

**DOT RESOURCES LTD.**

**ANNUAL INFORMATION FORM**

**For the Year Ended December 31, 2009**

**May 20, 2010**

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## **FORWARD-LOOKING INFORMATION**

In this Annual Information Form the terms the “Corporation” and “DOT” refer to DOT Resources Ltd. Except for the statements of historical fact contained herein, certain statements contained in this Annual Information Form constitute “forward-looking statements” as such term is used in applicable Canadian and US laws. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. In particular, any statements concerning the timing, content and future success of diamond drilling or geophysical surveying or the ability to obtain funding and other factors and events described in this Annual Information Form should be viewed as forward-looking statements to the extent that they involve estimates thereof. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “expects” or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “estimates” or “intends”, or stating that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved) are not statements of historical fact and should be viewed as “forward-looking statements”. Such forward-looking statements, including but not limited to, the amount of estimated mineralization, the timing and possible outcome of possible pending economic evaluations, the Corporation’s liquidity and financial capacity, the Corporation’s funding sources to meet various obligations and other factors and events described in this document, involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks and other factors include, among others, potential drilling targets, exploration results, the timing of future diamond drilling, geophysical survey results, the availability of capital to fund exploration activities and the resulting dilution caused by the raising of capital through the sale of securities, the effects of the recessionary economy and such other business risks as discussed herein and other publically filed disclosure documents. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could vary or differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements contained in this Annual Information Form.

Forward-looking statements are made based on management’s beliefs, estimates and opinions on the date the statements are made and the Corporation undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable law.

This Annual Information Form contains forward-looking statements based on assumptions, uncertainties and management’s best estimates of future events. Investors are cautioned that such forward-looking statements involve risks and uncertainties. Actual results may differ materially from those currently anticipated. The forward-looking statements contained herein are expressly qualified by this cautionary statement.

## **INTRODUCTION**

Unless otherwise indicated the information contained herein is presented as at December 31, 2009.

### **Reporting Currency**

Unless otherwise indicated, all sums of money set forth in this Annual Information Form are expressed in Canadian dollars.

### **Accounting Policies**

All financial information in this Annual Information Form is prepared in accordance with Canadian generally accepted accounting principles.

### **Classification of Mineral Reserves and Resources**

In this Annual Information Form, the definitions of proven and probable mineral reserves and measured, indicated and inferred mineral resources are those used by Canadian provincial securities regulatory authorities and conform to the definition utilized by the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) in the “CIM Standards on Mineral Resources and Reserves – Definitions and Guidelines” adopted on August 20, 2000 and amended December 11, 2005.

### **Documents Incorporated by Reference**

Information has been incorporated by reference in this Annual Information Form from documents filed with securities commissions or similar authorities. Copies of the documents incorporated by reference are available upon request without charge from the Corporation’s head office located at Suite 3A, 4015 – 1<sup>st</sup> Street S.E., Calgary, Alberta T2G 4X7 or by accessing the disclosure documents available on SEDAR at [www.sedar.com](http://www.sedar.com). The following documents are specifically incorporated by reference in this Annual Information Form:

- The annual financial statements of the Corporation, together with the accompanying report of the auditors, for the fiscal years ended December 31, 2008 and December 31, 2009;
- Management’s discussion and analysis of financial condition and results of operations for the fiscal years ended December 31, 2008 and December 31, 2009;
- National Instrument 43-101 compliant report entitled, “TECHNICAL REPORT ON 2006 GROUND GEOPHYSICAL PROGRAM AND PREVIOUS EXPLORATION, INCLUDING DIAMOND DRILLING, DOT PROPERTY, BRITISH COLUMBIA, NICOLA MINING DIVISION, dated May 31<sup>st</sup>, 2007, prepared by Aurora Geosciences Limited (“Aurora”); and
- National Instrument 43-101 compliant report entitled, “TECHNICAL REPORT ON A MINERAL RESOURCE ESTIMATE FOR DOT RESOURCES LTD’S DOT PROPERTY”, dated June 22, 2009, prepared by Aurora.

## **CORPORATE STRUCTURE**

### **The Corporation**

DOT Resources Ltd. (the “Corporation” or “DOT”) was incorporated on May 17, 2007 under the Business Corporations Act (Alberta) (“ABCA”).

The Corporation’s common shares are listed for trading on the TSX Venture Exchange Inc. under the trading symbol of DOT. Trading of the common shares of the Corporation began on September 17, 2007.

The Corporation’s head office is located at Suite 3A, 4015 – 1<sup>st</sup> Street S.E., Calgary, Alberta T2G 4X7 and the Corporation’s registered office is located at 1000 Canterra Tower, 400 – 3<sup>rd</sup> Avenue S.W., Calgary, Alberta, T2P 4H2.

## **Subsidiaries**

The Corporation currently has no subsidiaries.

## **GENERAL DEVELOPMENT OF THE BUSINESS**

### **History**

On June 25, 2007, the Corporation entered into an Arrangement Agreement with Alhambra Resources Ltd. (“Alhambra”) in order to implement a statutory procedure known as a plan of arrangement (the “Arrangement”). Under the terms of the Arrangement, which became effective August 29, 2007, Alhambra transferred a 100% interest in 49 claim units located in the Province of British Columbia, together with related assets and obligations pertaining thereto (the “Properties”), in exchange for 30,000,000 common shares of the Corporation. Subsequently, each previously held common share of Alhambra was exchanged for one (1) new common share of Alhambra and 0.21153 common shares of the Corporation held by Alhambra, resulting in 15,000,000 common shares of the Corporation being distributed to shareholders of Alhambra, on a pro-rata basis.

As part of, and concurrent with, completing the Arrangement, the Corporation completed a private placement of 11,500,000 units at a purchase price of \$0.20 per unit for aggregate gross proceeds of \$2,300,000 (the “Private Placement”). Each unit was comprised of one (1) common share and one-half (1/2) of a common share purchase warrant (“Warrant”), with each whole Warrant entitling the holder to acquire one (1) common share of the Corporation at an exercise price of \$0.35 on or before August 29, 2009. All such Warrants subsequently expired unexercised.

As a result of the Arrangement and the Private Placement, Alhambra held 15,000,001 common shares or approximately 36% of the then issued and outstanding common shares of the Corporation.

The Corporation commenced active business after the Arrangement and Private Placement. The Business of the Corporation is the exploration and development of its porphyry copper +/- molybdenum, gold, silver Properties located on 49 mineral claims, located 17 kilometers (“km”) south of the Highland Valley mining district in Central British Columbia.

### **Trends**

Base metals prices are influenced by worldwide market supply and demand fundamentals, which are impacted by a number of factors including world geopolitical and economic conditions. The main underlying reason for rising prices of most materials in the last few years has been growing demand from China. Strong growth of cable production in China is the principal reason for the increase in global copper demand, but other applications are also driving Chinese copper consumption higher. More recently, Indian consumption of copper has also started to move ahead due to an upturn in Indian auto and construction industries.

Also over the past few years there have been supply disruptions at existing mines that have made the supply-demand balance even tighter. Due to the fact that metals are supplied from the facilities that require huge capital investments in mines and supporting infrastructure, increasing copper production capacities in short period of time is rather difficult.

Taking the above into consideration it is expected that the copper prices will continue to rise.

### **Environmental Matters**

At present, the Corporation complies with existing environmental standards and regulations and has included appropriate amounts in its capital expenditure budget to continue to meet current environmental

protection requirements. The Corporation has internal procedures designed to ensure that the environmental aspects of new developments are taken into account prior to proceeding.

The Corporation was not involved in environmental matters and site restoration costs in each of the years ended December 31, 2007, 2008 and 2009.

## **NARRATIVE DESCRIPTION OF THE BUSINESS**

### **General**

The Corporation is an early stage exploration and development resource corporation. The business of DOT consists of the exploration and development of its Properties, which commenced in the final quarter of 2007. The Corporation is in the process of exploring its Properties and has not yet determined whether these Properties contain reserves that are economically recoverable. The recoverability of amounts shown for mineral properties and deferred exploration and development costs is dependent upon the discovery of economically recoverable reserves, the ability of the Corporation to obtain necessary financing to develop the Properties and upon future profitable production or the sale thereof.

DOT's ability to continue to conduct exploration activities is dependent upon the nature and extent of the exploration, the possible exercise of the Warrants issued as part of the private placement and DOT's ability to raise additional capital to fund such exploration activities.

As of the date of this Annual Information Form, the Corporation has no employees. Employees and consultants of Alhambra provide services to DOT on as needed basis, pursuant to the Administrative and Corporate Services Contract, dated August 29, 2007 between Alhambra and DOT, whereby the Corporation agreed to engage Alhambra to provide management, administration and corporate services to the Corporation ("Administrative Contract"). The Administrative Contract provides for a monthly remuneration of \$20,000 plus all reasonable out of pocket expenses and is for an indefinite term but may be terminated by either party thereto upon providing thirty (30) days prior written notice.

### **Project Description and Location**

The Properties are located in south-central British Columbia, Canada and falls on NTS map sheet 0921/07W. It is centered about 50°20'00" N latitude and 120°51'00" W longitude or 653528E, 5576788N (UTM NAD 83, zone 10N). The claims group lies in the Nicola Mining Division and covers copper-gold mineralization approximately 20 km southeast of the Highland Valley porphyry copper district (Map 1). The Craigmont Mine site is located approximately 12 km south-southwest of the Properties along the access road to the Properties. Further north along this road, the Aberdeen Mine site adjoins the southern limit of the Properties. The western limit of the Properties is a small group of eight claims which covers the northern extent of Broom Creek. The eastern limit of the claims extends east of Guichon Creek sub-parallel to highway 97C. The location of known mineralized zones and mine workings (Lower Vimy and Aberdeen Showing) with respect to outside property boundaries are shown on Map 1.

The Properties consist of 49 contiguous mineral title units with a combined area of 1,944 hectares. These claims have been staked and registered by the standards set forth in British Columbia by the Gold Commissioner Office and remain in good standing until at least until March, 2013. DOT currently holds 100% interest in the Properties. The status and details of these claims are presented in Table 1. There are no outstanding terms pertaining to royalties, back-in rights, payments or other encumbrances as outlined in any relevant legal documentation. To the extent known, the Properties are currently free of all environmental liabilities. Permits required from the British Columbia Ministry of Energy, Mines and Petroleum in order to initiate any next stages of exploration include: (i) Notice of Work Mineral and Coal Application, and (ii) Application for a License to Cut Timber. These permits have been obtained by the Corporation for any work completed by the date of this AIF.

