

**Offering Memorandum for Non-Qualifying Issuers
Form 45-106F2**

Date: June 30, 2009

The Issuer:

Name: **Cayenne Gold Mines Ltd.** (the “Company”)
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Phone #: (604) 687-8623
Fax #: (604) 687-8624
Currently listed or quoted: CNSX
Reporting issuer: Yes – in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario
SEDAR filer: Yes

The Offering:

Securities offered and prices per security:

(a) 10,000,000 Units – some of which will be offered on a flow-through basis (“Flow-Through Units”) and some of which will be offered on a non flow-through basis (“NFT Units”). A maximum of 4,000,000 of the Units will be sold on a flow-through basis.

(b) Each FT Unit will be sold at a price of \$0.075 and will consist of one voting common share of the Company and one warrant entitling the purchase of one additional share for \$0.10 (a “FT Unit”) until November 30, 2010.

(c) Each NFT Unit will be sold for a price of \$0.05 will consist of one voting common share of the Company and one warrant entitling the purchase of one additional share of \$0.075 (a “NFT Unit”) until November 30, 2010.

Minimum offering: \$0 – you may be the only purchaser
Maximum offering: \$600,000
Payment terms: Cash upon submission of subscription agreement
Minimum subscription: There are no minimum subscriptions. Maximum allowable is \$50,000
Proposed closing date: November 30, 2009
Tax consequences: There are no material potential tax consequences to the NFT Units. However, the FT Units do have significant flow-through tax consequences. See item 6 commencing on page 19.
Selling agent: No specific pre-agreed selling agents

Resale restrictions:

You will be restricted from selling your securities for four months. See Item 10 – page 26.

Purchaser’s rights:

You have 2 business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this offering memorandum, you have the right to sue either for damages or to cancel the agreement. See Item 11 – pages 27 and 28.

No securities regulatory authority has assessed the merits of these securities or reviewed this offering memorandum. Any representation to the contrary is an offence. This is a risky investment. See Item 8 – commencing on page 22.

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**Item 1 Use of Available Funds/Net Proceeds –
assuming the within offering is fully sold. Minimum offering - \$0.**

**1.1 Net Proceeds and Available Funds –
assuming that 4,000,000 FT Units and 6,000,000 NFT Units will be sold**

| | | |
|---|--|------------|
| A | Amount to be raised by this offering | \$ 600,000 |
| B | Selling commissions and fees - maximum @ 10% | 60,000 |
| C | Estimated offering costs (e.g. legal, accounting, audit) | 15,000 |
| D | Net proceeds: $D = A - (B + C)$ | 525,000 |
| E | Negative working capital as at June 30, 2009 – approx. | (42,450) |
| F | Available funds: $F = D + E$ | \$ 482,550 |

**1.2 Use of Net Available Funds –
assuming the within offering is fully sold**

| Description of intended use of available funds listed in order of priority | Amounts \$ |
|--|---------------|
| Pay Company's estimated general and administrative costs – 6 months x \$25,000 – which will include payment of management fees (see Item 3) to related parties | 150,000 |
| Reserve for property exploration and development, and general working capital purposes | 332,550 |
| TOTAL: | 482,550 |

1.3 Reallocation – We intend to spend the net proceeds as stated. We will reallocate funds only for sound business reasons. No amount is allocated for work on the Company's properties.

1.4 Working Capital – the Company had a negative working capital, at June 30, 2009 of approximately \$42,450.

Item 2 Business of Cayenne Gold Mines Ltd.

2.1 Structure – The Company is a corporation incorporated pursuant to the laws of British Columbia on February 26, 2001. As of the date of this Offering Memorandum it has 25,246,204 voting common shares issued.

2.2 Our Business – The Company has been organized as a mineral exploration company. It owns or holds interests in 3 blocks of mineral claims in British Columbia, the principal details of which are as follows:

A. Hixon Property - The Company owns a contiguous block of 18 mineral claims comprising approximately 5,064.5 Hectares and one overlying Placer Lease of 83.2 Hectares – which are located approximately 45 kilometers (approximately 27 miles) north east from Quesnel in the Cariboo Mining Division, British Columbia

B. IXL Property – The Company has an option on contiguous mineral claims IXL and Tie - which are located approximately 240 kilometers (145 miles) from Stewart, BC in the Omineca Mining Division, British Columbia (formerly known as the “Riga” property and hereinafter called the “IXL Property”).

C. Windflower Property – The Company owns, subject to a 2.5% Net Smelter Return royalty, a 100% interest in the 14 contiguous Crown Granted mineral claims which are located approximately 20 kilometers (approximately 12 miles) from Revelstoke in the Revelstoke mining division of British Columbia (hereinafter called the “Windflower Property”)

2.3 Development of Business – The Company was organized and incorporated in 2001 with the objective of searching for and acquiring mineral claims in British Columbia which had, in the opinion of Management, potential for hosting mineral reserves. It has acquired interests in the 3 British Columbia mineral properties and the placer lease described in Clause 2.2 above - with respect to which the following additional information is given:

A. Hixon Property

(a) Acquisition Agreement

The Hixon claims, located 27 miles northeast of Quesnel, British Columbia, originally comprised 44 claims and two placer claims covering an area of 2,400 acres. The located claims were acquired in 2002 from founding shareholders for 5,000,000 common shares. These claims have now been regrouped into 16 contiguous claim blocks comprising 4,255 hectares and one overlying placer lease comprising 83.2 hectares. The placer claims were acquired in 2004 for cash consideration of \$24,593. During 2006, the Company acquired, by filing, an additional two placer claims comprising 71 hectares.

In December 2007, the Company also acquired, by filing, two lode claims comprising 808 hectares.

The Company has obtained from its consulting mining engineer, Brian Simmons, P.Eng., (“Simmons”) a geological report on the Property dated November 30, 2007 as revised February 14, 2008 (“Simmons Report”). The Simmons Report is prepared in conformity with the requirements of Canadian Securities National Instrument 43-101 in relation to the Hixon Property. Simmons is the Company’s “Qualifying Person” pursuant to National Instrument 43-101. You may request from our office, or any Director of the Company, a copy of the Simmons Report - and it will be sent or transmitted to you.

(b) Features of the Property

This is an area where there has been a great deal of placer gold produced since the first exploration of the Cariboo, estimates range to above seven million dollars in gold produced (at much less than today’s price of gold).

There has been a deal of lode exploration since 1866 with considerable shaft sinking and underground exploration plus lode gold production by the Quesnel Quartz Mining Company Limited just downstream from the Cayenne discovery. That exploration/production was based on the search for individual gold veins.

Cayenne will explore both the old Quesnel Quartz Mining Company Ltd. area and the Cayenne area for large tonnage open pit type of deposits in an area that has had little effective previous exploration due to the thick trees and underbrush on a blanket of overburden with little or no outcrop. The lack of outcrop has been a major deterrent to exploration the past in this camp. Cayenne has found that the surficial transported overburden lies directly on deeply weathered gold mineralized host rock. Modern interpretation now is that the glacial overburden is shallow and weathered bedrock can be reached with an excavator.

Logging presently underway is clearing a large portion of the favourable area of the claims and will leave a network of access roads. This will make an excavator exploration program feasible so that areas of open pit style mineralization can be outlined prior to drilling.

