

THESE SECURITIES ARE BEING SOLD PURSUANT TO EXEMPTIONS FROM THE PROSPECTUS AND REGISTRATION REQUIREMENTS OF APPLICABLE SECURITIES LEGISLATION AND MAY ONLY BE OFFERED FOR SALE 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 ASSESSED THE MERITS OF THESE SECURITIES OR REVIEWED THIS OFFERING MEMORANDUM AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE. THIS IS A RISKY INVESTMENT. SEE ITEM 8.

OFFERING MEMORANDUM
(Form 45-106F2 for Non-Qualifying Issuers)

Date: June 18, 2008

The Company:

Name: PRO MINERALS INC. (the "Company")

Head Office: Suite 1600 – 543 Granville Street
Vancouver, B.C. V6C 1X8
Tel: (604) 608 – 6168
Email: info@promineralsinc.com
Fax: (604) 683 - 8903

Listing/Reporting Status:

Currently Listed or Quoted: Yes - TSX Venture Exchange: Symbol - PRM

Reporting Company: Yes - Alberta, British Columbia and Ontario

SEDAR filer: Yes.

The Offering:

Securities Offered: The Company is offering for sale up to a total of 3,000,000 Units, each Unit consisting of one Flow-Through Share and one Warrant. Each Warrant will entitle the holder thereof to purchase one Warrant Share, that will not be a "flow-through share", of the Company for a period of two years following the Closing Date at a price of \$0.20 per Warrant Share in the first year and \$0.25 per Warrant Share in the second year.

Price Per Security: \$0.10 per Unit.

Offering: Maximum \$300,000
Minimum \$0. **YOU MAY BE THE ONLY PURCHASER.**

Minimum Subscription Amount: There is no minimum subscription amount an investor must invest.

Payment Terms: 100% cash payable at time of subscription.

Proposed Closing Date(s): On or about June 30, 2008.

Selling Agent: Yes. See Item 7 "Compensation Paid to Sellers and Finders".

Resale Restrictions: You will be restricted from selling your securities for 4 months and a day. See Item 10 "Resale Restrictions".

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 "Purchasers' Rights".

FORWARD LOOKING STATEMENTS

Certain statements contained in this Offering Memorandum, including the financial statements included herein, that are not historical may be considered "forward looking statements" and are prospective. These forward-looking statements sometimes include words to the effect that the Company or management believes or expects a stated condition or result. All estimates and all statements that describe the Company's objectives, goals, or future plans are forward looking statements. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated in such statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on the Company. Factors that could cause such differences include, but are not limited to, the possibility that future exploration results will not be consistent with the Company's expectations, changes in world equity markets, political developments in Canada and other mining countries, changes in commodity prices, foreign currency fluctuations, changes to regulations affecting the Company's activities, uncertainties relating to the availability and costs of financing needed in the future, the uncertainties involved in interpreting exploration results and the other risks involved in the mining industry. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

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DEFINITIONS

In this Offering Memorandum, except as otherwise expressly provided or as the context otherwise requires, the following words and phrases have the following meanings:

Apella means Apella Resources Inc., formerly Novawest Resources Inc., a reporting issuer whose common shares are listed on the Exchange.

CEE means Canadian exploration expense as described in the definition of "Canadian exploration expense" in subsection 66.1(6) of the Tax Act.

Closing means the closing of the purchase and sale and the issuance by the Company of Units.

Closing Date means the date upon which Closing of this Offering take places.

Common Shares means common shares without par value in the capital stock of the Company as presently constituted.

Exchange means the TSX Venture Exchange.

IPO means the Company's initial public offering of 3,000,000 units at a price of \$0.25 per unit for gross proceeds of \$750,000 completed on February 22, 2008 pursuant to the Prospectus.

Flow-Through Share means a Common Share in the capital stock of the Company forming part of a Unit that upon issuance will constitute a "flow-through share" as defined in subsection 66(15) of the Tax Act and having the special "flow-through" share features described in Item 5.1 "**Terms of Securities**" and the Subscription Agreement.

NI 45-106 means National Instrument 45-106 *Prospectus and Registration Exemptions* as adopted by the securities regulatory authorities in the Offering Jurisdictions.

NSR means net smelter returns royalty.

Offering means the offering and sale of Units by the Company pursuant to this Offering Memorandum.

Offering Jurisdictions means certain provinces and territories in Canada including the provinces of British Columbia and Alberta.

Offering Memorandum means this Offering Memorandum of the Company, as may be amended from time to time.

Offering Price means the purchase price of \$0.10 per Unit.

Ontario Properties means the six mineral exploration properties located in the province of Ontario acquired from Apella under the Plan of Arrangement as more particularly described in Item 2.2 "**Our Business**".

Plan of Arrangement means the plan of arrangement carried out between Apella and the Company pursuant to which the Company acquired the Ontario Properties from Apella in exchange for Common Shares of the Company and warrants to purchase additional Common Shares of the Company as more particularly described in Item 2.3 "**Development of Business**".

Promoter means a person or company that takes the initiative in founding, organizing or substantially reorganizing the business of a Company.

Prospectus means the (final) prospectus of the Company dated November 21, 2007, as amended on December 12, 2007 and February 4, 2008.

Qualifying Expenditures means expenses that are CEE at the date they are incurred by the Company.

Subscriber means a person who, with respect to a Unit, has duly executed and delivered to the Company a Subscription Agreement that has been accepted by the Company.

Subscription Agreement means the subscription agreement attached as Appendix 1 to this Offering Memorandum.

Tax Act means the *Income Tax Act* (Canada), as amended from time to time.

United States means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

Units means the units of the Company being offered for sale pursuant to this Offering Memorandum, each Unit consisting of one Flow-Through Share and one Warrant.

Warrant means a transferable share purchase warrant of the Company, each whole Warrant entitling the holder to purchase one Warrant Share for a period of two years from the Closing Date at a price of \$0.20 per Warrant Share during the first year and \$0.25 per Warrant Share during the second year.

Warrant Share means a Common Share in the capital stock of the Company, that will not be a "flow-through share that may be acquired upon the exercise of a Warrant.

Words importing the masculine shall be interpreted to include the feminine or neuter and the singular include the plural and vice versa where the context so requires.

All amounts in this Offering Memorandum have been stated in Canadian dollars except where indicated otherwise.

ITEM 1. USE OF NET PROCEEDS

1.1. Net Proceeds

The gross proceeds to be derived by the Company from the sale of Units will aggregate \$300,000 if the maximum Offering is subscribed for. **This Offering, however, is not subject to any minimum subscription level and therefore, save and except as set out in Item 11 "Purchasers' Rights", any funds received from you are available to the Company and need not be refunded to you.**

The Company has agreed to expend an amount equal to the gross proceeds received from Subscribers for each Flow-Through Share issued as part of Unit, being \$0.0999 per Flow-Through Share, as Qualifying Expenditures and renounce such expenditures in favor of the Subscribers for Flow-Through Shares. The renunciation will entitle the Subscribers to claim certain deductions for income tax purposes. See Item 6 "Income Tax Consequences and RRSP Eligibility".

The sum of \$0.0999 from the sale of each Unit, being the aggregate amount to be paid by Subscribers for the Flow-Through Share issued as part of a Unit, shall be deposited into an interest bearing account with a Canadian chartered bank, trust company or credit union separate from the Company's other funds (the "Exploration Fund"). Assuming the maximum Offering is sold, a total of \$299,700 (\$0.0999 x 3,000,000 Flow-Through Shares) will be deposited into the Exploration Fund. Any interest income accruing on this account will be solely for the benefit of the Company and will be added to general working capital.

		Assuming Minimum Offering	Assuming Maximum Offering
A	Amount to be raised by this offering	\$0	\$300,000
B	Selling commissions and fees	N/A	N/A ⁽¹⁾
C	Estimated offering costs (i.e. legal, accounting, audit)	N/A	N/A ⁽²⁾
D	Net proceeds: $D = A - (B+C)$	N/A	\$300,000

(1) No cash payments will be made to any agents or finders in connection with this Offering. However, the Company intends to grant to eligible agents and finders non-transferable agent's warrants (the "Agent's Warrants") to purchase Common Shares in the capital stock of the Company ("Agent's Shares") in an amount up to 20% of the total number of Units sold hereunder at an exercise price of \$0.10 per Agent's Share for a period of two years from the Closing Date. See Item 7 "Compensation Paid to Sellers and Finders".

(2) The estimated costs of issue of this Offering including legal, accounting, audit and filing fees are \$15,000. This amount will be paid out of the Company's current working capital surplus and will not be deducted from the proceeds of this Offering. See Item 1.2 "Use of Net Proceeds" and Item 1.4 "Working Capital Surplus".

1.2 Use of Net Proceeds

The principal purposes for which the net proceeds set out in Item 1.1 above and the estimated amount to be spent on each are:

Description of intended use of available funds listed in order of priority	Assuming Minimum Offering	Assuming Maximum Offering
To carry out the recommended work program on the Solano Property	N/A	\$183,000
To fund a portion of the recommended work program on the Solarus Property	N/A	\$117,000 ⁽¹⁾
TOTAL	N/A	\$300,000

(1) At present, the Company has allocated a total of \$249,000 from the net proceeds of the IPO to carry out the recommended work program on the Solarus property as more particularly described in the Prospectus. The Company intends to substitute a portion of the Exploration Fund raised pursuant to this Offering to conduct part of the recommended work program on the Solarus property and renounce the Qualifying Expenditures to Subscribers of Flow-Through Shares comprising part of the Units hereunder. The IPO proceeds currently set aside by the Company for such work program will be re-allocated for general working capital purposes. See Item 2.2 "Our Business" for details of the recommended work program on the Solarus property.

Pursuant to the terms of the Subscription Agreement, the Company will use the Exploration Fund to incur expenditures that qualify as Qualifying Expenditures. The Company will renounce to the Subscribers of Flow-Through Shares comprising part of the Units such Qualifying Expenditures incurred by it from expenditures from the Exploration Fund as soon as it is reasonably practicable. The Company intends to expend the Exploration Fund to incur Qualifying Expenditures in carrying out the recommended work programs on the Solano and Solarus properties described above such that Subscribers will be entitled to claim certain deductions from income for income tax purposes for the 2008 taxation year. In the event the Company is unable to renounce Qualifying Expenditures in the amount of the entire Exploration Fund for the 2008 taxation year the Company will renounce Qualifying Expenditures in the amount of the balance of the Exploration Fund for the 2009 taxation year. In such event the amount of deductions that Subscribers will be able to claim for income tax purposes for the 2008 taxation year will be correspondingly reduced. See Item 6 "Canadian Federal Income Tax Consequences" and Item 8 "Risk Factors" below.

1.3 Reallocation

We intend to spend the net proceeds as stated. We will reallocate funds only for sound business reasons, provided that the Company will only use the Exploration Fund to incur expenditures that qualify as Qualifying Expenditures and which can be renounced by the Company to Subscribers of Flow-Through Shares pursuant to the Tax Act.

Any proceeds received from the exercise of the Warrants will be added to the general working capital of the Company.

1.4 Working Capital Surplus

As of May 31, 2008 the Company had a working capital surplus of approximately \$500,000 (unaudited), of which \$249,000 is currently allocated to carry out the recommended exploration program on the Solarus Property. See Item 1.2 "Use of Net Proceeds".

ITEM 2. BUSINESS OF COMPANY

2.1 Structure

The Company was incorporated as "Pro Minerals Inc." on April 21, 2006 under the *Business Corporations Act* (British Columbia) by registration of its Notice of Articles and Articles. The Company's authorized capital consists of an unlimited number of common shares without par value. See Item 4 "Capital Structure".

The head office of the Company is located at Suite 1600, 543 Granville Street, Vancouver, British Columbia, V6C 1X8 and the registered and records office of the Company is located at Suite 1200, 999 West Hastings Street, Vancouver, British Columbia, V6C 2W2.

2.2 Our Business

The Company is a grassroots mineral exploration company engaged primarily in the business of acquiring and exploring properties with a particular focus on base and precious metals. At present, the Company holds a 100% interest, subject to underlying NSR royalty interests varying from 1½% to 3%, in six mineral properties located in the province of Ontario, being the Ontario Properties, which are prospective for gold, diamonds and copper and currently at an exploration stage and are without known economic bodies of ore. The Company acquired the Ontario Properties from Apella, the Company's former parent corporation, pursuant to a Plan of Arrangement completed on March 4, 2008. See Item 2.3 "Development of the Business" below.

Exploration

As of the date of this Offering Memorandum, the Company has commenced only limited exploration activity on its properties. Each proposed work program to be undertaken by the Company is an exploratory search for economic bodies of ore. Development of the properties will only follow upon obtaining satisfactory exploration results.

Ontario Properties

The Ontario Properties are outlined in general terms below. The two principal (material) properties, the Solano and the Solarus, are the subject of an independent technical report prepared by Cargill Consulting Geologists Limited ("**Cargill**") dated September 12, 2007 and entitled "Technical Report for the Solarus and Solano Properties of Pro Minerals Inc. in Ontario" (the "**Cargill Report**"). The Cargill Report was prepared to the standards and format set out in National Instrument 43-101 *Standards of Disclosure of Mineral Properties* and is available on SEDAR. The following information regarding the Solano and Solarus properties has been extracted from the Cargill Report.

At this stage of its development and resources, the Company regards the remaining Ontario Properties, being the Gold Stock, Lone Eagle, Golden Poly and Bucke Pipe properties, as non-material properties and does not propose to carry out any exploration work on same utilizing the proceeds of this Offering.

Solano Property

The Solano property is located in Baden and Argyle Townships about 56 kilometres west of Kirkland Lake, Ontario and consists of 11 contiguous mineral claims comprised of 88 claim units covering an area of approximately 1,408 hectares. The Solano property is subject to a 2% NSR royalty interest, of which the Company holds an option to purchase one-half for \$1.0 million. The Company will be required to complete assessment work of \$32,790 annually to maintain the Solano property.

The Solano property may be accessed by the local road system or by float plane into Matachewan Lake. Initial testing of the property is reported in 1917. The Braden Syndicate completed underground work on the Solano property between 1927 and 1935. Central Matachewan Mining Corp and Richore Gold Mines held the property from 1934 to 1966. The work by these two companies included diamond drilling but no underground work. A number of other companies and prospectors explored the property intermittently between 1983 and 2002.

The Solano property is covered by extensive fluvio-glacial deposits, and rock exposure is very limited. The property is underlain by mafic volcanic rocks intruded by small felsic intrusions (plugs). The known zones of gold mineralization are: the Carbonate, the Richore Shear, and the 2004 Zones. In all of these zones gold values are associated with quartz veins in highly altered volcanic and intrusive rocks.

In the spring of 2004, Apella conducted a program of trenching followed by drilling, blasting and sampling on the Solano property. A number of significant gold values were obtained in this work and in the autumn of 2004 Apella drilled a 248 metre diamond drill hole to test some of the values. A number of interesting, gold values were obtained. A second diamond drill hole was completed in 2005, and values of moderate interest were obtained. There has been no exploration on the Solano property since 2005.

Cargill provides the following conclusions with respect to the Solano property:

1. The main areas of interest discovered on the Solano property to date are the Richore Shear Zone, the Carbonate Zone, and the mineralized porphyry, which was the target of Apella's 2004 and 2005 drill holes.
2. It is suggested that the Carbonate Zone, which is part of a larger northeasterly trending deformation zone, may have been rotated and cut by a late, easterly trending shear.
3. Anomalous mineralization of both granitic and carbonate zone rocks in the area of Queenston's 1990 drilling program appear related to this east trending structure. It is characterized by white quartz veins, strongly fractured and cemented by grey quartz, and subsequently boudinaged or broken, in host rocks of sheared, strongly sericitized granite or carbonate-altered, agglomerate. The original alteration of the Carbonate Zone appears related to the northeasterly trending alteration zone.
4. It is not understood if gold mineralization originated with the easterly shear or was remobilized from the northeasterly trending alteration zone and restricted to the intersection of the two structures.
5. Previous drilling on the Richore shear has indicated that the intensity of the shearing decreases at depth, although it has been suggested that late horizontal displacement has offset the shear.
6. The mineralized zone on claim 1241851 has seen limited exposure at surface, and as a result is poorly understood at this time. An effort should be made to map and further sample the trenches done by Rosko (2001 and 2002), to be followed up by drilling.

Based on the foregoing, Cargill has recommended the following single stage work program budgeted at \$183,000 which includes 1,000 meters of diamond drilling:

1. Further exploration of the previously discovered occurrences, and possible extensions of showings or mineralized trends that have been discovered on the Solano property.
2. Drilling of the Carbonate Zone should be continued, concentrating on trying to define the source and control of the gold mineralization. Drilling should be done to the southwest to test the strike extension of the Carbonate zone, and to the west to test for the crosscutting late shear in order to test the potential of each zone separately.
3. Further drilling of the mineralized zone on claim 1241851, where Apella drilled in 2004 and 2005, is recommended to determine the extent of the gold mineralized zone, and to locate zones of enrichment associated with intersecting structures.
4. Collecting the scattered data pertaining to the Solano property into a digital data base.
5. Initiating a formal QA/QC program for all additional sampling and assaying on the Solano property which can be established at minimum cost to increase the credibility of the assay results.
6. The Solano property should be expanded by staking or acquiring additional claims, if the opportunity occurs.
7. Additional work of building a three-dimensional geological model showing the control of the gold mineralization at each of the three showings. This will provide specific targets for drill testing.

Further work on the Solano property is contingent on the results of the stage 1 program. See Item 1 "Use of Proceeds".

The Solano property is an early stage exploration property and no mineral resources or reserves have been estimated. In addition, no metallurgical testing has been undertaken and there are no mining and processing operations being conducted on the Solano property.

Solarus Property

The Solarus property, in Klotz Lake Township, is located 50 kilometres east of Longlac, Ontario and consists of 6 contiguous, unsurveyed, unpatented claims comprised of 61 claim units and covers an area of approximately 976 hectares. The Solarus property is subject to a 2% NSR royalty interest, of which the Company holds an option to purchase one-half for \$1.0 million. The Company will be required to complete assessment work of \$23,300 annually to maintain the property.

The Solarus property is accessible by vehicle from Highway 11 and logging roads.

The Solarus property has a history of exploration probably going back to the 1930s. More recently, the Solarus property was extensively tested by diamond drilling in the period 1980 to 1986 by Explorations Banque-Or and subsequently by Getty Canadian Metals Ltd.

The Solarus property is underlain by mafic volcanic rocks that strike 120° and dip south. They are intruded by diorite and quartz-feldspar porphyry dykes and stocks. Gold is hosted by a stratabound, sulphide-bearing, mafic-tuff (possible BIF). The most significant gold mineralization on the Solarus property is the "Main Mineralized Zone".

Apella contracted Clark Exploration Consulting Inc. ("Clark") to manage a 10-hole (1,491.2 metres) diamond drilling program in June 2004. The 2004 drilling program targeted (1) the "Main Zone" at depth, (2) the extension of the "Main Zone" to the east, (3) the trenched zone to the west, and (4) the proposed structural break between the Main Zone and the trenched zone. A grid, cut over the entire Solarus property with lines at 100 metre spacing, was used to control the 2004 drilling program and to tie in the old drill collars.

Cullen and Nelson (2004) reported on the drilling and listed a number of significant diamond drill intersections. The best intersections are comprised of narrow quartz veins with moderate gold grades. The core sampling was completed in Thunder Bay at the offices of Clark. Core was assayed by Accurassay Laboratories of Thunder Bay. Both Cullen and Nelson (2004) and Cargill consider that further exploration is warranted.

There has been no exploration on the Solarus property since the Apella program in 2004. The Company has not carried on any exploration on the Solarus property.

Cargill provides the following conclusions with respect to the Solarus property:

1. The "Main Zone" appears to bifurcate and become more diffuse to the west.
2. Trenching has uncovered a western extension of the "Main Zone" at surface essentially along strike.
3. There is no evidence that the "break/fault" in Drill Hole KL-04-09 offsets the western extension of the "Main Zone".
4. The eastern extension of the "Main Zone" exhibits a gradational northerly flexure and is near the volcanic-diorite contact. Drill Holes KL-04-08 and KL-04-09, drilled 100 metres east of the previously interpreted east end of the "Main Zone", both intersected significant gold values. This indicates that the best target shown by the existing drilling is the continuation of the "Main Zone" to the east.
5. The "Main Zone" has been interpreted as a "sheet". However, an alternative model would be pencil-shaped bodies of gold-mineralization within a tuff or a shear zone. These zones could represent the intersection of northerly-trending structures with the west-northwest-trending Main mineralized Zone.
6. If the alternate interpretation is correct, it could only be tested by drill holes at a different orientation to the existing pattern.
7. Reconnaissance mapping of the "Five Trenches" area should be completed to determine whether there is further exploration potential in the area.