**Table 1 – Status and Details of Mineral Claims**

<b>Tenure Number</b>	<b>Tenure Type</b>	<b>Claim Name</b>	<b>Owner DOT Resources</b>	<b>Map Number</b>	<b>Good to Date</b>	<b>Status</b>	<b>Mining Division</b>	<b>Area (Ha)</b>	<b>Tag Number</b>
312519	Mineral	DOT II	211116 (100%)	092I036	2013/aug/18	GOOD	NICOLA	150.0	200833
312735	Mineral	DOT V	211116 (100%)	092I036	2013/aug/24	GOOD	NICOLA	25.0	647553M
312736	Mineral	DOT VI	211116 (100%)	092I036	2013/aug/24	GOOD	NICOLA	25.0	647554M
314799	Mineral	DOT 28	211116 (100%)	092I036	2013/nov/18	GOOD	NICOLA	25.0	646100M
334452	Mineral	DOT 29A	211116 (100%)	092I036	2013/mar/27	GOOD	NICOLA	25.0	623815M
334453	Mineral	DOT 30A	211116 (100%)	092I036	2013/mar/27	GOOD	NICOLA	25.0	623816M
334454	Mineral	DOT 31A	211116 (100%)	092I036	2013/mar/27	GOOD	NICOLA	25.0	623817M
334455	Mineral	DOT 32A	211116 (100%)	092I036	2013/mar/27	GOOD	NICOLA	25.0	623818M
344094	Mineral	DOT 1-A	211116 (100%)	092I036	2013/mar/12	GOOD	NICOLA	375.0	200834
344095	Mineral	DOT 33	211116 (100%)	092I036	2013/mar/12	GOOD	NICOLA	25.0	624062M
344096	Mineral	DOT 34	211116 (100%)	092I036	2013/mar/12	GOOD	NICOLA	25.0	624063M
344097	Mineral	DOT 35	211116 (100%)	092I036	2013/mar/12	GOOD	NICOLA	25.0	624064M
344098	Mineral	DOT 36	211116 (100%)	092I036	2013/mar/12	GOOD	NICOLA	25.0	624065M
344099	Mineral	DOT 37	211116 (100%)	092I036	2013/mar/12	GOOD	NICOLA	25.0	624066M
344614	Mineral	DOT 38	211116 (100%)	092I026	2013/mar/27	GOOD	NICOLA	25.0	649888M
344615	Mineral	DOT 39	211116 (100%)	092I026	2013/mar/27	GOOD	NICOLA	25.0	649889M
345341	Mineral	DON 1	211116 (100%)	092I036	2013/apr/28	GOOD	NICOLA	400.0	213671
345342	Mineral	DON 2	211116 (100%)	092I036	2013/apr/27	GOOD	NICOLA	25.0	671083M
345343	Mineral	DON 3	211116 (100%)	092I026	2013/apr/27	GOOD	NICOLA	25.0	671084M
345344	Mineral	DON 4	211116 (100%)	092I026	2013/apr/27	GOOD	NICOLA	25.0	671085M
345346	Mineral	DON 6	211116 (100%)	092I026	2013/apr/28	GOOD	NICOLA	25.0	671087M
345347	Mineral	DON 7	211116 (100%)	092I026	2013/apr/28	GOOD	NICOLA	25.0	671088M
345348	Mineral	DON 8	211116 (100%)	092I026	2013/apr/28	GOOD	NICOLA	25.0	671089M
345349	Mineral	DON 9	211116 (100%)	092I026	2013/apr/28	GOOD	NICOLA	25.0	671090M
345605	Mineral	DON 10	211116 (100%)	092I026	2013/may/08	GOOD	NICOLA	25.0	649890M
345606	Mineral	DON 11	211116 (100%)	092I026	2013/may/08	GOOD	NICOLA	25.0	649891M
351878	Mineral	DOT 13A	211116 (100%)	092I036	2013/oct/05	GOOD	NICOLA	25.0	673995M
351879	Mineral	DOT 14A	211116 (100%)	092I036	2013/oct/05	GOOD	NICOLA	25.0	673996M
351880	Mineral	DOT 19A	211116 (100%)	092I036	2013/oct/05	GOOD	NICOLA	25.0	673997M
351881	Mineral	DOT 20A	211116 (100%)	092I036	2013/oct/05	GOOD	NICOLA	25.0	673998M
353985	Mineral	DON 14	211116 (100%)	092I036	2013/mar/03	GOOD	NICOLA	25.0	665239M
353986	Mineral	DON 15	211116 (100%)	092I036	2013/mar/03	GOOD	NICOLA	25.0	665240M
354134	Mineral	DON 18	211116 (100%)	092I026	2013/mar/11	GOOD	NICOLA	300.0	200829
354446	Mineral	SPOT	211116 (100%)	092I026	2013/mar/24	GOOD	NICOLA	300.0	213672
355385	Mineral	BOB 2	211116 (100%)	092I036	2013/apr/30	GOOD	NICOLA	25.0	671322M
355386	Mineral	BOB 3	211116 (100%)	092I036	2013/apr/30	GOOD	NICOLA	25.0	671323M
355387	Mineral	BOB 4	211116 (100%)	092I036	2013/apr/30	GOOD	NICOLA	25.0	671324M
355388	Mineral	BOB 5	211116 (100%)	092I036	2013/apr/30	GOOD	NICOLA	25.0	671325M
355389	Mineral	BOB 6	211116 (100%)	092I036	2013/apr/30	GOOD	NICOLA	25.0	671326M
355390	Mineral	BOB 7	211116 (100%)	092I036	2013/apr/30	GOOD	NICOLA	25.0	671327M
355391	Mineral	BOB 8	211116 (100%)	092I036	2013/apr/30	GOOD	NICOLA	25.0	671328M
357411	Mineral	DOT 36A	211116 (100%)	092I036	2013/jul/11	GOOD	NICOLA	25.0	678883M
534016	Mineral		211116 (100%)	092I	2013/nov/17	GOOD		226.939	
534017	Mineral		211116 (100%)	092I	2013/oct/09	GOOD		825.228	
534018	Mineral		211116 (100%)	092I	2013/aug/16	GOOD		371.364	
534019	Mineral		211116 (100%)	092I	2013/mar/11	GOOD		433.688	
534020	Mineral		211116 (100%)	092I	2013/mar/03	GOOD		412.855	
534021	Mineral	DOT	211116 (100%)	092I	2013/may/13	GOOD		41.249	
534022	Mineral		211116 (100%)	092I	2013/apr/30	GOOD		41.265	

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

The Properties are located at an approximate elevation of 1,075 meters (“m”) on the southeast slope of Gypsum Mountain. Gypsum Mountain has a peak elevation of 1,546 m. The Properties extend to Guichon Creek at an elevation of approximately 930 m near the eastern limit of the property. The Properties topography is moderate. Much of the central area of the Properties cover a terrace midway up the mountain where the elevation varies from 1,000 m at the south end of the claim block to 1,375 at the northern end. An esker ridge traverses the northern half of the Properties; a small tributary to Broom Creek cuts the southwestern portion of the claims.

The Properties are located 50 km south of the City of Kamloops and 25 km north of Merritt, British Columbia. It is accessed by all weather roads from Merritt or Kamloops via the Craigmont Mine site and Aberdeen Mine Road. Highway 97C running between Merritt and Logan Lake falls within the eastern claim boundary for most of the length of the Properties. Mobility about the Properties is facilitated by unmaintained logging roads that remain in good condition.

The Properties are located east of the Cascade Mountains and south of Highland Valley in the Thompson Plateau physiographic region of British Columbia. Most of the claims within the Properties are covered by windfall of dense stands of lodgepole pine. Spruce and fir grow in at lower elevations to the southeast and in localized areas of greater moisture. Broom and Guichon Creeks cross the Properties from north to south sub-parallel to the western and eastern Properties boundaries respectively. The Properties are also traversed by numerous small seasonal and year round creeks. Two small lakes are located in the north-eastern quadrant of the Properties. Glacial overburden covers much of the Properties. Scattered outcrops of granodiorite are present to the north and west of the Properties at higher elevations. The climate is typical of the southern interior with an average annual precipitation of 30 centimeters (“cm”). Temperatures in the summer can reach 35°C and plunge to -40°C in the winter. Snow covers the Properties from mid November to May.

### **History of the Properties**

The area in south-central British Columbia that hosts the Properties was first explored at the turn of the last century when the Aberdeen and the Vimy showings were exploited. Historical production from the Aberdeen showing is reported to have been 111,709 kilograms of copper, 24,321 grams of silver and 280 grams of gold. Production from the Vimy showing is reported to have consisted of 8,409 kilograms of copper and 1,866 grams of silver.

The Properties were initially acquired by Alhambra in May, 1996 and in April, 2006 Alhambra acquired additional interests, which resulted in holding a 100% interest in the Properties.

In 1996 and 1997 Alhambra discovered two new zones of copper mineralization, the Southeast Zone and adjacent Copper Zone. These zones are located along strike to the southeast of the Northwest Zone. These two zones were tested with 16 diamond drill holes (“DDH”) totaling 3,109 m in 1996 and six (6) DDH totaling 1,290 m in 1997.

Woven plastic bags of drill cuttings from the 1981 percussion drilling program as well as core drilled during the 1996, 1997 and 2007/2008 drill programs are stored in a secure, locked yard at Jackson's Welding in Merritt, BC. This core can be accessed with the permission of the Corporation, and by arrangement with a representative of Jackson's Drilling. After 10 years of outdoor storage, the condition of the older core has been moderately compromised; however, much of the core is still competent and represents an excellent visual record of the results presented from the 1996 and 1997 and 2007/2008 exploration programs.

A historical estimate of 9.8 million tonnes with an average grade of 0.46% copper was prepared by Alhambra for the Properties in 1997. The historical estimate was prepared on two of the four zones of copper mineralization that was known to occur on the property at the end of 1997.

**This historical estimate was not prepared by an independent Qualified Person, nor has any of the information contained therein been audited by an independent Qualified Person. This historical estimate does not conform to the requirements of National Instrument 43-101 and the Standards of Disclosure of Mineral Projects and the definition of Measured, Indicated or Inferred resources, as defined by the CIM.**

In 2006, Alhambra completed Induced Polarization Resistivity (“IP”), Magnetometer and Very Low Frequency – Electromagnetics (“VLF-EM”) geophysical surveys. The initial phase of the 2006 IP survey was completed over the four known zones of copper mineralization to obtain an “IP signature response” for the known zones of copper mineralization. This IP response was used to aid in the interpretation of the IP survey data collected in 2006 and to identify potential areas of disseminated sulphide mineralization. The 2006 IP survey located three additional geophysical anomalies that are interpreted to represent zones of disseminated sulphide mineralization.

A description of the historical exploration completed on the Properties is set out in an independent National Instrument 43-101 compliant report entitled, “TECHNICAL REPORT ON 2006 GROUND GEOPHYSICAL PROGRAM AND PREVIOUS EXPLORATION, INCLUDING DIAMOND DRILLING, DOT PROPERTY, BRITISH COLUMBIA, NICOLA MINING DIVISION, (the “Aurora Report”) dated May 31<sup>st</sup>, 2007, as well as in National Instrument 43-101 compliant report entitled, “TECHNICAL REPORT ON A MINERAL RESOURCE ESTIMATE FOR DOT RESOURCES LTD’S DOT PROPERTY”, (the “Aurora Mineral Resource Estimate Report”) dated June 22, 2009, prepared by Aurora. The content of the Aurora Report and the Aurora Mineral Resource Estimate Report have been summarized herein and reference is made to the full contents thereof which has been incorporated herein by reference.

In 2007, the Corporation completed 132 km of Magnetometer and VLF-EM surveys and 9.35 km of IP surveys over the northern and western side of the Properties. By the end of 2007, approximately 70% of the Properties had been explored using Magnetometer and IP geophysical surveys. The IP survey was completed at 200 and 400 m spaced lines along strike of the known zones of copper-molybdenum mineralization and identified five new IP anomalies that suggest the presence of disseminated sulphide mineralization.

Following completion of the recommendations contained in the Aurora Report, the Corporation retained Aurora to complete the exploration programs directed toward the discovery of porphyry copper style mineralization on the Properties.

The exploration model used to guide the exploration of the Properties is based on the copper-molybdenum deposits located within the Highland Valley mining district located 17 km north of the Properties. The Highland Valley mining district occurs within the Guichon Creek Batholith and hosts numerous porphyry style copper-molybdenum deposits. These deposits occur within an interpreted northwest trending structural trend and are characterized by disseminated iron and copper sulphide minerals and a concentric alteration pattern that changes from the periphery to the center of the porphyry system.

Table 2 following shows the reserves and average copper and molybdenum grades for the deposits located within the Highland Valley mining district.

**Table 2 - Reserves and Average Copper and Molybdenum Grades for the Deposits Located Within the Highland Valley Mining District**

Deposit Name	Reserves (million tonnes)	Copper Grade (%)	Molybdenum Grade (%)
Bethlehem Copper	143	0.48	N/A
Krain	58	0.56	0.010
Highmont	116	0.25	0.025
J.A.	286	0.43	0.017
Lornex	576	0.39	0.014
South Seas	36	0.47	N/A
Valley Copper	716	0.47	N/A

**Diamond drilling**

In the fourth quarter of 2007 and in the first quarter of 2008, the Corporation completed a 14 hole (3,082 m) diamond drilling program to test the strike and depth extension and to verify the historical drilling results on four previously identified mineralized zones. The apparent length and weighted average grades using a 0.1% copper cut-off grade for the four zones drilled are set out below.

