

**TITAN GOLDWORX RESOURCES INC.**

**FORM 2A**

**LISTING STATEMENT**

**MAY 15, 2012**

## NOTE TO READER

This Listing Statement contains a copy of the Prospectus of Titan Goldworx Resources Inc. (the “**Company**”) dated February 28, 2012 (the “**Prospectus**”). Certain sections of the Canadian National Stock Exchange (the “**Exchange**”) form of Listing Statement have been included following the Prospectus to provide additional disclosure on the Company required by the Exchange, as well as updating certain information contained in the Prospectus.

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**SCHEDULE A**

**Titan Goldworx Resources Inc.**

**Long Form Prospectus dated February 28, 2012**

See attached.

*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. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*

*The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws, and except pursuant to an exemption from registration under the U.S. Securities Act and applicable state securities laws, may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. Person (as that term is defined in Regulation S under the U.S. Securities Act). This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States.*

## PROSPECTUS

February 28, 2012

### Initial Public Offering **TITAN GOLDWORX RESOURCES INC.**

1075 West Georgia Street, Suite 1980  
Vancouver, BC, V6E 3C9  
Telephone: 604 688 9588

**Minimum Distribution**  
**2,000,000 Common Shares at a price of \$0.15 per Common Share**  
**\$300,000**

TITAN GOLDWORX RESOURCES INC. (the "Company" or "Titan") hereby offers for sale, through its agent, Canaccord Genuity Corp. (the "Agent"), on a commercially reasonable efforts basis to the public in the provinces of British Columbia, Alberta and Ontario 2,000,000 common shares of the Company (the "Shares") at a price of \$0.15 per Share for total gross proceeds of \$300,000 (the "Offering"). The completion of the Offering will take place on a day (the "Closing Day") as agreed to by the Company and the Agent.

	No. of Shares	Price to Public <sup>(1)</sup>	Agent's Commission <sup>(2)</sup>	Net Proceeds to the Company <sup>(3)</sup>
Per Share	1	\$0.15	N/A	\$0.15
Total Offering <sup>(3)</sup>	2,000,000	\$300,000	N/A	\$300,000

Notes:

- (1) The price of the Shares has been determined by the Company in negotiation with the Agent in compliance with the applicable policies of the Canadian National Stock Exchange (the "Exchange").
- (2) The Agent will receive a commission (the "Agent's Commission") of 8% of the gross proceeds of the Offering, payable in Shares, at a deemed price of \$0.15 per Share (the "Agent's Shares"), and non-transferable share purchase warrants (the "Agent's Warrants") equal in number to 8% of the aggregate number of Shares sold under this Offering. Each Agent's Warrant will entitle the Agent to purchase one Share at the price of \$0.15 per Share, for a period of 24 months from the Closing Day. The Agent will also receive a corporate finance fee (the "Corporate Finance Fee") in the amount of \$30,000 and 50,000 Shares, at a deemed price of \$0.15 per Share ("Corporate Finance Fee Shares") upon closing. See "Plan of Distribution – Agency Agreement". National Instrument 41-101 *General Prospectus Requirements* adopted by the Canadian Securities Administrators ("NI 41-101") restricts the number of securities issued to an Agent as compensation which may be qualified under a prospectus ("Qualified Compensation Securities"), to a maximum of 10% of Shares sold pursuant to the Offering. For the purposes of this Offering, any combination of the following, totalling 200,000 securities, are Qualified Compensation Securities and are qualified for distribution by this Prospectus: (a) up to 160,000 Agent's Shares; (b) up to 160,000 Agent's Warrants; and (c) up to 50,000 Corporate Finance Fee Shares. Those securities that the Agent is entitled to receive exceeding 10% of the Offering will not be Qualified Compensation Securities, will not be qualified for distribution under this Prospectus and will be subject to a hold period in accordance with applicable securities laws.
- (3) Before deduction of the balance of the expenses of the Offering estimated to be \$136,000, including the cash portion of the Corporate Finance Fee. See "Use of Proceeds – Available Funds".

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

The Exchange has conditionally approved the listing of the Shares being offered under this Prospectus on the Exchange. The listing is subject to the Company fulfilling all of the listing requirements of the Exchange including prescribed distribution and financial requirements.

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

The Agent conditionally offers the Shares qualified hereunder, on a “commercially reasonable efforts” basis, subject to prior sale, if, as and when issued by the Company and accepted by the Agent in accordance with the conditions contained in the Agency Agreement referred to under “*Plan of Distribution*”. The closing of the Offering is subject to the Company obtaining subscriptions for the full amount of the Offering. If the Offering is not completed within 90 days of the issuance of a receipt for the final prospectus, or within 90 days of the date of a receipt for an amendment to the final prospectus provided that no more than 180 days have passed since the date of receipt for the final prospectus, the distribution must cease unless an amendment is filed and received.

The offering price of the Shares offered for sale hereunder was determined by negotiation between the Company and the Agent in compliance with the applicable policies of the Exchange.

**AN INVESTMENT IN SHARES SHOULD BE CONSIDERED SPECULATIVE DUE TO THE NATURE OF THE BUSINESS OF THE COMPANY, ITS PRESENT STAGE OF DEVELOPMENT AND OTHER RISK FACTORS. INVESTORS SHOULD NOT INVEST ANY FUNDS IN THIS OFFERING UNLESS THEY CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT. INVESTORS MUST BE WILLING TO RELY ON THE ABILITY, EXPERTISE, JUDGMENT AND DISCRETION OF THE MANAGEMENT OF THE COMPANY. SEE “RISK FACTORS”.**

The following table sets out securities issuable to the Agent:

<b>Agent’s Position<sup>(1) (2)</sup></b>	<b>Maximum size or number of securities available</b>	<b>Exercise period or acquisition date</b>	<b>Exercise price or average acquisition price per Share</b>
Over-allotment Option	N/A	N/A	N/A
Agent’s Shares	160,000	On the Closing Day	\$0.15
Agent’s Warrants	160,000	24 months from the Closing Day	\$0.15
Corporate Finance Fee Shares	50,000	On the Closing Day	\$0.15
Any other option granted by the Company or insider of the Company to Agent	N/A	N/A	N/A

<u>Agent's Position<sup>(1) (2)</sup></u>	<u>Maximum size or number of securities available</u>	<u>Exercise period or acquisition date</u>	<u>Exercise price or average acquisition price per Share</u>
Total securities issuable to the Agent	370,000 securities	On the Closing Day (for Agent's Shares and the Corporate Finance Fee Shares) and 24 months from the Closing Day (for the Agent's Warrants)	\$0.15
Other compensation securities issuable to the Agent	N/A	N/A	N/A

Notes:

- (1) In addition to the 2,000,000 Shares offered hereunder, this Prospectus also qualifies the Qualified Compensation Securities.
- (2) See "Plan of Distribution".

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

Certain legal matters relating to the Offering have been reviewed on behalf of the Company by McMillan LLP and on behalf of the Agent by Miller Thomson LLP.

NO PERSON IS AUTHORIZED BY THE COMPANY OR THE AGENT TO PROVIDE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE ISSUE AND SALE OF THE SECURITIES OFFERED PURSUANT TO THIS PROSPECTUS.

It is expected that share certificates evidencing the Shares in definitive form will be available for delivery at the closing of the Offering unless the Agent elects for delivery in electronic book entry form through CDS Clearing and Depository Services Inc. ("CDS") or its nominee. If delivered in book entry form, purchasers of Shares will receive only a customer confirmation from the registered dealer that is a CDS participant and from or through which the Shares were purchased.

**AGENT:**

**Canaccord Genuity Corp.**  
2200-609 Granville Street,  
Vancouver, BC, V7Y 1H2  
Telephone: (604) 643-7300  
Facsimile: (604) 643-7606

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## GLOSSARY OF GENERAL TERMS

The following is a glossary of certain general terms used in this Prospectus:

<b>Agency Agreement</b>	The agency agreement dated February 28, 2012 between the Company and the Agent.
<b>Agent</b>	Canaccord Genuity Corp.
<b>Agent's Commission</b>	The commission payable to the Agent upon closing of the Offering pursuant to the Agency Agreement, comprising 8% of the gross proceeds of the Offering, payable in Agent's Shares and Agent's Warrants equal in number to 8% of the aggregate number of Shares sold under this Offering.
<b>Agent's Shares</b>	The 160,000 Shares to be issued to the Agent at a deemed price of \$0.15 per Share, comprising part of the Agent's Commission, being 8% of the gross proceeds of the Offering.
<b>Agent's Warrants</b>	The non-transferable share purchase warrants to be granted to the Agent, comprising part of the Agent's Commission, for the purchase of 160,000 Shares, being 8% of the aggregate number of Shares sold pursuant to the Offering. Each Agent's Warrant will entitle the Agent to purchase one Share at the price of \$0.15 per Share, for a period of 24 months from the Closing Day.
<b>Board</b>	The Company's board of directors.
<b>Closing Day</b>	The date on which the Offering is completed.
<b>Company</b>	Titan Goldworx Resources Inc.
<b>Corporate Finance Fee</b>	The fee of \$30,000 in cash and 50,000 Corporate Finance Fee Shares payable to the Agent pursuant to the Agency Agreement.
<b>Corporate Finance Fee Shares</b>	The 50,000 Shares to be issued to the Agent comprising part of the Corporate Finance Fee.
<b>Escrow Agent</b>	Olympia Trust Company.
<b>Escrow Agreement</b>	The escrow agreement dated February 28, 2012 among the Company, the Escrow Agent and certain shareholders of the Company.
<b>Exchange or CNSX</b>	The Canadian National Stock Exchange.
<b>Final Receipt</b>	The written confirmation of the acceptance for filing of the final prospectus received from the British Columbia Securities Commission.
<b>Finder's Warrants</b>	The 277,650 common share purchase warrants issued to Canaccord Genuity Corp. as partial compensation for the services it provided as a finder in connection with the Company's sale and issuance of an aggregate 3,085,000 Shares at the price of \$0.10 per Share on July 29, 2011, pursuant to the terms of a finder's fee agreement dated July 27, 2011 between the Company and Canaccord Genuity Corp.. Each such warrant entitles the holder thereof to purchase one Share at a price of \$0.10 per Share until July 29, 2013.
<b>Listing Date</b>	The date of listing of the Shares on the Exchange.

<b>Net Smelter Returns</b>	<p>The net amount of money received by the Company from the sale of ore, or ore concentrates of other products from the Tait Property to a smelter or other ore buyer after deduction of the total of the following:</p> <ul style="list-style-type: none"><li>(a) smelter and refining charge;</li><li>(b) government imposed production and ad valorem taxes (excluding taxes on incomes);</li><li>(c) ore treatment charges, penalties and any and all charges made by the purchaser of ore or concentrates;</li><li>(d) any and all transportation and insurance costs which may be incurred in connection with the transportation of ore or concentrates; and</li><li>(e) all umpire charges which the purchaser may be required to pay.</li></ul>
<b>NI 41-101</b>	National Instrument 41-101 <i>General Prospectus Requirements</i> adopted by the Canadian Securities Administrators.
<b>NI 43-101</b>	National Instrument 43-101 <i>Standards of Disclosure for Mineral Properties</i> adopted by the Canadian Securities Administrators.
<b>NI 45-102</b>	National Instrument 45-102 <i>Resale of Securities</i> adopted by the Canadian Securities Administrators.
<b>NP 46-201</b>	National Policy 46-201 <i>Escrow for Initial Public Offerings</i> adopted by the Canadian Securities Administrators.
<b>Offering</b>	The offering under this Prospectus of 2,000,000 Shares, in accordance with the terms of the Agency Agreement.
<b>Option and Joint Venture Agreement</b>	The option and joint venture agreement dated October 21, 2011, as amended November 28, 2011, among the Optionor, the Underlying Optionor, Quantum, and the Company whereby the Optionor granted an exclusive option to the Company to acquire an undivided 70% interest in and to the Tait Property or the Underlying Option Agreement, as applicable, and pursuant to which the Company will form a joint venture with Optionor upon the Company earning the 70% interest in and to the Tait Property. See “ <i>Description of Business – Option to Acquire the Tait Property</i> ”.
<b>Optionor</b>	Silver Mountain Mines Corp., as the optionor under the Option and Joint Venture Agreement and a wholly-owned subsidiary of Quantum.
<b>Plan</b>	Means the Company’s stock option plan, approved and adopted by the Board on November 1, 2011.
<b>Principal</b>	Has the meaning given under “ <i>Escrowed Securities and Securities Subject to Resale Restrictions</i> ”.
<b>Qualified Compensation Securities</b>	The maximum number of securities issued to the Agent which may be qualified under a prospectus, being 10% of Shares sold pursuant to the Offering.
<b>Quantum</b>	Quantum Rare Earth Developments Corp.
<b>Securities Commissions</b>	The securities regulatory authorities in each of the Selling Provinces.

<b>Selling Provinces</b>	The provinces of British Columbia, Alberta and Ontario, in which this Prospectus has been filed and in which Shares will be offered for sale.
<b>Shares</b>	The common shares of the Company.
<b>Stock Options</b>	The incentive stock options to purchase up to 625,000 Shares that are expected to be granted to directors and officers of the Company contemporaneously with the closing of the Offering. See “ <i>Options to Purchase Securities</i> ”.
<b>Tait Property</b>	The mineral property forming the subject of the Technical Report. See “ <i>Description of Business – Option to Acquire the Tait Property</i> ” and “ <i>Description of Business – Description of the Tait Property and Summary of Technical Report</i> ”.
<b>Technical Report</b>	The report dated September 9, 2011, prepared by Roger MacDonald, P. Geo., entitled “ <i>Technical Report on the Tait Property</i> ”, prepared in accordance with NI 43-101.
<b>TSX</b>	Toronto Stock Exchange.
<b>TSXV</b>	TSX Venture Exchange.
<b>Underlying Option</b>	The exclusive option granted by the Underlying Optionor to the Optionor to acquire an undivided 100% interest in and to the Tait Property pursuant to the terms and conditions of the Underlying Option Agreement.
<b>Underlying Optionor</b>	Perry English for Rubicon Minerals Corporation as the underlying optionor under the Underlying Option Agreement.
<b>Underlying Option Agreement</b>	The option agreement dated July 31, 2009, between the Underlying Optionor and the Optionor whereby the Underlying Optionor granted the Underlying Option to Silver Mountain.
<b>Underlying Royalty</b>	The 2% net smelter royalty granted to the Underlying Optionor pursuant to the terms and conditions of the Underlying Option Agreement.

## GLOSSARY OF GEOLOGICAL TERMS

The following is a glossary of certain technical terms used in this Prospectus:

<b>AA</b>	The abbreviation for Atomic Absorption.
<b>Ag</b>	The chemical abbreviation for silver.
<b>anomalous</b>	Adjective describing a sample, location or area at which either the concentration of an element or a geophysical measurement is significantly different from (generally higher than) the average background concentrations in an area. Though it may not constitute mineralization, an anomalous sample or area may be used as a guide to the possible location of mineralization.
<b>assay</b>	Quantitative test of minerals and ore by chemical and/or fire techniques.
<b>Au</b>	The chemical abbreviation for gold.
<b>AZ</b>	The abbreviation for azimuth, an angular measurement in a spherical coordinate system.
<b>batholith</b>	A large, generally discordant plutonic mass that has more than 40 square miles (100 km <sup>2</sup> ) of surface exposure and no known floor. Its formation is believed by most investigators to involve magmatic processes.
<b>biotite</b>	A common rock-forming mineral of the mica group.
<b>cm</b>	The abbreviation for centimetre.
<b>cm<sup>2</sup></b>	The abbreviation for centimetre squared.
<b>cm<sup>3</sup></b>	The abbreviation for cubic centimetre.
<b>Cretaceous</b>	A geological period between 66 and 135 million years ago and which identifies the formation date of strata (see Mesozoic).
<b>Cu</b>	The chemical abbreviation for copper.
<b>ddh</b>	The abbreviation for diamond drill hole.
<b>foliation</b>	A planar arrangement of textural or structural features in any type of rock; especially the planar structure that results from flattening of the constituent grains of a metamorphic rock. The layered structure produced in the ice of a glacier by plastic deformation.
<b>ft</b>	The abbreviation for foot (or feet).
<b>g</b>	The abbreviation for gram.
<b>GA</b>	The abbreviation for gigayears, meaning a billion years.
<b>gneiss</b>	A foliated rock formed by regional metamorphism, in which bands or lenticles of granular minerals alternate with bands or lenticles of minerals with flaky or elongate prismatic habit.
<b>gpt</b>	The abbreviation for grams per tonne.

<b>grade</b>	The amount of valuable mineralization in each ton of ore, expressed as ounces per ton or grams per tonne (g/t), parts per billion (ppb) or parts per million (ppm) for precious metal and as a percentage by weight (%) or ppm for other metals.
<b>igneous</b>	A rock or mineral that solidified from molten or partly molten material.
<b>intrusion</b>	A body of igneous rock that invades or is emplaced in other rock.
<b>intrusive</b>	A rock formed by the process of emplacement of magma in pre-existing rock.
<b>Jurassic</b>	The second period of the Mesozoic era (after the Triassic and before the Cretaceous), thought to have covered the span of time between 190 and 135 million years ago.
<b>kg</b>	The abbreviation for kilogram.
<b>km</b>	The abbreviation for kilometres.
<b>l</b>	The abbreviation for litre.
<b>lamprophyre</b>	A group of rocks in which dark minerals occur both as phenocrysts and in the groundmass and light minerals occur in the groundmass.
<b>lithology</b>	The description of rocks, especially in hand specimen and in outcrop, on the basis of such characteristics as color, mineralogic composition and grain size.
<b>lode</b>	A mineral deposit consisting of a zone of veins, veinlets or disseminations.
<b>Ma</b>	The abbreviation for a million years.
<b>mafic</b>	Said of an igneous rock composed chiefly of dark, ferromagnesian minerals; also said of those minerals. It is the complement of felsic.
<b>magma</b>	Naturally occurring molten or melted rock material, generated within the earth and capable of intrusion and extrusion and from which igneous rocks are thought to have been derived through solidification and related processes.
<b>Mesozoic</b>	The era of geological time ranging from 225 to 66 million years ago; includes the Triassic, Jurassic and Cretaceous periods.
<b>metamorphism</b>	The mineralogical, chemical, and structural adjustment of solid rocks to physical and chemical conditions imposed at depth below the surface zones of weathering and cementation, which differ from the conditions under which the rocks originated.
<b>Mo</b>	The chemical abbreviation for molybdenum.
<b>M oz</b>	The abbreviation for a million troy ounces.
<b>Mt</b>	The abbreviation for a million tonnes.
<b>Ni</b>	The chemical abbreviation for nickel.
<b>ore</b>	The naturally occurring material from which a mineral or minerals of economic value can be extracted at a reasonable profit.

<b>oligoclase</b>	A mineral common in igneous rocks of intermediate to high silica content.
<b>outcrop</b>	An exposure on the surface of the underlying rock.
<b>%</b>	The symbol representing percent.
<b>Paleozoic</b>	An era of geologic time, from the end of the Precambrian to the beginning of the Mesozoic, or from about 570 to about 225 million years ago.
<b>Pb</b>	The chemical abbreviation for lead.
<b>pegmatite</b>	An exceptionally coarse-grained igneous rock, with interlocking crystals, usually found as irregular dikes, lenses, or veins, especially at the margins of batholiths. Pegmatite represents the last and most hydrous portion of a magma to crystallize and hence contain high concentrations of minerals commonly present only in trace amounts in granitic rocks.
<b>PGE, pge</b>	The abbreviation for Platinum Group Elements.
<b>PGM, pgm</b>	The abbreviation for Platinum Group Metals.
<b>phenocryst</b>	One of the relatively large and ordinarily conspicuous crystals of the earliest generation in a porphyritic igneous rock.
<b>ppb</b>	The abbreviation for parts per billion.
<b>ppm</b>	The abbreviation for parts per million.
<b>Precambrian</b>	All geologic time, and its corresponding rocks, before the beginning of Paleozoic; it is equivalent to about 90% of geologic time.
<b>Pt</b>	The chemical abbreviation for platinum.
<b>pyrite</b>	Pyrite has a brilliant metallic luster and an absence of cleavage, and has been mistaken for gold (which is softer and heavier). Pyrite is the most widespread and abundant of the sulphide minerals and occurs in all kinds of rocks. It is an important ore of sulfur, less so of iron, and is burned in making sulfur dioxide and sulphuric acid; it is rarely mined for its own value, but it is sometimes mined for associated gold, copper and other metals.
<b>pyrrhotite</b>	A mineral which is darker and softer than pyrite; it can be associated with pentlandite which may contain as much as 5% nickel.
<b>QA/QC</b>	The abbreviation for Quality Control/Assurance.
<b>RC</b>	The abbreviation for reverse circulation drilling.
<b>RRGB</b>	The abbreviation for the Rainy River Gold Belt.
<b>S</b>	The abbreviation for second.
<b>scheelite</b>	A principal ore mineral of tungsten.

- sedimentary**                      Rock formed of sediment, as conglomerate, sandstone and shale, formed of fragments of other rock transported from their sources and deposited in water; rocks formed by precipitation from solution as rock salt or gypsum or non-organic secretions of organisms, e.g., most limestone.
- sericite**                              A fine-grained sheet-like silicate mineral often formed by hydrothermal alteration.
- skarn**                                      A type of hydrothermal alteration that overprints carbonates and other calcareous rocks; commonly contains garnet and pyroxene-bearing valueless mineral assemblages, and may be associated with Cu, Mo, Zn, Pb and/or Au mineralization.
- St**    The abbreviation for short ton (2,000 pounds).
- stockwork**                              A dense, intersecting network of veins and veinlets. These are often quartz-rich and may contain Cu, Mo, Au or other types of mineralization.
- strata**                                      A tabular or sheet-like body of sedimentary rock.
- t**    The abbreviation for metric tonne (2,000 kg).
- ultramafic**                              Said of an igneous rock composed chiefly of mafic minerals.
- vein**                                        An epigenetic mineral filling of a fault or other fracture, in tabular or sheetlike form, often with associated replacement of the host rock.
- VMS**                                        The abbreviation for volcanogenic massive sulphide.
- Zn**    The chemical abbreviation for zinc.

**Conversion**

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

<u>To Convert From</u>	<u>To</u>	<u>Multiply By</u>
Feet .....	Metres.....	..... 0.305
Metres .....	Feet.....	..... 3.281
Miles .....	Kilometres .....	..... 1.609
Kilometres .....	Miles.....	..... 0.621
Acres.....	Hectares.....	..... 0.405
Grams .....	Ounces (troy).....	..... 0.032
Ounces (troy) .....	Grams .....	..... 31.103
Tonnes .....	Short tons .....	..... 1.102
Grams per tonne.....	Ounces (troy) per ton.....	..... 0.029

## 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. Unless otherwise noted, all currency amounts are stated in Canadian dollars.*

### The Company

The Company was incorporated on February 4, 2011 under the name Titan Goldworx Resources Inc. pursuant to the *Business Corporations Act* (British Columbia). The Company is engaged in the business of evaluating, acquiring and exploring natural resource properties. See “*Description of the Business*”.

### Principal Property

Pursuant to the Option and Joint Venture Agreement, the Company has the exclusive right to acquire from the Optionor an undivided 70% interest in and to the Tait Property or to the Underlying Option Agreement, as applicable. The Tait Property is an exploration property situated in the Kenora Mining Division of the Province of Ontario.

The Optionor was granted the Underlying Option to acquire an undivided 100% interest in and to the Tait Property pursuant to the terms of the Underlying Option Agreement. Pursuant to the terms of the Option and Joint Venture Agreement, in the event that the Optionor fails to exercise the Underlying Option in accordance with the terms of the Underlying Option Agreement, subject to certain conditions, the Company will have the exclusive right to acquire, at no additional cost, an assignment of all of the Underlying Optionor’s rights and interests to the Tait Property, the Underlying Option and the Underlying Option Agreement, as more particularly set out in the Option and Joint Venture Agreement.

Following the Optionor’s exercise of the Underlying Option and the commencement of commercial production on any part of the Tait Property, the Underlying Royalty will be payable by the Optionor until the exercise by the Company of its option to acquire a 70% interest in and to the Tait Property, following which the Optionor and the Company will be jointly responsible for any payment of the Underlying Royalty on a pro rata basis calculated in accordance with each party’s respective interest in the Tait Property.

See “*Description of the Business – Description of Property and Summary of Technical Report*”.

### The Offering

**Offering:** 2,000,000 Shares at a price of \$0.15 per Share. See “*Plan of Distribution*”.

This Prospectus also qualifies the grant of the Qualified Compensation Securities. See “*Plan of Distribution*” and “*Risk Factors*”.

**Gross Proceeds:** \$300,000

**Available Funds:** The gross proceeds to be derived from the sale of the securities offered hereunder, before deduction of the expenses of the Offering, will be \$300,000, which when added to the Company’s working capital as at January 31, 2012 of approximately \$868,481 will total \$1,168,481. See “*Use of Proceeds*”.

