhanced magnetic contour maps yielded valuable information about the magnetic rock units and bedrock structures within the survey area (Wright, 1988).

***Historical Work 1991***

In 1991, the Harmony Property was held under option by a joint venture between Westmin Resources Ltd. and Visible Gold Inc. and was owned by J.L. Paquet. The area of the Harmony claims formed part of a larger claim position extending approximately 12 kilometres to the south.

The area mapped in 1991 covered what was then called the Harmony 17 claim and extended about 200 metres into the west side of Harmony 7 claim. This area is currently covered by tenure 953288 (H-5), and tenure 916729 (H-1).

The 1991 programme was focused on epithermal veins similar to other occurrences known in the general Mount Washington area. Epithermal veins with anomalous precious metals were located within the area both in bedrock and float along Regan Creek on the former Harmony 17 and Harmony 7 claims which are currently covered by tenure 953288 (H-5), and tenure 916729 (H-1). The work reported 1991 was the first programme reported in this area.

Walker reported that an attempt was made to do first pass geological mapping and rock sampling on all of Harmony 17 and a small part of Harmony 7, an area of about 500 ha, at a scale of 1:10,000. Progress was impeded by overgrown roads, washouts, limited outcrop, and rain. Figure 4 summarizes the geological mapping performed by Walker in 1991. Forty-six rock samples were collected for which descriptions were provided and are included as Table 2. Assays were not reported for this sampling programme. Regan Creek was mapped at a scale of 1:2000 over a nominal area of 20 ha, (Walker, 1991).

## **Geological Setting and Mineralization**

### ***Regional Geology***

*After Green et al 2005*

The Wrangellia Terrane is a complex and variable terrane that extends from Vancouver Island to central Alaska. Wrangellia is most commonly characterized by widespread exposures of Triassic flood basalts and complementary intrusive rocks (Jones *et al.*, 1977). Triassic flood basalts extend in a discontinuous belt from Vancouver and Queen Charlotte Islands (Karmutsen Formation), through southeast Alaska and the Kluane Ranges in southwest Yukon, and into the Wrangell Mountains and Alaska Range in east and central Alaska (Nikolai Formation). This belt of flood basalt sequences has distinct similarities and is recognized as representing a once-contiguous terrane (Jones *et al.*, 1977).

The enormous exposures of the Karmutsen appear to represent a single flood basalt event (Richards *et al.*, 1989). A mantle plume initiation model has been proposed for the Wrangellia flood basalts based on (1) relatively limited geochemical data, (2) the nature of the underlying and overlying formations, (3) rapid uplift prior to volcanism, (4) the lack of evidence of rifting associated with volcanism and (5) the short duration and high eruption rate of volcanism (Richards *et al.*, 1991). The basalt flows are estimated to have erupted a minimum volume of  $1 \times 10^6 \text{ km}^3$  (Panuska, 1990) within a maximum of five million years (Carlisle and Suzuki, 1974).

Widespread areas of British Columbia are underlain by the distinctive flood basalt sequences of the Karmutsen Formation (Figure 2). Approximately 35% of northern and central Vancouver Island consists of Karmutsen basalt (Barker *et al.*, 1989). Exposures of the Karmutsen are also extensive on the southern Queen Charlotte Islands, although the base of the formation is not exposed. On Vancouver Island, both underlying island arc rocks of the Paleozoic Sicker Group and the Karmutsen Formation are intruded by mafic sills thought to be associated with the Karmutsen (Barker *et al.*, 1989). The Karmutsen Formation is commonly intercalated with small lenses of marine sediments and is capped by shallow-water limestone (Carlisle and Suzuki, 1974).

The Karmutsen Formation forms thick flood-volcanic sequences throughout the densely-forested regions of northern and central Vancouver Island. The predominantly extrusive, marine sequences locally exceed 6000 m in thickness (Carlisle and Suzuki, 1974); however, extensive faulting throughout the Karmutsen makes reconstruction of the stratigraphic thickness challenging. Diagnostic units of the Karmutsen are often divided into: (1) a lower member of exclusively pillow lava ( $2500 \pm 150 \text{ m}$ ); (2) a middle member of pillow breccia and aquagene tuff ( $600\text{--}1100 \text{ m}$ ); and (3) an upper member of massive basalt flows ( $2600 \pm 150 \text{ m}$ ) (Carlisle & Suzuki, 1974) (Figure 2).

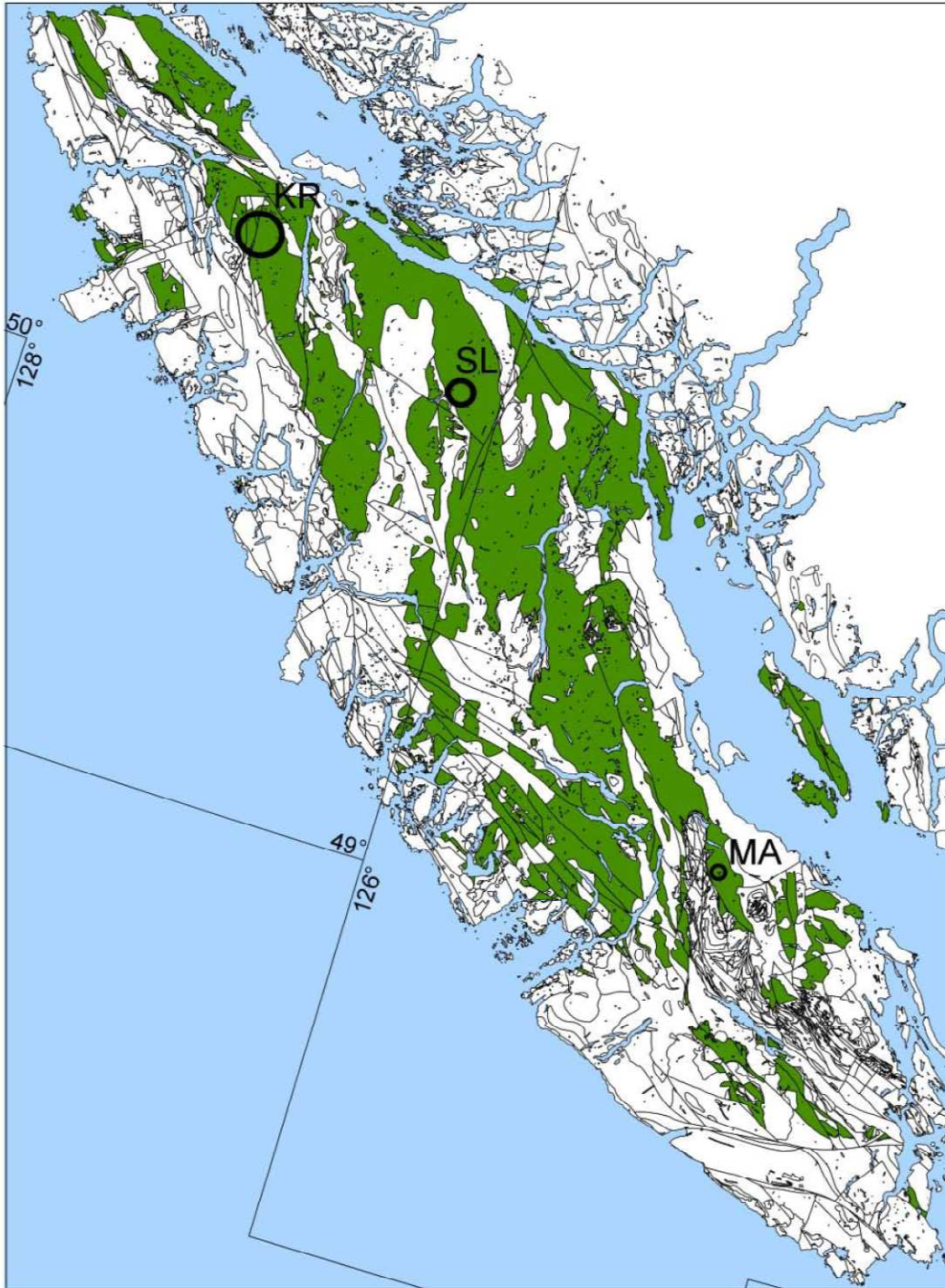
### ***Property Geology***

The Harmony Property is underlain by Karmutsen Formation basalt of Triassic age. The Karmutsen basalt in the area includes massive flows, pillowed flows, and thinner beds of hyaloclastite and pillow breccia. Layering is apparently shallow in dip. In the northeast portion of the Harmony tenures, Upper Cretaceous Nanaimo Group clastic sediments overlie the Karmutsen basalt. The entire sequence of volcanic and sedimentary rocks is cut by Late Eocene- Early Oligocene age Mt Washington Plutonic Suite, quartz diorite. Intrusive rocks are not known to occur on the Harmony tenures (Figure 3).

The Upper Triassic Karmutsen Formation is a thick sequence of metabasaltic (tholeiitic) rocks that underlies a large part of Vancouver Island and forms all of the lower plate and part of the middle plate on Mount Washington. Pillow lavas and pillow breccias of this unit underlie part of

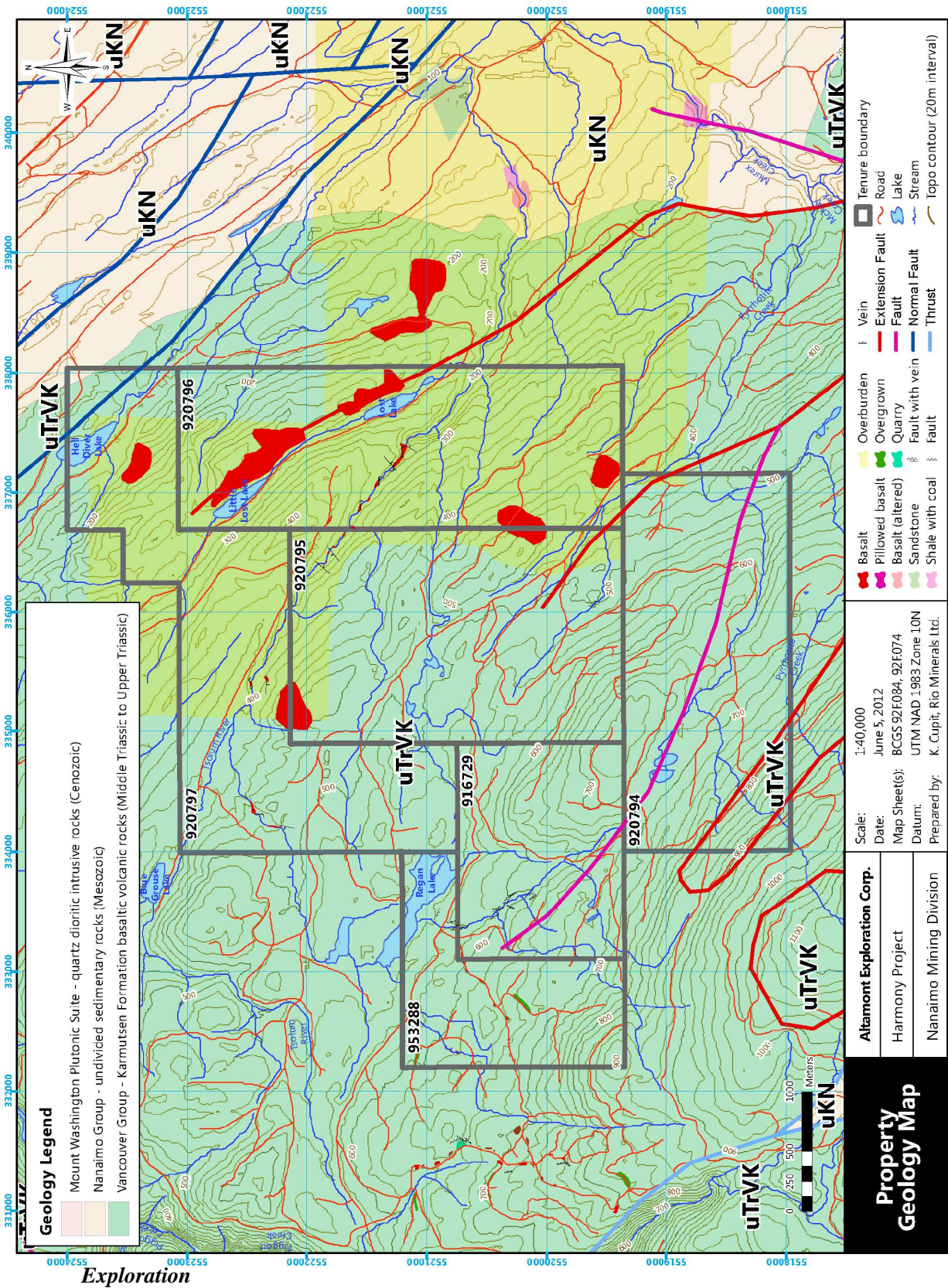
the northeastern and southern lower slopes of the mountain. Nowhere, apart from a few road cuts in pillow breccia near the ski village, do they produce the spectacular outcrops common elsewhere on Vancouver Island. In many exposures the pillows and original pillow fragments have been deformed and brecciated and can only be identified by a few remaining characteristic shapes and lighter coloured pillow rims. Nests of quartz and epidote, very commonly found as space-filling between pillows elsewhere, are also lacking. In many instances field identification of pillow breccia and aquagene tuff is still possible on the evidence of small devitrified, silica-rimmed lava pellets visible with a hand-lens in the matrix on a fresh surface. Low-grade metamorphism of the basaltic rocks to prehnite-pumpellyite grade is generally believed to have occurred in pre-Tertiary time and some retrograde change to yet lower chlorite grade may have attended Tertiary faulting.

Figure 2: Karmutsen Formation



Map of Vancouver Island showing exposures of flood basalt from the Karmutsen Formation (green) (after Massey *et al.*, [2003a, 2003b]).

**Figure 3: Property Geology**



**Exploration**

The Issuer contracted Rio Minerals Limited to carry out an exploration program from February

29 to April 26<sup>th</sup>, 2012 consisting of the following (Figure 4):

- 1) Soil sampling occurred at three separate grid surveys:
  - LH-12 Grid: 2,500 metres consisting of seven - 300 - 500 metre lines with 25 metre stations oriented at 050° - 100 soil samples;
  - LL-12 Grid: 18,550 metres, eighteen - 1000 to 1300 metre lines with 50 metre stations oriented east-west - 394 soil samples;
  - H-12 Grid: 4,225 metres, twelve - 325 to 400 metre lines with 25 metre stations oriented north-south - 287 soil samples.
- 2) Hand-trenching and rock sampling at the LL-12, LH-12, H-12, and R-12 locations – a total of 50 rock samples were collected;
- 3) Regional stream sediment sampling – 33 samples (Figure 6); and
- 4) Regional prospecting and mapping – 50 rock samples (Figure 5).

Goals for the field season were to verify and to compile previous geological work and to outline new areas of possible mineralization. The town of Campbell River, B.C. acted as the base of operations for the duration of the program.

Andris Kikauka, P.Geo. conducted the geological fieldwork on the Harmony Property. Geological fieldwork consisted of mapping and sampling of the LH-12, LL-12, H-12, and Regan Creek areas.

#### Rock Sampling Results

A total of 50 rock samples were collected by the author during 2012 exploration program. The rock samples were taken from hand trenching and chip sampling across one metre or less and from grab samples of angular float material within the Property boundaries (Figure 5).

Sample locations and analytical results are shown on Figures 5.

#### LH-12 Area (Lost Lake Geology Map)

The LH-12 area is located on the northwest portion of mineral tenure 920796 immediately northeast of Little Lost Lake. The grid area is underlain by Karmutsen Formation basalt of Triassic age. Locally, the Karmutsen Formation includes massive flows, pillowed flows, and thinner (0.1-5 metre width range) layers of hyaloclastite and pillow breccia. Basalt textures are amygdaloidal with 1-4 mm light colored secondary minerals including quartz, chalcedony, calcite, & chlorite in a dark green to black colored phaneritic groundmass. Variable amounts of magnetite ranging from 0.1 - 0.5% by volume occur as 0.1 - 0.2 mm sized disseminations in basalt.

The LH-12 area is structurally dominated by a regional normal fault that strikes northwest parallel to the northeast shore of Little Lost Lake. The northwest trending fault is characterized by a cliff-forming scarp and abundant carbonate vein/replacement. There is a north trending fault in the northwest part of the grid area that may be a conjugate fault related to the regional northwest trend. The main direction of fractures/joints trends northwest and dips steeply to the south. Local topographic highs are elongated northwest.

The main alteration minerals present include secondary quartz, calcite, and chlorite. Approximately 0.01 - 0.02% pyrite occurs as 0.1 - 0.5 mm sized disseminations and fracture

filling mineralization in the basalt. Trace amounts of chalcopyrite and malachite occurs as late stage fracture filling. A total of 11 rock chip channel samples were taken from surface outcrop with the 3 highest copper values summarized in the table below:

Table 3: LH-12 rock chip channel sample geochemical analysis highlights:

Sample ID	Width cm	Au ppb	Ag ppm	Cu ppm	Pb ppm	Zn ppm	As ppm
164606	120	2.1	<0.1	252.3	0.9	55	3
164609	18	1.9	0.1	279.2	1.2	90	0.7
164612	15	9.4	<0.1	242.2	0.9	62	<0.5

Rock chip sample 164606 was taken at the base of the fault scarp cliff and is located at a soil sample station that returned a geochemical analysis of 350.8 ppm Cu.

#### LL-12 Area (Lost Lake-Tsolum Creek Area)

The LL-12 grid area is located on the west and central portions of mineral tenures 920796 & 920797 respectively. The grid area is underlain by Karmutsen Formation basalt of Triassic age. Locally, the Karmutsen Formation includes massive flows, pillowed flows, and thinner (0.1-5 metre width range) layers of hyaloclastite and pillow breccia. Basalt textures are amygdaloidal with 1-4 mm light colored secondary minerals including quartz, chalcedony, calcite, & chlorite in a dark green to black colored phaneritic groundmass. Variable amounts of magnetite ranging from 0.1 - 1% by volume occur as 0.1 - 0.5 mm sized disseminations in basalt (Figure 5).

The LL-12 area is structurally dominated by a regional fault that strikes northwest, parallel to the northeast shore of Lost Lake. The northwest trending fault contains minor amounts (0.1-1%) carbonate-quartz veining. There is also localized northwest trending faulting with a steep southwest dip along the Tsolum River. The main direction of fractures/joints trends northwest and dips steeply to the south. Local topographic highs are elongated northwest.

The main alteration minerals present on the LL-12 grid and area northwest of the LL-12 grid include secondary quartz, calcite, chlorite, ankerite, and pyrolusite. Approximately 0.1 - 1% pyrite occurs as 0.1 - 2 mm sized disseminations and fracture filling mineralization hosted in basalt and associated with alteration minerals. Trace amounts of chalcopyrite and malachite occurs as late stage fracture filling. A total of 16 rock chip channel samples were taken from surface outcrop and 8 rock - grab samples were taken from the LL-12 area. The three highest copper values in rock chip samples are summarized in the table below:

Table 4: LL-12 rock chip channel sample geochemical analysis highlights:

Sample ID	Width cm	Au ppb	Ag ppm	Cu ppm	Pb ppm	Zn ppm	As ppm
164616	100	6.1	<0.1	358.0	1.8	79	4.1
164620	60	10.8	0.6	356.3	0.9	19	1.9
164621	100	4.3	0.2	543.2	0.9	75	1.2

Rock chip sample 164621 was taken at the base of the fault scarp cliff and is located approximately half way between two soil sample stations that returned geochemical analysis of 257.8 and 223.7 ppm Cu.

#### Southwest LL-12 Area

The Southwest LL-12 area is located on the northwest portion of mineral tenure 920797 and about 600 metres southeast of Blue Grouse Lake. The area is underlain by Karmutsen Formation basalt of Triassic age. Locally, the Karmutsen Formation includes massive flows, pillowed flows and thinner (0.1-5 metre width range) layers of hyaloclastite and pillow breccia. Basalt textures are amygdaloidal with 1-4 mm light colored secondary minerals including quartz, chalcedony, calcite, & chlorite in a dark green to black colored phaneritic groundmass. Variable amounts of magnetite ranging from 0.1-0.5% by volume occur as 0.1-0.2 mm sized disseminations in basalt. A north-northeast trending fault is characterized by a cliff-forming scarp and abundant quartz-carbonate vein/replacement. Fractures/joints associated with the fault zone contain secondary chlorite, limonite, ankerite, sericite, pyrite, and arsenopyrite (Figure 5).

Approximately 0.1% pyrite and arsenopyrite occurs as 0.1-1 mm sized disseminations and fracture filling mineralization in quartz-carbonate altered basalt. One rock chip grab (angular shaped float below the faulted cliff-forming scarp) returned the geochemical analysis summarized in the table listed below:

Table 5: Southwest LL-12 rock chip grab sample highlights:

Sample ID	Width (cm)	Au ppb	Ag ppm	Cu ppm	Pb ppm	Zn ppm	As ppm
164666	grab	4.0	0.2	625.5	0.4	24	3.3

#### H-12 Area

The H-12 grid area (Figure 4) is located on the southeast portion of mineral tenure 920794. The grid area is underlain by Karmutsen Formation basalt of Triassic age. Locally, the Karmutsen Formation includes massive flows, pillowed flows and thinner (0.1-5 metre width range) layers of hyaloclastite and pillow breccia. Basalt textures are amygdaloidal with 1-5 mm light colored secondary minerals including quartz, chalcedony, calcite, & chlorite in a dark green to black colored phaneritic groundmass. Variable amounts of magnetite ranging from 0.1 - 1.5% by volume occur as 0.1-1 mm sized disseminations in basalt. The relative increase in magnetite in the area of the Milkideal mineral occurrences are reflected in a weak but well defined airborne total field magnetic anomaly (source: Map place BC, <http://www.empr.gov.bc.ca/Mining/Geoscience/MapPlace>). The magnetic anomaly covers the grid area and correlates with increased silicification (Figure 5).

The H-12 grid area is structurally dominated by northwest trending fractures/joints with steep dips to the southwest. The main direction of fractures/joints in the H-12 area trends northwest and dips steeply to the south. Local topographic highs are elongated northwest.

The main alteration minerals present include: secondary quartz, calcite, chlorite, ankerite, and pyrolusite. Approximately 0.1-1% pyrite occurs as 0.1-2 mm sized dissemination and fracture filling mineralization hosted in basalt and associated with alteration minerals. Trace amounts of chalcopyrite and malachite occurs as late stage fracture filling. A total of 6 rock chip channel samples taken from surface outcrop and 6 rock grab samples were taken from the H-12 area. The two highest copper values in rock chip samples returned from geochemical analysis are summarized in the table below:

Table 6: H-12 outcrop rock chip channel sample geochemical analysis highlights:

Sample ID	Width (cm)	Au ppb	Ag ppm	Cu ppm	Pb ppm	Zn ppm	As ppm
164629	50	54.4	3.2	324.3	28.2	176	979.6
164632	100	1.4	<0.1	270.7	1.0	82	11.5
164626	float	654.1	1.8	115.1	57.8	9	2066.7
164630	float	2094.8	2.0	30.7	35.7	471	8915.2

Rock chip float (grab) samples 164626 and 164630 contain the first and second highest Au and As geochemical analysis of all samples submitted. The origin of the float has not been identified, but the angular shape of the float suggests that it is relatively close to source.

