BECKER GOLD MINES LTD.

Financial Statements
For the years ended December 31, 2010 and 2009

Contents

Management's Responsibility for Financial Reporting

The financial statements of Becker Gold Mines Ltd. (the "Company") are the responsibility of the Company's management. The financial statements are prepared in accordance with the Canadian generally accepted accounting principles and reflect management's best estimates and judgment based on information currently available.

Management has developed and is maintaining a system of internal controls to ensure that the Company's assets are safeguarded, transactions are authorized and properly recorded, and financial information is reliable.

The Board of Directors is responsible for ensuring management fulfills its responsibilities. The Audit Committee reviews the results of the audit and the annual financial statements prior to their submission to the Board of Directors for approval.

The balance sheets as at December 31, 2010 and 2009 and statements of operations and comprehensive loss, shareholders' equity and cash flows for the years then ended have been audited by Smythe Ratcliffe LLP, Chartered Accountants, and their report outlines the scope of their examination and gives their opinion on the financial statements.

"Gary Freeman" (signed)

Gary Freeman
President

March 22, 2011

Independent Auditors' Report

TO THE SHAREHOLDERS OF BECKER GOLD MINES LTD.

We have audited the accompanying financial statements of Becker Gold Mines Ltd., which comprise the balance sheets as at December 31, 2010 and 2009, and the statements of operations and comprehensive loss, shareholders' equity and cash flows for the years ended December 31, 2010 and 2009, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Becker Gold Mines Ltd. as at December 31, 2010 and 2009, and the results of its operations and its cash flows for the years ended December 31, 2010 and 2009 in accordance with Canadian generally accepted accounting principles.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 2 in the financial statements, which indicates that the Company incurred a net loss of $186,755 during the year ended December 31, 2010 (2009 - $173,520) and, as of that date, does not have sufficient cash to meet its administrative overhead and to finance mineral property acquisitions and future explorations for the ensuing twelve months. These conditions, along with other matters set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

"Smythe Ratcliffe LLP" (signed)

Chartered Accountants

Vancouver, British Columbia
March 22, 2011

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BECKER GOLD MINES LTD.
Balance Sheets

As at December 31	2010	2009
Assets		
Current		
Cash and cash equivalents	$ 542,474	$ 671,571
GST/HST receivable	16,672	1,656
	559,146	673,227
Capital Assets (note 5)	12,541	-
	$ 571,687	$ 673,227
Liabilities		
Current		
Accounts payable and accrued liabilities (note 9)	$ 243,363	$ 158,148
Shareholders' Equity		
Capital Stock (note 7)	2,242,052	2,242,052
Contributed Surplus	62,010	62,010
Deficit	(1,975,738)	(1,788,983)
	328,324	515,079
	$ 571,687	$ 673,227

Going concern (note 2)
Subsequent event (note 10)

Approved on behalf of the Board:

"Stephen Kenwood" (signed)

Stephen Kenwood, Director

"Gary Freeman" (signed)

Gary Freeman, Director

The accompanying significant accounting policies and notes are an integral part of these financial statements.

BECKER GOLD MINES LTD.

Statements of Operations and Comprehensive Loss

Years Ended December 31	2010	2009
Expenses		
Consulting fees (note 9(a))	$ 114,740	$ 64,830
Legal and audit	36,868	27,544
Rent (note 9(b))	21,150	13,800
Transfer agent fees	12,273	15,919
Office and administration	1,824	912
Travel and promotion	1,589	-
Amortization	1,140	-
Telecommunications	506	564
Stock-based compensation (note 7(d))	-	62,010
	190,090	185,579
Other Item		
Interest income	(3,335)	(12,059)
Net Loss and Comprehensive Loss for the Year	$ 186,755	$ 173,520
Loss Per Common Share, basic and diluted	$0.06	$0.06
Weighted Average Number of Common Shares Outstanding	3,131,671	3,131,671

The accompanying significant accounting policies and notes are an integral part of these financial statements.