The available funds will be allocated as follows:

<b>Purpose for which Funds are Raised</b>	<b>Amount</b>
2012 Exploration Program	\$272,800

<b>Purpose for which Funds are Raised</b>	<b>Amount</b>
First anniversary cash payment under the Option and Joint Venture Agreement during the next 12 months	\$15,000
Administrative expenses of the Company for a period of 12 months	\$120,000
Balance of estimated expenses of the Offering (including legal, audit, printing, and CNSX listing fees and the cash portion of the Corporate Finance Fee)	\$136,000
Unallocated working capital to fund ongoing operations, activities related to seeking additional mineral properties and for general working capital purposes	\$624,681
<b>Total Available Funds:</b>	<b>\$1,168,481.00</b>

See “*Description of the Business - Description of Property and Summary of Technical Report*” and “*Use of Proceeds*”.

### **Agent’s Compensation**

The Company will, at the closing of the Offering (i) pay to the Agent 8% of the aggregate gross proceeds of the Offering in Agent’s Shares (at a deemed price of \$0.15 per Agent’s Share), (ii) issue to the Agent Agent’s Warrants equal in number to 8% of the number of Shares sold under the Offering, each such Agent’s Warrant entitling the holder to purchase one Share at the price of \$0.15 per Share for a period of 24 months from the Closing Day, and (iii) pay to the Agent the Corporate Finance Fee, consisting of \$30,000 and 50,000 Corporate Finance Fee Shares (at a deemed price of \$0.15 per Corporate Finance Fee Share). The Company has paid a deposit of \$15,000 to the Agent to be applied towards the estimated legal and ancillary costs of the Agent in connection with the Offering. The Agency Agreement also provides that the Company shall grant the Agent a right of first refusal to act as agent with respect to all future brokered financings of the Company for a period of 12 months from the date on which the Offering completes. See “*Plan of Distribution – Agency Agreement*”.

### **Risk Factors**

The success of the Company’s business is subject to a number of factors, including risks normally encountered in the mining industry such as operating hazards and risks, exploration risks, increasing environmental regulation, competition with companies having greater resources, lack of operating cash flow, foreign currency fluctuations and other factors.

The Tait Property is the Company’s sole property and is in the exploration phase. If the exploration programs to be carried out do not justify further exploration work, the Company may take the decision to abandon its entire interest in the Tait Property and write off the exploration expenses incurred. The Tait Property is not known to contain, and the Company does not provide any assurances that the Tait Property does contain, a body of commercial ore, and the Company’s planned work programs will be exploratory in nature.

The price of base and precious metals has fluctuated widely and therefore the economic viability of the Tait Property cannot be accurately predicted.

See “*Risk Factors*” for greater detail of these and other risk factors.

### **Directors and Officers**

Herrick Lau	Chief Executive Officer and Director
Denise Lok	Chief Financial Officer and Corporate Secretary

Yaron Conforti	Director
John King Burns	Director
Henry J. Sandri	Director

See “*Directors and Executive Officers*”.

### **Summary of Financial Information**

Prior to the Offering, the Company raised \$998,500 from the sale of Shares for cash in a series of seed capital financings. Please see “*Prior Sales*”. As reflected in the audited statement of financial position as at October 31, 2011, the Company had accrued \$15,000 to acquire the Tait Property.

During the period from incorporation on February 4, 2011 to October 31, 2011, the Company reported a net loss of \$16,633 (\$0.01 basic and diluted loss per Share). Expenses during this period include office and miscellaneous charges of \$2,723, geological consulting fee of \$12,750 and regulatory fees of \$1,160. As at October 31, 2011, the Company had total assets of \$988,674. The assets were comprised of cash of \$956,989, receivables of \$1,685, exploration and evaluation assets of \$15,000 and a deferred financing cost of \$15,000.

The audited financial statements for the period from incorporation on February 4, 2011 to October 31, 2011, upon which the financial information in this Prospectus is based, together with the auditors’ report thereon, are attached hereto and form a part hereof. See “*Financial Statements*”.

### **CAUTION REGARDING FORWARD-LOOKING STATEMENTS**

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

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

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

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

- liabilities inherent in our operations;

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

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

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

## CORPORATE STRUCTURE

### **Name, Address and Incorporation**

Titan Goldworx Resources Inc. was incorporated on February 4, 2011 under the *Business Corporations Act* (British Columbia). The head office of the Company is located at 1075 West Georgia Street, Suite 1980, Vancouver, BC, V6E 3C9. The Company's registered and records office is located at 1055 West Georgia Street, Suite 1500, Vancouver, BC V6E 4N7.

The Company is not currently a reporting issuer in any jurisdiction and the Shares are not listed or posted for trading on any stock exchange.

### **Inter-corporate Relationships**

The Company has no subsidiaries.

## DESCRIPTION OF THE BUSINESS

### **Description and History**

The Company commenced operations in 2011. The Company is engaged in the acquisition, exploration and, if warranted, development of natural resource properties of merit. The Company entered into the Option and Joint Venture Agreement with the Optionor, pursuant to which the Company was granted an exclusive right to acquire from the Optionor an undivided 70% interest in and to the Tait Property (or the Underlying Option Agreement, if the Underlying Option is not yet exercised).

### **Option to Acquire the Tait Property**

The Optionor was granted the Underlying Option to acquire an undivided 100% interest in and to the Tait Property pursuant to the terms of the Underlying Option Agreement, which is currently kept in good standing by the Optionor. Pursuant to the terms of the Option and Joint Venture Agreement, in the event that the Optionor fails to exercise the Underlying Option in accordance with the terms of the Underlying Option Agreement, the Company will have the exclusive right to acquire, at no additional cost, an assignment of all of the Underlying Optionor's rights and interests to the Tait Property, the Underlying Option and the Underlying Option Agreement, as more particularly set out in the Option and Joint Venture Agreement.

Upon earning the 70% interest, the Company will form a joint venture with the Optionor pursuant to the terms of the Option and Joint Venture Agreement.

In order for Titan to earn its 70% interest in the Tait Property (or the Underlying Option Agreement, if the Underlying Option is not yet exercised), it must issue 150,000 Shares and pay an aggregate \$140,000 in cash payments to the Optionor within four years from the date of signing of the Option and Joint Venture Agreement. To date, the Company has made payments to the Optionor totalling \$15,000 pursuant to the Option and Joint Venture Agreement.

The following table lists the Share issuance and cash payment requirements to be fulfilled by the Company under the Option and Joint Venture Agreement in order to acquire the Tait Property (or the Underlying Option Agreement, if the Underlying Option is not yet exercised):

<u>Date</u>	<u>Cash</u>	<u>Shares</u>
<u>Year 1</u>		
<ul style="list-style-type: none"><li>on closing of the Option and Joint Venture Agreement (November 28, 2011)</li></ul>	\$15,000 (paid)	Nil
<ul style="list-style-type: none"><li>within 30 days of completion of the Offering</li></ul>	Nil	150,000
<u>Year 2</u>		
<ul style="list-style-type: none"><li>on or before November 28, 2012</li></ul>	\$15,000	Nil
<u>Year 3</u>		
<ul style="list-style-type: none"><li>on or before November 28, 2013</li></ul>	\$20,000	Nil
<u>Year 4</u>		
<ul style="list-style-type: none"><li>on or before November 28, 2014</li></ul>	\$40,000	Nil
<u>Year 5</u>		
<ul style="list-style-type: none"><li>on or before November 28, 2015</li></ul>	\$50,000	Nil

Following the Optionor's exercise of the Underlying Option and the commencement of commercial production on any part of the Tait Property, the Underlying Royalty will be payable by the Optionor until the exercise by the Company of its option to acquire a 70% interest in and to the Tait Property, following which the Optionor and the Company will be jointly responsible for any payment of the Underlying Royalty on a pro rata basis calculated in accordance with each party's respective interest in the Tait Property.

During the period from incorporation on February 4, 2011 to October 31, 2011, the Company accrued a total of \$15,000 in deferred exploration expenses.

#### **Description of the Tait Property and Summary of Technical Report**

The Tait Property is the subject of the Technical Report, which has been filed with the Securities Commissions and is available for review under the Company's profile on the SEDAR database at [www.sedar.com](http://www.sedar.com). The Technical Report reviews the Tait Property's geology and historical work, and recommends an initial exploration program in respect of the Tait Property to be undertaken by the Company. The author of the Technical Report is an independent Qualified Person as defined under NI 43-101.

A copy of the Technical Report may be inspected during the distribution of the Shares being offered under this Prospectus at the registered office of the Company during normal business hours, and for 30 days thereafter.

The following disclosure relating to the Tait Property has been substantially excerpted from the Technical Report and all sources referenced in this section refer to sources more particularly described in the "References" section of the Technical Report. Reference should be made to the full text of the Technical Report and readers are encouraged to review the Technical Report in its entirety.

## ***Property Location and Description***

### *Location*

The Tait Property is located approximately fifty kilometres northwest of Fort Frances, the nearest large town in western Ontario (Figure 1). The village of Emo is located approximately twenty-five kilometres to the south, on Highway 11.

The Tait Property claim block is a single unpatented mining claim in Tait Township (G3837) abutting the southern boundary of Richardson Township (Figure 2) on NTS sheet 52D/16 and is centered at Latitude 48.82178°N Longitude 94.06260°W or NAD83 UTM Zone 15 422002mE 5408188mN.

### *Property Description*

In Ontario, Crown lands are available to licensed prospectors for the purposes of mineral exploration. Claim staking is governed by the Ontario Mining Act and is administered through the Provincial Mining Recorder and Mining Lands offices of the Ministry of Northern Development and Mines ('MNDM').

The Tait Property is comprised of eight 16 hectare (forty acre) claim units. In Ontario after staking, claims are registered within thirty-one days with the MNDM upon payment of an appropriate fee. In order to keep claims valid, an owner must incur approved expenditures in excess of \$400 per claim within two years.

In October 2006, the Underlying Optionor had the eight unit Tait Property staked. This claim has not been legally surveyed. The status of the claim was independently verified by the author of the Technical Report by checking the MNDM website ([www.claimaps.mndm.gov.on.ca](http://www.claimaps.mndm.gov.on.ca)). A plan illustrating the location of the Tait Property is shown in Figure 2 and a title list is provided in Table 2. The Tait Property is in good standing and has sufficient work assessment credits to maintain this good standing for several years. The author of the Technical Report is not aware of any outstanding aboriginal land rights or claims or environmental liabilities to which the Tait Property is subject or any significant factors or risks that may affect access, title, or the right or ability to perform work on the property. No permitting is presently required for the proposed exploration programs (MNDM, 2008), however it is recommended that consultation with First Nations be a part of future exploration planning.

### *Recent Ownership History and Underlying Agreements*

The Tait Property consists of one unpatented mineral claim covering 131 hectares. The property is located on map sheet 52D16 (50,000 sheet) of the National Topographic System (NTS). The Underlying Optionor, being Perry English of Souris, Manitoba is the recorded holder of the mineral claim. The claim is staked with reference to the legal definitions of Township and Section or Concession and covers the north half of Section 33 in Tait Township District of Rainy River. The general property location and regional geology are shown in Figure 1& 2. Table 2 shows the claim and current status.

The property was previously optioned by Bayfield Ventures Corporation ("Bayfield") and Range Gold Inc. in November of 2006 completing \$125,734 of recorded work. Bayfield terminated its option on the Tait Property in October 2008.

On July 8, 2009, the Optionor entered into the Underlying Option Agreement with the Underlying Optionor for the Underlying Option to acquire 100% interest in the eight unit claim, K4200491. To exercise the Underlying Option, the Optionor agreed to pay a total of \$139,000 and issue 150,000 common shares over a four year period, after which the Underlying Royalty of 2% NSR will be payable to the Underlying Optionor by the Optionor.

On January 31, 2011, Quantum completed its acquisition of the Optionor and the Optionor became a wholly owned subsidiary of Quantum. On October 21, 2011, the Company entered into the Option Agreement with the Underlying Optionor, the Optionor, and Quantum for the Option to acquire an undivided 70% interest in the Tait Property, which was subsequently amended by an agreement dated November 28, 2011. According to the terms of the Option

Agreement, to exercise the Option the Company must make aggregate cash payments of \$140,000 and issue 150,000 common shares within 30 days of completion of the Company's initial public offering.

Following the Optionor's exercise of the Underlying Option and the commencement of commercial production on any part of the Tait Property, the Underlying Royalty will be payable by the Optionor until the Company exercises the Option, following which the Company and the Optionor will be jointly responsible for any payment of the Underlying Royalty on a pro rata basis, calculated in accordance with each party's respective interest in the Tait Property.

**Table 2 - Property Claims**

<u>Township Area</u>	<u>Claim Number</u>	<u>Recording Date</u>	<u>Claim Due Date</u>	<u>Status</u>	<u>Percent Option</u>	<u>Work Required</u>	<u>Total Applied</u>	<u>Total Reserve</u>	<u>Claim Bank</u>
TAIT	4200491	2006-Oct-27	2013-Oct-27	A	100%	\$3,200	\$16,000	\$195,000	\$0



Figure 1

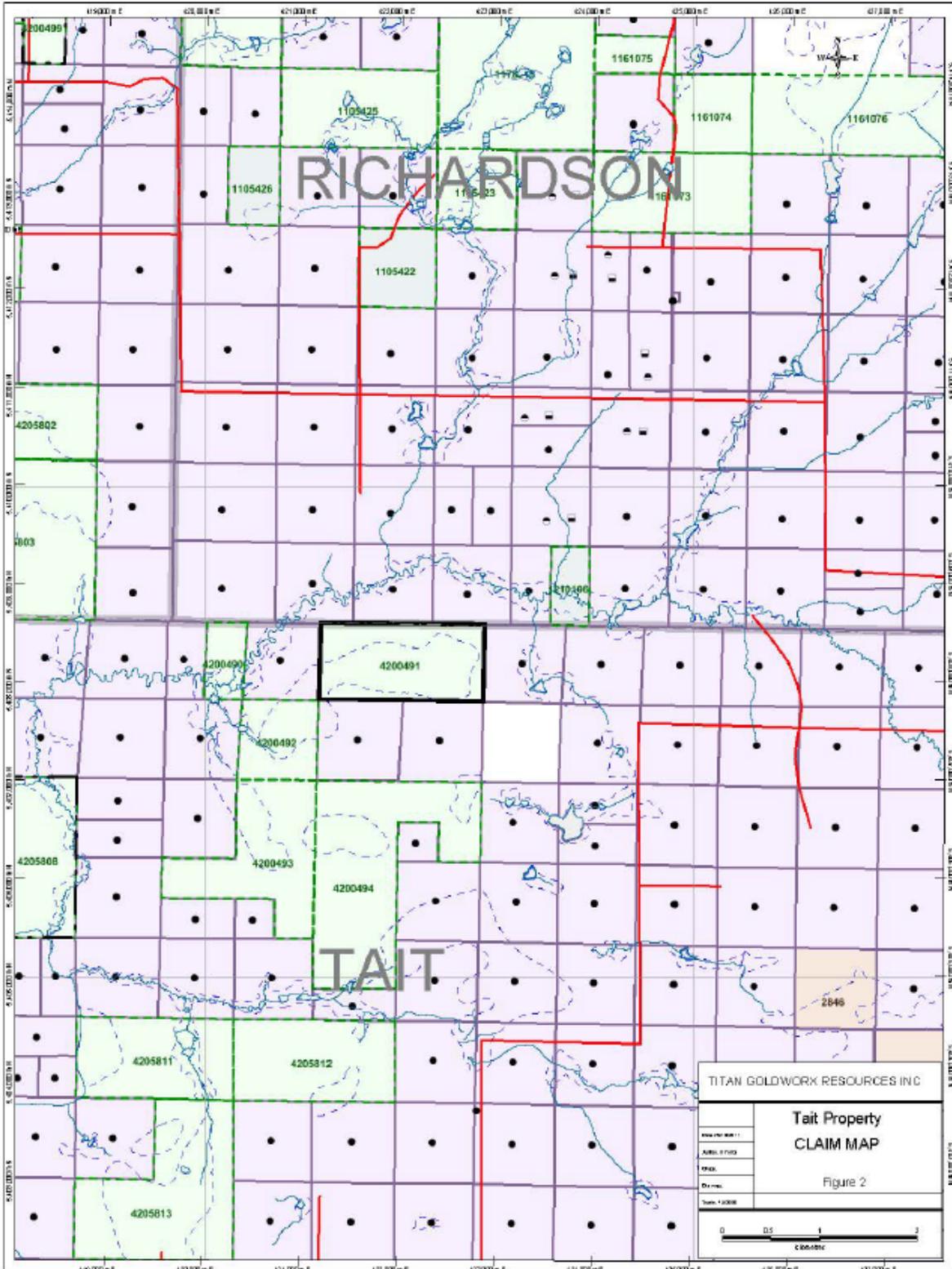


Figure 2

## ***Access, Climate, Local Resources, Infrastructure and Physiography***

### *Access*

The Tait Property is located in northern Tait Township in northwestern Ontario, approximately 162 kilometres by road (Highway 17/Highway 71/Regional Road 600) south of Kenora, and 418 kilometres by road (Highway 11/Highway 71/Regional Road 600) due west of Thunder Bay. These access roads are sealed allowing year round access. The property can be accessed via a series of tertiary roads and trails from the all weather municipal Tait Road off of the Provincial Highway 600 at the village of Blackhawk.

The Canadian National Railway is located 20 kilometres to the south and runs east-west immediately north of the Minnesota border. The nearby towns and villages of Fort Frances, Emo and Rainy River are located along this railway line.

### *Climate*

The climate is typically continental, with extremes in temperatures ranging from thirty-five degrees Celsius to minus forty degrees Celsius from summer to winter. Annual rainfall in the region averages about sixty centimetres, with heaviest rains expected from June to August when an average of about thirty centimetres of rain is recorded. An average of 350 centimetres of snowfall is recorded annually in the region

### *Local Resources and Infrastructure*

The towns within immediate driving distance of the Tait Property are:

- Emo with a population of 1,305 – thirty-four kilometres (thirty minute drive);
- Rainy River, population 909 – fifty-seven kilometres (one hour twenty minute drive); and
- Fort Frances with a population of 8,103 – seventy kilometres (one hour drive).

Hydroelectricity is produced north of Kenora at various locations and west and east of Thunder Bay. A medium-sized coal-powered thermal power station is located east of Fort Frances and another is located near Thunder Bay.

There is a ready supply of water in the area from lakes and rivers. Ground water is also likely to be in plenteous supply given the abundance of standing water and rivers within the region. Major drainage in the area is comprised of Rainy Lake which lies to the southeast and is drained by Rainy River which flows west along the Minnesota border to Lake of the Woods, which in turn feeds into the Lake Winnipeg watershed.

### *Physiography*

The Rainy River region is divided into two main physiographical regions. These regions are separated by a distinct northwest to southeast divide locally termed the Rainy Lake - Lake of the Woods Moraine (“RLLWM”) which traverses the countryside immediately to the north of the Richardson Township. To the north and east of this RLLWM there is a substantial amount of bedrock exposure and topographic relief can be up to ninety metres. This relief contrast is controlled by the geology of the batholiths which erode negatively in comparison to the supracrustals of the Canadian Shield. The area was subjected to the Whiteshell glacial event from the Labradorean ice centre to the northeast.

The region to the south and west of the RLLWM is comprised of lowlands, which underwent peneplanation in the Cretaceous, eroding away most of the Mesozoic cover. Topographic relief in this region is lacking, the glacial overburden is typically 20 to 40 m thick, drainage is poor and outcrop is limited to less than one percent of the surface area. This area was exposed to successive glaciations from the northeast and west. The bedrock is immediately overlain by Labradorean till that is geochemically responsive. This Labradorean till is in turn overlain by thick, highly conductive glaciolacustrine silts and clays of Glacial Lake Agassiz and easterly transported clay and

carbonate-rich Keewatin till. Some poorly drained areas are also covered by a thick peat layer which further impedes exploration activities.

The Rainy River area is sparsely populated. The vegetation falls within the northeastern hardwood region immediately adjacent to the southern margin of the boreal forest.

### ***Property History***

The bulk of this historical review is based upon the documentation of exploration in Northwestern Ontario that is archived in the MNM offices in Kenora, Ontario. Exploration in the Rainy River area began in 1967. Various companies were active between 1967 and 1989 with no work filed specifically on the Tait Property until 1996.

- 1967** Anomalous copper was noted in the region.
- 1967** Noranda Inc. registered claims and performed geophysics
- 1971** The Ontario Division of Mines, Ministry of Natural Resources, mapped the north-central part of the RRGB (Blackburn, 1976)
- 1971** International Nickel Corporation of Canada (“INCO”) undertook follow-up ground geophysics. INCO drilled two diamond drill holes in Richardson Township. Results are unknown.
- 1972** Hudson’s Bay Exploration and Development (“HBED”) undertook airborne and follow-up ground geophysics. In 1973, HBED drilled fifty-four drill holes in the Rainy River region. There was insufficient encouragement to continue and exploration was curtailed.
- 1988** The Ontario Geological Survey (“OGS”) Map P.3140 was produced. It was based on the interpretation of aeromagnetic data and geological mapping carried out by Johns (1988). This mapping was backed up by an OGS rotasonic drilling program on a three kilometre drill grid completed between 1987 and 1988 (Bajc, 1991). This OGS program resulted in the discovery of a “gold-grains-in-till” anomaly in Tait and Richardson Townships.
- 1988** Mingold Resources followed up on this gold-in-till anomaly and staked 85 claims and optioned patented lands in Richardson and some neighbouring townships. Their use of various sampling methodologies on the till, including reverse circulation drilling, gave inconclusive results.
- 1992** Nuinsco Resources (“Nuinsco”) optioned patented lands in Tait and Richardson.
- 1993 to 1998** Nuinsco completed 597 widely spaced RC drill holes defining a 15 kilometre long “gold-grains-in-till” dispersal train emanating from a 6 square kilometre “gold-in-bedrock” anomaly averaging seventy-nine parts per million (“ppm”) gold. Eleven of these RC holes, totaling 208 meters, were drilled by Nuinsco in 1996 and 1997 on the Tait Property and are covered in Assessment Reports 52C13SW0007 and 52D16SE0012.
- 1994 to 1998** Total of 217 core boreholes (49,515 metres) drilled in Richardson and Tait Townships leading to the discovery of the 17 Zone.
- 1995** Discovery of the 34 Zone (Ni-Cu-PGE) followed by intensive diamond drilling.
- 1997** Discovery of the 433 Zone 500 metres to the north of the 17 Zone.
- 1999** Core drilling targeting the 34 Zone and a magnetic anomaly in Tait Township.

### *Previous Exploration*

**2007** Bayfield and Range Metals Inc. completed 26 km of magnetic and horizontal loop EM survey on cut grid. A 5 hole RC drilling program was completed across the property. Six DDH's totaling 1,299 metres were completed to test the geophysical conductors.

### *Geological Setting and Mineralization*

#### *Geological Setting*

The Tait Property is located within the RRGB which is approximately 2.7 billion years ("Ga") in age (Late Achaean). The RRGB forms part of the Wabigoon Subprovince, which is part of the Superior Province of the Canadian Shield. The Wabigoon Subprovince is a 900 kilometre long, east-west trending area consisting of komatiitic to calc-alkaline metavolcanic rocks which are in turn succeeded by clastic and chemical sedimentary rocks. Granitoid batholiths have intruded these rocks, resulting in synformal structures being formed in the supracrustals. These synforms often have shear zones along their axial planes.

In the region east of Fort Frances, the Wabigoon Subprovince is bounded to the south by the Quetico Fault. A regional map of the interpreted bedrock geology of the Fort Frances area is shown in Figure 3. On this map, the Quetico Fault has been projected westward into the RRGB but the widespread reverse circulation drilling performed by Nuinsco found no evidence of this fault or any other significant shear zones (Nuinsco 1993 to 2003). The RRGB is bounded to the north by the Sabaskong Batholith and to the east by the Rainy Lake Batholithic Complex. It is contiguous with the Kakagi-Rowan Lakes Greenstone Belt to the north, host to the Cameron Lake gold deposit. The regional metamorphic grade of the Achaean rocks is greenschist to lower-middle amphibolite facies. Locally, adjacent to the intruding batholiths, upper amphibolite mineral assemblages are recognized. The Wabigoon Subprovince is also host to the Sturgeon Lake volcanogenic massive sulphide deposits to the northeast. The basement rocks in the southwestern part of the Wabigoon Subprovince was once overlain by Mesozoic (Jurassic and Cretaceous) argillaceous and arenaceous, weakly consolidated sediments and were subjected to deep lateritic weathering. The Mesozoic sediments were eroded to just below their unconformity level with the underlying basement rocks during Quaternary glaciation events. They are locally preserved, mainly in isolated palaeo-depressions although saprolite is common at higher elevations.

The Archean basement rocks and Mesozoic sediments are overlain by Labradorean till. Its provenance area is the Archean basement of the Canadian Shield to the northeast. In the area of the Tait Property, this till has been found to contain highly anomalous concentrations of gold grains, auriferous pyrite and Cu-Zn sulphides. Overlying it is a thick, conductive, geochemically unresponsive glaciolacustrine clay and silt horizon originating from glacial Lake Agassiz. Finally, an argillaceous Keewatin till of western provenance was deposited. The Rainy River area therefore was successively covered by the Labradorean and Keewatin ice sheets.