It now appears that much of the Tertiary weathering extended to well over 30m (100 feet) depth, and that was increased by later pre glacial weathering. The exploration will search for lower production cost oxidized gold deposits, and their deeper non weathered sulphide equivalents.

(c) History of the Property

From the Company's assembly and study of available old reports it is known that the area covered by the Property and the nearby surrounding area has been the subject of mining (principally placer) and mineral exploration for more than 100 years. Placer operations produced a very angular variety of gold suggesting that it had not been transported very far from its source. Numerous companies have reported various exploration programmes on or in the area of the Property consisting of a variety of mapping, prospecting, soil geochemistry, underground exploration, ground magnetic, induced polarization electromagnetic surveys, and diamond drilling. Unfortunately all of the old underground workings have collapsed or been filled with rubble so that they have not been accessible to the Company.

As a result of the widely varying exploration techniques used on various areas of the Property, or adjoining areas, over a period of decades, virtually none of which appear to have been coordinated with or related to previous programmes, Management has concluded that it would be inappropriate to attempt to draw any detailed conclusions as to any specific results produced by such programmes. However, such information confirms that the immediate area has historically produced a great deal of placer gold, that the geology and rock types underlying the Property are favourable to the hosting of gold, and that the drilling and other programmes done have indicated gold values being present in various areas of the Property. Some information on the exploration previously done on, and in the area of, the property is contained in the Burton Report.

(d) Work done by the Company

During the period since the Company acquired the original mineral claims in December of 2002 it has done minor surface exploration and limited diamond drilling on them. More specifically the work in each year has been:

- (i) 2003. The Company's principal effort during 2003 was to assemble and study the wealth of available old reports and other historical information about the ground which is now covered by the Claims and about the immediately surrounding area.

- (ii) 2004. In 2004 the Company performed exploration work on the Mineral Claims, at an approximate cost of \$70,000, consisting principally of prospecting, mapping, three shallow diamond drill holes, bridge constructing, sampling and assaying and completion of the study of historic data. The three diamond drill holes, all drilled at angles from a single drill station, gave only minor gold values.
- (iii) 2005. Contrary to the expectations of Management as of April 30, 2005, the Company was unable to carry out any significant work on the Hixon Property during the intervening period as a result of the fact that large portions of the surface of the Property were being logged of pine beetle infested trees. Management concluded that, under the circumstances, it would be inappropriate for the Company to attempt to initiate the Phase One work recommended in the Burton Report. Some further prospecting and sampling was carried out and additional claims were staked to enlarge the Property.
- (iv) 2006. Minor staking, line cutting and soil sampling incurring cost of \$11,870.
- (v) 2007. The 2007 work consisted of prospecting and a drilling programme consisting of three NQ diamond drill holes for a total of 596 meters. All three holes were drilled from a common site, located 72 meters northeast of the main shaft. The holes were drilled to test the validity of earlier drilling as well as to probe for additional gold mineralization and its geological controls. The drill holes encountered multiple zones of gold and silver mineralization. All three holes were drilled to a length of 199 meters, the limit of the drill. Each drill hole ended in sulfide mineralization. No visible gold was observed in the diamond drill core or rock chip samples. The gold values were found to be associated with sulphide (mainly pyrite) mineralization. The pyrite occurs in close proximity to the quartz, but rarely in the quartz. The quartz and calcite veins are randomly oriented.

Hole 01 had gold and silver intersections similar in grade and length to the previous diamond drilling by Golden Rule Resources (1983) and Noranda Explorations (1988). The best intersection was from 179.3 to 182.3 meters and assayed 6.75 g/t gold and 54.5 g/t silver. Hole 03 had the most sulfide mineralization. The sulfide mineralization appears to increase the closer to the schist greenstone contact.

- (vi) 2008. The 2008 diamond drilling program consisted of two BQ diamond drill holes for a total 583 meters. The holes were drilled to test for mineralization near the schist greenstone contact and to check the validity of a Main VLF-EM conductor axis identified by Taiga Consultants Ltd. in 1984.

The diamond drill holes were drilled from a common site located approximately 150 meters west of the Quesnel Quartz Main Shaft. Both inclined holes were drilled to the northeast perpendicular to the northwesterly strike of the schist greenstone contact. The holes were collared in the schist side of the contact and drilled towards the greenstone. Both diamond drill holes intersected the schist greenstone contact and encountered multiple zones of mineralization in both the schist and greenstone. The contact was found to be dipping to the southwest. This is consistent with the dip of the contact earlier found in the lower underground levels of the Main Shaft by Quesnel Quartz Mining Company.

The diamond drilling also shows the schist greenstone contact was located by the VLF-EM survey. The VLF-EM conductor axis also has the same northwesterly strike as the schist greenstone contact.

The schist contains a high content of graphite which would help account for the VLF-EM anomaly. Also, in some sections, the schist contains heavy sulphide mineralization, mainly pyrite and arsenopyrite, up to 4.24% Fe. Gold and silver values were low in the schist with the best intersection 0.046 g/t Au and 1.0 g/t Ag over 15.5 meters. The greenstone had higher gold and silver values than the schist. The highest intersection in the greenstone assayed 1.410 g/t Au and 3.7 g/t Ag over 0.5 meters. Quartz and calcite veins were found in both the schist and greenstone.

(vii) 2009 – No work was done on the Hixon Property in 2009.

(e) Proposed Work

The Company's geological consultant has recommended, based on the results of the past work, that additional exploration and drilling be done on the property. Management will only proceed with the additional work when funds are available.

B. IXL Property

(a) The Company has acquired an option ("Option") to purchase the IXL property in an Agreement dated February 15, 2005 with D. Javorsky Prospecting Inc. ("Optionor"). To maintain and exercise the Option the Company must pay the Optionor \$55,000 - of which \$35,000 has been paid. The balance of \$20,000 is payable in quarterly instalments of \$5,000 each commencing March 31, 2007, none of which have been paid. If the Company maintains the option in existence and gets a positive feasibility study report from consultants who will have been retained to conduct a study of the feasibility of placing the claims into commercial mining operation, it will have to also issue to the Optionor 200,000 shares in its capital. If the Company exercises the option to acquire the claims, the Optionor will retain a 2.5% Net Smelter Return royalty entitlement against the Property. No decision has been made as to whether or not the remaining option payments will be paid.

(b) The IXL Property is primarily of interest to the Company because of its potential to host copper, molybdenum and gold mineralization. The property is located in the centre of the Toodoggone epithermal gold/copper porphyry camp. The Kemess South copper porphyry mine is located 21 kilometers to the southsoutheast and the formerly producing Baker and Lawyers gold mines are located 8 and 18 kilometers, respectively, to the northwest. The claims are 8 kilometers eastnortheast up Drybrough Creek from the Toodoggone mining access road and the Sturdee airstrip. The Drybrough Creek valley is a U-shaped valley with a gentle incline, providing easy access to the property.

