

# **NY85 CAPITAL INC.**

## **FILING STATEMENT**

*IN RESPECT OF THE PROPOSED QUALIFYING TRANSACTION INVOLVING  
THE OPTION TO PURCHASE AN INTEREST IN  
THE WEST TIMMINS GOLD PROJECT*

Dated as of May 16, 2012

*Neither the TSX Venture Exchange Inc. (the "Exchange") nor any securities regulatory authority has in any way passed upon the merits of the Qualifying Transaction described in this Filing Statement.*

## TABLE OF CONTENTS

<b>TABLE OF CONTENTS</b> .....	<b>1</b>
<b>GLOSSARY OF TERMS</b> .....	<b>2</b>
<b>GLOSSARY OF MINING TERMS</b> .....	<b>7</b>
<b>SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS</b> .....	<b>8</b>
<b>SUMMARY OF FILING STATEMENT</b> .....	<b>10</b>
<b>PART I — INFORMATION CONCERNING THE COMPANY</b> .....	<b>14</b>
CORPORATE STRUCTURE .....	14
GENERAL DEVELOPMENT OF THE BUSINESS.....	14
SELECTED FINANCIAL INFORMATION AND MANAGEMENT’S DISCUSSION AND ANALYSIS.....	16
DESCRIPTION OF SECURITIES.....	17
STOCK OPTION PLAN AND OPTIONS GRANTED.....	18
PRIOR SALES .....	19
STOCK EXCHANGE PRICE.....	20
ARM’S LENGTH TRANSACTION.....	20
LEGAL PROCEEDINGS.....	20
AUDITOR, TRANSFER AGENT AND REGISTRAR.....	20
MATERIAL CONTRACTS.....	21
<b>PART II — INFORMATION CONCERNING THE WEST TIMMINS GOLD PROJECT</b> .....	<b>21</b>
NARRATIVE DESCRIPTION OF THE BUSINESS.....	21
<b>PART III — INFORMATION CONCERNING THE RESULTING ISSUER</b> .....	<b>30</b>
CORPORATE STRUCTURE .....	30
NARRATIVE DESCRIPTION OF THE BUSINESS.....	31
DESCRIPTION OF THE SECURITIES.....	32
PRO FORMA CONSOLIDATED CAPITALIZATION.....	32
AVAILABLE FUNDS AND PRINCIPAL PURPOSES.....	33
PRINCIPAL SECURITYHOLDERS.....	34
DIRECTORS, OFFICERS AND PROMOTERS .....	34
EXECUTIVE COMPENSATION.....	40
INDEBTEDNESS OF DIRECTORS AND OFFICERS .....	42
INVESTOR RELATIONS ARRANGEMENTS.....	42
OPTIONS TO PURCHASE SECURITIES.....	42
ESCROWED SECURITIES.....	43
AUDITORS, TRANSFER AGENT AND REGISTRAR.....	44
<b>PART IV — DESCRIPTION OF THE RISK FACTORS ASSOCIATED WITH THE PROPOSED QUALIFYING TRANSACTION</b> .....	<b>44</b>
<b>PART V – GENERAL MATTERS</b> .....	<b>51</b>
SPONSORSHIP AND AGENT RELATIONSHIP .....	51
EXPERTS.....	51
OTHER MATERIAL FACTS .....	52
BOARD APPROVAL.....	52
<b>APPENDIX A – FINANCIAL STATEMENTS OF THE COMPANY</b> .....	<b>F-1</b>
<b>APPENDIX B – MANAGEMENT’S DISCUSSION AND ANALYSIS</b> .....	<b>F-2</b>
<b>APPENDIX C – PRO-FORMA BALANCE SHEET OF NY85 CAPITAL INC.</b> .....	<b>F-2</b>
<b>CERTIFICATE OF THE COMPANY</b> .....	<b>C-1</b>

## GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Filing Statement including the summary hereof. Terms and abbreviations used in the financial statements of the Company and the pro forma financial statements of the Resulting Issuer and in the appendices to this Filing Statement are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated.