**Table 3 – 2007 – 2008 Drilling Program Results**

Zone ID	Easting	Northing	Dip	Azi-muth	Drill hole ID	From (m)	To (m)	Interval (m)	Copper (%)	Silver (g/t)
Northwest	653168	5576456	-60	245	DOT-07-NW-01	132.00	146.00	14.00	0.11	1.2
	653325	5576216	-50	235	DOT-07-NW-02	101.00	111.00	10.00	0.22	1.6
	653186	5576427	-60	245	DOT-07-NW-03	72.00	80.00	8.00	0.15	0.6
						105.00	136.00	31.00	0.50	4.3
Copper	652986	5576574	-50	235	DOT-08-NW-04	No significant mineralization				
	653286	5576088	-60	235	DOT-08-CU-01	170.00	179.00	9.00	0.18	0.6
	653328	5575893	-50	235	DOT-08-CU-02	41.55	49.00	7.45	0.11	0.2
						147.00	155.00	8.00	0.11	0.4
Southeast	653553	5575635	-76	55	DOT-07-SE-01	72.20	84.40	12.20	0.14	1.6
						102.70	150.50	47.80	0.38	3.3
						252.00	262.00	10.00	0.12	2.2
	653574	5575553	-60	55	DOT-07-SE-02	87.00	135.00	48.00	0.23	1.5
	653330	5575774	-60	55	DOT-08-SE-03	No significant mineralization				
	653507	5575992	-45	55	DOT-08-SE-04	226.00	230.00	4.00	0.60	0.5
	653411	5575706	-50	55	DOT-08-SE-05	160.00	182.00	22.00	0.25	2.1
						206.00	240.00	34.00	0.25	2.3
Vimy						262.00	270.00	8.00	0.29	2.0
						278.00	300.23	22.23	0.22	1.4
	653481	5575840	-55	55	DOT-08-SE-06	39.00	75.00	36.00	0.24	2.5
	653466	5576550	-45	235	DOT-07-VM-01	129.00	130.00	1.00	0.59	1.2
						142.00	144.00	2.00	0.25	3.4
	653477	5576439	-90	0	DOT-08-VM-02	No significant mineralization				

**The intervals set out in the above table are not true widths.**

The diamond drilling on all four zones intersected a significant number of narrow mineralized intervals that occur outside the mineralized intervals listed in Table 3. These mineralized intervals are less than 8.00 m in apparent thickness and are not reported in the above table. The grades in these narrow intervals range from 0.10% to 0.60% copper and from 0.2 to 10.3 g/t silver. Sporadic trace to low-grade concentrations of molybdenum occur in several drill holes on the Southeast and Vimy Zones.

Four DDH were completed in the Northwest Zone. Three holes were completed to verify the historical diamond drilling and reverse circulation drilling results and one hole was completed to test the northwest extension of the mineralized zone. DDH DOT-08-NW-04 completed on the northwest extension of this zone did not intersect significant copper mineralization. The other three holes intersected significant concentrations of copper mineralization represented by veinlets and disseminated chalcopyrite and bornite in moderate argillic and potassic altered granodiorite. On this zone, copper mineralization has been intersected over a strike length of 300 m and to a depth of 120 m below surface. Although the 2008 drilling program intersected significant intervals of copper mineralization, the 2008 analytical results are not comparable to the historical drilling results. The mineralization in this zone is open to the southeast and at depth.

The six holes completed in the Southeast Zone extended the strike length of the mineralized zone to a distance of 550 m and to a vertical depth of 205 m below surface and a width ranging from 40 to 80 m. Copper mineralization occurs as veinlets and disseminated chalcopyrite and bornite and in thin quartz veinlets throughout the mineralized intervals in moderate argillic and potassic altered granodiorite. Within the altered and mineralized zone sporadic tourmaline veins which are typical of porphyry deposits also occur. The mineralization is open along strike to the southeast and at depth. DDH DOT-08-SE-03 undercut a previous mineralized interval but did not intersect significant mineralization. It appears that the mineralization on this section has either been truncated by a fault or the dip of the mineralized zone changes at depth. The northwest portion of this zone is truncated by a northeast trending fault. Although significant copper mineralization was intersected on the northwest side of this fault, the mineralized intervals are relatively narrow, typically less than 10.0 m.

The two holes completed on the Vimy Zone to test a weak IP anomaly and the down dip extension of mineralization in the historical underground workings did not intersect significant copper mineralization. One drill hole intersected 0.60% copper over an interval of 1.0 m interpreted to be the down dip extension of the mineralization in the underground workings. The copper mineralization occurs in thin hematitic fault and breccias zones and in thin quartz veinlets in moderate argillic and potassic altered granodiorite. The other hole contained broad intervals of low-grade (<0.01% copper) copper mineralization.

The Copper Zone is characterized by relatively narrow intervals of copper mineralization that occur as fracture controlled chalcopyrite, bornite and native copper in moderate argillic and potassic altered granodiorite. The two drill holes completed in 2008 that are located to the northwest and southeast of the 1997 drill holes appear to have defined the limits of the mineralization on this zone.

## **Geophysical Survey**

On completion of the diamond drilling program, it was believed that the dimensions of the mineralized zones remained open along strike and at depth. In order to better define DDH locations on the Southeast and Northwest Zones prior to drilling, it was determined that a deep penetrating IP geophysical survey should be completed over the Southeast and Northwest Zones and in the area north of the Aberdeen showing where a strong circular shaped total field magnetometer low occurs at the intersection of two interpreted regional scale fault zones.

During the fourth quarter of 2008, a deep penetrating IP survey completed by the Corporation located the positive chargeability and corresponding resistivity lows on both the Southeast Zone in the area north of the Aberdeen showing referred to as the West Zone. A brief description of each zone and the results of the IP survey are outlined below.

### Southeast Zone

The copper-molybdenum mineralization has been outlined over a minimum strike length of 550 m, to a vertical depth of 205 m below surface and ranges from 40 m to 80 m in width. Disseminated, fracture

controlled and vein hosted copper mineralization, consisting of native copper, chalcocite, bornite, chalcopyrite, malachite and quartz and tourmaline veining, occurs in moderate potassic and argillic altered granodiorite. The silicification, argillic alteration and copper sulphides are typical of a porphyry copper style mineralization.

The IP survey detected a moderate IP chargeability anomaly that extends for a horizontal distance of 600 m. This anomaly is interpreted to be due to a combination of the sulphide mineralization below the depth of the mineralized zone and the alteration of quartz/tourmaline veining representing an extension of the mineralized zone at depth below the 200 m level.

### West Zone

This new zone is located approximately 1,500 m west of the Southeast Zone and is situated over a strong magnetic low that was defined by a magnetometer survey completed by the Corporation in 2007. This zone is located north of the Aberdeen Mine which is reported to have shipped high-grade copper mineralization (chalcocite) grading 7% in 1916 and 1917.

The IP survey defined a moderate to strong 300 m long (open to the north) anomaly that is interpreted to represent sulphide mineralization. This IP survey also detected a circular (approximately 150 m in diameter) resistivity anomaly. Three dimensional modelling of the data, suggests that the resistivity signature of this feature weakens at depth. It is possible that the circular resistivity anomaly could represent quartz/tourmaline breccia pipe, a common feature around porphyry deposits.

### **Recent Developments**

Late in the third quarter of 2009, the Corporation announced the successful completion of an equity financing for aggregate gross proceeds of \$854,060. With the financing completed, the Corporation was able to formalize its exploration program.

During the fourth quarter the Corporation commenced its 2009 fall exploration drilling program. Diamond drilling of approximately 3,000 m was planned and was focused on three zones, the Northwest Zone, the Southeast Zone and the West Zone. Up to ten holes, ranging in depths from 250 to 450 m were to be drilled. The objective of the drilling program was to validate new and highly perspective areas of copper mineralization.

By year end 2009, the Corporation completed this drilling program. Eleven holes totaling 3,400 m were drilled. Of the 11 holes drilled, 5 were on the Southwest Zone, 4 on the West Zone and 2 on the Northwest Zone. Limited assay results had been received from 6 of the 11 holes, however, the data had yet to be compiled and interpreted.

Based on encouraging visual inspection of core from the diamond drilling program, the Corporation decided to expand and continue the 2009 drilling program into 2010. While the Corporation initially planned to drill at least 900 m (3 holes) in January 2010, the final program completed was 962 m (4 holes).

In early February 2010, DOT announced the results of 7 of 15 DDH. The results were considered positive, whereby the holes intersected higher copper-gold mineralization. Some of the drilling highlights included the intersection of 0.71% copper, 0.92 g/t gold, and 7.24 g/t silver over 50.35 m in the Southeast Zone, and the continuity of the copper-silver mineralization in the Northwest Zone was established.

**Table 4 – Northwest Zone Diamond Drilling Results**

Northwest Zone					Total	From	To	Interval	Copper	Gold	Silver
DDH #	Northing	Easting	Azimuth	Dip	Depth (m)	(m)	(m)	(m)	(%)	(g/t)	(g/t)
DOT-09-NW-05	5576475	653150	235	-60	249.3	79.77	87.58	7.81	0.15	0.02	0.52
						164.58	175.25	10.67	0.22	0.02	0.68
DOT-09-NW-06	5576400	653200	235	-60	249.3	98.03	152.61	54.58	0.35	0.04	2.97
					including	98.03	103.02	4.99	1.84	0.12	21.27

**The intervals set out in the above table are not true widths.**

The weighted average grade of the mineralized intervals in the Northwest Zone was estimated using a 0.05% copper cut-off grade. The apparent length and weighted average grades for the two DDH drilled on this zone are set out in Table 4 above.

The two DDH completed on this zone confirmed the down-dip continuity of the copper mineralization intersected in the historical analytical drill holes.

**Table 5 – Southeast Zone Diamond Drilling Results**

Southeast Zone					Depth	From	To	Interval	Copper	Gold	Silver
DDH #	Northing	Easting	Azimuth	Dip	(m)	(m)	(m)	(m)	(%)	(g/t)	(g/t)
DOT-09-SE-07	5575773	653574	0	-90	304.50	25.00	53.54	28.54	0.302	0.015	0.86
						72.85	85.41	12.56	0.211	0.015	0.82
						101.49	107.02	5.53	0.134	0.015	0.65
						131.58	193.58	62.00	0.216	0.015	1.78
						213.40	253.40	40.00	0.131	0.015	0.83
						277.40	280.61	3.21	0.197	0.015	1.13
DOT-09-SE-08	5575613	653706	0	-90	304.50	Contains 7 narrow intervals of greater than 500 ppm copper					
DOT-09-SE-09	5575966	653456	0	-90	304.50	27.67	128.49	100.82	0.415	0.064	4.27
					including	40.24	90.59	50.35	0.718	0.092	7.24
						167.79	177.29	9.50	0.157	0.033	1.07
DOT-09-SE-10	5575850	653632	245	-60	450.49	Contains 16 narrow intervals greater than 500 ppm copper					
DOT-09-SE-11	5576032	653418	0	-90	304.50	21.03	62.17	41.14	0.296	0.021	2.17
						75.90	116.74	40.84	0.294	0.119	2.47
						145.34	179.80	35.12	0.333	0.045	2.82

**The intervals set out in the above table are not true widths.**

The 5 DDH completed in the Southeast Zone intersected the strike and down dip extension of the previously reported mineralized intersection within this zone (see Table 5). The diamond drilling has provided greater understanding of the geometry of the mineralized zone and the zone of copper mineralization is open along strike to the southeast and at depth.