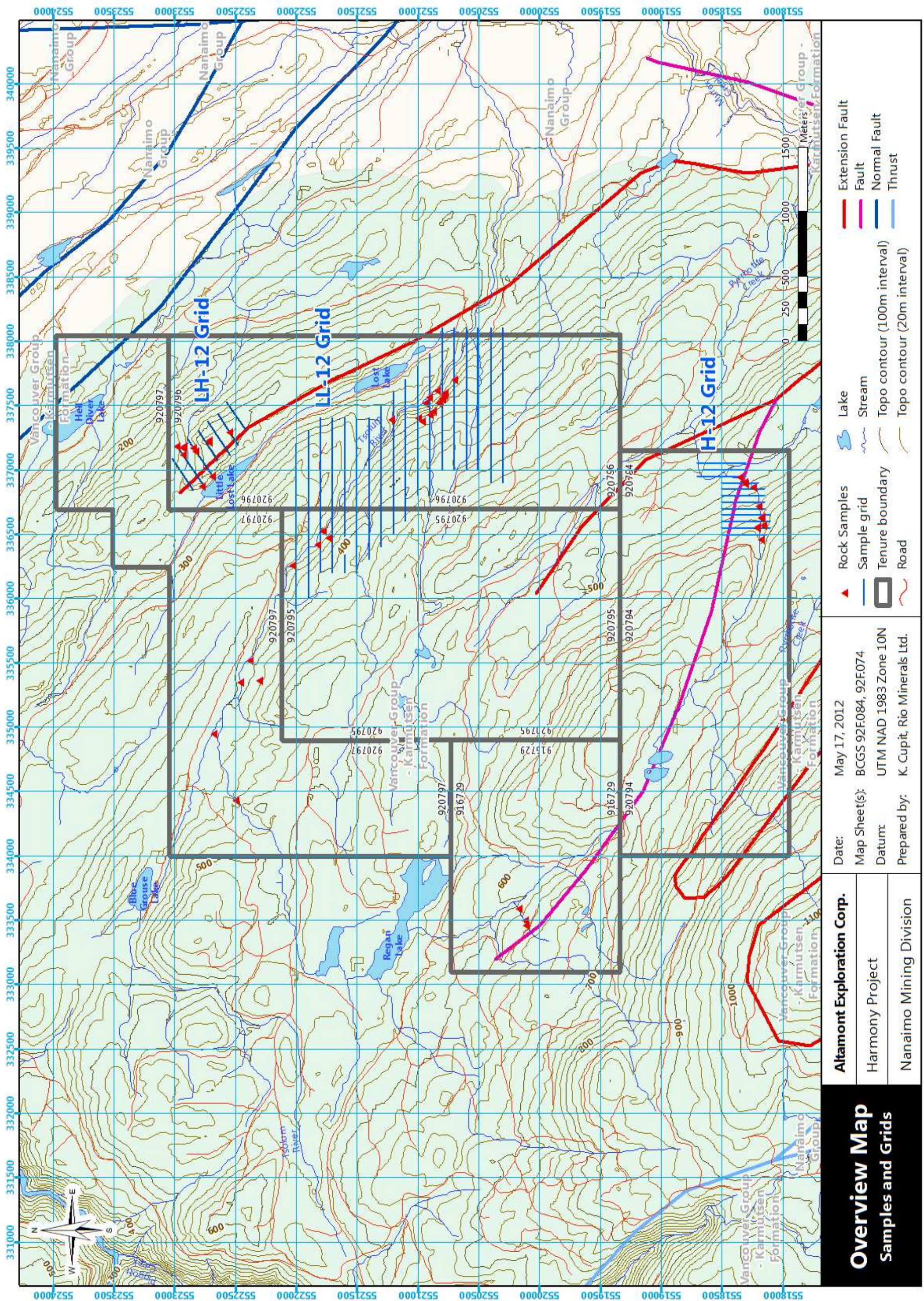
Blue Grouse Lake area mineral occurrence:

Blue Grouse Lake area is located on the northwest portion of mineral tenure 920797 and about 600 m southeast of Blue Grouse Lake. The area is underlain by Karmutsen Formation basalt of Triassic age. Locally, the Karmutsen Formation includes massive flows, pillowed flows and thinner (0.1-5 metre width range) layers of hyaloclastite and pillow breccia. Basalt textures are amygdaloidal with 1-4 mm light colored secondary minerals including quartz, chalcedony, calcite, & chlorite in a dark green to black colored phaneritic groundmass. Variable amounts of magnetite ranging from 0.1-0.5% by volume occur as 0.1-0.2 mm sized disseminations in basalt. A north-northeast trending fault is characterized by a cliff-forming scarp and abundant quartz-carbonate vein/replacement. Fractures/joints associated with the fault zone contain secondary chlorite, limonite, ankerite, sericite, pyrite and arsenopyrite. Approximately 0.1% pyrite and arsenopyrite occurs as 0.1-1 mm sized dissemination and fracture filling mineralization in quartz-carbonate altered basalt (figure 5). One rock chip grab (angular shaped float below the faulted cliff-forming scarp) returned geochemical analysis summarized in the table:

Table 7: Blue Grouse Lake rock chip grab sample geochemical analysis highlights:

Sample ID	Width (cm)	Au ppb	Ag ppm	Cu ppm	Pb ppm	Zn ppm	As ppm
164666	grab	4.0	0.2	625.5	0.4	24	3.3

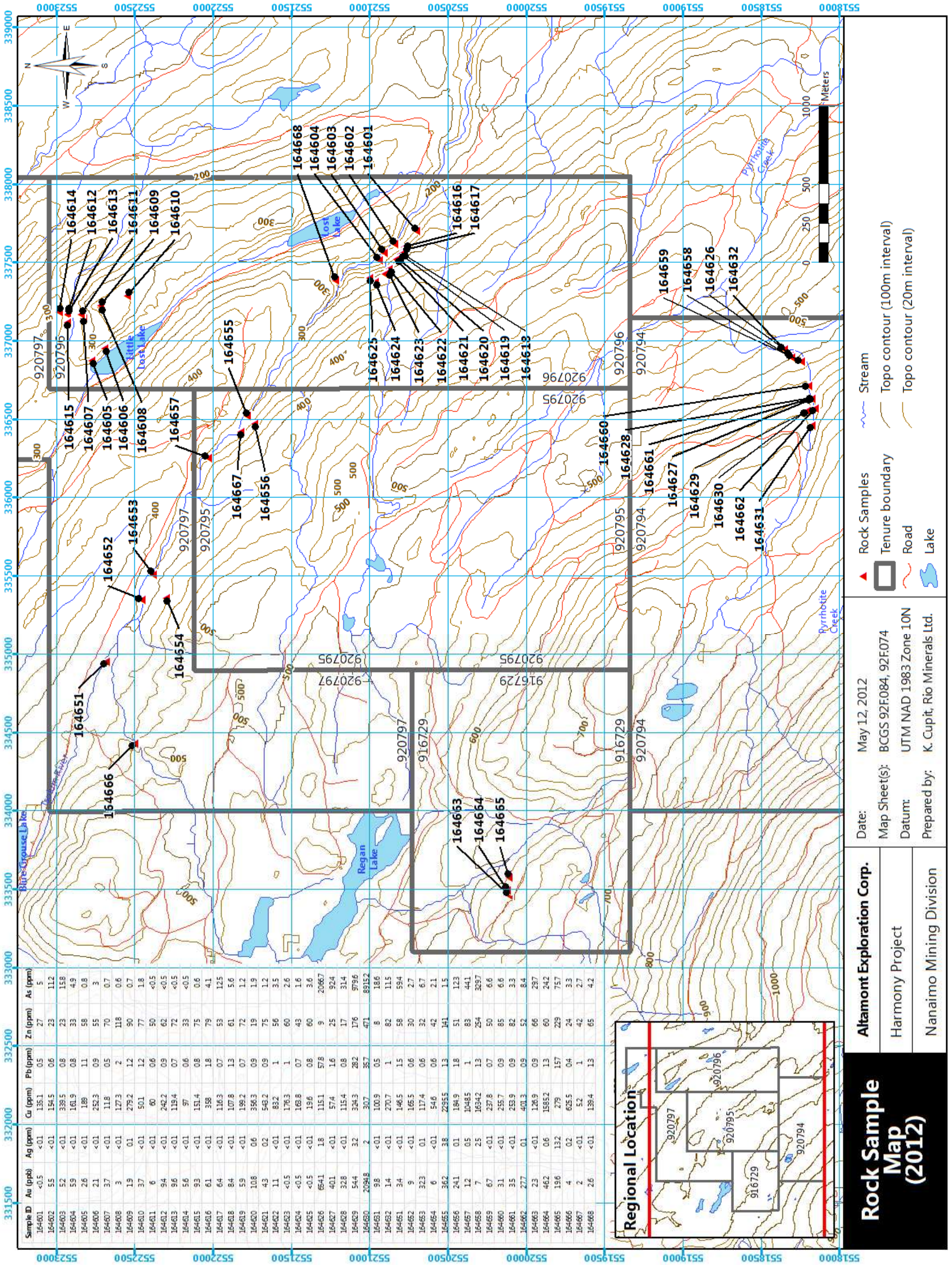
Figure 4: Summary Map



**Overview Map**  
Samples and Grids

**Altamont Exploration Corp.**  
Harmony Project  
Nanaimo Mining Division

Figure 5: Rock Sample Locations



## Stream Sediment Survey

A regional stream sediment sampling was carried out to establish the metal content of sediments brought down by drainage systems in various areas of the Harmony Property. The sediment survey results indicated in Figure 6.

The stream sediment sampling programme on the Harmony Project consisted of a total of 33 samples taken at 300-500 metre intervals along major and secondary drainages. Four of the samples taken contain elevated copper, gold, and arsenic values and are summarized in the following table:

Table 8: Stream Sediment Survey Follow-up:

Sample No.	Location-MTO #	Cu ppm	As ppm	Au ppb	Drainage description
SS 8100	Center of 920797	82.7	25.1	190.2	015 azimuth drainage located south of Tsolum River.
SS 8087	E portion of 920794	2,418.7	236.0	325.3	E trending and bends to the N where sample was taken, felsic dyke and silicified and pyritic float in creek.
SS 5525	250 metres E of 920794	915.2	249.5	5.2	ENE drainage, extensive carbonate & ankerite alteration in creek.
SS 5227	E portion of 920794	90.1	371.7	3.6	E trending drainage, possible west extension of SS 5525 sample.

The four samples listed above require detailed follow-up exploration to explain the cause of anomalous Cu-Au-As values in stream sediments that occur in a cluster near the eastern portion of tenure 920794. A program of detailed stream sediment sampling and geological mapping/sampling is recommended to assess the causative source of stream sediment sample anomalies.

## Soil Geochemical Survey

A total of 781 soil samples were collected from three soil grids at LH-12 (100 samples), LL-12 (394 samples), H-12 (287 samples) area (See Figure 4 for the locations of soil grids).

### Soil Geochemistry Results

#### H-12 Grid:

The H-12 grid is located in the southeast portion of mineral tenure 920794. A total of 287 samples were taken at 25 metre intervals along north-south oriented lines spaced 50 metres apart for 12 lines in total averaging 375 metres length for each line.

A summary of geochemical analysis of samples taken on the H-12 grid is summarized as follows:

Au- 5 of 287 samples range from 93.4-996.5 ppb Au (Figure 7)

Cu- 6 of 287 samples range from 119.4-154.4 ppm Cu

Elevated values in Au and As are located in the southeast and northeast portion of the grid area. These anomalies have not been defined and further sampling is required to define their extent. The gold in soil anomalies require follow-up hand-trenching to determine their origin.

#### LL-12 Grid:

The LL-12 grid is located in the central portion of mineral tenures 920795 and 920796. A total of 394 samples were taken at 50 metre intervals along east-west oriented lines spaced 100 metres apart for 18 lines in total averaging 1050 m length for each line.

A summary of geochemical analysis of samples taken on the LL-12 grid is summarized as follows:

Au- 11 of 394 samples range from 14-60.4 ppb Au (Figure 8)

Cu- 56 of 394 samples range from 100-409 ppm Cu

Elevated values in Cu are located in the east central portion of the grid area 200-300 metres west of Lost Lake. This Cu soil anomaly is located along a steep area of basalt outcrop along the west side of the Tsolum River. The area was investigated and rock chip samples from the area contained trace to 0.1% of chalcopyrite and trace amounts of malachite which partly explains the copper in soil anomaly. There are several other zones of anomalous Cu in soil in the west central and north central portion of the LL-12 grid.

Elevated Au and As values do not correlate with anomalous Cu. Several Cu-As-Au anomalies occur at the edge of the grid and additional soil sampling is recommended to determine their extent. Elevated Cu-Au-As values in soil should be hand trenched to identify the cause of these soil anomalies.

#### LH-12 Grid:

The LH-12 grid is located in the northwest portion of mineral tenure 920796. A total of 100 samples were taken at 25 metre intervals along 055° oriented lines spaced 100 metres apart for 7 lines in total averaging 300 metres length for each line.

A summary of geochemical analysis of samples taken on the H-12 grid is summarized as follows:

Au- 5 of 100 samples range from 10.9-20.3 ppb Au (Figure 9)

Cu- 6 of 100 samples range from 112.9-350.8 ppm Cu

Elevated Cu values are located in the southwest portion of the grid area. These anomalies have not been defined and further sampling is required to define the extent of the anomalies. The elevated Cu is associated with a regional northwest trending fault and this structure requires further follow up exploration. Hand trenching and further soil sampling along the surface trace of the regional fault is recommended.