### Quaternary Geology

The surficial and subsurface Quaternary geology of the Rainy River area has been thoroughly summarized by Bajc (1991 a, b) (Makie et al., 2003). Quaternary material intersected in reverse circulation (RC) drill holes from 1994 to 2007 were comprised of till and lacustrine sediments from glacial Lake Agassiz from both the Labradorean and Keewatin glacial events. Labradorean till rests on bedrock in > 90 percent of the drill holes and was the principal sampling horizon. Its thickness ranges from < 1 to > 20 m and it is sympathetic to bedrock topography as shown in Figure 4. Thin till was encountered on bedrock highs and thicker till, containing interlayers of ice contact, glaciofluvial sand/gravel and embryonic Lake Agassiz clay-silt-sand, was encountered in bedrock depressions. Striae measurements indicate an ice flow azimuth of  $210^{\circ} \pm 10^{\circ}$ .

### Regional Geology and Structure

The strongest and earliest deformation event produced a well-defined penetrative fabric commonly observed on a regional scale. This foliation is approximately parallel to the trend of the metavolcanic rocks which strike at approximately 300 degrees and dip fifty to seventy degrees to the south. This foliation is deformed locally by the intrusion of the late granitoid stocks. A steep southwest-plunging stretching lineation is present in all lithologies examined in the field. Kinematic indicators suggest south-over-north reverse-sinistral deformation.

Major faults, such as the east-west trending Quetico Fault, have been interpreted by some to extend through the Richardson Township area. However, this major regional fault has not been observed in diamond and reverse circulation drilling programs to date and no other major shear zones have been observed in the area. Examination borehole logs indicate evidence for late, broadly north-south brittle faulting offsetting.

An examination of the literature for the local geology indicates that all gold mineralization in the RRGB is strongly overprinted by shear deformation. Key observations in core and outcrop include:

- auriferous mineralization is aligned along the regional foliation;
- fold axes of auriferous quartz veins and sulphide zones are rotated sub-parallel to the stretching lineation; and
- fold axes and stretching lineation are sub-parallel to the plunge of the gold mineralization.

### *Property Geology*

The property geology is shown in Figure 5. The map is based on work compiled by Mackie et al. (2003) for Collingwood Capital Corporation. Blackburn (1976, 1981) and Johns (1988) had previously mapped the area. There is no outcropping on the property and rock types are inferred from reverse circulation holes and adjacent outcrop areas. Based on drill holes covered in the Technical Report mafic volcanic rocks underlay most of the property. Felsic volcanics with interbedded sulfide facies iron formation trends across the northeastern part of the claim block. Figure 6 shows the local airborne magnetic data and interpreted structures. Structures have been interpreted by A. Tims from the regional magnetic data. These northwest trending structures crosscut the volcanics and have the same general attitude as the main zone of gold mineralization on the adjoining Rainy River Property.

### *Mineralization*

Sulfides occur at several locations on the Tait Property. These locations are based on diamond drill hole data acquired during the Bayfield work program. These occurrences consist primarily of interflow sulfide rich sediments and bedded sulfide facies iron formation in the northeast portion of the property. Minor elevated zinc values were noted in the southwest quarter of the property in drill hole R7A-5. Elevated zinc values occur over a core length of 20 meters. The highest value is 3,789 parts per million (ppm) zinc over 0.7 meters. The mineralization occurs in a

structural zone that is interpreted to cut a horizontal loop conductor some 150 meters southwest of the drill hole that may represent a volcanogenic massive sulphide deposit.

### ***Deposit Types***

#### *General Deposit Types*

Early exploration work on the RRGB was based on the premise that the gold mineralization was a shear hosted epigenetic type. As exploration activities progressed, a volcanogenic massive sulphide model was proposed. Recent studies of all available exploration data support a model of sulphide and gold mineralization being of early volcanogenic rather than later epigenetic (shear hosted) origin, belonging to the gold-rich subclass of the volcanogenic massive sulphide spectrum although the sulphides are mainly disseminated rather than massive.

Several mineralized zones have been delineated by exploration on the RRGB to date. Gold mineralization is found in Rainy River Resources' ODM17 and 433 Zones. These low grade disseminated gold deposits are mostly associated with deformed volcanoclastic (permeable) dacites. Zones of higher gold mineralization are often associated with strong silicification and finely layered foliation-parallel sphalerite and pyrite. Visible gold is typically associated with narrow (<2 cm thick) quartz veinlets, narrow pyrite veins or a sphalerite/ pyrite-rich breccia matrix.

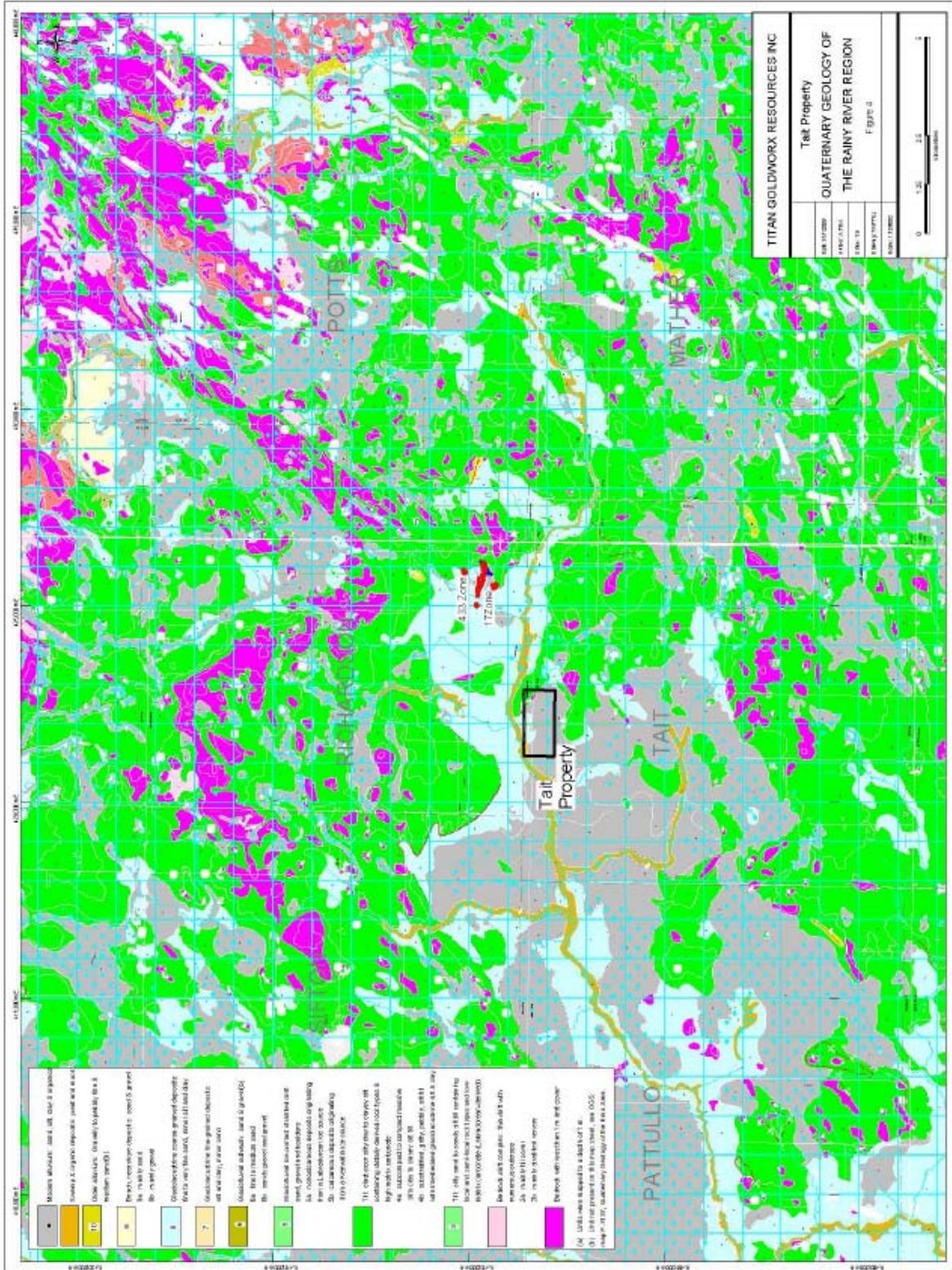


Figure 4

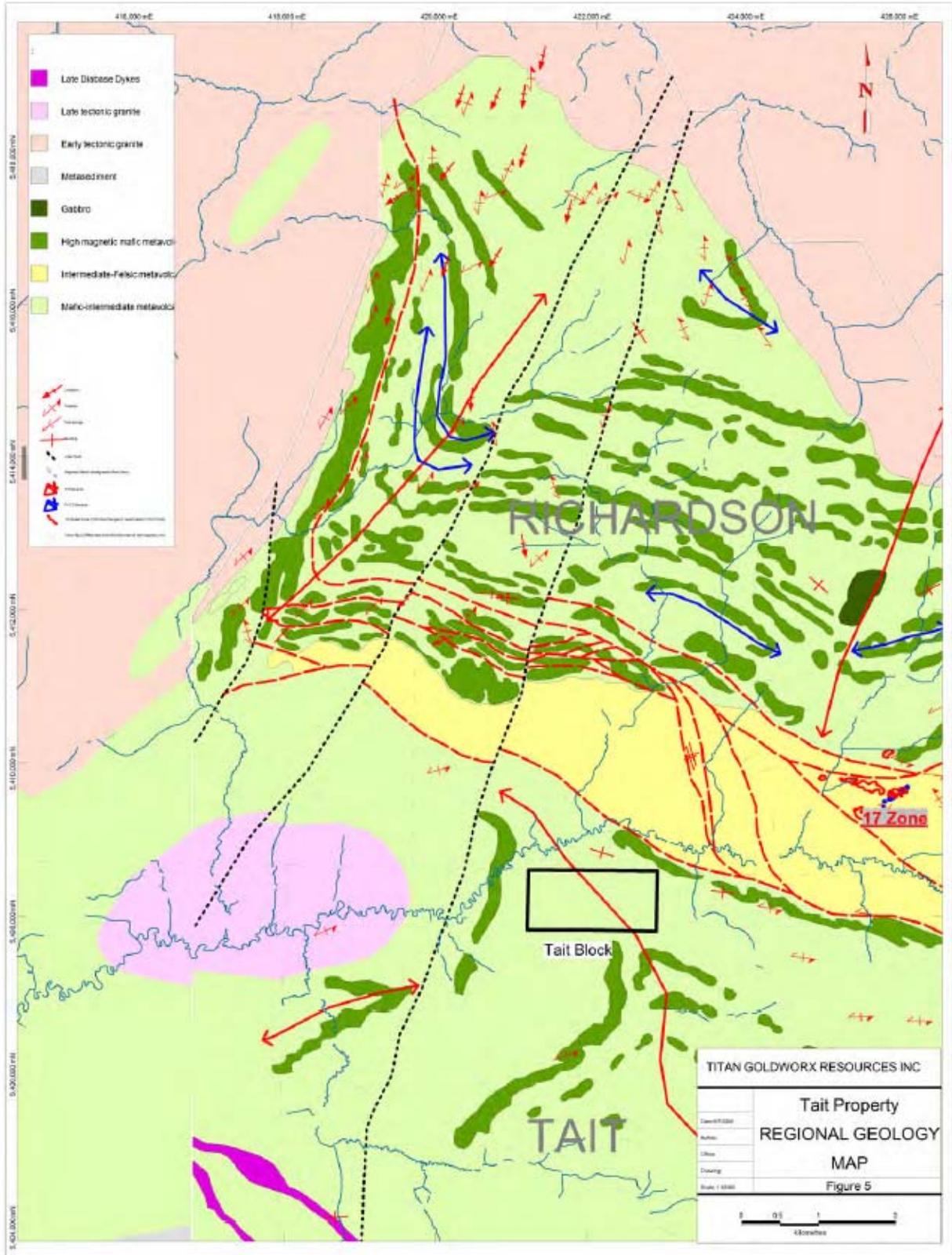


Figure 5

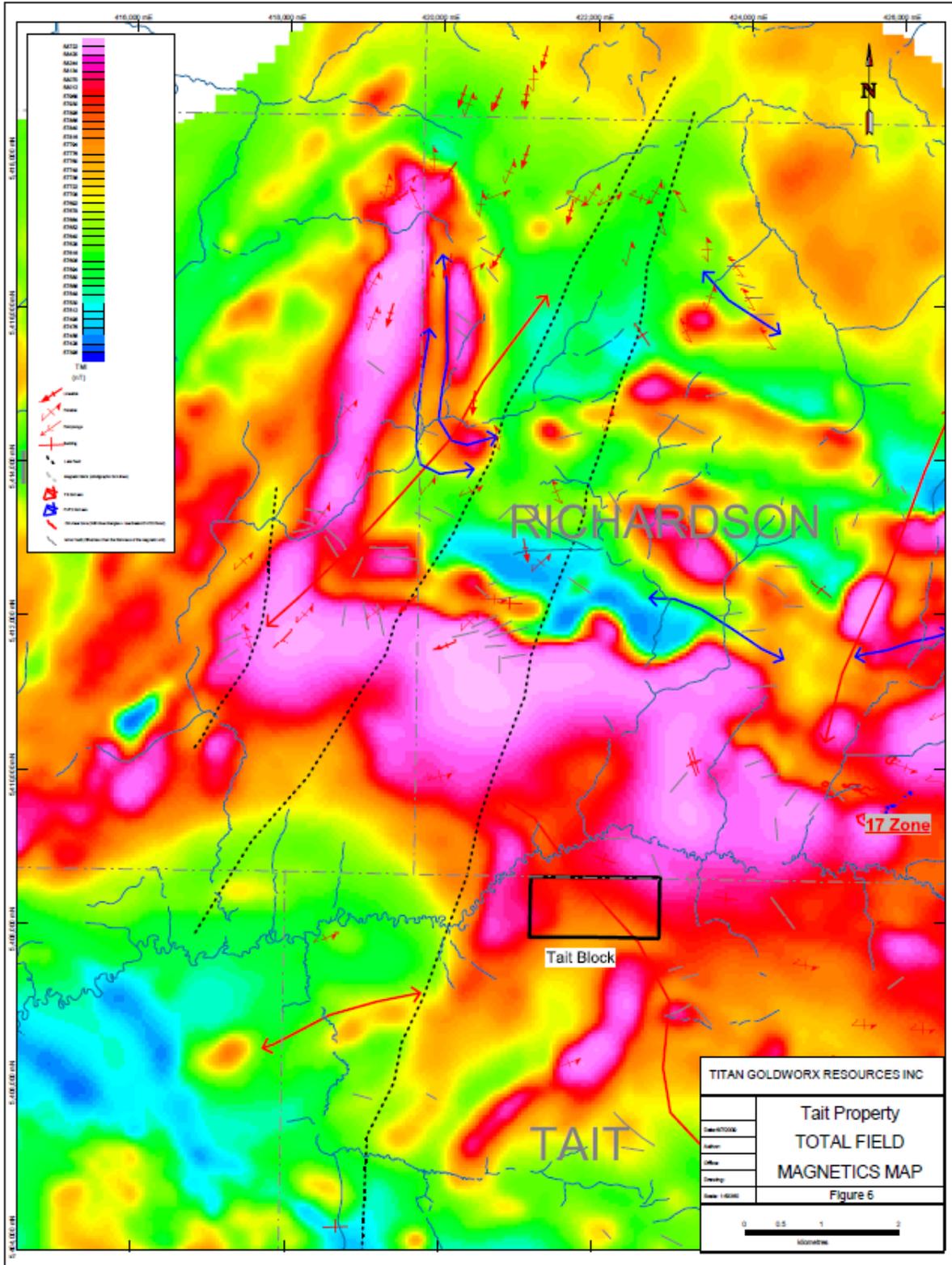


Figure 6

Magmatic Ni-Cu-Co-PGE-Au-Ag mineralization is found in Rainy Rivers Resources' 34 Zone which is associated with a tubular, late-stage pyroxenite-gabbro intrusion that crosscuts the ODM/17 Zone. The magmatic sulphides vary from massive to net-textured and disseminated.

### Volcanogenic Massive Sulphides

Recent work by Rainy River Resources 4.5k km to the northeast has identified an envelope of Na-depletion, K-enrichment, and aluminous alteration about their 17 Zone gold deposit. It is associated with widespread and relatively abundant base metal mineralization (particularly Zn). Because of this consistent and widespread chemical signature associated with the gold mineralization, an epithermal or shallow-water VMS depositional environment may have formed in the RRGB.

Franklin et. al. (2005) defined volcanogenic massive sulphide deposits as stratabound accumulations of sulphide minerals that precipitated at or near the sea floor. All VMS deposits occur in terrains dominated by volcanic rocks, although individual deposits may be hosted by volcanic or sedimentary rocks that form part of the overall volcanic complex (Franklin, 1996). VMS deposits primarily occur in sub-aqueous, rift related environments (i.e. oceanic, fore-arc, back-arc, continental margins or continental) and hosted by bi-modal mafic-felsic successions.

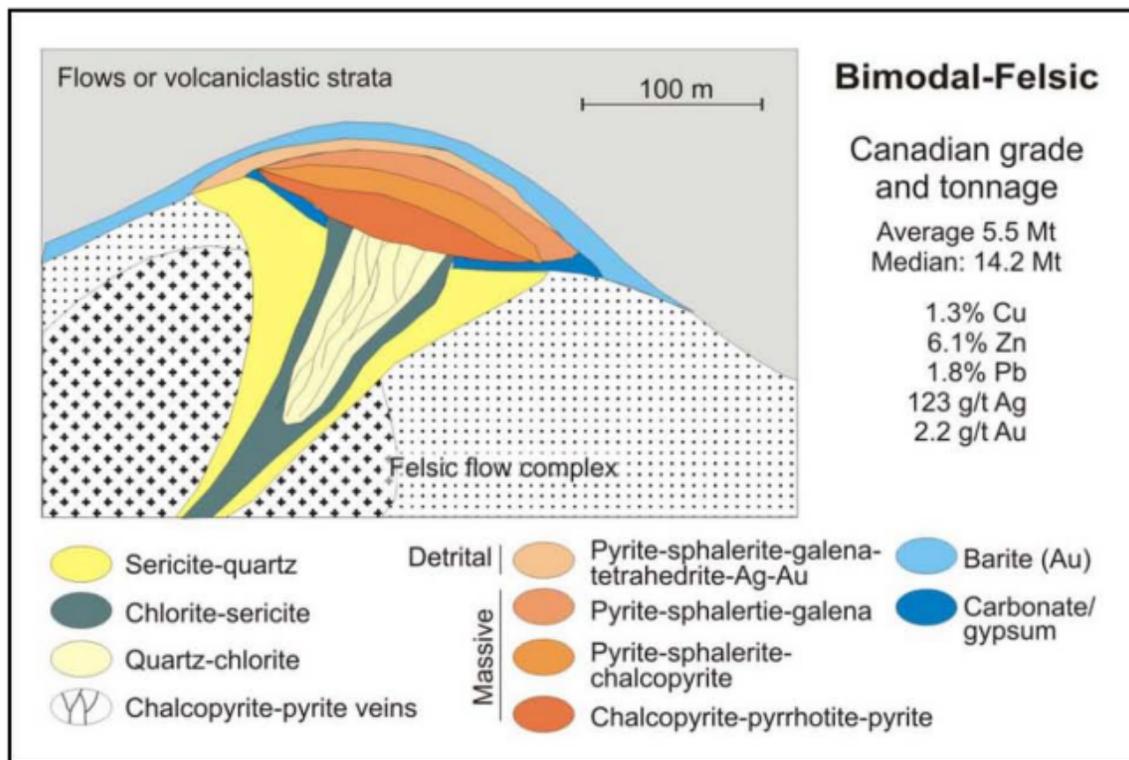


Figure 7 Idealized characteristics of a bimodal-felsic VMS deposit (after Galley et. al., 2007).

Figure 7

A typical VMS deposit (Figure 8) consists of a concordant syn-volcanic lens or body of massive sulphides that stratigraphically overlies a cross cutting, discordant zone of intense alteration and stockwork veining. The discordant alteration and stockwork-veining zone is interpreted to be the channelway or conduit for hydrothermal fluids that precipitated massive sulphides at or near the seafloor. A heat source, such as a sub-volcanic intrusion is required to induce the water-rock reactions that result in metal leaching from the surrounding rocks and create the hydrothermal convection system (Höy, 1991; Franklin et. al., 2005). The massive sulphide body is generally in sharp contact with the overlying sedimentary or volcanic stratigraphy (hanging-wall stratigraphy), while the massive sulphide body may be in sharp or gradational contact with the underlying stringer and alteration zone (foot-wall stratigraphy) (Höy, 1991). Most VMS deposits, including Achaean VMS deposits, are surrounded by alteration zones, which are spatially much larger than the deposits themselves (Galley et. al., 2007). A number of zones of alteration are

commonly recognized: the footwall alteration pipe, alteration within the ore zone, a large semiconformable zone beneath the ore zone and alteration of the hanging wall. Figure 8 is a synthesis of alteration zones associated with Zn-Cu-Pb (minor Au, Ag) deposits that formed in bimodal mafic-felsic volcanic sequences. The core of the alteration pipe can be up to 2 km in diameter and is reflected mineralogically by a strong chloritic core surrounded by sericitic and chloritic alteration. Chemically, the alteration pipe zone in Figure 8 is represented by additions of Si, K, Mg and Fe and depletions in Ca and Na. According to Franklin (1996), alteration zones adjacent to the main alteration pipe are not well defined. He also noted that Na depletions are laterally extensive, but are confined only to a few hundred metres vertically in this type of deposit. Virtually all alteration pipes are characterized by Na depletion and the resulting alkali depletion common to many alteration zones is manifested as abundant aluminosilicate minerals (Franklin 1999; Höy, 1991).

A classification that is gaining popularity in Canada is a fivefold grouping suggested by Barrie and Hannington (1999) to indicate dominant host-rock lithology. Host-rock lithologies include strata up to 3,000m below the deposit and up to 5,000m along strike. The five groups are mafic-dominated, bimodal mafic, bimodal-felsic, siliciclastic-mafic, and bimodal-siliciclastic (Fig. 8). The order of this grouping reflects not only a progressive change from a less effusive to a more volcanoclastic-dominated environment, but also one in which felsic volcanic rocks become generally more prominent. These lithological groupings generally correlate with different tectonic settings. The groups associated with mafic volcanic and volcanoclastic strata are more common in oceanic arcs and spreading centers, whereas the two groups dominated by felsic strata are more common in arc-continent margin and continental arc regimes. Bimodal mafic-dominated VMS-hosting calderas include the Archean Noranda and the Paleoproterozoic Flin Flon mining camps (Gibson and Watkinson, 1990; Syme and Bailes, 1993).

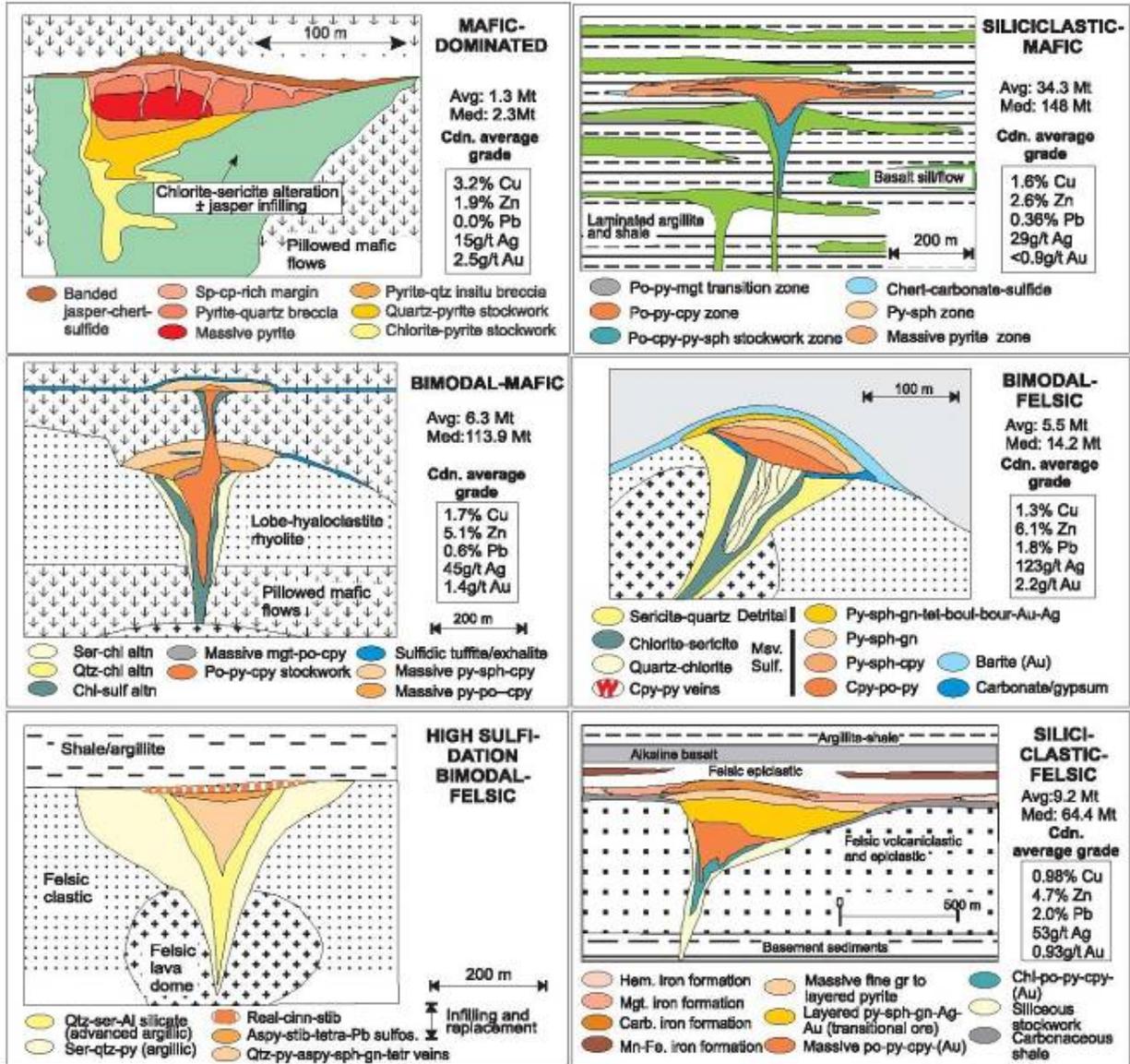


FIG 8 Graphic representation of the lithological classification for VMS deposits by Barrie and Hannington (1999), with "high sulfidation" type an added subtype to the bimodal-felsic group. Average and median sizes for each type for all Canadian deposits, along with average grade.

