

**Form 45-106F6**

***British Columbia Report of Exempt Distribution***

This is the form required under section 6.1 of National Instrument 45-106 for a report of exempt distribution in British Columbia.

**Issuer/underwriter information**

**Item 1: Issuer/underwriter name and contact information**

A. State the following:

- the full name of the issuer of the security distributed. Include the former name of the issuer if its name has changed since this report was last filed;
- the issuer's website address; and
- the address, telephone number and email address of the issuer's head office.

Arctic Star Exploration Corp.  
14th floor - 1111 W. Georgia St.  
Vancouver, B.C. V6E 4M3  
<http://www.arcticstar.ca>  
[info@arcticstar.ca](mailto:info@arcticstar.ca)  
604.689.1799

B. If an underwriter is completing this report, state the following:

- the full name of the underwriter;
- the underwriter's website address; and
- the address, telephone number and email address of the underwriter's head office.

**Item 2: Reporting issuer status**

A. State whether the issuer is or is not a reporting issuer and, if reporting, each of the jurisdictions in which it is reporting.

The Issuer is a reporting issuer in British Columbia, Alberta and Ontario

B. If the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, name the investment fund manager and state the jurisdiction(s) where it is registered.

**Item 3: Issuer's industry**

Indicate the industry of the issuer by checking the appropriate box below.

- |   |   |
|---|---|
| <input type="checkbox"/> Bio-tech                       | Mining  |
| <input type="checkbox"/> Financial Services             | <input checked="" type="checkbox"/> exploration/development |
| <input type="checkbox"/> investment companies and funds | <input type="checkbox"/> production                         |
| <input type="checkbox"/> mortgage investment companies  | <input type="checkbox"/> Oil and gas                        |
| <input type="checkbox"/> Forestry                       | <input type="checkbox"/> Real estate                        |
| <input type="checkbox"/> Hi-tech                        | <input type="checkbox"/> Utilities                          |
| <input type="checkbox"/> Industrial                     | <input type="checkbox"/> Other (describe)                   |
- 

**Item 4: Insiders and promoters of non-reporting issuers**

If the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, do not complete this table.

If the issuer is not a reporting issuer in any jurisdiction of Canada, complete the following table by providing information about each insider and promoter of the issuer. If the insider or promoter is not an individual, complete the table for directors and officers of the insider or promoter.

Information about insiders and promoters			
Full name, municipality and country of principal residence	All positions held (e.g., director, officer, promoter and/or holder of more than 10% of voting securities)	Number and type of securities of the issuer beneficially owned or, directly or indirectly controlled, on the distribution date, including any securities purchased under the distribution	Total price paid for all securities beneficially owned or, directly or indirectly controlled, on the distribution date, including any securities purchased under the distribution (Canadian \$)

**Details of distribution****Item 5: Distribution date**

State the distribution date. If this report is being filed for securities distributed on more than one distribution date, state all distribution dates.

July 21, 2014; July 28, 2014; July 30, 2014

**Item 6: Number and type of securities**

For each security distributed:

- describe the type of security;
- state the total number of securities distributed. If the security is convertible or exchangeable, describe the type of underlying security, the terms of exercise or conversion and any expiry date; and
- if the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, state the exemption(s) relied on. If more than one exemption is relied on, state the amount raised using each exemption.

3,825,000 flow-through units (each, a “FT Unit”) at a price of \$0.14 per FT Unit. Each FT Unit consists of one flow-through common share in the capital of the Issuer and one-half of one non-transferable common share purchase warrant (each a “Warrant”), with one whole Warrant entitling the holder to acquire one additional non flow-through common share (each, a “Warrant Share”) at a price of \$0.20 per Warrant Share for two years after issuance of the Warrant.

10,347,349 non-flow-through units (each, a “NFT Unit”) at a price of \$0.12 per NFT Unit. Each NFT Unit consists of one common share in the capital of the Issuer and one-half of one Warrant, with one whole Warrant entitling the holder to acquire one Warrant Share at a price of \$0.20 per Warrant Share for two years after issuance of the Warrant.