Figure 6: Stream Sample Map

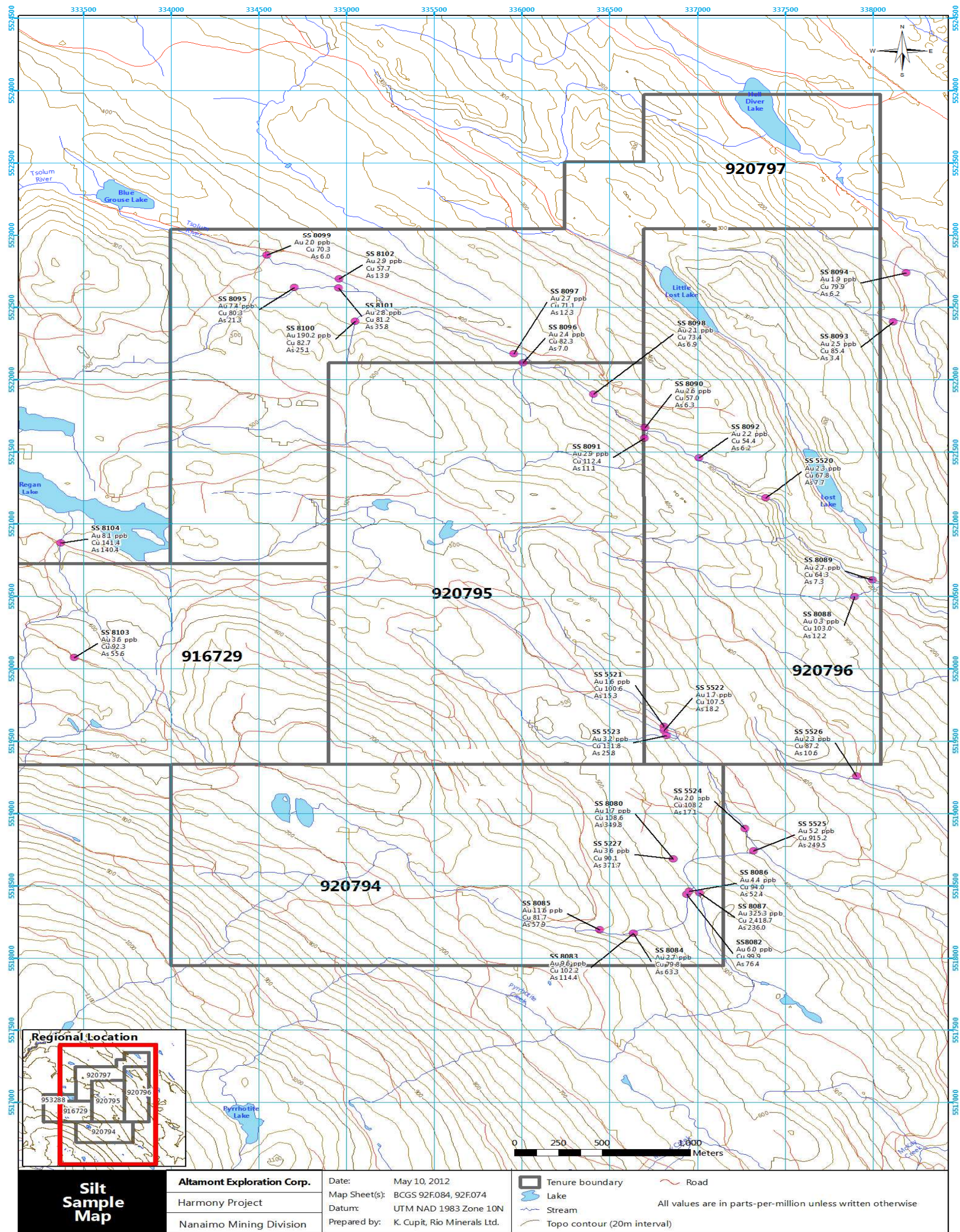


Figure 7: LL-12 Grid Gold

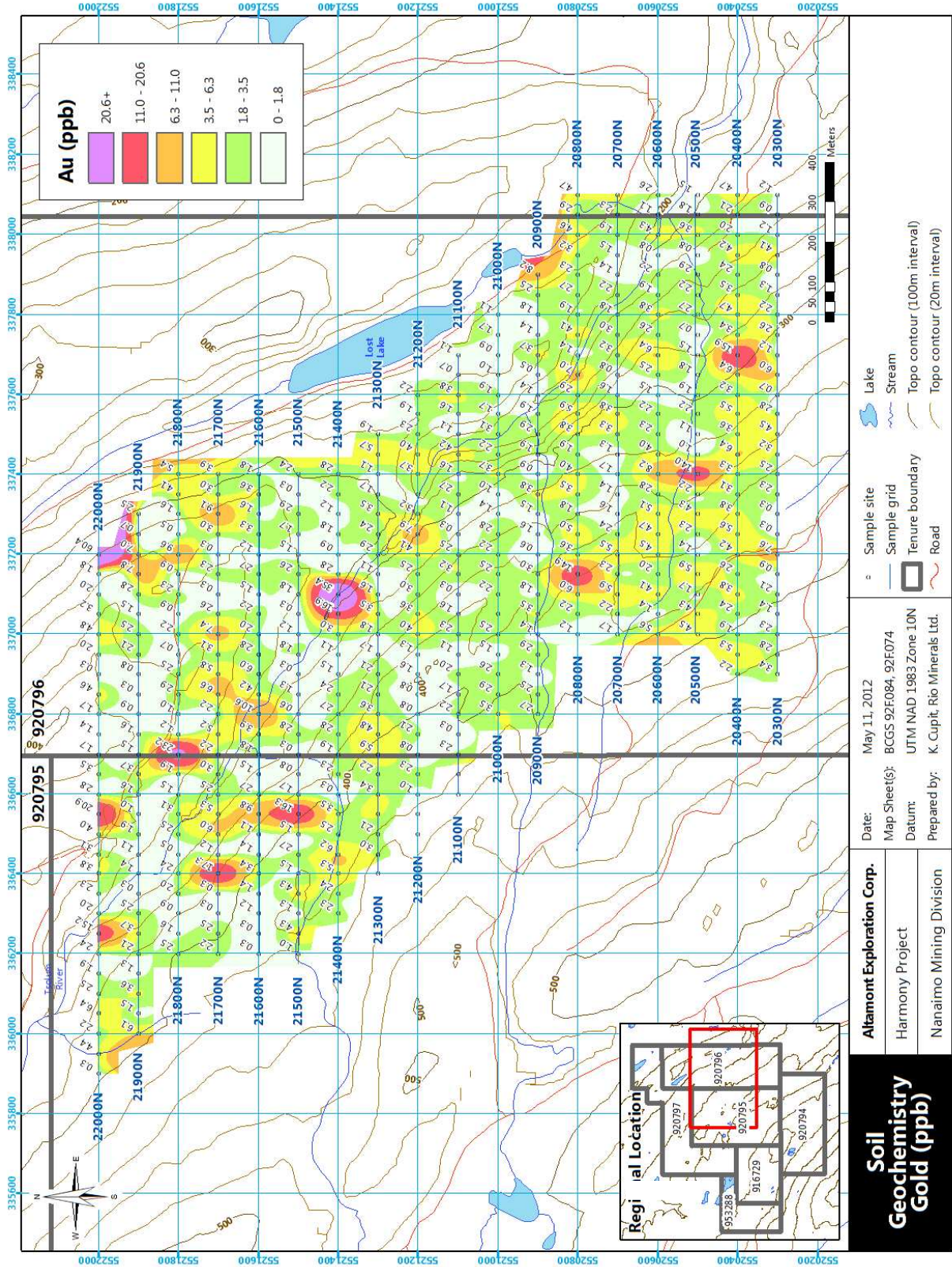


Figure 8: LH-12 Grid Gold

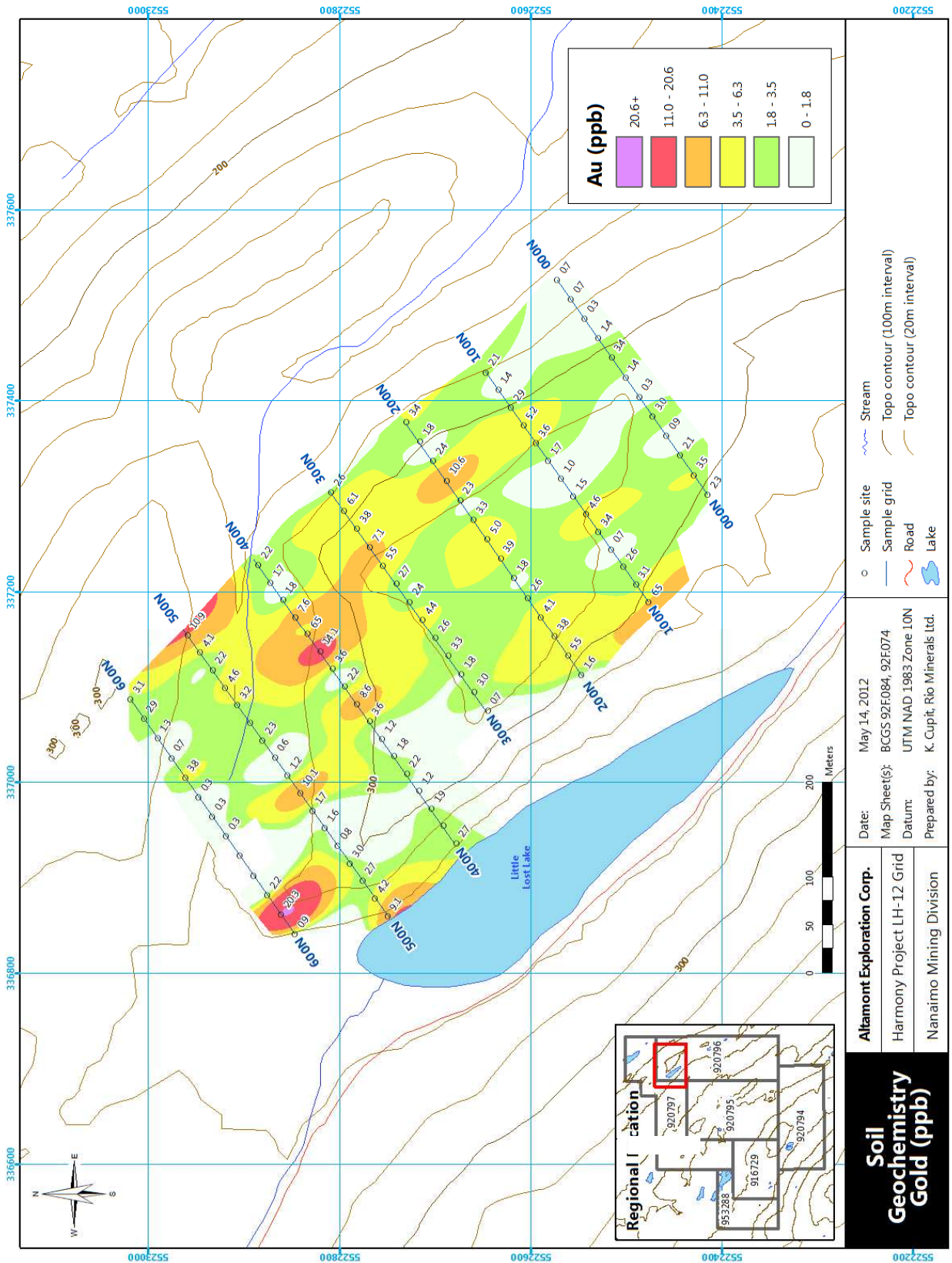
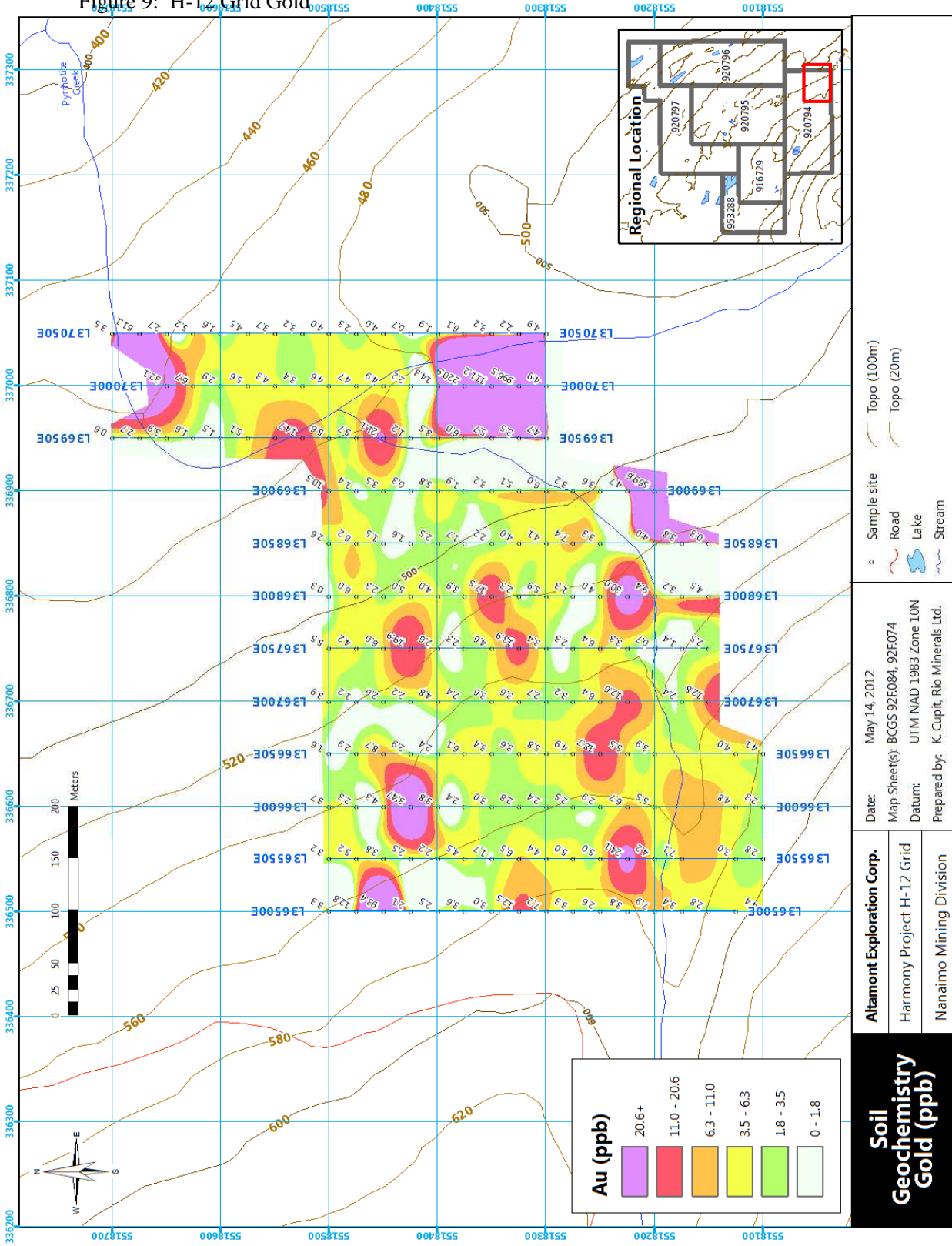


Figure 9: H-12 Grid Gold



## ***Mineralization***

There are several surface showings located on the Harmony Property. A description of mineralization data available from 2006 exploration program and other historical work carried out on the Harmony Property is provided in the following sections:

Faults were exposed only in the bed of Regan Creek and in a rock quarry on Piggott Main. The faults and shears of widely differing attitudes are exposed in these areas and are probably common but unexposed throughout the area. Both steep and shallow dipping faults are important. Sheared basalt and gouge seams mark fault planes. The Harmony Property is characterized by major NW trending extension and normal faults. The faults and shears have widely differing attitudes from steep and shallow dipping faults. Sheared basalt and gouge seams mark fault planes. In the bed of Regan Creek the exposed faults are commonly, and often altered with quartz-carbonate-ankerite as late stage fracture filling extends several metres away from the fault. Some of these altered faults host veins/veinlets of quartz-carbonate, often containing sphalerite, galena, pyrite, chalcopyrite, grey sulfide and realgar. Quartz-carbonate-sulphide mineralization is found in the bed of Regan Creek where outcrops and boulders indicate epithermal style veins. The Harmony Property also hosts the Harmony 7 and Milkideal MINFILE occurrences. Reports of previous geological fieldwork do not describe the Harmony 7 and Milkideal occurrence, however several samples taken returned geochemical analysis with elevated gold-silver-copper-zinc values. The best historic geochemical analysis revealed a sample content of 2.91 grams per tonne gold, 46.97 grams per tonne silver and 0.55 per cent zinc (Paquet, 1991).

Lost Lake and Little Lost Lake are located in the northeast portion of the Harmony Property. The two lakes are situated adjacent to a major regional fault structure (azimuth 150 degrees). This regional fault occurs on the east side of both lakes and extends 5 kilometres to the southeast. Smaller scale faulting is localized adjacent to the regional fault. Near Lost Lake, the Tsolum River runs southeast and there are some southeast trending fault structures as well as conjugate east trending faults that follow creeks.

The Lost Lake and Little Lost Lake grid areas are underlain by amygdaloidal basalt with 0.1-1% disseminated magnetite, 0.1-5% chlorite, 0.1-0.5% calcite (as fracture filling), variable silicification consisting of 0.1-3% late-stage milky and partly clear quartz veining 0.1-3 cm width, minor vuggy quartz, and 0.1-1% disseminated & fracture filling pyrite (minor pyrrhotite). Occasionally, chalcopyrite, arsenopyrite and malachite (secondary) occur as disseminations and blebs.

Geochemical sample grids emplaced during the 2012 programme on Lost Lake and Little Lost Lake, reveal elevated Cu in soil located near Tsolum River in the grid area 200-600 metres southeast of Lost Lake and 150 trending regional fault immediately northeast of Little Lost Lake. The copper in soil anomalies at Lost Lake and Little Lost Lake are defined by sample analysis as having values greater than 112 ppm Cu, with a maximum value of 409.4 ppm Cu on Lost Lake grid, and 350.8 ppm Cu on Little Lost Lake grid. Bedrock in the area of anomalous copper in soil anomalies consists of amygdaloidal basalt with variable (0.1-5% by volume) quartz-calcite-chlorite alteration, sparse disseminated & fracture filling pyrite-pyrrhotite, and trace amounts of chalcopyrite, arsenopyrite & malachite.

## **DRILLING**

Altamont has not performed drilling on the Harmony Property to date.

## **SAMPLING PREPARATION, ANALYSIS AND SECURITY**

The author was present at the time of the 2012 work program and was responsible for the collection all of the rock samples. The rock and soil samples were collected at regular intervals from the potential mineralized locations and other areas of geological interest. Based on the author's field work and the results of the exploration work, the samples appear to be representative of the sample locations indicated.

The rock chip channel samples collected during 2012 were placed in marked poly bags, sealed with zap straps, placed into marked rice bags, double sealed with zap straps, and shipped directly to Acme Analytical Laboratories of Vancouver, British Columbia for Group 1DX2 - 31 element ICP analysis.

Stream sediment samples collected during this survey were placed in Hubco silt sample bags, which were then dried, placed into marked poly bags, sealed with zap straps, placed into marked rice bags, double sealed with zap straps, and shipped directly to Acme Analytical Laboratories of Vancouver, British Columbia for Group 1DX15 - 36 elements ICP analysis.

Soil samples from the 2012 exploration work were collected from the "B" horizon, typically at a depth of 20-50 cm, with a shovel and spoon. Soil samples were placed in marked Kraft envelopes, which were then dried, placed into marked poly bags, sealed with zap straps, placed into marked rice bags, double sealed with zap straps, and shipped directly to Acme Analytical Laboratories of Vancouver, British Columbia for Group 1DX15 - 31 element ICP analysis.

All the rock and soil samples collected during 2012 exploration work were prepared and analyzed by Acme Analytical Laboratories, which is an independent accredited laboratory located in Vancouver, BC. Canada. Acme Analytical Laboratories is currently registered with ISO 9001:2000 and ISO/IEC 17025:2005 accreditation which requires implementing and maintaining a quality assurance system that is compliant with one of the three applicable models (i.e. ISO 9001, 9002 or 9003).

Each soil sample was dried and sieved to provide an -80-mesh fraction. A 30 gm split was collected from the -80-mesh fraction. All samples were leached with 60ml 2-2-2 HCL-HNO<sub>3</sub>-H<sub>2</sub>O at 95°C for one hour and then diluted to 200ml. (Acme analysis code Group 1-DX).

All rock samples were crushed to -10 mesh followed by pulverizing a 250-gram split to -150 mesh (95%). A 30-gram cut of the -150-mesh material from each sample was then analyzed for Group 1DX2 - 31 element ICP analysis. (Acme Analytical Laboratories analysis code Group 1-DX2).

All sample pulps and rejects are stored by Acme Analytical Laboratories in Vancouver, British Columbia.

All of the samples are recorded in a number of digital database formats, using Excel spreadsheets.

The sample preparation, security and analytical procedures used by the laboratories are considered adequate by the author for the 2012 exploration work as conducted by Altamont.

During the March-April, 2012 Harmony exploration programme, a total of 50 rock samples were collected by the author and were placed in marked poly bags. All the rock samples were under the care and control of the author and a witness sample of each rock sample was retained and is available for viewing. The samples were prepared and analyzed by Acme Analytical Laboratories in Vancouver, BC. Canada using analytical code 1DX2.

For the present study, the sample preparation, security and analytical procedures used by the laboratories are considered adequate. No officers, directors, employees or associates of Altamont were involved in sample preparation. The samples are considered to be representative of dominant mineralization type expected on the Harmony Property.

Geological work was performed on the Harmony Property by the author. The samples collected are considered to represent the possible types of mineralization present on the Harmony Property.

The author was present at the time of the 2012 work program and was responsible for the collection of all of the rock samples. The rock and soil samples were collected at regular intervals from the potential mineralized locations and other areas of geological interest. Based on the author's field work and the results of the exploration work, the samples appear to be representative of the sample locations indicated.

The samples were delivered to Acme Analytical Laboratories labs in Vancouver, an accredited laboratory in Canada, for Group 1DX2 – 36 elements ICP-MS.

## **MINERAL PROCESSING AND METALLURGICAL TESTING**

The author has not found any evidence of mineral processing and metallurgical testing on the Harmony property.

## **INTERPRETATION AND CONCLUSIONS**

The Harmony Property lies within a geological and structural environment located proximal to the prolific Mount Washington-Domineer deposit. The Harmony Property mineral claims contain the Harmony-7 and Milkideal mineral showings.

The data presented in this report is based on published assessment reports available from the British Columbia Ministry of Mines, Minfile data, the Geological Survey of Canada, and the Geological Survey of BC. Data was collected by the author from work conducted during March and April of 2012 on the Harmony Property. The historical information and data collected during the course of present study is considered sufficient to provide an opinion about the merit of the Harmony Property as a viable exploration target.

The mineralization found on the Harmony Property may have formed as mesothermal veins along structures related to Middle Jurassic thrust faults marginal to ophiolitic crustal and or mantle lithologies. The most applicable deposit model considered for the Harmony Property is Au-Cu Vein model which requires a systematic exploration approach by understanding local geology, structure, alteration, and geochemical trends. The available historical data and reports suggest that the distribution of many mineral deposits in south-eastern British Columbia is controlled, at least in part, by deep crustal structures. The crustal structures appear to have controlled the distribution of granitic magmas, outflow of hydrothermal fluids, and the formation of a variety of mineral deposit types.

The stream sediment survey results indicated that the Harmony area stands out in terms of relative concentration of gold, copper, and lead.

The 2012 exploration work has outlined soil geochemical anomalies on all three exploration grids and in the Regan Lake area. The highest areas of anomalous geochemical response may indicate areas of buried undiscovered mineralization and should be investigated by a program of thorough geophysical surveying, prospecting, trenching, and more detailed geochemical/geophysical surveys in the areas of greatest interest.

Based on the review of the historical data and results of present study, it is concluded that the Harmony Property is a property of merit and possesses a good potential for discovery of copper, gold and other mineralization. Good road access and availability of exploration and mining services in the vicinity makes it a worthy mineral exploration target.

The author is of the opinion that the present study has met its original objectives and provides the basis for listing on the TSX Venture Exchange.

## **RECOMMENDATIONS**

In the qualified person's opinion the character of the Harmony Property is sufficient to merit the following phased work program. This can be accomplished through a two phase exploration program, where each phase is contingent upon the results of the previous phase.

### ***Phase 1 – Data Compilation, Geophysical Surveying, Trenching and Sampling***

The suggested Phase 1 work program includes compilation of all the historical geological, geophysical and geochemical data available for the Harmony Property, and rendering this data into a digital database in GIS formats for further interpretation. This work will include georeferencing historical survey grids; samples, trenches, geophysical survey locations, and detailed property geological maps.

The fieldwork component of this phase will include geophysical surveying, geological mapping, and trenching and sampling as warranted on the soil geochemical anomalies, geophysical survey trends, and historical trenching and locations. The intent of this work would be to define the relationship of soil geochemical anomalies with the underlying and exposed bedrock mineralization. A 20-line kilometre 3-D Induced Polarization ground geophysical survey is proposed as part of this exploration. This work should be carried out on the following target areas: LH-12, LL-12, south of Regan Lake, and the H-12 areas. As well, continue to map, prospect, and sample the entire property.

## BUDGET – Phase 1

Item	Unit	Rate	Number of Units	Total (\$)
GIS Software Licensing	Lump Sum	\$2,500	1	2,500
Maps production and Report	Lump Sum	\$10,000	1	10,000
Bond and permitting	Lump Sum	\$10,000	1	10,000
3-D IP Geophysical Survey	line-km	\$3,500	20	70,000
Geological mapping and Prospecting 2 persons crew	days	\$1,100	35	38,500
Geologist	days	\$600	35	21,000
Assaying rock samples	sample	\$35	500	17,500
Trenching	days	\$1,000	10	10,000
Accommodation and Meals	days	\$200	105	21,000
Vehicles : 2 – 4x4 trucks	days	\$300	30	9,000
Supplies and Rentals	Lump Sum	\$7,000	1	7,000
Reports	Lump Sum	\$15,000	1	15,000
		Subtotal		\$231,500
Contingency (10%)				\$23,150
Total (Canadian Dollars)				\$254,650

### *Phase 2 – Diamond Drilling and Extension of Survey Grids*

Contingent upon favourable results from the Phase 1 work program, a carefully thought out Phase 2 program would include extension of the previous geochemical and geophysical surveys, and diamond drilling. The scope of work and cost of this phase will be based upon the findings of the Phase 1 exploration programme and is expected to be \$300,000

## USE OF PROCEEDS

### Funds Available

The gross proceeds of the Offering to the Issuer will be \$750,000. The estimated net proceeds of the Offering to the Issuer after deduction of the anticipated Agent's Commission of \$60,000 will be \$690,000.

The total funds available to the Issuer at the close of the Offering including the estimated working capital of approximately \$105,479\* as at October 31, 2012 and the net offering of \$690,000 are estimated to be \$795,479.

\*This figure takes into account the \$15,000 Harmony Property payment which has been accrued as a current liability in the June 30, 2012 audited financial statements. The \$15,000 will be paid for the Harmony Property on the Listing Date.

### Principle Purposes

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

<b>Expenditure</b>	<b>Minimum (\$)</b>
Pay the balance of the costs of the Offering <sup>(1)</sup>	80,000
Pay the estimated cost of the recommended work program <sup>(2) (3)</sup>	254,650
General and administrative expenses for next 12 months	177,000
Unallocated working capital	283,829
<b>TOTAL</b>	<b>\$795,479</b>

(1) Includes the balance of legal, printing and audit costs. See "Plan of Distribution".

(2) See "Harmony Property".

(3) See "Harmony Property – Recommendations"

The Issuer expects to incur approximately \$17,750 in general and administrative costs on a monthly basis to cover the expenses of operating as a public company over the next twelve (12) months. A breakdown of the estimated general and administrative costs for that period is as follows:

	<b>(\$)</b>	<b>(\$)</b>
	<b>Monthly</b>	<b>Annual</b>
Audit Expense	2,000	24,000
Management Fee	8,500	102,000
Rent	1,500	18,000
Legal	500	6,000

	(\$)	(\$)
	<b>Monthly</b>	<b>Annual</b>
Miscellaneous Office and Supplies	250	3,000
Transfer Agent and Regulatory Filing Fees	1,500	18,000
Travel and Accommodation	500	6,000
<b>Total:</b>	<b>\$14,750</b>	<b>\$177,000</b>

The Issuer had a negative cash flow from operations of \$31,829 for the year ended June 30, 2012 and \$27,785 for the three months ended September 30, 2012. The Company anticipates that, as a junior mineral exploration company, it will continue to have negative operating cash flow in the future and the amounts allocated to the recommended exploration program in the use of funds table above will be used to fund such negative operating cash flow. See also “*Risk Factors – No History of Earnings*”.

### **Business Objectives and Milestones**

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

The Issuer’s business objectives of completing the Offering and listing on the Exchange will occur on the Closing Date and the Listing Date respectively. The cost of covering administrative costs for the first 12 months following listing is estimated at \$177,000. The Issuer’s business objective of completing the recommended work program on the Harmony Property is currently expected to occur over the course of one year following the Closing Date. The cost for the recommended Phase I work program as set out in the Technical Report is estimated at \$254,650.

<u>Event</u>	<u>Time Frame</u>
Closing of the Offering	Within 90 days of issuance of receipt for final Prospectus
To carry out the recommendations of the Technical Report on the Harmony Property	Within one year of listing the Shares on the Exchange

See “*Our Business*” and “*Harmony Property*”.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

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

## ***Annual Information***

The following table is a summary of selected financial information for the Issuer for the period from incorporation on January 16, 2012 to June 30, 2012, and for the three month period ending September 30, 2012. The information presented below has been summarized from the Issuer's audited yearend financial statements for the period from incorporation on January 16, 2012 to June 30, 2012, and for the unaudited financial statements for the three months ended September 30, 2012, included elsewhere in this Prospectus.

	<b>Three months ended September 30, 2012 (unaudited)</b>	<b>Period from incorporation to June 30, 2012 (audited)</b>
Gain (Loss)	\$ (15,199)	\$ (82,830)
Loss per Share (Basic and Diluted)	(0.00)	(0.02)
Total Assets	308,971	331,170
Total Long-term Liabilities	Nil	Nil
Number of Shares Outstanding	6,120,000	6,120,000

## ***Management's Discussion and Analysis***

The following information should be read in conjunction with the Issuer's audited financial statements for the period from incorporation on January 16, 2012 to June 30, 2012 and the Issuer's unaudited financial statements for the three month period ended September 30, 2012 and related notes.

The following management discussion and analysis of the financial condition and results of operations of the Issuer was prepared by management of the Issuer based on information available as at October \*, 2012.

### ***Overall Performance***

The Issuer was incorporated on January 16, 2012 under the *Business Corporations Act* (British Columbia). The Issuer is engaged primarily in the business of evaluating, acquiring and, if warranted, developing natural resource properties in British Columbia. The Issuer holds, subject to a 2% NSR royalty, an option to acquire an undivided 100% interest in and to the Harmony Property, an exploration property situated in British Columbia as further described under the heading "*Our Business*". Following completion of the Offering, the Issuer plans to conduct the Phase I recommended work program on the Harmony Property, the details of which are described in the Technical Report. See "*Harmony Property*".

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

### ***Results of Operations***

During the period from incorporation to June 30, 2012, and for the three months ended September 30, 2012, the Issuer was primarily involved with acquiring interests in a mineral property, the Harmony Property, and taking the necessary steps to prepare for the Offering. See "*Our Business*". In order to commence preparation for the Offering, the Issuer raised net proceeds from sales of Shares totaling \$327,000.

During the period of incorporation on January 16, 2012 to June 30, 2012, the Issuer's net loss and comprehensive loss was \$82,830. The Issuer recorded expenses of \$82,830 that is mainly comprised of

the following: office and miscellaneous of \$830, professional fees of \$12,000, rent of \$3,000, management fees of \$7,000, share based compensation of \$60,000. The general and administrative expenses primarily related to the Issuer's preparation for an initial public offering of its Shares.

During the three month period ended September 30, 2012, the Issuer's net loss and comprehensive loss was \$15,199. The Issuer recorded expenses of \$15,201 that is comprised of the following: office and administration of \$201, management fees of \$10,500, and rent of \$4,500. The general and administrative expenses primarily related to the Issuer's preparation for an initial public offering of its Shares.

As at September 30, 2012, and the date hereof, there were 6,120,000 Shares issued and outstanding.

During the three months ended September 30, 2012, the Company incurred a loss of \$15,199 which was a decrease from the loss of \$22,807 incurred during the three months ended June 30, 2012. This is mainly due to the decrease in professional fees associated with the annual audit of the financial statements.

### **Liquidity and Capital Resources**

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

For the period from incorporation on January 16, 2012 to June 30, 2012 and the three months ended September 30, 2012 the Issuer's capital resources were limited to the \$327,000 raised from the sale of Shares. Since the Issuer does not expect to generate any revenue in the near future, it will continue to rely primarily upon the sale of Shares to raise capital. There can be no assurance that financing will be available to the Issuer when required or at all.

As at September 30, 2012, the Issuer is committed to incur \$38,121 in eligible expenditures in order to complete obligations entered into pursuant to flow-through share purchase agreements. Other than this commitment and as described under the heading "Use of Proceeds" the Issuer does not have any other commitments for material expenditures over the near or long term and none are presently contemplated over and above normal operating requirements. The estimated balance of the costs of this Offering of \$80,000, the \$254,650 cost of the proposed Phase I exploration program, the property payment of \$15,000 payable pursuant to the Option Agreement and the estimated general and administrative costs to be incurred by the Issuer for the 12 months following completion of the Offering of \$177,000 are all expected to be paid from the net proceeds of this Offering. Upon completion of the Offering, it is expected that the Issuer will have available funds of \$814,392. The Issuer believes that this amount will be adequate to meet its business objectives and projected working capital and other cash requirements for the 12 month period following completion of the Offering. There can be no assurance, however, that these funds will be sufficient and the Issuer may have to seek additional means of financing, including debt or equity financing. See "*Risk Factors*".