**Table 6 – West Zone Diamond Drilling Results**

DDH #	Northing	Easting	Azimuth	Dip	Total Depth (m)	From (m)	To (m)	Interval (m)	Copper (%)	Silver (g/t)	Gold (g/t)	
DOT-09-W-01	5575552	652895	0	-90	304.50	No Significant Mineralization						
DOT-09-W-02	5575578	652372	0	-90	301.45	149.19	157.43	8.24	0.25	0.27	0.01	
						168.19	183.95	15.76	0.30	1.47	0.01	
						including	178.90	181.9	3.00	1.76	7.76	0.08
DOT-09-W-03	5575005	651975	0	-90	301.45	51.20	91.36	40.16	0.36	1.49	0.00	
						including	57.61	63.61	6.00	1.69	6.72	0.03
						129.93	136.26	6.33	0.22	0.96	0.00	
DOT-09-W-04	5574876	651955	65	-60	319.13	185.01	190.12	5.11	0.16	0.59	0.01	
						196.26	205.04	8.78	0.22	0.53	0.00	
DOT-10-W-05	5574877	651957	65	-45	111.25	Did not reach bedrock						
DOT-10-W-06	5574938	652065	0	-90	303.28	76.59	106.76	30.17	0.15	0.16	0.03	
						124.70	151.85	27.14	0.34	0.45	0.02	
DOT-10-W-07	5574952	651900	60	-55	273.41	131.70	151.68	19.96	0.33	0.89	0.02	
						206.58	211.82	5.24	0.16	0.50	0.02	
DOT-10-W-08	5575105	651945	0	-90	274.02	202.52	203.94	1.42	0.45	4.23	0.04	
						217.45	220.72	3.27	0.45	4.23	0.04	

The intervals set out in the above table are not true widths.

In early March 2010, the results for the remaining 8 of the 15 DDH completed (all of which were in the West Zone) were received (see Table 6) and these 8 DDH resulted in the discovery of a new zone of copper mineralization characterized by widespread, fracture controlled and disseminated native copper mineralization in potassic and argillic altered granodiorite. Native copper mineralization was intersected over an area that measures 800 m by 300 m and is open along the interpreted strike and width. Native copper is the only copper mineral intersected in the West Zone. In contrast, the Southeast Zone, located 700 m to the east of the West Zone contains chalcopyrite-bornite mineralization.

In the West Zone, 6 of the 8 DDH intersected significant copper-silver mineralization. Each mineralized hole intersected two zones of copper-silver-gold mineralization typically with a narrower higher grade zone within the broader mineralized interval. One hole failed to reach bedrock and one hole did not intersect significant copper mineralization. Trace concentrations of native copper was observed throughout the core for the 6 mineralized DDH resulting in a high (greater than 400 parts per million) copper background concentration. The weighted average grade of the mineralized intervals in the West Zone was estimated using a 0.05% copper cut-off grade. The apparent length and weighted average grades for the 2 DDH drilled on this zone are set out in Table 6.

### **Geological Setting**

The Properties are located in the Intermontane Belt. The Intermontane Belt is a linear allochthonous morphogeological belt that extends the length of central British Columbia from Washington to Yukon and is flanked by the Crystalline Belt and the Omineca Belt to the west and east, respectively. The belt is comprised of a number of terranes of volcanic, sedimentary, and granitic rocks. These include: 1) Devonian to early Jurassic sedimentary and (1a) volcanic rocks formed in island arcs and chert-rich accretionary complexes; 2) Middle Jurassic to early Cenozoic volcanic rocks formed mainly in continental arcs and (2b) marine and non-marine clastics eroded from the uplifting Omineca Belt; and 3) Devonian to Cenozoic granitic rocks deformed by compression and subduction to the west during the Mesozoic and extension/transension during the early Cenozoic. The geologic terranes of the Intermontane Belt are generally of sub-greenschist metamorphic facies.

### **Regional Geology**

The Quesnel Terrane is a volcanic arc terrane that is found along most of the length of the Canadian Cordillera. It is the westernmost of three regional domains that contain distinct facies and assemblages. This terrane is dominantly represented by Middle and Upper Triassic volcanic and sedimentary rocks

assigned to the Takla Group in northern and central British Columbia and to the Cache Creek and Nicola groups in the south (Figure 1). These rocks are locally overlain by Lower Jurassic to Middle Tertiary volcanic and sedimentary rocks and are intruded by several suites of Late Triassic through Early Jurassic plutons such as the Guichon Creek batholith. Late Triassic-Early Jurassic intrusive rocks are a prominent and economically important component of the Quesnel Terrane. These include both calc-alkaline and alkaline plutonic suites, as well as Alaskan-type ultramafic-mafic intrusions. The Guichon batholith intrudes sedimentary and volcanic strata of the Mississippian to Triassic aged Cache Creek and Upper Triassic aged Nicola groups and is unconformably overlain by sedimentary and volcanic strata ranging in age from Lower Jurassic to Middle Tertiary including: Triassic Nicola Group volcanics, metasedimentary rocks of the Lower/Middle Jurassic Ladner and Jurassic/Cretaceous Relay Mountain groups, Lower/Middle Cretaceous Jackass Mountain Group sedimentary rocks and Middle/Upper Cretaceous Spences Bridge Group volcanic rocks.

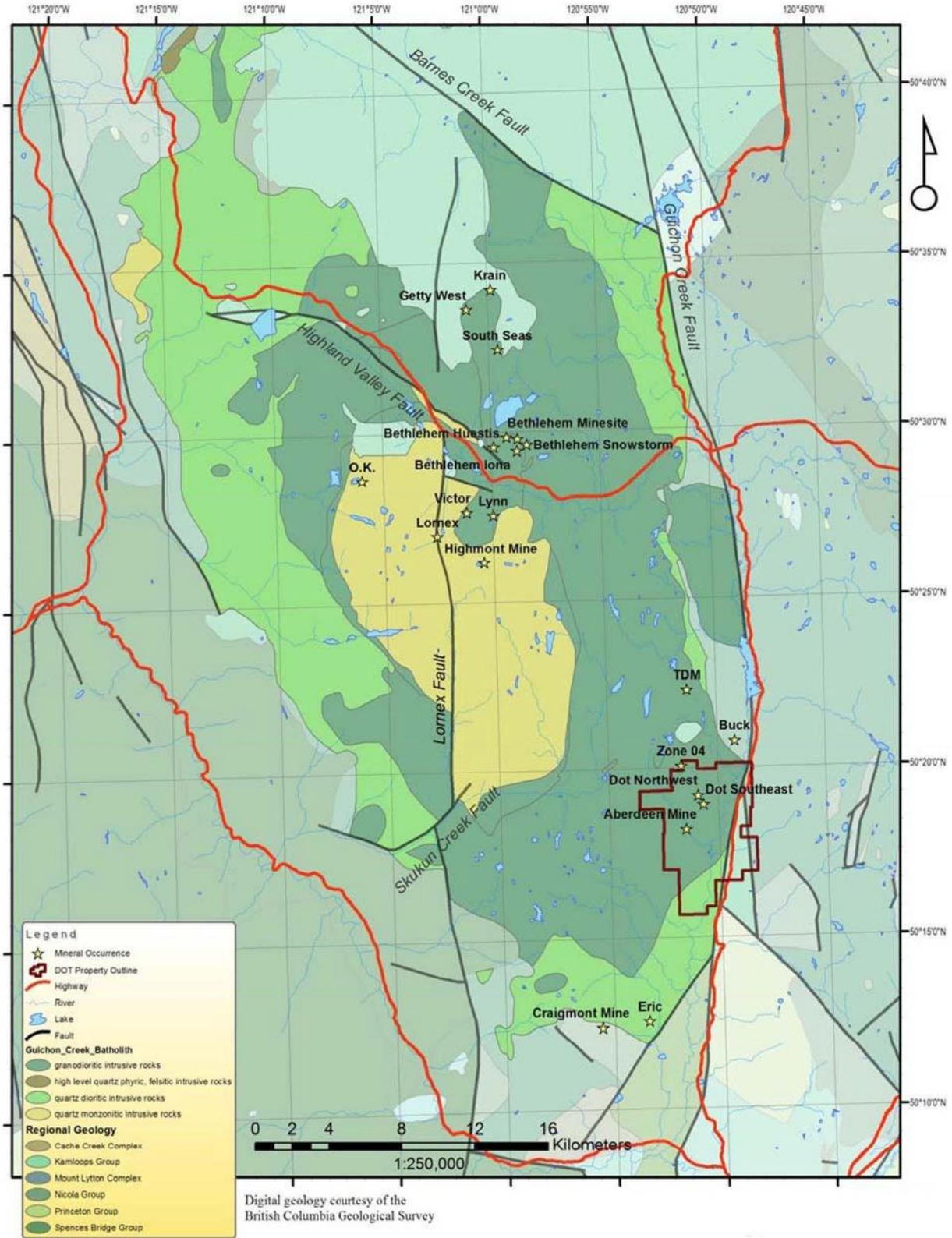


Figure 1 – Guichon Creek Batholith and Regional Geology

Along the eastern contact of the batholith the Nicola Group rocks are described as an eastern facing succession of calcalkaline, mainly plagioclase-phyric andesitic flows and breccias, with lenticular interlayers of limestone and bedded volcanoclastic rocks. Local exposures of dacite and rhyolite flows, welded tuff and breccia, and intercalated intermediate to felsic heterolithic volcanoclastic rocks represent felsic centers. Volcanic (dominantly intermediate, locally felsic and mafic), volcanoclastic (pyroclastic and sediments), and sedimentary (chert-grain sandstone, conglomerate, minor shale) rocks of the Middle and Lake Cretaceous Spences Bridge Group are exposed at the southwestern contact of the batholith.

Regional metamorphosed rocks include: Carboniferous to Jurassic Cache Creek Complex melanges, Permian to Lower Cretaceous Bridge River Complex and ultramafic rocks, and Upper Triassic Nicola Group metavolcanic rocks. Locally metamorphosed rocks adjacent to the batholith include hornblende plagioclase gneiss, schist, quartzite, and hornfels that occur in a metamorphic halo up to 500 m in width.

The  $198 \pm 8$  Ma Guichon Creek batholith is interpreted to be subvolcanic; initial Sr87/Sr86 ratios are primitive indicating an island arc setting during emplacement. Early equigranular phases are interpreted to be mesozonal in contrast to younger and mineralised porphyritic phases which are interpreted to be epizonal and therefore intruded higher into overlying volcano-sedimentary pile.

Based on present geometry and a gravity profile published in 1972 (see Figure 2), magma is interpreted to have intruded along intersecting basement structures and expanded northward and southward along a dominant zone of weakness. Reactivation of these same basement structures syn- to post-plutonism can control fault patterns in the batholith and the distribution of younger volcanic and volcanoclastic rocks adjacent to the batholith. These basement structures are also interpreted to have controlled the distribution of late mineralised porphyry dykes and localized ore deposition.