Based on the foregoing, Cargill recommends the following stage 1 program that includes 1,600 metres of diamond drilling and is budgeted at \$249,000:

1. Compilation of old data into the development of a GIS database.
2. A program of compilation and diamond drilling to follow up the new targets.
3. Re-logging and assaying some of the old core from the various Getty drilling campaigns. There are many zones of quartz veining and alteration in the core stored on the site that have not been assayed.
4. Establishing a formal QA/QC program for the ongoing core sampling and assaying. This work should include the insertion of blanks, the use of reference samples and the re-assaying of duplicates on an irregular basis.

Further work on the Solarus property is contingent on the results of the stage 1 program. See Item 1 "Use of Proceeds".

The Solarus property is an early stage exploration property and no mineral resources or reserves have been estimated. In addition, no metallurgical testing has been undertaken and there are no mining and processing operations being conducted on the Solarus property.

Other Properties

Gold Stock Property

The Gold Stock property is located in the west-central portion of Stock Township, about 42 kilometres east of Timmins, Ontario and 23 kilometres west of Matheson, Ontario and consists of 6 mineral claims comprised of 20 claim units and covers an area of approximately 320 hectares. The property is subject to a 2% NSR royalty interest, of which the Company has the option purchase one-half for \$500,000.

Lone Eagle Property

The Lone Eagle property is located in Playfair Township, Ontario, southwest of the town of Ramore, about 70 kilometres southeast of Timmins, Ontario and consists of 1 claim comprised of 4 claim units and covers an area of approximately 64 hectares. The property is subject to a 2% NSR royalty interest, of which the Company has the option to purchase one-half for \$1.0 million dollars.

Golden Poly Property

The Golden Poly property is located in Pense Township, Ontario, 48 kilometres southeast of Kirkland Lake, Ontario and consists of 15 staked claims (47 claim units) and one mining lease covering an area of approximately 752 hectares. The patented claim is subject to a 1% NSR and certain of the other claims are subject to a 3% NSR royalty. The Company holds the option to purchase one-half of the 3% NSR royalty for \$1.0 million and the right of first refusal to the purchase of the remaining half.

Bucke Pipe Property

The Bucke Pipe property is located in Bucke Township, Ontario about 90 kilometres south southwest of Kirkland Lake, Ontario and consists of 5 claims comprised of 8 claim units and covers an area of approximately 128 hectares. Four of the claims are subject to 1.5% NSR royalty interest which the Company has the option to purchase for \$500,000 per ½% NSR.

2.3 Development of Business

The Company was incorporated under the *Business Corporations Act* (British Columbia) on April 21, 2006 as a wholly-owned subsidiary of Apella for the purpose of acquiring the Ontario Properties pursuant to the Plan of Arrangement. See “**Plan of Arrangement**” below. Prior to completion of the Plan of Arrangement on March 4, 2008, the Company itself had no operating history with the Ontario Properties, or with any other properties, and was a wholly-owned (but inactive) subsidiary of Apella.

Plan of Arrangement

On November 15, 2006 the Company entered into a Plan of Arrangement with its then parent company, Apella, whereby Apella agreed to sell and the Company agreed to purchase the Ontario Properties.

The purpose of the Plan of Arrangement is to reorganize Apella by separating the Ontario Properties from other mineral properties owned by Apella through the Company in order to provide both Apella and the Company with the ability to more effectively finance, utilize and exploit their respective assets. Prior to completing Plan of Arrangement, Apella was responsible for the operation, exploration and administration of the Ontario Properties.

Under the Plan of Arrangement, the Company agreed to issue (a) one Common Share in its capital stock to Apella for every five common shares of Apella issued and outstanding at the time of closing, being a total of 17,690,870 Common Shares, and (b) one arrangement warrant (an “**Arrangement Warrant**”) to each warrant holder of Apella for every 5 warrants held by such warrant holder to purchase one Common Share in the capital of the Company, each Arrangement Warrant having an exercise term equal to the corresponding Apella warrants, but not in any event to exceed two years. Upon closing of the Plan of Arrangement, Apella agreed to distribute the 17,690,870 Common Shares of the Company to its shareholders on the basis of one Common Share of the Company for each five shares of Apella held by Apella's shareholders. The Company also agreed to assume all of Apella's obligations under the agreements underlying the Ontario Properties.

In conjunction with the Plan of Arrangement, the Company agreed to complete an initial public offering to fund the recommended exploration program on the Solarus property and, subject to available funds, the Solano property and seek a listing of its Common Shares for trading on the Exchange.

On February 22, 2008, the Company completed its IPO of 3,000,000 units (the “**IPO Units**”) for aggregate gross proceeds of \$750,000, each IPO Unit consisting of one Common Share and one-half of one non-transferable share purchase warrant (each whole warrant an “**IPO Warrant**”). Each whole IPO Warrant entitles the holder thereof to purchase one additional Common Share for a period of 18 months at price of \$0.35 per share if exercised in the first 12

months and at a price of \$0.50 per share if exercised thereafter. See Item 4.1 "Share Capital". Apella subscribed for 2,392,000 IPO Units of the financing. Together with the 3,000,000 founders' shares which Apella had previously acquired, Apella currently holds approximately 23% of the Company's outstanding shares. See Item 3 "Directors, Management, Promoters and Principal Shareholders". See also Item 4.3 "Prior Sales".

Effective March 4, 2008, the Plan of Arrangement was completed and the Ontario Properties became assets of the Company.

The Common Shares of the Company were subsequently listed for trading on the Exchange on March 5, 2008.

2.4 Long Term Objectives

The Company's long-term objective is to discover economic quantities of mineral reserves capable of development and commercial production through the acquisition of mineral resource properties worthy of exploration.

2.5 Short Term Objectives and How We Intend to Achieve Them

The Company intends to utilize the majority of its efforts during the coming year in the exploration of its Solarus and Solano copper/gold properties in Ontario.

On February 22, 2008 the Company completed its IPO and raised gross proceeds of \$750,000, of which a total of \$249,000 has been allocated to the completion of the stage 1 recommended exploration program on the Solarus Property as more particularly described in the Prospectus. Further work on the Solarus property is contingent on the results of the stage 1 program.

Assuming the completion of the maximum Offering, the Company intends to utilize the gross proceeds of this Offering to carry out the recommended stage 1 exploration program on its Solano property and to fund a portion of the recommended exploration program on the Solarus property as more particularly described in Item 2.2 "Our Business".

The Company intends to meet these objectives as follows:

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
Identify and engage qualified technical consultants and personnel and equipment to carry out the recommended stage 1 exploration program on the Solano property	3 months to complete	\$183,000 ⁽¹⁾
Identify and engage qualified technical consultants and personnel and equipment to carry out the recommended stage 1 exploration program on the Solarus Property	6 months to complete	\$249,000 ⁽²⁾
TOTAL		\$432,000 ⁽³⁾

- (1) This exploration program will be funded out of the gross proceeds of this Offering.
- (2) The Company intends to fund a portion of this exploration program out of the proceeds of this Offering. See Item 1.2 "Use of Proceeds". The balance of the program will be funded out the net proceeds of the IPO completed by the Company in February 2008.
- (3) The net proceeds of this Offering may not be sufficient to accomplish all of the Company's short-term objectives. See Item 2.6 "Insufficient Proceeds".

2.6 Insufficient Proceeds

The Company does not presently have sufficient financial resources to undertake all of its planned exploration programs and the net proceeds of this Offering may not be sufficient to enable the Company to do so. The further exploration of the various mineral properties in which the Company holds interests depends upon its ability to obtain financing through joint ventures of projects, debt financing, equity financing or other means. Specifically, if less than the maximum offering of 3,000,000 Units is sold, there is a risk that inadequate resources will be available to the Company to complete the stage 1 work programs on both the Solano and Solarus properties. There can be no assurance

that the Company will be able to raise the balance of the financing required or that such financing can be obtained on commercially reasonable terms or without substantial dilution to shareholders. Failure to obtain additional financing on a timely basis could cause the Company to reduce or terminate its operations or lose its interest in its properties. See Item 8 “**Risk Factors**”.

Being a grassroots exploration company, the Company has no ongoing sources of income. Revenue would be expected to be generated from the sale of properties, or from other revenue producing property transactions should commercial ore grade values be determined. Until that point is reached, the Company will continue to be dependent upon proceeds from private placements or other sources of financing in order to pursue its exploration projects. The Company’s ability to complete private placements or other financings will depend upon its exploration results as well as the overall financial market condition. There is no assurance that such financing will be available to the Company on commercially reasonable terms or at all.

2.7 Material Agreements

As of the date of this Offering Memorandum, the Company is a party to the following material agreements:

1. Arrangement Agreement dated November 15, 2006 between the Company and Apella as more particularly described in Item 2.3 “**Development of Business**”.
2. Plan of Arrangement dated for reference November 20, 2006 between the Company and Apella as more particularly described in Item 2.3 “**Development of Business**”.
3. Purchase Agreement for the Ontario Properties dated November 15, 2006 between the Company and Apella. See Item 2.2 “**Our Business**” for a description of the Ontario Properties
4. Agency Agreement dated March 17, 2006, as amended on July 15, 2006, January 12, 2007 and October 26, 2007, between the Company and Global Securities Corporation enter into pursuant to the IPO.
5. Escrow Agreement dated January 9, 2007 among the Company, Pacific Corporate Trust Company and certain shareholders of the Company.
6. Transfer Agent, Registrar and Dividend Disbursing Agent Agreement dated January 16, 2007 between the Company and Pacific Corporate Trust Company.
8. Underlying mineral property acquisition and NSR royalty agreements in respect of each of the Ontario Properties. See Item 2.2 “**Our Business**”.

Copies of the above material contracts may be inspected during normal business hours at the Company’s head office at Suite 1600 - 543 Granville Street, Vancouver, British Columbia, V6C 1X8 at any time prior to the Closing Date.

Investor Relations Agreement

The Company has entered into an Investors Relations Agreement dated June 18, 2008 with Wim Adrian Bakker wherein Mr. Bakker will provide various financial public relations services for the Company.

ITEM 3. DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

The following information relating to the directors, officers and promoters of the Company and each person who, directly or indirectly, beneficially owns or controls 10% or more of the common shares of the Company is based partly on the Company's records and partly on information received by the Company from such individuals:

3.1 Compensation and Securities Held

Name and municipality of principal residence	Positions held and date of obtaining that position	Compensation paid by Company in the most recently completed financial year and the compensation anticipated to be paid in the current financial year ⁽¹⁾	Number, type and percentage of securities of the Company held after completion of Minimum Offering	Number, type and percentage of securities of the Company held after completion of Maximum Offering ⁽²⁾
Christopher B. Chu West Vancouver, B.C.	President, Chief Executive Officer and Director April 21, 2006	2009 - \$36,000 (projected) ⁽³⁾⁽⁴⁾ 2008 - \$6,000 ⁽³⁾⁽⁴⁾⁽⁵⁾ 2007 - Nil	N/A	9,640 Common Shares or 0.04%
Robert D. Stewart Bedford, Nova Scotia	Director April 21, 2006	2009 - Nil (projected) ⁽⁴⁾⁽⁶⁾ 2008 - Nil ⁽⁴⁾ 2007 - Nil	N/A	56,000 Common Shares or 0.21%
Ian Casidy North Vancouver, B.C.	Director April 21, 2006	2009 - Nil (projected) ⁽⁴⁾⁽⁶⁾ 2008 - Nil ⁽⁴⁾ 2007 - Nil	N/A	6,000 Common Shares or 0.02%
Adrian O'Brien Surrey, B.C.	Director June 18, 2008	2009 - Nil (projected) ⁽⁴⁾⁽⁶⁾	N/A	175,500 Common Shares or 0.66%
Norman P. Friend Vancouver, B.C.	Chief Financial Officer March 29, 2007	2009 - Nil (projected) ⁽⁴⁾⁽⁶⁾ 2008 - Nil ⁽⁴⁾	N/A	Nil Common Shares or 0.00%
Apella Resources Inc. ⁽⁷⁾	Promoter and Principal Holder	N/A	N/A	5,392,000 Common Shares or 22.76%

- (1) The 2007 figures represent the compensation paid by the Company during the period from incorporation on April 21, 2006 to April 30, 2007. The 2008 figures represent the compensation paid by the Company during the fiscal year ended April 30, 2008. The 2009 figures represent the anticipated compensation to be paid by the Company for the current fiscal year ending April 30, 2009.
- (2) These figures represent the approximate number of Common Shares of the Company held by each director, officer, promoter and principal shareholder of the Company as of June 15, 2008. This information is not within the knowledge of the management of the Company and has been furnished by the respective individuals or corporations, or has been extracted from the register of shareholdings maintained by the Company's transfer agent or from insider reports filed by the individuals or corporations and available through the Internet at www.sedi.ca. Such individuals or corporations may acquire additional Common Shares pursuant to this Offering, which are not included in these figures.
- (3) Commencing March 1, 2008, the Company began paying Mr. Chu a fee of \$3,000 per month in consideration for his services in acting as the Chief Executive Officer of the Company.
- (4) See Item 4.1 "Share Capital" for details of the stock options granted to this individual in 2008 and 2009.
- (5) This amount represents the payment of \$3,000 per month for each of March 2008 and April 2008.
- (6) The Company does not intend to pay any salaries or other fees to these individuals in their capacities as directors or officers of the Company for the current fiscal year, except for professional fees, if any, related to the exploration of the Company's mineral properties.
- (7) Apella is a reporting issuer whose common shares are listed for trading on the Exchange. See also Item 2.3 "Development of Business" for details of the Plan of Arrangement between the Company and Apella pursuant to which the Company acquired the Ontario Properties.

3.2 Management Experience

Name	Principal Occupation	Related Experience
Christopher B. Chu	Self-employed lawyer/consultant, September 1984 to present; President, CEO and director of Pro Minerals Inc., Apr, 2006 to present.	Mr. Chu has been a member of the Law Society of British Columbia since September 1984 and served as a director of Apella from February 1996 to April 2002. Mr. Christopher Chu has been the Secretary of Apella since February 2005.
Robert D. Stewart	Self-employed consultant geologist, August 1997 to present	Mr. Stewart is a member of Association of Professional Geoscientists of Nova Scotia since February 2001 and has extensive experience in the mining industry, including providing integrated geological-geophysical-geochemical services to the mineral exploration industry. He has worked with a number of public companies and has over 17 years of experience working as geologist in major integrated exploration projects within the Texasgulf-Kidd Creek Mines-Falconbridge organization. He has also worked as independent geological consultant in a variety of Canadian and international programs.
Ian Casidy	Self-employed GIS/Specialist, June 2003 to present; GIS/Specialist of Radius Exploration Ltd., January 2000 to June 2003	Mr. Ian Casidy has extensive experience in the mining industry and has worked as a Geographic Information System Specialist for many years. He has worked with a number of public companies and has more than 20 years of experience in various regions of Canada, Europe and Central America. Mr. Ian Casidy has experience in designing, implementing, executing and reporting on various exploration programs, including search for massive sulphide porphyry copper and epithermal gold deposits, VMS deposits, nickel/cooper deposits and uranium deposits.
Adrian O'Brien	Self-employed business consultant, June 2003 to present; Vice-President, Apella Resources Inc., April 2008 to present	Mr. O'Brien has more than 10 years experience in the mineral exploration sector, having been directly involved in business development, corporate finance, project acquisition and development as well as corporate communications.
Norman P. Friend	Condor IT Solutions Inc, May 2005 to present; Franchise 101 Inc. April 2005 to present; The Franchise Group, October 1988 to April 2005	Mr. Friend has years of experience in business finance. He has authored a number of books on operating a business, including two best selling books in Canada on franchising. Mr. Friend has extensive experience in negotiating and was a founder and managing partner of a group of companies, which included real estate, insurance, residential construction and a mortgage investment corporation. He has completed the Mortgage Brokers and Lenders Program and the Real Estate program at the University of British Columbia.

3.3 Penalties, Sanctions and Bankruptcy

No director, executive officer or control person of the Company, within the ten years prior to the date of this Offering Memorandum, been subject to any penalties or sanctions or been 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, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

No director, executive officer or control person of the Company is, or within the 10 years prior to the date of this Offering Memorandum, has been a director, executive officer or control person of any other Company that, while that person was acting in such capacity was the subject to any penalties or sanctions or was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that Company.

ITEM 4. CAPITAL STRUCTURE

4.1 Share Capital

The authorized capital of the Company consists of an unlimited number of common shares without par value of which 23,690,871 shares were issued and outstanding as of June 16, 2008.

A summary of the Company's share capital structure is as follows:

Designation of Security	Number Authorized To Be Issued	Number Outstanding as at June 18, 2008	Number Outstanding as at June 18, 2008 after Minimum Offering	Number Outstanding as at June 18, 2008 after Maximum Offering
Common Shares	Unlimited	23,690,871	N/A	26,690,871
Stock Options ⁽¹⁾	4,738,174	4,735,400	N/A	4,735,400
Warrants	N/A	3,633,566 ⁽²⁾	N/A	7,233,566 ⁽³⁾⁽⁴⁾

- (1) The Company's Stock Option Plan is a fixed number plan pursuant to which the Company is authorized to grant stock options to purchase up to 20% of the Company's issued and outstanding shares at the time the number is fixed. See "Stock Options" below for details of the Company's stock option plan.
- (2) See "Warrants to Purchase Shares" below for details of the share purchase warrants outstanding as of June 18, 2008.
- (3) This figure includes 3,000,000 Warrants, which form part of the Units being offered for sale by the Company pursuant to this Offering Memorandum. See Item 5.1 "Terms of Securities" below.
- (4) This figure also includes 600,000 Agent's Warrants that may be granted to eligible agents and finders in connection with this Offering. See Item 7 "Compensation Paid to Sellers and Finders".

Warrants to Purchase Shares

As of June 16, 2008 a total of 3,633,566 Common Shares were reserved for issuance pursuant to outstanding share purchase warrants as follows:

Number of Warrants	Exercise Price	Expiry Date
80,000 ⁽¹⁾	\$0.40	July 31, 2009
380,000 ⁽¹⁾	\$0.25	November 9, 2009
450,000 ⁽¹⁾	\$0.25	December 9, 2009
223,566 ⁽¹⁾	\$0.25	March 3, 2010
400,000 ⁽¹⁾	\$0.25	March 4, 2010
1,500,000 ⁽²⁾	\$0.35 on or before February 22, 2009 and \$0.50 thereafter	August 22, 2009
600,000 ⁽³⁾	\$0.25	February 22, 2009
3,633,566		

- (1) These warrants were issued to certain holders of warrants to purchase common shares of Apella pursuant to the Plan of Arrangement. See Item 2.3 "Development of Business".
- (2) These warrants were issued in connection with the Company's IPO. See Item 2.3 "Development of Business".
- (3) These warrants were issued to the agent in connection with the Company's IPO.

Stock Options

The Company has adopted an incentive stock option plan dated January 17, 2007 (the “**Stock Option Plan**”) which provides that the board of directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and other service providers to the Company, non-transferable options to purchase common shares in the capital of the Company, provided that the number of common shares reserved for issuance shall not exceed 20% of the Company’s issued and outstanding common shares.

The purpose of the Stock Option Plan is to assist the Company in attracting, retaining and motivating directors, officers, employees and consultants.

Options may be exercisable for a period of up to 5 years from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to: (a) any one individual shall not exceed five percent (5%) of the Company’s issued and outstanding common shares in any 12 month period; (b) any one consultant shall not exceed two percent (2%) of the Company’s issued and outstanding common shares in any 12 month period; and (c) all employees conducting investor relations activities shall not exceed two percent (2%) of the Company’s issued and outstanding common shares in any 12 month period. Unless terminated for cause, the options will immediately vest and will be exercisable upon cessation of the optionee’s position with the Company, for a period ending on the earlier of 30 days thereafter and the regular expiry date of such Options, provided that if the cessation of the optionee’s position was by reason of death, the Options may be exercised for a maximum period of six months after such death, subject to the expiry date of such Options.