### **Off Balance Sheet Transactions**

The Issuer has no off-balance sheet arrangements.

### Transactions with Related Parties

During the three months ended September 30, 2012, the Issuer entered into the following transactions with related parties:

Paid or accrued management fees of \$10,500 to Progressive, a private company owned by Messrs. Sojonky and Kottmeier, directors of the Issuer pursuant to the Management Services Agreement. Paid or accrued rent of \$4,500 to Progressive, a private company owned by Messrs. Sojonky and Kottmeier, directors of the Issuer, pursuant to the Office Service Agreement.

#### *Key management personnel compensation*

	<b>September 30, 2012</b>
Rent and management fees	\$ 15,000

During the period of incorporation to June 30, 2012, the Issuer entered into the following transactions with related parties:

Paid or accrued management fees of \$7,000 to Progressive, a private company owned by Messrs. Sojonky and Kottmeier, directors of the Issuer pursuant to the Management Services Agreement. Paid or accrued rent of \$3,000 to Progressive, a private company owned by Messrs. Sojonky and Kottmeier, directors of the Issuer, pursuant to the Office Service Agreement.

#### *Key management personnel compensation*

	<b>June 30, 2012</b>
Rent and management fees	\$ 10,000

### Financial Instruments

As at September 30, 2012, the Issuer's financial instruments were comprised of cash and accrued liabilities. The carrying value of accrued liabilities approximates their fair value due to their short-term maturity. The Issuer is exposed in varying degrees to a variety of financial instrument and related risks. Those risks and management's approach to mitigating those risks is as follows:

i) Credit risk

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

ii) Interest rate risk

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

iii) Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Issuer's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2012, the Issuer had a cash balance of \$117,807 and accounts receivable of \$5,085 to settle current liabilities of \$20,000. All of the Issuer's accounts payable relating to exploration and evaluation of assets and other accounts payable and accrued liabilities are due within one (1) year.

iv) Price risk

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

v) Sensitivity analysis

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

### **Accounting Policies**

Detailed disclosure of the Issuer's significant accounting policies is included in note 2 to the audited financial statements included in and forming part of this Prospectus.

### **Accounting Standards Issued but not yet Effective**

A number of new standards, amendments to standards and interpretations have been issued, but are not yet effective and have not been applied in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Issuer.

IFRS 9 - *Financial Instruments* covers the classification and measurement of financial assets as part of its project to replace IAS 39, *Financial Instruments: Recognition and Measurement*. In October 2010, the requirements for classifying and measuring financial liabilities were added to IFRS 9. Under this guidance, entities have the option to recognize financial liabilities at fair value through earnings. If this option is elected, entities would be required to reverse the portion of the fair value change due to own credit risk out of earnings and recognize the change in other comprehensive income. IFRS 9 is effective for the Issuer on October 1, 2013. Early adoption is permitted and the standard is required to be applied retrospectively. There will be no significant impact the Issuer upon implementation of the issued standard.

IFRS 10 – *Consolidated Financial Statements* replaces the guidance on control and consolidated in IAS 27, *Consolidated and Separate Financial Statements*, and SIC-12, *Consolidation – Special Purpose Entities*. IFRS 10 changes the definition of control under IFRS so that the same criteria are applied to all entities to determine control. The Issuer anticipates that the adoption of this standard will have no material impact.

IFRS 11 – *Joint Arrangements* replaces IAS 31, *Interests in Joint Ventures*. IFRS 11 reduces the types of joint arrangements to two: joint ventures and joint operations. IFRS 11 requires the use of equity accounting for interests in joint ventures, eliminating the existing policy choice of proportionate consolidation for jointly controlled entities under IAS 31. Entities that participate in joint operations will follow accounting much like that for jointly controlled assets and jointly controlled operations under IAS 31. The Issuer anticipates that the adoption of this standard will have no material impact.

IFRS 12 – *Disclosure of Interests in Other Entities* sets out the disclosure requirements for entities reporting under IFRS 10 and IFRS 11, and replaces the disclosure requirements currently found in IAS 28, *Investments in Associates*. The Issuer anticipates that the adoption of this standard will have no material impact.

IFRS 13 – *Fair Value Measurement* sets out a framework for measuring fair value and the disclosure requirements for fair value measurements.

IAS 1 – *Presentation of Items of Other Comprehensive Income*. In June 2011, the IASB issued amendments to IAS1 *Presentation of Financial Statements* to split items of other comprehensive income (OCI) between those that are reclassified to income and those that are not. The standard is required to be adopted for periods beginning on or after July 1, 2012. The Issuer is currently evaluating the impact that the standard may have on its financial statements.

IAS 12 – *Income Taxes* provides a practical solution to determining the recovery of investment properties as it relates to the accounting for deferred income taxes. This amendment is effective for annual periods beginning on or after October 1, 2013, with earlier adoption permitted. The Issuer does not anticipate this amendment to have a significant impact on its financial statements.

### ***Other MD&A Requirements***

#### *Additional Disclosure for Venture Issuers without Significant Revenue*

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

#### *Disclosure of Outstanding Security Data*

As at the date of this Prospectus, the Issuer has one class of share capital, being an unlimited number of Shares without par value, of which 6,120,000 Shares are currently issued and outstanding. Other than the Agent's Warrants and the Incentive Stock Options, the Issuer has no securities convertible into, or exercisable, to acquire its Shares. See "*Description of Securities Distributed*" and "*Options to Purchase Securities*".

### ***Additional Disclosure for Junior Issuers***

The Issuer has had negative cash flow since incorporation. The proceeds raised under this Prospectus are expected to fund the operations of the Issuer for a period of 12 months after completion of the Offering. See “*Use of Proceeds-Principal Purposes*” for detailed information concerning the general and administration expenses for the 12-month period following the completion of the Offering. The estimated total operating costs necessary for the Issuer to achieve its stated business objectives during the 12 month period subsequent to the completion of the Offering is approximately \$814,392, including all material capital expenditures during that period.

### **PLAN OF DISTRIBUTION**

Pursuant to the Agency Agreement dated ♦ ♦, 2012, between the Issuer and the Agent, the Issuer has appointed the Agent to act as its exclusive agent to offer for distribution in the Selling Jurisdictions, on a commercially reasonable efforts basis, 5,000,000 Offered Shares for sale to the public by the Agent at an Offering Price of \$0.15 per Offered Share. The Issuer will pay the Agent an Agent’s Commission equal to 8% of the gross proceeds of the Offering in cash. The Agent will also be issued 100,000 Compensation Shares upon the closing of the Offering. The Agent has been granted the Agent’s Warrant to purchase 500,000 Shares which is equal to 10% of the aggregate number of Offered Shares sold under this Prospectus at an exercise price of \$0.15 per Share for a period of twenty-four months from the Listing Date. The Agent has been paid a Work Fee of \$10,000 plus HST and \$15,000 for legal and corporate finance expenses which will arise from its duties as Agent in connection with the Offering for an aggregate total of \$26,200 as a non-refundable deposit.

This Prospectus qualifies for distribution the Compensation Shares and the Agent’s Warrants in the Selling Jurisdictions to the extent permitted by NI 41-101. NI 41-101 restricts the maximum number of securities which may be qualified under a prospectus being issued to an Agent as compensation to not more than 10% of the number of securities being offered. For the purposes of this Offering, the Compensation Shares and Agent’s Warrants totaling up to 10% of the number of Offering Units sold are Qualified Compensation Securities and are qualified for distribution by this Prospectus. To the extent that the Agent is entitled to receive securities as compensation exceeding 10% of the Offered Units, those securities exceeding the 10% threshold will not be Qualified Compensation Securities, will not be qualified for distribution under this Prospectus, and will be subject to a four month hold period in accordance with applicable securities laws.

The obligation of the Agent under the Agency Agreement may be terminated at its discretion on the basis of its assessment of the state of financial markets or upon the occurrence of certain stated events. The Agent has reserved the right to offer selling group participation in the Offering to other registered representatives. Any fee paid to such selling group will be paid by the Agent out of the Agent’s Commission. The Offering Price was determined by negotiations between the Issuer and the Agent.

Subscriptions will be received subject to rejection in whole or in part and the right is reserved to close the subscription books at any time without notice.

The Agent hereby conditionally offers, as Agent on behalf of the Issuer, the Offered Shares on a commercially reasonable efforts basis, subject to prior sale if, as, and when issued. The Closing is conditional upon, among other things, the receipt of subscriptions for 5,000,000 Offered Shares no later than 90 days after the final Prospectus receipt date. If the Offering has not been fully subscribed the Agent shall promptly return the proceeds of subscription without interest or deduction.

The purchase price of the Offered Shares being offered under the Offering was determined by arm's length negotiations between the Company and the Agent. The Agent did not require, suggest or consent to the decision of the Company to offer the Offered Shares under the Offering. The Company is not indebted to the Agent. The proceeds of the Offering will not be used for the benefit of the Agent in any manner, except that the Agent will, on Closing of the Offering, in consideration for acting as agent of the Offering, receive the Agent's Commission in the amount of 8% of the gross proceeds from the Offering. The Issuer has already paid a Work Fee of \$10,000 plus HST. In addition, the Agent will receive the Compensation Shares and the Agent's Warrants equal to 10% of the number of Offered Shares sold pursuant to the Offering, with each of the agent's Warrant entitling the Agent to purchase one Share at a price of \$0.15 for a period of two years from Closing.

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

The Shares offered hereby have not been and will not be registered under the United States *Securities Act of 1933*, as amended, and may not be offered or sold within the United States or to U.S. persons except in certain transactions exempt from the registration requirements of the United States *Securities Act of 1933*.

## **LISTING APPLICATION**

Concurrent with the filing of this Prospectus, the Issuer intends to make an application to list the Shares on the TSX-V. Listing will be subject to the Issuer fulfilling all of the listing requirements of the TSX-V which include completion of the distribution of the minimum number of public shareholders.

## **DESCRIPTION OF SHARE CAPITAL**

### **Authorized and Issued Share Capital**

The Issuer is authorized to issue an unlimited number of Shares without par value, of which 6,120,000. Shares are issued and outstanding as fully paid and non-assessable as of the date hereof.

### **Common Shares**

All of the Shares of the Issuer rank equally as to voting rights, participation in a distribution of the assets of the Issuer on the liquidation, dissolution or winding-up of the Issuer and the entitlement to dividends. The holders of the Shares are entitled to receive notice of all meetings of shareholders and to attend and vote such Shares at the meetings. Each Share carries with it the right to one vote. The Shares do not have pre-emptive rights and are not subject to redemption. Holders of the Shares are entitled to receive such dividends as may be declared by the board of directors out of funds legally available therefore. In the event of dissolution or winding up of the affairs of the Issuer, holders of the Shares are entitled to share rateably in all assets of the Issuer remaining after payment of all amounts due to creditors.

## DESCRIPTION OF THE SECURITIES DISTRIBUTED

The Offering consists of 5,000,000 Shares. For a description of the attributes of the Shares, see “*Description of Share Capital*”.

## DIVIDEND POLICY

There is no restriction that would prevent the Issuer from paying dividends on its Shares. To date, the Issuer has not paid any cash dividends. The Issuer does not anticipate paying any further dividends in the foreseeable future. The Issuer expects to retain its earnings to finance future growth and when appropriate retire debt. Any future determination to pay dividends will be at the discretion of the Board of Directors and will depend on the capital requirements of the Issuer, results of operations and such other factors as the Board of Directors considers relevant.

## PRIOR SALES

The Company has issued the following Shares since incorporation:

<b>Date</b>	<b>Number of Shares</b>	<b>Price per Share</b>	<b>Total Issue Price</b>	<b>Total Cash Consideration</b>
January 24, 2012	1 <sup>(1)</sup>	\$0.01	\$0.01	\$0.01
February 21, 2012	1,500,000 <sup>(2) (3)</sup>	\$0.01	\$12,500	\$12,500
March 2, 2012	3,000,000 <sup>(4)(5)</sup>	\$0.05	\$150,000	\$150,000
June 5, 2012	1,620,000	\$0.10	\$162,000	\$162,000

Notes:

- (1) This share was issued to the incorporator of the Issuer, Krister Kottmeier, and was subsequently cancelled and returned to Treasury.
- (2) 1,500,000 of these Shares are subject to escrow restrictions. See “Escrowed Securities and Other Securities Subject to Resale Restrictions”.
- (3) 250,000 of these Shares are owned by Pink Holdings Inc., a private company wholly owned by Derek C. Pink; 250,000 of these Shares are owned by Dundarave Holdings Inc., a private company wholly owned by Toma S. Sojonky; and 250,000 of the Shares are owned by UnityWest Capital Markets Ltd., a private company wholly owned by Krister A. Kottmeier.
- (4) 3,000,000 of these Shares are subject to escrow restrictions. See “Escrowed Securities and Other Securities Subject to Resale Restrictions”.
- (5) 400,000 of these Shares are owned by Pink Holdings Inc. a private company wholly owned by Derek C. Pink; 400,000 of these Shares are owned by UnityWest Capital Markets Ltd., a private company wholly owned by Krister A. Kottmeier; 400,000 of these Shares are owned by Tyro Industries Corp., a private company wholly owned by Derrick A. Strickland; 400,000 of these Shares are owned by Sojonky Services Ltd., a private company wholly owned by Toma S. Sojonky.

See “*Options to Purchase Securities*” regarding 1,100,000 Incentive Stock Options granted by the Issuer.

## CAPITALIZATION

The following table sets forth the share and loan capital of the Issuer as at June 30, 2012 and at the date of this Prospectus. There is no long term debt. The table should be read in conjunction with the audited financial statements of the Issuer appearing elsewhere in this Prospectus.

Designation of Security	Amount Authorized	Amount Outstanding as at June 30, 2012 (audited)	Amount Outstanding as at the date hereof (unaudited)	Amount Outstanding as at the date hereof assuming completion of the Offering (unaudited)
Shares	Unlimited	6,120,000	6,120,000	11,220,000 <sup>(1)</sup>
Long Term Debt	Nil	Nil	Nil	Nil

(1) Assumes none of the Incentive Stock Option or Agent's Warrants are issued and the 100,000 Compensation Shares have been issued. See "*Options to Purchase Securities*" and "*Plan of Distribution*".

## OPTIONS TO PURCHASE SECURITIES

### Outstanding Options

As of the date of this Prospectus, Incentive Stock Options to purchase an aggregate of 1,100,000 Shares at an exercise price of \$0.15 per Share until 5 years following the Listing Date were authorized on September 18, 2012 to be issued on the Listing Date, the particulars of which are set out below:

Optionee	Number of Shares under Option	Date of Grant
Executive Officers as a group (3 persons)	400,000	Sept. 18, 2012
Directors who are not executive officers (4 persons)	450,000	Sept. 18, 2012
Consultants (3 persons)	250,000	Sept. 18, 2012
Total:	1,100,000	

### Stock Option Plan

The Stock Option Plan was approved by the Board on May 31, 2012.

The purpose of the Stock Option Plan is to provide for the acquisition of Shares by officers, employees, directors and consultants of the Company for the purpose of advancing the interests of the Company through the motivation, attraction and retention of officers, employees, directors and consultants of the Company and its affiliates and to secure for the Company and its shareholders the benefits inherent in the ownership of Shares by such persons, it being generally recognized that share incentive plans aid in attracting, retaining and encouraging such people due to the opportunity offered to them to acquire a proprietary interest in the Company.

Under the Stock Option Plan, the Company can issue up to 10% of the issued and outstanding Shares as incentive stock options to directors, officers, employees and consultants to the Company. The Stock Option Plan limits the number of stock options which may be granted to any one individual to not more than 5% of the total issued Shares of the Company in any 12 month period. The number of options granted to any one consultant or a person employed to provide investor relations activities in any 12 month period must not exceed 2% of the total issued Shares of the Company. As well, stock options granted under the Stock Option Plan may be subject to vesting provisions as determined by the Board of Directors.

- (a) a condition that options are non-assignable and non-transferable;
- (b) the term of an option cannot exceed ten years from the date of grant;
- (c) a condition that no more than 5% of the issued shares of the Company may be granted to any one individual in any 12 month period unless disinterested shareholder approval is obtained;
- (d) a condition that no more than 2% of the issued shares of the Company may be granted to any one consultant in any 12 month period;
- (e) unless otherwise determined by the directors an optionee can exercise one-third of the options at any time, after the first year an additional one-third and after the second year an additional one-third;
- (f) a condition that no more than an aggregate of 2% of the issued shares of the Company may be granted to a person conducting investor relations activities in any 12 month period and shall vest over 12 months with no more than 25% of the options vesting in any three month period;
- (g) the period in which an optionee's heirs or administrators can exercise any portion of its outstanding options is the earlier of: (a) one year from the optionee's death, or (b) the expiration of the option period.

The Stock Option Plan will be administered by the board of directors of the Issuer, or delegated to a committee of three directors of the Issuer which will have full and final authority with respect to the granting of all options thereunder. No such committee has been set up.

### **PRINCIPAL SHAREHOLDERS**

Each of the directors currently own, directly or indirectly, or exercise control or direction over more than 10% of the Shares of the Company as at the date of this Prospectus. No one will directly exercise control or direction over more than 10% of the Shares of the Company on completion of the Offering.

Name of Shareholder <sup>(1)</sup>	No. of Shares <sup>(2)</sup>	% as at the date of this Prospectus	% upon completion of the Offering <sup>(3)</sup>	Number and % on a fully diluted basis <sup>(4)</sup>
Derek C. Pink	650,000	10.62%	5.79%	6.24%
Toma S. Sojonky	650,000	10.62%	5.79%	6.24%
Krister A. Kottmeier	650,000	10.62%	5.79%	6.24%
Derrick A. Strickland	650,000	10.62%	5.79%	6.24%

- (1) The shares are beneficially owned both directly and indirectly. See “*Directors and Officers*” for details of the Share ownership.
- (2) The shares are held indirectly and directly, both beneficially and of record and are held in escrow. See “*Principal Shareholders*” for the details of the registered ownership of the Shares. See “*Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer*.”
- (3) Assumes these individuals do not participate in the Offering, the Agent’s Warrants are not exercised, Incentive Stock Options held by such individuals are not exercised and the Compensation Shares are issued.
- (4) Assumes the Agent’s Warrants and the Incentive Stock Options are exercised.

## DIRECTORS AND OFFICERS

### Name, Address, Occupation and Security Holding

The following table sets out information regarding each of the Issuer’s directors and officers, including the municipality of residence, the position and office held and the period of time served in this position, their principal occupation for the previous five years and the number and percentage of securities beneficially owned, directly or indirectly, or over which control or direction is exercised.

Name, place of residence and position with Issuer	Date appointed as a director or officer	Present and principal occupation during the last five years	Number Shares held prior to the Offering
<b>Derek C. Pink</b> BC, Canada <i>President, Director and Chief Executive Officer</i>	January 24, 2012	A self-employed business consultant; director and officer of two listed companies which are listed below in Biographical Information.	650,000 <sup>(2)</sup> 10.62%
<b>Toma S. Sojony</b> BC, Canada <i>Director</i>	January 24, 2012	A self-employed business consultant; director and officer of several listed companies which are listed below in Biographical Information.	650,000 <sup>(3)</sup> 10.62%
<b>Krister A. Kottmeier</b> <sup>(1)</sup> BC, Canada <i>Director</i>	January 24, 2012	President and director of UnityWest Capital Markets Ltd. since October 2003 and a self-employed business consultant. Director and officer of several listed companies which are listed below in Biographical Information.	650,000 <sup>(4)</sup> 10.62%
<b>Derrick A. Strickland</b> <sup>(1)</sup> BC, Canada <i>Director</i>	January 24, 2012	A self-employed professional geologist; director and officer of several listed companies which are listed below in Biographical Information.	650,000 <sup>(5)</sup> 10.62%
<b>Margo J. Peters</b> <sup>(1)</sup> BC, Canada Corporate Secretary Director	January 24, 2012 May 31, 2012	A corporate paralegal, employed by Progressive Exploration Group (2008) Inc. (“Progressive”) since April 2011. Corporate Secretary since September 2011 and director since April, 2012 of Seaborne Minerals Inc since September 30, 2011; Corporate Secretary of several listed companies which are listed below in “Biographical Information”.	350,000 5.72%
<b>Alyssa Weyrauch</b> BC, Canada Chief Financial Officer	January 24, 2012	A certified general accountant; employed as Corporate Accountant for Progressive Exploration Group (2008) Inc. from June 1, 2011 to present; Senior Accountant for Norpac Controls from September 2009 to May 2010; Accountant for Ucore	250,000 4.08%

Name, place of residence and position with Issuer	Date appointed as a director or officer	Present and principal occupation during the last five years	Number Shares held prior to the Offering
	(Officer only)	Uranium from June 2008 to July 2008; Controller for Walsh King, Chartered Accountants from August 2007 to May 2008; Assistant Controller for Great Panther Resources from March 2007 to July 2007.	

- (1) Member of the Issuer's audit committee.
- (2) Mr. Pink's Shares are held indirectly by Pink Holdings Ltd.
- (3) Mr. Sojonky's Shares are held indirectly by Dundarave Holdings Inc. as to 250,000 Shares and by Sojonky Services Ltd. as to 400,000 Shares:
- (4) Mr. Kottmeier's Shares are held indirectly by UnityWest Capital Markets Ltd.
- (5) Mr. Strickland owns 400,000 Shares indirectly through Tyro Industries Ltd.

The term of office of all of the directors will expire on the date of the next annual general meeting of the Issuer's shareholders.

As at the date of this Prospectus, the directors and officers of the Issuer, as a group, beneficially owned or controlled or directed, directly or indirectly, an aggregate of 3,200,000 Shares, representing 52.29% of the issued and outstanding Shares prior to the Offering.

Of the 3,200,000 Shares owned by the directors and officers, 1,250,000 were issued at a price of \$0.01 per Share and 1,950,000 Shares were issued at a price of \$0.05 per Share.

Upon completion of Offering, assuming no participation by any of the Issuer's directors and officers in the Offering, the directors and officers have not exercised their Incentive Stock Options, the Agent's Warrants are not exercised and the 100,000 Compensation Shares have been issued, the number and percentage of the Shares beneficially owned, directly or indirectly, or over which control or direction will be exercised by the directors and officers of the Issuer as a group will be 3,200,000 Shares representing 28.52% on completion of the Offering. These Shares are subject to escrow restrictions. See "Escrowed Shares".

### **Biographical Information - Management**

The persons forming the management team of the Issuer are described briefly below.

#### ***Derek C. Pink – President, Director and Chief Executive Officer (Age: 39)***

Mr. Pink brings his experience as a self-employed owner and director of a total of more than 10 private enterprises over the past 20 years engaged in the hospitality industry, marketing and retail all financed with venture capital privately through his holding companies. Mr. Pink received a Bachelor of Arts degree from the University of British Columbia in May 2006.

Mr. Pink expects to devote approximately 25% of his time to the business of the Issuer. Mr. Pink has not signed a non disclosure or non competition agreement.

#### ***Alyssa Weyrauch - Chief Financial Officer (Age: 35)***

Ms. Weyrauch is a certified general accountant and currently holds the position of Corporate Accountant for Progressive Exploration Group (2008) Ltd. Ms. Weyrauch holds a Bachelors of Arts degree from Trent University and obtained her Certified General Accountant (CGA) designation in February 2007.