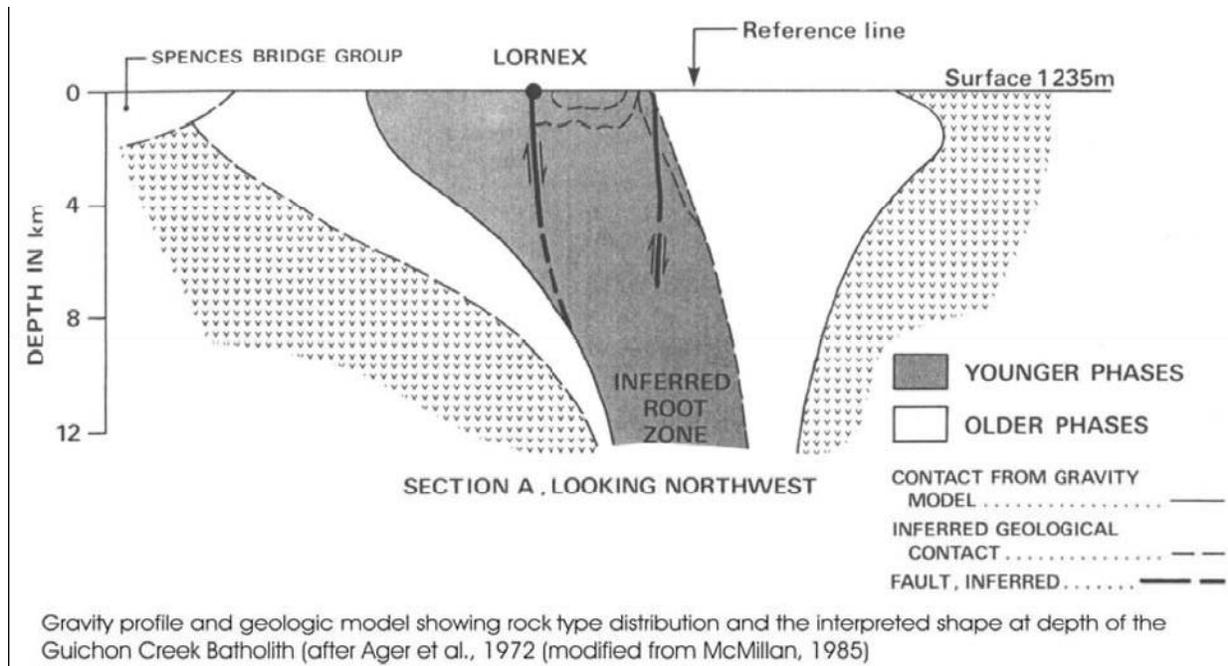


Figure 2 – Guichon Creek Batholith Gravity Profile

The batholith is host to many phases with distinct mineralogical and textural characteristics. From oldest to youngest, these phases include the Border, Highland Valley (incl. Guichon and Chataway varieties),

Bethlehem (incl. Skeena variety), and Bethsaida phases. The older phases occur at the margins of the batholith; the younger phases are concentrated at the core. Contacts between the phases are generally gradational and rarely chilled indicating that consecutive phases intruded prior to complete solidification of the host phase. Crosscutting contacts are observed between all phases.

Periodic dyke emplacement commenced after the intrusion of the Bethlehem phase. This phase of intrusion is associated with the first major period of ore formation in the batholith. These dykes have textural and chemical affinities to the Bethlehem phase, and because they crosscut Bethlehem and older phases are interpreted to be a latestage volatile-rich and incompatible phase of Bethlehem plutonism. The Bethlehem ore deposits and South Seas and Krain occurrences are associated with these dykes and related magmatic-hydrothermal breccias. Central to the batholith and to the south a series of north to northwest-trending dykes are interpreted to be younger than the initial ore-bearing phase of the north. These dykes are coeval with Bethsaida phase plutonism or representative of younger more evolved magmas. Previous consultants suggest that the largest ore deposits in the batholith are associated with this event.

Quaternary sediments occur as thick drifts along the main rivers and some of the larger creeks.

### **Property Geology**

Lithologies of the Guichon Creek batholith range from diorite at the margin through quartz diorite, quartz monzodiorite, and granodiorite at the core. The Properties are located near the southeastern margin of the Guichon Creek batholith and predominantly overlies Guichon Variety medium grained hornblende monzodiorite to granodiorite of the Highland Valley phase. This phase is intruded by coarser grained granodiorite and younger porphyry intrusive rocks, possibly of Chataway, Skeena, or Bethsaida affinity.

Isolated occurrences of Tertiary volcanic rocks, correlative with the Kamloops Group, unconformably overlie intrusive rocks at the northern end of the property. This unit is a dark green to dark brown vesicular basalt that shows distinctive rusting on weathered surfaces.

Aplite dykes are observed in drill core from the Northwest and Southeast Zones. The dykes are fine grained, leucogranitic in composition, and little- to un-altered. This unit is described in outcrop north of the Properties as a series of small dykes and stringers of random orientation that intrude most lithologies. They are documented to have no spatial relationship to mineralization though they can be weakly mineralised where observed to the north. On the Properties these dykes are spatially associated with copper mineralization.

Granodiorite and quartz monzonite underlie the western and northwestern portion of the Properties. This phase is a generally fine to medium grained, locally porphyritic, hornblende-bearing granodiorite that shows gradational contacts with adjacent Chataway Variety granodiorite. It may be correlative with the Skeena or Bethlehem phases mapped further to the north. This unit is distinguished from the more mafic Border phase by a lighter colour and coarser texture.

The contact of the Border phase and the Guichon Variety granodiorite is mapped southeast and east of the Northwest and Southeast Zones. On a regional scale the Border phase is a dioritic unit interpreted to be a hybrid melt contaminated by Nicola Group volcanic rock upon emplacement. Hornblende and lesser pyroxene are the most abundant mafic minerals and may represent 35% modal abundance. These mafic minerals are strongly altered to chlorite and little replaced by magnetite. A limonitic colour is a common feature of the weathered surface. The Border phase diorite hosts xenoliths of Nicola volcanic and volcanoclastic rocks; local mixing of these two units has resulted in amphibolite to monzonitic zones. Locally, subangular pyroxene-bearing mafic-rich granitoid xenoliths can be so abundant as to form a pseudo-breccia texture.

## **Mineralization**

The Northwest and Southeast Zones are hosted in a northwest-trending structural zone of altered granodiorite. Disseminated, fracture controlled, and vein hosted copperbearing mineralization includes native copper, chalcocite, bornite, chalcopyrite, and malachite. These features of mineralization are common in porphyry systems. Highergrade copper mineralization is associated with silicification where fracture density is high or where fractures show strong crosscutting relationships. The Copper Zone is host to predominantly native copper as disseminations and fracture coats and lesser disseminated chalcocite. Mineralization in this zone appears to be related to supergene enrichment.

Malachite is restricted to strongly oxidized intervals near the paleosurface; where mineralization is intersected subjacent to tertiary overburden. It is strongly fracture controlled, commonly of massive habit along fracture surface coatings and rarely as subhedral habit where filling open fracture space.

Native copper may be disseminated and spatially associated with chalcocite and platy in fracture fillings and quartz veins. Copper associated with quartz veins may be remobilized or related to a younger phase of mineralization. Disseminated copper occurs in oxidized granodiorite and aplite dykes intersected in the Southeast Zone.

Massive chalcocite occurs as fracture fillings in oxidized intervals.

Chalcopyrite is massive and occurs in veins, fracture fillings and coarse disseminations when associated with bornite and intense phyllic+argillic alteration.

Bornite is the most abundant copper-bearing mineral on the property. It occurs in veins of massive bornite or with smoky white quartz; in fracture fillings; and as coarse and fine disseminations when associated with strong phyllic+argillic alteration.

Copper-bearing sulphide mineralization is strongly associated with potassic±phyllic±argillic alteration.

## **Structure**

At a regional scale, a framework of north and northwest striking structural zones host mineralization. This trend is evident on the Properties as the Northwest (Upper Vimy) and Southeast Zone, Lower Vimy Zone, the Copper Zone, and a number of copper occurrences are concentrated along structural breaks which trend north-northwest. These mineralised zones are interpreted to be locally offset by crosscutting northeast trending structural breaks, which on the Properties, show dextral offset. Many of the fault and shear zones that host mineralization are interpreted to be older than mineralization and therefore acted as conduits for mineralised fluids during at least two generations of reactivation as supported by crosscutting relationships in mineralized fractures. Reactivation of these faults can be caused by subsequent intrusive phases of the batholith.

The mineralised northwest-trending structures dip steeply to the northeast in the both the Northwest and Southeast Zones. Geologic cross sections indicate that these features dip from 65 degrees to subvertical. The fault and shear zones show evidence for multiple generations of crosscutting fracture networks, displacement surfaces and brecciation. Many of these crosscutting features are mineralised.

## **Drilling**

Reference is made to the subsection “*Diamond drilling*” under “*History of the Properties*” section of this AIF for a description of the recent drilling programs and their results.

## **Sampling and Analysis**

### **Surface sampling**

Bulldozer trenching has exposed copper mineralization in unaltered granodiorite at the northwestern end of the Northwest Zone. Zappa Resources sampled this location in 1992.

### **Subsurface sampling**

Subsurface sampling as presented in the Aurora Report is predominantly the product of diamond drill core. There is mention of one adit on the Northwest showing and two adits on the Lower Vimy showing; however, there is no data pertaining to specific sampling practice or analysis. Each of the exploration programs completed in 1981, 1992, 1996 and 1997 were unique in terms of sample intervals, minerals assayed and analytical labs utilized.

Aurora could not verify the sampling techniques practiced by Lawrence Mining Corporation in 1981 as this core was not available during the November 2008 site visit. According to available literature sample intervals are generally one to two meters in length and a focused on mineralised intersections. Samples were constantly assayed for copper and silver. Gold and molybdenum analyses were performed on some intervals.

Zappa Resources Ltd. completed six reverse circulation drill holes in 1992. The following sampling technique is summarized after Norman (1992). Samples were collected beneath a cyclone and split using a Jones Splitter into dry samples, collected in plastic bags, and wet samples, which were collected in perforated Hubco bags. A split sample of approximately 5 kilograms was shipped to Mineral Environments Laboratories (Assayers Canada) for assay purposes. Drill intersections recognized as copper-bearing intervals were assayed for total copper and non sulphide copper; a limited number of samples were assayed for native copper and intervals with no visible copper mineralization were analyzed for copper by 31 element trace ICP.

Sampling techniques practiced in the 1996, and 1997 exploration programs are not explicitly described in the literature. Inspection of the remaining core indicates that it was halved using a manual hammer splitter; one half submitted for analysis, the other returned in place to the core box. When comparing the quantity of mineralization observed in the remaining core with the assay results for the same intervals it would appear that the core was sampled with little to no bias for mineralization. Sample intervals in the 2007/2008 program were selected based on lithologies and intensity of alteration. The sample intervals generally were one and two metres and sample weights ranged from 2.0 to 4.0 kilograms respectively. The Cu, Ag, Au, and Mo assay results presented from these later exploration programs are deemed to be representative of mineralization intersected during drilling. Sample intervals in 1996 were either one or three meters; the author is not aware of the specific criteria used to define a sample interval. Sample intervals in 1997 were exclusively three meters in length.

### **Sample preparation, analysis and security**

Aurora confirms that samples collected during the 1981 exploration program, conducted by Lawrence Mining Corporation, were submitted to Kamloops Research and Assay Laboratory Ltd. Copies of the original assay certificates are included in the assessment report pertaining to that program. Aurora had no way of validating the authenticity of these results or the analytical process.

Mineral Environment Laboratories (now Assayers Canada) analyzed core samples submitted by Zappa Resources Ltd. Copies of the original certificates of assay are included in the assessment report submitted to the Gold Commissioner Office in 1992. A description of the analytical procedure as reported by Mineral Environments Laboratories is provided below.

### **Analytical procedure report for assessment work**

Aurora confirms that samples were processed by Min-En Laboratories, at 705 West 15th Street, North Vancouver, employing the following procedures. After drying the samples at 95°C, soil and stream sediment samples are screened by 80 mesh sieve to obtain the minus 80 mesh fraction for analysis. The rock samples are crushed by a jaw crusher and pulverized by ceramic plated pulverizer or ring mill pulverizer.

0.5 gram of the sample is digested for 2 hours with an aqua regia mixture.

After cooling samples are diluted to standard volume. The solutions are analyzed by computer operated Jarrell Ash 90000 ICAP or Jobin Yvon 70 Type II Inductively Coupled Plasma Spectrometers.

Reports are formatted and printed using a laser printer.

For geochemical Analysis samples are tested by Atomic Absorption (A.A.) techniques rather than the above ICP method.