As of June 18, 2008, a total of 4,735,400 Common Shares were reserved for issuance pursuant to stock options granted under the Stock Option Plan as follows:

Group	Number of Optionees Within Group	Aggregate Number of Stock Options	Exercise Price	Expiry Date
Executive Officers (including past executive officers) of the Company as a group	2	75,000 ⁽¹⁾	\$0.25	February 22, 2013
	2	1,209,500 ⁽²⁾	\$0.10	June 18, 2013
Directors (including past directors) of the Company who are not also executive officers as a group	2	50,000 ⁽³⁾	\$0.25	February 22, 2013
	3	1,434,500 ⁽⁴⁾	\$0.10	June 18, 2013
All Other Employees of the Company as a group	2	75,000	\$0.10	June 18, 2013
All consultants of the Company as a group	5	1,891,400	\$0.10	June 18, 2013
TOTAL		4,735,400		

- (1) These options were granted to Christopher B. Chu (as to 50,000 options) and Norman P. Friend (as to 25,000 options).
- (2) These options were granted to Christopher B. Chu (as to 1,134,500 options) and Norman P. Friend (as to 75,000 options).
- (3) These options were granted to Robert D. Stewart (as to 25,000 options) and Ian Casidy (as to 25,000 options).
- (4) These options were granted to Robert D. Stewart (as to 75,000 options), Ian Casidy (as to 175,000 options) and Adrian O’Brien (as to 1,184,500 options).

Save and except as aforesaid there were no options, warrants, or other rights to purchase Common Shares outstanding as of June 18, 2008.

4.2 Debt

As of the date of this Offering Memorandum the Company has no short-term or long-term debt and the Company has not entered into any agreements with respect to borrowings.

4.3 Prior Sales

The following table summarizes the sales of securities of the Company since its incorporation to the date hereof:

Date of Issuance:	Type of Security Issued	Number of Securities Issued	Price Per Security (\$Cdn)	Total Funds Received (\$Cdn)	Consideration Received
April 21, 2006	Incorporator's share	1	\$0.01	\$0.01	Cash
May 1, 2006	Founder's shares ⁽¹⁾	3,000,000	\$0.01	\$30,000	Cash
February 22, 2008	IPO shares	3,000,000	\$0.25	\$750,000	Cash
March 11, 2008	Property shares ⁽²⁾	17,690,870	\$0.056905 (deemed)	\$1,006,700 (deemed)	Ontario Properties
TOTAL		23,690,871			

- (1) The proceeds from the sale of these shares to Apella were used to by the Company to fund certain agent's fees and other general and administrative expenses of the Company prior to the IPO.
- (2) These shares were issued to Apella in exchange for the Ontario Properties pursuant to the Plan of Arrangement. In accordance with such plan, these shares were subsequently distributed to the shareholders of Apella by way of dividend on the basis of one Common Share of the Company for every five shares of Apella held by the shareholder. See Item 2.3 "Development of Business".

ITEM 5. SECURITIES OFFERED

5.1 Terms of Securities

Each Unit consists of one Flow-Through Share and one Warrant. Each whole Warrant will entitle the holder thereof to purchase one Warrant Share for a period of two years after the Closing Date at an exercise price of \$0.20 per Warrant Share in the first year and \$0.25 per Warrant Share in the second year.

Flow-Through Shares – Renunciation of CEE

The Flow-Through Shares will be issued as "flow-through shares" under the Tax Act. The Company will incur on or before December 31, 2009, and renounce to each Subscriber of Flow-Through Shares comprising part of the Units effective on or before December 31, 2008, CEE in an amount equal to the aggregate Offering Price paid by each Subscriber for the Flow-Through Shares comprising part of his or her Units. See Item 6 "Income Tax Consequences and RRSP Eligibility"

Common Shares

All Common Shares including the Flow-Through Shares rank equally as to dividends, voting powers (one vote per common share) and participation in assets upon dissolution or winding-up. The holders of Common Shares are entitled to vote at all meetings of shareholders of the Company, to receive dividends if, as and when declared by the directors of the Company and to participate ratably in any distribution of property or assets upon the liquidation, winding-up or other dissolution of the Company. There are no provisions attached to the Common Shares for redemption, purchase for cancellation, surrender or sinking or purchase funds and the issued Common Shares are not subject to calls or assessments nor pre-emptive or conversion rights.

Warrants

The Warrants are transferable and contain, among other things, provisions for the appropriate adjustment in the class, number and price of the shares to be issued upon exercise of the Warrants upon the occurrence of certain events including any subdivision, consolidation or reclassification of the Common Shares of the Company and the amalgamation, merger or other corporate reorganization of the Company.

5.2 Subscription Procedure

(a) Subscription Procedure

In order to subscribe for Units, a Subscriber must deliver each of the following items to the Company (as applicable):

1. duly completed and signed Subscription Agreement, in the form attached as Appendix I hereto;
2. a certified cheque, bank draft or wire transfer made payable to "Pro Minerals Inc." for the total number of Units subscribed for [i.e. \$0.10 x number of Units subscribed for] by the Subscriber;
3. a duly completed and signed Form 45-106F4, Risk Acknowledgement, in the form included in the Subscription Agreement;
4. for Subscribers resident in Alberta acquiring Units having an aggregate acquisition cost in excess of \$10,000, a duly completed and signed Eligible Investor Certificate in the form included in the Subscription Agreement; and
5. such other forms or documents, if any, which may be required under applicable securities laws.

The Company reserves the right to reject subscriptions, return subscriptions, or allot subscriptions at its sole discretion and without reason or notice given to the Subscriber.

(b) Proceeds Held in Trust

You have 2 business days to cancel your purchase. To do so you must send notice before midnight on the 2nd business day after you sign the subscription agreement to purchase the Units by fax or email or deliver it in person to the Company at its business address as set out on the cover page of this Offering Memorandum.

All funds received from Subscribers will be held in trust by the Company until midnight on the 2nd business day after you sign the Subscription Agreement, after which time the funds may be used by the Company for the purposes stated in Item 1 "Use of Net Proceeds".

(c) Closing

This Offering is subject to the acceptance of the Exchange and the Company will select a day for Closing of this Offering which shall be within 5 business days following the conditional acceptance of this Offering by the Exchange. It is anticipated that the Closing will take place on or about June 30, 2008.

However, as this Offering is not subject to any minimum subscription level it may be completed upon the sale of such number of Units as the Company, in its sole discretion, determines.

ITEM 6. INCOME TAX CONSEQUENCES AND RRSP ELIGIBILITY

6.1 You should consult your own professional advisers to obtain advice on the tax consequences that apply to you.

6.2 The following discussion of the income tax consequences of the purchase of Units has been prepared by management, is of a general nature only and is not intended to constitute a complete analysis of all the income tax consequences and should not be interpreted or construed as legal or tax advice to any particular Subscriber. Each Subscriber should be aware that any investment and disposition of securities may result in income tax consequences and is urged to obtain advice from his own tax advisor as to the consequences under the tax laws to which he is subject of subscribing for Units, based on his own particular circumstances.

In the view of management, the following discussion is, as of the date hereof, a fair and adequate summary of the principal Canadian federal income tax considerations generally applicable to an investment in Units to Subscribers who are individuals or corporations resident in Canada, deal at arm's length, and are not affiliated, with the Company and who hold the Flow-Through Shares and Warrants comprising the Units acquired hereunder as capital property, all within the meaning of the Tax Act. The Flow-Through Shares and Warrants comprising the Units will generally constitute capital property to a holder thereof unless the holder holds such securities in the course of carrying on a business of buying and selling securities or has acquired such securities in a transaction or transactions considered to be an adventure or concern in the nature of trade. This summary is based on the current provisions of the Tax Act taking into account all published specific proposals for the amendment thereof to the date hereof (the "**Proposed Amendments**") and upon management's understanding of the current published administrative practices of the Canada Revenue Agency ("**CRA**") published in writing prior to the date hereof. Except for the Proposed Amendments, this summary does not otherwise take into account or anticipate any change in law or administrative practice, nor does it take into account provincial or territorial tax laws of Canada or tax laws of any foreign country. No assurances can be given that the Proposed Amendments to the Tax Act will be enacted as proposed or at all or that legislative, judicial or administrative changes will not modify or change the statements expressed herein.

This summary is not applicable to Subscribers: (i) who are "principal-business corporations" within the meaning of the Tax Act; (ii) whose business includes trading or dealing in rights, licences or privileges to explore for, drill for or take minerals, oil, natural gas or other related hydrocarbons; (iii) for an interest which constitutes a tax shelter investment within the meaning of the Tax Act; (iv) who are partnerships or trusts; or (v) who are "financial institutions" or "specified financial institutions" for purposes of the Tax Act.

This summary assumes that the Company will:

1. incur Canadian exploration expense as described in the definition of "Canadian exploration expense" in subsection 66.1(6) of the Tax Act ("**CEE**") ("**Qualifying Expenditures**") in an amount not less than the aggregate gross subscription proceeds for the issuance of the Flow-Through Shares comprising part of the Units (the "**Flow-Through Amount**") and that:
 - (a) the Flow-Through Amount will be renounced to Subscribers of Flow-Through Shares with an effective date or dates of no later than December 31, 2008; and
 - (b) such Qualifying Expenditures will be incurred during a period (the "**Expenditure Period**") commencing on the closing of this Offering and ending on the earlier of (A) the date on which the Flow-Through Amount has been fully expended in accordance with the terms of the Subscription Agreement, and (B) December 31, 2009;
2. make all filings in respect of the issue of the Flow-Through Shares and the renunciation of Qualifying Expenditures in the manner and within the time required by the Tax Act and that all renunciations will be validly made and that all such expenses will be reasonable in amount. In addition, while the Company will furnish each subscriber with information with respect to renounced Qualifying Expenditures for purposes of filing income tax returns, the preparation and filing of returns will remain the responsibility of each Subscriber; and
3. be a "principal-business corporation" at all material times and that the Flow-Through Shares, when issued, will be "flow-through shares" and will not be prescribed shares, all within the meaning of the Tax Act.

If any of the above assumptions are incorrect, the Company may be unable to renounce some or all of the Qualifying Expenditures which it has agreed to renounce hereunder.

The Canadian federal income tax consequences to a particular Subscriber of an investment in Units hereunder will vary according to a number of factors including the particular province in which the Subscriber resides, carries on business or has a permanent establishment, the legal characterization of the Subscriber as an individual or corporation, the amount that would be the Subscriber's taxable income but for the investment in the Flow-Through Shares comprising part of the Units and the manner in which the proceeds for the Flow-Through Shares are expended.

Allocation of Purchase Price

Subscribers of the Units will be required to allocate the Offering Price paid for each Unit on a reasonable basis between the Flow-Through Share and the Warrant comprising the Unit in order to determine the respective costs for the purposes of the Tax Act. Of the \$0.10 purchase price for each Unit, the Company will allocate \$0.0999 to the Flow-Through Share and \$0.0001 to the Warrant and believes this allocation is reasonable. However, such allocation will not bind the CRA and Subscribers of Units should consult their own tax advisors. The amount allocable to acquire Flow-Through Shares comprised in the Units will be available for renunciation to Subscribers thereof, provided that the Company uses the funds so allocated to incur Qualifying Expenditures and otherwise in accordance with the Subscription Agreement.

Qualifying Expenditures

The Company will be entitled to renounce Qualifying Expenditures incurred by it during the Expenditure Period as permitted by and in accordance with the Tax Act. Such Qualifying Expenditures as are properly renounced to a Subscriber will be deemed to have been incurred by that Subscriber on the effective date of the renunciation.

The Company generally will be entitled to renounce Qualifying Expenditures incurred, or deemed to be incurred, by it on or after the date that subscriptions for the Flow-Through Shares are accepted, less (i) any previous renunciations with respect to such expenses, (ii) any portion of those expenses which are prescribed under the Tax Act as being "Canadian exploration and development overhead expenses", (ii) certain seismic expenses, and (iv) 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 those expenses. The Company may not renounce to Subscribers of Flow-Through Shares an amount in excess of the amount paid by Subscribers for the Flow-Through Shares comprising part of the Units. The Company will not be entitled to renounce Qualifying Expenditures to the extent that such renunciation, if effective, would cause the Company's own cumulative CEE ("CCEE") to be a negative amount.

The Tax Act contains a one year "look-back" rule which, if certain conditions are satisfied, entitles the Company to have Qualifying Expenditures incurred by it in 2009 renounced to Subscribers of Flow-Through Shares effective on December 31, 2008. In other words, the Subscribers are deemed to have incurred the Qualifying Expenditures on December 31, 2008 even though the Company will not incur the expenditures until 2009. For this rule to apply in respect of a Flow-Through Share, the Subscriber must have paid the consideration in money for the share, and the Subscription Agreement must have been entered into, on or prior to December 31, 2008. In the event that the Company does not fully expend the amounts renounced under the one year "look-back" rule by the end of 2009, the Corporation will be required to reduce the amount of Qualifying Expenditures renounced to the Subscribers and the Subscribers' income tax returns for the years in which the Qualifying Expenditures were claimed will be reassessed accordingly. A Subscriber will not be subject to any penalties for any such reassessment and will not be subject to any interest charges for any additional taxes payable if such taxes are paid by the Subscriber on or prior to April 30, 2010.

A Subscriber of Flow-Through Shares to whom the Company renounces Qualifying Expenditures will have such Qualifying Expenditures added to the Subscriber's CCEE. A Subscriber may deduct in computing such Subscriber's income from all sources for a taxation year an amount not exceeding 100% of the balance of such Subscriber's CCEE account at the end of that taxation year. Deductions claimed by a Subscriber reduce the CCEE account in the year deductions are claimed by the amount claimed. To the extent that a Subscriber does not deduct the full balance of such Subscriber's CCEE account at the end of the taxation year, the balance may be carried forward and deducted in subsequent taxation years in accordance with, and subject to the restrictions under, the provisions of the Tax Act. The right to deduct CCEE accrues to the initial purchaser of Flow-Through Shares comprising part of the Units and is not transferable.

Certain restrictions apply in respect of the deduction of CCEE following an acquisition of control and on certain reorganizations of a corporate subscriber. Corporate subscribers should consult their own independent tax advisors for advice with respect to the potential application of these rules to them having regard to their own particular circumstances.

Adjusted Cost Base of Flow-Through Shares

For income tax purposes, the Flow-Through Share comprising part of a Unit will be deemed to have been acquired by the Subscriber for an initial cost of nil.

Exercise or Expiry of Warrants

No taxable gain or allowable capital loss will be realized by a holder of a Warrant upon the exercise of such Warrant. When a Warrant is exercised, the holder's cost of the Warrant Share acquired thereby will be equal to the adjusted cost base to the holder of the Warrant, plus the amount paid on the exercise of the Warrant. The cost of a Warrant will be equal to the adjusted cost base of the Unit Offering Price allocable to the Warrant. For the purpose of computing the holder's adjusted cost base of the Warrant Shares acquired on the exercise of the Warrant, the cost of such Warrant Shares must be averaged with the adjusted cost base of all of the holder's Common Shares of the Company held as capital property at that time, including the Flow-Through Shares.

The expiry of an unexercised Warrant will give rise to a capital loss equal to the adjusted cost base to the holder of the expired Warrant.

Disposition of Flow-Through Shares

A disposition or deemed disposition of a Flow-Through Share (other than to the Company) will result in the realization of a capital gain or capital loss in the taxation year of the disposition equal to the amount by which the proceeds of disposition exceed, or are less than, respectively, the adjusted cost base of such share and reasonable expenses incurred by the Subscriber for the purposes of making such disposition. One-half of any capital gain (a taxable capital gain) must be included in computing the income of a taxpayer for the year in which the disposition takes place, while one-half of any capital loss (an allowable capital loss) will be required to be deducted against taxable capital gains realized by the subscriber in the same taxation year. Allowable capital losses not deducted in the year in which they arise may be deducted by a taxpayer from taxable capital gains realized in any of the three preceding years, or any subsequent year, subject to the detailed provisions of the Tax Act in that regard. The adjusted cost base to a holder of a Flow-Through Share will generally be the average cost of all shares of the Company, including all other Common Shares, held by such Subscriber as capital property at a particular time. See "Adjusted Cost Base of Flow-Through Shares" above. Any tax consequences arising from a subsequent disposition of a Flow-Through Share will be measured by reference to the adjusted cost base for the Flow-Through Shares based on this averaging rule.

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

A Subscriber who disposes of Flow-Through Shares will retain the entitlement to the renunciation of Qualifying Expenditures from the Company as described above as well as the ability to deduct any CCEE not previously deducted, and a subsequent purchaser of such shares will not be entitled to any renunciations of Qualifying Expenditures in respect thereof.

Dividends

Dividends received or deemed to be received on the Flow-Through Shares will be included in computing a shareholder's income. In the case of an individual shareholder, such dividends will be subject to the gross-up and dividend tax credit rules applicable in respect of taxable dividends received from taxable Canadian corporations (as defined in the Tax Act). Dividends received by a corporation on the Flow-Through Shares must be included in computing its income but generally will be deductible in computing its taxable income. Private corporations (as defined in the Tax Act) and certain other corporations controlled by or for the benefit of an individual (other than a trust) or related group of individuals (other than trusts) that receive taxable dividends generally will be liable to pay a 33 1/3% refundable tax under Part IV of the Tax Act on such dividends to the extent such dividends are deductible in computing taxable income. This refundable tax generally will be refunded to such a corporation at the rate of \$1.00 for every \$3.00 of taxable dividends paid out while it is a private corporation.

Minimum Tax

Under the Tax Act, an alternative minimum tax is payable by an individual other than certain trusts equal to the amount by which the alternative minimum tax exceeds the tax otherwise payable under Part I of the Tax Act. In calculating an individual's "adjusted taxable income" for the purpose of determining minimum tax, certain deductions and credits otherwise available such as the deduction for Qualifying Expenditures not used to reduce resource income, are disallowed and certain amounts not otherwise taxable are included in income, such as 80% of net capital gains. The Tax Act disallows the deduction of certain carrying charges for purposes of computing adjusted taxable income for minimum tax purposes that relate to an investment in flow-through shares to the extent that the deduction for such carrying charges exceeds the individual's resource income after deductions for resource expenses, including Qualifying Expenditure. In computing adjusted taxable income for minimum tax purposes, a \$40,000 exemption is provided. Pursuant to the Proposed Amendments, the federal rate of minimum tax is a flat 15.5% for the 2008 taxation year. Whether and to what extent the tax liability of a particular Subscriber will be increased by the minimum tax will depend upon the amount of such Subscriber's income, the sources from which it is derived and the nature and amounts of any deductions that such Subscriber claims. Any additional tax payable for a year from the application of the minimum tax provisions is recoverable in subsequent years to the extent that tax otherwise determined exceeds the minimum tax for any of the following seven taxation years. Subscribers should consult their own independent tax advisors with respect to the potential alternative minimum tax consequences to them having regard to their own particular tax circumstances.

Cumulative Net Investment Loss

One-half of the amount of the Qualifying Expenditures renounced to a Subscriber of Flow-Through Shares comprising part of the Units will be added to the Subscriber's cumulative net investment loss ("CNIL") account, as defined in the Tax Act. A Subscriber's CNIL account may impact a Subscriber's ability to access the lifetime capital gains exemption available on the disposition of certain qualified small business corporation shares and qualified farm property.

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

ITEM 7. COMPENSATION PAID TO SELLERS AND FINDERS

The Units are being offered for sale by the Company in certain provinces and territories of Canada including the provinces of British Columbia and Alberta directly through directors, officers, employees and other duly authorized agents or finders of the Company in reliance upon exemptions from the registration and prospectus requirements of applicable securities legislation. The Company does not anticipate entering into any agency offering agreement with any person registered to trade in securities pursuant to applicable securities legislation whereby the Units will be offered for sale.

The Company will not pay any cash commission or finder's fee from the proceeds of this Offering to any person or authorized agent in respect of the sale of Units hereunder. However, subject to applicable securities legislation and the acceptance of the Exchange, the Company expects to grant non-transferable share purchase warrants ("Agent's Warrants") to eligible agents or finders to purchase Common Shares in the capital stock of the Company ("Agent's Shares") in an aggregate amount up to 20% of the total number of Units sold under this Offering. Each Agent's Warrant will entitle the holder thereof to purchase one Agent's Share of the Company at a price of \$0.10 per Agent's Share for a period of two years from the Closing Date.

Save and except as disclosed herein, 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 this Offering.

ITEM 8. RISK FACTORS

The Units offered hereunder must be considered highly speculative due to the nature of the Company's business. In addition to the factors set forth elsewhere in this Offering Memorandum prospective investors should carefully consider the following risk factors before purchasing Units. Any, all or a portion of these risks, or other as yet unidentified and unforeseen risks may have a material adverse effect on all or any of the Company, the Units and returns to investors.