Figure 8

Mafic-dominated and bimodal-mafic host rocks are dominated by effusive volcanic successions and accompanying, large-scale hypabyssal intrusions. This high-temperature sub-seafloor environment tends to support high temperature (>350°C) hydrothermal systems, which in turn can form Cu, Cu-Zn and Zn-Cu- (Pb) VMS deposits with variable Au and Ag contents. An extensive, 1-5m thick Fe-rich "exhalites" may mark the most prospective VMS horizons (Spry et al., 2000; Peter, 2003). These exhalite deposits form from a combination of fine volcanoclastic material, chert and carbonate.

### Exploration

The Company has not previously conducted exploration on the property. Roger MacDonald has reviewed relevant historic assessment reports, visited the property and has reviewed the historic drill core logs.

## *Drilling*

### *Overburden Drilling*

#### Nuinsco RC Drilling 1997-98

Nuinsco completed 597 widely spaced RC drill holes defining a 15 kilometre long “gold-grains-in-till” dispersal train emanating from a 6 square kilometre “gold-in-bedrock” anomaly averaging seventy-nine parts per million (“ppm”) gold. Eleven of these RC holes, totaling 208 meters, were drilled by Nuinsco in 1996 and 1997 on the Tait Property.

Bradley Brothers Limited of Timmins, Ontario supplied the reverse circulation drill and Overburden Drilling Management (ODM) of Nepean, Ontario, supported by Nuinsco's consultants, managed the program. The drill was mounted and enclosed on a Nodwell muskeg tractor for off-road mobility and all-weather operation. Temporary winter roads were cleared and packed to the drill sites with a wide-tracked D-6 bulldozer. A reverse circulation drill string consists of two coaxial pipes and a tricone bit. Air and water are injected between the pipes to the bit and clay to pebble sized sediment particles and cm-sized cuttings of boulders and bedrock are flushed instantly through the center pipe to surface where they are logged and bulk samples weighing 8 to 10 kg are collected.

In its Nepean laboratory, ODM relogged the bedrock chip samples in more detail by binocular microscope, prepared heavy mineral concentrates from the bulk till and related overburden samples using shaking table pre-concentration followed by heavy liquid sink-float separations (specific gravity 3.3), counted and measured any observed gold grains and classified them according to degree of wear (pristine, modified, reshaped), micro-panned the concentrates, mainly those showing more than 5 to 7 gold grains but also many with excessive gold-obscuring pyrite and some with high concentrations of native Cu grains, and calculated rough gold values based on the observed gold grains. Representative subsamples of bedrock and whole till concentrates were analyzed for gold, arsenic, copper, zinc and silver by Activation Laboratories Ltd.; whole rock compositions were also determined for the unweathered bedrock samples. Gold and arsenic were determined by the instrumental neutron activation (INA) method which preserves the concentrate for further study as needed. However, a 3 g subsample was consumed analyzing Cu, Zn, Ag, Ni, Cd, and Mn by the inductively coupled plasma (ICP) wet chemical method which has a better detection limit than INA for these elements.

Note that drill hole co-ordinates for this program were not included in the assessment report other than graphical representation on a map.

#### Bayfield RC drilling 2007

A total of 5 reverse circulation holes were drilled on the Tait Property. The overburden drilling was carried out by Heath and Sherwood of Kirkland Lake, Ontario and was completed between February 25 and February 28, 2007. Table 3 gives details of the RC drill holes. All collar locations were obtained using a hand held GPS. Location accuracy was estimated to be +/- 8 metres. Till samples were submitted to Overburden Management of Nepean, Ontario.

The Labradorian or basal till was sampled at one or two metre intervals as well as one sample of bedrock. Sample collection was started when drilling entered till below lacustrine clays. Depth and general character of each sample was recorded. Only material passing through 2mm screens was collected. Sample intervals varied between 0.5 metres and 1.5 metres depending on the amount of material being recovered. The analytical technique involves screening the sample and running the 2mm size fraction over a shaker table and recovering the heavy mineral fraction. This sample was then panned by hand. The gold grains were counted, described and measured under a microscope. The gold content of a sample is divided into rounded, modified and pristine grains based on their shape. The shape of the grain is useful in determining how far the grains may have travelled in the till. Pristine grains are likely to be closer to the source than modified grains and modified grain closer to the source than reshaped gold grains. A calculation of the concentration of gold contained in the samples is made and expressed in parts per billion (ppb) gold. This calculation is based on the weight of the observed gold grains relative to the original sample weight.

The effectiveness of gold grain counts is dependent on a number of factors that are all somewhat inter-dependent. These factors include:

- outcropping geometry of mineralization relative to ice advance;
- bedrock topography;
- density and distribution of sampling; and
- bedrock composition and resistance to erosion.

The technique is effective only for sub-outcropping mineralization and cannot detect mineralization that does not have a subsurface expression.

The conclusion of these two drill programs was that the distribution of the total number of gold grains does not indicate a bedrock source on the Tait Property. Gold in the till on this property is likely from a source up ice from the property. The number of pristine gold grains in the area can be used to identify the likely source areas of gold in bedrock. The claim covers part of what may be considered the head of a dispersion train. It is clear however that any bedrock source lies to the north or north-east, off the property.

The drilling, sampling and recovery factors for these programs appear to be performed to industry standards of the day. There were no observed circumstances that would materially impact the reliability or accuracy of the results.

**Table 3 - RC Drill Hole Details**

Hole No.	UTM E	UTM N	Azimuth/°	Dip/°	Length/m
RR07-37	422672	5408132	0	-90	29.5
RR07-38	422402	5408099	0	-90	33.0
RR07-39	422113	5408189	0	-90	47.8
RR07-40	421915	5408233	0	-90	30.8
RR07-41	421659	5408220	0	-90	29.0
				Total	170.1

*Diamond drilling*

A total of six diamond drill holes were completed on the Tait Property between August 31 and September 19, 2007. A total of 1,299.4 metres were drilled by Rodren Drilling Ltd. of Winnipeg, Manitoba. Table 4 shows the diamond drill hole summary.

All collar locations were obtained using a hand held GPS. Holes were surveyed using a down-hole “Reflex Sure-Shot” tool. Measurements were taken at intervals between 100 and 150 metres.

The entire drill core produced by Bayfield was logged by their geological consultant, David J. Busch B.A., B.Sc., P.Geo. Core recovery was generally very good, usually in excess of 90%. Representative rock samples were taken from each 4.3 metre box of core and analyzed. Alteration and mineralization were diamond sawn and analyzed with sample intervals of between 0.3 and 1.5 metres. The sample interval was generally selected along significant changes in mineralization, rock type, and the presence or absence of veining or sulphides. Half of the sample was bagged, tagged, and the sample bag was sealed with twist tags. The remaining core was placed back in the core box in the same order. True widths of sampled zones are estimated to be 80% of the width of the material sampled.

The drilling and recovery factors for the diamond drilling program appear to be performed to industry standards of the day. There were however, sampling methods that do not conform to industry accepted practice. As described in the August to September, 2007 drilling report (D. Busch, 2008), representative rock samples were taken from each 4.3 metre box of core and analyzed. These results were tabulated to represent the entire interval, yet the samples taken represented only a small selective portion of the tabulated interval. Assay values for these intervals should not be considered accurate or representative of the interval. Though these results are unreliable, they are situated in zones barren of alteration and mineralization. Core that displayed alteration and/or mineralization appears to have been systematically sampled and processed using acceptable industry methods. Specifically, the interval of interest in hole R7A-5, a 20 metre wide interval (228.0m to 248.1m) of elevated zinc values (including 0.7m of 3789 ppm Zn and 0.6m of 361ppm Zn) which cuts an horizontal loop conductor 150 meters to the south, appears to be sampled and processed using accepted industry practices throughout the individual mineralized intervals. Therefore it is the opinion of the author of the Technical Report that there are no observed circumstances that would materially impact the reliability or accuracy of the results within those mineralized intervals.

**Table 4 - Diamond Drill Hole Details**

<u>Hole No.</u>	<u>UTM E</u>	<u>UTM N</u>	<u>Azimuth/°</u>	<u>Dip/°</u>	<u>Length/m</u>
R7A-1	422803	5408467	0	-50	185.1
R7A-2	422706	5408355	0	-50	194.2
R7A-3	422504	5408411	0	-50	200.3
R7A-4	422103	5408412	300	-50	191.3
R7A-5	421602	5408347	230	-50	282.5
R7A-6	421602	5408347	180	-50	246.0
				Total	<u>1299.4</u>

***Sample Preparation, Analysis and Security***

All drill core was logged and sampled at a temporary facility on Lot 3 Concession 2 in Richardson township. All sample handling was performed by employees of the project geologist and in the presence of the project geologist, D. Busch. No employee, director or associate of Bayfield was present or involved in any way in the sample selection, preparation, handling, shipping or analysis of the samples. Samples were shipped via bonded carrier to TSL Laboratories, an independent lab located at 2 - 302 48th Street, Saskatoon, Saskatchewan, Canada, S7K 6A4. The lab is ISO/IEC 17025 accredited and participates in Proficiency Testing program sponsored by the Canadian Certified Reference Materials Project. All samples remained in the secure custody of the consultant until delivered to the carrier. TSL Laboratories was instructed to advise the author of the Technical Report if it appeared that any tampering with the samples occurred prior to their arrival at the lab. TSL Laboratories was instructed to perform Atomic Adsorption analysis for gold on all samples and Total Metallic analysis on any samples returning over 1,000ppb Au. All samples, including standards were analyzed for 37 elements using ICP MS (mass spectrometer). Overburden samples were removed daily from the drill rig and stored in a locked facility at the Emo Inn until shipped by bonded carrier to Overburden Drilling Management Ltd located at 15 Capella Court, Nepean, Ontario, Canada, K2E7X1. ODM laboratories was instructed and did submit results electronically to the consultant and Mr. D. Huston of Bayfield simultaneously.

With the exception of the sampling and reporting of barren intersections of drill core described in section 10.0 Drilling, the assessment reports reviewed indicate that the companies used techniques consistent with present day exploration practices and the author of the Technical Report does not question either the sampling method, approach or sample security. The assay reporting does not indicate any contamination of the samples at the lab and it is

assumed that the labs used standard quality control programs. Bayfield utilized sample preparation, analysis and security of samples consistent with standard exploration practices prior to the implementation of NI 43-101.

**Data Verification and Site Visit**

*Drill Collar Locations*

The author of the Technical Report visited the Tait Property from September 7 to September 9, 2011 and was able to locate all ddh collars and selected pad locations for RC holes drilled during the 2007 field season; R7A-1 through R7A-6 and RR07-37 through RR07-41, respectively. Location coordinates were taken using a Garmin E-Trex Legend HCx GPS and were compared with co-ordinates from drill logs presented in the “Block A Exploration Report” dated July 20, 2008 (D.J. Busch, 2008). With the exception of RR07-37 and RR07-41, the remaining RC holes were not GPS’d due to abundant cat tail swamp that now occupies the drill pads and trails. However, RC holes 37 and 41 were located in cut outs at each end of the drill trails, so collar locations are estimated to be within 2 to 3 metres. The diamond drill setups were easy to recognize by the orientation of the cut timbers used for the drilling and the remnant pieces of core and rock mud. All drill casings have been either removed or cut off below the surface. Because the diamond drill collars could be located physically on the ground, only the ddh co-ordinates were considered when evaluating accuracy of the location data.

The location data taken during the site visit correlated poorly with the historical location data. Errors ranged from 7 metres to 46 metres. Only hole R7A-2 was within the 2 to 3 metre range typically expected from a hand held GPS unit. If drill hole data is to be used in the future, a suitably accurate location survey is recommended. Co-ordinates taken during the site visit are tabulated below.

**Table 5 - Site Visit Location Data**

<b>Location ID</b>	<b>UTME</b>	<b>UTM N</b>	<b>Elev/m</b>
Collar R7A-01	422792	5408482	352
Pad R7A-02	422707	5408358	348
Collar R7A-03	422497	5408414	351
Collar R7A-04	422107	5408387	352
Collars R7A-05/6	421612	5408392	347
Post 4200491-1	422832	5408584	349
Post 4200491-2	422839	5407793	360
Pad RR07-37	422662	5408128	352
Pad RR07-41	421646	5408219	351

*Assay Verification*

The author of the Technical Report did not apply any assay verification procedures for the purpose of the Technical Report. QA/QC procedures described in the 2007 drill report (D.J. Busch, 2008) and the Silver Mountain Technical Report (A. Tims, 2009) were reviewed and are deemed sufficient for the current level of exploration. In addition to the internal checks performed at TSL Laboratories, standards were introduced into the drill core sample stream during that drilling program. Results are tabulated below.

**Table 6 - Analysis of Standards submitted with Core Samples**

<b>Sample No.</b>	<b>Standard ID</b>	<b>TSL Au value/ppb</b>	<b>Cert Au value/ppb</b>
R7-390	52P	170	183
R7-420	4Pb	35	49
R7-1753	52Pb	370	307
R7-450	52P	170	183
R-480	4Pb	40	49
R-510	51P	410	430
R-540	52P	170	183
R-570	4Pb	55	49
R-590	51P	400	430
R-620	51P	390	430
R-650	4Pb	45	49
R-690	51P	430	430
R-720	4Pb	170	49
R-750	51P	410	430

A. Tims P.Geol, author of the Silver Mountain Technical Report (2009) collected two core samples from drill hole R7A-5 completed by Bayfield in order to verify some of the data. A traverse of the property was completed visiting both the overburden and diamond drill sites. Table 7 summarizes the samples taken by A. Tims during the property visit in July, 2009.

**Table 7 - Verification Assay Samples**

<b>Accurassay #</b>	<b>Client Tag</b>	<b>Zn(ppm)</b>	<b>Sample Description</b>
122605	476383	856	Strongly foliated Mafic Volcanics, resample of R688 from 246.1 to 246.8 m
122606	476384	332	Sample of uncut strongly foliated Mafic Volcanics hosting ½-1% sphalerite from 252.1 to 253.6 m.
122607	476384	329	Laboratory Duplicate

The above samples were bagged and tagged on the property and then delivered personally by the author of the Technical Report to Accurassay Laboratories in Thunder Bay, Ontario. All of the samples were subject to fire assay with AA finish. Assay data contained in the Technical Report appears to be accurate and reproducible. Therefore, the author of the Technical Report believes there were no observed circumstances that would materially impact the reliability or accuracy of the results within the mineralized intervals.

### ***Mineral Processing and Metallurgical Testing***

No mineral processing or Metallurgical testing has been undertaken on the Tait Property.

### ***Mineral Resource and Mineral Reserves Estimates***

No mineral resource or reserve estimate has been made for the Tait Property.

### ***Adjacent Properties***

The adjacent Rainy River Property completed a resource estimate prepared in accordance with NI 43-101 on February 24, 2011 published in the report titled "Mineral Resource Evaluation, Rainy River Gold Project, Western Ontario" by SRK Consulting (Canada) Inc. dated April 8, 2011. Based on a gold price of US\$1,025.00 per ounce and a cut-off grade of 0.35 grams of gold per tonne ("g/t gold") for open pit mining and 2.5 g/t for underground mining and gold recoveries of 88 percent and 90 percent for open pit and underground resources, without considering revenues from other metals, the Rainy River Property contains the following resources:

1. Measured and Indicated resources of 3.418 M oz of gold and 6.615 M oz of silver at grades of 1.13 g/t Au and 2.19g/t Ag respectively and;
2. An inferred resource of 3.175 M oz of gold and 8.104 M oz of silver at grades of 0.91 g/t Au and 2.32g/t Ag respectively.

A mafic-ultramafic intrusion intrudes the 17 Zone and it is the host of the 34 Zone. This layered intrusion includes gabbro, pyroxene-phyric gabbro, pyroxenite and dunite with massive and disseminated (net textured) Ni-Cu-PGE-Au-Ag-Co bearing sulphide at the base of the unit.

The author of the Technical Report cautions that these results are not necessarily indicative of mineralization on the Tait Property, nor has the author of the Technical Report personally verified the pulished data.

### ***Interpretation and Conclusions***

The Tait Property resides within the mafic volcanic dominated portion of the RRGB. Previous work programs have intersected sulphide rich exhalite horizons in the northeastern portion of the property. These horizons may be the distal expressions of a hydrothermal system venting onto the sea floor. Such a system was active 4.5 km to the northeast on the Rainy River Property. A 20 metre wide interval (228.0m to 248.1m) of elevated zinc values (including 0.7m of 3789 ppm Zn and 0.6m of 361ppm Zn) was encountered in a structure (hole R7A-5) which cuts a horizontal loop conductor 150 meters to the south. The remobilized sulphides may be leakage off of a volcanogenic sulphide lens.

In summary, the author of the Technical Report has reviewed and compiled all available technical data on the Tait Property and believes a two-phased work program of \$272,800 would be required to evaluate the property's potential to host a volcanogenic massive sulphide (VMS) deposit.

When discussing any significant risks and uncertainties that could reasonably be expected to affect the reliability or confidence in the exploration information, mineral resource or mineral reserve estimates, or projected economic outcomes, several factors deserve consideration. Having reviewed the sampling protocols, QC/QA, security procedures and other data in the Tait Property exploration history, the author of the Technical Report has reasonable reliance on and confidence with the data contained in this NI 43-101 Technical Report.

Standard risks such as currency, interest and markets, etc, ultimately act to influence the commodity prices of the metals contained in the property. Notwithstanding those economic factors are outside the scope of the Technical Report, the author of the Technical Report suffice to say that, as of the effective date of the Technical Report, the economic environment would favour the diligent continuation of exploration activities.

Other risks such as political, aboriginal, environmental and logistical have been and should continue to be addressed throughout the exploration process. In consideration of current market conditions, location and political environment, any reasonably foreseeable impacts, risks or uncertainties to the project's potential economic viability or continued viability are minimal and should be easily mitigated though sound planning and consultation.

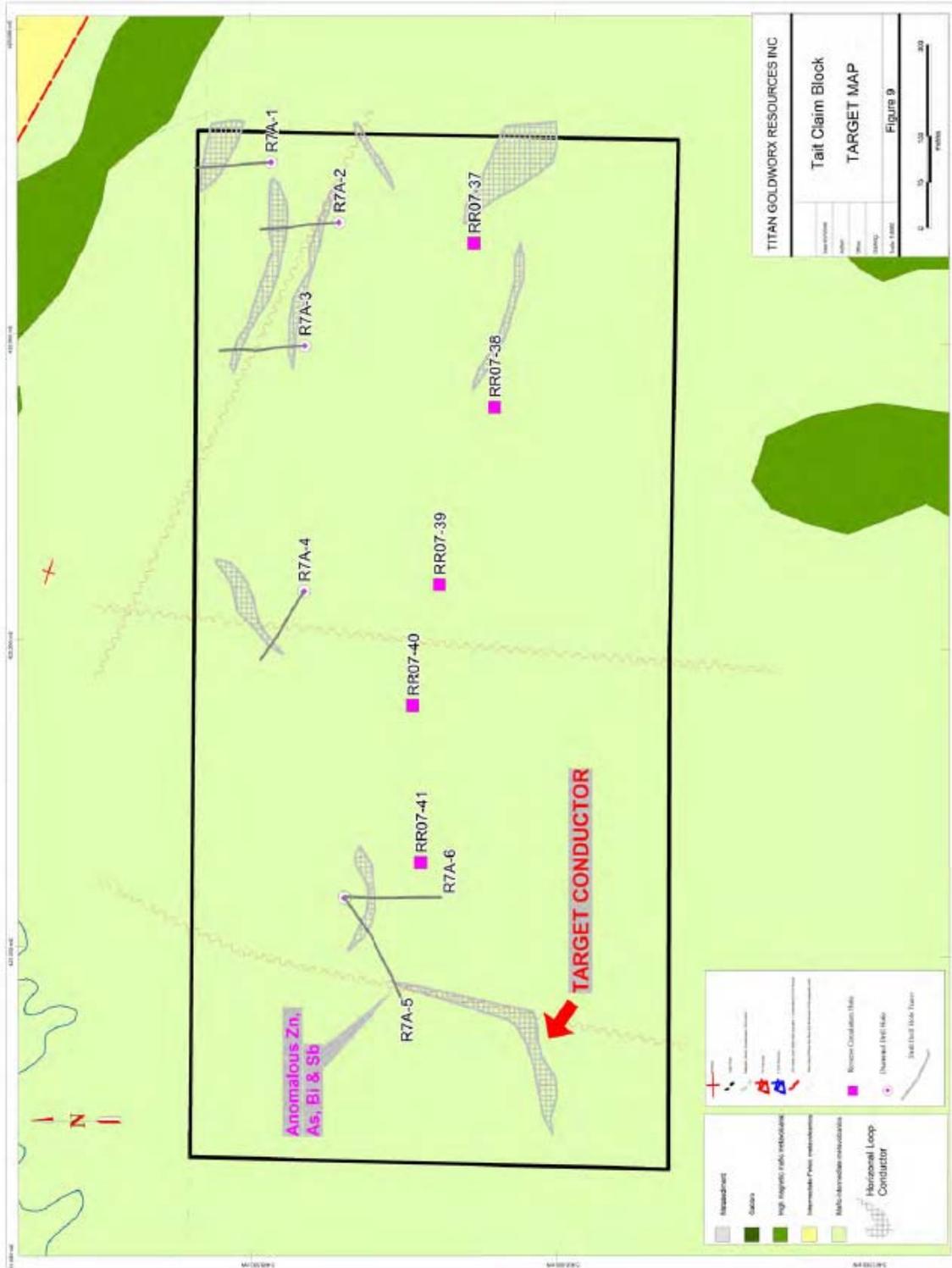


Figure 9

**Recommendations**

To test the potential for a VMS deposit conductors that have not been drill tested, the Tait Property should be surveyed with a higher resolution electromagnetic system and any targets produced should be tested by diamond drilling. A proposed work program has been subdivided into two phases. Phase I would consist of grid rehabilitation and 8 km of InfiniTEM EM survey. Phase II would amount to 1,000 m testing contingent upon any targets generated by the EM survey.

Cost estimates, as detailed in the following Table 4, are \$35,750 for Phase I, and \$237,050 for Phase II.

**Table 8 - Proposed Work Budget**

<b>Phase 1</b>	
Grid rehab	8,000
Eight kilometres of InfiniTEM survey	22,000
Target development and Compilation	<u>2,500</u>
Sub Total	32,500
Contingency (10.0 %)	<u>3,250</u>
Total	<u><u>\$35,750</u></u>
<b>Phase II</b>	
Drill Contractor – 1 000 m coring	175,000
Labour	19,500
Supplies	8,000
Accommodations	4,500
Rent	2,500
Assays	<u>6,000</u>
Sub Total	215,500
Contingency (10.0 %)	<u>21,550</u>
Total	<u><u>\$237,050</u></u>
<b>Grand Total</b>	<u><u><b>\$272,800</b></u></u>

## USE OF PROCEEDS

### Proceeds

The estimated net proceeds to be derived from the Offering, before deduction of the expenses of the Offering, will be \$300,000.

	<u>No. of Shares</u>	<u>Price to Public</u>	<u>Agent's Commission<sup>(1)</sup></u>	<u>Net Proceeds to Company<sup>(2)</sup></u>
Per Share	1	\$0.15	N/A	\$0.15
Total Offering	2,000,000	\$300,000	N/A	\$300,000

Notes:

- (1) The Agent will receive the Agent's Commission of 8% of the gross proceeds of the Offering, payable in Agent's Shares at a deemed price of \$0.15 per Agent's Share, and Agent's Warrants equal in number to 8% of the aggregate number of Shares sold under this Offering. Each Agent's Warrant will entitle the Agent to purchase one Share at the price of \$0.15 per Share, for a period of 24 months from the Closing Day. The Agent will also receive the Corporate Finance Fee in the amount of \$30,000 and 50,000 Corporate Finance Fee Shares, each at a deemed price of \$0.15 per Corporate Finance Fee Share, upon closing. NI 41-101 restricts the number of securities issued to an Agent as compensation which may be qualified under a prospectus (the "**Qualified Compensation Securities**"), to a maximum of 10% of Shares sold pursuant to the Offering. For the purposes of this Offering, any combination of the following, totalling 200,000 securities, are Qualified Compensation Securities and are qualified for distribution by this Prospectus: (a) up to 160,000 Agent's Shares; (b) up to 160,000 Agent's Warrants; and (c) up to 50,000 Corporate Finance Fee Shares. Those securities that the Agent is entitled to receive exceeding 10% of the Offering will not be Qualified Compensation Securities, will not be qualified for distribution under this Prospectus and will be subject to a hold period in accordance with applicable securities laws. See "*Plan of Distribution*".
- (2) Before deduction of the balance of the expenses of the Offering estimated to be \$136,000, including the cash portion of the Corporate Finance Fee. See "*Use of Proceeds – Funds Available*".