#### **NON-SUL CU %**

- 3% sulphuric acid
- Boil 30 minutes
- Then AA finish

#### **COPPER OXIDE**

- 20% ammonium sulphate
- AA finish

#### **NATIVE COPPER**

- 25% ammonium sulphate
- Cold leaching for 3 hours
- Then 20% ammonium acetate hot leaching
- AA finish

The results of the solution – copper oxide = native copper

#### **SPECIAL CU LEACHING**

- Using 3% and 10% of H<sub>2</sub>SO<sub>4</sub>
- Leach for 3 hours
- AA finish

Samples collected in 1996 and 1997 were analyzed by EcoTech Laboratory Ltd. (“EcoTech Labs”). Mineralization intersected in 1997 consisted primarily of native copper. Ten of the samples collected in 1997 were submitted to two independent laboratories because of an apparent discrepancy in the visual copper content of mineralised intervals and the corresponding assay grades that were returned from the geochemical analysis. The first core samples collected were submitted to EcoTech Labs of Kamloops, British Columbia, for analysis by standard metallic processes. The same core interval was then submitted to CanTech Labs of Calgary, Alberta, for analysis by a different method. The methods were not classified in the report, but are described. The EcoTech Labs procedure is described as: "...crushing the sample and then splitting this sample several times until the sample weighs approximately 250 grams. This 250 gram sample is pulverized to 150 mesh and then screened to remove the coarse fraction (-150 mesh). The entire coarse fraction is weighed and then digested in an acid solution and analyzed for the copper content. The +150 mesh sample is weighed and mixed to homogenize the sample consistency. Approximately 1 gram of this sample is digested in acid solution and analyzed for copper content. The weights and grades of the individual samples are averaged to equate the percentage of copper for that sample." The procedure for analysis completed at CanTech Laboratories Inc of Calgary, Alberta, is described as "...pulverizing the entire sample and then screening for metallic copper. The -150 mesh fraction was entirely digested in acid

and analyzed for copper and two grams of the +150 mesh sample was digested and analyzed for copper and averaged as to weight and grade. The digestion time for the copper in these assays was twelve hours."

Analytical techniques, detection limits, standards data used by EcoTech Labs for geochemical analysis in 1996 and 1997 is not included in the relevant reports nor is there any literature currently available from EcoTech Labs. This information is also not available for analysis completed by CanTech Laboratories Inc. in 1997. In both cases only the analysis certificates were included in the report.

A comparison of the results from the two methods as presented by Stewart (1997) as listed in Table 7 below.

**Table 7 – Analysis Comparison of EcoTech and CabTech Labs**

<b>Sample Number</b>	<b>EcoTech Labs values (% Cu)</b>	<b>CanTech Labs values (% Cu)</b>
94328	0.16	0.175
94329	0.81	0.849
94330	0.05	0.180
94331	0.02	0.071
94332	0.08	0.425
94333	0.06	0.120
94334	0.06	0.128
94335	0.09	0.087
94336	0.07	0.090
94337	0.56	0.367
94338	0.03	0.028

Samples with predominantly copper-bearing sulphide mineralization show similar assay results as in samples 94329 and 94337. Samples from core with high visual estimates of native copper (interval 94331 to 94334 inclusive) show 200 to 500 percent increase in copper grade.

EcoTech Labs and Assayers Canada were ISO certified companies at the time the samples were processed.

The sample preparation and analysis procedures carried out by EcoTech Labs on samples submitted during the 2007/2008 program are described as follows. Sample preparation and analysis of the samples collected from the surface and diamond drilling program was completed by EcoTech Labs. Samples were prepared using a 2 stage crushing on a jaw crusher to 70% passing 10 mesh screen. A 250 gram sub-sample of the crushed material is pulverized on a ring mill to 95% passing minus 150 mesh screen. The sub sample is rolled and homogenized.

After initially analyzing the samples on the ICP/MS all samples with greater than 1,000 ppm copper were re-analyzed using the Aqua Regia Assay method. On the same set of samples, the 10 highest copper values are re-split and re-analyzed in triplicates using the Total Copper Assay method. In sample intervals where native copper was observed, metallic copper sample preparation and analysis were performed.

For metallic copper analysis, rock samples are pulverized to 95% passing -140 mesh. The sample was weighed, rolled, homogenized and screened at 140 mesh. The -140 mesh fraction is homogenized and 2 samples are digested for a copper assay. The +140 mesh material is assayed entirely. The sample is digested with an Aqua Regia digestion and then analyzed by atomic absorption to 0.01 grams/t detection limit. The values are calculated back to the original sample weight providing a net copper value as well as 2 -140 values and a single +140 mesh value.

Gold analyses are completed on a 30 gram sample and a repeat sample is completed for every 10 samples. The samples are fused along with proper fluxing materials and the resulting bead is digested in Aqua Regia and analyzed by atomic absorption. Over-range values are reanalyzed using gold assay methods. (Detection limit 1-5 ppb AA).

The Quality Assurance, Quality Control program conducted by Aurora for the 2007/2008 program consisted of inserting a series of blanks, duplicates and Reference Standards into the sample batches submitted to EcoTech Labs for preparation and analysis. Reference Standards used are CDN-CGS-16 and CDN-CM-1.

The process for non-destructive determination of sample density utilised by EcoTech Labs to determine the density of the core samples collected for this Mineral Resource Estimate are summarised below. The weight of a dried core sample was determined in grams. The sample was immersed in molten wax and allowed to set. The wax-covered core sample was reweighed and the weight was recorded in grams. A counter balance was weighted and then the wax-covered core sample (which is attached to the counter-balance via a specific gravity apparatus) was completely immersed in a container holding RO water. The weight of the wax covered core sample was recorded in grams. The specific gravity was then calculated using the recorded measurements. Each batch of non-destructive specific gravity samples is repeated every 10<sup>th</sup> sample and a granite rock in-house standard is run with every job as a reference material.

## **MARKET FOR DOT COMMON SHARES**

### **Market**

All the outstanding common shares of the Corporation are listed and posted for trading on the TSX Venture Exchange Inc. under the symbol "DOT".

**Table 8 – Trading Price and Volume**

<b>Month</b>	<b>High (\$)</b>	<b>Low (\$)</b>	<b>Close (\$)</b>	<b>Trading Volume</b>
December 2009	0.15	0.05	0.12	523,100
November 2009	0.08	0.04	0.05	134,500
October 2009	0.18	0.07	0.07	82,500
September 2009	0.10	0.05	0.10	133,700
August 2009	0.10	0.04	0.07	259,500
July 2009	0.11	0.05	0.09	138,000
June 2009	0.10	0.05	0.07	473,100
May 2009	0.10	0.02	0.10	246,200
April 2009	0.04	0.02	0.02	60,400
March 2009	0.02	0.02	0.02	1,100
February 2009	0.05	0.02	0.02	72,100
January 2009	0.02	0.01	0.02	17,300

In addition, a total of 2,200,000 stock options were granted under the Corporation's stock option plan during the year ended December 31, 2009.

## **DIVIDEND POLICY**

Dividends have never been paid on the common shares of DOT and at the present time the policy of the Corporation is not to declare regular dividends on its common shares. Such policy is under periodic review by the board of directors and is subject to change at any time depending upon the earnings of the Corporation, its financial requirements and other factors existing at the time.

## **CAPITAL STRUCTURE**

The authorized share capital of the Corporation consists of an unlimited number of common shares. The Corporation is also authorized to issue an unlimited number of preferred shares. The following summary does not purport to be complete and reference is made to the Corporation's Articles of Incorporation, as amended, for the full text of the provisions.

### **Common Shares**

Each common share is entitled to one vote at meetings of shareholders, except for meetings at which only holders of another specified class of shares are entitled to vote. Each common share is also entitled to receive dividends if, as and when declared by the board of directors of the Corporation; provided that the Corporation shall be entitled to declare dividends on the preferred shares, or on any of such classes of shares without being obligated to declare any dividends on the common voting shares of the Corporation. Holders of common shares are entitled, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation, to receive the remaining property of the Corporation upon dissolution in equal rank with the holders of all other Common shares of the Corporation. Holders of common shares also entitled to the rights, privileges and restrictions normally attached to common shares. As at December 31, 2009 and May 20, 2010, there were 55,734,333 common shares outstanding.

### **Preferred Shares**

The preference shares may from time to time be issued in one or more series, and the board of directors as may fix from time to time before such issue the number of preferred shares which is to comprise each series and the designation, rights, privileges, restrictions and conditions attaching to each series of preferred shares including, without limiting the generality of the foregoing, any voting rights, the rate or amount of dividends or the method of calculating the dividends, the dates of payment thereof, the terms and conditions of redemption, purchase and conversion if any, and any sinking fund or other provisions. The preferred shares of each series shall, with respect to the payment of dividends and the distribution of assets or return of capital in the event of liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other return of capital or distribution of the assets of the Corporation amongst its shareholders for the purpose of winding up its affairs, be entitled to preference over the voting and non-voting Common shares and over any other shares of the Corporation ranking by their terms junior to the preferred shares of that series. The preferred shares of any series may also be given such other preferences over the Common shares and any other such preferred shares as. If any cumulative dividends or amounts payable on the return of capital in respect of a series of preferred shares are not paid in full, all series of preferred shares shall participate rateably in respect of accumulated dividends and return of capital.

There are currently no preferred shares outstanding.

## **DIRECTORS AND OFFICERS**

The names and office, city, province or state and country of residence, period of service and principal occupations during the preceding five years of the directors and executive officers of the Corporation are set forth below.

<b>Name and Municipality of Residence</b>	<b>Office Held</b>	<b>Commencement of Service</b>	<b>Principal Occupation and Positions Held During Last Five Years</b>	<b>Voting Securities of the Corporation Held or Controlled as of the Date Hereof</b>	<b>% of Voting Securities</b>
John J. Komarnicki Calgary, Alberta, Canada	Chairman of the Board, Director, President and Chief Executive Officer	May 2007	Chairman of the Board and Chief Executive Officer of Alhambra Resources Ltd. since December 1, 2003.	3,086,956	5.54
James S. Bunyan Hertfordshire, United Kingdom	Director	May 2007	Independent Businessman.	31,730	0.06
Michael E. Hriskevich Calgary, Alberta, Canada	Director	May 2007	Retired. Prior to December 1, 2003, President and Chief Executive Officer of the Corporation.	670,874	1.20
Graham A. Karklin Vancouver, British Columbia, Canada	Director	November 2009	Retired. Provides consulting services to Newmont Mining Corporation. Director of Metallurgical Services for Newmont Mining Corporation from 1996 to 2008.	166,667	0.30
Gordon L. Levang Calgary, Alberta, Canada	Director	May 2007	President, Kranor Sales Ltd. since August 1998; Chief Executive Officer of Polartek 2000 Ltd. (manufacturer of electrical equipment for the oil and gas industry)	624,801	1.12
Elmer B. Stewart Calgary, Alberta, Canada	Director	May 2007	Independent businessman. President and Chief Operating Officer of the Corporation from December 1, 2003 to October 31, 2007. Prior thereto, independent businessman, providing geological consulting services.	496,247	0.89
Clarence K. Wagenaar Calgary, Alberta, Canada	Director	May 2007	President of Hillcrest Investments Ltd. (real estate development company).	3,108,883	5.58
Donald D. McKechnie Calgary, Alberta, Canada	Vice President Finance and Chief Financial Officer	May 2007	Vice President Finance and Chief Financial Officer at Alhambra Resources Ltd.	921,079	1.65
Ihor P. Wasyliw Calgary, Alberta, Canada	Vice President and Chief Information Officer	May 2007	Vice President and Chief Information Officer at Alhambra Resources Ltd. from 2006 to present. Vice President Investor Relations at PetroKazakhstan Inc. from 1999 to 2005.	612,510	1.10
Michael J. Perkins Calgary, Alberta, Canada	Corporate Secretary	May 2007	Partner at Borden Ladner Gervais LLP	208,461	0.37

**Notes:**

1. All members of the board of directors, except Mr. Komarnicki and Elmer B. Stewart, are independent.
2. Members of the Audit Committee – Clarence Wagenaar (Chairman), Michael E. Hriskevich and Gordon L. Levang.
3. Members of the Compensation Committee - Gordon L. Levang (Chairman), James S. Bunyan and Clarence K. Wagenaar.
4. Members of the Corporate Governance Committee – James S. Bunyan (Chairman), Gordon L. Levang and John J. Komarnicki.
5. Each term of a director expires at the annual general meeting of the shareholders of the Corporation each year.