Investment Risk (in order of importance)

Speculative Nature of Investment

This is a highly speculative Offering. There is no assurance of a positive, or any, return on an investment in Units. The purchase of Units hereunder involves a high degree of risk and should be undertaken only by purchasers who are aware of the inherent risks in mineral exploration and development, whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Units should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Units offered hereby should not constitute a major portion of an individual's portfolio. The Company strongly recommends that prospective Subscribers review this Offering Memorandum in its entirety and consult with their own independent legal, tax, investment and financial advisors to assess the appropriateness of investing in Units given their particular financial circumstances and investment objectives prior to purchasing Units.

Resale Restrictions

The Flow-Through Shares and any Warrant Shares acquired upon exercise of the Warrants are subject to resale restrictions under applicable securities legislation. See Item 10 "**Resale Restrictions**".

No Review by Regulatory Authorities

This Offering Memorandum constitutes a private offering of the Units by the Company only in those jurisdictions where and to those persons whom, they may be lawfully offered for sale under exemptions in applicable securities legislation. This Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus, advertisement or a public offering of these Units. Subscribers to this Offering Memorandum will not have the benefit of a review of the material by any regulatory authority.

Dilution

The offering price of the Units issuable under this Offering significantly exceeds the net tangible book value per share and accordingly, investors will suffer immediate and substantial dilution of their investment.

Dividend

The Company does not anticipate paying any dividends on its Common Shares in the foreseeable future.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings.

Income Tax Treatment of Flow-Through Shares

Flow-Through Shares are most suitable for an investor whose income is subject to the highest marginal income tax rate. Federal or provincial income tax legislation may be amended, or their interpretation changed, so as to alter fundamentally the tax consequences of holding or disposing of Flow-Through Shares. There is a risk that the Company will not incur and renounce Qualifying Expenditures in an aggregate amount equal to the Exploration Funds, which may adversely affect the return on a Subscriber's investment in the Flow-Through Shares. There is a

further risk that the expenditures incurred by the Company and renounced to Subscribers may not qualify as Qualifying Expenditures, which may adversely affect the return on a Subscriber's investment in the Flow-Through Shares.

If any Qualifying Expenditures are renounced to a Subscriber with whom the Company, at any time in 2009, does not deal at arm's length, the Company will be prevented from renouncing, effective December 31, 2008, any Qualifying Expenditures it incurs in 2009. Arm's length status can be a complex question of fact and law. There is a risk the CRA may disagree that a relationship between a Subscriber and the Company is at arm's length, with the result that income tax deductions the Subscriber expected to use for his taxation year that includes December 31, 2008 may not be available for that taxation year.

There may be disagreements with the CRA with respect to certain tax consequences of an investment in Units of the Company. The alternative minimum tax could limit tax benefits available to Subscribers of Units. If a Subscriber finances the subscription price of his Units with a borrowing or other indebtedness that is, or is deemed under the *Tax Act* to be, a limited recourse financing, the tax benefits of the investment to the Subscriber will be adversely affected. See Item 6 "**Income Tax Consequences and RRSP Eligibility**".

Risks Specific to the Company (in order of importance)

Limited Operating History

The Company has no history of earnings. There are no known commercial quantities of mineral reserves on the Ontario Properties. The purpose of this Offering is to raise funds to carry out exploration with the objective of establishing economic quantities of mineral reserves. There can be no assurance that the Company will achieve profitability in the future.

Exploration and Development

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are *insufficient in quantity and quality* to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as 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, the combination of which factors may result in the Company not receiving an adequate return on investment capital.

All of the Ontario Properties are in the exploration stages only and are without a known body of commercial ore. Development of the subject mineral properties would follow only if favorable exploration results are obtained. The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors.

Substantial expenditures are required to establish reserves through drilling, 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 that funds required for development can be obtained on a timely basis.

There is no assurance that the Exchange will approve the acquisitions of any additional properties by the Company, whether by way of option or otherwise.

Requirement for Further Financing

The Company does not have sufficient financial resources to undertake all of its currently planned exploration programs. The further exploration of the various mineral properties in which it holds interests depends upon the Company's ability to obtain financing through joint ventures of projects, debt financing, equity financing or other means. There can be no assurance that the Company will be able to raise the balance of the financing required or

that such financing can be obtained without substantial dilution to shareholders. Failure to obtain additional financing on a timely basis could cause the Company to reduce or terminate its operations or lose its interest in its properties.

Management

The success of the Company is currently largely dependent on the performance of its officers. The loss of the services of these persons will have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse affect on the Company and its prospects.

Potential Subscribers should also appreciate that they are relying on the good faith, judgment and ability of the directors, officers and employees of the Company to make appropriate decisions with respect to the management of the business of the Company.

Influence of Management and Principal Shareholder

Upon completion of this Offering, excluding Common Shares that may be issued upon the exercise of warrants and options and assuming no Common Shares are acquired hereunder, the directors and officers of the Company will own or hold control or direction over approximately 0.91% of the outstanding Common Shares of the Company if the maximum Offering is sold. Most of the then issued and outstanding Common Shares of the Company will be owned by Apella. As a result, this shareholder will have the ability to control or influence the outcome of most corporate actions requiring shareholder approval, including the election of directors of the Company and the approval of certain corporate transactions. The concentration of ownership of the Company may also have the effect of delaying or preventing a change in control of the Company. See Item 3 "**Directors, Management, Promoters and Principal Holders**".

Title Risks

Although the Company has exercised the usual due diligence with respect to determining title to properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. Surveys have not been carried out on any of the Company's mineral properties, therefore, in accordance with the laws of the jurisdiction in which such properties are situated; their existence 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.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, the Company may become subject to liability for accidents, pollution and other hazards against which it cannot insure or against which it may elect not to insure because of premium costs or for other reasons, or in amounts, which exceed policy limits. Nevertheless, the impact of any uninsured liabilities would likely have a material adverse effect on the financial position of the Company.

Conflict of Interest

Some of the directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, and situations may arise where these directors and officers will be in direct competition with the Company. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the *Business Corporations Act* (British Columbia).

Some of the directors and officers of the Company are or may become directors or officers of other companies engaged in other business ventures. In order to avoid the possible conflict of interest which may arise between the directors' duties to the Company and their duties to the other companies on whose boards they may serve, the directors and officers of the Company have agreed to the following:

1. participation in other business ventures offered to the directors will be allocated between the various companies and on the basis of prudent business judgment and the relative financial abilities and needs of the companies to participate;
2. no commissions or other extraordinary consideration will be paid to such directors and officers; and
3. business opportunities formulated by or through other companies in which the directors and officers are involved will not be offered to the Company except on the same or better terms than the basis on which they are offered to third party participants.

Industry Risk (in order of importance)*Competition*

The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have greater financial resources and technical facilities. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

Fluctuating Mineral Prices

Factors beyond the control of the Company may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. The effect of these factors cannot be predicted.

Environmental Regulations, Permits and Licenses

The Company's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner, which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

The current or future operations of the Company, including development activities and commencement of production on its properties, require permits from various, federal, provincial or territorial and local governmental authorities and such operations are and will be governed by 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.

Such operations and exploration activities are also subject to substantial regulation under these laws by governmental agencies and may require that the Company obtain permits from various governmental agencies. There can be no assurance, however, that all permits which the Company may require for its operations and exploration activities will be obtainable on reasonable terms or on a timely basis or such laws and regulations would not have an adverse effect on any mining project which 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 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.

To the best of the Company's knowledge, it is operating in compliance with all applicable rules and regulations.

Each prospective Subscriber for Units should carefully consider the foregoing risk factors and consult his own professional advisors to assess income tax, legal and other aspects of an investment in Units.

ITEM 9. REPORTING OBLIGATIONS

9.1 Continuous Disclosure Documents

The Company is a reporting issuer (as defined in applicable securities legislation) in the Provinces of British Columbia, Alberta and Ontario and therefore subject to the continuous disclosure requirements of such securities legislation, including, without limitation, requirements relating to the preparation and filing of audited annual financial statements, management's discussion and analysis ("MD&A") and other financial information, the dissemination of news releases disclosing material changes in the business and affairs of the Company and the filing of material change reports.

The fiscal year end of the Company is April 30. As such, the Company will mail within 120 days from the end of each fiscal year and within 60 days following the end of each fiscal quarter, copies of the Company's consolidated annual financial statements and MD&A for such year and unaudited consolidated financial statements and MD&A for such quarters to each shareholder of the Company who requests copies of same in writing. The Company will also mail notice of the Company's next annual general meeting and related proxy solicitation materials to the shareholders of the Company annually as required by applicable securities legislation.

9.2 SEDAR Filer

As a reporting issuer in the Provinces of British Columbia, Alberta and Ontario the Company is also required to file copies of all its continuous disclosure documents with the British Columbia, Alberta Securities and Ontario Commissions. The majority of these documents including audited and interim financial statements, annual and interim MD&As, proxy solicitation materials, news releases and material change reports, must be filed in electronic format through the System for Electronic Document Analysis and Retrieval ("SEDAR") administered by CDS Inc. and are available for viewing online at www.sedar.com. Any continuous disclosure documents which are not required to be filed electronically via SEDAR can be viewed in person at the offices of the British Columbia, Alberta and Ontario Securities Commissions.

ITEM 10. RESALE RESTRICTIONS

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 and obtain the consent of the Exchange.

Unless permitted under securities legislation, you cannot trade the securities before the date that is 4 months and a day after the distribution date.

ITEM 11. PURCHASER'S RIGHTS

If you purchase these securities 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 Right

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

Applicable securities laws in the Offering Jurisdictions provide you with a remedy to sue to cancel your agreement to buy these securities or for damages if this Offering Memorandum, or any amendment thereto, contains a Misrepresentation. Unless otherwise noted, in this section, a "Misrepresentation" means an untrue statement or omission of a material fact that is required to be stated or that is necessary in order to make a statement in this Offering Memorandum not misleading in light of the circumstances in which it was made.

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 securities. In addition, these remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by you within the strict time limit prescribed in the applicable securities laws.

The applicable statutory rights are summarized below and will be deemed to form part of the Subscription Agreement. **Subscribers should refer to the applicable securities laws of their respective jurisdictions for the particulars of these rights or consult with professional advisors.**

Rights for Subscribers in the Provinces of British Columbia and Alberta

A Subscriber of Units pursuant to this Offering Memorandum who is a resident in British Columbia or Alberta has, in addition to any other rights the Subscriber may have at law, a right of action for damages or rescission against the Company if this Offering Memorandum, together with any amendments hereto, contains a Misrepresentation. In Alberta and British Columbia, a Subscriber has additional statutory rights of action for damages against every director of the Company at the date of this Offering Memorandum and every person or company who signed this Offering Memorandum.

If this Offering Memorandum contains a Misrepresentation, which was a Misrepresentation at the time the Units were purchased, the Subscriber will be deemed to have relied upon the Misrepresentation and will, as provided below, have a right of action against the Company for damages or alternatively, while still the owner of any of the Units purchased by that Subscriber, for rescission, in which case, if the Subscriber elects to exercise the right of rescission, the Subscriber will have no right of action for damages against the Company, provided that:

No person or company will be liable if it proves that the Subscriber purchased the securities with knowledge of the Misrepresentation;

In the case of an action for damages, the defendant will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the Misrepresentation.

In no case will the amount recoverable in any action exceed the price at which the securities were purchased by the Subscriber under this Offering Memorandum; and

In the case of a Subscriber resident in Alberta, no person or company, other than the Company, will be liable if such person or company is entitled to rely upon certain statutory provisions set out in subsections 204(b) – (d) of the *Securities Act (Alberta)*.

In British Columbia and Alberta, no action may be commenced more than:

In the case of an action for rescission, more than 180 days after the date of the transaction that gave rise to the cause of action; or

In the case of any other action, other than an action for rescission, more than the earlier of (i) 180 days after the Subscriber first had knowledge of the facts giving rise to the cause of action; or (ii) three (3) years after the date of the transaction that gave rise to the cause of action.

These rights are in addition to and without derogation from any other right or remedy which a purchaser might have at law.

ITEM 12. FINANCIAL STATEMENTS

Audited financial statements for the period from incorporation on April 21, 2006 to April 30, 2007.

Interim unaudited financial statements for the three month period ended January 31, 2007 and the nine month period ended January 31, 2008.

PRO MINERALS INC.

FINANCIAL STATEMENTS

APRIL 30, 2007

AUDITORS' REPORT

To the Directors of Pro Minerals Inc:

We have audited the balance sheet of Pro Minerals Inc. as at April 30, 2007 and the statements of operations and deficit, and cash flows for the initial period from incorporation April 21, 2006 to April 30, 2007. These financial statements are the responsibility of the Company's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2007 and the results of its operations and its cash flows for the initial period from incorporation on April 21, 2006 to April 30, 2007 in accordance with Canadian generally accepted accounting principles.

June 4, 2007
Vancouver, Canada

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED ACCOUNTANTS

PRO MINERALS INC.

BALANCE SHEET – APRIL 30, 2007

		\$
ASSETS		
DEFERRED FINANCING COSTS AND DEPOSIT (Note 4)		78,382
		78,382
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accruals		60,882
Due to parent company (Note 7)		<u>2,500</u>
		63,382
SHARE CAPITAL AND DEFICIT		
SHARE CAPITAL (Note 5)		150,001
DEFICIT		<u>(135,001)</u>
		15,000
		78,382

COMMITMENTS (Notes 3, 4 and 6)

RELATED PARTY TRANSACTIONS (Note 7)

APPROVED BY THE BOARD:

Christopher Chu - Director

Ian Casidy - Director

- See Accompanying Notes -

PRO MINERALS INC.

STATEMENT OF OPERATIONS AND DEFICIT FOR THE INITIAL PERIOD FROM INCORPORATION APRIL 21, 2006 TO APRIL 30, 2007

	\$
<hr/>	
EXPENSES	
Professional fees	<u>15,001</u>
NET LOSS FOR THE PERIOD	(15,001)
RESTRUCTURING CHARGE (Note 6)	(120,000)
<hr/>	
DEFICIT, end of period	(135,001)
<hr/>	
LOSS PER SHARE BASIC AND DILUTED	<u>(0.01)</u>
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	<u>2,927,807</u>

- See Accompanying Notes -

PRO MINERALS INC.

STATEMENT OF CASH FLOWS

FOR THE INITIAL PERIOD FROM INCORPORATION
APRIL 21, 2006 TO APRIL 30, 2007

	\$
<hr/>	
OPERATING ACTIVITIES	
NET LOSS FOR THE PERIOD	(15,001)
Net Change in other operating accounts	
Accounts payable and accruals relating to operations	<u>15,000</u>
	<u>(1)</u>
FINANCING ACTIVITIES	
Deferred financing costs paid in cash (Note 7)	(32,500)
Issuance of shares for cash	30,001
Due to parent company	<u>2,500</u>
	1
<hr/>	
CASH, end of period	0

SUPPLEMENTAL DISCLOSURES

Income taxes paid during period	<u>NIL</u>
Interest paid during period	<u>NIL</u>
Fair value non-monetary allocation for escrow shares issued (Note 6)	<u>120,000</u>
Deferred financing costs and deposits accrued (Note 4)	<u>45,882</u>

- See Accompanying Notes -

PRO MINERALS INC.

NOTES TO FINANCIAL STATEMENTS

**FOR THE INITIAL PERIOD FROM INCORPORATION
APRIL 21, 2006 TO APRIL 30, 2007**

1. OPERATIONS

The Company was incorporated on April 21, 2006 under the British Columbia Business Corporations Act as a wholly-owned subsidiary of NovaWest Resources Inc. ("Nova"). The Company was formed to acquire a group of mineral property interests (Notes 3 and 6) from Nova under a Plan of Arrangement to transfer certain mineral property interests into a new entity to be publicly listed on the TSX Venture Exchange. The plan was approved in principle by the shareholders of Nova on January 24, 2007. (See Note 4).

The financial statements have been prepared on the basis of accounting principles applicable to a "going concern," which assumes that the Company will continue its operations and will be able to realize the carrying value of its assets and discharge its liabilities in the normal course of business.

2. SIGNIFICANT ACCOUNTING PRINCIPLES

a) Cash and cash equivalents

The company currently has no cash. When cash is deposited on account, cash equivalents will include money market investments and deposits with original maturity dates of ninety days or less.

b) Related party transactions

Related party transactions are recorded in accordance with Canadian Institute of Chartered Accountants (CICA) Handbook Section 3840.

Related party transactions occurring under common control with Nova for asset transfers are recorded at the lower of fair value or the carrying amount of the transferor. Related party transactions involving operating expenditures in the normal course of business are recorded at the exchange amount under management's estimate of arms-length commercial terms.

c) Stock-based compensation

Under Canadian Generally Accepted Accounting Principles (GAAP), stock based payments or grants of rights to stock are valued at fair value and charged to operations or related assets upon grant if vested or over the vesting period if rights are not currently vested.

The issuance of time based escrow shares under a Plan of Arrangement that includes and contemplates subsequent share issuances under the plan are considered to be compensatory in nature to the extent they are issued at less than fair value. Management has determined that the 3,000,000 escrow shares issued pursuant to the plan, meet this criteria (Note 6).

d) Start-up and restructuring costs

Restructuring costs arising from the Plan of Arrangement (Notes 3 and 6) have been charged to deficit as a capital transaction. Costs incurred for raising capital including initial agency costs are deferred and will be charged against related capital raised or written off if planned capital is not raised. Costs incurred for administration are period costs and are expensed as incurred.

PRO MINERALS INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE INITIAL PERIOD FROM INCORPORATION
APRIL 21, 2006 TO APRIL 30, 2007

2. SIGNIFICANT ACCOUNTING PRINCIPLES – CONT'D

e) Income Taxes

The Company follows the liability method for calculating future income taxes. Under this method, future tax assets and liabilities are determined based on differences between the financial reporting and tax basis of assets and liabilities, and measured using the substantially enacted tax rates and laws that will be in effect when the differences are expected to reverse. In the case of unused tax losses, income tax reductions, and certain items that have a tax basis but cannot be identified with an asset or liability on the balance sheet, the recognition of future income tax assets is determined by reference to the likely realization of future income tax reductions. The Company has not recognized future income tax assets due to the uncertainty of realization.

f) Use of estimates

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Significant areas requiring the use of management estimates relate to the determination of fair values attributable to stock based transactions and related party transactions. Financial results as determined by actual events could differ from those estimates.

g) Mineral property interests

The Company records its interests in mineral properties, when acquired, at the lower of cost or estimated recoverable value. Where specific exploration programs are planned and budgeted by management, the cost of mineral properties and related exploration expenditures are capitalized until the properties are placed into commercial production, sold, abandoned or determined by management to be impaired in value. These costs will be amortized over the estimated useful lives of the properties following the commencement of production or written off if the properties are sold or abandoned.

Costs include the cash or other consideration and the fair market value of shares issued, if any, on the acquisition of mineral properties. Costs related to properties acquired under option agreements or joint ventures, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at such time as the payments are made. The proceeds from third party options or participation rights granted are deducted from the cost of the related property and any excess is deducted from other remaining capitalized property costs. The Company does not accrue the estimated future costs of maintaining its mineral properties in good standing.

Management will evaluate each mineral interest on a reporting period basis or as events and changes in circumstances warrant, and make a determination based on exploration activity and results, estimated future cash flows and availability of funding as to whether costs are capitalized or charged to operations. Mineral property interests, where future cash flows are not reasonably determinable, are evaluated for impairment based on management's intentions and determination of the extent to which future exploration programs are warranted and likely to be funded.

General exploration costs when incurred, that are not related to specific properties are charged to operations in the period in which they are incurred.

PRO MINERALS INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE INITIAL PERIOD FROM INCORPORATION
APRIL 21, 2006 TO APRIL 30, 2007

2. SIGNIFICANT ACCOUNT PRINCIPLES – CONT'D

h) Financial instruments

The Company's financial instruments consist of accounts payable, accrued liabilities and due to parent company. The fair value of the Company's current financial instruments are estimated by management to approximate their carrying values based on the immediate or short-term maturity of these instruments.

i) Earnings per share

The Company follows the treasury stock method for determining dilutive earnings (loss) per share. This method assumes that proceeds received from in-the-money stock options and share purchase warrants are used to repurchase common shares at the prevailing market rate.

Basic loss per share figures are calculated using the weighted average number of shares outstanding during the respective periods. Diluted loss per share figures are equal to those of basic loss per share as the Company has no dilutive instruments outstanding.

j) Risk management

The Company will be engaged primarily in mineral exploration and will manage related industry risk issues directly. The Company may be at future risk for environmental issues and fluctuations in commodity pricing. Management is not aware of any environmental remediation costs or liabilities in respect of its current or planned operations.

k) Non-monetary transactions

From inception and throughout the reporting period, management has provided services to the Company without remuneration. As management has determined that there is no reliable basis to measure the fair value of such services, no amount has been reported or accrued.