### Funds Available

The Company will receive gross proceeds from the Offering of \$300,000 which will be combined with its working capital as at January 31, 2012 of \$868,481 for a total of \$1,168,481 in available funds.

### Principal Purposes

The available funds will be allocated as follows:

<u>Purpose for which Funds are Raised</u>	<u>Amount</u>
2012 Exploration Program	\$272,800
First anniversary cash payment under the Option and Joint Venture Agreement during the next 12 months	\$15,000
Administrative expenses of the Company for a period of 12 months	\$120,000
Balance of estimated expenses of the Offering (including legal, audit, printing, and CNSX listing fees and the cash portion of the Corporate Finance Fee)	\$136,000
Unallocated working capital to fund ongoing operations, activities related to seeking additional mineral properties and for general working capital purposes	<u>\$624,681</u>
<b>Total Available Funds:</b>	<u><u>\$1,168,481.00</u></u>

The general and administration expenses for the 12-month period following the completion of the Offering are as follows:

<u>Expense Item</u>	<u>12-Month Estimate</u>
Legal and accounting	60,000
Office General	10,000
Travel	20,000
Transfer Agent and Filing Fees	30,000
Total:	<u><b>\$120,000</b></u>

Upon completion of the Offering, the Company's working capital will be sufficient to fund its exploration program and to meet its administrative and operating costs for 12 months. The Company intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where, for sound business reasons, a reallocation of funds may be necessary.

### **Stated Business Objectives and Milestones**

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

The Company's business objectives of completing the Offering and listing on the Exchange will occur on the Closing Day and the Listing Date respectively. The remaining cost of completing these objectives is estimated at \$136,000. The Company's business objective of completing the 2012 recommended work program on the Tait Property will occur within approximately ten months following the Listing Date. The cost of this objective is estimated at \$272,800.

### **DIVIDENDS OR DISTRIBUTIONS**

The Company has not paid dividends since its incorporation. While there are no restrictions precluding the Company from paying dividends, it has no source of cash flow, and anticipates using all available cash resources toward its stated business objectives. As such the Company does not anticipate the payment of dividends in the foreseeable future. At present, the Company's policy is to retain earnings, if any, to finance its business operations. The payment of dividends in the future will depend upon, among other factors, the Company's earnings, capital requirements and operating financial conditions.

### **SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following discussion and analysis includes financial information from, and should be read in conjunction with, the audited financial statements of the Company and the notes thereto, appearing elsewhere in this Prospectus, as well as the disclosure contained throughout this Prospectus. The Company's financial statements have been prepared in accordance with International Financial Reporting Standards.

#### **Financial Information**

The following is a summary of certain selected financial information which is qualified by the more detailed information appearing in the financial statements included in this Prospectus.

**Period Ended October 31, 2011**

---

Revenues	Nil
Net loss	\$16,633
Net loss per share (undiluted and fully diluted)	\$0.01
Total assets	\$988,674
Long term debt	Nil
Total liabilities	\$34,872
Shareholders' equity	\$953,802

**Management's Discussion and Analysis**

***Overall Performance***

The Company was incorporated on February 4, 2011. The Company is engaged in the acquisition, exploration and, if warranted, development of natural resource properties of merit. The Company holds an exclusive option to acquire a 70% interest in and to the Tait Property. Following completion of the Offering, the Company plans to conduct an exploration program on the Tait Property. See "*Description of the Business – Description of Property and Summary of Technical Report*".

The Company has no earnings and therefore finances these exploration activities by the sale of Shares. The key determinants of the Company's operating results are the following:

- (a) the state of capital markets, which affects the ability of the Company to finance its exploration activities; and
- (b) the write-down and abandonment of mineral properties should exploration results provide further information that does not support the underlying value of such properties.

During the period from incorporation on February 4, 2011 to October 31, 2011, the Company accrued a total of \$15,000 on the Tait Property.

***Selected Results***

The following table provides a summary of certain financial information of the Company:

<b>Statement of Comprehensive Loss Data</b>	<b>Period from Incorporation on February 4, 2011 to October 31, 2011</b>
Revenue	Nil
Total expenses	\$16,633
Interest income	Nil
Net loss	\$16,633

Basic and diluted net loss per share	\$0.01
Weighted average number of shares outstanding	6,067,621

<b>Financial Position Data</b>	<b>As at October 31, 2011</b>
Current assets	\$958,674
Current liabilities	\$34,872
Working capital	\$923,800
Total assets	\$988,674
Shareholders' equity	\$953,802

During the period from incorporation on February 4, 2011 to October 31, 2011, the Company reported a net loss of \$16,633 (\$0.01 basic and diluted loss per Share). Expenses during this period include office and miscellaneous charges of \$2,723, geological consulting fee of \$12,750 and regulatory fees of \$1,160. As at October 31, 2011, the Company had total assets of \$988,674. The assets were comprised of cash of \$956,989, receivables of \$1,685, exploration and evaluation assets of \$15,000 and a deferred financing cost of \$15,000.

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

The Company incurred a net loss of \$16,633 during the period from incorporation on February 4, 2011 to October 31, 2011. During this period, there were no operating revenues as the Company was still in the acquisition and exploration stage. The Company's current exploration focus is on the Tait Property. Costs incurred during the above noted period were primarily related to business development. The Company does not currently have the required financial resources to complete a significant exploration and development program on the Tait Property beyond the exploration program recommended in the Technical Report.

### ***Liquidity and Capital Resources***

As at October 31, 2011, the Company had an accumulated deficit of \$16,633. The Company expects to incur losses for at least the next 24 months. There can be no assurance that the Company will ever make a profit. To achieve profitability, the Company must advance the Tait Property through further exploration in order to bring the Tait Property to a stage where the Company can attract the participation of a major resource company, which has the expertise and financial capability to take the Tait Property to commercial production. There are no assurances that the Company can attract the participation of a major resource company or that the Tait Property will be put into commercial production.

As at October 31, 2011, the working capital of the Company was \$923,800. Additional financing will be required to fund the cost of continued acquisitions and exploration development of the Tait Property as well as to meet its ongoing day-to-day operating requirements. There are currently no long-term debts, capital lease obligations, operating leases or purchase obligations.

Except as otherwise disclosed in this Prospectus, there are currently no other identified sources of new capital. Additionally, the Company currently has no established credit lines with any chartered banks or other financial institutions. The Company expects to rely upon equity financing as its primary source of funding. There are no assurances that the Company will be able to negotiate equity financings on terms acceptable to management of the Company or at all.

### ***Off Balance Sheet Transactions***

There are currently no off balance sheet arrangements which could have a material effect on current or future results of operations, or the financial condition of the Company.

### ***Critical Accounting Estimates***

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results could differ from these estimates.

### ***Financial Instruments***

The Company's financial instruments are exposed to a number of financial and market risks, including credit, liquidity, interest rate and currency risks. The Company may, or may not, establish from time to time active policies to manage these risks. The Company does not currently have in place any active hedging or derivative trading policies to manage these risks since the Company's management does not believe that the current size, scale and pattern of its operations would warrant such hedging activities.

#### *Credit risk*

The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

#### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure (see Note 6 of the financial statements included in this Prospectus).

#### *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 Company is not exposed to interest rate risk.

#### *Currency risk*

The Company is not exposed to currency risk.

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

The Company is primarily engaged in the business of evaluating, acquiring and developing natural resource properties in Ontario. As at October 31, 2011, the Company accrued a cost of \$15,000 related to the acquisition of the Tait Property.

#### *Disclosure of Outstanding Share Data*

As at the date of this Prospectus, the Company has one class of share capital, being common shares without par value, of which 14,085,000 are issued and outstanding. The Company has no securities convertible to or exercisable to acquire Shares. See "*Description of Securities Distributed*".

The Company intends to grant Stock Options for the purchase of a total of 625,000 Shares to directors and officers contemporaneously with the completion of the Offering. The Company will also be granting the Agent's Warrants in accordance with the Agency Agreement. See "*Options to Purchase Securities*".

*Additional Disclosure for Junior Issuers*

The proceeds raised under this Prospectus are expected to fund the operations of the Company for the next 12 months following the 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 following is a breakdown of the estimated amount of other material capital expenditures during the 12-month period following the completion of the Offering:

<u>Expense Item</u>	<u>12-Month Estimate</u>
Exploration program (as recommended in the Technical Report)	<u>\$272,800</u>
<b>Total:</b>	<u>\$272,800</u>

**DESCRIPTION OF SECURITIES DISTRIBUTED**

**Shares**

The authorized capital of the Company consists of an unlimited number of Shares without par value and an unlimited number of preferred shares without par value. As of the date of this Prospectus, 14,085,000 Shares are issued and outstanding. The Offering is for 2,000,000 Shares at a price of \$0.15 per Share. The holders of the Shares are entitled to vote at all meetings of shareholders of the Company, to receive dividends if, as and when declared by the directors and, subject to the rights of holders of any shares ranking in priority to or on a parity with the Shares, to participate rateably in any distribution of property or assets upon the liquidation, winding-up or other dissolution of the Company. The Shares are not subject to any future call or assessments and do not have any preemptive rights or redemption rights.

**Modification of Terms**

The rights attached to the Shares of the Company may only be modified in accordance with the Company’s articles and the *Business Corporations Act* (British Columbia).

**CONSOLIDATED CAPITALIZATION**

The following table sets out the share and loan capital of the Company. The table should be read in conjunction with the audited financial statements of the Company and the notes thereto, appearing elsewhere in this Prospectus:

<u>Designation of Security</u>	<u>Authorized Amount</u>	<u>Amount Outstanding as of October 31, 2011<sup>(1)</sup></u>	<u>Amount Outstanding at Date of the Prospectus<sup>(1)</sup></u>	<u>Amount Outstanding After Giving Effect to the Offering<sup>(1)</sup></u>
Common Shares	Unlimited	14,085,000 Shares (\$998,500)	14,085,000 Shares (\$998,500)	16,295,000 Shares <sup>(2)</sup> (\$1,298,500)
Finder’s Warrants <sup>(3)</sup>	277,650	277,650 Finder’s Warrants (\$14,635)	277,650 Finder’s Warrants (\$14,635)	277,650 Finder’s Warrants (\$14,635)
Stock Options	Nil <sup>(4)</sup>	Nil	Nil	625,000 <sup>(5)</sup>
Agent’s Warrants	160,000	Nil	Nil	160,000 <sup>(6)</sup>
Long Term Debt	N/A	Nil	Nil	Nil

Notes:

- (1) Before deduction of share issuance costs.
- (2) This number includes the sale of 2,000,000 Shares under the Offering, the 160,000 Agent's Shares and the 50,000 Corporate Finance Fee Shares and assumes completion of the Offering in full. This number does not include the 150,000 Shares to be issued to the Optionor pursuant to the terms of the Option and Joint Venture Agreement. See "*Plan of Distribution*".
- (3) Each Finder's Warrant entitles the holder thereof to purchase one Share at a price of \$0.10 per Share until July 29, 2013. See "*Prior Sales*".
- (4) Pursuant to the Plan, the number of Shares reserved for issuance will be a maximum of 10% of the issued and outstanding share capital of the Company. See "*Option to Purchase Securities*".
- (5) Effective as of the Listing Date 625,000 Stock Options under the Plan will be granted to officers and directors of the Company.
- (6) As additional consideration for the sale of Shares pursuant to this Prospectus, the Agent will receive 160,000 Agent's Warrants.

## OPTIONS TO PURCHASE SECURITIES

### Summary of Stock Option Plan

Stock Options are governed by the Company's stock option plan (the "**Plan**"). The purpose of the Plan is to offer to directors, officers, employees and consultants of the Company and its affiliates the opportunity to acquire a proprietary interest in the Company, thereby providing an incentive to such persons to promote the best interests of the Company and to provide the Company with the ability to attract qualified persons as directors, officers and employees. The Plan provides that the aggregate number of Shares reserved for issuance under the Plan will not exceed 10% of the number of Shares issued and outstanding from time to time.

The Plan is administered by the Board. The Stock Options granted pursuant to the Plan will have an exercise price determined by the Board provided that, after the listing on the Exchange, such exercise price shall not be less than the price permitted by the Exchange in accordance with the policies of the Exchange. The Plan includes certain limitations with respect to the granting of Stock Options thereunder and provides, among other things, that (i) the number of Stock Options which may be granted to any one individual within any 12 month period shall not exceed 5% of the issued and outstanding Shares, (ii) if required by the policies of the Exchange, disinterested shareholder approval is required for any Stock Options granted to insiders of the Company within any 12 month period, when added to the number of Stock Options granted to insiders within the previous 12 month period, that exceeds 10% of the issued and outstanding Shares and (iii) the number of Stock Options which may be granted to any one consultant within any 12 month period shall not exceed 2 % of the issued and outstanding Shares and (iv) the number of Stock Options which may be granted to employees or consultants engaged investor relations activities within any 12 month period shall not exceed 2 % of the issued and outstanding Shares and such Stock Options must vest in stages over 12 months, with no more than 25% of such Stock Options vesting in any three month period.

Subject to the particular provisions of option agreements, Stock Options granted under the Plan are non-transferable and expire the earlier of 10 years from the date of grant or 30 days from the date the optionee ceases to be an officer, director, employee or consultant of the Company, except in the event of death or disability of an optionee, in which case the Stock Options held by the estate of such optionee or the optionee, as applicable, will expire one year from the date of the optionee's death or disability.

### Stock Options

The Company will not have any outstanding Stock Options prior to the completion of the Offering. It is expected that on or about the Closing Day, the following Stock Options will be issued:

Category of Optionee	Number of Optionees	Number of Stock Options	Purchase price of Stock Options	Expiry Date
Directors and Executive Officers	2	250,000	\$0.15	Ten years after the Closing Day

<u>Category of Optionee</u>	<u>Number of Optionees</u>	<u>Number of Stock Options</u>	<u>Purchase price of Stock Options</u>	<u>Expiry Date</u>
Directors who are not Executive Officers	3	375,000	\$0.15	Ten years after the Closing Day
Employees	Nil	N/A	N/A	N/A
Consultants	Nil	N/A	N/A	N/A
<b>Total</b>	<b>5</b>	<b>625,000</b>	<b>-</b>	<b>-</b>

### PRIOR SALES

The following is a summary of the Shares and securities convertible into Shares issued or sold by the Company from its incorporation to the date of this Prospectus:

<u>Date Issued</u>	<u>Number of Securities</u>	<u>Price per Share</u>
February 4, 2011	1 <sup>(1)</sup> Share	\$1.00
May 25, 2011	2,000,000 Shares	\$0.01
May 26, 2011	4,600,000 Shares	\$0.05
July 29, 2011	3,335,000 Shares	\$0.10
July 29, 2011	(1) <sup>(1)</sup> Share	(\$1.00)
July 29, 2011	277,650 Finder's Warrants <sup>(2)</sup>	\$0.10 per Share exercise price
August 26, 2011	4,150,000 Shares	\$0.10

Note:

(1) The incorporator's Share was cancelled and returned to treasury on July 29, 2011.

(2) In connection with the sale and issuance of an aggregate 3,085,000 Shares at the price of \$0.10 per Share on July 29, 2011, the Company issued to Canaccord Genuity Corp, who acted as a finder in assisting the Company in finding purchasers for such Shares, 277,650 Finder's Warrants, pursuant to the terms of a finder's fee agreement dated July 27, 2011 between the Company and Canaccord Genuity Corp. Each Finder's Warrant entitles the holder thereof to purchase one Share at a price of \$0.10 per Share until July 29, 2013.

### ESCROWED SECURITIES AND SECURITIES SUBJECT TO RESALE RESTRICTIONS

#### Escrowed Securities

In accordance with NP 46-201, all common shares of an "emerging issuer" (as such term is defined in NP 46-201) which are owned or controlled by its Principals (as such term is defined below) 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, represent less than 1% of the total issued and outstanding shares of the issuer after giving effect to the initial public offering. Upon completion of the Offering, the Company will be classified as an emerging issuer.

The following table sets forth the Shares to be held in escrow pursuant to the terms of the Escrow Agreement among the Company, the Escrow Agent and certain shareholders of the Company:

<u>Name</u>	<u>Number of Shares</u>	<u>Percentage of Shares Owned Before Offering</u>	<u>Percentage Owned After Offering Undiluted<sup>(1)</sup></u>	<u>Percentage Owned After Offering Fully Diluted<sup>(2)</sup></u>
Herrick Lau	440,000	3.12%	2.70%	3.23%
Denise Lok	240,000	1.70%	1.47%	2.08%
Yaron Conforti	440,000	3.12%	2.70%	3.23%
Henry J. Sandri	440,000	3.12%	2.70%	3.23%
John K. Burns	440,000	3.12%	2.70%	3.23%
<b>Total</b>	<b><u>2,000,000</u></b>	<b><u>14.18%</u></b>	<b><u>12.27%</u></b>	<b><u>15.00%</u></b>

Notes:

- (1) Excluding any Shares issuable upon the exercise of any of the Finder's Warrants, Stock Options and Agent's Warrants or under the Option and Joint Venture Agreement.
- (2) Assuming that the Finder's Warrants (entitling the holder thereof to purchase up to 277,650 Shares), the Agent's Warrants (entitling the Agent to purchase up to 160,000 Shares) and the Stock Options (entitling the option holders to purchase up to a total of 625,000 Shares) have been fully exercised and the Shares to be issued under the Option and Joint Venture Agreement (150,000 Shares) have been issued – which would result in the issued and outstanding Shares of the Company being increased to 17,507,650 Shares after the Offering. This also assumes that these individuals do not purchase Shares under the Offering.

The Shares subject to the Escrow Agreement will be released according to the following schedule:

On the Listing Date	1/10 of the escrow securities
6 months after the Listing Date	1/6 of the remaining escrow securities
12 months after the Listing Date	1/5 of the remaining escrow securities
18 months after the Listing Date	1/4 of the remaining escrow securities
24 months after the Listing Date	1/3 of the remaining escrow securities
30 months after the Listing Date	1/2 of the remaining escrow securities
36 months after the Listing Date	The remaining escrow securities

Assuming there are no changes to the escrow securities initially deposited and no additional escrow securities are deposited, this will result in a 10% release on the Listing Date, with the remaining escrow securities being released in 15% tranches every six months thereafter.

The automatic time 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 18 months. If, within 18 months of the Listing Date, the Company meets the “established issuer” criteria, as set out in NP 46-201, the escrow securities will be eligible for accelerated release according to the criteria for established issuers. In such a scenario that number of escrow 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 escrow securities would be released in accordance with the time release provisions for established issuers, with all escrow securities being released 18 months from the Listing Date.

Pursuant to the terms of the Escrow Agreement, the securities of the Company 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, or to a person or company that before the proposed transfer holds more than 20% of the voting rights attached to the Company's outstanding securities, or to a person or company that after the proposed transfer will hold more than 10% of the voting rights attached to the Company's outstanding securities and that has the right to elect or appoint one or more directors or senior officers of the Company or any of its material operating subsidiaries. Pursuant to the terms of the Escrow Agreement, upon the bankruptcy of a holder of escrowed securities, the securities held in escrow 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 escrowed securities, all securities of the deceased holder will be released from escrow to the deceased holder's legal representative.

For the purposes of NP 46-201 "**Principals**" include all persons or companies that, on the completion of the initial public offering, fall into one of the following categories:

- (a) directors and senior officers of the Company or a material operating subsidiary of the Company, at the time of the initial public offering;
- (b) promoters of the Company during the two years preceding the initial public offering;
- (c) those who own and/or control, directly or indirectly, more than 10% of the Company's voting securities (on a fully diluted basis) immediately before and immediately after completion of the initial public offering and if they also have elected or appointed or have the right to elect or appoint a director or senior officer of the Company or of a material operating subsidiary of the Company;
- (d) those who own and/or control more than 20% of the Company's voting securities (on a fully diluted basis) immediately before and immediately after completion of the initial public offering; and
- (e) the spouse(s) and relative(s) that live at the same address as any of the above.

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

The securities issued to the Agent that are not Qualified Compensation Securities and any securities issued thereunder will be subject to a restricted period expiring four months and a day from the Closing Day. The 150,000 Shares to be issued to the Optionor under the Option and Joint Venture Agreement will also be subject to a restricted period expiring four months and a day from the date of issuance. Pursuant to the terms of the Option and Joint Venture Agreement the Company is required to issue such Shares to the Optionor on or before 30 days from the Closing Day.

### **PRINCIPAL SECURITYHOLDERS**

As at the date of this Prospectus, there are no persons or companies who have or are known by the Company to have (a) direct or indirect beneficial ownership of, (b) control or direction over, or (c) a combination of direct or indirect beneficial ownership of and control or direction over, voting securities that will constitute more than 10% of the issued share capital of the Company prior to and after the Offering other than as follows:

<u>Name and Municipality of Residence of Shareholder</u>	<u>Type of Ownership</u>	<u>Number of Shares</u>	<u>Percentage of Shares Owned Before Offering</u>	<u>Percentage Owned After Offering Undiluted<sup>(1)</sup></u>	<u>Percentage Owned After Offering Fully Diluted<sup>(2)</sup></u>
Lockwood Financial Ltd. <sup>(3)</sup> ,	Direct	<u>3,000,000</u>	<u>21.30%</u>	<u>18.41%</u>	<u>17.14%</u>

<u>Name and Municipality of Residence of Shareholder</u>	<u>Type of Ownership</u>	<u>Number of Shares</u>	<u>Percentage of Shares Owned Before Offering</u>	<u>Percentage Owned After Offering Undiluted<sup>(1)</sup></u>	<u>Percentage Owned After Offering Fully Diluted<sup>(2)</sup></u>
Westmount, Quebec, Canada					
<b>Total</b>		<b><u>3,000,000</u></b>	<b><u>21.30%</u></b>	<b><u>18.41%</u></b>	<b><u>17.14%</u></b>

Notes:

- (1) Excluding any Shares issuable upon the exercise of any of the Finder's Warrants, Stock Options and Agent's Warrants or under the Option and Joint Venture Agreement and assuming that Lockwood Financial Ltd. does not purchase Shares under the Offering.
- (2) Assuming that the Finder's Warrants (entitling the holder thereof to purchase up to 277,650 Shares), the Agent's Warrants (entitling the Agent to purchase up to 160,000 Shares) and the Stock Options (entitling the option holders to purchase up to a total of 625,000 Shares) have been fully exercised and the Shares to be issued under the Option and Joint Venture Agreement (150,000 Shares) have been issued – which would result in the issued and outstanding Shares of the Company being increased to 17,507,650 Shares after the Offering. This also assumes that these individuals do not purchase Shares under the Offering.
- (3) Mr. Kevin Torudag, the sole shareholder of Lockwood Financial Ltd., is the beneficial holder of these Shares.

## DIRECTORS AND EXECUTIVE OFFICERS

### Name, Occupation and Security Holding

The following are the full names, municipality of residence, positions with the Company and principal occupations within the preceding five years, the dates of their appointment or election and their holdings of Shares (including those over which they exercise control) of all of the directors and executive officers of the Company:

<u>Name and Municipality of Residence</u>	<u>Current Position with Company<sup>(1)</sup></u>	<u>Principal Occupation for the Past Five Years</u>	<u>Number of Shares Owned Prior to the Offering<sup>(2)</sup></u>
Herrick Lau Vancouver, British Columbia	Chief Executive Officer and Director	Managing Director of Baron Global Financial Canada Ltd. from August 2007 to present; Vice President, Corporate Finance of Global Maxfin Capital Inc. from March 2007 to August 2007; Vice President, Corporate Finance of Graydon Elliott Capital Corporation from December 2003 to February 2007.	440,000 (3.12%)
Denise Lok Vancouver, British Columbia	Chief Financial Officer and Corporate Secretary	Senior Manager, Corporate Finance at Baron Global Financial Canada Ltd. from May 2009 to present; Senior Associate of PricewaterhouseCoopers from October 2005 to February 2009.	240,000 (1.70%)
Yaron Conforti Toronto, Ontario	Director	Principal of Emmarentia Resource Corp., Chief Executive Officer and Director of Goldbard Capital Corp. from June 2010 to November 2011; Chief Financial Officer of China Opportunity Inc. (now Gondwana Gold Inc.) from May 2008 to June 2011.	440,000 (3.12%)

<b>Name and Municipality of Residence</b>	<b>Current Position with Company<sup>(1)</sup></b>	<b>Principal Occupation for the Past Five Years</b>	<b>Number of Shares Owned Prior to the Offering<sup>(2)</sup></b>
John King Burns Philadelphia, Pennsylvania	Director	Self-employed and independent director of various public companies.	440,000 (3.12%)
Henry J. Sandri Cottage Grove, Minnesota	Director	Mineral economist; Chief Executive Officer and President of Duluth Metals Limited from May 2006 to July 2010.	440,000 (3.12%)

Notes:

- (1) Each director's term expires on the earlier of the Company's next annual general meeting, or his resignation.  
(2) Based on 14,085,000 Shares currently issued and outstanding.