(c) The property covers the northern edge of Early Jurassic Omenica syenite intruding Upper Triassic Takla andesite volcanics. The volcanic rocks on and north of Drybrough Peak for 2 kilometers exhibit intense porphyry style propylitic and potassic alteration, including numerous copper and molybdenum showings. Outcrop in the Drybrough Creek basin northwest of Drybrough Peak is very limited. The alteration is apparent in float, as are pyrite, chalcopyrite and molybdenite mineralization, but no outcrop is present over a one square kilometer area in the

valley bottom. Historically it is reported that this area has been grid soil sampled and returned erratic copper and gold anomalies. An I.P. survey was also carried out which outlined two distinct 30 millisecond chargeability anomalies located on the property. One anomaly measures 100 meters east-west and 700 meters north-south and the other 120 meters east-west by 250 meters north-south. The area of these anomalies is totally drift covered.

(d) It is concluded that the historically reported I.P. anomalies on the property probably represent parts of a truncated pyrite halo surrounding copper-molybdenum-gold porphyry mineralization. Mobile metal ion (MMI) geochemical sampling should be able to outline bedrock mineralization through the drift cover. A modern three-dimensional I.P. survey should be able to more clearly distinguish depth to mineralization. Diamond drilling could then be carried out based on the refined anomalies.

(e) The preliminary work programme originally proposed by the Company, subject to the availability of funding, was to consist of a physical examination of the surface, followed by a grid controlled MMI survey in the Drybrough Creek basin designed to cover and extend at least 100 meters beyond the known I.P. anomalies.

(f) In 2005 the Company conducted a brief 2-man examination of the surface of the Property and of potential access routes to the Property at a cost of approximately \$9,500. It was subsequently resolved by Management that no exploration work would be carried out on the Property by the Company for the foreseeable future at least - and that the Property should just be held in inventory with the hope of optioning it to another company. The Company's decision in this regard was based on the conclusion that, as a result of the relatively difficult terrain and difficult access, it would be inappropriate for the Company to attempt to conduct and finance exploration on the Property. Essentially the Company does not consider the IXL Property to be one of its "material properties".

(g) The Company optioned the IXL Property on the recommendation of Alex Briden, the Company President.

Mr. Briden, trained as a geologist, was in charge of exploration for Cassiar Asbestos Corporation from 1959 to 1962. During that period Cassiar had company prospectors in the field in Northern B.C. and the Yukon. Cassiar prospectors located mineralization in the area of the IXL Property during those years but it was not of economic interest at that time as the copper grades were low and molybdenum was not sought after or mined in Canada. Also, the area was very remote and devoid of road access.

However, with the development of the Kemess mine and road access to it, and with the development of the molybdenum industry in Canada and record high metal prices, the economics of the area have changed immensely.

Company representatives did not visit the property before it signed the option agreement because of Mr. Briden's previous experience with, and knowledge of, the property. The initial plan to do a work programme on the property - at a cost of up to \$200,000 of funding became available - was devised by Mr. Briden and the optionor Dave Javorsky (who was already a shareholder of the Company). However, that planned programme was never initiated and only minor surface exploration work has been carried out by the Company.

C. Windflower Property – By an Agreement dated June 1, 2004, the Company purchased from its Director Raymond Spinks, the 50% interest in the Property owned by Spinks, for \$10 and in recognition of the fact that Spinks is a Director of the Company and holds a significant number of shares of the Company.

On December 30, 2005 Red Ensign optioned to the Company all of its interests in the Property for consideration consisting of the issuance to Red Ensign of 40,000 shares of the Company and the payment to Red Ensign of \$400,000 – which has been paid in full. There is reserved to Red Ensign the right to receive a 2.5% net smelter return royalty. The Company will have the right to purchase a 1.0% net smelter return royalty from Red Ensign for \$250,000 for the period ending 9 months after the date of the commencement of any commercial production of minerals from the Property occurs.

The Company has obtained a Report on the property, prepared in compliance with the requirements of National Instrument 43-101, dated April 1, 2006, by Alex Burton, P.Eng., P.Geo. Consulting Geologist (and now a Director of the Company), and Brian Simmons, P.Eng., Consulting Mining Engineer. Printed below are extracts from the Report consisting of the “Summary” and “Recommendations”. Investors may request a copy of the Report from our office or any Director of the Company.

SUMMARY

The Windflower Project owned by Cayenne Gold Mines Ltd. consists of 14 contiguous Crown Granted Mineral Claims located in the Kootenay District of British Columbia.

The gold bearing quartz vein systems, the target of exploration on the property, appear to be structurally related to major shear zones, which strike northwesterly across the property. Quartz veining varies from a few centimeters to 6 meters in width. The quartz veins appear to be associated with the regional fault structures. The quartz veins carry siderite, pyrite and associated gold mineralization. The quartz veins appear almost as stockworks in some areas.

In 1903/04 production from the Goldfinch claim was 1,316 tonnes grading 15.9 grams gold / tonne and 4.3 grams silver / tonne. From 1985 to 1990. Granges Exploration Ltd. performed an extensive exploration program. Work consisted of geochemical, magnetometer and electromagnetic surveys, 209 surface & underground diamond drill holes, and 1206 meters of underground development.

The Dorothy (Main) and Dorothy North Zone have a Measured Mineral Resource of 142,600 tonnes at 6.2 grams / tonne gold. The East Zone has an Indicated Mineral Resource of 46,400 tonnes at a grade of 12.8 grams / tonne gold. The ore zones are steeply dipping and have a good mining width averaging over 3 meters.

Very little underground development is required to start mining the Dorothy (Main) Zone. The East Zones and Dorothy North Zone are in close proximity to the existing underground workings. With the additional 10 surface diamond drill holes drilled in the Dorothy North Zone in 1989/90, the Dorothy North Zone now has 6 ore grade drill intersections with good widths. The 1989/90 drilling was done after the Measured Mineral Resources were calculated. This drilling will add to the existing Measured Mineral Resources. Also, the Dorothy North Zone is still open at depth to the North.

The West, Goldfinch, and Menhinick Creek Zones are also good exploration targets that could add to the mineral resources. There is also a good chance of additional vein and possible stockwork exploration targets being found on the Windflower Project.

Gold recoveries greater than 90% can be expected using cyanidation or cyanidation of a bulk flotation concentrate.

With the carbonate minerals present the risk of acid mine drainage is low. Water samples analyzed from the historic workings and decline were in the pH range of 7.2 to 7.5. Existing reclamation work required on the Windflower Project is minimal. Road access to the Windflower property is good. Proximity to the nearest population center is only 1½ hours by road.

With the current price of gold at \$560 US/oz⁽¹⁾ and climbing, the wide mining widths of the ore zones, existing underground development, and good exploration potential, the Windflower Project is an advanced exploration project.

The Phase 1 work program in the qualified person's opinions will cost approximately \$250,000. The work will consist mainly of site rehabilitation, relogging of diamond drill core, dewatering the underground workings and reviewing the geology to formulate an advanced exploration program. Contingent on positive results from Phase 1, Phase 2 would include an advanced exploration program to expand the existing mineral resources, and the mining of a test stope to confirm grade and mining conditions.