Ms. Weyrauch has over ten years of working experience in the area of financial reporting and company management.

Ms. Weyrauch expects to devote approximately 25% of her time to the business of the Issuer. Ms. Weyrauch has not signed a non disclosure or non competition agreement.

***Margo J. Peters – Corporate Secretary (Age: 57)***

Ms. Margo Peters is responsible for corporate secretarial duties and for Board and Board Committee management, including corporate/securities administration, regulatory filings and corporate governance compliance. Ms. Peters completed the Legal Assistant Program at Capilano University in 1986 and has worked as a paralegal for over 20 years.

Ms. Peters expects to devote approximately 25% of her time to the business of the Issuer. Ms. Peters has not signed a non disclosure or non competition agreement.

## **Biographical Information - Non Management Directors**

### ***Toma S. Sojonky – Director (Age: 40)***

Mr. Sojonky is the President, Chief Executive Officer and a director of the Issuer. Mr. Sojonky has been an executive officer and / or director of a number of private and public companies since 1999. He earned a Bachelor of Arts from the University of British Columbia in 1994.

Mr. Sojonky will devote the time required in his position as a non-management director. Mr. Sojonky has not signed a non disclosure or non competition agreement.

### ***Krister A. Kottmeier – Director (Age: 40)***

Mr. Kottmeier is a director of the Issuer. Mr. Kottmeier has been involved in structuring and financing of public companies since 2004. He has been a corporate and investor relations consultant since 1996, working in various capacities, including as manager, officer and external consultant of a number of companies listed on the Toronto Stock Exchange and the Exchange.

Mr. Kottmeier will devote the time required in his position as a non-management director. Mr. Kottmeier has not signed a non disclosure or non competition agreement.

### ***Derrick Strickland – Director (Age: 45)***

Mr. Strickland is a self-employed professional geologist. He received a Bachelor of Science degree from Concordia University in April 1993 and an MBA from the University of Phoenix in February 2001. He received his British Columbia Professional Geologist designation (P. Geo.) in January 2002. He has more than 12 years of industry experience as a geological consultant.

Mr. Strickland will devote the time required in his position as a non-management director. Mr. Strickland has not signed a non disclosure or non competition agreement.

## **Other Reporting Issuer Experience**

### **Derek C. Pink**

**Uranium Energy Corp. and Ansell Capital Ltd are still listed on the TSX-V.**

<b><i>Name of Reporting Issuer</i></b>	<b><i>Name of Exchange</i></b>	<b><i>Position</i></b>	<b><i>Term</i></b>
Director of Cue Resources Ltd. (acquired by Uranium Energy Corp,	NYSE-AMEX:	<b><i>Director</i></b>	February 2006 to November 2006
Ansell Capital Corp.	TSX-V	Director	July 2006 to March 2009

**Krister A. Kottmeier**

The companies listed below are still listed on the TSX-V.

<b>Name of Reporting Issuer</b>	<b>Name of Exchange</b>	<b>Position</b>	<b>Term</b>
Seaborne Minerals Ltd.	TSX-V	Director	Since April 2011
StoneShield Capital Corp	TSX-V	President, Director and CEO	Since April 2007
Driven Capital Corp	TSX-V	Director	Since November, 2009
Invenio Resources Corp. (formerly Maestro Ventures Ltd.)	TSX-V	Director and CEO	February 2008 to April, 2010
Rockgate Capital Corp.	TSX-V	Director, Secretary	November 2004 to January 2007

**Margo J. Peters**

All of the companies listed below are currently listed on the TSX-V except for Pacific Kanon Resources Inc. which is now a wholly owned subsidiary of Vangold Resources Ltd.

<b><i>Name of Reporting Issuer</i></b>	<b><i>Name of Exchange</i></b>	<b><i>Position</i></b>	<b><i>Term</i></b>
Seaborne Minerals Ltd.	TSX-V	Director	Since April 2012
		Corporate Secretary	Since September 2011
Driven Capital Corp.	TSX-V	Corporate Secretary	Since July 2011
StoneShield Capital Corp	TSX-V	Corporate Secretary	Since September, 2011
Papuan Precious Metals Corp	TSX-V	Corporate Secretary	August 2008 to October 2010
Vangold Resources Ltd	TSX-V	Corporate Secretary	February 2003 to August 2008
International Silver Ridge Resources Corp.	TSX-V	Corporate Secretary	November 2007 to August 2008
Pacific Kanon Resources Inc.	TSX-V	Corporate Secretary	March 2007 to August 2008

**Toma S. Sojonky**

The companies listed below are still listed on the TSX-V.

<i>Name of Reporting Issuer</i>	<i>Name of Exchange</i>	<i>Position</i>	<i>Term</i>
Seaborne Minerals Ltd.	TSX-V	President, Director and CEO	Since January 11, 2010
Driven Capital Corp	TSX-V	President, Director and CEO	Since November 2009
Ansell Capital Corp.	TSX-V	President, Director and CEO	July 2006 to April 2009
StoneShield Capital Corp.	TSX-V	Director	Since May 2011

**Derrick A. Strickland**

All of the companies listed below are currently listed on the disclosed exchange except for Xenex Minerals Ltd., the status of which is not known.

<i>Name of Reporting Issuer</i>	<i>Name of Exchange</i>	<i>Position</i>	<i>Term</i>
Arrowhead Gold Corp.	TSX-V	Director	Since October 2012
Vela Minerals Ltd.	TSX-V	CEO, Director	Since May 19, 2011
Shoshoni Gold Ltd. (formerly New Shoshoni Ventures Ltd.)	TSX-V	Director	Since October 2004
Tajiri Resources Corp.	TSX-V	Director	Since April 2011
Pan American Fertilizer Corp. (formerly Bastion Resources Ltd.)	CNSX	Director	December 2009 to October 2012
Bold Ventures Inc.	TSX	Director	October 2009 to September 2010
E-Energy Ventures Ltd.	TSX	Director	February 2009 to June 2011

<i>Name of Reporting Issuer</i>	<i>Name of Exchange</i>	<i>Position</i>	<i>Term</i>
Challenger Development Corp.	TSX-V	Director	January 2008 to December 2011
Enwin Resources Inc.	OTC-US	Director	January 2002 to February 2007
Gem International Resources Inc.	TSX	Director	September 2010 to June 2011
Rock Tech Lithium Inc. (formerly Gravity West Mining Corp.)	TSX	Director	June 2007 to May 2009
International Samuel Exploration Corp.	TSX	Director Vice President	January 2007 to October 2010
Xenex Minerals Ltd.	(NEX)	Director	June 2007 to June 2011
Winrock Resources Inc.	CNSX	Director	Since August 2010
North American Potash Developments Inc. (formerly Ringbolt Ventures Ltd.)	TSX	Director President	June 2006 to January 2012 June 2006 to October 2008

#### **Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

None of the Issuer's directors or executive officers are or have been within ten years prior to the date of this Prospectus, a director, Chief Executive Officer or Chief Financial Officer of any company including the Issuer that:

was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in that capacity as director, chief executive officer or chief financial officer.

For the purposes herein "order" means:

- (a) a cease trade order;
- (b) an order similar to a cease trade order; or
- (c) an order that denied the relevant company access to any exemption under securities legislation,

that was in effect for a period of more than 30 consecutive days.

None of the directors or executive officers of the Issuer, or a shareholder holding a sufficient number of securities of the Issuer to affect materially the control of the Issuer:

- (a) is, as at the date of this Prospectus, or has been within the 10 years before the date of this Prospectus, a director or executive officer of any company (including the Issuer) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (b) has, within the 10 years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder;
- (c) are or have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (d) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### **Conflicts Of Interest**

The directors of the Issuer will not be devoting all of their time to the affairs of the Issuer as they have employment outside of the Issuer and some of them are directors and officers of other companies, some of which are in the same business as the Issuer. The directors and officers of the Issuer are required by law to act in the best interests of the Issuer. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to the Issuer may result in a breach of their obligations to the other companies, and in certain circumstances this could expose the Issuer to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligation to act in the best interests of the Issuer. Such conflicting legal obligations may expose the Issuer to liability to others and impair its ability to achieve its business objectives.

## **EXECUTIVE COMPENSATION**

### **Compensation of Directors**

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

At its present stage of development, the Issuer does not have any formal objectives, criteria and analysis for determining the compensation of its Named Executive Officers and primarily relies on the discretion and determination of the board of directors. To date, the Named Executive Officers have been primarily compensated through the grant of Incentive Stock Options. See "*Options to Purchase Securities*". However, Ms Weyrauch, the Chief Financial Officer of the Issuer is an employee of Progressive. See below.

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

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

The Board intends to review, on an annual basis, the corporate goals and objectives relevant to executive compensation, evaluate each executive officer's performance in light of those goals and objectives and set the executive officer's compensation level based, in part, on this evaluation. The Board will take into consideration the Issuer's overall performance, shareholder returns, and the awards given to executive officers in past years. The Board may also consider the value of similar incentive awards to executive officers at comparable junior resource companies listed on the TSX-V, however, as of the date of this Prospectus, no specific companies or selection criteria for the establishment of a benchmark group have been identified by the Board.

#### *Executive Compensation Program*

It is expected that executive compensation will be comprised of two elements: base fee or salary, and long-term Incentive Stock Options. The Board will review the two components in assessing the compensation of individual executive officers and of the Issuer as a whole.

Base fees or salaries are intended to provide current compensation for executive officer's to meet the Issuer's goals, as well as to remain competitive with the industry. Base fees or salaries are compensation for job responsibilities and reflect the level of skills, expertise and capabilities demonstrated by the executive officers.

Stock options will be an important part of the Issuer's long-term incentive strategy for its officers, permitting them to participate in any appreciation of the market value of the Issuer's shares over a stated period of time, and are intended to reinforce commitment to long-term growth and shareholder value. Stock options reward overall corporate performance as measured through the price of the Issuer's shares and enables executives to acquire and maintain a significant ownership position in the Issuer. See "Option Based Awards" below.

#### *Option Based Awards*

Executive officers of the Issuer, as well as directors, employees and consultants, are eligible to participate in the Issuer's Stock Option Plan to receive grants of stock options. Individual stock options are granted by the Board as a whole and the size of the options is dependent on, among other things, each officer's level of responsibility, authority and importance to the Issuer and the degree to which such officer's long term contribution to the Issuer will be crucial to its long-term success. Stock options will normally be granted by the Board when an executive officer first joins the Issuer based on his or her level of responsibility within the Issuer. Additional grants may be made periodically to ensure that the number of options granted to any particular officer is commensurate with the officer's level of ongoing responsibility within the Issuer. The Board will also evaluate the number of options an officer has been granted, the exercise price of the options and the term remaining on those options when considering further grants. The Issuer anticipates that these options will be priced at the closing trading price of the Issuer's shares on the business day immediately preceding the date of grant. No options were granted to the Issuer's executive officers during the most recently completed fiscal year ended June 30, 2012. See "*Options To Purchase Securities*" for details of Incentive Stock Options granted to the Issuer's named executive officers and other directors and officers on September 18, 2012.

Name and principal position (a)	Year (b)	Salary (\$) (c)	Share-based awards (\$) (d)	Option-based awards (\$) (e)	Non-equity incentive plan compensation (\$)(f)		Pension value (\$) (g)	All other Compensation <sup>(1)</sup> (\$) (h)	Total Compensation (\$) (i)
					Annual incentive plans (f1)	Long-term incentive plans (f2)			
Derek Pink, President and Chief Executive Officer	2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Alyssa Weyrauch Chief Financial Officer <sup>(1)</sup>	2012	Nil	Nil	Nil	Nil	Nil	Nil	1,000	1,000

(1) Pursuant to the Management Agreement, the Issuer pays Progressive a monthly fee of \$3,500, plus applicable taxes, for the services of, among other personnel, the Issuer's President, CEO, CFO and Corporate Secretary. Effective October 1, 2012 this fee increased to \$8,500.

### Long-Term Incentive Plans, Options and SARs

#### *Awards in Most Recently Completed Fiscal year*

During the period from incorporation on January 16, 2012 to June 30, 2012, no option based awards were granted to the Named Executive Officers. See "*Options to Purchase Securities*" for details of stock options granted on September 18, 2012.

During the period from incorporation on January 16, 2012 to June 30, 2012, there were no option based awards or share based awards vested in favour of, or non-equity incentive plan compensation paid or accrued to the Named Executive Officers.

The Issuer does not have any pension, retirement or deferred compensation plans, including defined contribution plans.

### Management Agreement and Service Agreement

Progressive is a private merchant banking and corporate services firm owned by Mr. Sojonky and Mr. Kottmeier for which Mr. Sojonky and Mr. Kottmeier are consultants and Ms. Peters and Ms. Weyrauch are employees, provides the Issuer with certain management, accounting and administrative services pursuant to a Management Services Agreement (the "Management Agreement") entered into with the Issuer on May 1, 2012. Pursuant to the Management Agreement, Progressive will provide the services of a president, chief executive officer, chief financial officer, corporate secretary, corporate development consultant, accountant / bookkeeper and receptionist / administrator. Messrs. Sojonky and Kottmeier are principals of Progressive. In consideration for the management services, the Issuer will pay Progressive a monthly fee of \$3,500, plus applicable taxes. Effective October 1, 2012, this fee has been increased to \$8,500 monthly, plus applicable taxes. Progressive has also entered into an Office Service Agreement dated May 1, 2012 with the Issuer for the provision of furnished office and boardroom facilities, phone (including long distance charges), internet and access to printing and facsimile machines. In consideration for office services, the Issuer will pay Progressive a monthly fee of \$1,500.

In the event of a change of control of the Issuer, Progressive has the right to terminate the Management Agreement within 60 days from the date of such effective control, upon written notice to the Issuer. Within 30 days thereafter the Issuer must forward to Progressive:

- (a) the amount of money due to Progressive to the extent accrued to the date of termination and unpaid, if any, and
- (b) an amount of money for severance equal to 12 months fees.

### **Compensation of Directors**

No compensation was paid to the the directors who are not named Executive Officers for the Corporation's most recently completed financial year ended June 30, 2012.

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No existing or proposed director or executive officer or employee of the Issuer or any associate of any of them, is or has, since the Issuer's incorporation, been indebted to the Issuer.

### **PROMOTERS**

Derek C. Pink, the President and Chief Executive Officer and Toma S. Sojonky a director of the Issuer, may be considered to be the promoters of the Issuer within the meaning of securities legislation of the Selling Provinces as they took the initiative in founding and organizing the Issuer. Mr. Pink holds indirectly owns 650,000 Shares of the Issuer, representing 10.62% of the Issuer's voting securities. Mr. Sojonky indirectly owns 650,000 Shares of the Issuer, representing 10.62% of the Issuer's voting securities. Mr Pink and Mr. Sojonky have each been granted 150,000 Incentive Stock Options. The number of Shares currently held by Messrs. Pink and Sojonky, and the number of Shares they will hold on the completion of the Offering, is set out above under the heading "*Principal Shareholders*".

### **AUDIT COMMITTEE**

As of the date of this Prospectus, the members of the audit committee of the Issuer are Krister A. Kottmeier, Derrick A. Strickland and Margo J. Peters. As defined in National Instrument 52-110 Audit Committees ("NI 52-110"), all of the members of the audit committee are "financially literate". Mr. Strickland and Ms. Peters are "independent" as that term is defined in National Instrument 52-110 Audit Committees ("NI 52-110"). All members of the audit committee are "financially literate" as that term is defined in NI 52-110.

### **Audit Committee Charter**

Pursuant to NI 51-110, the Issuer's audit committee is required to have a charter. The full text of the Issuer's audit committee charter is attached as Schedule "A" to this Prospectus.

## **Relevant Education and Experience**

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

For a description of the education and experience of each of the audit committee members, see "*Directors and Officers*".

## **Audit Committee Oversight**

At no time since the beginning of the Issuer's most recent completed financial period was a recommendation of the audit committee to nominate or compensate an external auditor not adopted by the Issuer's Board of Directors.

## **Pre-Approval Policies and Procedures**

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

## **External Auditor Service Fees**

### *Audit Fees and Audit-Related Fees*

"Audit Fees" are billed by the Issuer's external auditor for services provided in auditing the Issuer's financial statements. "Audit-Related Fees" are fees not included in Audit Fees that are billed by the auditor for assurance and related services that are reasonably related to performing the audit or reviewing the Issuer's financial statements.

The audit fees billed by the Issuer's external auditor from incorporation on January 16, 2012 to June 30, 2012 were \$nil.

### *Tax Fees*

Tax fees billed by the external auditor from incorporation on January 16, 2012 to June 30, 2012 were nil.

### *All Other Fees*

All other fees are fees billed by the auditor for products and services not included in the previous categories. No fees for other services were billed by the Issuer's external auditor for the financial period ended June 30, 2012.

### *Exemption*

As the Issuer is an "IPO Venture Issuer" as defined in National Instrument 41-101 – General Prospectus Requirements, the Issuer is relying on the exemption in section 6.1 of NI 52-110, from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110. The Issuer has not relied on the de minimus non-audit services exemption or any other exemption under Part 8 of NI 52-110.

## CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Issuer. National Policy 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices and feels that the Issuer's corporate governance practices are appropriate and effective for the Issuer given its current size.

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") the Issuer is required to disclose its corporate governance practices, which are summarized below.

### **Board of Directors**

The Board is currently composed of Derek Pink, Toma Sojonky, Krister A. Kottmeier, Derrick A. Strickland and Margo J. Peters.

NI 58-101 suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as "independent" directors. An "independent" director is a director who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to materially interfere with the director's ability to act with a view to the best interests of the company, other than interests and relationships arising from shareholding.

Kris A. Kottmeier, Toma Sojonky and Derrick A. Strickland are considered by the Board to be "independent" within the meaning of NI 58-101. Derek Pink and Margo J. Peters are executive officers of the Issuer and accordingly is considered to be "non-independent".

The Board plans to meet for formal board meetings on an as needed basis to review and discuss the Issuer's business activities and to consider and if thought fit, to approve matters presented to the Board for approval, and to provide guidance to management. In addition, management will informally provide updates to the Board at least once per quarter between formal meetings. In general, management consults with the Board when deemed appropriate to keep it informed regarding the Issuer's affairs.

The Board will facilitate the exercise of independent supervision over management through these various meetings. At present, the Board does not have any formal committees other than its audit committee. When necessary, the Board will strike a special committee of independent directors to deal with matters requiring independence. The composition of the Board is such that the independent directors have significant experience in business affairs and, as a result, these directors are able to provide independent supervision over management.

In the event of a conflict of interest at a meeting of the Board, the conflicted director will in accordance with corporate law and in accordance with his fiduciary obligations as a director of the Issuer, disclose the nature and extent of his interest to the other directors and abstain from voting on any matter in which he has declared an interest.

### Directorships

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

Director	Name of Reporting Issuer	Market	Position	From	To
<b>Krister A. Kottmeier</b>	StoneShield Capital Corp.	TSX-V	President, CEO and Director	April 26, 2007	Present
	Driven Capital Corp.	TSX-V	Director	November 25, 2009	Present
	Seaborne Minerals Inc.	TSX-V	President, CEO and Director	April 14, 2011	Present
	Rockgate Capital Corp.	TSX-V	Director and corporate secretary	January 2007	Present
<b>Derrick A. Strickland</b>	Shoshoni Gold Ltd. (formerly New Shoshoni Ventures Ltd.)	TSX-V	Director	October 2004	Present
	Tajiri Ventures Corp.	TSX-V	Director	April 2011	Present
	Vela Minerals Ltd.	TSX-V	CEO, Director	May 2011	Present
	Winrock Resources Inc.	CNSX	Director	August 2010	Present
<b>Margo J. Peters</b>	Seaborne Minerals Inc.	TSX-V	Director	April 2012	Present
			Corporate Secretary	September 2011	
<b>Toma S. Sojonky</b>	Seaborne Minerals Ltd.	TSX-V	President, Director and CEO	January 11, 2010	Present
	Driven Capital Corp	TSX-V	President, Director and CEO	November 2009	
	StoneShield Capital Corp.	TSX-V	Director	May 2011	Present

### *Orientation and Continuing Education*

The Issuer has not yet developed an official orientation or training program for new directors. As required, new directors will have the opportunity to become familiar with the Issuer by meeting with the other directors and with officers and employees. Orientation activities will be tailored to the particular needs and experience of each director and the overall needs of the Board.

### *Ethical Business Conduct*

The Board has adopted a code of business conduct and ethics to monitor the ethical conduct of the Issuer and ensure that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges. The Code governs the fiduciary duties placed on individual directors as well as the restrictions on the individual director's participation in decisions of the Board in which the director has an interest, in compliance with the Issuer's governing corporate legislation and the common law to ensure that the Board operates independently of management and in the best interests of the Issuer.

#### *Nomination of Directors*

The Board does not have a nominating committee. The full Board will be involved in nomination of new candidates for Board positions. Board members will be asked for recommendations of people that they know of or have heard of that would contribute to the success of the Issuer if added to the Board.

#### *Compensation*

The Issuer does not have a compensation committee as the Board of Directors is responsible for determining all forms of compensation, including long-term incentive in the form of stock options, to be granted to the senior officers and directors of the Issuer. The independent Board members review the compensation of the senior officers to ensure that it is competitive and to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining the compensation of its senior officers, the Board considers: i) recruiting and retaining executives critical to the success of the Issuer and the enhancement of shareholder value; ii) providing fair and competitive compensation; iii) balancing the interests of management and the Issuer's shareholders; and iv) rewarding performance, both on an individual basis and with respect to operations in general.

#### **Board Committees**

The Board has no committees other than the audit committee. See “*Audit Committee.*”

#### **Assessments**

Any committee of the Board and individual directors will be assessed on an ongoing basis by the Board. The Board has not, as yet, adopted formal procedures for assessing the effectiveness of the Board, its committees or individual directors.

## ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

### Escrowed Securities

#### Principal's Shares

National Policy 46-201 – *Escrow for Initial Public Offerings* (“NP 46-201”) provides that all shares of an issuer, and all convertible securities with an exercise price less than the Offering Price, owned or controlled by its principals will be escrowed at the time of the issuer’s initial public offering, unless the shares held by the principal or issuable to the principal upon conversion of convertible securities held by the principal collectively represent less than 1% of the total issued and outstanding shares of the issuer after giving effect to the initial public offering.

At the time of its initial public offering, an issuer will be classified for the purposes of escrow as either an “exempt issuer”, an “established issuer” or an “emerging issuer” as those terms are defined in NP 46-201.

Uniform terms of automatic timed release escrow apply to principals of exchange listed issuers, differing only according to the classification of the issuer. In the event that the Company is classified as an “emerging issuer”, the following automatic timed releases will apply to the securities held by its principals:

Date of Automatic Timed Release	Amount of Escrowed Securities Released
On the date the Company’s Shares are listed on the TSX-V (the “listing date”)	1/10 of the escrowed Shares
6 months after the listing date	1/6 of the remaining escrowed Shares
12 months after the listing date	1/5 of the remaining escrowed Shares
18 months after the listing date	1/4 of the remaining escrowed Shares
24 months after the listing date	1/3 of the remaining escrowed Shares
30 months after the listing date	1/2 of the remaining escrowed Shares
36 months after the listing date	The balance of the remaining escrowed Shares

Assuming there are no changes to the escrowed securities initially deposited and no additional escrowed securities are deposited, automatic timed release escrow applicable to the Company would result in a 10% release on the listing date, with the remaining escrowed securities being released in equal tranches of 15% every six months thereafter.