BECKER GOLD MINES LTD.
Statements of Shareholders' Equity

	Capital Stock		Contributed		Shareholders'
	Shares	Amount	Surplus	Deficit	Equity (Deficit)
Balance, December 31, 2008	3,131,671	$ 2,242,052	$ -	$ (1,615,463)	$ 626,589
Stock-based compensation for the year (note 7(d))	-	-	62,010	-	62,010
Net loss and comprehensive loss for the year	-	-	-	(173,520)	(173,520)
Balance, December 31, 2009	3,131,671	2,242,052	62,010	(1,788,983)	515,079
Net loss and comprehensive loss for the year	-	-	-	(186,755)	(186,755)
Balance, December 31, 2010	3,131,671	$ 2,242,052	$ 62,010	$ (1,975,738)	$ 328,324

The accompanying significant accounting policies and notes are an integral part of these financial statements.

BECKER GOLD MINES LTD.
Statements of Cash Flows

Years Ended December 31	2010	2009
Operating Activities		
Net loss for the year	$ (186,755)	$ (173,520)
Adjustments for non-cash items		
Amortization	1,140	-
Stock-based compensation	-	62,010
Changes in non-cash working capital		
GST/HST receivable	(15,016)	(133)
Prepaid expenses	-	900
Accounts payable and accrued liabilities	85,215	56,073
Cash Used in Operating Activities	(115,416)	(54,670)
Investing Activity		
Purchase of property and equipment	(13,681)	-
Outflow of Cash	(129,097)	(54,670)
Cash and Cash Equivalents, Beginning of Year	671,571	726,241
Cash and Cash Equivalents, End of Year	$ 542,474	$ 671,571
Cash and Cash Equivalents Consists of:		
Cash	$ 542,474	$ 21,026
Cash equivalents	-	650,545
	$ 542,474	$ 671,571
Supplemental Cash Flow Information		
Interest paid	$ -	$ -
Income taxes paid	$ -	$ -

The accompanying significant accounting policies and notes are an integral part of these financial statements.

1. NATURE OF OPERATIONS

Becker Gold Mines Ltd. (the "Company") was incorporated in Ontario on November 30, 1944 under the *Company Act* of Ontario. On January 15, 2007, the Company was issued a Certificate of Continuation by the Province of British Columbia. During 2009, the Company consolidated its capital stock on a 6:1 basis.

The Company's principal business activity is the acquisition, exploration and development of mineral properties.

2. GOING CONCERN

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") on a going concern basis, which assumes the Company will realize its assets and discharge its liabilities in the normal course of business.

The Company reported a net loss of $186,755 (2009 - $173,520) for the year ended December 31, 2010 and has an accumulated deficit of $1,975,738 (2009 - $1,788,983) as at December 31, 2010. As at December 31, 2010, the Company had working capital of $315,783 (2009 - $515,079) available to meet its liabilities as they become due and continue its evaluation of potential resource property acquisitions in the next year.

The Company has no source of revenue, and has significant cash requirements to meet its administrative overhead and to finance mineral property acquisitions and future exploration. The Company does not generate cash flow from operations to adequately fund its activities and has therefore relied principally upon the issuance of securities for financing. The Company intends to continue relying upon the issuance of securities to finance its future activities but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company (refer to note 10). Although these financial statements do not include any adjustments that may result from the inability to secure future financing, such a situation would have a material adverse effect on the Company's business, results of operations and financial condition.

These financial statements do not include any adjustments related to the recoverability of assets and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

These financial statements have been prepared in accordance with Canadian GAAP and are stated in Canadian dollars.

(b) Cash and cash equivalents

The Company considers cash equivalents to be deposits with banks or highly liquid short-term interest-bearing investments cashable at any time from the original dates of acquisition into known amounts of cash.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis, and losses carried forward. Future tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in operations in the period in which the change is enacted or substantially assured. The amount of future income tax assets is limited to the amount of the benefit that is more likely than not to be realized.

(d) Loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method, the dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

(e) Financial instruments and comprehensive income (loss)

All financial instruments are classified as one of the following: held-to-maturity, loans and receivables, held-for-trading, available-for-sale or other financial liabilities. Financial assets and liabilities held-for-trading are measured at fair value with gains and losses recognized in operations. Financial assets held-to-maturity, loans and receivables, and other financial liabilities are measured at amortized cost using the effective interest method. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) and reported in shareholders' equity. Any financial instrument may be designated as held-for-trading upon initial recognition.