RECOMMENDATIONS

In the qualified persons' opinions the character of the Windflower Project is sufficient to merit the following Phase 1 work program;

1. Apply for a permit for mineral exploration of the Windflower Project from British Columbia Ministry of Energy and Mines. Also apply for permit to dewater the Windflower decline. Place required monetary bond.
2. Reinstate environmental water quality sampling program.
3. Relog diamond drill core. Split and assay any unsplit rusty diamond drill core. Move and restack core boxes.
4. Repair any washouts on 7½-Km access road after the snowmelts.
5. Remove the collapsed culvert at the decline portal. Replace culvert and/or construct drainage channel.
6. Assay and measure ore pile(s) at decline portal location. Sample water runoff from ore pile(s).
7. Dewater underground decline. Scale and wash down walls and back for geological sampling and mapping. Evaluate underground rock conditions.

8. Compare Granges Exploration geological, geochem, and geophysical mapping with site. Prospect all existing zones and any potential new zones looking for both vein and stockwork models.
9. Recover the 1990 Mintec Medsystem computer files (data and geological models) from 20 MB Bernoulli disks. Upgrade files to Mintec's new Minesight software. Review/create geological models and update the Windflower mineral resources.

The Phase 1 program in the qualified person's opinions will cost approximately \$250,000.

Contingent on positive results from Phase 1, Phase 2 would include an advanced exploration program to expand the mineral resources and the mining of a test stope to confirm grade and mining conditions.

- (1) While the Report refers to the price of gold as \$560 (U.S.) per ounce the price has increased as of the date of this Offering Memorandum to in excess of \$925 (U.S.) per ounce.

As a result of a rock slide which blocked the only road access to the Windflower Property the Company had to cancel its proposed 2007 exploration programme on the Windflower Property and diverted its attention to the 2007 work programme on the Hixon Property. The access road was the responsibility of the British Columbia Forest Ministry and it undertook, in late 2007, the extensive repair work required to clear the slide and make the road again usable and safe. The Company has been advised that the road repair has been completed. However, due to adverse winter weather in the area, the Company would not initiate any attempted work on the Property until perhaps May of 2010.

2.4 Long Term Objectives - Our objective is to develop the Company as an active mineral exploration company. It is also our objective to acquire, on acceptable terms, additional mineral claim holdings in British Columbia – and elsewhere - which, in the opinion of Management, warrant exploration work. The Company's objective would also be, with respect to claims from which attractive exploration results have been received, to negotiate agreements to create joint ventures where the other joint venturing party will be required to pay the bulk of the ongoing costs that may be involved. The Company may also consider selling blocks of claims to other companies, retaining for itself interests in the claims which would hopefully be fully carried with respect to the payment of any ongoing costs. The longest term objective of the Company is to get into a position where it has an interest in mineral claims which can be developed into a producing mine.

2.5 Short Term Objectives and How We Intend to Achieve them –

- (a) Raise \$600,000 by the sale of 10,000,000 Units pursuant to the Offering. The sales will be made by persons who are authorized, in the jurisdictions in which sales are made, to sell securities – and, to some extent, by the Company's Directors.
- (b) Have the holders of outstanding share purchase warrants and options previously issued by the Company exercise them to provide additional funding to the Company.
- (c) Initiate the Phase 1 work programme on the Windflower Property detailed above; or

- (d) Negotiate an agreement with a third party which will pay 100% of the costs of initiating a work programme on the Windflower property.

| What we must do and how we will do it | Target completion date or, if not known, number of months to complete | Our cost to complete |
|---|--|-----------------------------|
| Sell 10,000,000 Units to raise \$600,000 | November 30, 2009 | \$75,000 |
| Pay ongoing, administrative costs of the Company est. \$25,000 per month for 6 months | Budgeted projections are for 6 months ending Dec. 31, 2009 | 150,000 |
| Pay accounts payable to eliminate working capital deficiency | November 30, 2009 | 42,450 |
| Reserve for contingencies | November 30, 2009 | 215,100 |
| TOTAL: | | \$482,550 |

- (e) As no minimum subscription has been established the Company will retain and expend whatever proceeds it receives from such of the shares as it is able to sell. It is possible that the Company will not succeed in selling all of the shares and there is no assurance that alternative funding will be available – in which case Management will have to make decisions as to how the funds received will be expended.

2.6 Funding the Company –

The Company has, since its incorporation, been funded exclusively through the private placement sale of shares - in some cases with warrants attached. Some of the Warrants and options that were previously issued have been exercised. Note 5(b) to the Company's Financial Statements prepared as of December 31, 2007 (printed in this Offering Memorandum) provides details of the shares that have been issued and the monies that have been raised.

2.7 Material Agreements –

- (a) Agreement dated December 10, 2002 – by which the Company bought the original 16 claim Hixon Property – referred to and described in Clause 2.3A above.
- (b) Various share subscription agreements of various dates - which will include the Warrants rights described in Clause 4.1.
- (c) Option Agreement dated February 15, 2005, on the IXL Property, with D. Javorsky Prospecting Inc. - described in Clause 2.3B above.
- (d) Agreement dated June 1, 2004 with Raymond Spinks pursuant to which he sold to the Company his 50% interest in the Windflower Property - described in Clause 2.3C above.
- (e) Agreement dated August 20, 2004 with Rhonda and Leonard Harris and John Garfield Moller by which the company bought Placer Lease #385631 for \$24,593.
- (f) Option Agreement with Red Ensign dated December 20, 2005 - described in Clause 2.3C above.

- (g) Option Agreements dated November 10, 2005 in favour of Alex Briden (as to 500,000 shares) and Carl Jonsson (as to 100,000 shares) exercisable at \$0.15 per share.
- (h) Option Agreements dated April 10, 2006 in favour of three service providers to the Company, each as to 25,000 shares, exercisable at \$0.15 per share.
- (i) Option Agreements dated July 14, 2006 in favour of three Directors – Ernest Wesson (as to 250,000 shares), Raymond Spinks (as to 250,000 shares) and Lyn Bailey (granted to her family holding company Paton Holdings Inc. as to 500,000 shares).
- (j) Option Agreements dated January 30, 2007 in favour of three service providers as to a total of 200,000 shares exercisable at \$0.15 per share.
- (k) The options referred to in sub-clauses (g), (h) and (i) above were originally exercisable at \$0.40 per share. By an Amendment dated January 31, 2007 the exercise price of all of the options was reduced to \$0.15 per share.
- (l) Option Agreement dated May 22, 2007 with Director Steve Marsh – as to 100,000 shares exercisable at \$0.15 per share.
- (m) Management Services Agreement dated December 31, 2007 with Hi-Ho Investments Ltd. – the details of which are described in Clause 3.1, footnote 1.
- (n) Option agreements dated June 30, 2009 granting options on 1,300,000 shares exercisable at \$0.075 per share until November 9, 2012.