## **CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS**

None of those persons who are directors or Executive Officers of the Corporation is, or has been within the past ten years, a director, chief executive officer or chief financial officer of any company, including the Corporation, that, while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days, or after such persons ceased to be a director, chief executive officer or chief financial officer of the company, was the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days, which resulted from an event that occurred while acting in such capacity.

In addition, none of those persons who are directors, Executive Officers or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation is, or has been within the past ten years, a director or executive officer of any company, including the Corporation, that, while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

None of the persons who are directors, Executive Officers or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation have, within the past ten years made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets.

Other than as herein set forth, none of those persons who are directors, Executive Officers or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

On October 21, 2002, the British Columbia Securities Commission issued a temporary cease trade order against Alhambra, a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, and a notice of hearing against Alhambra, Michael E. Hriskevich and Elmer B. Stewart as result of disclosure made by Alhambra in relation to mineral properties to be acquired by Alhambra. The temporary cease trade order was revoked on October 25, 2002 and the notice of hearing was adjourned until November 17, 2003. As a result of the above, the TSX Venture Exchange Inc. suspended trading in the shares of Alhambra on October 22, 2002. Application was made to the TSX Venture Exchange Inc. to have trading in the shares of Alhambra reinstated which occurred on October 31, 2002. On November 10, 2003, the British Columbia Securities Commission discontinued the proceeding against Michael E. Hriskevich and Elmer B. Stewart. Also on November 10, 2003, the British Columbia Securities Commission entered into a settlement agreement with Alhambra in which Alhambra agreed to pay the British Columbia Securities Commission the sum of \$20,000, of which \$15,000 represented the costs of the investigation and in which Alhambra agreed not to say anything, in writing or orally, which may contradict the terms of the settlement agreement.

## **MATERIAL CONTRACTS**

The following sets forth all material contracts entered into by the Corporation other than in the ordinary course of business within the last financial year or before the last financial year of the Corporation if that materials contract is still in effect:

1. Administrative and Corporate Services Contract, dated August 29, 2007 between the Corporation and Alhambra Resources Ltd.

### **CONFLICTS OF INTEREST**

Certain directors and Executive Officers of the Corporation are associated with other corporations, which may give rise to conflicts of interest. In accordance with the ABCA, directors who have a material interest in any person who is a party to a material contract or proposed material contract with the Corporation are required, subject to certain exceptions, to disclose that interest and abstain from voting on any resolution to approve that contract. In addition, the directors are required to act honestly and in good faith with a view to the best interest of the Corporation.

All of the directors and Executive Officers of the Corporation, except Elmer B. Stewart and Michael J. Perkins, are also directors or Executive Officers of Alhambra, which owns approximately 27% of the issued and outstanding common shares of the Corporation.

### **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

As of the date of this Annual Information Form, the Corporation is not party to any legal proceedings or regulatory actions.

### **RISK FACTORS**

As a pure exploration corporation, DOT's goal is to continue to find resources and reserves that can be developed economically. In attempting to accomplish this goal, the Corporation faces many risks that it must minimize.

#### **Going Concern and Capital Resources**

The audited financial statements of the Corporation have been prepared on a going concern basis in accordance with generally accepted accounting principles. There is significant doubt about the appropriateness of the use of the going concern assumption because the Corporation is in the process of exploring its mineral properties, has not yet determined whether its mineral properties contain mineral reserves that are economically recoverable, has experienced and continue to experience losses from operations and negative cash flows and relies solely on external financing to fund exploration activities and operations.

Continued exploration and development of the Properties, as well as the Corporation's ability to continue as a going concern are dependent on DOT's ability to obtain necessary financing. As the Corporation is not currently producing from its Properties, it will be necessary for the Corporation to seek additional equity to finance its programs. While the Corporation has been successful in the past in attracting equity financing required to carry out its planned exploration program, there can be no assurance that additional funding will be available in the future, particularly in light of the current state of the equity markets. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration plans, as well as the Corporation's ability to continue as a going concern.

#### **Limited Operating History**

The Corporation has a limited history of operations. The Corporation is subject to many of the risks common to start-up enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenue. There is no assurance that the Corporation will be successful in achieving a return on shareholders' investment and the likelihood of success must be

considered in light of its early stage of operations. All of the Corporation's Properties are in the exploration stage.

### **Exploration and development**

The mining industry in general is inherently risky in nature. Mineral properties are often non-productive for reasons that cannot be anticipated in advance and the Corporation may be subject to risks from operations, mining law, environmental regulations, permits, licenses, land claims and financing.

The Corporation focuses exploration efforts in areas in which it has existing knowledge and expertise. Exploration activities rely on the exploration results collected at that time and on professional judgment of people involved in the exploration business. There can be no assurance that exploration programs will result in a discovery being made. In the event that a discovery is made, no assurance can be given that the discovery will result in either resources or reserves being established on the property. If reserves are established, it may take a number of years and substantial expenditures until production is achieved, during which the economic feasibility of the project may change.

The long-term profitability of the Corporation's operation will, in part, be directly related to the success of its exploration programs in finding additional reserves, which may be affected by a number of factors that are beyond the control of the Corporation.

### **World Economic Slowdown**

The continuing worldwide economic slowdown, stock market uncertainty and international credit crisis could adversely impact the Corporation's ability to raise sufficient working capital to sustain operations. The Corporation can neither predict the impact the current economic conditions will have on future results, nor predict when the economy will show meaningful improvement.

### **No Production Revenue**

The Corporation does not commercially mine, produce or sell any mineral products. The Corporation does not expect to generate revenues from mining operations in the foreseeable future. The Corporation expects to continue to incur losses until such time as its Properties enter into commercial production and generate sufficient revenues to fund its continuing operations. The exploration and development of the Properties will require the commitment of substantial resources to conduct time-consuming exploration and development programs. There can be no assurance that the Corporation will generate any revenues or achieve profitability. There can be no assurance that the underlying assumed levels of expenses will prove to be accurate. The Corporation's operating expenses and capital expenditures may increase in subsequent years as needed consultants, personnel and equipment associated with advancing exploration, development and commercial production of its properties are added. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the result of consultants' analysis and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreement with strategic partners, the Corporation's acquisition of additional properties and other factors, many of which are beyond the Corporation's control.

### **Permits and licenses**

The operations of the Corporation require permits from the Province of British Columbia. The Corporation has secured the necessary permits for its current exploration program. There can be no assurance that the Corporation will be able to obtain all necessary permits that may be required to carry out its operations in the future.

### **Operations risk**

Operations risk relates to the ability to recover metal from an established mineral reserve. Using skilled and experienced professional staff reduces this risk. Using the latest technologies and controlling costs to maximize profitability also assists in minimization of this risk. Other possible risks include changes in metal prices, unstable ground conditions, procurement of reagents, supplies and fuels and qualified operating personnel as well as severe weather conditions.

### **Environmental factors**

All phases of the Corporation's operations are subject to environmental regulation in British Columbia. Although DOT takes the steps necessary to protect the environment around its operations, there is no assurance that future changes in environmental regulation, if any, will not adversely affect DOT's operations or result in substantial costs and liabilities in the future.

### **Regulations and mining law**

DOT's mining operations and exploration activities are subject to the laws and regulations of the Province of British Columbia, Canada. There is no assurance that these laws will not change in the future.

### **Key Personnel**

The success of the Corporation depends upon its personnel and key consultants. The unexpected loss or departure of any of any of the Corporation's key officers, employees or consultants could be detrimental to the future operations of the Corporation. The success of the Corporation's business will depend, in part, upon the Corporation's ability to attract and retain qualified personnel as they are needed. There can be no assurance that the Corporation will be able to engage the services such personnel or retain its current personnel.

### **Competition**

The mining industry is very competitive. The Corporation competes with other more established corporations which have greater financial capabilities, larger mineral resources and reserves, production of minerals and significantly larger operations and more personnel. There is no assurance that the Corporation will be able to compete with such larger better financed entities.

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

Other than as herein set forth, no director, officer or any of their respective associates or affiliates is or has been at any time since inception of the Corporation, indebted to the Corporation nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Corporation.

## **INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than as hereinafter set forth, the Corporation is not aware of any material interest, direct or indirect, of any "informed person" of the Corporation or any associate or affiliate of any of the foregoing in any transaction since the inception of the Corporation in any proposed transaction which has materially affected or would materially affect the Corporation.

For the purposes of the above, "informed person" means: (a) a director or executive officer of the Corporation; (b) a director or executive officer of a company that is itself an informed person or subsidiary of the Corporation; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the

Corporation or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Corporation after having purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Under the terms of the Administrative Contract, Alhambra provides management and administrative services to the Corporation in consideration of \$20,000 per month, plus all reasonable out of pocket expenditures and is for an indefinite term, but may be terminated by either party upon providing a thirty (30) day s written notice. During the most recently completed financial year, the Corporation incurred \$240,000 under the Administrative Contract of which \$105,353 was due at the financial year end. Alhambra owns approximately 27% of the issued and outstanding voting common shares of the Corporation.

### **TRANSFER AGENT AND REGISTRAR**

The Corporation's transfer agent and registrar is Olympia Trust Company, located at Suite 2300, 125 – 9<sup>th</sup> Avenue S.E., Calgary, Alberta, T2G 0P6.

### **INTERESTS OF EXPERTS**

As of May 20, 2010 each of the designated professionals of Aurora, Garry Vivian, David White, and Ronald James Robinson, had no registered or beneficial interests, direct or indirect, in any securities or other property of the Corporation. KPMG LLP, DOT's auditor, is independent in accordance with applicable rules of professional conduct of the Institute of Chartered Accountants of Alberta.

### **ADDITIONAL INFORMATION**

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities, options to purchase Corporation's securities, and interests of insiders in material transactions is contained in DOT's Notice of Annual and Special General Meeting and Management Information Circular, dated May 27, 2009. Additional financial information is contained in DOT's comparative audited financial statements for the fiscal years ended December 31, 2008 and December 31, 2009.

The Corporation will provide to any person, upon request to the President of DOT:

- a) a copy of the documents referred to in paragraphs (i), (ii) and (iii) below, provided DOT may require the payment of a reasonable charge if the request is made by a person who is not a security holder of the Corporation:
  - i) one copy of the Annual Information Form of DOT, together with a copy of any document, or the pertinent pages of any document, incorporated by reference therein;
  - ii) one copy of the audited financial statements of DOT for the most recently completed financial year together with the accompanying report of the auditor thereon, as well as a copy of any interim financial statements of the Corporation subsequent to the financial statements for its most recently completed financial year; and
  - iii) one copy of the management information circular of DOT in respect of its most recent annual meeting of shareholders.

In addition, copies of the foregoing may be accessed and obtained on SEDAR at [www.sedar.com](http://www.sedar.com).

For additional copies of this AIF and the materials listed in the preceding paragraphs, please contact:

President  
DOT Resources Ltd.  
Suite 3A, 4015 – 1 Street S.E.  
Calgary, Alberta, T2G 4X7  
Phone: (403) 264-2647  
Facsimile: (403) 228-2865

## **AUDIT COMMITTEE**

### **Audit Committee's Charter**

The Terms of Reference of the Audit Committee are set forth in Exhibit "A" attached hereto.

### **Composition of the Audit Committee**

The members of the Audit Committee are set forth below and all three (3) members are independent and all of the members are financially literate, as such terms are defined in MI 52-110.

### **Relevant Education and Experience**

Clarence K. Wagenaar (Chairman) is a principal shareholder in a number of venture corporations involved in development of real estate land and multi-family apartment buildings, as well as various construction projects. Mr. Wagenaar has also been a director and a member of the Audit Committee and the Compensation Committee of Cinch Energy Corp., a public corporation listed on TSX Venture Exchange Inc., for several years.