The Company has only one Board committee, being its audit committee, which presently consists of Yaron Conforti (Chairman), Herrick Lau, and Henry J. Sandri.

As of the date hereof, the directors and executive officers of the Company as a group beneficially own, directly or indirectly, or exercise control or direction over 2,000,000 Shares which represents 14.20% of the currently issued and outstanding Shares (on an undiluted basis) and will represent 12.27% of the issued and outstanding Shares upon completion of the Offering (on an undiluted basis).

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

#### ***Corporate Cease Trade Orders and Bankruptcies***

Other than as described below, none of the directors, officers or promoters of the Company are, or within the past ten years prior to the date hereof have been, a director, officer, or promoter of any other issuer that, while that person was acting in that capacity:

- (a) was subject to a cease trade or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than 30 consecutive days; or
- (b) was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangements or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the person.

#### ***Penalties or Sanctions***

None of the directors, officers or promoters of the Company has, within the ten years prior to the date hereof, been subject to any penalties or sanctions imposed by a court or securities regulatory authority relating to the trading in securities, promotion or management of a publicly traded issuer, or theft or fraud, or been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered to a reasonable investor making an investment decision.

#### ***Personal Bankruptcies***

None of the directors, officers or promoters of the Company has, within the ten years prior to the date hereof, been declared bankrupt or made a voluntary assignment into bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangements, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

## Conflicts of Interest

Certain directors and officers of the Company are and may continue to be involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors. Situations may arise in connection with potential acquisitions and investments where the other interests of these directors and officers may conflict with the interests of the Company. As required by law, each of the directors of the Company is required to act honestly, in good faith and in the best interests of the Company. Any conflicts which arise shall be disclosed by the directors and officers in accordance with the *Business Corporations Act* (British Columbia) and they will govern themselves in respect thereof to the best of their ability with the obligations imposed on them by law.

## Management of the Company

The following additional biographical information is provided for each director or member of management of the Company:

### *Herrick Lau, Chief Executive Officer and Director*

Herrick Lau, age 45, has been the Chief Executive Officer and a director of the Company since its incorporation on February 4, 2011. He is currently the Managing Director of Baron Global Financial Canada Ltd. Mr. Lau previously held similar positions in Global Maxfin Capital Inc. and Graydon Elliott Capital Corp. He is also currently the Chief Financial Officer of Copper One Inc. (TSXV: CUO), the Chief Financial Officer and a director of Jayden Resources Inc. (TSX: JDN), the Chief Financial Officer and a director of Novo Resources Corp. (CNSX: NVO), and a director of ICN Resources Ltd. (TSXV: ICN), Kariana Resources Inc. (CNSX: KAA) and Delon Resources Corp (CNSX: DLN).

Mr. Lau obtained his Bachelor and Master degrees in Business and Economics from Simon Fraser University and has over 15 years of experience in public company management and corporate finance. Mr. Lau is also a charter holder of the Chartered Financial Analyst designation.

Mr. Lau is not a party to any employment, non-competition or confidentiality agreement with the Company. It is expected that Mr. Lau will devote approximately 20% of his time to the business of the Company to effectively fulfill his duties as an officer and director.

The table below summarizes Mr. Lau's professional experience:

Company	Market	Principal Business	Affiliated with Company	Position Held	Term		Still in Business
					From	To	
Baron Global Financial Canada Ltd.	N/A	Financial Advisory	No	Managing Director	August 2007	Present	Yes
Copper One Inc.	TSXV	Mineral Exploration	No	Chief Financial Officer	January 2008	Present	Yes
				Director	June 2008	June 2011	
ERA Carbon Offsets Ltd.	TSXV	Climate change mitigation, ecosystem restoration	No	Chief Financial Officer	November 2008	July 2010	Yes
Evolving Gold Corp.	TSX, OTCQX, Frankfurt	Mineral Exploration	No	Interim Chief Financial Officer	April 2008	June 2008	Yes

Company	Market	Principal Business	Affiliated with Company	Position Held	Term		Still in Business
					From	To	
Novo Resources Corp.	CNSX	Mineral Exploration	No	Chief Financial Officer & Director	October 2009	Present	Yes
Global Maxfin Capital Inc.	N/A	Investment Dealer and Brokerage	No	Vice President, Corporate Finance	March 2007	August 2007	Yes
Graydon Elliott Capital Corporation	N/A	Investment Dealer and Brokerage	No	Vice President, Corporate Finance	December 2003	February 2007	No
ICN Resources Ltd.	TSXV	Mineral Exploration	No	Director	September 2009	Present	Yes
Jayden Resources Inc.	TSX	Mineral Exploration	No	Chief Financial Officer and Director	December 2008	Present	Yes
Kariana Resources Inc.	CNSX	Mineral Exploration	No	Chief Executive Officer	February 2011	February 2012	Yes
				Director	September 2010	Present	
Lincoln Mining Corporation	TSXV	Mineral Exploration	No	Chief Financial Officer	August 2009	August 2009	Yes
Mindoro Resources Ltd.	TSXV	Mineral Exploration	No	Chief Financial Officer	August 2009	September 2010	Yes
Panoramic Mirrors Corp.	TSXV (now trading on TSX under the name GLG Life Tech Corporation)	Marketing of Automotive Parts	No	Chief Financial Officer	May 2003	November 2003	Yes, under new business
Sunshine Agri-Tech Corp.	TSXV	Manufacturing, Processing, Packaging, and Distributing Livestock Bio-feed	No	Chief Financial Officer and Director	October 2009	July 2010	Yes
United Silver Corp.	TSX	Mineral Exploration	No	Chief Financial Officer	November 2007	May 2010	Yes
				Director	May 2010	February 2011	

Company	Market	Principal Business	Affiliated with Company	Position Held	Term		Still in Business
					From	To	
Vida Ventures Ltd.	TSXV	Capital Pool Company	No	Chief Financial Officer	January 2011	Present	Yes
Delon Resources Corp.	CNSX	Mineral Exploration	No	Director	January 2011	Present	Yes

***Denise Lok, Chief Financial Officer and Corporate Secretary***

Denise Lok, age 28, has been the Chief Financial Officer and Corporate Secretary of the Company since its incorporation on February 4, 2011. She is currently the Chief Financial Officer and Corporate Secretary of ICN Resources Ltd. (TSXV: ICN), Kariana Resources Inc. (CNSX: KAA), and Finore Mining Inc. (CNSX: FIN), and a director of Delon Resources Corp. (CNSX: DLN). She is also currently employed with Baron Global Financial Canada Ltd. as Senior Manager, Corporate Finance.

Ms. Lok is a Chartered Accountant and holds a Bachelor of Commerce (B. Comm.) in Accounting and Transportation Logistics from the University of British Columbia.

Ms. Lok is not a party to any employment, non-competition or confidentiality agreement with the Company. It is expected that Ms. Lok will devote approximately 30% of her time to the business of the Company to effectively fulfill her duties as an officer.

The table below summarizes Ms. Lok's professional experience:

Company	Market	Principal Business	Affiliated with Company	Position Held	Term		Still in Business
					From	To	
Baron Global Financial Canada Ltd.	N/A	Financial Advisory	No	Senior Manager, Corporate Finance	May 2009	Present	Yes
ICN Resources Ltd.	TSXV	Mineral Exploration	No	Chief Financial Officer & Corporate Secretary	August 2010	Present	Yes
Kariana Resources Inc.	CNSX	Mineral Exploration	No	Chief Financial Officer & Corporate Secretary	September 2010	Present	Yes
Finore Mining Inc.	CNSX	Mineral Exploration	No	Chief Financial Officer & Corporate Secretary	May 2010	Present	Yes
Delon Resources Corp.	CNSX	Mineral Exploration	No	Director	January 2011	Present	Yes
Pricewaterhouse Coopers	N/A	Audit & Assurance	No	Senior Associate	October 2005	February 2009	Yes

***John King Burns, Director***

John King Burns, age 61, has been a director of the Company since its incorporation on February 4, 2011. He is currently a Director of China Gold International Resources Corp. Ltd. (TSX: CGG), NovaDx Ventures Corp. (TSXV: NDX), Simba Energy Inc. (TSXV: SMB), and Corazon Gold Corp. (TSXV: CGW).

Mr. Burns' educational background consists of a Bachelor of Sciences (B. Sc.) in Economics from University of Pennsylvania's Wharton School of Business. Mr. Burns also completed non-major courses in accounting, finance, marketing, and computer sciences at the Wharton School of Business while as an undergraduate student and in continuing postgraduate, non-degree studies.

Mr. Burns is not a party to any employment, non-competition or confidentiality agreement with the Company. It is expected that Mr. Burns will devote approximately 20% of his time to the business of the Company to effectively fulfill his duties as an officer.

The table below summarizes Mr. Burns' professional experience:

Company	Market	Principal Business	Affiliated with Company	Position Held	Term		Still in Business
					From	To	
Athabasca Potash Inc.	TSX	Potash Exploration	No	Director	October 2007	September 2009	No
China Gold International Resources Corp. Ltd.	TSX	Mineral Exploration	No	Director	October 2009	Present	Yes
Emgold Mining Corp.	TSXV	Mineral Exploration	No	Director	June 2003	August 2007	Yes
MR3 Systems Inc.	OTCBB	Metals Technology	No	President & Director	December 2003	April 2004	
Northern Orion Resources Inc.	TSX AMEX	Mineral Exploration	No	Director	May 1995	October 2007	Yes
NovaDx Ventures Corp.	TSXV	Merchant Bank	No	Director	March 2006	Present	Yes
Simba Energy Inc.	TSXV	Oil & Gas Exploration	No	Director	September 2009	Present	Yes
Corazon Gold Corp.	TSXV	Mineral Exploration	No	Director	January 2011	Present	Yes

***Yaron Conforti, Director***

Yaron Conforti, age 32, has been a director of the company since its incorporation on February 4, 2011. He is currently the principal of Emmarentia Resource Corp.

Mr. Conforti received a Bachelor of Commerce (B. Comm.) in Finance from Concordia University.

Mr. Conforti is not a party to any employment, non-competition or confidentiality agreement with the Company. It is expected that he will devote 20% of his time to the business of the Company to effectively fulfill his duties as a director.

The table below summarizes Mr. Conforti's professional experience:

Company	Market	Principal Business	Affiliated with Company	Position Held	Term		Still in Business
					From	To	
Goldbard Capital Corp.	TSXV	Mineral Exploration	No	Chief Executive Officer & Director	June 2010	November 2011	Yes
China Opportunity Inc. (Now Gondwana Gold Inc.)	TSXV	Mineral Exploration	No	Chief Financial Officer & Director	May 2008	June 2011	Yes

**Henry J. Sandri, Director**

Henry J. Sandri, age 59, has been a director of the Company since its incorporation on February 4, 2011.

Dr. Sandri's educational background consists of a Bachelor of Science (B. Sc.) in Foreign Service (International Trade & Transportation) from Georgetown University, a Masters of Arts (M. A.) in Applied Economics from The American University and a Doctor of Philosophy (Ph. D.) in Mineral Economics from the Colorado School of Mines.

Dr. Sandri is not a party to any employment, non-competition or confidentiality agreement with the Company. It is expected that he will devote 20% of his time to the business of the Company to effectively fulfill his duties as a director.

The table below summarizes Dr. Sandri's professional experience:

Company	Market	Principal Business	Affiliated with Company	Position Held	Term		Still in Business
					From	To	
Duluth Metals Limited	TSX	Mineral Exploration	No	President & CEO	May 2006	July 2010	Yes
Bending Lake Iron Group, Ltd.	N/A	Mineral Exploration	No	Director	May 2011	Present	Yes
Numax Resources, Inc.	N/A	Mineral Exploration	No	Director	April 2011	Present	Yes

**EXECUTIVE COMPENSATION**

"NEO" or "Named Executive Officer" means each of the following individuals:

- (a) a chief executive officer ("CEO");
- (b) a chief financial officer ("CFO");
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, for that financial year; and

- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year.

The Company had two Named Executive Officers during the period from incorporation on February 4, 2011 to October 31, 2011; they are Herrick Lau (current Chief Executive Officer) and Denise Lok (current Chief Financial Officer and Corporate Secretary).

The Board has the responsibility to administer the compensation policies related to the Named Executive Officers and directors of the Company, including option-based awards. Since its incorporation on February 4, 2011, the Company has not paid, awarded, granted, given or otherwise provided any compensation to its Named Executive Officers or directors.

The Company does not have a formal compensation program for its officers and directors. The Board relies on the experience of its members as officers and directors of other junior exploration companies to ensure that total compensation paid to the Company's officers and directors is fair and reasonable. Aside from the Stock Options that will be granted to directors and officers of the Company contemporaneously with the closing of the Offering (see "*Options to Purchase Securities*"), the type and amount of future compensation to be paid to Named Executive Officers and directors has not been determined. In establishing levels of Stock Option grants, the Board considers performance, level of expertise, and responsibilities of its directors and officers. The general philosophy of the Company's compensation strategy with respect to the granting of Stock Options is to (a) encourage the officers, directors, employees and consultants of the Company to achieve a high level of performance and results with a view to increasing long-term shareholder value; (b) align management's and directors' interests with the long-term interest of shareholders of the Company; (c) attract and retain highly qualified officers and directors; and (d) ensure that total compensation paid takes into account the Company's overall financial condition.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Since incorporation on February 4, 2011 to the date of this Prospectus, none of the directors and executive officers of the Company or each of their respective associates or affiliates is or has been indebted to the Company (other than routine indebtedness) at any time for any reason whatsoever, including the purchase of securities of the Company.

## AUDIT COMMITTEE

Pursuant to the *Business Corporations Act* (British Columbia), the Company is required to have an audit committee comprised of at least three directors, the majority of whom must not be officers or employees of the Company or an affiliate of the Company. The Company must, pursuant to National Instrument 52-110 Audit Committees ("**NI 52-110**"), have a written charter which sets out the duties and responsibilities of its audit committee. The text of the Company's audit committee charter is attached as Schedule A to this Prospectus.

### Composition of the Audit Committee

The following are the members of the audit committee:

Yaron Conforti (Chairman)	Independent	Financially literate <sup>(1)</sup>
Herrick Lau	Non-independent	Financially literate <sup>(1)</sup>
Henry J. Sandri	Independent	Financially literate <sup>(1)</sup>

Note:

(1) As defined in NI 52-110.

### ***Relevant Education and Experience***

In addition to each member's general business experience, the education and experience of each audit committee member that is relevant to the performance of his/her responsibilities as a committee member is as follows:

**Herrick Lau** is currently the Managing Director of Baron Global Financial Canada Ltd. Mr. Lau previously held similar positions in Global Maxfin Capital Inc. and Graydon Elliott Capital Corp. He is also currently the Chief Financial Officer of Copper One Inc. (TSXV: CUO), the Chief Financial Officer and a director of Jayden Resources Inc. (TSX: JDN), the Chief Financial Officer and a director of Novo Resources Corp. (CNSX: NVO), and a director of ICN Resources Ltd. (TSXV: ICN), Delon Resources Corp. (CNSX: DLN) and Kariana Resources Inc. (CNSX: KAA).

Mr. Lau obtained his masters degree in Economics from Simon Fraser University and has over 10 years of experience in investment research and corporate finance. Mr. Lau is also a charter holder of the Chartered Financial Analyst designation.

Mr. Lau is an executive officer of the Company, and accordingly, he is considered to be "non-independent".

**Yaron Conforti** is currently the principal of Emmarentia Resource Corp. He was the Chief Executive Officer and a director of Goldbard Capital Corp. (TSXV: GDB) from June 2010 to November 2011 and the Chief Financial Officer of China Opportunity Inc. (now Gondwana Gold Inc.) (TSXV: GON) from May 2008 to June 2011. He has investment and merchant banking experience advising public and private companies on mergers, acquisitions and capital raising, with a specific focus on the resource sector. He received a Bachelor of Commerce (Finance) from Concordia University.

**Henry J. Sandri** is a mineral economist and has been involved in the mineral, energy, power and transport industries for over 30 years. He has held senior management positions in management, finance, planning, and operations for public and private exploration and mining companies in North and South America, Europe, Africa and Austral-Asia. His natural resource experience includes base, precious, ferrous and specialty metals, industrial minerals & construction materials, coal (thermal and metallurgical), uranium, oil & gas, geothermal, hydro, solar, and bio-fuels. He currently acts as an Advisor to the Board for a number of Canadian and U.S. exploration and mining companies.

Dr. Sandri served as the President and Chief Executive Officer of Duluth Metals Limited from May 2006 to July 2010. Dr. Sandri has also served in various management positions with Select Resources, Burlington Northern Inc., Inco Ltd. and Inco Exploration Technical Services, Behre Dolbear & Company and K&M Engineering and Consulting Corporation.

Dr. Sandri obtained his B.Sc. in Foreign Service (International Trade & Transportation) from Georgetown University, an M.A. in Applied Economics from The American University and a Ph.D. in Mineral Economics from the Colorado School of Mines.

### ***Audit Committee Oversight***

At no time during the period from incorporation on February 4, 2011 to October 31, 2011 was a recommendation of the audit committee to nominate or compensate an external auditor not adopted by the Board.

### ***Reliance on Certain Exemptions***

At no time during the period from incorporation on February 4, 2011 to October 31, 2011 has the Company relied on the exemption in section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

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

The audit committee has not adopted specific policies and procedures for the engagement of non-audit services.

**External Auditor Service Fees (By Category)**

The aggregate fees accrued to the Company’s external auditors during the period from incorporation on February 4, 2011 to October 31, 2011 for audit fees are as follows:

<u>Period Ending</u>	<u>Audit Fees</u>	<u>Audit Related Fees<sup>(1)</sup></u>	<u>Tax Fees<sup>(2)</sup></u>	<u>All Other Fees<sup>(3)</sup></u>
October 31, 2011	\$10,000 <sup>(4)</sup>	Nil	Nil	Nil

Notes:

- (1) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under “**Audit Fees**”.
- (2) Fees charged for tax compliance, tax advice and tax planning services.
- (3) Fees for services other than disclosed in any other column.
- (4) This is an estimated figure.

**Venture Issuers Exemption**

The Company is relying upon the exemption in section 6.1 of NI 52 110 which exempts “**venture issuers**” from the requirements of Part 5 (Reporting Obligations) 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 Company. 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 Company’s corporate governance practices are appropriate and effective for the Company given its current size.

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) which are summarized below.

A. Board of Directors

The Board is currently composed of Herrick Lau, Yaron Conforti, John K. Burns, and Henry J. Sandri.

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. In addition, where a company has a significant shareholder, NI 58-101 suggests that a board of directors should include a number of directors who do not have interests in either the company or the significant shareholder. Of the current Board members, Yaron Conforti, John K. Burns, and Henry J. Sandri are considered by the Board to be “**independent**” within the meaning of NI 58-101. Herrick Lau is an executive officer of the Company, and accordingly, he is considered to be “**non-independent**”.

The Board meets for a formal board meeting on an as needed basis to review and discuss the Company’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 informally provides 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 Company’s affairs.

The Board facilitates 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 significant and valuable 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 Company, disclose the nature and extent of his interest to the meeting and abstain from voting on or against the approval of such participation.

**B. Directorships**

The following directors of the Company currently hold directorships in other reporting issuers as set out below:

<u>Name of Director</u>	<u>Name of Other Reporting Issuer</u>
Herrick Lau	Novo Resources Corp. Copper One Inc. ICN Resources Ltd. Jayden Resources Inc. Kariana Resources Inc. Vida Ventures Ltd. Delon Resources Corp.
John K. Burns	China Gold International Resources Corp. Ltd. NovaDx Ventures Corp. Simba Energy Inc. Corazon Gold Corp.
Denise Lok	Delon Resources Corp.

**C. Orientation and Continuing Education**

At present, the Company does not provide a formal orientation and education program for new directors. Prior to joining the Board, potential board members are encouraged to meet with management and inform themselves regarding management and the Company's affairs. After joining the Board, management and the board chair provide orientation both at the outset and on an ongoing basis. The Company currently has no specific policy regarding continuing education for directors, and requests for education are encouraged, and dealt with on an ad hoc basis.

**D. Ethical Business Conduct**

The Board does not currently have a written code of ethics, but views good corporate governance as an integral component to the success of the Company. The Company's audit committee has established a "whistleblower" policy to encourage employees to raise concerns about business conduct.

**E. Nomination of Directors**

The Board does not have a nominating committee. Once a decision has been made to add or replace a director, the task of identifying new candidates will fall on the Board and management. If a candidate looks promising, the Board and management will conduct due diligence on the candidate and interview the candidate and if the results are satisfactory, the candidate is invited to join the Board.

F. Compensation

The Board has the responsibility for determining and administering the compensation policies of the Company's executive officers and does so with reference to the Company's financial situation. The Board has the responsibility for determining the compensation of the directors who currently are not compensated in their capacity as directors but are eligible to receive stock options.

G. Other Board Committees

The Company has no committees other than the audit committee. See "Audit Committee" above. The Board has determined that additional committees are not necessary at this stage of the Company's development.

H. Assessments

At present, the Board does not have a formal process for assessing the effectiveness of the Board, its audit committee and whether individual directors are performing effectively. These matters are dealt with on a case by case basis at the Board's level. The Board is of the view that the Company's shareholders are the most important assessors of Board performance and that they provide the most effective, objective assessment of the Board's performance

## **PLAN OF DISTRIBUTION**

### **The Offering**

The Exchange has conditionally approved the listing of the Shares issued under the Offering, the Agent's Shares, the Corporate Finance Fee Shares, any Shares which may be issued upon exercise of the Agent's Warrants, Finder's Warrants and the Options, and the Shares to be issued pursuant to the Option and Joint Venture Agreement, on the Exchange.

Completion of the Offering is subject to the sale of 2,000,000 Shares for aggregate proceeds of \$300,000. The Offering will be made in accordance with the rules and policies of the Exchange and on a day determined by the Agent and the Company, with the consent of the Exchange. If the Offering is not completed in full within 90 days of the issuance of a receipt for the final prospectus, or within 90 days of the date of a receipt for an amendment to the prospectus provided that no more than 180 days have passed since the date of receipt for the final prospectus, (during which time subscriptions received shall be held in trust by the Agent), the distribution must cease and the Agent must return the subscription funds to the subscribers without any deductions.

### **Agency Agreement**

Pursuant to the Agency Agreement, the Company has appointed the Agent to act as its agent to conduct the Offering in the Selling Provinces, on a commercially reasonable efforts basis. The Agent may enter into selling arrangements with other investment dealers at no additional cost to the Company. The Agent will receive:

- (a) 8% of the gross proceeds of the Offering payable in Agent's Shares;
- (b) the Agent's Warrants to acquire Shares in an amount equal to 8% of the total number of Shares sold pursuant to the Offering, exercisable at a price of \$0.15 per Share for a period of 24 months from the Closing Day;
- (c) a Corporate Finance Fee consisting of \$30,000 and 50,000 Corporate Finance Fee Shares; and
- (d) the Agent's expenses, including the Agent's legal expenses, taxes and disbursements. A retainer of \$15,000 has been paid toward such expenses.

NI 41-101 restricts the number of securities issued to an Agent as compensation which may be qualified under a prospectus (“Qualified Compensation Securities”), to a maximum of 10% of Shares sold pursuant to the Offering. For the purposes of this Offering, any combination of the following, totalling 200,000 securities, are Qualified Compensation Securities and are qualified for distribution by this Prospectus: (a) up to 160,000 Agent’s Shares; (b) up to 160,000 Agent’s Warrants; and (c) up to 50,000 Corporate Finance Fee Shares. Those securities that the Agent is entitled to receive exceeding 10% of the Offering will not be Qualified Compensation Securities, will not be qualified for distribution under this Prospectus and will be subject to a hold period in accordance with applicable securities laws.

The Agent has agreed to assist with the Offering on a commercially reasonable efforts basis, but is not obligated to purchase any of the Shares for its own account. The total subscription must be completed within 90 days of the date a receipt for the final prospectus is issued, or within 90 days of the date of a receipt for an amendment to the prospectus provided that no more than 180 days have passed since the date of receipt for the final prospectus. If the Offering is not completed within 90 days or 180 days, as applicable, of the issuance of a receipt for the final prospectus, or such other time as may be consented to by the Agent and persons or companies who subscribed within that period, all subscription monies will be returned to subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent.

The Agency Agreement provides that the Company shall grant the Agent a right of first refusal to act as agent with respect to all future brokered financings of the Company for a period for 12 months from the date on which the Offering completes. Upon receipt of any proposed financing the Company shall provide the Agent notice in writing of the terms of the proposed transaction. The Agent shall have five days to accept the mandate on the terms set out in the notice. Should the Agent choose not to participate in the proposed transaction, the right shall be waived for that particular financing only.