Item 3 Directors, Management, Promoters and Principal Holders

3.1 Compensation and Securities Held

| Name and Municipality of principal residence | Positions held (e.g., director, officer, promoter and/or principal holder) and the date of obtaining that position | Compensation paid by Company in the fiscal years ended | | Number, type and percentage of securities of the issuer held at June 30, 2009 assuming completion of the whole offering ⁽³⁾ |
|--|--|--|-----------------|--|
| | | Dec.31/07 \$ | Dec.31/08 \$ | |
| Heber Alexander Briden West Vancouver, B.C. | President, principal shareholder, Director and Promoter– since February 28, 2001 | \$53,500 | (1) | 3,278,000 shares ⁽²⁾ 10.75% |
| Ernest Delton Minard ⁽⁷⁾ North Vancouver, B.C. | Director since April 30, 2001 | Nil | | 523,000 shares 1.48% |
| Raymond Robert Spinks Princeton, B.C. | Director since November 30, 2003; principal shareholder since December 31, 2002 | \$19,154 | | 1,000,000 shares 2.84% |
| Ernest Joseph Wesson ⁽⁸⁾ | Director since | | | 421,000 shares ⁽⁴⁾ |

| | | | | |
|--|--|-----------|-----|--|
| North Vancouver, B.C. | November 30, 2003 | 18,000 | 750 | 1.19% |
| Carolyn Maxwell Bailey North Vancouver, B.C. | Director since August 23, 2005 | \$50,250 | (1) | 1,185,000 shares ⁽⁵⁾ 3.36% |
| Carl Roland Jonsson Vancouver, B.C. | Chief Financial Officer Since February 12, 2007 Director since January 25, 2008 | (8)21,100 | (8) | 50,000 shares ⁽⁶⁾ 0.14% |
| Steven Ramsay Marsh ⁽⁷⁾ Sechelt, B.C. | Director since February 12, 2007 | Nil | Nil | 451,999 1.28% |
| Alexander David Kenneth Burton New Westminster, B.C. | Director since May 1, 2007 | (9)10,882 | Nil | Nil |

- (1) The Company has entered into a Management Services Agreement with Hi-Ho Investments Ltd. (“Hi-Ho”) dated December 31, 2007 pursuant to which Hi-Ho (a company wholly owned by Directors Alexander Briden and Lyn Bailey) – will supply the management services of Alexander Briden and Lyn Bailey – and the geological services of Alexander Briden - for an initial term of five years. The Agreement provides for remuneration to Hi-Ho of \$500 for each day of services provided by Briden – minimum \$5,000 and maximum \$10,000 per month – and \$5,000 per month for Lyn Bailey’s services. Hi-Ho’s charges for 2008 were \$180,000 – which were paid in full.
- (2) 2,500,000 of the shares shown are held indirectly – by a corporation the shares of which are owned by Alexander Briden, and his children.
- (3) The percentages given do not anticipate any additional shares the Company may issue pursuant to outstanding share purchase warrants or in completing its previous private placement offering. Nor do the percentages anticipate shares that will be cancelled as a result of purchasers revoking their purchases. If the offering is fully sold the Company will have 30,010,164 shares issued.
- (4) 125,000 of the shares are held indirectly by a company in which Mr. Wesson owns 50% of the shares.
- (5) Of the shares shown held by Lyn Bailey, 420,000 of the shares are held by her personally and 705,000 of the shares are held by her family holding company in which she holds 10 % of the issued shares.
- (6) The 50,000 shares shown held by Carl Jonsson are held by his family holding company in which he holds 10% of the issued shares.
- (7) Lyn Bailey, Ernest Wesson and Steve Marsh comprise the Audit Committee.
- (8) Carl Jonsson renders all of his services to the Company through his law firm, Tupper Jonsson & Yeadon, and he ultimately benefits from invoicing done by the law firm. In 2007 the Firm’s fees for all services rendered to the Company were \$21,100 and in 2008 the total fees for all services rendered were \$21,250.
- (9) Alexander Burton performs geological consulting services for the Company and gets paid professional fees for those services. In 2007 he was paid \$10,882 and in 2008 and 2009 he was paid \$Nil. Mr. Burton is not paid any separate amount for acting as a Director of the Company.

3.2 *Management Experience*

| Name | Principal occupations over past 5 years and related experience |
|------------------|---|
| Alexander Briden | Geologist, President, Administrator and Promoter. See also footnote ⁽¹⁾ below. |
| Ernest Minard | Yacht Broker |
| Ray Spinks | Prospector and mining contractor. See footnote ⁽⁴⁾ below. |
| Ernest Wesson | See ⁽²⁾ below. |
| Steven Marsh | President and owner of Marsh Landscape Inc. in Sechelt, B.C. |
| Alex Burton | Consulting Geologist as president and owner of Burton Consulting Inc., headquartered in New Westminster, B.C. |
| Lyn Bailey | Human resources and fund development consultant until May 2005. In January 2005 she became an administrator of the Company's office and is responsible for shareholder relations. She became a director in August, 2005 and Corporate Secretary on January 17, 2006 |
| Carl R. Jonsson | Practising lawyer in Vancouver, British Columbia as a principal of the law firm of Tupper Jonsson & Yeadon. See ⁽³⁾ below. |

- (1) Mr. Briden is a graduate of Queen's University in Kingston, Ontario, with a B.A. in Geology and a graduate - in 1951 - of the Haileybury School of Mines. He has been employed in the exploration arm of the mining industry since 1949; worked as a prospector, underground miner, geologist, financier and promoter in various parts of the world including North and South America, Europe and Asia.

He was instrumental in the first public financing of Gibraltar Mines Ltd. He studied and worked at the Eskay Creek area of B.C. from 1959 until the discovery in 1988 of the Eskay Creek deposit - which went into production in 1995. He was a director of Consolidated Stikine Silver Mines while reorganizing and financing the original company.

- (2) Mr. Wesson was a B.C. registered stock broker from 1981 until July, 2001. He retired from the securities industry to take a position as a director of the Company where he has served as office manager.
- (3) Mr. Jonsson has acted as the Solicitor for the Company since its incorporation. In relation to his legal practice he sits on the Boards of Directors of and acts as an Officer of a number of listed public companies.
- (4) Messrs. Briden and Spinks have experience prospecting, mining and conducting mineral exploration programmes. They and the other Directors have collectively sufficient experience to, with advice from the Company's consultants and advisors, manage the Company.

3.3 *Penalties, Sanctions and Bankruptcies*

- (a) Disclose any penalty or sanction (including the reason for it and whether it is currently in effect) that has been in effect during the last 10 years against

- (i) a director, senior officer or control person of the issuer; or
- (ii) an issuer of which a person or company referred to in (i) above was a director, senior officer or control person at the time.

Nil – except that Carl Jonsson was, during the past 10 years, a director and, in two instances, secretary of three companies, Global CT & T Telecommunications Ltd., Global Net Entertainment Corporation (now Guildhall Minerals Ltd.) and TelcoPlus Enterprises Inc., which were cease-traded for more than 30 days as a result of the non-filing of audited financial statements on a timely basis. One of the cease-trade orders is still outstanding – against Global CT & T Telecommunications Ltd. from which Mr. Jonsson has resigned – and the orders against the other two companies have been revoked, the financial statements of those companies having been filed up-to-date.

- (b) Disclose any declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets, that has been in effect during the last 10 years with regard to any

- (i) director, senior officer or control person of the issuer, or
 - (ii) issuer of which a person or company referred to in (i) above was a director, senior officer or control person at that time.
- Nil

Item 4 Capital Structure

4.1 Share Capital –

| Description of security | Number authorized to be Issued | Number outstanding as of date of this offering memorandum - June 30, 2009 | Number outstanding standing after sale whole offering |
|--|--------------------------------|---|---|
| Common shares | Unlimited | 25,246,204 | 35,246,204 |
| Share purchase options exercisable at \$0.05 per share until November 9, 2010 | 1,480,000 | 1,480,000 | 1,480,000 |
| Share purchase options exercisable at \$0.075 per share until November 9, 2012 | 1,300,000 | 1,300,000 | 1,300,000 |

- (1) The figures given do not anticipate the exercise of any of the share purchase options or warrants which are outstanding or which the Company may sell pursuant to this Offering Memorandum.