Michael E. Hriskevich is currently retired. Prior to December 1, 2003, Dr. Hriskevich served as the President and Chief Executive Officer of Alhambra Resources Ltd. In 1983, Dr. Hriskevich took an early retirement from Canterra Energy Ltd. being in a position of a Senior Vice-President. Dr. Hriskevich has a Bachelor and Masters Degrees in Mining Engineering and Geology from Queen's University, as well as PhD in Geology from Princeton University.

Gordon L. Levang is the Chief Executive Officer of Polartek 2000 Ltd., a private corporation manufacturing electrical equipment for the oil and natural gas industry. During his career, Mr. Levang wned and operated several businesses in the oil and natural gas service industry. Mr. Levang served on the board of directors of Tartan Energy Inc. for several years serving as a member of the Audit Committee and the Corporate Governance Committee.

### **Audit Committee Oversight**

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

### **Reliance on Certain Exemptions**

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in Section 2.4 of MI 52-110 (De Minimis Non-audit Services), or an exemption from MI 52-110, in whole or in part, granted under Part 8 of MI 52-110.

**Pre-Approval Policies and Procedures**

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described above under the heading “External Audit”.

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

The approximate aggregate fees paid by the Corporation to the external auditors of the Corporation in each of last two financial years in service fees are described below.

<b>Financial Year Ending</b>	<b>Audit Fees</b>	<b>Audit Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
2009	\$6,500	\$nil	\$nil	\$nil
2008	\$21,000	\$nil	\$nil	\$nil

**EXHIBIT “A”**

**DOT RESOURCES LTD. (THE “CORPORATION”)**

**TERMS OF REFERENCE FOR THE AUDIT COMMITTEE**

**1. PURPOSE**

The primary function of the Audit Committee (the “Committee”) is to assist the board of directors (“Board”) in fulfilling its oversight responsibilities by reviewing:

- A. the financial information that will be provided to the shareholders and others;
- B. the systems of internal controls, management and the Board have established; and
- C. all external audit and review processes.

Primary responsibility for the financial reporting, information systems, risk management and internal controls of the Corporation is vested in management and is reviewed by the Board.

**2. COMPOSITION AND OPERATIONS**

A. The Committee shall be composed of not fewer than three (3) directors all of whom must be independent and financially literate as those terms are defined in Multilateral Instrument 52-110, *Audit Committees* and possess:

- (i) an understanding of the accounting principles used by the Corporation to prepare its financial statements;
- (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
- (iii) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation’s financial statements, or experience actively supervising one or more individuals engaged in such activities; and
- (iv) an understanding of internal controls and procedures for financial reporting.

B. The Corporation’s auditor shall be advised of the names of the Committee members and will receive notice of and be invited to attend meetings of the Committee, and to be heard at those meetings on matters relating to the auditor’s duties.

C. The Committee shall meet with the external auditors as it deems appropriate to consider any matter that the Committee or auditors determine should be brought to the attention of the Board or shareholders.

D. The Committee shall meet at least once (by person or by teleconference) in each fiscal quarter to review and approve the Corporation’s quarterly financial statements and managements’ discussion and analysis (“MD&A”) for the immediately preceding fiscal quarter and to review and recommend approval by the full Board of the annual financial statements and MD&A for the

immediately preceding fiscal year and as often thereafter as required to discharge the duties of the Committee.

### **3. DUTIES AND RESPONSIBILITIES**

Subject to the powers and duties of the Board, the Committee will perform the following duties:

#### **A. Financial Statements and Other Financial Information**

The Committee will review and recommend for approval to the Board financial information that will be made publicly available. This includes:

- (i) review and recommend approval of the Corporation's annual financial statements and MD&A and report to the Board before the statements are approved by the Board;
- (ii) review and approve for release the Corporation's quarterly financial statements, MD&A and press release; and
- (iii) review the Annual Information Form, any Prospectus or private placement offering document and any other material financial information required by applicable regulatory authorities.

Review and discuss:

- (iv) the appropriateness of accounting policies and financial reporting practices used by the Corporation;
- (v) any significant proposed changes in financial reporting and accounting policies and practices to be adopted by the Corporation; and
- (vi) any new or pending developments in accounting and reporting standards that may affect the Corporation.

Be satisfied that:

- (viii) adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure previously referred to and periodically assess the adequacy of those procedures.

#### **B. Risk Management, Internal Control and Information Systems**

The Committee will review and obtain reasonable assurance that the risk management, internal control and information systems are operating effectively to produce accurate, appropriate and timely management and financial information. This includes:

- (i) review the Corporation's risk management controls and policies;
- (ii) consider whether the information systems appear to be reliable and the systems of internal controls are properly designed and effectively implemented through discussions with and reports from management and the external auditor; and

- (iii) review management steps to implement and maintain appropriate internal control procedures including a review of policies.

**C. External Audit and Review**

The Committee will oversee the work of the external auditor and will review the planning and results of external audit activities. This includes:

- (i) review and recommend to the Board, for shareholder approval, engagement of the external auditor;
- (ii) review and recommend to the Board the external auditor's compensation;
- (iii) review the annual external audit plan, including but not limited to the following:
  - A. engagement letter
  - B. objectives and scope of the external audit work;
  - C. procedures for quarterly review of financial statements;
  - D. materiality limit;
  - E. areas of audit risk;
  - F. staffing;
  - G. timetable; and
  - H. proposed fees.
- (iv) meet with the external auditor to discuss the Corporation's annual financial statements and MD&A (and the quarterly financial statements and MD&A if deemed necessary) and the auditor's report including the appropriateness of accounting policies and underlying estimates and resolve any disagreements between management and the external auditors regarding financial reporting;
- (v) implement procedures to meet with the external auditor on a regular basis in the absence of management if deemed necessary;
- (vi) review and advise the Board with respect to the planning, conduct and reporting of the annual audit, including:
  - A. any difficulties encountered, or restriction imposed by management, during the annual audit;
  - B. any significant accounting or financial reporting issue;
  - C. if completed, the auditor's evaluation of the Corporation's system of internal controls, procedures and documentation or parts thereof;
  - D. the post audit or management letter containing any findings or recommendation of the external auditor, including management's

response thereto and the subsequent follow-up to any identified internal control weaknesses;

- E. any other matters the external auditor brings to the Committee's attention; and
  - F. assess the qualifications, performance and independence of the external auditor and consider the annual appointment of external auditor for recommendation to the Board.
- (vii) review the auditor's report, if any, on all material subsidiaries;
  - (viii) review and receive assurances on the independence of the external auditor;
  - (ix) review and pre-approve all non-audit services to be provided by the external auditor's firm or its affiliates (including estimated fees), and consider the effect on the independence of the external audit;
  - (x) meet periodically, and at least annually, with the external auditor without management present; and
  - (xi) take reasonable steps to ensure that, prior to public disclosure of the Corporation's annual financial statements and MD&A, the external auditor is a participating audit firm and is in compliance with any restriction or sanction imposed by the Canadian Public Accountability Board under Multilateral Instrument 52-108, *Auditor Oversight*.

#### **D. OTHER**

The Committee will also:

- (i) review insurance coverage of significant business risks and uncertainties;
- (ii) review policies and procedures for the review and approval of officers' expenses and perquisites;
- (iii) periodically review the terms of reference for the Committee and make recommendations to the Board as required;
- (iv) establish procedures for:
  - A. the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
  - B. the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- (v) review and approve the Corporation's hiring policies regarding employees and former employees of the present and former external auditors of the Corporation; and

(vi) make enquires about potential claims, assessments and other contingent liabilities.

**4. ACCOUNTABILITY**

- A. The Committee Chair has the responsibility to make periodic reports to the Board, as requested, on financial matters relative to the Corporation.
- B. The Committee shall report its discussions to the Board by maintaining minutes of its meetings and providing an oral report at the next Board meeting.

**5. COMMITTEE TIMETABLE**

A proposed timetable of the Committee meetings shall be prepared at the beginning of each fiscal year.

**6. RELIANCE ON EXPERTS**

In contributing to the Committees' discharging of its duties under this mandate, each member shall be entitled to rely in good faith on:

- A. financial statements of the Corporation represented to the member by an officer of the Corporation, or in a written report of the external auditor, to present fairly the financial position of the Corporation and the results of its operations in accordance with generally accepted accounting principles; and
- B. any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

The Board is of the view that monitoring of the Corporation's financial reporting and disclosure policies and procedures cannot be reasonably met unless the following activities (the "Fundamental Activities") are, in all material respects, conducted effectively:

- A. the Corporation's accounting functions are performed in accordance with a system of internal financial controls designed to capture and record properly and accurately all of the Corporation's financial transactions;
- B. the internal financial controls are regularly assessed for effectiveness and efficiency;
- C. the Corporation's quarterly and annual financial statements and MD&A are properly prepared by management in accordance with generally accepted accounting principles; and
- D. the annual financial statements are reported on by an external auditor appointed by the shareholders of the Corporation.

**7. LIMITATION OF COMMITTEE'S DUTIES**

In contributing to the Committee's discharging of its duties under these terms of reference, each member of the Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in these terms of reference is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all Board members are subject. The essence of the Committee's duties is monitoring and

reviewing to endeavour to gain reasonable assurance (but not to ensure) that the Fundamental Activities are being conducted effectively and that the objectives of the Corporation's financial reporting are being met and to enable the Committee to report thereon to Board.

**MULTILATERAL INSTRUMENT 52-110**  
**AUDIT COMMITTEES - SECTION 1.4 AND 1.5**

**1.4 Meaning of Independence**

1. An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.
2. For the purposes of subsection 1, a “material relationship” means a relationship which could, in the view of the issuer’s board of directors, be reasonably expected to interfere with the exercise of a member’s independent judgment.
3. Despite subsection 2, the following individuals are considered to have a material relationship with an issuer:
  - (a) an individual who is, or has been within the last three (3) years, an employee or executive officer of the issuer;
  - (b) an individual whose immediate family member is, or has been within the last three (3) years, an executive officer of the issuer;
  - (c) an individual who;
    - (i) is a partner of a firm that is the Corporation’s internal or external auditor,
    - (ii) is an employee of that firm, or
    - (iii) was within the last three (3) years a partner or employee of that firm and personally worked on the Corporation’s audit within that time.
  - (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
    - (i) is a partner of a firm that is the issuer’s internal or external auditor,
    - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning practice), or
    - (iii) was within the last three (3) years a partner or employee of that firm and personally worked on the Corporation’s audit within that time.
  - (e) an individual who, or whose immediate family member, is or has been within the last three (3) years, an executive officer of an entity if any of the Corporation’s current executive officers serves or served at that same time on the entity’s compensation committee; and
  - (f) an individual who received, or whose immediate family member who is employed as an executive officer of the Corporation received, more than \$75,000 in direct compensation from the Corporation during any twelve (12) month period within the last three (3) years.

4. Despite subsection 3, an individual will not be considered to have a material relationship with the Corporation solely because:
  - (a) he or she had a relationship identified in subsection 3 if that relationship ended before March 30, 2004; or
  - (b) he or she had a relationship identified in subsection 3 by virtue of subsection 8 if that relationship ended before June 30, 2005.
5. For the purposes of subsection 3(c) and 3(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.
6. For the purposes of subsection 3(c), compensation does not include:
  - (a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and
  - (b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.
7. Despite subsection 3, an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member:
  - (a) has previously acted as an interim chief executive officer of the issuer, or
  - (b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.
8. For the purpose of subsections 1 to 7, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.

## **1.5 Additional Independence Requirements**

- (1) Despite any determination made under section 1.4, an individual who
  - (a) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the Corporation or any subsidiary entity of the Corporation, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or
  - (b) is an affiliated entity of the Corporation or any of its subsidiary entities,is considered to have a material relationship with the issuer.
- (2) For the purpose of subsection 1, the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by:
  - (a) individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or

- (b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.
- (3) For the purpose of subsection 1, compensatory fees do not include the receipt of fixed amounts of compensation under a remuneration plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

# MAP 1

## DOT RESOURCES LTD. PROPERTY MAP