(collectively, the FT Units and the NFT Units may be referred to as the “Units”)

**Item 7: Geographical information about purchasers**

Complete the following table for each Canadian and foreign jurisdiction where purchasers of the securities reside. Do not include in this table information about securities issued as payment of commissions or finder’s fees disclosed under item 9 of this report. The information provided in this table must reconcile with the information provided in item 8 and Schedules I and II.

Each Canadian and foreign jurisdiction where purchasers reside	Number of purchasers	Price per security (Canadian \$) <sup>1</sup>	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
Alberta	4	\$0.12 - \$0.14	\$148,100
BC	61	\$0.12 - \$0.14	\$1,102,470

Each Canadian and foreign jurisdiction where purchasers reside	Number of purchasers	Price per security (Canadian \$) <sup>1</sup>	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
Manitoba	6	\$0.12 - \$0.14	\$450,200
Ontario	4	\$0.12	\$57,002
Mexico	2	\$0.12	\$7,560
UK	1	\$0.12	\$11,850
Total number of Purchasers	<b>78</b>		
Total dollar value of distribution in all jurisdictions (Canadian \$)			<b>\$1,777,182.00</b>

Note 1: If securities are issued at different prices, list the highest and lowest price for which the securities were sold.

## Item 8: Information about purchasers

### Instructions

A. If the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, do not complete this table.

B. Information about the purchasers of securities under the distribution is required to be disclosed in different tables in this report. Complete

- the following table for each purchaser that is not an individual, and
- the tables in Schedules I and II of this report for each purchaser who is an individual.

Do not include in the tables information about securities issued as payment of commissions or finder's fees disclosed under item 9 of this report.

C. An issuer or underwriter completing this table in connection with a distribution using the exemption in subparagraph 6.1(1)(j) [*TSX Venture Exchange offering*] of National Instrument 45-106 *Prospectus and Registration Exemptions* may choose to replace the information in the first column with the total number of purchasers, whether individuals or not, by jurisdiction. If the issuer or underwriter chooses to do so, then the issuer or underwriter is not required to complete the second column or the tables in Schedules I and II.

### Information about non-individual purchasers

Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased		Total purchase price (Canadian \$)	Exemption relied on	Date of distribution
AIS Resources Limited 2110-1177 West Hastings Street, Vancouver, BC V6E 2K3 604-687-6820 Luke Montaine	N/A	100,000	NFT Units	\$12,000	NI 45-106 S. 2.3	2014-07-30
Bedrock Capital Corporation 3275 Dickinson Cres, W. Vancouver, BC V7V 2L4 604-999-9939 Paul Matysek	N/A	175,000	NFT Units	\$21,000	NI 45-106 S. 2.3	2014-07-30
D Dusman Fishing Co Ltd. 2302-188 E. Esplanade, North Vancouver, BC V7L 4Y1 604-971-1212 Dario Dusman	N/A	125,000	NFT Units	\$15,000	NI 45-106 S. 2.3	2014-07-21
DCT Holdings Ltd. 100 Deep Dene Road, West Vancouver, BC V7S 1A2 604-926-5971 Alistair MacLennan	N/A	20,000	NFT Units	\$2,400	NI 45-106 S. 2.3	2014-07-30
Delbrook Enhanced Return Fund 301-525 Seymour Street Vancouver, BC, V6B 3H7 604 - 229- 1450 Matthew Zabloski, Managing Director	R	210,000	NFT Units	\$25,200	NI 45-106 S. 2.3	2014-07-21
Delbrook Resource Opportunities Fund 301-525 Seymour Street Vancouver, BC, V6B 3H7 604 - 229- 1450 Matthew Zabloski, Managing Director	R	630,000	NFT Units	\$75,600	NI 45-106 S. 2.3	2014-07-21
H&L Trading Corporation 816 - 13th Avenue SW, Calgary, AB T2R 0L2 403-298-4034 Michael W. Leahy	R	360,000	FT Units	\$50,400	NI 45-106 S. 2.3	2014-07-21
Ian A. Restall Law Corporation 295 Broadway Winnipeg, MB R3C 0R9 204-925-2525	N/A	83,333	NFT Units	\$10,000	NI 45-106 S. 2.3	2014-07-21

Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased		Total purchase price (Canadian \$)	Exemption relied on	Date of distribution
Morquvest Trading Company Ltd. 4411 Keith Road, West Vancouver, BC V7W 2M3 604-512-9541 Shayne Nyquvest	R	100,000	NFT Units	\$12,000	NI 45-106 S. 2.3	2014-07-30
Patriot Capital Corporation 900-900 West Hastings Street, Vancouver, BC V6C 1E5 604-715-4751 Morgan Good	N/A	208,333	NFT Units	\$25,000	NI 45-106 S. 2.3	2014-07-21
Shaynequvest Investments Ltd. 4411 Keigh Road, West Vancouver, BC V7W 2N3 604-512-9541 Shayne Nyquvest	R	150,000	NFT Units	\$18,000	NI 45-106 S. 2.3	2014-07-30
Top Notch Marketing Ltd. 201-14881 Marine Drive, White Rock BC V4B 1C2 604-541-7255 Anita Guntier	N/A	40,000	NFT Units	\$ 4,800	NI 45-106 S. 2.3	2014-07-21
Triplet Management Inc. 4750 The Glen, West Vancouver, BC V7S 3C3 604-913-0304 Larry Timlick	N/A	175,000	NFT Units	\$21,000	NI 45-106 S. 2.3	2014-07-30
Vetrin Mine Planners Ltd. PO Box 1225, Wawa ON P0S 1K0 755-856-2946 Ron Moran	N/A	166,667	NFT Units	\$20,000	NI 45-106 S. 2.3	2014-07-30
Winginvest Trading Ltd. 4411 Keith Road, West Vancouver, BC V7W 2M3 604-512-9541 Shayne Nyquvest	R	116,666	NFT Units	\$14,000	NI 45-106 S. 2.3	2014-07-30
World Family Legacies Corp. 4127 Russell Court, North Vancouver, BC V7G 2L9 604-929-4811 Bradley Aelicks	N/A	175,000	NFT Units	\$21,000	NI 45-106 S. 2.3	2014-07-30
Zimtu Capital Corp. 1450-789 West Pender Street, Vancouver, BC V6C 1H2 604-484-2700 David Hodge	N/A	250,000	NFT Units	\$30,000	NI 45-106 S. 2.5	2014-07-21

Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased		Total purchase price (Canadian \$)	Exemption relied on	Date of distribution
Zimtu Capital Corp. 1450-789 West Pender Street, Vancouver, BC V6C 1H2 604-484-2700 David Hodge	N/A	625,000	NFT Units	\$75,000	NI 45-106 S. 2.5	2014-07-21
Zimtu Capital Corp. 1450-789 West Pender Street, Vancouver, BC V6C 1H2 604-484-2700 David Hodge	N/A	1,325,000	NFT Units	\$159,000	NI 45-106 S. 2.5	2014-07-28
		<b>5,034,999</b>	<b>Units</b>	<b>\$611,400.00</b>		

## Commissions and finder's fees

### Item 9: Commissions and finder's fees

#### Instructions

A. Complete the following table by providing information for each person who has received or will receive compensation in connection with the distribution(s). Compensation includes commissions, discounts or other fees or payments of a similar nature. Do not include information about payments for services incidental to the distribution, such as clerical, printing, legal or accounting services.

B. If the securities being issued as compensation are or include convertible securities, such as warrants or options, add a footnote describing the terms of the convertible securities, including the term and exercise price. Do not include the exercise price of any convertible security in the total dollar value of the compensation unless the securities have been converted.