3. PLAN OF ARRANGEMENT

Under the Plan of Arrangement and memorandum of agreement dated November 15, 2006, Nova will transfer its interests (subject to prior encumbrances) in and to a group of six mineral properties known as the Ontario Properties. (See below).

Upon approval of legal and regulatory authorities and in connection with a planned initial public offering for listing on the TSX Venture Exchange, the property interests will be transferred from Nova to the Company upon completion of the Plan Of Arrangement. Consideration for the transfer will be equal to one common share of the Company for every five shares outstanding of Nova on the share distribution record date.

As at April 30, 2007, the number of shares to be issued is estimated at 15,783,870. This number may be adjusted for one-fifth of any further share issuances of Nova prior to completion of the plan.

PRO MINERALS INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE INITIAL PERIOD FROM INCORPORATION
APRIL 21, 2006 TO APRIL 30, 2007

3. PLAN OF ARRANGEMENT – CONT'D

The carrying values of properties transferred under the Plan of Arrangement from Nova are as follows:

	Ontario Properties	Acquisition Costs \$	Deferred Exploration Costs \$	Total Cost \$
a)	Bucke Pipe	64,850	259,803	324,653
b)	Gold Stock	16,000	7,431	23,431
c)	Golden Poly	121,360	47,671	169,031
d)	Solano	25,854	109,324	135,178
e)	Solarus	24,921	197,013	221,934
f)	Lone Eagle	<u>17,375</u>	<u>3,210</u>	<u>20,585</u>
		<u>270,360</u>	<u>624,452</u>	<u>894,812</u>

The amounts stated above may change for additional costs incurred by Nova up to the date of transfer.

- a) Pursuant to an option agreement dated March 25, 1996, Nova acquired a 100% interest in the Bucke Pipe property comprising one mineral claim located in the Bucke Township, Larder Lake Mining Division, Province of Ontario. The claim is subject to a 1.5% net smelter royalty. Nova has the right to reduce this royalty to 0% at any time by paying the vendor at \$500,000 per 0.5% net smelter royalty (NSR).
- b) Pursuant to an option agreement dated January 15, 1997, Nova has acquired a 100% interest in six mineral claims located in the Stock Township, Province of Ontario. The claims are subject to a 2% NSR. Nova has the right to purchase one-half of the royalty for \$500,000, and first right of refusal to purchase the balance of the royalty. (Gold Stock).
- c) Pursuant to an option agreement dated November 15, 1996, and amended April 18, 1997, Nova has acquired a 100% interest in seventeen mineral claims in Pense Township, Larder Lake Mining Division, Province of Ontario. The claims are subject to a 3% NSR. (Golden Poly). Pursuant to a purchase agreement dated December 29, 1997, Nova has acquired a 100% interest in one mineral claim located in the Pense Township, Larder Lake Mining Division, Province of Ontario. The claim is subject to a 1% NSR. (Golden Poly).

PRO MINERALS INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE INITIAL PERIOD FROM INCORPORATION
APRIL 21, 2006 TO APRIL 30, 2007

3. PLAN OF ARRANGEMENT – CONT'D

- d) Pursuant to a purchase agreement dated January 6, 2003, Nova acquired a 100% interest in four claims in Baden Township and one claim in Argyle Township, both in Larder Lake Mining Division, Province of Ontario. The claims are subject to a 2% NSR royalty. Nova has the right to reduce this royalty to 1% by paying the Optionor \$1,000,000. (Solano).
- e) Pursuant to a purchase agreement dated January 7, 2003, Nova acquired two claims in Klotz Lake Township, Thunder Bay Mining Division, Province of Ontario. The two purchased claims are subject to a 2% NSR. Nova has the right to reduce this royalty to a 1% by paying the Optionor \$1,000,000. (Solarus).
- f) Pursuant to a purchase agreement dated May 1, 2002, Nova has acquired a 100% interest in one mineral claim located in Playfair Township, Larder Lake Mining Division, Province of Ontario. The claim is subject to a 2% NSR. Nova has the right to reduce this royalty to 1% by paying the vendor \$1,000,000. (Lone Eagle).

The terms of the various agreements under which the Ontario Properties were acquired will transfer to the Company upon completion of the Plan of Arrangement.

4. INITIAL PUBLIC OFFERING PLANNED

The Company intends to make an initial public offering to list its shares for trading on the TSX Venture Exchange. Pursuant to an amended agency agreement dated January 12, 2007 the Company, through the agent, will offer a minimum of 2,800,000 units and a maximum of 4,400,000 units at a price of \$0.25 per unit, subject to the right of the agent to over allot the offering by up to 15%. Each unit will consist of one common share and one-half of one share purchase warrant. Each full warrant entitles the holder to acquire one additional common share for a period of 18 months from the closing date at a price of \$0.35 per share for the first 12 months and thereafter at a price of \$0.50 per share.

Under the agency agreement the agent will receive a non-refundable corporate finance fee of \$25,000 (plus GST) payable as to \$12,500 upon execution of the agency agreement (paid) and \$12,500 upon completion of the minimum subscription. A commission of eight (8%) percent of the subscription funds are payable upon closing. In addition, the agent will be granted an irrevocable and non-transferable option to purchase up to that number of common shares in the capital of the Company equal to twenty (20%) percent of the units sold pursuant to the initial public offering at a price of \$0.25 per share expiring 12 months following the closing of the offering.

Costs for agency and legal fees totaling \$78,382 have been deferred and will be charged against the public share offering when completed. Deferred costs are summarized as follows:

Agency fees	\$ 32,500	- (deposit)
Legal fees	45,882	- (included in accounts payable)
	<u>\$ 78,382</u>	

PRO MINERALS INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE INITIAL PERIOD FROM INCORPORATION
APRIL 21, 2006 TO APRIL 30, 2007

5. SHARE CAPITAL

Authorized			
Unlimited number of common shares		Number of	
Issued		<u>Shares</u>	<u>\$</u>
Initial incorporation share		1	1
Shares subject to escrow, at fair value	(i)	<u>3,000,000</u>	<u>150,000</u>
		<u>3,000,001</u>	<u>150,001</u>

(i) On May 1, 2006 the Company issued 3,000,000 escrow shares from treasury at an issue price of \$0.01 per share. The escrow shares will be released for trading on the following schedule:

- 1/10th on the date of listing on a Canadian exchange
- 1/6th of the remaining shares six months after the listing date
- 1/5th of the remaining shares twelve months after the listing date
- 1/4th of the remaining shares eighteen months after the listing date
- 1/3rd of the remaining shares twenty four months after the listing date
- 1/2 of the remaining shares thirty months after the listing date
- Balance of the remaining shares thirty six months after the listing date

The escrow shares may be released on an accelerated schedule upon the Company becoming a Tier 1 issuer on the TSX Venture exchange or listing on the TSX (Toronto Stock Exchange).

PRO MINERALS INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE INITIAL PERIOD FROM INCORPORATION
APRIL 21, 2006 TO APRIL 30, 2007

6. STOCK BASED TRANSACTIONS - RESTRUCTURING

Based on the Plan of Arrangement with Nova, the fair value of the escrow shares (Note 5) was determined by management to be \$0.05 per share. The excess of fair value over the consideration paid of \$120,000 is considered to be compensatory relating to the restructuring under the Plan of Arrangement (Note 3). This amount has been charged to deficit as a capital transaction.

Management used a fair value methodology based on the Plan of Arrangement for the proposed transfer of mineral properties as follows:

Escrow shares	3,000,000	\$ 30,000
Estimate of shares to be issued under plan	<u>15,783,870</u>	<u>894,812</u>
	(a) 18,783,870	(b) 924,812
Pro-rata value per share – (b)/(a)	0.05	
Consideration paid	<u>(0.01)</u>	
Compensatory amount for restructuring	<u>0.04</u>	<u>\$ 120,000</u>

The estimated number of shares was the amount estimated at the date of the original memorandum of agreement.

The amount of shares to be issued under the Plan of Arrangement is subject to change as described in Note 3.

7. RELATED PARTY TRANSACTIONS

To date all transactions excluding the professional fees and the planned initial public offering expenditures have occurred with the parent company Nova. Nova initially advanced \$30,000 for deposits towards agency fees. This amount represented the share subscription amount for escrow shares issued to Nova (Note 5). As at April 30, 2007, Nova had advanced an additional \$2,500 on a non-interest bearing basis. There are no specified terms of repayment.

8. SUBSEQUENT EVENTS

As at June 4, 2007, the Company had received and is responding to comments provided by the British Columbia Securities Commission regarding its draft initial public offering filing. Management expects the Company to file final materials for regulatory approval by June 15, 2007. The Plan of Arrangement and initial public offering is expected to complete shortly thereafter.

PRO MINERALS INC.

FINANCIAL STATEMENTS

JANUARY 31, 2008

(Unaudited)

PRO MINERALS INC.

BALANCE SHEET (Unaudited)

	April 30 2007	January 31 2008
	\$	\$
ASSETS		
CASH		36
DEFERRED FINANCING COSTS AND DEPOSIT (Note 4)	78,382	102,959
ACCOUNTS RECEIVABLE		1,036
	78,382	104,031
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accruals	60,882	98,619
Due to parent company (Note 7)	<u>2,500</u>	<u>2,500</u>
	63,382	101,119
SHARE CAPITAL AND DEFICIT		
SHARE CAPITAL (Note 5)	150,001	150,001
DEFICIT	<u>(135,001)</u>	<u>(147,089)</u>
	15,000	2,912
	78,382	104,031

COMMITMENTS (Notes 3, 4 and 6)

RELATED PARTY TRANSACTIONS (Note 7)

APPROVED BY THE BOARD:

"Christopher Chu"

Christopher Chu - Director

"Ian Casidy"

Ian Casidy - Director

- See Accompanying Notes -

PRO MINERALS INC.

INTERIM STATEMENT OF OPERATIONS AND DEFICIT

(Unaudited)

	Three months ended January 31, 2007	Nine months ended January 31, 2008
	\$	\$
EXPENSES		
Filing fees	221	1,978
Bank charges	32	194
Professional fees	<u>7,819</u>	<u>9,916</u>
	8,072	12,088
NET LOSS FOR THE PERIOD	(8,072)	(12,088)
DEFICIT, beginning of period	(139,017)	(135,001)
DEFICIT, end of period	(147,089)	(147,089)
LOSS PER SHARE BASIC AND DILUTED	0	0
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	<u>3,000,001</u>	<u>3,000,001</u>

- See Accompanying Notes -

PRO MINERALS INC.

INTERIM STATEMENT OF CASH FLOWS

(Unaudited)

	Three months Ended January 31, 2007 \$	Nine months ended January 31, 2008 \$
OPERATING ACTIVITIES		
NET LOSS FOR THE PERIOD	(8,072)	(12,088)
Net Change in other operating accounts		
Accounts payable and accruals relating to operations	<u>8,072</u> (0)	<u>12,088</u> (0)
FINANCING ACTIVITIES		
Deferred financing costs paid in cash (Note 7)	0	0
Issuance of shares for cash	0	0
Due to parent company	0	0
CASH, end of period	0	0

SUPPLEMENTAL DISCLOSURES

Income taxes paid during period	<u>NIL</u>	<u>NIL</u>
Interest paid during period	<u>NIL</u>	<u>NIL</u>
Fair value non-monetary allocation for escrow shares issued (Note 6)	<u>NIL</u>	<u>NIL</u>
Deferred financing costs and deposits accrued (Note 4)	<u>NIL</u>	<u>24,577</u>

- See Accompanying Notes -

PRO MINERALS INC.

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

1. OPERATIONS AND BASIS OF PRESENTATION

The Company was incorporated on April 21, 2006 under the British Columbia Business Corporations Act as a wholly-owned subsidiary of NovaWest Resources Inc. ("Nova"). The Company was formed to acquire a group of mineral property interests (Notes 3 and 6) from Nova under a Plan of Arrangement to transfer certain mineral property interests into a new entity to be publicly listed on the TSX Venture Exchange. The plan was approved in principle by the shareholders of Nova on January 24, 2007. (See Note 4).

The financial statements have been prepared on the basis of accounting principles applicable to a "going concern," which assumes that the Company will continue its operations and will be able to realize the carrying value of its assets and discharge its liabilities in the normal course of business.

The comparative figures from the prior three month period and six month period ended October 31, 2006 have not been included in these financial statements as the Company was inactive during that period. There were no significant operations or cash-flows to disclose.

2. SIGNIFICANT ACCOUNTING PRINCIPLES

a) Cash and cash equivalents

The company currently has no cash. When cash is deposited on account, cash equivalents will include money market investments and deposits with original maturity dates of ninety days or less.

b) Related party transactions

Related party transactions are recorded in accordance with Canadian Institute of Chartered Accountants (CICA) Handbook Section 3840.

Related party transactions occurring under common control with Nova for asset transfers are recorded at the lower of fair value or the carrying amount of the transferor. Related party transactions involving operating expenditures in the normal course of business are recorded at the exchange amount under management's estimate of arms-length commercial terms.

c) Stock-based compensation

Under Canadian Generally Accepted Accounting Principles (GAAP), stock based payments or grants of rights to stock are valued at fair value and charged to operations or related assets upon grant if vested or over the vesting period if rights are not currently vested.

The issuance of time based escrow shares under a Plan of Arrangement that includes and contemplates subsequent share issuances under the plan are considered to be compensatory in nature to the extent they are issued at less than fair value. Management has determined that the 3,000,000 escrow shares issued pursuant to the plan, meet this criteria (Note 6).

PRO MINERALS INC.

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

2. SIGNIFICANT ACCOUNTING PRINCIPLES – CONT'D

d) Start-up and restructuring costs

Restructuring costs arising from the Plan of Arrangement (Notes 3 and 6) have been charged to deficit as a capital transaction. Costs incurred for raising capital including initial agency costs are deferred and will be charged against related capital raised or written off if planned capital is not raised. Costs incurred for administration are period costs and are expensed as incurred.

e) Income Taxes

The Company follows the liability method for calculating future income taxes. Under this method, future tax assets and liabilities are determined based on differences between the financial reporting and tax basis of assets and liabilities, and measured using the substantially enacted tax rates and laws that will be in effect when the differences are expected to reverse. In the case of unused tax losses, income tax reductions, and certain items that have a tax basis but cannot be identified with an asset or liability on the balance sheet, the recognition of future income tax assets is determined by reference to the likely realization of future income tax reductions. The Company has not recognized future income tax assets due to the uncertainty of realization.

f) Use of estimates

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Significant areas requiring the use of management estimates relate to the determination of fair values attributable to stock based transactions and related party transactions. Financial results as determined by actual events could differ from those estimates.

g) Mineral property interests

The Company records its interests in mineral properties, when acquired, at the lower of cost or estimated recoverable value. Where specific exploration programs are planned and budgeted by management, the cost of mineral properties and related exploration expenditures are capitalized until the properties are placed into commercial production, sold, abandoned or determined by management to be impaired in value. These costs will be amortized over the estimated useful lives of the properties following the commencement of production or written off if the properties are sold or abandoned.

Costs include the cash or other consideration and the fair market value of shares issued, if any, on the acquisition of mineral properties. Costs related to properties acquired under option agreements or joint ventures, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at such time as the payments are made. The proceeds from third party options or participation rights granted are deducted from the cost of the related property and any excess is deducted from other remaining capitalized property costs. The Company does not accrue the estimated future costs of maintaining its mineral properties in good standing.

Management will evaluate each mineral interest on a reporting period basis or as events and changes in circumstances warrant, and make a determination based on exploration activity and results, estimated future cash flows and availability of funding as to whether costs are capitalized or charged to operations. Mineral property interests, where future cash flows are not reasonably determinable, are evaluated for impairment based on management's intentions and determination of the extent to which future exploration programs are warranted and likely to be funded.

PRO MINERALS INC.

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

2. SIGNIFICANT ACCOUNT PRINCIPLES – CONT'D

General exploration costs when incurred, that are not related to specific properties are charged to operations in the period in which they are incurred.

h) Financial instruments

The Company's financial instruments consist of accounts payable, accrued liabilities and due to parent company. The fair value of the Company's current financial instruments are estimated by management to approximate their carrying values based on the immediate or short-term maturity of these instruments.

i) Earnings per share

The Company follows the treasury stock method for determining dilutive earnings (loss) per share. This method assumes that proceeds received from in-the-money stock options and share purchase warrants are used to repurchase common shares at the prevailing market rate.

Basic loss per share figures are calculated using the weighted average number of shares outstanding during the respective periods. Diluted loss per share figures are equal to those of basic loss per share as the Company has no dilutive instruments outstanding.

j) Risk management

The Company will be engaged primarily in mineral exploration and will manage related industry risk issues directly. The Company may be at future risk for environmental issues and fluctuations in commodity pricing. Management is not aware of any environmental remediation costs or liabilities in respect of its current or planned operations.

k) Non-monetary transactions

From inception and throughout the reporting period, management has provided services to the Company without remuneration. As management has determined that there is no reliable basis to measure the fair value of such services, no amount has been reported or accrued.

3. PLAN OF ARRANGEMENT

Under the Plan of Arrangement and memorandum of agreement dated November 15, 2006, Nova will transfer its interests (subject to prior encumbrances) in and to a group of six mineral properties known as the Ontario Properties. (See below).

Upon approval of legal and regulatory authorities and in connection with a planned initial public offering for listing on the TSX Venture Exchange, the property interests will be transferred from Nova to the Company upon completion of the Plan Of Arrangement. Consideration for the transfer will be equal to one common share of the Company for every five shares outstanding of Nova on the share distribution record date.

As at January 31, 2008, the number of shares to be issued is estimated at 17,690,870. This number may be adjusted for one-fifth of any further share issuances of Nova prior to completion of the plan.

PRO MINERALS INC.

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

3. PLAN OF ARRANGEMENT – CONT'D

The carrying values of properties transferred under the Plan of Arrangement from Nova are as follows:

	Ontario Properties	Acquisition Costs \$	Deferred Exploration Costs \$	Total Cost \$
a)	Bucke Pipe	64,850	259,803	324,653
b)	Gold Stock	16,000	7,431	23,431
c)	Golden Poly	121,360	47,671	169,031
d)	Solano	25,854	109,324	135,178
e)	Solarus	24,921	197,013	221,934
f)	Lone Eagle	<u>17,375</u>	<u>3,210</u>	<u>20,585</u>
		<u>270,360</u>	<u>624,452</u>	<u>894,812</u>

The amounts stated above may change for additional costs incurred by Nova up to the date of transfer.

- Pursuant to an option agreement dated March 25, 1996, Nova acquired a 100% interest in the Bucke Pipe property comprising one mineral claim located in the Bucke Township, Larder Lake Mining Division, Province of Ontario. The claim is subject to a 1.5% net smelter royalty. Nova has the right to reduce this royalty to 0% at any time by paying the vendor at \$500,000 per 0.5% net smelter royalty (NSR).
- Pursuant to an option agreement dated January 15, 1997, Nova has acquired a 100% interest in six mineral claims located in the Stock Township, Province of Ontario. The claims are subject to a 2% NSR. Nova has the right to purchase one-half of the royalty for \$500,000, and first right of refusal to purchase the balance of the royalty. (Gold Stock).
- Pursuant to an option agreement dated November 15, 1996, and amended April 18, 1997, Nova has acquired a 100% interest in seventeen mineral claims in Pense Township, Larder Lake Mining Division, Province of Ontario. The claims are subject to a 3% NSR. (Golden Poly). Pursuant to a purchase agreement dated December 29, 1997, Nova has acquired a 100% interest in one mineral claim located in the Pense Township, Larder Lake Mining Division, Province of Ontario. The claim is subject to a 1% NSR. (Golden Poly).

PRO MINERALS INC.

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

3. PLAN OF ARRANGEMENT – CONT'D

- d) Pursuant to a purchase agreement dated January 6, 2003, Nova acquired a 100% interest in four claims in Baden Township and one claim in Argyle Township, both in Larder Lake Mining Division, Province of Ontario. The claims are subject to a 2% NSR royalty. Nova has the right to reduce this royalty to 1% by paying the Optionor \$1,000,000. (Solano).
- e) Pursuant to a purchase agreement dated January 7, 2003, Nova acquired two claims in Klotz Lake Township, Thunder Bay Mining Division, Province of Ontario. The two purchased claims are subject to a 2% NSR. Nova has the right to reduce this royalty to a 1% by paying the Optionor \$1,000,000. (Solarus).
- f) Pursuant to a purchase agreement dated May 1, 2002, Nova has acquired a 100% interest in one mineral claim located in Playfair Township, Larder Lake Mining Division, Province of Ontario. The claim is subject to a 2% NSR. Nova has the right to reduce this royalty to 1% by paying the vendor \$1,000,000. (Lone Eagle).