In the event that the Company is classified as an “established issuer”, the following automatic timed releases will apply to the securities held by its principals:

Date of Automatic Timed Release	Amount of Escrowed Securities Released
On the date the issuer’s securities are listed on a Canadian exchange ( <i>the listing date</i> )	1/4 of the escrowed securities
6 months after the listing date	1/3 of the remaining escrowed securities
12 months after the listing date	1/2 of the remaining escrowed securities
18 months after the listing date	The remaining escrowed securities

The automatic timed release provisions under NP 46-201 pertaining to “established issuers” provide that 25% of each principal’s escrowed securities are released on the listing date, with an additional 25% being released in equal tranches at six month intervals over eighteen months.

If the Company is classified as an “emerging issuer” at the listing date and subsequently meets the

“established issuer” criteria, that number of escrowed securities that would have been eligible for release from escrow if the Company had been an “established issuer” on the listing date will be immediately released from escrow. The remaining escrowed securities would be released in accordance with the timed release provisions for established issuers, with all escrowed securities being released 18 months from the listing date.

The following table sets out information on the number of Shares and options of the Company subject to the terms of the Escrow Agreement among the Issuer, Computershare Trust Company of Canada and the following persons:

<b>Holder of Escrowed Securities</b>	<b>Number of Shares Held in Escrow</b>	<b>Number of Options Subject to Escrow</b>	<b>Percentage of Issued and Outstanding Shares prior to giving effect to the Offering<sup>(1)</sup> (2)</b>	<b>Percentage of Issued and Outstanding Shares after giving effect to the Offering<sup>(1)</sup> (3)</b>
Derek Pink Pink Holdings Ltd. (1)	650,000	150,000	10.62%	5.79%
Toma Sojonky Dundarave Holdings Inc. (2) Sojonky Services Ltd. (2)	250,000 400,000	150,000	4.08% 6.54%	2.23% 3.57%
Krister Kottmeier Unitywest Capital Markets Ltd. (3)	650,000	150,000	10.62%	5.79%
Derrick Strickland Tyro Industries Ltd. (4)	250,000 400,000	150,000	4.08% 6.54%	2.23% 3.57%
Margo Peters	350,000	150,000	5.72%	3.12%
Alyssa /Weyrauch	250,000	100,000	4.08%	2.23%
<b>Total</b>	<b>3,200,000</b>	<b>850,000</b>	<b>52.29%</b>	<b>28.52%</b>

(1) Owned by Derek Pink, a director.

(2) Owned by Toma Sojonky, a director.

(3) Owned by Krister Kottmeier

(4) Owned by Derrick Strickland

Pursuant to the Escrow Agreement, if the Company is classified as an “emerging issuer”, 10% of each holder’s escrowed Shares, being 320,000 Shares in aggregate, will be released from escrow on the listing date and the remaining 2,880,000 Shares will remain in escrow to be released in equal tranches of 15% (480,000 Shares) every six months thereafter in accordance with automatic timed release provisions of NP 46-201. If the Company is classified as an “established issuer”, 25% of each holder’s escrowed Shares, being 800,000 Shares in aggregate, will be released from escrow on the listing date and the remaining 2,400,000 Shares will remain in escrow to be released in three equal tranches of 25% each every six months thereafter in accordance with automatic timed release provisions of NP 46-201.

Pursuant to the Escrow Agreement, the Shares held in escrow may be transferred within escrow to an individual who is a director or senior officer of the Company or of a material operating subsidiary of the Company, subject to the approval of the Company’s board of directors, a person or company that before

the proposed transfer holds more than 20% of the voting rights attached to the Company's issued and outstanding securities, or a person or company that after the proposed transfer will hold more than 10% of the voting rights attached to the Company's issued and outstanding securities and that has the right to elect or appoint one or more directors or senior officers of the Company or of any of its material operating subsidiaries.

#### **TSX-V Policy 5.4**

Policy 5.4 of the TSX-V requires seed Shares issued to non principals in the private stage, to be deposited into escrow depending on the purchase price of the seed Shares and the time of their purchase relative to the date of the preliminary prospectus which will determine which hold periods apply.

A total of 650,000 shares will be subject to TSX-V Policy 5.4, as follows:

(A) Pursuant to a Value Security Escrow Agreement dated October 24, 2012, among the Issuer, Computershare Trust Company of Canada and the following persons, 250,000 Shares were placed in escrow.

<b>Holder of Escrowed Securities</b>	<b>Number of Shares Held in Escrow</b>	<b>Percentage of Issued and Outstanding Shares prior to giving effect to the Offering<sup>(1) (2)</sup></b>	<b>Percentage of Issued and Outstanding Shares after giving effect to the Offering<sup>(1) (2)</sup></b>
Coastline Capital Corp <sup>(1)</sup>	125,000	2.04%	1.115%
Hotspur Capital Corp <sup>(2)</sup>	125,000	2.04%	1.115%
<b>Total</b>	<b>250,000</b>	<b>4.08%</b>	<b>2.23%</b>

(1) Owned by Benjamin H. Curry

(2) Owned by Andrew Mugridge

The following automatic timed releases will apply to the securities held by the non principals:

<b>Date of Automatic Timed Release</b>	<b>Amount of Escrowed Securities Released</b>
Date of Exchange bulletin Announcing the listing date	10% of the escrowed Shares
6 months after the listing date	15% of the remaining escrowed Shares
12 months after the listing date	15% of the remaining escrowed Shares
18 months after the listing date	15% of the remaining escrowed Shares
24 months after the listing date	15% of the remaining escrowed Shares
30 months after the listing date	15% of the remaining escrowed Shares
36 months after the listing date	15% - the balance of the escrowed Shares

Assuming there are no changes to the escrowed securities initially deposited and no additional escrowed securities are deposited, automatic timed release escrow applicable to the Company would result in a 10% release on the listing date, with the remaining escrowed securities being released in equal tranches of 15% every six months thereafter.

In the event that the Company is classified as an “established issuer”, the following automatic timed releases will apply to the securities held by its principals:

<b>Date of Automatic Timed Release</b>	<b>Amount of Escrowed Securities Released</b>
Date of Exchange bulletin announcing the listing date	25% of the escrowed securities
6 months after the listing date	25% of the remaining escrowed securities
12 months after the listing date	25% of the remaining escrowed securities
18 months after the listing date	25% -the balance of he escrowed shares

Pursuant to the Escrow Agreements, upon the bankruptcy of a holder of escrowed Shares, such Shares may be transferred within escrow to the trustee in bankruptcy or other person legally entitled to such securities. Upon the death of a holder of Shares, all Shares of the deceased holder will be released from escrow to the deceased holder’s legal representative.

The complete text of the Escrow Agreements will be available for inspection during regular business hours at the offices of the Issuer at Suite 440 – 789 West Pender Street, Vancouver, BC V6C 1H2 or may be viewed under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) following Closing.

(B) 400,000 Shares issued on March 2, 2012 at a price of \$.05 per Share will be subject to a four month hold period with a 20% release on closing of the Offering.

### **Shares Subject to Resale Restrictions**

Canadian securities legislation generally requires that shares issued by a company during its private stage may not be resold without a prospectus or an applicable prospectus exemption until the expiration of certain hold periods. This legislation generally provides that, except for the Escrow Securities, all of the Issuer’s currently issued and outstanding Shares will no longer be subject to a hold period if they were issued during the time that the Issuer was a private company, so long as the Issuer becomes a reporting issuer by filing a prospectus in certain Canadian jurisdictions (including the Selling Provinces).

## **CONFLICTS OF INTEREST**

The directors of the Issuer will not be devoting all of their time to the affairs of the Issuer as they are employed by third parties and are also directors and officers of other companies, some of which are in the same business as the Issuer. The directors and officers of the Issuer are required by law to act in the best interests of the Issuer. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to the Issuer may result in a breach of their obligations to the other companies, and in certain circumstances this could expose the Issuer to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligation to act in the best interests of the Issuer. Such conflicting legal obligations may expose the Issuer to liability to others and impair its ability to achieve its ability to achieve its business objectives.

## **RISK FACTORS**

This section describes the material risks affecting the Issuer's business, financial condition, operating results and prospects.

The securities offered hereby should be considered a highly speculative investment due to the nature of the Issuer's business and its present stage of development. A prospective investor should carefully review the risk factors set out below and all of the information disclosed in this Prospectus before making an investment decision. There may be other risks and uncertainties that are not known to the Issuer or that the Issuer currently believes are not material, but which also may have a material adverse effect on its business, financial condition, operating results or prospects. In that case, the trading price of the Issuer's Shares could decline substantially, and investors may lose all or part of the value of the Shares held by them.

An investment in the Shares of the Issuer should only be made by persons who can afford a significant or total loss of their investment. There is no market through which these Offered Shares may be sold and purchasers may not be able to resell Offered Shares purchased under this Prospectus.

### **Risks Related to the Harmony Property**

#### *Lack of Revenue*

As the Issuer does not have revenues, it will be dependent upon future financings to continue its plan of operation. The Issuer has not generated any revenues since incorporation. The Issuer's business objectives include the implementation and execution of exploration programs on the Harmony Property. There is no assurance that these exploration activities will result in the establishment of commercially exploitable mineral deposits on the Harmony Property. Even if commercially exploitable mineral deposits are discovered, the Issuer may require substantial additional financing in order to carry out the full exploration and development of the Harmony Property before the Issuer is able to achieve revenues from sales of mineral resources that the Issuer is able to extract.

There is no assurance the Issuer will have the funds required to pay annual fees to keep the Harmony Property in good standing and to make option payments to keep certain property agreements in good standing. See "*Properties*" and "*Material Contracts*".

#### *Use of Funds*

The Issuer's management has significant flexibility in applying the proceeds received from the Offering. Because a portion of the proceeds are not allocated to any specific purpose, investment or transaction, you cannot determine the value or propriety of management's application of the proceeds on the Issuer's behalf. See "*Use of Proceeds*" for a more detailed description of how management intends to apply the proceeds of the Offering.

#### *Negative Cash Flow*

The Issuer has no history of earnings and had negative operating cash flow in the period from incorporation to June 30, 2012. The Harmony Property is in the exploration stage and there are no known commercial quantities of mineral reserves on it. There is no assurance that the Harmony Property will generate earnings, operate profitably or provide a return on investment in the future. The Issuer has not

paid dividends in the past and has no plans to pay dividends for the foreseeable future. The future dividend policy of the Issuer will be determined by its directors.

#### *Absence of Prior Public Market and Volatility of Share Prices*

There has been no prior public market for the Issuer's Shares, and an active trading market may not develop or, if it does develop, may not be sustained. The lack of an active market may impair shareholders' ability to sell their Shares at the time they wish to sell them or at a price that they consider reasonable.

The lack of an active market may also reduce the fair market value and increase the volatility of the Shares. In the past, some companies have experienced volatility in their share value and have been the subject of securities class action litigation. The Issuer might become involved in securities class action litigation in the future. Such litigation often results in substantial costs and diversion of management's attention and resources and could have a negative effect on the Issuer's business and results of operation.

An inactive market may also impair the Issuer's ability to raise capital by selling Shares and to acquire other exploration properties or interests by using its Shares as consideration.

#### *Conflicts of Interest*

Certain of the directors and officers of the Issuer are also directors and officers of other resource companies involved in the mining industry and conflicts of interest may arise between their duties as officers and directors of the Issuer and as officers and directors of such other companies. Such conflicts must be disclosed in accordance with, and are subject to such other procedures and remedies as apply under the *BCA-BC*.

#### *Dependence on Key Personnel*

The Issuer's success is highly dependent upon the performance of key personnel working part-time in management, supervisory and administrative capacities or as consultants. The loss of the services of its senior management or key personnel could have a material and adverse effect on the Issuer and its business and results of operations. The Issuer does not maintain key man insurance regarding these individuals.

#### *Insurance*

The Issuer may not always be able or may choose not to obtain insurance for many of the risks that it faces. In the course of exploration, development and production of mineral properties, several risks and, in particular, unexpected or unusual geological or operating conditions, may occur. It is not always possible to fully insure against such risks, and the Issuer may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in an increase in costs and a decline in the value of the Issuer's securities. The Issuer is currently not insured against environmental risks. Insurance against environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) has not been generally available to companies within the industry. The Issuer will periodically evaluate the cost and coverage of the insurance that is available against certain environmental risks to determine if it would be appropriate to obtain such insurance. Without such insurance, and if the Issuer becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate the Issuer's available funds or could exceed the funds it has to pay such liabilities and result in bankruptcy. Should the Issuer be unable to fund

fully the remedial cost of an environmental problem, the Issuer might be required to enter into interim compliance measures pending completion of the required remedy.

#### *Issuance of Debt*

From time to time, the Issuer may enter into transactions to acquire assets or the shares of other companies. These transactions may be financed partially or wholly with debt, which may increase the Issuer's debt levels above industry standards. The Issuer's articles do not limit the amount of indebtedness that the Issuer may incur. The level of the Issuer's, indebtedness from time to time could impair the Issuer's ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise.

#### *Reliance on Independent Contractors*

The Issuer's success depends to a significant extent on the performance and continued service of independent contractors. The Issuer will contract the services of professional drillers and others for exploration, environmental, construction and engineering services. Poor performance by such contractors or the loss of such services could have a material and adverse effect on the Issuer and its business and results of operations and could result in failure to meet its business objectives.

#### *Tax Issues*

Income tax consequences in relation to the Shares will vary according to circumstances of each investor. Prospective investors should seek independent advice from their own tax and legal advisers prior to subscribing for the Shares.

#### *Liquidity*

The possible sale of Shares released from escrow on each release date could negatively affect the market price of the Issuer's Shares and also result in an excess of sellers of Shares to buyers of Shares and seriously affect the liquidity of the Shares. See "*Escrowed Securities*".

#### *Dilution*

Investment in the Shares will result in a significant and immediate dilution in an investor's investment of approximately 40.56% after giving effect to the Offering.

#### *Fluctuating Mineral Prices*

The Issuer's revenues, if any, are expected to be in large part derived from the extraction and sale of precious and base minerals and metals. Factors beyond the control of the Issuer may affect the marketability of metals discovered, if any. Metal prices have historically fluctuated widely. Consequently, the economic viability of any of the Issuer's exploration projects cannot be accurately predicted and may be adversely affected by fluctuations in mineral prices.

#### *Title Risks*

There is no assurance that the Issuer's title to its properties will not be challenged. The acquisition of title to mineral exploration properties is a very detailed and time-consuming process. Title to and the area of mineral properties may be disputed. While the Issuer has diligently investigated title to its properties, it may be subject to prior unregistered agreements or transfers or aboriginal land claims and title may be

affected by undetected defects. The Issuer has not surveyed the boundaries of its properties and consequently the boundaries may be disputed.

## **Risks Related to Exploration and Mining**

### *Exploration and Development*

Resource exploration is a speculative business and involves a high degree of risk. There is no known body of commercial ore on the Harmony Property and there is no certainty that the expenditures made by the Issuer in the exploration of the Harmony Property or otherwise will result in discoveries of commercially recoverable quantities of minerals. The exploration for and development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Although the discovery of an ore body may result in substantial rewards, few properties explored are ultimately developed into producing mines. It is impossible to ensure that the current exploration programs planned by the Issuer will result in a profitable commercial mining operation.

Significant capital investment is required to achieve commercial production from successful exploration efforts. The commercial viability of a mineral deposit is dependent upon a number of factors. These include: (i) deposit attributes such as size, grade and proximity to infrastructure, (ii) current and future metal prices (which can be cyclical), and (iii) government regulations, including those relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and necessary supplies and environmental protection. The complete effect of these factors, either alone or in combination, cannot be entirely predicted, and their impact may result in the Issuer not receiving an adequate return on invested capital.

Market fluctuations and the prices of metals may render resources uneconomic. Moreover, short-term operating factors relating to the mineral deposits, such as the need for orderly development of the deposits or the processing of new or different grades of ore, may cause a mining operation to be unprofitable in any particular accounting period.

There is no assurance that the Harmony Property possesses commercially mineable bodies of ore. The Harmony Property is in the exploration stage as opposed to the development stage and has no known body of economic mineralization. The known mineralization of the Harmony Property has not been determined to be economic ore and there can be no assurance that a commercially mineable ore body exists on the Harmony Property. Such assurance will require completion of final comprehensive feasibility studies and, possibly, further associated exploration and other work that concludes a potential mine is likely to be economic. In order to carry out exploration and development programs of any economic ore body and place it into commercial production, the Issuer may be required to raise substantial additional funding.

### *Acquisition of Additional Mineral Properties*

If the Issuer loses or abandons its interest in the Harmony Property, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the Exchange. There is also no guarantee that the Exchange will approve the acquisition of any additional properties by the Issuer, whether by way of option or otherwise, should the Issuer wish to acquire any additional properties.

### *Title*

There is no assurance that the Company's title to its properties will not be challenged. The acquisition of

title to mineral exploration properties is a very detailed and time-consuming process. Title to and the area of mineral properties may be disputed. While the Company has diligently investigated title to its properties, it may be subject to prior unregistered agreements or transfers or indigenous land claims and title may be affected by undetected defects. Consequently the boundaries may be disputed.

#### *First Nations Land Claims*

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

#### *Permits and Licenses*

There is no assurance that the Issuer will obtain required permits and licenses. The Issuer's operations may sometimes require licenses and permits from various governmental authorities. The Issuer believes that it will be able to obtain in the future all necessary licenses and permits to carry on the activities which it intends to conduct, and intends to comply in all material respects with the terms of such licenses and permits. There can be no guarantee, however, that the Issuer will be able to obtain and maintain, at all times, all necessary licenses and permits required to undertake the proposed exploration and development or to place its properties into commercial production and to operate mining facilities thereon. In the event of commercial production, the cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or preclude the economic development of a particular property.

#### *Competitive Nature of the Mining Industry*

There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Issuer will be competing with other mining companies, many of which have greater financial resources than the Issuer does, for the acquisition of mineral claims, leases and other mineral interests, as well as for the recruitment and retention of qualified employees and other personnel. There can be no assurance that the necessary funds can be raised or that any projected work will be completed.

#### *Environmental, Health and Safety Regulation of Resource Industry*

All phases of the Issuer's operations are subject to environmental regulations in British Columbia. If the Harmony Property is proven to host economic reserves of metals, mining operations will be subject to federal, provincial and local laws relating to the protection of the environment, including laws regulating removal of natural resources from the ground and the discharge of materials into the environment. Mining operations will be subject to federal, provincial and local laws and regulations which seek to maintain health and safety standards by regulating the design and use of mining methods and equipment. Various permits from government bodies are required for mining operations to be conducted; no assurance can be given that such permits will be received. No assurance can be given that environmental standards imposed by federal, provincial or local authorities will not be changed or that any such changes would not have material adverse effects on the Issuer's activities. Moreover, compliance with such laws may cause

substantial delays or require capital outlays in excess of those anticipated, thus causing an adverse effect on the Issuer. Additionally, the Issuer may be subject to liability for pollution or other environmental damage, which it may not be able to insure against.

#### *Availability of Drilling Equipment and Access Restrictions*

Mining exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to the Issuer and may delay exploration and development activities.

#### *Stress in the Global Economy*

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

#### *Current Global Financial Condition*

Current global financial conditions have been subject to increased volatility. Access to financing has been negatively impacted by both sub-prime mortgages in the United States and elsewhere and the liquidity crisis affecting the asset-backed commercial paper market. As such, the Issuer is subject to counterparty risk and liquidity risk. The Issuer is exposed to various counterparty risks including, but not limited to: (i) through financial institutions that hold the Issuer's cash; (ii) through companies that have payables to the Issuer; and (iii) through the Issuer's insurance providers. The Issuer is also exposed to liquidity risks in meeting its operating expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability of the Issuer to obtain loans and other credit facilities in the future and, if obtained, on terms favourable to the Issuer. If these increased levels of volatility and market turmoil continue, the Issuer's operations could be adversely impacted and the trading price of the Shares could be adversely affected.

#### *Environmental and other Regulatory Requirements*

The operations of the Issuer require permits from various levels of government. Such operations are subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. The Issuer believes it is in substantial compliance with all material laws and regulations that currently apply to its activities. There can be no assurance, however, that all permits which the Issuer may require for construction of mining facilities and conduct of mining operations, particularly environmental permits, will be obtainable on reasonable terms or that compliance with such laws and regulations would not have an adverse effect on the profitability of any mining project that the Issuer might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing

operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

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

#### *Unknown Environmental Risks for Past Activities*

Exploration and mining operations involve a potential risk of releases to soil, surface water and groundwater of metals, chemicals, fuels, liquids having acidic properties and other contaminants. In recent years, regulatory requirements and improved technology have significantly reduced those risks. However, those risks have not been eliminated and the risk of environmental contamination from present and past exploration or mining activities exists for mining companies. Companies may be liable for environmental contamination and natural resource damages relating to properties that they currently own or operate or at which environmental contamination occurred while or before they owned or operated the properties. However, no assurance can be given that potential liabilities for such contamination or damages caused by past activities at these properties do not exist.

#### *Political Regulatory Risks*

Any changes in government policy may result in changes to laws affecting ownership of assets, mining policies, monetary policies, taxation, rates of exchange, environmental regulations, labour relations, repatriation of income and return of capital. This may affect both the Issuer's ability to undertake exploration and development activities in respect of present and future properties in the manner currently contemplated, as well as its ability to continue to explore, develop and operate the Harmony Property in which it has an interest or in respect of which it has obtained exploration and development rights to date. The possibility that future governments may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

#### *Currency Risk*

Currency fluctuations may affect the cash flow which the Issuer may realize from its operations, since most mineral commodities are sold in a world market in U.S. dollars. The Issuer's costs are incurred primarily in Canadian dollars.

#### *Unlimited Number of Authorized but Unissued Shares*

The Issuer has an unlimited number of Shares that may be issued by the Board without further action or approval of the Issuer's shareholders. While the Board is required to fulfil its fiduciary obligations in connection with the issuance of such Shares, the Shares may be issued in transactions with which not all shareholders agree, and the issuance of such Shares will cause dilution to the ownership interests of the Issuer's shareholders. See "*Our Property*" and "*Material Agreements*".

## LEGAL PROCEEDINGS

There are no legal or regulatory proceedings or pending legal or regulatory proceedings to which the Issuer is or is likely to be a party to or of which its properties are likely to be the subject of.

## INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

There are no material interests, direct or indirect, of officers, senior officers, any shareholders who beneficially own, directly or indirectly, more than 10% of the outstanding Shares or any known associate or affiliates of such persons, in any transaction since incorporation or in any proposed transaction which has materially affected or is reasonably expected to materially affect the Issuer. See “*Our Business*” and the disclosure therein and in particular the disclosure regarding the Harmony Property.

## RELATIONSHIP BETWEEN THE COMPANY AND THE AGENT

The Issuer is not a Related or Connected Issuer to the Agent (as such terms are defined in National Instrument 33-105 – *Underwriting Conflicts*).

## AUDITOR, REGISTRAR AND TRANSFER AGENT

### Auditor

The Issuer’s auditor is DeVisser Gray LLP, Chartered Accountants located at 401 – 905 West Pender Street, Vancouver, BC V6C 1L6.

### Registrar and Transfer Agent

The Transfer Agent and Registrar of the Issuer’s Shares is Computershare Investor Services Inc., 3<sup>rd</sup> Floor, 510 Burrard Street, Vancouver, BC V6C 3B9 who will maintain the Issuer’s securities register.