Full name and address of the person being compensated	Indicate if the person being compensated is an insider (I) of the issuer or a registrant (R)	Compensation paid or to be paid (cash and/or securities)				
		Cash (Canadian \$)	Securities			Total dollar value of compensation (Canadian \$)
			Number and type of securities issued	Price per security (Canadian \$)	Exemption relied on and date of distribution (yyyy-mm-dd)	
Odium Brown Limited 1100 – 250 Howe St Vancouver BC V6C 3S9	R	\$10,960	88,000 Finders' Warrants <sup>1</sup>		NI 45-106 S. 2.3 2014-07-21	\$10,960
YMCA Calgary 101, 3rd Street SW Calgary, AB T2P-4G6		\$6,006	--			\$6,006
Wolverton Securities Ltd. 17th Floor, 777 Dunsmuir St Vancouver, BC V7Y 1J5	R	\$3,840	32,000 Finders' Warrants <sup>1</sup>		NI 45-106 S. 2.3 2014-07-28	\$3,840
Jordan Capital Markets Inc. 1920-1075 W. Georgia Street, Vancouver, BC V6E 3C9	R	\$38,400	320,000 Finders' Warrants <sup>1</sup>		NI 45-106 S. 2.3 2014-07-30	\$38,400

<sup>1</sup> The Finders' Warrants are exercisable at \$0.20 per Finders' Warrant for a period of two years from the date of issuance.



## Certificate

On behalf of the issuer, I certify that the statements made in this report are true.

Date: August 5, 2014

Arctic Star Exploration Corp.

Name of issuer (please print)

Jeff Stuart, Vice-President, 604 689-1799

Print name, title and telephone number of person signing

"Jeff Stuart"

Signature

### *Instruction*

*The person certifying this report must complete the information in the square brackets by deleting the inapplicable word. For electronic filings, substitute a typewritten signature for a manual signature.*

### **Item 10: Contact information**

State the name, title and telephone number of the person who may be contacted with respect to any questions regarding the contents of this report, if different than the person signing the certificate.

**IT IS AN OFFENCE TO MAKE A MISREPRESENTATION IN THIS REPORT.**

### **Notice - Collection and use of personal information**

The British Columbia Securities Commission collects and uses the personal information required to be included in this report for the administration and enforcement of the *Securities Act*. If you have any questions about the collection and use of this information, contact the British Columbia Securities Commission at the following address:

#### **British Columbia Securities Commission**

P.O. Box 10142, Pacific Centre  
701 West Georgia Street  
Vancouver, British Columbia V7Y 1L2  
Telephone: (604) 899-6500  
Toll free across Canada: 1-800-373-6393  
Facsimile: (604) 899-6581

## ***Guidance for completing and filing Form 45-106F6***

1. ***Required form in British Columbia*** - In British Columbia, file this report and the applicable fee using BCSC e-services in accordance with British Columbia Instrument 13-502 Electronic filing of reports of exempt distribution. If the distribution occurs in British Columbia and one or more other jurisdictions, the issuer is required to file this report in British Columbia and file Form 45-106F1 in the other applicable jurisdictions.
2. ***What is a distribution?*** - In British Columbia, “distribution” includes distributions made from British Columbia to purchasers resident in other Canadian or foreign jurisdictions if the issuer has a significant connection to British Columbia. If the issuer has a significant connection to British Columbia, complete the tables in item 8 and Schedules I and II for all purchasers.

*In British Columbia, “distribution” also includes distributions made from another Canadian or foreign jurisdiction to purchasers resident in British Columbia. If the issuer is from another Canadian or foreign jurisdiction, complete the tables in item 8 and Schedules I and II only for purchasers resident in British Columbia.*

3. ***What is a purchaser?*** - References to a purchaser in this report are to the beneficial owner of the securities.
4. ***What is an individual?*** - An individual is a natural person. A corporation, partnership, party, trust, fund, association, and any other organized group of persons is not an individual.
5. ***Space in tables*** - If the space provided in any table in this Form is insufficient, please adjust the table to include additional space.
6. ***Multiple distributions*** - One report may be used for multiple distributions occurring within 10 days of each other if the report is filed on or before the 10th day following the first of such distributions.
7. ***Fees*** - In order to determine the applicable fee, consult Fee Checklist British Columbia Form 11-901F (item # 16).