Transaction costs that are directly attributable to the acquisition or issue of financial instruments that are classified as other than held-for-trading, which are expensed as incurred, are included in the initial carrying value of such instruments.

The Company categorizes its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Other than additional disclosure in note 4, the adoption of this revised section did not result in a material impact on the Company's financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) **Financial instruments and comprehensive income (loss) (continued)**

The Company has no items of other comprehensive income in any period presented. Therefore, net loss as presented in the Company's statements of operations equals comprehensive loss.

(f) **Warrants**

Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated first to common shares based on the market trading price of the common shares at the time the units are priced or issued and any excess is allocated to warrants.

(g) **Mineral interests**

The Company capitalizes all costs related to investments in mineral property interests on a property-by-property basis. Such costs include mineral property acquisition costs and exploration and development expenditures, net of any recoveries. Costs are deferred until such time as the extent of mineralization has been determined and mineral property interests are either developed, the property is sold or the Company's mineral rights are allowed to lapse.

All capitalized costs are reviewed, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount (as estimated by quantifiable evidence of an economic geological resource or reserve or by reference to option or joint venture expenditure commitments) or when, in the Company's assessment, it will be unable to sell the property for an amount greater than the deferred costs, the property is written down for the impairment in value.

From time to time the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As such options are exercisable entirely at the discretion of the optionee the amounts payable or receivable are not recorded at the time of the agreement. Option payments are recorded as property costs or recoveries when the payments are made or received.

Capitalized costs will be depleted over the useful lives of the properties upon commencement of commercial production or written off if the properties are abandoned or the applicable mineral rights are allowed to lapse.

(h) **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 reporting period. Significant areas requiring the use of management estimates include the balance of accrued liabilities, assumptions used to determine the fair value of stock-based compensation and the valuation allowance for future income tax assets. While management believes that these estimates are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Stock-based compensation

The Company accounts for stock-based compensation using a fair value based method with respect to all stock-based payments to directors, employees and non-employees. For directors and employees, the fair value of the options is measured at the date of grant. For non-employees, the fair value of the options is measured on the earliest of the date at which the counterparty performance is completed, the date the performance commitment is reached and the date at which the equity instruments are granted if they are fully vested and non-forfeitable. The fair value of the options is accrued and charged to operations, with the offset credit to contributed surplus. For directors and employees the options are recognized over the vesting period, and for non-employees the options are recognized over the related service period. If and when the stock options are ultimately exercised, the applicable amounts of contributed surplus are transferred to capital stock.

(j) Capital assets

Capital assets are recorded at cost and amortized using the following annual rate and method:

Leaseholds	20% straight-line

In the year of acquisition, amortization is recorded at one-half the annual rate.

(k) Business Combinations

In January 2009, the Canadian Institute of Chartered Accountants issued Section 1582, “Business Combinations”, Section 1601, “Consolidated Financial Statements”, and Section 1602, “Non-Controlling Interests”. These sections replace the former Section 1581, “Business Combinations”, and Section 1600, “Consolidated Financial Statements”, and establish a new section for accounting for a non-controlling interest in a subsidiary.

Sections 1582 and 1602 will require net assets, non-controlling interests and goodwill acquired in a business combination to be recorded at fair value and non-controlling interests will be reported as a component of equity. In addition, the definition of a business is expanded and is described as an integrated set of activities and assets that are capable of being managed to provide a return to investors or economic benefits to owners. Acquisition costs are not part of the consideration and are to be expensed when incurred. Section 1601 establishes standards for the preparation of consolidated financial statements.

These new sections apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. The Company adopted all three of these sections as of January 1, 2010. There has been no impact on the Company’s principal statements.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Future accounting pronouncement

International Financial Reporting Standards ("IFRS")

In 2008, the Canadian Accounting Standards Board confirmed that the transition to IFRS from Canadian GAAP will be effective for fiscal years beginning on or after January 1, 2011 for publicly accountable enterprises. The Company will therefore be required to present IFRS financial statements for its March 31, 2011 interim financial statements. The effective date will require the restatement for comparative purposes of amounts reported by the Company for the interim periods and for the year ended December 31, 2010 and earlier where applicable. The Company is currently evaluating the impacts of the conversion on the Company's financial statements and is considering accounting policy choices available under IFRS. At this time, the Company does not anticipate significant changes as a result of converting to IFRS.