## MATERIAL CONTRACTS

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

- (a) Option to Purchase Agreement having an effective date of February 28, 2012 and two addendums to the Option to Purchase Agreement between Andrew Molnar and the Issuer. See “*Our Business*”.
- (b) Management Services Agreement between the Issuer and Progressive dated May 1, 2012 and addendum #1 to the Management Services Agreement. See “*Executive Compensation*”.
- (c) Office Services Agreement between the Issuer and Progressive dated May 1, 2012. See “*Executive Compensation*”.
- (d) Agency agreement dated ♦ ♦, 2012 between the Issuer and the Agent. See “*Plan of Distribution*”.

- (e) Escrow Agreement dated September 30, 2012 between the Issuer, the Escrow Agent, Computershare Investor Services Inc., and certain shareholders of the Issuer. See “*Escrowed Securities and Other Securities Subject to Resale Restrictions on Transfer*”.
- (f) Escrow Agreement dated October 24, 2012 between the Issuer, the Escrow Agent, Computershare Investor Services Inc., and certain shareholders of the Issuer. See “*Escrowed Securities and Other Securities Subject to Resale Restrictions on Transfer*”.

The material contracts described above may be inspected at the head office of the Issuer, located at Suite 440 – 789 West Pender Street, Vancouver, BC, during normal business hours during the period of the primary distribution of the Shares being distributed under this Prospectus and for a period of thirty days thereafter.

### **INTEREST OF EXPERTS**

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

- (a) DeVisser Gray, LLP, Chartered Accountants, audited the June 30, 2012 financial statements and is independent within the meaning of the Rules of Professional conduct of the Institute of Chartered Accountants of Alberta and as of the date of this Prospectus, did not own or have any registered or beneficial interests, direct or indirect, in any securities or other property of the Issuer;
- (b) Andris Kikauka, P. Geo., an independent consulting geologist, prepared the Technical Report in accordance with NI 43-101 on behalf of the Issuer. Mr. Kikauka is a “Qualified Person” and “Independent” as such terms are defined in NI 43-101. Mr. Kikauka does not own any Shares of the Issuer nor have any interest in the Harmony Property.
- (c) The information in this Prospectus under the headings “Eligibility for Investment” and “Certain Canadian Federal Income Tax Considerations” has been included in reliance upon the opinion of Koffman Kalef, LLP. As of the date of this Prospectus, Koffman Kalef, LLP did not own nor have any registered or beneficial interests, direct or indirect, in any securities or other property of the Issuer.

### **OTHER MATERIAL FACTS**

There are no further facts or particulars in respect of the securities being distributed pursuant to this Prospectus that are not already disclosed herein that are necessary to be disclosed for this Prospectus to contain full, true and plain disclosure of all material facts relating to such securities.

### **CERTAIN CANADIAN FEDERAL INCOME TAX PROVISIONS**

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

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

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

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

### ***Eligibility for Investment***

In the opinion of Koffman Kalef LLP, tax counsel to the Issuer, as and when the Shares are listed on the Exchange, the Shares would, at such time, be “qualified investments” under the *Tax Act* and the regulations thereunder for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit sharing plans, registered disability savings plans, and tax-free savings accounts (collectively, the “**Plans**”). The listed status of the Shares as of a particular time cannot be guaranteed. Provided the Shares are listed on the Exchange on or before the Corporation’s filing due date for its first taxation year under the *Tax Act* and the Corporation elects in its return of income for its first taxation year, on or before its filing due date, to be a public corporation under the *Tax Act* from the beginning of its first taxation year, the Shares will on issuance under the Prospectus be “qualified investments” for the Plans. Tax counsel will not be involved in implementing this election or monitoring its implementation.

**Notwithstanding the foregoing, if the Shares are “prohibited investments” for the purposes of a tax-free savings account (“TFSA”), a registered retirement savings plan (“RRSP”) or a registered retirement income fund (“RRIF”), the holder of such TFSA or annuitant under such RRSP or RRIF will be subject to a penalty tax as set out in the *Tax Act*. Shares will generally be prohibited investments if the holder or annuitant does not deal at arm’s length with the Issuer for the purposes of the *Tax Act* or if the holder or annuitant has a “significant interest” (within the meaning of the *Tax Act*) in the Issuer or a corporation, partnership or trust with which the Issuer does not deal at arm’s length for the purposes of the *Tax Act*. Accordingly, prospective investors who wish to hold their Shares in a TFSA, RRSP or RRIF should consult their own tax advisors in this regard.**

### **Dividends**

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

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

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

### **Adjusted Cost Base of Shares**

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

### **Disposition of Shares**

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

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

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

### **PURCHASERS' STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION**

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

Schedule "A"  
**AUDIT COMMITTEE CHARTER**

(Approved by the Board May 31, 2012)

**I. Mandate and Purpose of the Committee**

The Audit Committee (the “**Committee**”) of the board of directors (the “**Board**”) of Altamont Exploration Corp. (the “**Company**”) is a standing committee of the Board whose primary function is to assist the Board in fulfilling its oversight responsibilities relating to:

- (a) the integrity of the Issuer’s financial statements;
- (b) the Issuer’s compliance with legal and regulatory requirements, as they relate to the Issuer’s financial statements;
- (c) the qualifications, independence and performance of the Issuer’s auditor;
- (d) internal controls and disclosure controls;
- (e) the performance of the Issuer’s internal audit function; and
- (f) performing the additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

**II. Authority**

The Committee has the authority to:

- (a) engage and compensate independent counsel and other advisors as it determines necessary or advisable to carry out its duties; and
- (b) communicate directly with the Issuer’s auditor.

The Committee has the authority to delegate to individual members or subcommittees of the Committee.

**III. Composition and Expertise**

The Committee shall be composed of a minimum of three members, each whom is a director of the Issuer. The Committee shall be comprised of members, a majority of whom are not officers, employees or Control Persons (as such term is defined in the policies of the TSX Venture Exchange) of the Issuer.

Committee members shall be appointed annually by the Board at the first meeting of the Board following each annual meeting of shareholders. Committee members hold office until the next annual meeting of shareholders or until they are removed by the Board or cease to be directors of the Issuer.

The Board shall appoint one member of the Committee to act as Chair of the Committee. If the Chair of the Committee is absent from any meeting, the Committee shall select one of the other members of the Committee to preside at that meeting.

**IV. Meetings**

Any member of the Committee or the auditor may call a meeting of the Committee. The Committee shall meet at least four times per year and as many additional times as the Committee deems necessary to carry out its duties. The Chair shall develop and set the Committee’s agenda, in consultation with other members of the Committee, the Board and senior management.

Notice of the time and place of every meeting shall be given in writing to each member of the Committee, at least 72 hours (excluding holidays) prior to the time fixed for such meeting. The Issuer's auditor shall be given notice of every meeting of the Committee and, at the expense of the Issuer, shall be entitled to attend and be heard thereat. If requested by a member of the Committee, the Issuer's auditor shall attend every meeting of the Committee held during the term of office of the Issuer's auditor.

A majority of the Committee shall constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present in person or by means of such telephonic, electronic or other communications facility that permits all persons participating in the meeting to communicate adequately with each other during the meeting.

The Committee may invite such directors, officers and employees of the Issuer and advisors as it sees fit from time to time to attend meetings of the Committee.

The Committee shall meet without management present whenever the Committee deems it appropriate.

The Committee shall appoint a Secretary who need not be a director or officer of the Issuer. Minutes of the meetings of the Committee shall be recorded and maintained by the Secretary and shall be subsequently presented to the Committee for review and approval.

## **V. Committee and Charter Review**

The Committee shall conduct an annual review and assessment of its performance, effectiveness and contribution, including a review of its compliance with this Charter. The Committee shall conduct such review and assessment in such manner as it deems appropriate and report the results thereof to the Board.

The Committee shall also review and assess the adequacy of this Charter on an annual basis, taking into account all legislative and regulatory requirements applicable to the Committee, as well as any guidelines recommended by regulators or the TSX Venture Exchange and shall recommend changes to the Board thereon.

## **VI. Reporting to the Board**

The Committee shall report to the Board in a timely manner with respect to each of its meetings held. This report may take the form of circulating copies of the minutes of each meeting held.

## **VII. Duties and Responsibilities**

### **(a) Financial Reporting**

The Committee is responsible for reviewing and recommending approval to the Board of the Issuer's annual and interim financial statements, MD&A and related news releases, before they are released.

The Committee is also responsible for:

- (i) being satisfied that adequate procedures are in place for the review of the Issuer's public disclosure of financial information extracted or derived from the Issuer's financial statements, other than the public disclosure referred to in the preceding paragraph, and for periodically assessing the adequacy of those procedures;
- (ii) if deemed appropriate by the Committee, engaging the Issuer's auditor to perform a review of the interim financial statements and receiving from the Issuer's auditor a formal report on the auditor's review of such interim financial statements;
- (iii) discussing with management and the Issuer's auditor the quality of applicable accounting principles and financial reporting standards, not just the acceptability thereof;

- (iv) discussing with management any significant variances between comparative reporting periods; and
- (v) in the course of discussion with management and the Issuer's auditor, identifying problems or areas of concern and ensuring such matters are satisfactorily resolved.

(b) **Auditor**

The Committee is responsible for recommending to the Board:

- (i) the auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Issuer; and
- (ii) the compensation of the Issuer's auditor.

The Issuer's auditor reports directly to the Committee. The Committee is directly responsible for overseeing the work of the Issuer's auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Issuer, including the resolution of disagreements between management and the Issuer's auditor regarding financial reporting.

(c) **Relationship with the Auditor**

The Committee is responsible for reviewing the proposed audit plan and proposed audit fees. The Committee is also responsible for:

- (i) establishing effective communication processes with management and the Issuer's auditor so that it can objectively monitor the quality and effectiveness of the auditor's relationship with management and the Committee;
- (ii) receiving and reviewing regular feedback from the auditor on the progress against the approved audit plan, important findings, recommendations for improvements and the auditor's final report;
- (iii) reviewing, at least annually, a report from the auditor on all relationships and engagements for non-audit services that may be reasonably thought to bear on the independence of the auditor; and
- (iv) meeting in camera with the auditor whenever the Committee deems it appropriate.

(d) **Accounting Policies**

The Committee is responsible for:

- (i) reviewing the Issuer's accounting policy note to ensure completeness and acceptability with applicable accounting principles and financial reporting standards as part of the approval of the financial statements;
- (ii) discussing and reviewing the impact of proposed changes in accounting standards or securities policies or regulations;
- (iii) reviewing with management and the auditor any proposed changes in major accounting policies and key estimates and judgments that may be material to financial reporting;

(iv) discussing with management and the auditor the acceptability, degree of aggressiveness/conservatism and quality of underlying accounting policies and key estimates and judgments; and

(v) discussing with management and the auditor the clarity and completeness of the Issuer's financial disclosures.

(e) **Risk and Uncertainty**

The Committee is responsible for reviewing, as part of its approval of the financial statements:

(i) uncertainty notes and disclosures; and

(ii) MD&A disclosures.

The Committee, in consultation with management, will identify the principal business risks and decide on the Issuer's "appetite" for risk. The Committee is responsible for reviewing related risk management policies and recommending such policies for approval by the Board and, once approved by the Board, overseeing the implementation and ongoing monitoring of such policies.

The Committee is responsible for requesting the auditor's opinion of management's assessment of significant risks facing the Issuer and how effectively they are managed or controlled.

(f) **Controls and Control Deviations**

The Committee is responsible for reviewing:

(i) the plan and scope of the annual audit with respect to planned reliance and testing of controls; and

(ii) major points contained in the auditor's management letter resulting from control evaluation and testing.

The Committee is also responsible for receiving reports from management when significant control deviations occur.

(g) **Compliance with Laws and Regulations**

The Committee is responsible for reviewing regular reports from management and others (e.g. auditors) concerning the Issuer's compliance with financial related laws and regulations, such as:

(i) tax and financial reporting laws and regulations;

(ii) legal withholdings requirements;

(iii) environmental protection laws; and

(iv) other matters for which directors face liability exposure.

**VIII. Non-Audit Services**

All non-audit services to be provided to the Issuer or its subsidiary entities by the Issuer's auditor must be pre-approved by the Committee.

## **IX. Submission Systems and Treatment of Complaints**

The Committee is responsible for establishing procedures for:

- (a) the receipt, retention and treatment of complaints received by the Issuer regarding accounting, internal accounting controls, or auditing matters; and
- (b) the confidential, anonymous submission by employees of the Issuer of concerns regarding questionable accounting or auditing matters.

The Issuer has adopted a Code of Business Conduct and Ethics (the “Code”) and a Whistle Blower Policy (the “Policy”) (a copy of the Policy is attached as Appendix A to this Charter), which provides for the reporting and treatment of complaints and concerns. The Committee is responsible for reviewing complaints and concerns that are brought to the attention of the Chair of the Audit Committee in accordance with the provisions of the Code and the Policy and for ensuring that any such complaints and concerns are appropriately addressed. The Committee shall report quarterly to the Board on the status of any complaints or concerns received by the Committee.

## **X. Hiring Policies**

The Committee is responsible for reviewing and approving the Issuer’s hiring policies regarding partners, employees and former partners and employees of the present and former auditor of the Issuer.

**Altamont Exploration Corp.**

Condensed Interim Financial Statements  
For the three months ended September 30, 2012

(Expressed in Canadian Dollars)  
(Unaudited)

## Altamont Exploration Corp.

Statements of financial position

(Unaudited - Expressed in Canadian dollars)

	Notes	September 30, 2012	June 30, 2012
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		\$ 117,807	\$ 165,792
Amounts receivable		5,085	14,499
Prepaid expenses and deposits		21,500	6,500
		144,392	186,791
<b>Non-current assets</b>			
Deferred finance costs		12,500	2,500
Exploration and evaluation asset	4	152,079	141,879
		<b>\$ 308,971</b>	<b>\$ 331,170</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		\$ 20,000	\$ 27,000
<b>Equity</b>			
Share capital	5(b)	327,000	327,000
Reserve	5(e)	60,000	60,000
Deficit		(98,029)	(82,830)
		<b>288,971</b>	<b>304,170</b>
		<b>\$ 308,971</b>	<b>\$ 331,170</b>

Nature and continuance of operations (note 1)

Commitment (note 6)

Events after the reporting period (note 11)

Approved by the Board of Directors and authorized for issue on \*, 2012.

\_\_\_\_\_  
Derek Pink, President and Director

\_\_\_\_\_  
Derrick Strickland, Director

**Altamont Exploration Corp.**  
Statement of comprehensive loss  
(Unaudited - Expressed in Canadian dollars)

	<b>Three Months Ended September 30, 2012</b>
<b>Expenses</b>	
Management fees	\$ 10,500
Office and miscellaneous	201
Rent	4,500
<b>Loss before other item</b>	<b>(15,201)</b>
Interest income	2
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (15,199)</b>
<b>Loss per share – basic and diluted</b>	<b>\$ (0.00)</b>
<b>Weighted average number of common shares outstanding</b>	<b>6,120,000</b>

## Altamont Exploration Corp.

### Statement of changes in equity

(Unaudited - Expressed in Canadian dollars)

	Notes	Share capital		Reserve	Deficit	Total
		Number of shares	Amount			
<b>January 16, 2012</b>		-	\$ -	\$ -	\$ -	\$ -
Shares issued for cash – Founder shares	5(b)	1,500,000	15,000	-	-	15,000
– private placements	5(b)	4,620,000	312,000	-	-	312,000
Share-based payments	5(e)	-	-	60,000	-	60,000
Net loss and comprehensive loss for the period		-	-	-	(82,830)	(82,830)
<b>June 30, 2012</b>		<b>6,120,000</b>	<b>\$ 327,000</b>	<b>\$ 60,000</b>	<b>\$ (82,830)</b>	<b>\$ 304,170</b>
<b>July 1, 2012</b>		<b>6,120,000</b>	<b>\$ 327,000</b>	<b>\$ 60,000</b>	<b>\$ (82,830)</b>	<b>\$ 304,170</b>
Net loss and comprehensive loss for the period		-	-	-	(15,199)	(15,199)
<b>September 30, 2012</b>		<b>6,120,000</b>	<b>\$ 327,000</b>	<b>\$ 60,000</b>	<b>\$ (98,029)</b>	<b>\$ 288,971</b>

See accompanying notes to the condensed interim financial statements

**Altamont Exploration Corp.**  
Statement of cash flows  
(Unaudited - Expressed in Canadian dollars)

	<b>Three Months Ended September 30, 2012</b>
<b>Operating activities</b>	
Net loss for the period	\$ (15,199)
Changes in non-cash working capital items:	
Amounts receivable	9,414
Prepaid expenses and deposits	(15,000)
Accounts payable and accrued liabilities	(7,000)
<b>Net cash flows used in operating activities</b>	<b>(27,785)</b>
<b>Investing activity</b>	
Expenditures on exploration and evaluation asset	(10,200)
<b>Financing activity</b>	
Deferred finance costs	(10,000)
Decrease in cash	(47,985)
Cash, beginning of the period	165,792
<b>Cash, end of the period</b>	<b>\$ 117,807</b>

See accompanying notes to the condensed interim financial statements

# Altamont Exploration Corp.

Notes to the financial statements

For the three months ended September 30, 2012

(Unaudited - Expressed in Canadian dollars)

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## 1. Nature and continuance of operations

Altamont Exploration Corp. ("Altamont" or the "Company") was incorporated on January 16, 2012, under the laws of the province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in Canada. Based on the information available to date, the Company has not yet determined whether its exploration and evaluation assets contain ore reserves.

The head office, principal address and registered and records office of the Company are located at 789 West Pender Street, Suite 440, Vancouver, British Columbia, Canada, V6C 1H2.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at September 30, 2012, the Company had not advanced its property to commercial production and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and or private placement of common shares.

## 2. Significant accounting policies and basis of preparation

### a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statement, including IAS 34, Interim Financial Reporting. Accordingly, these Financial Statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting purposes. These financial statements should be read in conjunction with the Company's financial statements for the period ended June 30, 2012, which have been prepared in accordance with IFRS as issued by the IASB.

The accounting policies applied by the Company in these financial statements are the same as those applied by the Company in its most recent audited financial statements for the period from inception on January 16, 2012 to June 30, 2012.

### b) Critical accounting estimates and judgments

The preparation of these financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are regularly evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. The following discusses the most significant accounting judgment and estimate that the Company has made in the preparation of the financial statements.

- *Impairment*

The Company considers both external and internal sources of information in assessing whether there are any indicators that the mineral interests are impaired. External sources of information include changes in the market, and the economic and legal environment in which the Company operates. Internal sources of information include the manner in which mineral interests are being used or are expected to be used.

## Altamont Exploration Corp.

Notes to the financial statements

For the three months ended September 30, 2012

(Unaudited - Expressed in Canadian dollars)

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### 3. New accounting standards and recent pronouncements

A number of new standards, amendments to standards and interpretations have been issued, but are not yet effective and have not been applied in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Company.

IFRS 9 - *Financial Instruments* covers the classification and measurement of financial assets as part of its project to replace IAS 39, *Financial Instruments: Recognition and Measurement*. In October 2010, the requirements for classifying and measuring financial liabilities were added to IFRS 9. Under this guidance, entities have the option to recognize financial liabilities at fair value through earnings. If this option is elected, entities would be required to reverse the portion of the fair value change due to own credit risk out of earnings and recognize the change in other comprehensive income. IFRS 9 is effective for the Company on October 1, 2013. Early adoption is permitted and the standard is required to be applied retrospectively. There will be no significant impact the Company upon implementation of the issued standard.

IFRS 10 – *Consolidated Financial Statements*, replaces the guidance on control and consolidated in IAS 27, *Consolidated and Separate Financial Statements*, and SIC-12, *Consolidation – Special Purpose Entities*. IFRS 10 changes the definition of control under IFRS so that the same criteria are applied to all entities to determine control. The Company anticipates that the adoption of this standard will have no material impact.

IFRS 11 – *Joint Arrangements* replaces IAS 31, *Interests in Joint Ventures*. IFRS 11 reduces the types of joint arrangements to two: joint ventures and joint operations. IFRS 11 requires the use of equity accounting for interests in joint ventures, eliminating the existing policy choice of proportionate consolidation for jointly controlled entities under IAS 31. Entities that participate in joint operations will follow accounting much like that for jointly controlled assets and jointly controlled operations under IAS 31. The Company anticipates that the adoption of this standard will have no material impact.

IFRS 12 – *Disclosure of Interests in Other Entities* sets out the disclosure requirements for entities reporting under IFRS 10 and IFRS 11, and replaces the disclosure requirements currently found in IAS 28, *Investments in Associates*. The Company anticipates that the adoption of this standard will have no material impact.

IFRS 13 – *Fair Value Measurement* sets out a framework for measuring fair value and the disclosure requirements for fair value measurements

IAS 1 – *Presentation of Items of Other Comprehensive Income*. In June 2011, the IASB issued amendments to IAS 1 *Presentation of Financial Statements* to split items of other comprehensive income (OCI) between those that are reclassified to income and those that are not. The standard is required to be adopted for periods beginning on or after July 1, 2012. The Company is currently evaluating the impact that the standard may have on its financial statements.

IAS 12 – *Income Taxes* that provides a practical solution to determining the recovery of investment properties as it relates to the accounting for deferred income taxes. This amendment is effective for annual periods beginning on or after October 1, 2013, with earlier adoption permitted. The Company does not anticipate this amendment to have a significant impact on its financial statements.

## Altamont Exploration Corp.

Notes to the financial statements

For the three months ended September 30, 2012

(Unaudited - Expressed in Canadian dollars)

### 4. Exploration and evaluation asset

	Harmony
<b>Cost</b>	
Balance, January 16, 2012	\$ -
Additions:	
Acquisition costs	30,000
Geology and consulting	111,879
<b>Balance, June 30, 2012</b>	<b>141,879</b>
Additions:	
Geology and consulting	10,200
<b>Balance, September 30, 2012</b>	<b>\$ 152,079</b>

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to its mineral property, and, to the best of its knowledge, except as described below, are properly registered and in good standing.

The following is a description of the Company's exploration and evaluation asset and the related spending commitments:

#### *Harmony*

During the period ended June 30, 2012, the Company entered into an option agreement with Andrew Molnar to earn up to a 100% interest in the Harmony property, located in British Columbia, Canada. The Harmony Property, which is comprised of 6 mineral claims totalling approximately 2,418 hectares, is located approximately 15 kilometres northeast of Courtney, Province of British Columbia, Canada. Pursuant to the option agreement, the Company can acquire an undivided 100% interest in the Harmony Property by making \$30,000 in staged cash payments (\$15,000 paid). The remaining \$15,000 is due to be paid on the latter date of March 29, 2013 or within ten days of the date on which the Company's shares are listed, posted and called for trading on the TSX Venture Exchange. The Harmony Property is subject to a 2% net smelter returns royalty ("NSR") payable to the Optioner, which may be purchased by the Company for \$1,000,000.

### 5. Share capital

#### a) Authorized share capital

As at September 30, 2012, the authorized share capital of the Company is an unlimited number of common shares without par value and an unlimited number of preferred shares without par value, all issued shares, consisting only of common shares are fully paid.

## **Altamont Exploration Corp.**

Notes to the financial statements

For the three months ended September 30, 2012

(Unaudited - Expressed in Canadian dollars)

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### **5. Share capital (cont'd...)**

#### b) Issued share capital

On February 28, 2012, the Company issued 1,500,000 shares at \$0.01 per share for total proceeds of \$15,000 for seed capital.

On March 2, 2012, the Company completed a private placement of flow-through shares issuing 3,000,000 flow-through shares at \$0.05 for total proceeds of \$150,000.

On June 5, 2012, the Company issued 1,620,000 shares at \$0.10 for total proceeds of \$162,000 pursuant to a private placement

#### c) Shares held in escrow

On September 30, 2012, the Company entered into an escrow agreement, in which 3,200,000 shares are held in escrow.