4.2 Long Term Debt – Nil.

4.3 *Prior Sales* – during 2008 and 2009

| Date of issuance | Type of security Issued | Number of securities issued | Price per security | Total funds Received - \$ |
|-------------------------|--------------------------------|------------------------------------|---------------------------|----------------------------------|
| Various | Shares | 810,000 | \$0.05 | 40,500 |
| Various | “ | 3,123,000 | \$0.10 | 312,300 |
| Various | “ | 348,000 | \$0.15 | 52,250 |
| | Totals | 4,281,000 | | 405,050 |

Item 5 **Securities Offered**

5.1 *Terms of Securities* –

- (a) The shares which are offered are voting common shares and do not have attached to them any special rights or restrictions.
- (b) Each NFT Warrant issued as part of the NFT Units will be exercisable to purchase one additional share of the Company for \$0.075.
- (c) Each FT Warrant issued as part of the FT Units will be exercisable to purchase one additional share of the Company for \$0.10.
- (d) The FT Warrants and the NFT Warrants will be exercisable until November 30, 2010.

5.2 *Subscription Procedure*

- (a) Each purchaser of Units will be required to sign and deliver to the Company copies of:
 - (i) the Subscription Agreement in the form provided by the Company. A different form of agreement will be required depending on whether the subscription is for FT Units or NFT Units.
 - (ii) the Risk Acknowledgment Form attached hereto as Schedule “A” - if the purchaser is not an Accredited Investor;
 - (iii) an Accredited Investor declaration attached as Schedule “B” if the purchaser is an Accredited Investor.
- (b) Payment of the purchase cost of the shares (“Purchase Price”) can be by cash, certified cheque, uncertified cheque, bank draft or wire-transfer. All payments must be made payable to the Company. The Company will deposit all of the funds that it receives from share purchasers in its account - but will not disburse funds received from any purchaser pending either the purchaser exercising their 2-day cancellation rights or the sale of the shares to the purchaser is closed.
- (c) (i) A purchase of Shares may only be made by a resident of Alberta, Saskatchewan, Manitoba, Quebec, Northwest Territories, Nunavut or Prince Edward Island if:

- (a) the cost of the purchase is not in excess of \$10,000; or
 - (b) the purchaser qualifies as an Eligible Investor.
- (ii) Purchasers resident in the jurisdictions named in sub-clause 1 who purchase Shares for more than \$10,000 will be required to complete a form confirming their status as Eligible Investors.

Item 6 Income Tax Consequences

- (a) You should consult your own professional advisers to obtain advice on the tax consequences that apply to you.
- (b) Income tax consequences are not a material aspect of the securities being offered.
- (c) Flow-through Canadian Federal Tax Consequences

The following is a summary of the principal Canadian federal income tax considerations generally applicable as of the date hereof to purchasers of flow-through securities who, for purposes of the Income Tax Act (Canada) (the “Act”) are individuals or corporations resident in Canada, hold the flow-through securities as capital property and at all times deal at arm’s length with the Company. This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular purchaser. Accordingly, prospective purchasers are urged to consult their own tax advisors with respect to their own particular circumstances.

This summary does not apply to holders: (i) who are “principal business corporations” within the meaning of the Act; (ii) whose business includes trading or dealing in rights, licenses or privileges to explore for, drill for or take minerals, oil, natural gas or other related hydrocarbons; (iii) who are “financial institutions” within the meaning of the “mark-to-market” rules contained in the Tax Act; or (iv) who, at any time, have an “at-risk adjustment” as defined in the Act.

This summary assumes that the Company will make all tax filings in respect of the Flow-Through securities for the renunciation of Canadian Exploration Expenses (“CEE”) in the manner and within the time required by the Act and the Regulations and that all renunciations will be validly made. In addition, while the Company will furnish each holder of Flow-Through securities with information relevant to the holder’s Canadian federal and provincial income tax returns, the preparation and filing of those returns will remain the responsibility of each holder. This summary further assumes that the Company will incur sufficient CEE to enable it to renounce to holders of Flow-Through securities all of the expenses covenanted to be renounced by the Company effective on the renunciation date. This summary is based on the Company being, and maintaining its status as, a “principal-business corporation”, for purposes of the Act, at all material times, and assumes that any Flow-Through securities are not “prescribed shares” within the meaning of the Regulations to the Act.

The Canadian federal income tax consequences to a particular holder will vary depending upon a number of factors including the Province in which the holder resides, carries on business or has a permanent establishment, the legal characterization of the holder as an individual, corporation, trust or partnership, the amount that would be the holder’s taxable income but for the acquisition

of securities offered hereunder and the manner in which the funds subscribed for securities offered hereunder are expended.

(i) Canadian Exploration Expenses and Flow-Through Securities

Subject to certain limitations and restrictions, a principal-business corporation (as defined in the Act) that incurs Canadian Exploration Expenses (“CEE”) pursuant to an agreement for the issuance of shares of the corporation (other than prescribed shares) will be entitled to renounce the CEE to the holder of such shares and the CEE so renounced will be deemed to have been CEE incurred by such holder on the effective date of the renunciation. The Company represents that it is, and at all material times will continue to be, a principal-business corporation and that the Flow-Through Shares will not be prescribed shares when they are issued.

Generally speaking, the Company will be entitled to renounce CEE incurred by it from the closing of the offering of the flow-through securities until 24 months after the end of the month during which the closing occurred less: (i) any previous renunciations with respect to such CEE; (ii) any portion of such CEE which is prescribed under the Regulations as relating to Canadian exploration and development overhead expenses; and (iii) any assistance that the Company has received, is entitled to receive, or may reasonably be expected to receive at any time which is reasonably related to such CEE.

CEE incurred within a particular calendar year and renounced to holders effective on or before December 31 of that particular calendar year will be deemed to have been CEE incurred by such holders on the date of such renunciation. CEE which a principal-business corporation has incurred or plans to incur in the year following a particular calendar year may, subject to certain restrictions contained in the Act, be renounced effective December 31 of the particular calendar year (the “12 month carry-back rule”). The 12 month carry-back rule applies provided that: (i) the subscription agreement is entered into in the particular calendar year; (ii) the proceeds from the subscription are received in cash by the Company before the end of the particular calendar year; (iii) such expenses are renounced in January, February or March of the following calendar year; and (iv) the holders to which such CEE is renounced deal at arm’s length with the Company at all material times.

If CEE renounced pursuant to the 12-month carry-back rule is not actually incurred by the Company by the end of the year following the particular calendar year, the amount of the CEE renounced to holders must be reduced by the amount not actually incurred by the Company. A holder will not be liable for any penalty and will not be required to pay interest on any resulting increase in income tax payable in the particular calendar year as a result of such a reduction in CEE until after the month of April two years following the particular calendar year. Where the Company renounces CEE pursuant to the 12 month carry-back rule, the Company will be liable to pay a deductible charge each month (other than January) in the year during which the CEE must be incurred equal to the amount of renounced expenses which have not been incurred by the end of the particular month multiplied by 1/12 of the prescribed interest rate at that time for refunds under the Act. In addition, the Company must pay a charge under the Act of 10 % of the balance of any renounced but unexpended CEE not incurred by the end of the year following the particular year.