4. FINANCIAL INSTRUMENTS

The Company classifies its cash and cash equivalents as held-for-trading; and accounts payable and accrued liabilities as other financial liabilities.

(a) Fair value

The carrying values of cash and cash equivalents, and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these financial instruments.

(b) Credit risk

The Company manages credit risk, in respect of cash and cash equivalents, by purchasing highly liquid, short-term investment-grade securities held at a major Canadian financial institution in accordance with the Company's investment policy.

Concentration of credit risk exists with respect to the Company's cash and cash equivalents, as all amounts are held at a major Canadian financial institution. The Company's concentration of credit risk and maximum exposure thereto is as follows:

	2010	2009
Cash and cash equivalents		
Bank accounts	$ 542,474	$ 21,026
Guaranteed investment certificate	-	650,545
	$ 542,474	$ 671,571

For the year ended December 31, 2009, the Company had one cashable guaranteed investment certificate, which earned interest at prime less 1.80% and matured on October 22, 2010.

4. FINANCIAL INSTRUMENTS (Continued)

(c) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due. The Company maintains sufficient working capital at December 31, 2010 in the amount of $315,783 (2009 - $515,079) in order to meet short-term business requirements, which includes accounts payable and accrued liabilities of $243,363 (2009 - $158,148). As at December 31, 2010, the Company had cash of $542,474 to settle current liabilities of $243,363, which are due in fiscal 2011 and are subject to normal trade terms.

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

(i) Interest rate risk

The Company's cash and cash equivalents consist of cash held in bank accounts. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of December 31, 2010. Future cash flows from interest income on cash and guaranteed investment certificates will be affected by interest rate fluctuations.

(ii) Foreign currency risk

The Company is not exposed to foreign currency risk as its monetary financial instruments are denominated in Canadian dollars and all its operations are currently in Canada.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

5. CAPITAL ASSETS

	2010			2009		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Leasehold improvements	$ 13,681	$ 1,140	$ 12,541	$ -	$ -	$ -

6. CAPITAL MANAGEMENT

The Company's primary objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to complete the acquisition of an asset or a business. The Company defines capital that it manages as shareholders' equity.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue shares from treasury, which is the Company's primary source of funds. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

There have been no changes to the Company's approach to capital management during the year.

7. CAPITAL STOCK

(a) **Authorized** (note 1)

Unlimited number of common shares without par value.

(b) **Stock options**

Pursuant to the policies of the TSX Venture Exchange (the "TSX-V"), under the Company's stock option plan, options to purchase common shares are granted to directors, employees and consultants at exercise prices determined by reference to the market value on the date of grant for a maximum term of five years. The board of directors may grant options for the purchase of up to a total of 10% of the outstanding shares at the time of the option grant less the aggregate number of existing options and number of common shares subject to issuance under outstanding rights that have been issued under any other share compensation arrangement. Options granted under the plan may vest over a period of time at the discretion of the board of directors.

A summary of the status of the Company's outstanding and exercisable stock options at December 31, 2010 is as follows:

	Outstanding	Exercisable	Weighted Average Exercise Price
Balance, December 31, 2008	-	-	$ -
Granted	300,000	300,000	$ 0.20
Balance, December 31, 2009 and 2010	300,000	300,000	$ 0.20

7. CAPITAL STOCK (Continued)

(b) **Stock options** (Continued)

The following summarizes information on the number of stock options outstanding at December 31, 2010 and 2009:

Expiry Date		Exercise Price	Number of Options 2010	2009
May 20, 2014	$	0.20	300,000	300,000

(c) **Warrants**

As at December 31, 2010, the Company has no share purchase warrants outstanding.