#### d) Stock options and warrants

The Company has an incentive stock options plan in place under which it is authorized to grant options to directors and employees to acquire up to 10% of the Company's issued and outstanding common shares. Under the plan, the exercise price of each option may not be less than the market price of the Company's stock as calculated on the date of grant less the applicable discount. The options can be granted for a maximum term of 5 years and vesting periods are determined by the Board of Directors.

On September 18, 2012, 1,100,000 share purchase options were granted to officers, directors and consultants of the Company. Each option entitles the holder to acquire one common share at \$0.15 exercisable on the date that the Company's shares are listed on the TSX Venture exchange and for five years thereafter, therefore no share based compensation expense has been recognized by the Company.

The Company did not have any warrants outstanding as of September 30, 2012 and June 30, 2012.

#### e) Reserve

On February 28, 2012, the Company issued 1,500,000 shares at \$0.01 per share. Subsequently on March 2, 2012, the Company issued shares for a private placement at \$0.05. This subsequent price implies a fair value of \$0.05 per share in respect to the February 28, 2012 financing, and that the Company has incurred an expense by issuing these earlier shares at a lower price. Accordingly, the Company has recorded a non-cash charge of \$60,000 (\$0.04 per share) to recognize an expense equal to the difference between the share consideration paid for February 28, 2012 and paid for the shares issued March 2, 2012. The difference is allocated to reserve with the corresponding entry expensed to share-based payments.

### **6. Commitment**

At September 30, 2012, the Company is committed to incur \$38,121 in eligible exploration expenditures in order to complete obligations entered into pursuant to flow-through share purchase agreements.

## Altamont Exploration Corp.

Notes to the financial statements

For the three months ended September 30, 2012

(Unaudited - Expressed in Canadian dollars)

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### 7. Related party transactions

#### *Related party balances*

Included in prepaid expenses is \$5,000 advanced to a company controlled by two directors.

#### *Related party transactions*

The Company incurred the following transactions with companies that are controlled by directors of the Company.

	<b>Three months ended September 30, 2012</b>
Management fees	\$ 10,500
Rent	4,500
	<b>\$ 15,000</b>

### 8. Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

#### *Credit risk*

The Company's primary exposure to credit risk is the risk of illiquidity of cash amounting to \$117,807 at September 30, 2012. As the Company's policy is to limit cash holdings to instruments issued by major Canadian banks, the credit risk is considered by management to be negligible.

#### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. The Company's only liquidity risk from financial instruments is its need to meet operating accounts payable requirements. The Company has maintained sufficient cash balances to meet these needs at September 30, 2012.

#### *Foreign exchange risk*

The Company does not have any balances denominated in a foreign currency and believes it has no significant foreign currency risk.

#### *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The risk that the Company will realize a loss as a result of a decline in the fair value of the short-term investments included in cash and cash equivalents is minimal.

#### *Price Risk*

The Company is not exposed to price risk.

## Altamont Exploration Corp.

Notes to the financial statements

For the three months ended September 30, 2012

(Unaudited - Expressed in Canadian dollars)

### 8. Financial risk management (cont'd)

#### *Fair value of Financial Instruments*

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value classification of the Company's financial instruments is as follows:

		As at September 30, 2012		As at June 30, 2012	
	Fair Value Level	Fair value through profit or loss \$	Other financial receivables and liabilities at amortized cost \$	Fair value through profit or loss \$	Other financial receivables and liabilities at amortized cost \$
<i>Financial assets:</i>					
Cash	1	117,807	-	165,792	-
Amounts receivable		-	5,085	-	14,499
		117,807	5,085	165,792	14,499
<i>Financial liabilities:</i>					
Accounts payable and accrued liabilities		-	20,000	-	27,000
		-	20,000	-	27,000

During the periods ended September 30, 2012 and June 30, 2012, there were no transfers between level 1, level 2 and level 3 classified assets.

## **Altamont Exploration Corp.**

Notes to the financial statements

For the three months ended September 30, 2012

(Unaudited - Expressed in Canadian dollars)

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### **9. Capital management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its evaluation and exploration assets, acquire additional evaluation and exploration assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents and investments.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

### **10. Segmented information**

The Company operates in one reportable operating segment, being the acquisition and exploration of exploration and evaluation assets in Canada.

### **11. Events after the reporting period**

The Company began the process of filing an IPO prospectus to offer to the public in the provinces of British Columbia, Ontario and Alberta up to 5,000,000 common shares at \$0.15 per share for gross proceeds of \$750,000. As part of the IPO, the Company has agreed to pay the Agent a non-refundable corporate work fee of \$10,000 and a \$15,000 retainer against any legal fees and out-of-pocket expenses and disbursements. The Agent will also receive a commission equal to 8% of the gross proceeds of the IPO payable in cash or shares.

Effective October 1, 2012 to December 31, 2012, the Company amended the management services agreement increasing the fee to \$8,500 per month.

**Altamont Exploration Corp.**

Financial Statements

June 30, 2012

(Expressed in Canadian Dollars)

**REPORT OF INDEPENDENT REGISTERED CHARTERED ACCOUNTANTS**

**To the Directors of Altamont Exploration Corp.**

We have audited the accompanying financial statements of Altamont Exploration Corp. which comprise the statement of financial position as at June 30, 2012, and the statements of comprehensive loss, changes in equity and cash flows for the period from inception on January 16, 2012 to June 30, 2012, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 in our audit 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 Altamont Exploration Corp. as at June 30, 2012 and its financial performance and its cash flows for the period from inception on January 16, 2012 to June 30, 2012 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

**CHARTERED ACCOUNTANTS**

Vancouver, BC

• , 2012

## Altamont Exploration Corp.

Statement of financial position

(Expressed in Canadian dollars)

	Notes	June 30, 2012
<b>ASSETS</b>		
<b>Current assets</b>		
Cash		\$ 165,792
Amounts receivables		14,499
Prepaid expenses and deposits		6,500
		186,791
<b>Non-current assets</b>		
Deferred finance costs		2,500
Exploration and evaluation asset	5	141,879
		\$ 331,170
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities		\$ 27,000
<b>Equity</b>		
Share capital	6(a)	327,000
Reserve	6(d)	60,000
Deficit		(82,830)
		304,170
		\$ 331,170

Nature and continuance of operations (note 1)

Commitment (note 7)

Events after the reporting period (note 12)

Approved by the Board of Directors and authorized for issue on \*, 2012.

\_\_\_\_\_  
Derek Pink, President and Director

\_\_\_\_\_  
Derrick Strickland, Director

## **Altamont Exploration Corp.**

Statement of comprehensive loss

(Expressed in Canadian dollars)

	<b>For the period from inception January 16, 2012 to June 30, 2012</b>
<b>Expenses</b>	
Management fees	\$ 7,000
Office and miscellaneous	830
Professional fees	12,000
Rent	3,000
Share-based payments	60,000
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (82,830)</b>
<b>Loss per share – basic and diluted</b>	<b>\$ (0.02)</b>
<b>Weighted average number of common shares outstanding</b>	<b>3,587,349</b>

See accompanying notes to the financial statements

## Altamont Exploration Corp.

Statement of changes in equity  
(Expressed in Canadian dollars)

	Notes	Share capital		Reserve	Deficit	Total
		Number of shares	Amount			
<b>January 16, 2012</b>		-	\$ -	\$ -	\$ -	\$ -
Shares issued for cash – Founder shares	6(a)	1,500,000	15,000	-	-	15,000
– private placements	6(a)	4,620,000	312,000	-	-	312,000
Share-based payments	6(e)	-	-	60,000	-	60,000
Net loss and comprehensive loss for the period		-	-	-	(82,830)	(82,830)
<b>June 30, 2012</b>		<b>6,120,000</b>	<b>\$ 327,000</b>	<b>\$ 60,000</b>	<b>\$ (82,830)</b>	<b>\$ 304,170</b>

See accompanying notes to the financial statements

## Altamont Exploration Corp.

### Statement of cash flows

(Expressed in Canadian dollars)

	<b>For the period from inception January 16, 2012 to June 30, 2012</b>
<b>Operating activities</b>	
Net loss for the period	\$ (82,830)
Item not affecting cash:	
Share-based payments	60,000
	(22,830)
Changes in non-cash working capital items:	
Amounts receivable	(14,499)
Prepaid expenses and deposits	(6,500)
Accounts payable and accrued liabilities	12,000
<b>Net cash flows used in operating activities</b>	<b>(31,829)</b>
<b>Investing activity</b>	
Expenditures on exploration and evaluation asset	(126,879)
<b>Financing activities</b>	
Proceeds on issuance of common shares	327,000
Deferred finance costs	(2,500)
<b>Net cash flows from financing activities</b>	<b>324,500</b>
Increase in cash	165,792
Cash, beginning of the period	-
<b>Cash, end of the period</b>	<b>\$ 165,792</b>

During the period from incorporation on January 16, 2012 to June 30, 2012, the Company incurred \$15,000 of exploration and evaluation asset costs which were included in accounts payable at June 30, 2012.

# Altamont Exploration Corp.

Notes to the financial statements

(Expressed in Canadian dollars)

For the period from inception on January 16, 2012 to June 30, 2012

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## 1. Nature and continuance of operations

Altamont Exploration Corp. (“Altamont” or the “Company”) was incorporated on January 16, 2012, under the laws of the province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in Canada. Based on the information available to date, the Company has not yet determined whether its exploration and evaluation assets contain ore reserves.

The head office, principal address and registered and records office of the Company are located at 789 West Pender Street, Suite 440, Vancouver, British Columbia, Canada, V6C 1H2.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at June 30, 2012, the Company had not advanced its property to commercial production and is not able to finance day to day activities through operations. The Company’s continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and or private placement of common shares.

## 2. Significant accounting policies and basis of preparation

The financial statements were authorized for issue on September 28, 2012 by the directors of the Company.

### *Statement of compliance*

The financial statements of the Company comply with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

### *Basis of preparation*

These financial statements have been prepared under the historical cost convention using the accrual basis of accounting, except for cash flow information, and modified as required for the revaluation of derivative financial liabilities at fair value through profit or loss.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements

### *Significant accounting judgments, estimates and assumptions*

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statement and the reported revenues and expenses during the period.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the recoverability of mineral properties, and the recognitions of deferred tax amounts and share-based payments.

## **Altamont Exploration Corp.**

Notes to the financial statements

(Expressed in Canadian dollars)

For the period from inception on January 16, 2012 to June 30, 2012

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### **2. Significant accounting policies and basis of preparation (cont'd)**

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

#### Economic recoverability and probability of future economic benefits of mineral property interests

Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facility, evaluation of permitting and environmental issues and local support for the project.

#### Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

#### Share-based payments

The calculation of share-based compensation requires estimates of volatility, forfeiture rates and market prices surrounding the issuance of share options. These estimates impact share-based compensation expense and share-based payment reserve.

#### *Exploration and evaluation expenditures*

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

# Altamont Exploration Corp.

Notes to the financial statements

(Expressed in Canadian dollars)

For the period from inception on January 16, 2012 to June 30, 2012

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## 2. Significant accounting policies and basis of preparation (cont'd)

### *Share-based payments*

The Company operates an employee stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using a Black-Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

### **Flow-through shares**

The Company has issued common shares as flow-through shares, whereby the investor may claim the tax deductions arising from the related resource expenditures. When flow-through shares are issued, the sale of the tax deduction is valued (using the residual method) and deferred as other liabilities (if any). When resource expenditures are renounced to the investors and the Company has reasonable assurance that the expenditures will be completed, the liability is reversed, and a deferred income tax liability is recognized.

Previously, unrecognized future tax assets may be used to reduce this liability amount, and the Company will recognize a future income tax recovery to this extent.

### *Loss per share*

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

### *Financial instruments*

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss. The Company's cash and cash equivalents are classified as FVTPL.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's receivables are classified as loans and receivables.

## **Altamont Exploration Corp.**

Notes to the financial statements

(Expressed in Canadian dollars)

For the period from inception on January 16, 2012 to June 30, 2012

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### **2. Significant accounting policies and basis of preparation (cont'd)**

#### *Financial instruments* (cont'd)

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary financial assets.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost. The Company's trade payables and accrued liabilities are classified as other financial liabilities.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the group commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether impairment has arisen.

The Company does not have any derivative financial assets and liabilities.

#### *Impairment of assets*

The carrying amount of the Company's assets (which include exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of income and comprehensive income.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

## **Altamont Exploration Corp.**

Notes to the financial statements

(Expressed in Canadian dollars)

For the period from inception on January 16, 2012 to June 30, 2012

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### **2. Significant accounting policies and basis of preparation (cont'd)**

#### *Income taxes*

##### Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

##### Deferred income tax:

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

#### *Restoration and environmental obligations*

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

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

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

## Altamont Exploration Corp.

Notes to the financial statements

(Expressed in Canadian dollars)

For the period from inception on January 16, 2012 to June 30, 2012

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### 2. Significant accounting policies and basis of preparation (cont'd)

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

### 3. Accounting standards issued but not yet effective

IFRS 9 Financial Instruments ("IFRS 9") was issued in November 2009. It addresses classification and measurement of financial assets and financial liabilities and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: Amortized cost and fair value through profit and loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at fair value through the profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends, to the extent not clearly representing a return on investment, are recognized in profit or loss; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely. This standard is required to be applied for accounting periods beginning on or after *January 1, 2013*, with earlier adoption permitted.

IFRS10 Consolidated Financial Statements ("IFRS 10") provides a single model to be applied in the control analysis for all investors, including entities that currently are special purpose entities in the scope of SIC12 Consolidated – Special Purpose Entities. In addition, the consolidation procedures are carried forward substantially unmodified from IAS27 Consolidated and Separate Financial Statements. This standard is effective for annual period beginning on January 1, 2013. Earlier application is permitted.

IFRS 11 Joint Arrangements ("IFRS 11") establishes principles for financial reporting by parties to a joint arrangement. IFRS supersedes the current IAS 31 Interest in Joint Ventures and SIC-13 Jointly Controlled Entities – Non-Monetary Contributions by Ventures. The standard is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

IFRS 12: Disclosure of Interests in Other Entities - In May 2011, the IASB issued IFRS 12 which aggregates and amends disclosure requirements included within other standards. The standard requires a company to provide disclosures about subsidiaries, joint arrangements, associates and unconsolidated structure entities. The standard is required to be adopted for periods beginning January 1, 2013.

IFRS13 Fair Value Measurement ("IFRS13") converges IFRS and US GAAP on how to measure fair value and the related fair value disclosures. The new standard creates a single source of guidance for fair value measurements, where fair value is required or permitted under IFRS, by not changing how fair value is used but how it is measured. The focus will be on an exit price. IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted.

IAS 1: Presentation of Items of Other Comprehensive Income – In June 2011, the IASB issued amendments to IAS 1 Presentation of Financial Statements to split items of other comprehensive income (OCI) between those that are re-classified to income and those that are not. The standard is required to be adopted for periods beginning on or after July 1, 2012.

The Company is currently evaluating the impact, if any, that the adoption of these standards may have on its financial statements.

## Altamont Exploration Corp.

Notes to the financial statements

(Expressed in Canadian dollars)

For the period from inception on January 16, 2012 to June 30, 2012

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### 4. Capital management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, and exploration of exploration and evaluation assets. The Board of Directors does not establish quantitative returns on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Management considers the Company's capital structure to primarily consist of the components of shareholder's equity.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period from incorporation to June 30, 2012. The Company is not subject to externally imposed capital requirements.

### 5. Exploration and evaluation asset

	Harmony
<b>Cost</b>	
Balance, January 16, 2012	\$ -
Additions:	
Acquisition costs	30,000
Geology and consulting	111,879
<b>Balance, June 30, 2012</b>	<b>\$ 141,879</b>

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to its mineral property, and, to the best of its knowledge, except as described below, are properly registered and in good standing.

The following is a description of the Company's exploration and evaluation asset and the related spending commitments:

#### *Harmony*

During the period ended June 30, 2012, the Company entered into an option agreement with Andrew Molnar to earn up to a 100% interest in the Harmony property, located in British Columbia, Canada (the "Harmony Property"). The Harmony Property, which is comprised of 6 mineral claims totalling approximately 2,418 hectares, is located approximately 15 kilometres northeast of Courtney, Province of British Columbia, Canada. Pursuant to the option agreement, the Company can acquire an undivided 100% interest in the Harmony Property by making \$30,000 in staged cash payments (\$15,000 paid). The remaining \$15,000 is due to be paid on the later date of March 29, 2013 or within ten days of the date on which the Company's shares are listed, posted and called for trading on the TSX Venture Exchange (not later than June 30, 2013). The Harmony Property is subject to a 2% net smelter returns royalty ("NSR") payable to the Optioner, which may be purchased by the Company for \$1,000,000.

## **Altamont Exploration Corp.**

Notes to the financial statements

(Expressed in Canadian dollars)

For the period from inception on January 16, 2012 to June 30, 2012

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### **6. Share capital**

#### a) *Authorized share capital*

Unlimited number of common shares without par value.

On February 21, 2012, the Company issued 1,500,000 shares at \$0.01 per share for total proceeds of \$15,000 for seed capital.

On March 2, 2012, the Company completed a private placement of flow-through shares issuing 3,000,000 flow-through shares at \$0.05 for total proceeds of \$150,000.

On June 5, 2012, the Company issued 1,620,000 shares at \$0.10 for total proceeds of \$162,000 pursuant to a private placement

#### b) Share purchase options

The Company has an incentive stock options plan in place under which it is authorized to grant options to directors and employees to acquire up to 10% of the Company's issued and outstanding common shares. Under the plan, the exercise price of each option may not be less than the market price of the Company's stock as calculated on the date of grant less the applicable discount. The options can be granted for a maximum term of 5 years and vesting periods are determined by the Board of Directors.

The Company had no stock options outstanding during the current period.

#### c) Share purchase warrants

The Company had no warrants outstanding during the current period.

#### d) Reserve

On February 28, 2012, the Company issued 1,500,000 shares at \$0.01 per share. Subsequently on March 2, 2012, the Company issued shares for a private placement at \$0.05. This subsequent price implies a fair value of \$0.05 per share in respect to the February 28, 2012 financing, and that the Company has incurred an expense by issuing these earlier shares at a lower price. Accordingly, the Company has recorded a non-cash charge of \$60,000 (\$0.04 per share) to recognize an expense equal to the difference between the share consideration paid for February 28, 2012 and paid for the shares issued March 2, 2012. The difference is allocated to reserve with the corresponding entry expensed to share-based payments.

### **7. Commitments**

At June 30, 2012, the Company is committed to incur \$38,121 in eligible exploration expenditures in order to complete obligations entered into pursuant to flow-through share purchase agreements.

## Altamont Exploration Corp.

Notes to the financial statements

(Expressed in Canadian dollars)

For the period from inception on January 16, 2012 to June 30, 2012

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### 8. Related party transactions

#### *Related party balances*

Included in prepaid expenses is \$5,000 advanced to a company controlled by two directors.

#### *Related party transactions*

The Company incurred the following transactions with companies that are controlled by directors of the Company.

	<b>2012</b>
Management fees	\$ 7,000
Rent	3,000
	\$ 10,000

### 9. Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

#### *Credit risk*

The Company's primary exposure to credit risk is the risk of illiquidity of cash amounting to \$165,792 at June 30, 2012. As the Company's policy is to limit cash holdings to instruments issued by major Canadian banks, the credit risk is considered by management to be negligible.

#### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. The Company's only liquidity risk from financial instruments is its need to meet operating accounts payable requirements. The Company has maintained sufficient cash balances to meet these needs at June 30, 2012.

#### *Foreign exchange risk*

The Company does not have any balances denominated in a foreign currency and believes it has no significant foreign currency risk.

#### *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The risk that the Company will realize a loss as a result of a decline in the fair value of the short-term investments included in cash and cash equivalents is minimal.

#### *Price Risk*

The Company is not exposed to price risk.

## Altamont Exploration Corp.

Notes to the financial statements

(Expressed in Canadian dollars)

For the period from inception on January 16, 2012 to June 30, 2012

### 9. Financial risk management (cont'd)

#### *Fair value of Financial Instruments*

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value classification of the Company's financial instruments is as follows:

		As at June 30, 2012	
	Fair Value Level	Fair value through profit or loss \$	Other financial receivables and liabilities at amortized cost \$
<i>Financial assets:</i>			
Cash and cash equivalents	1	165,792	-
Amounts receivable		-	14,499
		165,792	14,499
<i>Financial liabilities:</i>			
Accounts payable and accrued liabilities		-	27,000
		-	27,000

During the period ended June 30, 2012, there were no transfers between level 1, level 2 and level 3 classified assets.

### 10. Segmented information

The Company operates in one reportable operating segment, being the acquisition and exploration of exploration and evaluation assets in Canada.

## Altamont Exploration Corp.

Notes to the financial statements

(Expressed in Canadian dollars)

For the period from inception on January 16, 2012 to June 30, 2012

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### 11. Income taxes

A reconciliation of income taxes at statutory rates is as follows:

	2012
	\$
Net loss for the period	(82,830)
Statutory tax rate	25%
Expected income tax recovery	(20,708)
Net adjustment for deductible and non-deductible amounts	15,000
Unrecognized benefit of non-capital losses	5,708
Total income tax expense	-

The significant components of the Company's future income tax assets are as follows:

	2012
	\$
Future income tax assets:	
Non-capital loss carryforwards	5,750
Valuation allowance	(5,750)
Net future tax assets	-

Subject to certain restrictions, the Company has mineral property expenditures at June 30, 2012 of approximately \$127,000 available to reduce taxable income in future years. The Company also has non-capital losses available for deduction against future year's taxable income amounting to \$23,000. The Company has not recognized any future benefit for these tax losses and resource deductions, as it is not considered likely that they will be utilized. If unused, these tax losses will expire as follows:

	\$
2032	23,000

### 12. Events after the reporting period

The Company began the process of filing an IPO prospectus to offer to the public in the provinces of British Columbia, Ontario and Alberta up to 5,000,000 common shares at \$0.15 per share for gross proceeds of \$750,000. As part of the IPO, the Company has agreed to pay the Agent a non-refundable corporate work fee of \$10,000 and a \$15,000 retainer against any legal fees and out-of-pocket expenses and disbursements. The Agent will also receive a commission equal to 8% of the gross proceeds of the IPO payable in cash or shares.

On September 18, 2012, the Company issued 1,100,000 stock options to the directors, officers, employees and consultants of the Company. Each option is exercisable at \$0.15 per common share for a period of five years from the listing of the Company's shares on the TSX Venture Exchange.

On September 28, 2012, the option agreement to acquire the Harmony Property was amended to change the payment of the remaining \$15,000 to the later date of March 29, 2013 or within ten days of the date on which the Company's shares are listed, posted and called for trading on the TSX Venture Exchange.

**CERTIFICATE OF THE ISSUER**

Date: November 6, 2012

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

*“Derek Pink”*

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Derek Pink  
Chief Executive Officer

*“Alyssa Weyrauch”*

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Alyssa Weyrauch  
Chief Financial Officer

**ON BEHALF OF THE BOARD OF DIRECTORS**

*“Toma S. Sojonky”*

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Toma S. Sojonky  
Director

*“Margo J. Peters”*

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Margo J. Peters  
Director

## **CERTIFICATE OF THE PROMOTER**

Date: November 6, 2012

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

*“Derek Pink”*

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Derek C. Pink

*“Toma S. Sojonky”*

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Toma S. Sojonky

## CERTIFICATE OF THE AGENT

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

DATED: November 6, 2012

Haywood Securities Inc.

Per: "*Martin Burian*"

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Martin Burian  
Managing Director, Investment Banking