Subscriptions will be received for the Shares offered hereby subject to rejection or acceptance by the Company in whole or in part, and the right is reserved to close the subscription books at any time. Upon rejection of a subscription, or in the event that the Offering does not complete within the term of the Agency Agreement or the time required by the rules of the Securities Commissions, the subscription price and the subscription will be returned to the subscriber forthwith without interest or deduction. Certificates representing the Shares acquired hereunder will be delivered on the Closing Date unless the Agent elects for delivery in book entry form through CDS Clearing and Depository Services Corp. (“CDS”) or its nominee. If delivered in book entry form, purchasers of Shares will receive only a customer confirmation from the registered dealer that is a CDS participant and from or through which the Shares were purchased.

There are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder or any other person or company in connection with the Offering other than the payments to be made to the Agent in accordance with the terms of the Agency Agreement.

The directors, officers and other insiders of the Company may purchase Shares under the Offering.

The price of the Shares offered under this Prospectus was determined by negotiation between the Company and the Agent in accordance with the policies of the Exchange and bears no relationship to earnings, book value or other valuation criteria.

### **Listing of Common Shares**

The Exchange has conditionally approved the listing of the Shares issued under the Offering, the Agent’s Shares, the Corporate Finance Fee Shares, any Shares which may be issued upon exercise of the Agent’s Warrants, Finder’s Warrants and the Options, and the Shares to be issued pursuant to the Option and Joint Venture Agreement, on the Exchange. Listing will be subject to the Company fulfilling all of the requirements of the Exchange.

**As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside Canada and the United States of**

**America other than the Alternative Investment Market of the London Stock Exchange or The Plus Markets operated by The Plus Markets Group PLC. See “Risk Factors”.**

## **RISK FACTORS**

**AN INVESTMENT IN A NATURAL RESOURCE ISSUER INVOLVES A SIGNIFICANT DEGREE OF RISK. THE DEGREE OF RISK INCREASES SUBSTANTIALLY WHERE THE ISSUER’S PROPERTIES ARE IN THE EXPLORATION, AS OPPOSED TO THE DEVELOPMENT, STAGE.** The Company’s exploration activities are subject to the risks normally encountered by companies which develop and mine base and precious metals. The Company’s sole property, the Tait Property, is in the exploration stage. A number of factors, including metal prices, the further discovery of ore reserves and the grade of newly discovered ore are beyond the Company’s control.

The securities being offered for sale are suitable only for those purchasers who are willing to rely upon the ability, judgment and integrity of the management and directors of the Company and who can afford a total loss of their investment. The securities offered hereby are considered speculative due to the nature of the Company’s business and the present stage of its development. A prospective investor should consider carefully the following factors:

### ***Additional Financing***

The Company has no source of operating cash flow to fund all of its exploration and development projects and will require additional financing to continue its operations. There can be no assurance that such financing will be available at all or on favourable terms. Failure to obtain such additional financing could result in delay or indefinite postponement of the Company’s exploration and development programs, resulting in the possible dilution or loss of mineral property interests. Any such financing will dilute the ownership interest of the Company’s shareholders at the time of the financing, and may dilute the value of their shareholdings.

### ***Management***

The Company is a relatively new company and has no proven history of performance or earnings and its ability to develop into a viable business enterprise is largely dependent upon its management and the quality of its properties (currently consisting solely of the Tait Property).

### ***Nature of Mineral Exploration and Mining***

There is no known mineral resource on the Tait Property. Development of a property will occur only if satisfactory exploration results are obtained. Mineral exploration and development involves a high degree of risk and few properties which are explored are ultimately developed into producing mines. There is, therefore, no assurance that the Company’s mineral exploration and development activities will result in any discoveries of bodies of commercial ore. The long-term profitability of the Company’s operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors out of the Company’s control.

Substantial expenditures are required to establish reserves through drilling and, if warranted, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations, or at all, or that the funds required for development can be obtained on a timely basis. Mineral exploration is subject to a high degree of risk, which even a combination of experience, knowledge, and careful evaluation may not be able to overcome.

### ***Mineral Deposits and Production Costs; Metal Prices***

The economics of developing mineral deposits are affected by many factors including variations in the grade of ore mined, the cost of operations, and fluctuations in the sales price of products. The value of the Company’s mineral property is heavily influenced by metal prices. Metal prices can and do change by substantial amounts over short

periods of time, and are affected by numerous factors beyond the control of the Company, including changes in the level of supply and demand, international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production arising from improved mining and production methods and new discoveries. There can be no assurance that the prices of mineral products will be sufficient to ensure that the Company's property can be mined profitably. Depending on the price received for minerals produced, the Company may determine that it is impractical to commence or continue commercial production.

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

### ***Exploration and Development Risks***

Mineral exploration and mining involve considerable financial and technical risk. Substantial expenditures are usually required to establish ore reserves, to evaluate metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to assure that the current exploration program planned by the Company will result in profitable commercial mining operations, as few properties that are explored are ultimately developed into producing mines. Unusual or unexpected geological formations, unstable ground conditions that could result in cave-ins or landslides, floods, environmental pollution, power outages or fuel shortages, labour disruptions, fires, explosions, personal injuries and the inability to obtain suitable or adequate machinery, equipment or labour are risks associated with the conduct of exploration programs and the operation of mines.

### ***Dependence on Key Individuals***

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

### ***Conflicts of Interest***

Some of the directors and officers of the Company are directors and officers of other companies, some of which are in the same business as the Company. Some of the Company's directors and officers will continue to pursue the acquisition, exploration and, if warranted, the development of mineral resource properties on their own behalf and on behalf of other companies, and situations may arise where they will be in direct competition with the Company. The Company's directors and officers are required by law to act in the best interests of the Company. They may have the same obligations to the other companies in respect of which they act as directors and officers. Discharge of their obligations to the Company may result in a breach of their obligations to the other companies, and in certain circumstances this could expose the Company to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligation to act in the best interests of the Company. Such conflicting legal obligations may expose the Company to liability to others and impair its ability to achieve its business objectives.

### ***Permits and Licenses***

The operations of the Company will require licenses and permits from various governmental and non-governmental authorities. The Company has obtained, or will obtain, all necessary licenses and permits required to carry on with activities that it is currently conducting or which it proposes to conduct under applicable laws and regulations. However, such licenses and permits are subject to change in regulations and in various operating circumstances. There can be no assurance that the Company will be able to obtain all necessary licenses and permits required to carry out exploration, development and mining operations at its proposed projects.

### ***Environmental Factors***

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the Tait Property which are unknown to the Company at present which have been caused by previous or existing owners or operators of the 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 the Tait Property do not exist.

### ***Competition***

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

### ***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 Company'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 Tait Property. The possibility that future governments may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

### ***Other Regulatory Requirements***

The operations of the Company 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 Company believes it is in substantial compliance with all material laws and regulations that currently apply to its activities. There can be no assurance, however, that all

permits which the Company may require for construction of mining facilities and conduct of mining operations, particularly environmental permits, will be obtainable on reasonable terms or that compliance with such laws and regulations would not have an adverse effect on the profitability of any mining project that the Company might undertake.

Failure to comply with applicable laws, regulations, and 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 Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

### ***Limited Business History***

The Company has only been recently incorporated on February 4, 2011. The Company has no history of operating earnings. The likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. The Company has limited financial resources and there is no assurance that additional funding will be available to it for further operations or to fulfill its obligations under applicable agreements. There is no assurance that the Company can generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

### ***No Assurance of Title to Property and Title Risks***

Although the Company has exercised standard due diligence with respect to determining title to the Tait Property in which it has a material interest, there is no guarantee that title will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers or aboriginal land claims and title may be affected by undetected defects. Surveys have not been carried out on the Company's mineral property in accordance with the laws of the jurisdiction in which the Tait Property is situated; therefore, its boundaries and area could be in doubt. Until competing interests in the mineral lands have been determined, the Company can give no assurance as to the validity of title of the Company to those lands or the size of such mineral lands. Further, the Company does not own the Tait Property and only has a right to earn an interest therein pursuant to the Option and Joint Venture Agreement. If the Company does not fulfill its obligations contemplated by the Option and Joint Venture Agreement, it will lose its interest in the Tait Property.

### ***Insurance***

The Company does not have comprehensive general liability insurance to adequately protect itself against certain risks commonly associated with mineral exploration. Even with insurance, the Company will remain at risk and will be potentially subject to liability for hazards which it cannot insure against or which it may elect not to insure against because of premium costs or other reasons. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Company.

### ***Substantial number of authorized but unissued shares***

The Company has an unlimited number of common shares which may be issued by the Board without further action or approval of the Company's shareholders. While the Board is required to fulfill 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 Company's shareholders.

### ***Dividends***

The Company has not, since the date of its incorporation, declared or paid any dividends on its Shares and does not currently intend to pay dividends. Earnings, if any, will be retained to finance further growth and development of the business of the Company.

### ***Dilution***

Assuming completion of the Offering, an investor will suffer an immediate dilution to its investment of 48.51% or \$0.07 per Share calculated on the basis of there being 16,295,000 Shares issued and outstanding following completion of the Offering. Dilution has been computed on the basis of total gross proceeds to be raised by this Prospectus and from sales of securities prior to filing this Prospectus, without deduction of commissions or related expenses incurred by the Company.

### ***Resale of Shares***

The continued operation of the Company will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues will be generated or that other financing can be obtained. If the Company is unable to generate such revenues or obtain such additional financing, any investment in the Company may be lost. In such event, the probability of resale of the Shares purchased under this Prospectus would be diminished.

**AS A RESULT OF THESE RISK FACTORS, THE OFFERING IS SUITABLE ONLY FOR THOSE PURCHASERS WHO ARE WILLING TO RELY ON THE MANAGEMENT OF THE COMPANY AND WHO CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT IN THE OFFERED SECURITIES.**

## **PROMOTERS**

Under the definition of "**promoter**" contained in section 1 of the *Securities Act* (British Columbia), Herrick Lau can be considered the promoter of the Company in that he took the initiative in founding and organizing the Company. Mr. Lau currently holds 440,000 Shares representing 3.12% of the total issued and outstanding Shares before giving effect to the Offering.

The promoter has received nothing of value from the Company, and has no entitlement to receive any such value except as set forth elsewhere in this Prospectus, specifically:

- It is contemplated that Herrick Lau will be granted 125,000 Stock Options on or about the Closing Day. See "*Options to Purchase Securities*".

## **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

There are no legal proceedings or regulatory actions outstanding, threatened or pending, as of the date hereof, by or against the Company or which the Company is a party or to which the Tait Property is subject, nor to the Company's knowledge are any such legal proceedings contemplated which could become material to a purchaser of securities of the Company.

## **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

For the purposes of this Prospectus, "**informed person**" means:

- (a) any director or executive officer of the Company;

- (b) a person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of the Shares; and
- (c) any associate or affiliate of any of the foregoing persons.

No informed person has any material interest, direct or indirect, in any material transaction since within the three years prior to the date hereof.

#### **RELATIONSHIP BETWEEN THE COMPANY AND THE AGENT**

The Company is not a “related issuer” or a “connected issuer” of or to the Agent (as such terms are defined in National Instrument 33-105 *Underwriting Conflicts*).

#### **AUDITORS, TRANSFER AGENTS AND REGISTRARS**

The auditors of the Company are Davidson and Company LLP, Chartered Accountants of 1200-609 Granville Street, P.O. Box 10372, Pacific Centre, Vancouver, BC, V7Y 1G6.

The registrar and transfer agent for the Company is Olympia Trust Company of 1003 – 750 West Pender Street, Vancouver, BC, V6C 2T8.

#### **MATERIAL CONTRACTS**

Except for contracts made in the ordinary course of the Company’s business, the only material contracts entered into by the Company since its incorporation are as follows:

1. Agency Agreement. See “*Plan of Distribution*”.
2. Escrow Agreement. See “*Escrowed Securities*”.
3. Option and Joint Venture Agreement. See “*Description of Business – Option to Acquire Tait Property*” and “*Description of Business – Description of Property and Summary of Technical Report*”.
4. Transfer Agency and Registrarship Agreement between the Company and Olympia Trust Company dated August 18, 2011.

Copies of the foregoing contracts may be inspected at 1075 West Georgia Street, Suite 1980, Vancouver, British Columbia, during normal business hours while primary distribution of the Shares offered hereunder is in progress.

#### **EXPERTS**

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

1. Roger MacDonald, P. Geo., an independent geologist and “Qualified Person” as defined in NI 43-101 is the author responsible for the preparation of the Technical Report.
2. The audited financial statements of the Company included in this Prospectus have been included in reliance upon the report of Davidson and Co., Chartered Accountants, also included in this Prospectus, and upon the authority of such firm as experts in accounting and auditing.

## ELIGIBILITY FOR INVESTMENT

In the opinion of McMillan LLP, counsel to the Company, based on the current provisions of the *Income Tax Act* (Canada) (the “**Tax Act**”), the regulations thereunder and any proposals to amend the Tax Act or the regulations publicly announced by or on behalf of the Minister of Finance prior to the date hereof, provided the Shares are listed on a “designated stock exchange” for purposes of the Tax Act (which currently includes the Exchange) at a particular time, 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 (“**RRSPs**”), registered retirement income funds (“**RRIFs**”), 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.

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

**Prospective investors should be aware that the purchase, holding or disposition of Shares has other tax consequences, which are not described in this Prospectus. Accordingly, prospective investors are advised to consult their own tax advisors with respect to the tax aspects of investing in Shares.**

## INTERESTS OF EXPERTS

Certain legal matters relating to the Offering and the issuance of the Shares will be passed upon by McMillan LLP, on behalf of the Company, and by Miller Thomson LLP, on behalf of the Agent. As of the date hereof, the partners and associates of McMillan LLP, as a group, own directly or indirectly, 0% of the Shares and the partners and associates of Miller Thomson LLP, as a group, own directly or indirectly, 0% of the Shares.

The auditor of the Company, Davidson and Co., Chartered Accountants audited the October 31, 2011 financial statements and is independent within the meaning of the Rules of Professional conduct on the Institute of Chartered Accountants of British Columbia and as of the date of this Prospectus, does not own or have any registered or beneficial interests, direct or indirect, in any securities or other property of the Company.

Roger MacDonald, P.Geo, is the author responsible for the preparation of the Technical Report. Mr. MacDonald, as of the date hereof, does not own, directly or indirectly, any of the Shares and is an “independent person” within the meaning of NI 43-101.

## 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.

## RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the Provinces, the securities legislation further provides a purchaser with remedies for rescission or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s Province.

The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's Province for the particulars of these rights or consult with a legal advisor.

#### **LIST OF EXEMPTIONS**

The Company has not applied for or received any exemption from NI 41-101 regarding this Prospectus or the distribution of its securities under this Prospectus.

#### **FINANCIAL STATEMENTS**

Attached to and forming part of this Prospectus are the audited financial statements of the Company for the period from incorporation on February 4, 2011 to October 31, 2011, together with the auditor's report thereon.

## AUDITOR'S CONSENT

We have read the prospectus of Titan Goldworx Resources Inc. (the "Company") dated February 28, 2012 relating to the offering of 2,000,000 common shares of the Company at a price of \$0.15 per common share. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above mentioned prospectus of our report to the directors of the Company on the statement of financial position as at October 31, 2011 and the statements of comprehensive loss, changes in equity and cash flows for the period from February 4, 2011 (inception) to October 31, 2011. Our report is dated January 24, 2012 (except as to Note 8 which is as of February 28, 2012).

**“DAVIDSON & COMPANY LLP”**

Vancouver, Canada

Chartered Accountants

February 28, 2012



**SCHEDULE A - AUDIT COMMITTEE CHARTER****1. MISSION**

Senior management, as overseen by the board of directors, has primary responsibility for the Company's financial reporting, accounting systems and internal controls. The audit committee is a standing committee of the board of directors established to assist the board of directors in fulfilling its responsibilities in this regard.

**2. RESPONSIBILITIES**

The audit committee shall:

**(a) Financial Information**

- (i) review the annual financial statements and related matters and recommend their approval to the board of directors, after discussing matters such as the selection of accounting policies, major accounting judgements, accruals and estimates with management;
- (ii) review the annual information form, if applicable;
- (iii) be responsible for reviewing the results of the external audit, including:
  - A. the auditor's engagement letter;
  - B. the reasonableness of the estimated audit fees;
  - C. the scope of the audit, including materiality, locations to be visited, audit reports required, areas of audit risk, timetable, deadlines and coordination with internal audit;
  - D. the post-audit management letter together with management's response;
  - E. the form of the audit report;
  - F. any other related audit engagements (e.g. audit of the company pension plan);
  - G. non-audit services performed by the auditor;
  - H. assessing the auditor's performance;
  - I. recommending the auditor for appointment by the board or directors; and
  - J. meeting with the auditors to discuss pertinent matters, including the quality of accounting personnel;
- (iv) ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements (except for disclosure required to be reviewed by the audit committee), and must periodically assess the adequacy of those procedures;
- (v) establish procedures for:
  - A. the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and

B. the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;

(vi) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company;

(b) Interim Financial Statements

(vii) obtain reasonable assurance on the process for preparing reliable quarterly interim financial statements from discussions with management and, where appropriate, reports from the external and internal auditors;

(viii) review and approve the interim financial statements of the Company and management's discussion and analysis related thereto when the same is not undertaken by the board of directors;

(ix) obtain reasonable assurance from management about the process for ensuring the reliability of other public disclosure documents that contain audited and unaudited financial information;

(c) Accounting System and Internal Controls

(x) obtain reasonable assurance from discussions with and/or reports from management, and reports from external and internal auditors that the Company's accounting systems are reliable and that the prescribed internal controls are operating effectively;

(xi) direct the auditors' examinations to particular areas;

(xii) request the auditors to undertake special examinations (e.g., review compliance with conflict of interest policies);

(xiii) review control weaknesses identified by the external and internal auditors, together with management's response;

(xiv) review the appointments of the chief financial officer and key financial executives;

(xv) review accounting and financial human resources and succession planning within the company.

(d) Reporting

(xvi) report to the board of directors following each meeting on the major discussions and decisions made by the audit committee; and

(xvii) review the audit committee's terms of reference periodically and propose recommended changes to the board of directors.

**3. COMPOSITION AND REGULATIONS**

(a) The audit committee shall be composed of at least three directors. The members and the chairperson of the audit committee shall be appointed by the board of directors for a one year term and may serve any number of consecutive terms.

(b) The chairperson of the audit committee shall, in consultation with management and the auditors, establish the agenda for the meetings and ensure that properly prepared agenda materials are circulated to members with sufficient time for study prior to the meeting.

- (c) The audit committee shall have the power, authority and discretion delegated to it by the board of directors which shall not include the power to change the membership of or fill vacancies in the audit committee.
- (d) The audit committee shall conform to the regulations which may from time to time be imposed upon it by the board of directors. The board of directors shall have the power at any time to revoke or override the authority given to or acts done by the audit committee except as to acts done before such revocation or act of overriding and to terminate the appointment or change the membership of the audit committee or fill vacancies in it as it shall see fit.
- (e) The audit committee may meet and adjourn, as they think proper. A majority of the members of the audit committee shall constitute a quorum thereof. Questions arising shall be determined by a majority of votes of the members of the audit committee present, and in the case of an equality of votes, the chairperson shall not have a second or casting vote.
- (f) A resolution approved in writing by all of the members of the audit committee shall be valid and effective as if it had been passed at a duly called meeting. Such resolution shall be filed with the minutes of the proceedings of the audit committee and shall be effective on the date stated thereon or on the latest date stated in any counterpart.
- (g) The audit committee shall keep regular minutes of its meetings and record all material matters and shall cause such minutes to be recorded in the books kept for that purpose and shall distribute such minutes to the board of directors.
- (h) The audit committee shall have unrestricted and unfettered access to all Company personnel and documents and shall be provided with the resources necessary to carry out its responsibilities.

**FINANCIAL STATEMENTS**

(See Next Page)

**TITAN GOLDWORX RESOURCES INC.**

(AN EXPLORATION STAGE ENTERPRISE)

**FINANCIAL STATEMENTS**

(EXPRESSED IN CANADIAN DOLLARS)

**OCTOBER 31, 2011**

**INDEPENDENT AUDITORS' REPORT**

To the Directors of  
Titan Goldworx Resources Inc.

We have audited the accompanying financial statements of Titan Goldworx Resources Inc. which comprise the statement of financial position as at October 31, 2011 and the statements of comprehensive loss, changes in equity and cash flows for the period from February 4, 2011 (inception) to October 31, 2011, and a summary of significant accounting policies and other explanatory information.

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

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

***Auditors' Responsibility***

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

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

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

***Opinion***

In our opinion, these financial statements present fairly, in all material respects, the financial position of Titan Goldworx Resources Inc. as at October 31, 2011 and the results of its operations and its cash flows for the period from February 4, 2011 (inception) to October 31, 2011 in accordance with International Financial Reporting Standards.



***Emphasis of Matter***

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

**“DAVIDSON & COMPANY LLP”**

Vancouver, Canada

Chartered Accountants

January 24, 2012 (except as to  
Note 8 which is as of February 28, 2012)

**TITAN GOLDWORX RESOURCES INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**EXPRESSED IN CANADIAN DOLLARS**  
**AS AT OCTOBER 31, 2011**

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**ASSETS**

**Current Assets**

Cash	\$	956,989
Receivable		1,685
<b>Total Current Assets</b>		<b>958,674</b>

**Non-Current Assets**

Deferred Financing Cost (Note 8)		15,000
Exploration & Evaluation Assets (Note 3)		15,000
<b>Total Non-Current Assets</b>		<b>30,000</b>

<b>Total Assets</b>	\$	<b>988,674</b>
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**LIABILITIES**

**Current Liabilities**

Accounts payable and accrued liabilities	\$	34,872
<b>Total Liabilities</b>		<b>34,872</b>

**SHAREHOLDERS' EQUITY**

Share capital (Note 4)	955,800
Warrant Reserve (Note 4)	14,635
Deficit	(16,633)
<b>Total Shareholders' Equity</b>	<b>953,802</b>

<b>Total Liabilities and Shareholders' Equity</b>	\$	<b>988,674</b>
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**Nature and Continuance of Operations** (Note 1)

**Subsequent Events** (Note 8)

**Approved and authorized by the Board of Directors on January 24, 2012:**

*"Herrick Lau"*

Herrick Lau, Director

*"Yaron Conforti"*

Yaron Conforti, Director

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

**TITAN GOLDWORX RESOURCES INC.**  
**STATEMENT OF COMPREHENSIVE LOSS**  
**EXPRESSED IN CANADIAN DOLLARS**  
**FOR THE PERIOD FROM FEBRUARY 4, 2011 (INCEPTION) TO OCTOBER 31, 2011**

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**EXPENSES**

Geological consulting fee	\$	12,750
Office and general		2,723
Regulatory fees		1,160
<b>Net loss and comprehensive loss for the period</b>		<b>(16,633)</b>
<b>Deficit, beginning of period</b>		<b>-</b>
<b>Deficit, end of period</b>	<b>\$</b>	<b>(16,633)</b>
<b>Basic and diluted loss per common share</b>	<b>\$</b>	<b>(0.01)</b>
<b>Weighted average number of common shares outstanding</b>		<b>6,067,621</b>

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

**TITAN GOLDWORX RESOURCES INC.**  
**STATEMENT OF CHANGES IN EQUITY**  
**EXPRESSED IN CANADIAN DOLLARS**

	Number of Shares	Share Capital \$	Deficit \$	Warrant Reserve \$	Total \$
<i>Balance at February 4, 2011</i>	-	-	-	-	-
Share Issued Upon Incorporation	1	1	-	-	1
Non-Brokered Private Placement, May 25, 2011	2,000,000	20,000	-	-	20,000
Non-Brokered Private Placement, May 26, 2011	4,600,000	230,000	-	-	230,000
Repurchase of Shares and Cancellation, July 29, 2011	(1)	(1)	-	-	(1)
Non-Brokered Private Placement, July 29, 2011 (net of share issuance costs)	3,335,000	305,435	-	-	305,435
Non-Brokered Private Placement, August 26, 2011	4,150,000	415,000	-	-	415,000
Finder's Warrants	-	(14,635)	-	14,635	-
Loss for the period	-	-	(16,633)	-	(16,633)
<b>Balance at October 31, 2011</b>	<b>14,085,000</b>	<b>\$ 955,800</b>	<b>\$ (16,633)</b>	<b>\$ 14,635</b>	<b>\$ 953,802</b>

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

**TITAN GOLDWORX RESOURCES INC.**  
**STATEMENT OF CASH FLOWS**  
**EXPRESSED IN CANADIAN DOLLARS**  
**FOR THE PERIOD FROM FEBRUARY 4, 2011 (INCEPTION) TO OCTOBER 31, 2011**

	\$
<hr/>	
<b>Cash provided by (used in):</b>	
<b>Operating activities</b>	
Net loss for the period	(16,633)
Changes in non-cash operating working capital:	
Receivable	(1,685)
Accounts payable and accrued liabilities	4,872
<b>Net change in operating activities</b>	<b>1,554</b>
<hr/>	
<b>Cash flow from financing activities:</b>	
Issuance of shares for cash (net of share issuance cost)	970,435
<b>Net change in cash flows from financing activities</b>	<b>970,435</b>
<hr/>	
Net change in cash	956,989
Cash and cash equivalents, beginning of period	-
<b>Cash and cash equivalents, end of period</b>	<b>956,989</b>
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The significant non-cash transactions for the period presented consisted of issuing 277,650 warrants with a value of \$14,635 as a finder's fee in the private placement on July 29, 2011, incurring \$15,000 in exploration and evaluation assets through accounts payable and incurring \$15,000 of deferred financing costs through accounts payable.