The CEE renounced to a holder will be added to such holder's cumulative CEE. A holder may deduct in computing income from all sources for a taxation year 100% of the cumulative CEE at the end of the taxation year. To the extent that a holder does not deduct the balance of the holder's cumulative CEE account at the end of a taxation year, the balance will be carried forward and the holder will be entitled to claim deductions in respect thereof in subsequent taxation years, subject to the rules regarding an acquisition of control of a corporate holder.

(ii) Filing Requirements

In order to effectively renounce CEE to holders, the Company must undertake certain required filings in respect to the issue of the Flow-Through Shares and the renunciation of the CEE including the timely filing of the prescribed forms with the Canada Revenue Agency. The Company will complete such filings and provide each holder with the necessary information with respect to the CEE renounced to such holder for purposes of filing income tax returns.

(iii) Investment Tax Credit

The Act provides for a non-refundable investment tax credit ("ITC") equal to 15% of an individual (other than a trust) holder's aggregate "flow-through mining expenditures" ("FTME") for the year as described in the Act. The Act defines a FTME as an expenditure renounced to a holder by a principal-business corporation that is:

- CEE incurred after October 17, 2000 by a corporation in respect of mining exploration from or above the surface of the earth for determining the existence, location, extent or quality of: (i) a base or precious metal deposit; (ii) a coal deposit; (iii) a bituminous sands deposit or oil shale deposit; (iv) a certified industrial mineral deposit; (v) a mineral deposit where the principal mineral extracted is ammonite gemstone, calcium chloride, diamond, gypsum, halite, kaolin or sylvite; or (vi) a mineral deposit where the principal mineral extracted is silica that is extracted from sandstone or quartzite;
- an expense described in paragraph (f) of the definition of CEE in subsection 66.1(6) of the Tax Act excluding: (i) trenching, if one of the purposes of the trenching is to carry out preliminary sampling (other than specified sampling, as defined in the Act); (ii) digging test pits (other than digging test pits for the purpose of carrying out specified sampling); and (iii) preliminary sampling (other than specified sampling);
- renounced under a flow-through share agreement made after October 17, 2000; and
- an expense that would, under Proposals, be incurred or deemed to be incurred by the corporation before 2005.

The ITC claimed by a holder will reduce such holder's cumulative CEE account in the following taxation year. As a result, if a holder claims 100% of his or her cumulative CEE account in the year that the 15% ITC is claimed, such holder may have an income inclusion in the following taxation year.

(iv) Disposition of Common Shares (including Flow-Through Shares)

In general, a disposition, or a deemed disposition, of a Common Share (including a Flow-Through Share), other than to the Company, will result in a holder realizing a capital gain (or a capital loss) in the taxation year of the disposition equal to the amount by which the proceeds of disposition of the Common Share, net of reasonable disposition costs, exceed (are exceeded by) the holder's adjusted cost base of the Common Share. The cost of Flow-Through Shares issued hereunder or on exercise or deemed exercise of the Warrants is deemed to be nil and must be averaged with the cost of all Common Shares held by the investor for the purpose of calculating capital gains or capital losses on subsequent dispositions of Common Shares including Flow-Through Shares.

- (d) Not all securities are eligible for investment in a registered retirement savings plan (RRSP). You should consult your own professional advisors to obtain advice on the RRSP eligibility of these securities.

Item 7 Compensation Paid to Sellers and Finders

The Company will pay commissions to persons who sell the shares being offered, including Directors and Officers – who are legally entitled to sell the shares and collect commissions in the jurisdictions where the shares are sold. The commissions will be up to 15% of the gross proceeds received from the shares sold.

Item 8 Risk Factors

The shares offered in this Offering Memorandum are speculative and involve a high degree of risk generally because of the nature of the Company's business and its stage of development, and investors should carefully consider all of the information disclosed in this Offering Memorandum prior to making an investment in the Company. Consequently, subscribers must be aware of a significant number of risk factors. Prospective subscribers should review the risks of subscribing for shares with their legal, financial and income tax advisors. Risk factors will generally fall into three categories: investment risk; company risk; and industry risk. Investors should consider the following risks in deciding whether to buy shares:

(a) Mineral Exploration and Development

The Properties are in the exploration stage and are without a known body of commercial ore. Development of the Properties will only proceed upon obtaining satisfactory exploration results. Mineral exploration and development involve a high degree of risk and few properties which are explored are ultimately developed into producing mines. There is no assurance that even if a body of commercial ore is discovered on the Property, a mine will be brought into commercial production. The feasibility of developing a mineral deposit once discovered is dependent on a number of factors, including the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices and government regulations.

The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programmes, which may be affected by a number of factors which are beyond the control of the Company.

(b) *Operating Hazards and Risks*

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The operations which the Company proposes to undertake will be subject to all the hazards and risks normally incidental to exploration, development and production of resources, any of which could result in work stoppages and damage to persons or property or the environment and possible legal liability for any and all damage. Fires, power outages, labour disruptions, flooding, explosions, cave-ins, land slides and the inability to obtain suitable or adequate machinery, equipment or labour are some of the risks involved in the operation of mines and the conduct of exploration programmes. Although the Company will, when appropriate, secure liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable, or the Company might elect not to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs or uninsured losses that could have a material adverse effect upon its financial condition.

(c) *Economics of Developing Mineral Properties*

Substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes to extract metal from ore and 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 or grades to justify development of the deposit, or that the funds required for development can be obtained on a timely basis.

The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Company's control and which cannot be predicted, such as metal price and market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. Depending on the price of minerals produced, the Company may determine that it is not commercially feasible to commence or continue commercial production.

(d) *Environmental Factors and Government Regulation*

All phases of the Company's operations will be subject to environmental regulation. Environmental legislation is evolving in a manner which requires 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 regulations, if any, will not adversely affect the Company's operations. There is no assurance that regulatory and environmental approvals will be obtained on a timely basis or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or to preclude entirely the economic development of a property. Environmental hazards may exist on the Property which are unknown to the Company at present which have been caused by previous or existing owners or operators of the Property.

Exploration and development of the Property will be affected to varying degrees by: (i) government regulations relating to such matters as environmental protection, health, safety and labour; (ii) mining law; (iii) restrictions on production; price controls; tax increases; (iv) maintenance of claims; (v)

tenure; and (vi) expropriation of property. There is no assurance that future changes in such regulation, if any, will not adversely affect the Company's operations.

(e) Additional Financing

The Company does not currently have sufficient financial resources to undertake by itself any significant exploration programmes. The exploration and subsequent development of the Property may therefore depend on the Company's ability to obtain additional required financing. The Company has limited financial resources and there is no assurance that additional funding will be available to allow the Company to proceed with its plans. Failure to obtain additional financing could result in delay or indefinite postponement of further exploration.