Words importing the singular, where the context requires, include the plural and vice versa, and words importing any gender include all genders.

All dollar amounts herein are in Canadian dollars, unless otherwise stated.

All defined terms not otherwise defined herein are as defined in the policies of the Exchange.

“**Affiliate**” means a company that is affiliated with another company as described below:

A company is an “Affiliate” of another company if:

- (a) one of them is the subsidiary of the other, or
- (b) each of them is controlled by the same Person.

A company is a “subsidiary” of another company if it is controlled by the other company.

A company is “controlled” by a Person if:

- (a) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person, and
- (b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the company.

A Person beneficially owns securities that are beneficially owned by:

- (a) a company controlled by that Person, or
- (b) an Affiliate of that Person or an Affiliate of any company controlled by that Person;

“**Agent**” means a registered broker, dealer or agent which may be retained by the Company in connection with the Financing;

“**Agent’s Commission**” means a commission of up to 7% on the gross proceeds from any FT Units or Units sold by any Agent under the Financing;

“**Associate**” when used to indicate a relationship with a Person, means:

- (a) an Issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling the Person to more than 10% of the voting rights attached to all outstanding voting securities of the Issuer;
- (b) any partner of the Person;
- (c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which the Person serves as trustee or in a similar capacity; and
- (d) in the case of a Person who is an individual, a relative of that Person, including:

- (i) that Person's spouse or child, or
- (ii) any relative of that Person or of his spouse who has the same residence as that Person;

but

- (e) where the Exchange determines that two Persons shall, or shall not, be deemed to be Associates with respect to a Member (as defined by the policies of the Exchange) firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D of the Exchange with respect to that Member firm, Member corporation or holding company;

“**BCBCA**” means the *Business Corporations Act* (British Columbia), including the regulations promulgated thereunder, as amended;

“**Board**” means the board of directors of the Company;

“**Business Day**” means any day other than a Saturday, Sunday or a day on which banking institutions in Vancouver, British Columbia are authorized or obligated by law to close;

“**Closing**” means the closing of the Proposed Qualifying Transaction;

“**Closing Date**” means the date of the Closing;

“**Common Shares**” means common shares in the capital of the Company;

“**Company**” means NY85 Capital Inc., a CPC incorporated under the BCBCA;

“**Completion of the Qualifying Transaction**” means the date the Final Exchange Bulletin is issued by the Exchange;

“**Control Person**” means any Person that holds or is one of a combination of Persons that holds a sufficient number of any of the securities of an Issuer so as to affect materially the control of that Issuer, or that holds more than 20% of the outstanding voting securities of an Issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the Issuer;

“**Court**” means the Supreme Court of British Columbia;

“**CPC**” means a corporation:

- (a) that has been incorporated or organized in a jurisdiction in Canada;
- (b) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities regulatory authorities in compliance with the CPC Policy; and
- (c) in regard to which the Completion of the Qualifying Transaction has not yet occurred;

“**CPC Escrow Agreement**” means the escrow agreement dated June 22, 2011 in respect of the CPC Escrow Shares;

“**CPC Escrow Shares**” means the 2,000,000 Common Shares held in escrow pursuant to Section 11 of the CPC Policy;

“**CPC IPO**” means the initial public offering of 2,000,000 Common Shares at \$0.10 per Common Share which completed on July 25, 2011;

“**CPC IPO Agent’s Options**” means the options granted to Mackie Research Capital Corporation in connection with the CPC IPO to acquire up to 200,000 Common Shares at an exercise price of \$0.10 per Common Share which expire on July 28, 2013, none of which have been exercised as at the date hereof;

“**CPC Outstanding Options**” means the outstanding Options granted to the officers and directors of the Company to purchase up to an aggregate of 400,000 Common Shares at the exercise price of \$0.10 per Common Share, such representing all of the issued and outstanding stock options to purchase Common Shares as at the date hereof;

“**CPC Policy**” means Policy 2.4 *Capital Pool Companies* of the Exchange’s corporate finance manual;

“**Exchange**” means the TSX Venture Exchange Inc.;