The terms of the various agreements under which the Ontario Properties were acquired will transfer to the Company upon completion of the Plan of Arrangement.

4. INITIAL PUBLIC OFFERING PLANNED

The Company intends to make an initial public offering to list its shares for trading on the TSX Venture Exchange. Pursuant to an amended agency agreement dated January 12, 2007 the Company, through the agent, will offer a minimum of 3,000,000 units and a maximum of 4,400,000 units at a price of \$0.25 per unit, subject to the right of the agent to over allot the offering by up to 15%. Each unit will consist of one common share and one-half of one share purchase warrant. Each full warrant entitles the holder to acquire one additional common share for a period of 18 months from the closing date at a price of \$0.35 per share for the first 12 months and thereafter at a price of \$0.50 per share.

Under the agency agreement the agent will receive a non-refundable corporate finance fee of \$25,000 (plus GST) payable as to \$12,500 upon execution of the agency agreement (paid) and \$12,500 upon completion of the minimum subscription. A commission of eight (8%) percent of the subscription funds are payable upon closing. In addition, the agent will be granted an irrevocable and non-transferable option to purchase up to that number of common shares in the capital of the Company equal to twenty (20%) percent of the units sold pursuant to the initial public offering at a price of \$0.25 per share expiring 12 months following the closing of the offering.

Costs for agency and legal fees totaling \$102,959 have been deferred and will be charged against the public share offering when completed. Deferred costs are summarized as follows:

Agency fees	\$ 32,500	- (deposit)
Legal fees	<u>70,459</u>	- (included in accounts payable)
	<u>\$ 102,959</u>	

On November 26, 2007, the Company filed its final prospectus with the British Columbia Securities Commission.

PRO MINERALS INC.

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

5. SHARE CAPITAL

Authorized Unlimited number of common shares Issued		Number of <u>Shares</u>	<u>\$</u>
Initial incorporation share		1	1
Shares subject to escrow, at fair value	(i)	<u>3,000,000</u>	<u>150,000</u>
		<u>3,000,001</u>	<u>150,001</u>

(i) On May 1, 2006 the Company issued 3,000,000 escrow shares from treasury at an issue price of \$0.01 per share. The escrow shares will be released for trading on the following schedule:

- 1/10th on the date of listing on a Canadian exchange
- 1/6th of the remaining shares six months after the listing date
- 1/5th of the remaining shares twelve months after the listing date
- 1/4th of the remaining shares eighteen months after the listing date
- 1/3rd of the remaining shares twenty four months after the listing date
- 1/2 of the remaining shares thirty months after the listing date
- Balance of the remaining shares thirty six months after the listing date

The escrow shares may be released on an accelerated schedule upon the Company becoming a Tier 1 issuer on the TSX Venture exchange or listing on the TSX (Toronto Stock Exchange).

PRO MINERALS INC.

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

6. STOCK BASED TRANSACTIONS - RESTRUCTURING

Based on the Plan of Arrangement with Nova, the fair value of the escrow shares (Note 5) was determined by management to be \$0.05 per share. The excess of fair value over the consideration paid of \$120,000 is *considered to be compensatory relating to the restructuring under the Plan of Arrangement (Note 3). This amount has been charged to deficit as a capital transaction.*

Management used a fair value methodology based on the Plan of Arrangement for the proposed transfer of mineral properties as follows:

Escrow shares	3,000,000	\$	30,000
Estimate of shares to be issued under plan	<u>17,690,870</u>		<u>894,812</u>
	(a) 20,690,870	(b)	924,812
Pro-rata value per share – (b)/(a)	0.05		
Consideration paid	<u>(0.01)</u>		
Compensatory amount for restructuring	<u>0.04</u>	\$	<u>120,000</u>

The estimated number of shares is the amount estimated at the date of these financial statements.

The amount of shares to be issued under the Plan of Arrangement is subject to change as described in Note 3.

7. RELATED PARTY TRANSACTIONS

To date all transactions excluding the professional fees and the planned initial public offering expenditures have occurred with the parent company Nova. Nova initially advanced \$30,000 for deposits towards agency fees. This amount represented the share subscription amount for escrow shares issued to Nova (Note 5). As at April 30, 2007, Nova had advanced an additional \$2,500 on a non-interest bearing basis. There are no specified terms of repayment.

8. SUBSEQUENT EVENTS

On February 22, 2008, the Company's initial public offering was closed. A total of 3,000,000 units were issued at a price of \$0.25 per unit. Each unit consisted of one common share and one-half of one share purchase warrant. Each full warrant entitles the holder to acquire one additional common share for a period of 18 months from the closing date at a price of \$0.35 per share for the first 12 months and thereafter at a price of \$0.50 per share.

On March 5, 2008, the Company's shares were called for trading on the TSX Venture Exchange.

ITEM 13. DATE AND CERTIFICATE

Dated: June 18, 2008.

This Offering Memorandum does not contain a misrepresentation.

PRO MINERALS INC.

(signed) "**Christopher B. Chu**"

Christopher B. Chu
Chief Executive Officer

(signed) "**Norman P. Friend**"

Norman P. Friend
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) "**Robert D. Stewart**"

Robert D. Stewart
Director

(signed) "**Ian Casidy**"

Ian Casidy
Director

(signed) "**Adrian O'Brien**"

Adrian O'Brien
Director

**APELLA RESOURCES INC.
in its capacity as promoter of the Company**

(signed) "**Patrick O'Brien**"

Patrick O'Brien
President, Apella Resources Inc.

APPENDIX 1

**Private Placement Subscription Agreement
(Flow-Through)**

PRO MINERALS INC.

PRIVATE PLACEMENT SUBSCRIPTION AGREEMENT

INSTRUCTIONS TO PURCHASER

1. All purchasers must complete all the information in the boxes on pages 1 and 2 and sign where indicated with an "X".
2. All purchasers must complete two copies of the Risk Acknowledgement (Form 45-106F4) that starts on page 3.
3. If you are a resident of Alberta **and** purchasing Units having an aggregate purchase price of more than \$10,000, then complete the "Eligible Investor Certificate" that starts on page 5. ⁽¹⁾
 - (1) The purpose of this certificate is to determine whether you meet the standards for participation in a private placement for more than \$10,000 under the "offering memorandum" exemption in National Instrument 45-106.
4. If you are not purchasing as an individual (that is, the Purchaser is a corporation, partnership, trust or entity other than an individual), then complete and sign the TSX Venture Exchange "Form 4C - Corporate Placee Registration Form" that starts on page 8.

PLEASE MAKE SURE YOUR SUBSCRIPTION INCLUDES:

1. One (1) signed copy of this Subscription Agreement;
2. One (1) signed copy of the Risk Acknowledgement (Form 45-106F4);
3. If applicable, one (1) signed copy of the Eligible Investor Certificate;
4. If applicable, one (1) signed copy of the Form 4C – Corporate Placee Registration Form; and
5. A certified cheque or bank draft in an amount equal to the total purchase price (as contemplated on page 1 of this Subscription Agreement) payable to "Pro Minerals Inc."

PLEASE DELIVER YOUR SUBSCRIPTION TO:

Pro Minerals Inc.
Suite 1600 – 543 Granville Street
Vancouver, B.C. V6C 1X8
Tel: (604) 608 - 6168
Fax: (604) 683 - 8903
Attention: Christopher B. Chu

PRIVATE PLACEMENT SUBSCRIPTION AGREEMENT

TO: **Pro Minerals Inc.** (the "Issuer" or the "Corporation"), of Suite 1600 – 543 Granville Street, Vancouver, B.C. V6C 1X8

Subject and pursuant to the Terms on pages 10 and 11, the General Provisions on pages 12 to 18, the Flow-Through Provisions on pages 19 to 25 and the other schedules and appendices attached which are hereby incorporated by reference and form part of this Subscription Agreement, the undersigned (the "Purchaser") hereby irrevocably subscribes for, and on Closing will purchase from the Issuer, the following securities at the following price:

_____ Units (each Unit consisting of one Flow-Through Share and one Warrant) at a price of \$0.10 per Unit for a total purchase price of \$ _____.
--

The Purchaser directs the Issuer to issue, register and deliver the certificates representing the above securities as follows:

TO BE COMPLETED BY INDIVIDUAL PURCHASER	TO BE COMPLETED BY CORPORATE, PARTNERSHIP OR TRUST PURCHASER
Name of Purchaser- please print	Name of Purchaser – please print
Address of Purchaser (including postal code)	Address of Purchaser (including postal code)
Telephone Number and Email Address	Name and title of authorized signatory – please print
Social Insurance Number	Corporate Business Number
REGISTRATION INSTRUCTIONS	DELIVERY INSTRUCTIONS
Name to appear on certificates	Name and account reference, if applicable
Account reference if applicable	Contact name and Telephone number
Address (including postal code)	Address (including postal code)

EXECUTED by the Purchaser this _____ day of _____, 2008. By executing this Subscription Agreement, the Purchaser certifies that the Purchaser is resident at the address shown as the "Address of Purchaser".

WITNESS:	EXECUTION BY PURCHASER:
	X
Signature of Witness	Signature of individual (if Purchaser is an individual)
	X
Name of Witness	Authorized signatory (if Purchaser is not an individual)
Address of Witness	Name of Purchaser (please print)

ACCEPTANCE: The Issuer hereby accepts this Subscription Agreement, subject to the terms and conditions set forth in this Subscription Agreement and agrees to be bound by the Terms on pages 10 and 11, the General Provisions on pages 12 to 18, the Flow-Through Provisions on pages 19 to 25 and the other schedules and appendices incorporated by reference.

DATED this _____ day of _____, 2008.

PRO MINERALS INC.

Subscription No:

Per: _____
 Authorized Signatory

Actual holding of securities of the Issuer

The Purchaser confirms that (please check the appropriate boxes):

- ☐ it does not hold directly or indirectly nor exercise control over any common shares of the Issuer or securities convertible into common shares of the Issuer; or
- ☐ it holds directly or indirectly or exercises a control over _____ common shares of the Issuer and/or securities convertible into _____ common shares of the Issuer.
- ☐ it is or ☐ is not an *insider* of the Issuer as such term is defined in the Corporate Finance Manual of the TSX Venture Exchange (the "**Exchange**").
- ☐ it is or ☐ is not a member of the *pro group* as such term is defined in the Corporate Finance Manual of the Exchange.

FORM 45-106F4

Risk Acknowledgement

- I acknowledge that this is a risky investment.
- I am investing entirely at my own risk.
- No securities regulatory authority has evaluated or endorsed the merits of these securities or the disclosure in the offering memorandum.
- The person selling me these securities is not registered with a securities regulatory authority and has no duty to tell me whether this investment is suitable for me.
- I will not be able to sell these securities for 4 months. *[Instruction: Delete if the purchaser is a Manitoba resident]*
- I could lose all the money I invest.

I am investing \$_____ [total consideration] in total; this includes any amount I am obliged to pay in future. Pro Minerals Inc. will pay \$_____ [amount of fee or commission] of this to _____ [name of person selling the securities] as a fee or commission.

I acknowledge that this is a risky investment and that I could lose all the money I invest.

Date

Signature of Purchaser

Print name of Purchaser

Sign 2 copies of this document. Keep one copy for your records.

WARNING

You have 2 business days to cancel your purchase. *[Instruction: The issuer must complete this section before giving the form to the purchaser.]*

To do so, send a notice to Pro Minerals Inc. stating that you want to cancel your purchase. You must send the notice before midnight on the 2nd business day after you sign the agreement to purchase the securities. You can send the notice by fax or email or deliver it in person to Pro Minerals Inc. at its business address. Keep a copy of the notice for your records.

Issuer: Pro Minerals Inc.
Address: Suite 1600 – 543 Granville Street
Vancouver, B.C. V6C 1X8
Tel/Fax: Tel: 604-608 - 6168 / Fax: 604-683-8903
Email: info@promineralsinc.com

You are buying *Exempt Market Securities*

They are called *exempt market securities* because two parts of securities law do not apply to them. If an issuer wants to sell *exempt market securities* to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority.

There are restrictions on your ability to resell *exempt market securities*. *Exempt market securities* are more risky than other securities.

You will receive an offering memorandum

Read the offering memorandum carefully because it has important information about the issuer and its securities. Keep the offering memorandum because you have rights based on it. Talk to a lawyer for details about these rights.

You will not receive advice [Instruction: Delete if sold by registrant]

You will not get professional advice about whether the investment is suitable for you. But you can still seek that advice from a registered adviser or investment dealer. In Alberta, Manitoba, Northwest Territories, Prince Edward Island, Quebec and Saskatchewan, to qualify as an eligible investor, you may be required to obtain that advice. Contact the Investment Dealers Association of Canada (website at www.ida.ca) for a list of registered investment dealers in your area.

For more information on the *exempt market*, call your local securities commission.

Province/Territory	Name of Regulatory Authority	Telephone Number	Website Address
British Columbia	British Columbia Securities Commission	(604) 899 – 6500 1 (800) 373 - 6393	www.bccsc.bc.ca
Alberta	Alberta Securities Commission	(403) 297 – 6454	www.albertasecurities.com

The purchaser must sign two copies of this form. The purchaser and the issuer must each receive a signed copy.

**Eligible Investor Certificate
National Instrument 45-106**

(Alberta Residents Only)

Each Purchaser who is a resident of Alberta and subscribing for more than \$10,000 in Units and relying on the offering memorandum exemption contained in Part 2 of NI 45-106 is required to complete and execute this Certificate. Capitalized terms not specifically defined in this Certificate have the meaning ascribed to them in the Subscription Agreement to which this Certificate is attached.

The undersigned (the "**Purchaser**") understands that the Issuer and its counsel are relying on this information in determining to sell securities to the Purchaser in a manner exempt from the prospectus and registration requirements of applicable securities legislation.

In connection with the execution of the Subscription Agreement to which this certificate is attached, the Purchaser hereby represents and warrants to the Issuer that the Purchaser is purchasing the Units as principal, that the Purchaser is resident in the jurisdiction set out on the first page of the Subscription Agreement and that the Purchaser satisfies one or more of the categories indicated below (please **circle** the applicable letters):

- (a) a person whose:
 - (i) net assets, alone or with a spouse, in the case of an individual, exceed \$400,000;
 - (ii) net income before taxes exceeded \$75,000 in each of the two most recent calendar years and who reasonably expects to exceed that income level in the current calendar year; or
 - (iii) net income before taxes, alone or with a spouse, in the case of an individual, exceeded \$125,000 in each of the two most recent calendar year and who reasonable expects to exceed that income level in the current calendar year;
- (b) a person of which a majority of the voting securities are beneficially owned by eligible investors or a majority of the directors are eligible investors;
- (c) a general partnership in which all of the partners are eligible investors;
- (d) a limited partnership in which the majority of the general partners are eligible investors;
- (e) a trust or estate in which all of the beneficiaries or a majority of the trustees or executors are eligible investors;
- (f) an accredited investor;
- (g) a person that has obtained advice regarding the suitability of the investment and, if the person is resident in a jurisdiction of Canada, that advice has been obtained from an eligibility adviser;
- (h) a director, executive officer or control person of the issuer, or of an affiliate of the issuer;
- (i) a spouse, parent, grandparent, brother, sister or child of a director, executive officer or control person of the issuer, or of an affiliate of the issuer;
- (j) a parent, grandparent, brother, sister or child of the spouse of a director, executive officer or control person of the issuer, or of an affiliate of the issuer;
- (k) a close personal friend of a director, executive officer or control person of the issuer, or of an affiliate of the issuer;
- (l) a close business associate of a director, executive officer or control person of the issuer, or of an affiliate of the issuer;
- (m) a founder of the issuer or a spouse, parent, grandparent, brother, sister, child, close personal friend or close business associate of a founder of the issuer;
- (n) a parent, grandparent, brother, sister or child of a spouse of a founder of the issuer;
- (o) a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, persons described in paragraphs (h) to (n); or
- (p) a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are persons described in paragraphs (h) to (n).

The statements made in this Certificate are true and accurate to the best of my information and belief and I will promptly notify the Issuer if any statements made by the Purchaser in this Certificate cease to be true and accurate at any time prior to the Closing Date.

Dated _____ 2008.

X

Signature of individual (if Purchaser is an individual)

X

Authorized signatory (if Purchaser is **not** an individual)

Name of Purchaser (please print)

Name of authorized signatory (please print)

Official capacity of authorized signatory (please print)

For the purposes hereof:

- (a) **"accredited investor"** has the meaning ascribed to such term in National Instrument 45-106 and includes, but is not limited to, the following persons:
- (i) an individual who, either alone or with a spouse, beneficially owns, directly or indirectly, financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds \$1,000,000;
 - (ii) an individual whose net income before taxes exceeded \$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year;
 - (iii) an individual who, either alone or with a spouse, has net assets of at least \$5,000,000;
 - (iv) a person, other than an individual or investment fund, that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements;
 - (v) a person acting on behalf of a fully managed account managed by that person, if that person (A) is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction; and (B) in Ontario, is purchasing a security that is not a security of an investment fund; or
 - (vi) a person in respect of which all of the owners of interests, direct or indirect, legal or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors.
- (b) **"control person"** has the same meaning as in securities legislation except in Manitoba, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island and Quebec where control person means any person that holds or is one of a combination of persons that holds
- (i) a sufficient number of any of the securities of an issuer so as to affect materially the control of the issuer; or
 - (ii) more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holding of those securities does not affect materially the control of the issuer.
- (c) **"director"** means
- (i) a member of the board of directors of a company or an individual who performs similar functions for a company; and
 - (ii) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company.
- (d) **"eligibility adviser"** means
- (i) a person that is registered as an investment dealer or in an equivalent category of registration under the securities legislation of the jurisdiction of a purchaser and authorized to give advice with respect to the type of security being distributed, and
 - (ii) in Saskatchewan or Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not
 - (A) have a professional, business or personal relationship with the issuer, or any of its directors, executive officers, founders, or control persons, and
 - (B) have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months.

- (e) **"executive officer"** means, for an issuer, an individual who is
- (i) a chair, vice-chair or president;
 - (ii) a vice-president in charge of a principal business unit, division or function including sales, finance or production;
 - (iv) an officer of the issuer or any of its subsidiaries and who performs a policy-making function in respect of the issuer; or
 - (v) performing a policy-making function in respect of the issuer.
- (f) **"financial assets"** means
- (i) cash;
 - (ii) securities; or
 - (iii) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation.
- (g) **"foreign jurisdiction"** means a country other than Canada or a political subdivision of a country other than Canada.
- (h) **"founder"** means, in respect of an issuer, a person who,
- (i) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and
 - (ii) at the time of the trade is actively involved in the business of the issuer;
- (i) **"fully managed account"** means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction.
- (j) **"individual"** means a natural person, but does not include
- (i) a partnership, unincorporated association, unincorporated syndicate, unincorporated organization or a trust, or
 - (ii) a natural person in the person's capacity as trustee, executor, administrator or other legal representative;
- (k) **"investment fund"** has the same meaning as in National Instrument 81-106 *Investment Fund Continuous Disclosure*.
- (l) **"jurisdiction"** means a province or territory of Canada except when used in the term foreign jurisdiction.
- (m) **"local jurisdiction"** means the jurisdiction in which the applicable securities regulatory authority is situate.
- (n) **"person"** includes an individual, corporation, partnership, trust, fund, association, syndicate, organization or other organized group of persons, whether incorporated or not, and an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative.
- (o) **"related liabilities"** means:
- (i) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets; or
 - (ii) liabilities that are secured by financial assets.
- (p) **"securities legislation"** means, for the local jurisdiction, the instruments listed in Appendix B on NI 14-101 opposite the name of the local jurisdiction.
- (q) **"spouse"** means, an individual who
- (i) is married to another individual and is not living separate and apart within the meaning of the Divorce Act (Canada), from the other person,
 - (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or
 - (iii) in Alberta, is an individual referred to in paragraph (i) or (ii), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta).

FORM 4C**TSX venture
EXCHANGE****CORPORATE PLACEE REGISTRATION FORM**

Where subscribers to a Private Placement are not individuals, the following information about the placee must be provided. This Form will remain on file with the Exchange. The corporation, trust, portfolio manager or other entity (the "Placee") need only file it on one time basis, and it will be referenced for all subsequent Private Placements in which it participates. If any of the information provided in this Form changes, the Placee must notify the Exchange prior to participating in further placements with Exchange listed companies. If as a result of the Private Placement, the Placee becomes an Insider of the Issuer, Insiders of the Placee are reminded that they must file a Personal Information Form (2A) or, if applicable, Declarations, with the Exchange.