(f) Metal Prices

The Company's ultimate revenues, if any, are expected to be in large part derived from the mining and sale of gold and base metals or interests related thereto. The price of those commodities has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company's control including international economic and political conditions, expectations of inflation, international currency exchange rates, interest rates, global or regional consumption patterns, speculative activities, levels of supply and demand, increased production due to new mine developments and improved mining and production methods, availability and costs of metal substitutes, metal stock levels maintained by producers and others and inventory carrying costs. The effect of these factors on the price of base and precious metals, and therefore the economic viability of the Company's operations cannot be accurately predicted.

(g) Competition and Agreements with Other Parties

The resource industry is intensively competitive in all of its phases, and the Company competes with many companies possessing far greater financial resources and technical facilities than itself. Competition could adversely affect the Company's ability to acquire suitable properties for exploration in the future.

The Company may, in the future, be unable to meet its share of costs incurred under agreements to which it is a party and the Company may, as a result, have its interest in the properties subject to such agreements reduced as a result. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the cost required to complete recommended programmes.

Government approvals and permits are required in connection with the exploration activities proposed for the Property. To the extent such approvals are required and not obtained, the Company's planned exploration activities may be delayed, curtailed, or cancelled entirely.

Failure to comply with applicable laws, regulations and requirements may result in enforcement action against the Company, including orders calling for the curtailment or termination of operations on the Property, or calling for corrective or remedial measures requiring considerable capital investment. Parties engaged in mineral exploration and mining activities may be subject to civil and criminal liability as a result of failure to comply with applicable laws and regulations.

Amendments to current laws, regulations and permitting requirements affecting mineral exploration and mining activities could have a material adverse impact on the Company's operations and prospects.

(h) Claims Titles and Aboriginal Rights

Aboriginal rights may be claimed with respect to Crown properties or other types of tenure with respect to which mining rights have been conferred. The Company is not aware of any aboriginal land claims having been asserted or any legal actions relating to aboriginal issues having been instituted with respect to the Property. The Company is aware of the mutual benefits afforded by co-operative relationships with indigenous people in conducting exploration activity and is supportive of measures established to achieve such cooperation.

(i) Management

The Company does not have any employees and its affairs are managed by its officers with assistance of consultants. Development of the Company will be dependent upon it having the funds necessary to, and being successful in, employing and retaining skilled personnel.

(j) Dilution

The Company had 25,246,204 shares issued at June 30, 2009 - which had a book value at that date of \$0.041 each. The within offering, if fully subscribed, anticipates issuing 10,000,000 shares for gross proceeds of \$600,000 – net after commissions of \$510,000. Upon the completion of the Offering (but before the exercise of any of the warrants or options outstanding or issued pursuant to this offering) the issued shares will have a book value of approximately \$0.044 per share. The purchasers of NET shares pursuant to this Offering will have suffered a dilution of \$0.06 per share or 10% and purchasers of FT shares will have suffered a dilution of \$0.031 or 41.3%. If less than the full Offering is sold the dilution will be higher.

(k) General and Miscellaneous

The sale price of the shares was arbitrarily determined by the Company's Board of Directors and it does not reflect the real value of the Company's assets.

Even if the Offering is fully sold there is no assurance that the proceeds which the Company receives will be sufficient for it to achieve any of its immediate objectives. There is no assurance that the Offering will be fully sold

To achieve an enhancement in the value of any mineral claims which the Company owns will require significant additional exploration work – and there is no assurance that the Company will be able to raise the additional funds that would be required to pay for such additional exploration work.

There is no assurance that the Company will reach either its short-term or long-term objectives as expressed in Sections 2.4 and 2.5.

The Company does not have any employees and it will be essentially entirely dependent on the efforts of the Company's President, Mr. Briden, Lyn Bailey, and of the other Directors and Officers.

The shares will be sold under exemptions from registration and prospectus requirements under the laws of

British Columbia, Alberta, Saskatchewan and Manitoba – and perhaps in other jurisdictions where prospectus exemptions exist. Therefore, there has been no review of the Company, its plans or the securities by any independent or securities regulatory bodies.

Item 9 Reporting Obligations

9.1 Because the Company is a reporting issuer it has ongoing obligations to report to its shareholders as follows:

- (a) Annual audited fiscal year-end financial statements, with comparative figures for the previous fiscal year, will be sent to shareholders, upon request, together with an annual Management Discussion and Analysis (“MD & A”) with information to the year-end and to the date of the MD & A, within 120 days after the end of the fiscal year; and
- (b) Quarterly unaudited financial statements and MD & A’s prepared as of the end- of the first, second and third fiscal quarters of the year, will be sent upon request, within 60 days after the end of each quarter.

9.2 Also, under the provisions of the British Columbia Company Act the Company is obliged to convene an annual meeting of its shareholders at intervals of not less than 13 months – and to present annual audited financial statements to the meetings – unless they are waived by a unanimous resolution of the shareholders of the Company.

Item 10 Resale Restrictions

- 10.1 (a) These securities will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the securities unless you comply with an exemption from the prospectus and registration requirements under securities legislation.
- (b) Unless permitted under securities legislation, you cannot trade the securities before the date that is 4 months and a day after the distribution date of the securities.

Item 11 Purchasers’ Rights

If you purchase shares you will have certain rights, some of which are described below. For information about your rights you should consult a lawyer.

- 1. Two Day Cancellation Rights** – You can cancel your agreement to purchase these securities. To do so, you must send a notice to the Company by midnight on the 2nd business day after you sign the agreement to buy the securities.
- 2. Statutory Rights of Action in the Event of a Misrepresentation** – for purchasers of the securities residing in jurisdictions in which the securities legislation provides purchasers with statutory rights in the event of a misrepresentation in an Offering Memorandum. If there is a misrepresentation in this offering memorandum, you have a statutory right to sue:

- (a) The Company to cancel your agreement to buy these securities, or

(b) for damages against the Company, the Directors of the Company at the date of this document, and the persons who have signed the Certificate in Item 14.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the Units.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action:

- (a) to get rescission of your contract to buy the securities, not more than 180 days after the date of your purchase of the securities; or
- (b) to get damages, within the earlier of:
 - (i) 180 days after the date you first have knowledge of the facts giving rise to your cause of action, or
 - (ii) 3 years after the date of the transaction that gave rise to your cause of action.

3. Contractual Rights of Action in the Event of a Misrepresentation – for purchasers of securities residing in a jurisdiction where the securities legislation does not provide the purchasers with statutory rights in the event of a misrepresentation in an Offering Memorandum. If there is a misrepresentation in this Offering Memorandum, you have a contractual right to sue the Company:

- (a) to cancel your agreement to buy these securities, or
- (b) for damages.

This contractual right to sue is available to you whether or not you relied on the misrepresentation. However, in an action for damages, the amount you may recover will not exceed the price that you paid for your securities and will not include any part of the damages that the Company proves does not represent the depreciation in value of the securities resulting from the misrepresentation. The Company has a defence if it proves that you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and 3 years after you signed the agreement to purchase the securities.

Item 13 Date and Certificate

DATED: June 30, 2009.

This Offering Memorandum does not contain a misrepresentation.

H. Alexander Briden
Director, Chief Executive Officer

Carl R. Jonsson
Director and Chief Financial Officer

Ernest Wesson
Director

Carolyn M. Bailey
Director and Corporate Secretary