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

**TITAN GOLDWORX RESOURCES INC.**  
NOTES TO THE FINANCIAL STATEMENTS  
EXPRESSED IN CANADIAN DOLLARS  
FOR THE PERIOD FROM FEBRUARY 4, 2011 (INCEPTION) TO OCTOBER 31, 2011

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## **1. NATURE AND CONTINUANCE OF OPERATIONS**

Titan Goldworx Resources Inc. (the “Company”) was incorporated under the Business Corporations Act (British Columbia) on February 4, 2011. The Company is engaged primarily in the business of evaluating, acquiring and exploring natural resource properties

The Company is in the process of filing a prospectus for an initial public offering (“IPO”) (Note 8).

The head office of the Company is located at 1075 West Georgia Street, Suite 1980, Vancouver, British Columbia, V6E 3C9 and the registered office of the Company is located at 1055 West Georgia Street, Suite 1500, Vancouver, British Columbia, V6E 4N7. The Company does not have any subsidiaries.

The financial information is presented in Canadian Dollars (“CDN”), which is the functional currency of the Company.

These financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

In order to continue as a going concern and meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

## **2. SIGNIFICANT ACCOUNTING POLICIES**

### **a) Basis of presentation**

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) which include International Accounting Standards and Interpretations (“IFRIC” and “SIC”) adopted by the International Accounting Standards Board.

The principal accounting policies are set out below.

### **b) Use of estimates**

The preparation of these financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates.

Significant areas requiring the use of management estimates include assumptions and estimates relating to the impairment of long-lived assets, share-based compensation, decommissioning and rehabilitation liabilities for deferred income tax assets.

**TITAN GOLDWORX RESOURCES INC.**  
NOTES TO THE FINANCIAL STATEMENTS  
EXPRESSED IN CANADIAN DOLLARS  
FOR THE PERIOD FROM FEBRUARY 4, 2011 (INCEPTION) TO OCTOBER 31, 2011

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## **2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

### **c) Deferred financing costs**

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

### **d) Exploration and evaluation assets**

The Company's exploration and evaluation assets are intangible assets relating to mineral rights acquired and exploration and evaluation expenditure capitalized in respect of projects that are at the exploration/pre-development stage.

No depreciation charge is recognized in respect of exploration and evaluation assets. These assets are transferred to mine development assets upon the commencement of mine development.

Exploration and evaluation expenditure in the relevant area of interest comprises costs which are directly attributable to:

- Acquisition;
- Surveying, geological, geochemical and geophysical;
- Exploratory drilling;
- Land maintenance;
- Sampling; and
- Assessing technical feasibility and commercial viability.

Exploration and evaluation expenditure related to an area of interest where the Company has tenure are capitalized as intangible assets and are recorded at cost less impairment.

Exploration and evaluation expenditure also includes the costs incurred in acquiring mineral rights, the entry premiums paid to gain access to areas of interest and amounts payable to third parties to acquire interests in existing projects. Capitalized costs, including general and administrative costs, are only allocated to the extent that those costs can be related directly to operational activities in the relevant area of interest. Costs related directly to operational activities but incurred prior to engagement of legally binding agreements will be expensed.

All capitalized exploration and evaluation expenditure is assessed for impairment for each reporting period and is impaired if facts and circumstances indicate that impairment may exist. In circumstances where a property is abandoned, the cumulative capitalized costs relating to the property are written off in the period.

### **e) Decommissioning and rehabilitation liabilities**

The Company recognizes the fair value of a decommissioning and restoration liability the year in which it is incurred when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability.

**TITAN GOLDWORX RESOURCES INC.**  
NOTES TO THE FINANCIAL STATEMENTS  
EXPRESSED IN CANADIAN DOLLARS  
FOR THE PERIOD FROM FEBRUARY 4, 2011 (INCEPTION) TO OCTOBER 31, 2011

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## **2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

Changes in the decommissioning and restoration liability due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and an accretion expense in the statement of operations. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset.

The Company did not have any significant decommissioning and restoration obligations at October 31, 2011.

### **f) Share-based payments**

The share option plan allows Company employees (including directors and senior executives) and consultants to acquire shares of the Company. The fair value of options granted is recognized as an employee or consultant expense with a corresponding increase in equity.

An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in reserves. No expense is recognized for awards that do not ultimately vest.

At the time when the share options are exercised, the amount previously recognized in share option reserve is transferred to share capital. When vested options are forfeited or are not exercised at the expiry date the amount previously recognized in share option expense is transferred to deficit.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received

### **g) Warrants issued in equity financing transactions**

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate mineral properties. These equity financing transactions may involve issuance of common shares or units. Each unit comprises a certain number of common shares and a certain number of warrants. Depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the transaction. Warrants that are part of units are valued using the residual method and included in share capital with the common shares that were concurrently issued. Warrants that are issued as payment for agency fee or other transactions costs are accounted for as share-based payments.

**TITAN GOLDWORX RESOURCES INC.**  
NOTES TO THE FINANCIAL STATEMENTS  
EXPRESSED IN CANADIAN DOLLARS  
FOR THE PERIOD FROM FEBRUARY 4, 2011 (INCEPTION) TO OCTOBER 31, 2011

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## **2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

### **h) Comprehensive income/loss**

Comprehensive income/loss is the change in the Company's shareholders' equity that results from transactions and other events from other than the Company's shareholders and includes items that would not normally be included in net earnings, such as unrealized gains and losses on available-for-sale investments. Certain gains and losses are presented in other "comprehensive income" until it is considered appropriate to recognize into net earnings.

### **i) Earnings (loss) per share**

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of outstanding common shares for the period. In computing diluted earnings per share, an adjustment is made for the dilutive effect of the exercise of stock options and warrants. The number of additional shares is calculated by assuming that outstanding stock options and warrants are exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods. In periods where a net loss is reported, outstanding options and warrants are excluded from the calculation of diluted loss per share, as they are anti-dilutive.

### **j) Financial instruments**

All financial assets and financial liabilities are initially recorded at fair value and designated upon inception into one of the following categories: held-to-maturity, available-for-sale, financial liabilities or fair value through profit or loss ("FVTPL").

Financial assets and liabilities classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit and loss. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Held-to-maturity instruments, loans and receivables and financial liabilities not at fair value through profit and loss are measured at amortized cost using the effective interest rate method.

The Company has implemented the following classifications for its financial instruments:

- a) Cash has been classified as FVTPL.
- b) Receivables have been classified as loans and receivables.
- c) Accounts payable and accrued liabilities have been classified as financial liabilities not at fair value through profit and loss.

### **k) Income taxes**

Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

**TITAN GOLDWORX RESOURCES INC.**  
NOTES TO THE FINANCIAL STATEMENTS  
EXPRESSED IN CANADIAN DOLLARS  
FOR THE PERIOD FROM FEBRUARY 4, 2011 (INCEPTION) TO OCTOBER 31, 2011

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## **2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

### **l) Impairment of financial assets**

The Company assesses at the end of each reporting period whether a financial asset is impaired.

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

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

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

### **m) De-recognition of financial assets and financial liabilities**

Financial assets are derecognized when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss. For financial liabilities, they are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

### **n) Impairment of non-financial assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

**TITAN GOLDWORX RESOURCES INC.**  
NOTES TO THE FINANCIAL STATEMENTS  
EXPRESSED IN CANADIAN DOLLARS  
FOR THE PERIOD FROM FEBRUARY 4, 2011 (INCEPTION) TO OCTOBER 31, 2011

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## **2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of operations.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, however the increased carrying amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

### **o) Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Contingent liabilities are not recognized in the financial statements and are disclosed in the notes to the financial statements unless their occurrence is remote. Contingent assets are not recognized in the financial statements, but are disclosed in the notes to the financial statements if their recovery is deemed probable.

### **p) Related party transactions**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

### **q) Standards issued but not yet effective**

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective. The Company does not expect the impact of such changes on the financial statements to be material.

#### *IFRS 9, Financial Instruments*

IFRS 9 partially replaces IAS 39 – Financial Instruments: *Recognition and Measurement*. IFRS 9 measures financial assets, after initial recognition, at either amortized cost or fair value. Existing IAS 39 classifies financial assets into four measurement categories. This standard is effective for annual periods beginning on or after January 1, 2013. The standard, which may be early adopted, must be applied retrospectively.

**TITAN GOLDWORX RESOURCES INC.**  
NOTES TO THE FINANCIAL STATEMENTS  
EXPRESSED IN CANADIAN DOLLARS  
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## **2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

### *IFRS 10, Consolidated Financial Statements*

In May 2011, the IASB issued a new standard IFRS 10 – *Consolidated Financial Statements*. IFRS 10 is effective for annual periods beginning on or after January 1, 2013. Early application is permitted. IFRS 10 defines a single concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of a parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.

### *IFRS 11, Joint Arrangements*

IFRS 11 establishes principles for the financial reporting by parties to a joint arrangement. IFRS 11 supersedes current IAS 31, *Interests in Joint Ventures* and SIC-13, *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*, and is effective for annual periods beginning on or after January 1, 2013. Earlier adoption is permitted. The Company is currently evaluating the impact of this standard on its financial statements.

### *IFRS 12, Disclosure of Interests in Other Entities*

In May 2011, the IASB issued IFRS 12 – *Disclosure of Interest in Other Entities*. IFRS 12 is a new comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint operations, joint ventures, associates and unconsolidated structured entities. IFRS 12 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

### *IFRS 13, Fair Value Measurement*

IFRS 13 is a new standard that applies to both financial and non-financial items measured at fair value. It defines fair value, sets out a single framework for measuring fair value and requires disclosures about fair value measurements. Previously, a variety of fair value techniques and disclosures were possible under the requirements of separate applicable IFRSs. IFRS 13 is applicable for fiscal years beginning on or after January 1, 2013. The standard, which may be early adopted, will apply prospectively from the beginning of the annual period in which it is adopted.

## **3. EXPLORATION AND EVALUATION ASSETS**

On July 25, 2011, the Company signed a Letter of Intent (“LOI”) with Quantum Rare Earth Developments Corp. (“Quantum”) in order to acquire an undivided 70% interest in the Tait Township Property, Ontario (the “Property”). The Property is subject to an option agreement (the “Original Option Agreement”) between Perry English for Rubicon Minerals Corporation (“Rubicon”) and Silver Mountain Mines Corp. (“Silver Mountain”) dated July 31, 2009. On January 31, 2011, Quantum completed the acquisition of Silver Mountain, pursuant to which Silver Mountain became a wholly owned subsidiary of Quantum.

On October 21, 2011, the Company entered into the Option and Joint Venture Agreement, which was subsequently amended on November 28, 2011, to acquire an undivided 70% interest in the Property and the Original Option Agreement. The terms of the Option and Joint Venture Agreement include cash payments of \$140,000 in total and issuance of 150,000 common shares within 30 days of completion of the Company’s initial public offering. Upon earning the 70% interest, the Company will form a joint venture with Silver Mountain.

**TITAN GOLDWORX RESOURCES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**EXPRESSED IN CANADIAN DOLLARS**  
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**3. EXPLORATION AND EVALUATION ASSETS (cont'd...)**

As at October 31, 2011, the Company has the following future requirements to fulfill its obligation under the Option and Joint Venture Agreement:

<b>Date</b>	<b>Shares</b>	<b>Cash Payments</b>
Pay within 5 business days of the closing date	-	\$15,000
Issue within 30 days of completion of IPO	150,000	-
On or before the first anniversary of the closing date	-	\$15,000
On or before the second anniversary of the closing date	-	\$20,000
On or before the third anniversary of the closing date	-	\$40,000
On or before the fourth anniversary of the closing date	-	\$50,000
<b>Total</b>	<b>150,000</b>	<b>\$140,000</b>

As at October 31, 2011, the Company has accrued the first option payment of \$15,000 and was paid subsequent to October 31, 2011.

**4. SHARE CAPITAL AND RESERVE**

**a) Authorized share capital:**

As at October 31, 2011, the authorized share capital of the Company was an unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

**b) Issued share capital:**

- (i) Upon incorporation on February 4, 2011, the Company issued one common share at \$1.00 per share.
- (ii) On May 25, 2011, the Company issued 2,000,000 founders' shares at a price of \$0.01 per share for gross proceeds of \$20,000.
- (iii) On May 26, 2011, the Company completed a private placement of 4,600,000 common shares at a price of \$0.05 per share for gross proceeds of \$230,000.
- (iv) On July 29, 2011, the Company completed the first tranche of a private placement of 3,335,000 common shares at a price of \$0.10 per share for gross proceeds of \$333,500. In accordance with a finder's fee agreement, the Company issued 277,650 finder's warrants. The fair value of the finder's warrants was calculated using the Black-Scholes model and was determined to be \$14,635.
- (v) Also on July 29, 2011, the Company repurchased one common share for \$1.00 and returned it to treasury for cancellation.
- (vi) On August 26, 2011, the Company completed the second tranche of a private placement of 4,150,000 common shares at a price of \$0.10 per share for gross proceeds of \$415,000.

**TITAN GOLDWORX RESOURCES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**4. SHARE CAPITAL AND RESERVES (cont'd...)**

c) Share Purchase Warrants:

The continuity of warrants for the period ended October 31, 2011 is as follows:

	<b>October 31, 2011</b>	
	<b>Number</b>	<b>Exercise Price</b>
		<b>\$</b>
Warrants outstanding, beginning of period	-	
Issued	277,650	0.10
Expired	-	
Exercised	-	
Warrants outstanding, end of period	277,650	\$0.10

Share purchase warrants outstanding at October 31, 2011 are as follows:

<b>Expiry Date</b>	<b>Price Per Share</b>	<b>Warrants Outstanding</b>
July 29, 2013	\$ 0.10	277,650
		277,650

The fair value of share purchase warrants granted to the finder was estimated on the date of allocation using the Black-Scholes option pricing model with the following assumptions:

	2011
Discount Rate	1.39%
Estimated volatility	100%
Expected life	2 years
Dividend rate	0%
Forfeiture rate	0%

The fair value of the finder's warrants, estimated using the Black-Scholes pricing model, was \$14,635, or \$0.05 per warrant.

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#### **4. SHARE CAPITAL AND RESERVES (cont'd...)**

The Black-Scholes pricing model was developed for use in estimating the fair value of warrants. Also, pricing models require the use of estimates and assumptions including the expected volatility. The Company uses expected volatility rates which are based upon industry average rates. Changes in the underlying assumptions can materially affect the fair value estimates.

##### **a) Stock Options**

The Company has a stock option plan whereby the Company is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Vesting and the term of an option is determined at the discretion of the Board of Directors of the Company.

No stock options have yet been granted under the plan.

##### **b) Escrow Shares**

Included in issued share capital are 2,000,000 common shares which will be subject to escrow restrictions upon completion of the IPO which will be released from escrow in tranches over 36 months from its listing.

#### **5. CAPITAL MANAGEMENT**

Capital is comprised of shareholders' equity and any long-term debt that the Company may issue. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term.

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue common shares through private placements. The Company is not exposed to any externally imposed capital requirements.

#### **6. FINANCIAL INSTRUMENTS**

The Company's financial instruments are exposed to a number of financial and market risks, including credit, liquidity, interest rate and price risks. The Company may, or may not, establish from time to time active policies to manage these risks. The Company does not currently have in place any active hedging or derivative trading policies to manage these risks since the Company's management does not believe that the current size, scale and pattern of its operations would warrant such hedging activities.

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**6. FINANCIAL INSTRUMENTS (cont'd...)**

*Fair Value*

Assets and liabilities measured at fair value on a recurring basis as at October 31, 2011 are as follows:

	Fair Value Measurements Using			Balance, October 31, 2011 \$
	Quoted prices in active markets for identical instruments (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	
Cash	956,989	–	–	956,989

*Credit risk*

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The Company believes it has no significant credit risk.

*Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure (Note 5).

October 31, 2011	Less than 3 months	3 – 12 months	1 – 5 years	Longer than 5 years	Total
	\$	\$	\$	\$	\$
Amounts Receivable	1,685	-	-	-	1,685
Accounts Payables & Accrued Liabilities	34,872	-	-	-	34,872

*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 Company is not exposed to interest rate risk.

*Price Risk*

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

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## 7. DEFERRED INCOME TAXES

The recovery of income taxes differs from the amounts obtained by applying statutory rates to the loss before provision for income taxes due to the following:

	<b>For Year Ended October 31, 2011</b>
	<b>\$</b>
Combined federal and provincial statutory tax rate	27%
Loss for the period before income taxes	(16,633)
Expected income tax recovery	(4,463)
Unrecognized tax losses	4,463
Tax expense	-

The unrecognized tax assets of the Company are as follows:

	<b>October 31, 2011</b>
	<b>\$</b>
Non-capital loss carry-forwards	4,250

As at October 31, 2011, the Company has non-capital losses of approximately \$17,000 available to reduce income otherwise taxable in future years expiring in 2031.

The potential tax benefits related to the loss carry forwards and other temporary differences, the application of which may be restricted, have not been recognized in these financial statements as management does not consider it likely that such assets will be realized in the carry forward period.

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## **8. SUBSEQUENT EVENTS**

- a) The Company is in the process of filing its initial public offering (the “IPO”) whereby the Company will issue 2,000,000 common shares of the Company (the “Shares”) at a price of \$0.15 per Share. Canaccord Genuity Corp. (the “Agent”) will act as agent for the IPO.

In consideration for acting as agent, the Agent will receive a commission equal to 8% of the gross proceeds of raised from the IPO payable in Shares at a price of \$0.15 per Share (“Agent’s Shares”). The Agent will also be granted warrants (“Agent’s Warrants”) entitling the Agent to purchase 8% of the aggregate number of Shares issued exercisable for 24 months at \$0.15 per Share. The Agent will receive a corporate finance fee comprised of \$30,000 payable in cash and 50,000 in Shares (“Corporate Finance Shares”) at a deemed price of \$0.15 per Corporate Finance Share. Any combination of the following, totaling 200,000 securities, will be qualified for distribution under the Prospectus: (a) up to 160,000 Agent’s Shares, (b) up to 160,000 Agent’s Warrants, and (c) up to 50,000 Corporate Finance Shares. As of October 31, 2011, the Company has accrued \$15,000 in legal fees relating to the IPO. Subsequent to October 31, 2011, the Company paid \$15,000 retainer to the Agent as part of the corporate finance fee.

- b) On completion of the listing and IPO, the Company intends to grant 625,000 stock options to officers and directors exercisable at \$0.15 per share for a period of ten years.
- c) On November 28, 2011, the Company amended its Option and Joint Venture Agreement with Quantum so that the closing date was determined to be November 28, 2011.

**CERTIFICATE OF THE COMPANY**

Dated: February 28, 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 British Columbia, Alberta and Ontario.

/s/ "Herrick Lau"  
Herrick Lau  
Chief Executive Officer & Director

/s/ "Denise Lok"  
Denise Lok  
Chief Financial Officer

/s/ "Yaron Conforti"  
Yaron Conforti  
Director

/s/ "Henry J. Sandri"  
Henry J. Sandri  
Director

**CERTIFICATE OF THE PROMOTER**

Dated: February 28, 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 British Columbia, Alberta and Ontario.

*/s/ "Herrick Lau"*

\_\_\_\_\_

Herrick Lau

Promoter

**CERTIFICATE OF THE AGENT**

Dated: February 28, 2012

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 British Columbia, Alberta and Ontario.

**CANACCORD GENUITY CORP.**

*/s/ "Frank Sullivan"*  
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Name: Frank Sullivan  
Position: Vice-President, Investment Banking

## SCHEDULE B

### Exchange Listing Statement Disclosure – Additional Information

#### 14. Capitalization

14.1 Prepare and file the following chart for each class of securities to be listed:

#### Issued Capital

	Number of Securities (non-diluted)	Number of Securities (fully- diluted)	%of Issued (non- diluted)	% of Issued (fully diluted)
<u>Public Float</u>				
Total outstanding (A)	16,295,000	17,507,650	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	5,000,000  (Related Persons holding 2,000,000 Shares; and 5% voting position shareholders holding 3,000,000 Shares)	5,625,000  (including 625,000 stock options held by Related Persons)	30.7%	32.1%
Total Public Float (A-B)	11,295,000	11,882,650	69.3%	67.9%

	<b>Number of Securities (non-diluted)</b>	<b>Number of Securities (fully-diluted)</b>	<b>% of Issued (non-diluted)</b>	<b>% of Issued (fully diluted)</b>
<u>Freely-Tradeable Float</u>				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	2,010,000  (10,000 Corporate Finance Fee Shares held by the Agent and 2,000,000 Shares subject to NP 46-201 Escrow Requirements, pursuant to the Issuer's initial public offering)	2,320,000  (including 160,000 Agent's Warrant Shares and 150,000 Shares issuable under the Option Agreement)	12.3%	13.3%
<b>Total Tradeable Float (A-C)</b>	<b>14,285,000</b>	<b>15,187,650</b>	<b>87.7%</b>	<b>86.7%</b>

Public Securityholders (Registered)

**Instruction:** For the purposes of this report, "public securityholders" are persons other than persons enumerated in section (B) of the previous chart. List registered holders only.

**Class of Security**

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities	_____	_____
100 – 499 securities	_____	_____
500 – 999 securities	_____	_____
1,000 – 1,999 securities	_____	_____
2,000 – 2,999 securities	_____	_____
3,000 – 3,999 securities	_____	_____

4,000 – 4,999 securities	_____	_____
5,000 or more securities	<u>20</u>	<u>5,960,000</u>
	<u>20</u>	<u>5,960,000</u>

Public Securityholders (Beneficial)

**Instruction:** Include (i) beneficial holders holding securities in their own name as registered shareholders; and (ii) beneficial holders holding securities through an intermediary where the Issuer has been given written confirmation of shareholdings. For the purposes of this section, it is sufficient if the intermediary provides a breakdown by number of beneficial holders for each line item below; names and holdings of specific beneficial holders do not have to be disclosed. If an intermediary or intermediaries will not provide details of beneficial holders, give the aggregate position of all such intermediaries in the last line.

**Class of Security**

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities	_____	_____
100 – 499 securities	_____	_____
500 – 999 securities	_____	_____
1,000 – 1,999 securities	_____	_____
2,000 – 2,999 securities	<u>17</u>	<u>35,000</u>
3,000 – 3,999 securities	<u>18</u>	<u>55,500</u>
4,000 – 4,999 securities	<u>14</u>	<u>56,000</u>
5,000 or more securities	<u>141</u>	<u>5,188,500</u>
	<u>190</u>	<u>5,335,000</u>
Unable to confirm	_____	_____

Non-Public Securityholders (Registered)

**Instruction:** For the purposes of this report, "non-public securityholders" are persons enumerated in section (B) of the issued capital chart.

**Class of Security**

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities	_____	_____
100 – 499 securities	_____	_____
500 – 999 securities	_____	_____
1,000 – 1,999 securities	_____	_____
2,000 – 2,999 securities	_____	_____
3,000 – 3,999 securities	_____	_____
4,000 – 4,999 securities	_____	_____
5,000 or more securities	<u>6</u>	<u>5,000,000</u>
	<u>6</u>	<u>5,000,000</u>

14.2 Provide the following details for any securities convertible or exchangeable into any class of listed securities

<b>Description of Security (include conversion / exercise terms, including conversion / exercise price)</b>	<b>Number of convertible / exchangeable securities outstanding</b>	<b>Number of listed securities issuable upon conversion / exercise</b>
Agent's Warrants, exercisable for a period of 24 months from Closing Day at a price of \$0.15 per Share	160,000	160,000
Incentive Stock Options, each exercisable for a period of 10 years from Closing Day a price of \$0.15 per Share	625,000	625,000
Shares issuable under Option Agreement, issuable within 30	150,000	150,000

<b>Description of Security (include conversion / exercise terms, including conversion / exercise price)</b>	<b>Number of convertible / exchangeable securities outstanding</b>	<b>Number of listed securities issuable upon conversion / exercise</b>
days of completion of the Issuer's initial public offering, at a deemed price of \$0.15 per share		
Finder's Warrants, exercisable until July 29, 2013 at a price of \$0.10 per Share	277,650	277,650
Total		1,212,650

14.3 Provide details of any listed securities reserved for issuance that are not included in section 14.2.

Not applicable.

## CERTIFICATE OF THE COMPANY

Pursuant to a resolution duly passed by its Board of Directors, Titan Goldworx Resources Inc. hereby applies for the listing of the above mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to Titan Goldworx Resources Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, British Columbia, this 15<sup>th</sup> day of May, 2012.

/s/ "Herrick Lau"

HERRICK LAU

Chief Executive Officer and Director

/s/ "Denise Lok"

DENISE LOK

Chief Financial Officer and Corporate  
Secretary

/s/ "Yaron Conforti"

YARON CONFORTI

Director

/s/ "John King Burns"

JOHN KING BURNS

Director

/s/ "Henry J. Sandri"

Henry J. Sandri

Director