1. Placee Information:

(a) Name: _____

(b) Complete Address: _____

(c) Jurisdiction of Incorporation or Creation: _____

2. (a) Is the Placee purchasing securities as a portfolio manager (Yes/No)? _____

(b) Is the Placee carrying on business as a portfolio manager outside of Canada (Yes/No)? _____

3. If the answer to 2(b) above was "Yes", the undersigned certifies that:

- (a) It is purchasing securities of an Issuer on behalf of managed accounts for which it is making the investment decision to purchase the securities and has full discretion to purchase or sell securities for such accounts without requiring the client's express consent to a transaction;
- (b) it carries on the business of managing the investment portfolios of clients through discretionary authority granted by those clients (a "portfolio manager" business) in _____ [jurisdiction], and it is permitted by law to carry on a portfolio manager business in that jurisdiction;
- (c) it was not created solely or primarily for the purpose of purchasing securities of the Issuer;
- (d) the total asset value of the investment portfolios it manages on behalf of clients is not less than \$20,000,000; and
- (e) it has no reasonable grounds to believe, that any of the directors, senior officers and other insiders of the Issuer, and the persons that carry on investor relations activities for the Issuer has a beneficial interest in any of the managed accounts for which it is purchasing

4. If the answer to 2(a) above was "No", please provide the names and addresses of control persons of the Placee:

Name	City	Province or State	Country

The undersigned acknowledges that it is bound by the provisions of applicable Securities Law, including provisions concerning the filing of insider reports and reports of acquisitions (See for example, sections 87 and 111 of the *Securities Act* (British Columbia) and sections 176 and 182 of the *Securities Act* (Alberta)).

Acknowledgement - Personal Information

“Personal Information” means any information about an identifiable individual, and includes information contained in sections 1, 2 and 4, as applicable, of this Form.

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

- (a) the disclosure of Personal Information by the undersigned to the Exchange (as defined in Appendix 6B) pursuant to this Form; and
- (b) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6B or as otherwise identified by the Exchange, from time to time.

Dated at _____ on _____.

(Name of Purchaser - please print)

(Authorized Signature)

(Official Capacity - please print)

(please print name of individual whose signature appears above)

THIS IS NOT A PUBLIC DOCUMENT

TERMS

Reference Date	This Subscription Agreement is dated for reference June 18, 2008.
The Issuer	Pro Minerals Inc. , a company incorporated under the laws of British Columbia.
Offering	<p>This offering consists of up to a total of 3,000,000 units (the “Units”) at a price of \$0.10 per Unit for a maximum offering of \$300,000, subject to the right of the Issuer to increase the total number of Units sold under the offering at any time in its sole discretion.</p> <p>However, this offering is not subject to any minimum subscription level and may be completed upon the sale of such number of Units as the Issuer, in its sole discretion, determines. Accordingly, you may be the only purchaser.</p>
Securities	<p>Each Unit consists of one “flow-through” common share without par value in the capital of the Issuer as presently constituted (a “Flow-Through Share”) and one share purchase warrant (a “Warrant”) of the Issuer.</p> <p>Each Flow-Through Share will, upon issuance, constitute a “flow-through share” as defined in subsection 66(15) of the <i>Income Tax Act</i> (Canada) and have the special “flow-through” share features set out in the Flow-Through Share Provisions.</p> <p>Each whole Warrant will entitle the holder, on exercise, to purchase one additional common share of the Issuer, that will not be a “flow-through share”, (a “Warrant Share”) for a period of 2 years from the date of issue of the Warrant at a price of \$0.20 per Warrant Share during the first year and \$0.25 per Warrant Share during the second year.</p>
Price	\$0.10 per Unit
Warrants	<p>The Warrants will be transferable and include, among other things, provisions for the appropriate adjustment in the class, number and price of the Warrant Shares issued upon exercise of the Warrants upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Issuer’s common shares and the merger, amalgamation or corporate reorganization of the Issuer.</p> <p>The issue of the Warrants will not restrict or prevent the Issuer from obtaining any other financing, or from issuing additional securities or rights, during the period within which the Warrants may be exercised.</p>
Offering Jurisdictions	The Units may be sold in certain provinces and territories of Canada including British Columbia and Alberta in accordance with available exemptions and such other jurisdictions in which the Units may be lawfully offered for sale under applicable securities legislation as determined by the Issuer in its sole discretion (collectively the “ Offering Jurisdictions ”).
Exemptions	The Offering will be made in accordance with, inter alia, the “offering memorandum” exemption in section 2.9 of NI 45-106 in the Offering Jurisdictions.
Closing Date	Closing of the purchase and sale of the Units will take place within five business days of the receipt of conditional acceptance by the Exchange of this Private Placement (estimated to occur on or about June 30, 2008).

**Resale restrictions
and legends**

The Flow-Through Shares, the Warrants and the Warrant Shares, if any, will be subject to a four month hold period that starts to run on the Closing Date.

The Purchaser acknowledges that the certificates representing the Securities will bear the following legends:

“Unless permitted under securities legislation, the holder of this security must not trade the security before [date that is four months and a day after the Closing.]”

“Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [date that is four months and a day after the Closing].”

The Purchaser is advised to consult with its own legal counsel or advisors to determine the resale restrictions that may be applicable to it.

Stock Exchange Listing

The Common Shares of the Issuer are listed on the TSX Venture Exchange (the “Exchange”) under symbol PRM.

End of Terms

GENERAL PROVISIONS

1. DEFINITIONS

1.1 In this Subscription Agreement (including the cover page, the Terms on pages 9 to 10, the General Provisions on pages 12 to 18, the Flow-Through Provisions on pages 19 to 25 and the other schedules and appendices incorporated by reference), the following words have the following meanings unless otherwise indicated:

- (a) “1933 Act” means the United States Securities Act of 1933, as amended;
- (b) “Applicable Legislation” means, as applicable, the securities laws, regulations, rules, rulings and orders in the Offering Jurisdictions in Canada and all applicable administrative policy statements, notices and other administrative directions issued by the securities regulatory authorities in each of the Offering Jurisdictions of Canada and together with the applicable rules and policies of the Exchange;
- (c) “Closing” means the closing of the sale and purchase of Units under this Private Placement;
- (d) “Closing Date” means the date upon which the Closing of this Private Placement takes place;
- (e) “Commissions” means the securities commission or other equivalent regulatory authority in the Offering Jurisdictions;
- (f) “Flow-Through Share Provisions” means that portion of this Subscription Agreement headed “Flow-Through Shares Provisions” and contained on pages 19 to 25;
- (g) “Flow-Through Shares” has the meaning assigned in the Terms;
- (h) “Eligible Investor” means a person who falls into one or more of the categories set out in the “Eligible Investor Certificate”;
- (i) “Eligible Investor Certificate” means the Eligible Investor Certificate found at pages 5 to 7 of this Subscription Agreement;
- (j) “Exchange” has the meaning assigned in the Terms;
- (k) “General Provisions” means that portion of this Subscription Agreement headed “General Provisions” and contained on pages 12 to 18;
- (l) “NI 45-106” means National Instrument 45-106 *Prospectus and Registration Exemptions* as adopted by the Commissions;
- (m) “Offering Jurisdictions” has the meaning assigned in the Terms;
- (n) “Offering Memorandum” means the Issuer’s offering memorandum dated June 18, 2008, as may be amended from time to time;
- (o) “Private Placement” means the offering of the Units on the terms and conditions of this Subscription Agreement;
- (p) “Regulation S” means Regulation S promulgated under the 1933 Act;

- (q) "Regulatory Authorities" means the Commissions and the Exchange;
- (r) "Securities" means the Flow-Through Shares, the Warrants and the Warrant Shares;
- (s) "Subscription Agreement" means this agreement including the cover page, the Terms on pages 10 and 11, the General Provisions on pages 12 to 18, the Flow-Through Share Provisions on pages 19 to 25 and the other schedules and appendices incorporated by reference;
- (t) "Terms" means that portion of this Subscription Agreement headed "Terms" and contained on pages 10 and 11;
- (u) "Units" has the meaning assigned in the Terms; each Unit consisting of one Flow-Through Share and one Warrant;
- (v) "Warrants" has the meaning assigned in the Terms; and
- (w) "Warrant Shares" has the meaning assigned in the Terms.

1.2 In this Subscription Agreement, the following terms have the meanings defined in Regulation S: "Directed Selling Efforts", "Foreign Issuer", "Substantial U.S. Market Interest", "U.S. Person" and "United States".

1.3 In this Subscription Agreement, unless otherwise specified, currencies are indicated in Canadian dollars.

1.4 In this Subscription Agreement, other words and phrases that are capitalized have the meaning assigned in this Subscription Agreement.

2. REPRESENTATIONS AND WARRANTIES OF PURCHASER

2.1 The Purchaser acknowledges that:

- (a) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Securities;
- (b) there is no government or other insurance covering the Securities;
- (c) there are risks associated with the purchase of the Securities;
- (d) there are restrictions on the Purchaser's ability to resell the Securities and it is the responsibility of the Purchaser to find out what those restrictions are and to comply with them before selling the Securities;
- (e) the Issuer has advised the Purchaser that the Issuer is relying on an exemption from the requirements to provide the Purchaser with a prospectus and to sell securities through a person registered to sell securities under the Applicable Legislation and, as a consequence of acquiring securities pursuant to this exemption, certain protections, rights and remedies provided by the Applicable Legislation, including statutory rights of rescission or damages, may not be available to the Purchaser;
- (f) no prospectus has been prepared or filed by the Issuer with the Commissions in connection with the issuance of the Securities, the issuance is exempted from the prospectus and registration requirements of the Applicable Legislation and:
 - (i) the Purchaser may be restricted from using most of the civil remedies available under the Applicable Legislation;
 - (ii) the Purchaser may not receive certain information and the Issuer is relieved from certain obligations to give information that would otherwise be required to be given or satisfied under the Applicable Legislation; and

- (iii) the Issuer is relieved from certain obligations that would otherwise apply under the Applicable Legislation;
- (g) the Purchaser acknowledges that the Securities have not been registered under the 1933 Act and may not be offered or sold in the United States unless registered under the 1933 Act and the securities laws of all applicable states of the United States or an exemption from such registration requirements is available, and that the Issuer has no obligation or present intention of filing a registration statement under the 1933 Act in respect of the Securities;
- (h) the Issuer's counsel is acting solely for the Issuer in connection with the Private Placement and the Purchaser acknowledges that it has been encouraged to and should obtain independent legal, income tax and investment advice with respect to its subscription for these Securities and accordingly, has been independently advised as to the meanings of all terms contained herein relevant to the Purchaser for purposes of giving representations, warranties and covenants under this Subscription Agreement;
- (i) the sale and delivery of the Securities to the Purchaser is conditional upon such sale being exempt, under the Applicable Legislation, or upon the issuance of such orders, consents or approvals as may be required to permit such sale without the requirement of filing a prospectus; and
- (j) this Subscription Agreement requires the Purchaser to provide certain personal information to the Issuer and that such information is being collected by the Issuer for the purposes of completing the proposed offering of Securities, which includes, without limitation, determining the Purchaser's eligibility to purchase the Securities under Applicable Legislation, preparing and registering certificates representing the Flow-Through Shares and Warrants comprising the Units and completing filings required by the Regulatory Authorities. The Purchaser's personal information may be disclosed by the Issuer to: (a) stock exchanges or securities regulatory authorities including the Regulatory Authorities, (b) the Issuer's registrar and transfer agent, and (c) any of the other parties involved in the Private Placement, including legal counsel, and may be included in record books in connection with the Private Placement. By executing this Subscription Agreement, the Purchaser is deemed to be consenting to the foregoing collection, use and disclosure of the Purchaser's personal information. The Purchaser also consents to the filing of copies or originals of any of the Purchaser's documents related to its subscription for Securities as may be required to be filed with the Regulatory Authorities in connection with the transactions contemplated hereby.

2.2 The Purchaser represents and warrants to the Issuer and its counsel (and acknowledges that the Issuer and its counsel are relying thereon), both at the date hereof and at the Closing Date, that:

- (a) to the best of the Purchaser's knowledge, the Securities were not advertised;
- (b) no person has made to the Purchaser any written or oral representations:
 - (i) that any person will resell or repurchase the Securities;
 - (ii) that any person will refund the purchase price of the Securities;
 - (iii) as to the future price or value of any of the Securities; or
 - (iv) that any of the Securities will be listed and posted for trading on a stock exchange or that application has been made to list and post any of the Securities for trading on any stock exchange, other than the Flow-Through Shares and the Warrant Shares, as the case may be, on the Exchange;
- (c) this subscription has not been solicited in any other manner contrary to the Applicable Legislation or the 1933 Act;
- (d) the Purchaser is at arm's length (as that term is customarily defined) with the Issuer;

- (e) the Purchaser was offered the Securities in, and is a resident of the jurisdiction shown as the "Address of Purchaser" on page 1 hereof (and such address is the true and correct address of the residence or place of business of the Purchaser at which the offer to purchase the Securities was received and accepted) and:
- (i) is not a U.S. Person and is not and will not be purchasing the Securities for the account of or the benefit of any U.S. Person;
 - (ii) was not offered the Securities in the United States and, at the time the Purchaser's subscription order was communicated to the Issuer, was outside the United States; and
 - (iii) did not execute or deliver this Subscription Agreement in the United States;
- (f) the Purchaser received a copy of the Offering Memorandum at the same time or before the Purchaser executed this Subscription Agreement;
- (g) the Purchaser is purchasing the Securities as principal for his or her own account and not with a view to resale or distribution of any of the Securities and no other person, company, corporation, firm or other organization will have a beneficial interest in the Securities;
- (h) if the Purchaser is resident in Alberta and purchasing Units having an aggregate subscription price in excess of \$10,000, the Purchaser is an Eligible Investor and specifically represents and warrants that one or more of the categories set forth in the Eligible Investor Certificate correctly, in all respects, describes the Purchaser and will describe the Purchaser as at Closing, and the Purchaser has so indicated by circling the applicable letter next to the category which so describes it and executing and delivering such certificate;
- (i) the Purchaser has been advised to consult its own legal and tax advisors with respect to applicable resale restrictions and tax considerations, and it is solely responsible for compliance with applicable resale restrictions and applicable tax legislation;
- (j) the Purchaser has no knowledge of a "material fact" or "material change" (as those terms are defined in the Applicable Legislation) in the affairs of the Issuer that has not been generally disclosed to the public, except knowledge of this particular transaction;
- (k) in purchasing the Securities, the Purchaser has relied solely upon the information contained in the Offering Memorandum, this Subscription Agreement or otherwise publicly available through The System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com which the Issuer is required to file as a consequence of being a reporting issuer in Canada and not upon any verbal or written representation as to any fact or otherwise made by or on behalf of the Issuer or any other person associated therewith and the Purchaser confirms that neither the Issuer nor its counsel have made any verbal or written representation to it as to any fact relating to the Issuer or otherwise, save and except as expressly provided for herein;
- (l) the offer made by this subscription is irrevocable (subject to the Purchaser's right to withdraw the subscription as set out in the Offering Memorandum) and requires acceptance by the Issuer and approval of the Exchange;
- (m) if the Purchaser is an individual, it is of the full age of majority and has all requisite legal capacity and competence to execute and deliver this Subscription Agreement and to observe and perform its covenants and obligations hereunder, or if the Purchaser is a corporation, the Purchaser is a valid and subsisting corporation, has the necessary corporate capacity and authority to execute and deliver this offer, to subscribe for the Purchaser's Securities and to observe and perform its covenants and obligations hereunder and has taken all necessary corporate action in respect thereof, or, if the Purchaser is a partnership, syndicate or other form of unincorporated organization, the Purchaser has the necessary legal capacity and authority to execute and deliver this offer, to subscribe for the Purchaser's Securities and to observe and perform its covenants and obligations hereunder and has obtained all necessary approvals in respect thereof, and, in any case, upon acceptance by the Issuer, this offer will constitute a legal, valid and binding contract of the Purchaser enforceable against the

Purchaser in accordance with its terms and will not result in a violation of or create a state of facts which, after notice, lapse of time or both, would constitute a default of breach of any of the Purchaser's constating documents, by-laws or authorizing resolutions (if applicable) or any agreement, written or oral, to which the Purchaser is a party or by which it is bound or any law applicable to the Purchaser;

- (n) the Purchaser is not a "control person" of the Issuer as defined in the Applicable Legislation, will not become a "control person" by virtue of this purchase of the Securities, and does not intend to act in concert with any other person to form a control group of the Issuer;
- (o) the Purchaser has been advised to consult its own legal advisors with respect to trading in the Securities and with respect to the applicable hold period and resale restrictions imposed in respect of the Securities by the Applicable Legislation in the jurisdiction in which the Purchaser resides and is aware of the risks and other characteristics of the Securities and of the fact that the Purchaser may not be able to resell the Securities except in accordance with the Applicable Legislation;
- (p) the Purchaser is capable of assessing the proposed investment as a result of the Purchaser's financial and business experience or as a result of advice received from an eligibility adviser (as defined under the Applicable Legislation) other than the Issuer or any affiliates of the Issuer;
- (q) none of the funds being used to purchase the Purchaser's Securities are to the Purchaser's knowledge proceeds obtained or derived directly or indirectly as a result of illegal activities. The funds being used to purchase the Purchaser's Securities which will be advanced by the Purchaser to the Issuer hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) Act* (Canada) (the "PCMLA") and the Purchaser acknowledges that the Issuer may in the future be required by law to disclose the Purchaser's name and other information relating to this Agreement and the Purchaser's subscription hereunder, on a confidential basis, pursuant to the PCMLA. To the best of its knowledge (a) none of the funds to be provided by the Purchaser are being tendered on behalf of a person or entity who has not been identified to the Purchaser, and (b) it shall promptly notify the Issuer if the Purchaser discovers that any of such representations ceases to be true, and to provide the Issuer with appropriate information in connection therewith; and
- (r) if required by applicable securities legislation, policy or order or by any securities commission, stock exchange or other regulatory authority, the Purchaser will execute, deliver, file and otherwise assist the Issuer in filing, such reports, undertakings and other documents with respect to the issue of the Securities as may be required.

2.3 The representations and warranties in this Subscription Agreement are made by the Purchaser with the intent that they be relied upon by the Issuer and its counsel in determining its suitability as a purchaser of Securities, and the Purchaser hereby agrees to indemnify the Issuer and its counsel against all losses, claims, costs, expenses and damages or liabilities which any of them may suffer or incur as a result of reliance thereon. The Purchaser undertakes to notify the Issuer immediately of any change in any representation, warranty or other information relating to the Purchaser set forth in this Subscription Agreement which takes place prior to the Closing.

2.4 The representations and warranties contained in this Section will survive the Closing.

2.5 This Agreement has been entered into by the Purchaser for valuable consideration and, save and except as set out in the Offering Memorandum, shall not be withdrawn or revoked by the Purchaser and shall not be assignable by the Purchaser without the written consent of the Issuer which consent may be unreasonably withheld.

3. CLOSING

3.1 This Agreement is subject to the acceptance of the Exchange.

3.2 The Closing of the transactions contemplated by this Subscription Agreement will take place within five business days of the receipt of conditional acceptance by the Exchange of this Private Placement or such other date as the Issuer may, in its discretion, determine.

3.3 Upon Closing, the Issuer will deliver to or to the order of the Purchaser the certificates representing the Flow-Through Shares and the Warrants registered in the name of the Purchaser or its nominee.

3.4 The Purchaser acknowledges that, although Securities may be issued to other purchasers under the Private Placement concurrently with the Closing, there may be other sales of Securities under the Private Placement as more particularly described under the Terms, some or all of which may close before or after the Closing. The Purchaser further acknowledges that there is a risk that insufficient funds may be raised on the Closing to fund the Issuer's objectives and that further closings may not take place after the Closing.

4. RESALE RESTRICTIONS

4.1 The Purchaser acknowledges that, unless permitted under the Applicable Legislation, the Securities may not be traded before the date that is four (4) months and a day after the Closing Date.

4.2 The Purchaser further acknowledges that the certificates representing the Securities will contain legends relating to any restrictions on transfer imposed by the Applicable Legislation and the policies of the Exchange as set out in the Terms and the Purchaser agrees to sell, assign or transfer the Securities only in accordance with such legends, legislation and policies.

5. MISCELLANEOUS

5.1 The Purchaser hereby authorizes the Issuer to correct any minor errors in, or complete any minor information missing from any part of this Subscription Agreement and any other schedules, forms, certificates or documents executed by the Purchaser and delivered to the Issuer in connection with the Private Placement.