As at December 31, 2009, the Company had share purchase warrants outstanding entitling the holders to acquire common shares as follows:

Exercise Price	Expiry Date	Outstanding, December 31, 2008	Issued	Exercised	Expired	Outstanding, December 31, 2009 and 2010
$ 0.66	July 18, 2009	471,098	-	-	(471,098)	-

(d) **Stock-based compensation**

The fair value of stock options granted, and which vested to directors, employees and consultants, is broken down as follows:

	2010	2009
Directors/Officers	$ -	$ 49,608
Consultants	-	12,402
	$ -	$ 62,010

The fair value of each option granted was estimated at the date of the grant using the Black-Scholes option pricing model with the following weighted average assumptions and resulting fair value:

	2010	2009
Expected option life	N/A	5 years
Risk-free interest rate	N/A	2.08%
Expected stock price volatility	N/A	164%
Expected dividend yield	N/A	0.00%
Fair value at grant date	N/A	$ 0.207

8. INCOME TAXES

As at December 31, 2010, the Company has non-capital losses of approximately $855,100 that may be applied against future income for Canadian income tax purposes. The potential future tax benefits of these losses have not been recorded in these financial statements. The losses expire as follows:

2014	$	23,400
2015		3,500
2026		141,600
2027		231,900
2028		146,400
2029		116,400
2030		191,900
	$	855,100

The Company also has $7,700 of capital losses that may be applied against future capital gains for Canadian income tax purposes. The capital losses do not expire.

The reconciliation of income tax provision computed at statutory rates to the reported income tax provision is as follows:

		2010		2009
		28.5%		30%
Income tax benefit computed at Canadian statutory rates	$	(53,225)	$	(52,056)
Non-deductable items		-		18,603
Change in timing differences		9,897		20,431
Effects of change in tax rates on future income tax assets and liabilities		15,291		4,656
Change in valuation allowance		28,037		8,366
	$	-	$	-

Significant components of the Company's future tax assets and liabilities, after applying enacted corporate income tax rate of 25% (2009 - 26%), are as follows:

		2010		2009
Future income tax assets				
Tax value over book value of capital assets	$	33,740	$	34,793
Tax value over book value of share issue costs		2,462		3,891
Non-capital losses carried forward		213,807		183,248
Capital losses carried forward		968		1,006
		250,977		222,938
Valuation allowance for future income tax assets		(250,977)		(222,938)
	$	-	$	-

9. RELATED PARTY TRANSACTIONS

(a) Consulting fees of $114,350 (2009 - $64,500) were charged by companies controlled by directors/officers of the Company;

(b) Rent of $21,150 (2009 - $13,800) was paid to a company with directors in common; and

(c) The Company reimbursed $3,095 (2009 - $nil) to a company with directors in common for filing fees that were paid on behalf of the Company.

At December 31, 2010, $196,720 (2009 - $111,300) is owing to related parties in respect of the above amounts charged, and is included in accounts payable.

Related party transactions are in the normal course of business and are measured at the exchange amount, which is the amount agreed upon by the related parties. The amounts due to related parties are without interest or stated terms of repayment.

10. SUBSEQUENT EVENT

On January 18, 2011, the Company signed a letter of intent with Cap Capital Corp. ("Cap Capital"), pursuant to which the Company will acquire all of the issued and outstanding shares of Cap Capital (the "Acquisition"). The purchase price for the Acquisition will be payable by the issuance of a total of 12,284,782 common shares of the Company ("Shares") at a deemed issue price of $0.20 per Share. The Acquisition will form the basis of the Company's reactivation from the NEX Board to the TSX-V, subject to the Company approval of the TSX-V.

As part of the terms of the Acquisition, the Company will undertake a non-brokered private placement of up to 4,500,000 Units of the Company at a price of $0.20 per Unit for gross proceeds of up to $900,000 (the "Financing" and, together with the Acquisition, the "Transaction"). Each Unit will comprise one share and share purchase warrant (a "Warrant"). Each Warrant will be exercisable to acquire one additional share at a price of $0.30 for a period of two years from the closing.

To assist in placing the Financing, the Company proposes to pay a finder's fee of 7% of the gross proceeds of the Financing payable in cash, and finder's warrants equal in number to 7% of the Units placed (each a "Finder's Warrants"), each Finder's Warrant being exercisable to acquire one additional Unit (as defined above) at a price of $0.20 for a period of two years from the closing.

Completion of the Transaction is subject to a number of conditions, including TSX-V acceptance and approval of the Company's disinterested shareholders.