5.2 The Issuer may rely on delivery by fax machine or scanned email of an executed copy of this subscription, and acceptance by the Issuer of such faxed or scanned email copy will be equally effective to create a valid and binding agreement between the Purchaser and the Issuer in accordance with the terms of this Subscription Agreement.

5.3 Without limitation, this subscription and the transactions contemplated by this Subscription Agreement are conditional upon and subject to the Issuer's having obtained such regulatory approval of this subscription and the transactions contemplated by this Subscription Agreement as the Issuer considers necessary.

5.4 This Subscription Agreement is not assignable or transferable by the parties hereto without the express written consent of the other party to this Subscription Agreement.

5.5 Time is of the essence of this Subscription Agreement and will be calculated in accordance with the provisions of the *Interpretation Act* (British Columbia).

5.6 Except as expressly provided in this Subscription Agreement and in the agreements, instruments and other documents contemplated or provided for in this Subscription Agreement, this Subscription Agreement contains the entire agreement between the parties with respect to the Securities and there are no other terms, conditions, representations or warranties whether expressed, implied, oral or written, by statute, by common law, by the Issuer, or by anyone else.

5.7 The parties to this Subscription Agreement may amend this Subscription Agreement only in writing.

5.8 This Subscription Agreement enures to the benefit of and is binding upon the parties to this Subscription Agreement and their respective heirs, executors, administrators, successors and permitted assigns.

5.9 A party to this Subscription Agreement will give all notices to or other written communications with the other party to this Subscription Agreement concerning this Subscription Agreement by hand or by first class mail addressed to the address given on page 1.

5.10 The contract arising out of this Subscription Agreement and all documents relating thereto, have been or will be drafted in English only by common accord among the parties. Le soussignée reconnaît par les présentes qu'il a exigé que le contrat résultant de cette convention de souscription ainsi que tous documents y afférents soient rédigés en langue anglaise seulement.

5.11 This Subscription Agreement is to be read with all changes in gender or number as required by the context.

5.12 This Subscription Agreement will be governed by and construed in accordance with the internal laws of British Columbia (without reference to its rules governing the choice or conflict of laws), and the parties hereto irrevocably attorn and submit to the exclusive jurisdiction of the courts of British Columbia with respect to any dispute related to this Subscription Agreement.

End of General Provisions

FLOW-THROUGH SHARE PROVISIONS

WHEREAS:

A. Pro Minerals Inc. (the "Corporation") has certain interests in mineral resource properties situated in Canada (collectively, the "**Property**");

B. The Corporation is a "principal-business corporation" as that phrase is defined in subsection 66(15) of the *Income Tax Act* of Canada (the "**ITA**");

C. It is the intention of the Corporation, either alone or in conjunction with others, to carry out or participate in an exploration program on the Property for the purpose of determining the existence, location, extent and quality of the mineral resources located thereon (the "**Exploration Program**");

D. The expenses incurred in performing the Exploration Program will qualify as:

(i) "Canadian exploration expense" as described in paragraph (f) or (g) of the definition thereof in subsection 66.1(6) of the ITA if they are incurred in 2008 and as described in paragraph (f) of the definition thereof in that subsection if they are incurred in 2009 (other than expenditures which constitute "Canadian exploration and development overhead expense" ("**CEDOE**") as prescribed for the purposes of paragraph 66(12.6)(b) of the ITA and seismic expenses specified in paragraph 66(12.6)(b.1) of the ITA), and

(ii) if applicable, "flow-through mining expenditures" for the purposes of the ITA (the "FTME Credit") to the extent such expenditures are incurred or deemed to have been incurred on or before December 31, 2008 (the "FTME Deadline") and, for greater certainty, those expenses will be incurred by conducting mining exploration activities from or above the surface of the earth for the purpose of determining the existence, location, extent or quality of a "mineral resource" (as that phrase is defined in the ITA) which is a base or precious metal deposit, or a mineral deposit in respect of which:

(A) the federal Minister of Natural Resources has certified that the principal mineral extracted is an industrial mineral contained in a non-bedded deposit,

(B) the principal mineral extracted is ammonite gemstone, calcium chloride, diamond, gypsum, halite, kaolin or sylvite, or

(C) the principal mineral extracted is silica that is extracted from sandstone or quartzite;

and which is not an expense in respect of:

(D) trenching, if one of the purposes of the trenching is to carry out preliminary sampling (other than Specified Sampling),

(E) digging test pits (other than digging test pits for the purpose of carrying out Specified Sampling), and

(F) preliminary sampling (other than Specified Sampling), and

which qualifying expenses are collectively hereinafter referred to as "**Qualifying Expenses**";

E. Certain persons (individually, the "**Purchaser**") have agreed to fund, in part, the Exploration Program by purchasing Flow-Through Shares in accordance with the terms of this Agreement; and

F. The Corporation has agreed to apply the Flow-Through Funds to carry out the Exploration Program and to renounce the Qualifying Expenses associated therewith to the Purchaser in accordance with the terms of these Flow-Through Share Provisions.

1. DEFINITIONS

In these Flow-Through Share Provisions, the following words have the following meanings unless otherwise indicated:

- (a) "Agreement" means the subscription agreement between the Corporation and the Purchaser dated for reference June 18, 2008 pursuant to which they irrevocably agreed to be bound by the terms and conditions set forth in, inter alia, these Flow-Through Share Provisions and, for greater certainty, includes these Flow-Through Share Provisions;
- (b) "CRA" means the Canada Revenue Agency;
- (c) "CEDOE" has the meaning set forth in recital D above;
- (d) "Closing" means the completion of the sale and purchase of the Flow-Through Shares;
- (e) "Closing Year" means the calendar year in which the Closing takes place;
- (f) "Exploration Account" has the meaning set out in the provisions under the heading FLOW-THROUGH SHARES below;
- (g) "Exploration Program" has the meaning set forth in recital C above;
- (g) "Flow-Through Funds" means \$0.0999 per Flow-Through Share;
- (h) "Flow-Through Shares" means the previously unissued common shares of the Corporation that constitute "flow-through shares" as defined in subsection 66(15) of the ITA and having the special "flow-through" features described in these Flow-Through Share Provisions;
- (l) "ITA" has the meaning set forth in recital B above;
- (m) "Notice Requirement" has the meaning set out in the provisions under the heading SCHEDULE FOR INCURRING QUALIFYING EXPENSES below;
- (n) "Property" has the meaning set forth in recital A above;
- (o) "Purchaser" has the meaning set forth in recital E above;
- (p) "Qualifying Expenses" has the meaning set forth in recital D above;
- (r) "Specified Sampling" means the collecting and testing of samples in respect of a "mineral resource" (as that phrase is defined in the ITA) except that specified sampling does not include:
 - (i) the collecting or testing of a sample that, at the time the sample is collected, weighs more than 15 tonnes, and
 - (ii) the collecting or testing of a sample collected at any time in a calendar year in respect of any one "mineral resource" if the total weight of all such samples collected (by the Corporation, any partnership of which it is a member or any combination of the Corporation and any such partnership) in the period in the calendar year that is before that time (other than samples each of which weighs less than one tonne) exceeds 1,000 tonnes.

2. FLOW-THROUGH SHARES

Following receipt by the Corporation of the Flow-Through Funds from the Purchaser and its acceptance of this Agreement by the Corporation, the Corporation will:

- (a) deposit an amount equal to the Flow-Through Funds in a bank account (the "Exploration Account") established by the Corporation for the purpose of financing the Exploration Program; and
- (b) issue to the Purchaser the number of Flow-Through Shares subscribed and paid for by the Purchaser.

3. ADDITIONAL PURCHASERS TO PARTICIPATE IN THE PROGRAM

The Purchaser acknowledges that the Corporation has entered into and will be entering into agreements similar to this Agreement with other persons in respect of Flow-Through Shares. Such agreements will be made and be dated for reference the same date as this Agreement. An amount equal to any Flow-Through Funds paid to the Corporation pursuant to the terms of such agreements will also be deposited in the Exploration Account. If the Corporation, however, sells rights to acquire, or issues, "flow-through" common shares pursuant to private placements or pursuant to other public offerings, any subscription funds received from such private placements or public offerings will be deposited into a bank account separate from the Exploration Account and will not be commingled with the funds deposited in the Exploration Account, it being the intention of the Corporation that a separate subscriber's Exploration Account be established for each such private placement or public offering. The Corporation will expend each subscriber's Exploration Account in the order of:

- (a) the reference date of any private placement "flow-through" subscription agreements entered into for such private placements; and
- (b) the date of closing of such public offerings,

such that the subscription funds from the oldest "flow-through" financing will always be spent first and renunciation made in respect of such expenditures before any renunciations are made in respect of any Qualifying Expenses that are financed from subsequent "flow-through" financings.

4. APPLICATION OF EXPLORATION ACCOUNT

Subject to the Corporation's right to revise the Exploration Program as provided in the provisions under the heading REVISION OF EXPLORATION PROGRAM below, the Corporation will apply the Flow-Through Funds deposited in the Exploration Account exclusively for the purpose of performing the Exploration Program and the Corporation will only apply such funds to incur expenditures which are Qualifying Expenses.

5. ACCRUED INTEREST ON EXPLORATION ACCOUNT

The Purchaser acknowledges that any interest accruing on Flow-Through Funds in the Exploration Account will accrue to the sole benefit of the Corporation and may be applied by the Corporation for general corporate purposes.

6. SCHEDULE FOR INCURRING QUALIFYING EXPENSES

6.1 Unless the Purchaser gives notice to the Corporation or the Corporation gives notice to the Purchaser to the contrary (the "Notice Requirement") during the period of time described in sections 6.2 and 6.3 hereof, for the purposes of this Agreement the Purchaser will be deemed to be dealing with the Corporation at "arm's length", as that term is used in the ITA.

6.2 If the Notice Requirement has not been fulfilled prior to December 31 of the Closing Year, the Corporation will expend the Flow-Through Funds in the Exploration Account between the date this Agreement is entered into and the end of the year after the Closing Year.

6.3 If the Notice Requirement has been fulfilled prior to December 31 of the Closing Year, the Corporation will expend as much of the Flow-Through Funds in the Exploration Account as is commercially reasonable between the date this Agreement is entered into and the end of the Closing Year and, thereafter, will expend the balance of the Flow-Through Funds in the Exploration Account before the end of the year after the Closing Year.

7. CORPORATION TO RENOUNCE QUALIFYING EXPENSES IN FAVOUR OF PURCHASER

7.1 Subject to the provisions of section 7.2 hereof, the Corporation will, within the times set out below and in accordance with the provisions of subsections 66(12.6) and 66(12.66) of the ITA, take all necessary steps to renounce in favour of the Purchaser, the amount of Qualifying Expenses incurred by it using the Flow-Through Funds in the Exploration Account under the Exploration Program during the periods specified below less the amount, if any, of the assistance, as that latter term is defined in subsection 66(15) of the ITA, that the Corporation received, is entitled to receive or can reasonably be expected to receive at any time, and that can reasonably be related to such Qualifying Expenses:

- (a) if the Notice Requirement has not been fulfilled prior to March 15 of the year following the Closing Year, the Corporation will renounce, on or after March 15 and before March 31 of the year following the Closing Year, effective December 31 of the Closing Year:
 - (i) the Qualifying Expenses it has incurred between the date of Closing and the end of February of the year following the Closing Year, and
 - (ii) the Qualifying Expenses it has incurred or plans to incur between March 1 and December 31 of the year following the Closing Year; or
- (b) if the Notice Requirement has been fulfilled prior to March 15 of the year following the Closing Year, the Corporation will renounce:
 - (i) on or after March 15 and before March 31 of the calendar year following the Closing Year, effective December 31 of the Closing Year, Qualifying Expenses it has incurred between the date of Closing and the end of the Closing Year, and
 - (ii) before March of the second calendar year following the Closing Year, the Qualifying Expenses it has incurred in the calendar year following the Closing Year.

7.2 The aggregate Qualifying Expenses renounced to the Purchaser will not be less than nor greater than the aggregate consideration paid by the Purchaser for Flow-Through Shares.

8. CORPORATION TO FILE PRESCRIBED FORM IN RESPECT OF RENUNCIATIONS WITH THE CANADA REVENUE AGENCY

The Corporation will file, in respect of each renunciation made pursuant to this Agreement, before the last day of the month following the date of making such renunciation, such information returns with the CRA as are prescribed by subsection 66(12.7) of the ITA and will send concurrently a copy of such information returns to the Purchaser.

9. CORPORATION TO FILE COPY OF AGREEMENT WITH CANADA REVENUE AGENCY

The Corporation will file, together with a copy of this Agreement, the prescribed form referred to in subsection 66(12.68) of the ITA with the CRA on or before the last day of the month following the month in which the Corporation's acceptance under the provisions under the heading CORPORATION'S ACCEPTANCE below occurs.

10. WARRANTIES

10.1 The Purchaser acknowledges, represents, warrants and covenants to and with the Corporation that, as at the effective date of the Closing:

- (a) the Purchaser is at arm's length (as that term is used in the ITA) with the Corporation and, notwithstanding the fulfillment or non-fulfillment of the Notice Requirement, the Purchaser acknowledges that if at any time during the year following the Closing Year, the Purchaser is not at arm's length with the Corporation and the Corporation renounces Qualifying Expenses it incurs or plans to incur pursuant to paragraph (a) of section 7.1 above, notwithstanding the provisions of that paragraph, the renunciation in relation to any Qualifying Expenses incurred in the year following the Closing Year will not be effective December 31 of the Closing Year and, as a result, the Purchaser:
 - (i) may be subject to increased income tax liabilities for the Closing Year; and
 - (ii) may be required to file appropriate amendments to the Purchaser's income tax return for the Closing Year and other years; and
- (b) if:
 - (i) the Corporation has not accepted the subscription by the Purchaser for Flow-Through Shares pursuant to the provisions under the heading CORPORATION'S ACCEPTANCE below, or
 - (ii) the Purchaser has not paid in money the Flow-Through Funds to the Corporation, on or before December 31 of a particular year, the Purchaser will not be entitled to have any Qualifying Expenses which are incurred after the particular year renounced to the Purchaser effective December 31 of the particular year, pursuant to section 7.1 above and, as a result, the Purchaser:
 - (iii) may be subject to increased tax liabilities for the particular year; and
 - (iv) may be required to file appropriate amendments to the Purchaser's income tax return for the particular year and other years,

and the Purchaser agrees that the above acknowledgements, representations, warranties and covenants in this subsection will be true and correct both as of the Purchaser's execution of this Agreement and as of the Closing.

10.2 The Corporation represents, warrants and covenants that, as of the effective date of the Closing:

- (a) the Corporation is, and at all material times will remain, a "principal-business corporation" within the meaning prescribed by subsection 66(15) of the ITA;
- (b) the Flow-Through Shares will qualify as "flow-through shares" as defined in subsection 66(15) of the ITA and in particular will not be prescribed shares as defined in section 6202.1 of the regulations to the ITA;
- (c) if the Corporation amalgamates or otherwise merges with any one or more companies, any shares issued to or held by the Purchaser as a replacement for Flow-Through Shares as a result of such amalgamation or merger will qualify, whether by virtue of subsection 87(4.4) of the ITA or otherwise, as "flow-through" shares as described in subsection 66(15) of the ITA and in particular will not be prescribed shares as defined in section 6202.1 of the regulations to the ITA; and

- (d) the Corporation will incur expenses which are Qualifying Expenses in an amount which equals the gross proceeds derived from the sale of Flow-Through Shares to the Purchaser, renounce that amount to the Purchaser and otherwise comply with its obligations as set forth in these Flow-Through Share Provisions,

and the Corporation agrees that the above representations, warranties and covenants in this subsection will be true and correct both as of the Corporation's execution of this Agreement and as of the date of Closing.

11. NO RENUNCIATION TO THIRD PARTIES, AND ALLOCATION OF RENOUNCED AMOUNTS OR REDUCTIONS THEREOF

The Corporation will not renounce any Qualifying Expenses in respect of its Exploration Program in favour of any person other than the Purchaser and the other purchasers who purchase Flow-Through Shares. For the purpose of determining the extent to which the Flow-Through Funds received by the Corporation from the Purchaser have been the subject of renunciation under the ITA, the total amount expended from the Exploration Account on Qualifying Expenses will be allocated among the Purchaser and the other purchasers who purchase Flow-Through Shares, on a basis *pro rata* to the relative amounts of their respective contributions of flow-through funds. If, despite section 6 hereof, the Corporation does not expend the total amount from the Exploration Account on Qualifying Expenses before the end of the year after the Closing Year or, despite section 7 hereof, the Corporation does not renounce that total amount to the Purchaser and the other purchasers who purchase Flow-Through Shares effective December 31 of the Closing Year, then the Corporation will take such steps as may be necessary or desirable so that resulting adjustments to income tax deductions and credits for Qualifying Expenses the Purchaser and those other purchasers claimed on their tax returns will be allocated among them on a basis *pro rata* to the relative amounts of their respective contributions of flow-through funds.

12. CORPORATION NOT TO CLAIM A DEDUCTION OR CREDIT IN RESPECT OF RENOUNCED QUALIFYING EXPENSES

The Corporation acknowledges that it has no right to claim any deduction or credit for Canadian exploration expense, or depletion of any sort, in respect of any Qualifying Expenses that the Corporation renounces in favour of the Purchaser pursuant to this Agreement and covenants not to claim any such deduction or credit when preparing its tax returns from time to time.

13. CORPORATION'S ACCOUNTS AND INCOME TAX FILINGS

The Corporation will maintain proper accounting books and records, and will make all income tax filings as and when required under the ITA, relating to the Qualifying Expenses it incurs and renounces pursuant to this Agreement.

14. NO DISSEMINATION OF CONFIDENTIAL INFORMATION

The Corporation will be entitled to hold confidential all exploration information relating to any program on which any portion of the Flow-Through Funds is expended pursuant to this Agreement and it will not be obligated to make such information available to the Purchaser except in the manner and at such time as it makes any such information available to its shareholders or to the public pursuant to the rules and policies of any stock exchange or laws, regulations or policies of any province.

15. REVISION OF EXPLORATION PROGRAM

While it is the present intention of the Corporation to undertake the Exploration Program, it is the nature of mining exploration that data and information acquired during the conduct of an exploration program may alter the initially proposed Exploration Program and the Corporation expressly reserves the right to alter the Exploration Program on the advice of its technical staff or consultants and further reserves the right to substitute other exploration programs on which to expend part of the Flow-Through Funds, provided such programs entail the incurrence of exploration expenses which are described in paragraph 66(12.66)(b) of the ITA and are otherwise capable of renunciation by the Corporation to the Purchaser pursuant to this Agreement.

16. OTHER FLOW-THROUGH SHARE SALES

The Purchaser acknowledges that there may be other sales of Flow-Through Shares, some or all of which may occur after the acquisition of Flow-Through Shares by the Purchaser. The Purchaser further acknowledges that there is a risk that insufficient funds may be raised from the sale of Flow-Through Shares to fund the Corporation's objectives, if any, and that it is possible that no Flow-Through Shares may be purchased after the Purchaser has done so.

17. CORPORATION'S ACCEPTANCE

This Agreement, when executed by the Purchaser and delivered to the Corporation, will constitute a subscription for Flow-Through Shares which will not be binding on the Corporation until accepted by the Corporation by executing this Agreement in the space provided on the first page of this Agreement and, notwithstanding the reference date set out in the Terms, if the Corporation accepts the subscription by the Purchaser, this Agreement will be entered into on the date of such execution by the Corporation.

18. MISCELLANEOUS

18.1 This Agreement is not assignable or transferable by either of the parties hereto without the express written consent of the other party hereto.

18.2 Time is of the essence of this Agreement.

18.3 Except as expressly provided in this Agreement, agreements, instruments and other documents contemplated or provided for herein, this Agreement contains the entire agreement between the parties with respect to Flow-Through Shares and there are no other terms, conditions, representations or warranties whether expressed, implied, oral or written, by statute, by common law, by the Corporation, by the Agent, or by anyone else.

18.4 The parties to this Agreement may amend this Agreement only in writing.

18.5 This Agreement enures to the benefit of and is binding upon the parties to this Agreement and their respective heirs, executors, administrators, successors and permitted assigns.

18.6 A party to this Agreement will give all notices to or other written communications with the other party to this Agreement concerning this Agreement by hand or by registered mail addressed to such party, to the addresses given herein.

18.7 This Agreement is to be read with all changes in gender or number as required by the context.

18.8 This Agreement will be governed by and construed in accordance with the laws of British Columbia, and the parties hereto irrevocably attorn and submit to the jurisdiction of the courts of British Columbia with respect to any dispute related to this Agreement.

End of Flow-Through Share Provisions

END OF SUBSCRIPTION AGREEMENT