“**Filing Statement**” means this filing statement of the Company, together with the appendices hereto and including the summary hereof;

“**Final Exchange Bulletin**” means the Exchange Bulletin issued following Closing of the Proposed Qualifying Transaction and the submission of all required documentation and that evidences the final Exchange acceptance of the Proposed Qualifying Transaction;

“**Financing**” means the non-brokered private placement offering of up to 2,500,000 FT Units and up to 5,000,000 Units of the Company;

“**FT Units**” means up to 2,500,000 flow-through units of the Company which may be purchased under the Financing at the price of \$0.08 per FT Unit, where each FT Unit consists of one flow-through Common Share and one non-flow-through share purchase NFT Warrant entitling the holder to acquire one additional non-flow-through Common Share at the price of \$0.125 for a period of up to two years;

“**Funds Available**” means the funds that will be available to the Company on Completion of the Qualifying Transaction and the Financing and the exercise of the CPC Outstanding Options, as set out in “*Information Concerning the Resulting Issuer – Available Funds and Principal Purposes*”;

“**GAAP**” means generally accepted accounting principles in Canada;

“**Initial Public Offering**” or “**IPO**” means a transaction that involves an Issuer issuing securities from its treasury pursuant to its first Prospectus;

“**Insider**” if used in relation to an Issuer, means

- (a) a director or senior officer of the Issuer;
- (b) a director or senior officer of a company that is an Insider or subsidiary of the Issuer;
- (c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the Issuer; or
- (d) the Issuer itself if it holds any of its own securities;

“**IPO Agency Agreement**” means the agency agreement dated June 22, 2011 between the Company and Mackie Research Capital Corporation in connection with the CPC IPO;

“**Issuer**” means a company and its subsidiaries which have any of its securities listed for trading on the Exchange and, as the context requires, any applicant company seeking a listing of its securities on the Exchange;

“**Newcastle**” or the “**Vendor**” means Newcastle Minerals Ltd., which is granting the Company the option to acquire a 60% undivided interest in the Significant Assets;

**“NFT Warrants”** means up to 2,500,000 non-flow-through share purchase warrants to be comprised in the FT Units, each entitling the holder to acquire one non-flow-through Common Share at the price of \$0.125 for a period of up to two years;

**“Non-Arm’s Length Parties to the Qualifying Transaction”** means the Vendor(s) (as defined in the CPC Policy), any Target Company(ies) (as defined in the CPC Policy) and includes, in relation to Significant Assets or Target Company(ies), the Non-Arms’ Length Parties of the Vendor(s), the Non-Arm’s Length Parties of any Target Company(ies) and all other parties to or associated with the Qualifying Transaction and Associates or Affiliates of all such other parties;

**“Non-Arm’s Length Party”** means: (a) in relation to a company, a promoter, officer, director, other Insider or Control Person of that company and any Associates or Affiliates of any such Persons; and (b) in relation to an individual, any Associate of the individual or any company of which the individual is a promoter, officer, director, Insider or Control Person;

**“Non-Arm’s Length Qualifying Transaction”** means a proposed Qualifying Transaction where the same party or parties or their respective Associates and Affiliates are Control Persons in both the CPC and in relation to the Significant Assets which are to be the subject of the proposed Qualifying Transaction;

**“Option Agreement”** means the option agreement dated March 1, 2012 entered into between the Company and Newcastle pursuant to which Newcastle has granted the Company an option to purchase an interest in the West Timmins Gold Project;

**“Options”** means stock options to acquire Common Shares pursuant to the Stock Option Plan;

**“Person”** means any individual and the heirs, executors, administrators and other legal representatives of an individual as well as any company, corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;

**“Principal”** means:

- (a) a Person who acted as a promoter of the Issuer within two years before the IPO Prospectus or Exchange bulletin confirming final acceptance of a transaction;
- (b) a director or senior officer of the Issuer or any of its material operating subsidiaries at the time of the IPO Prospectus or the final Exchange bulletin;
- (c) a 20% holder – a Person that holds securities carrying more than 20% of the voting rights attached to the Issuer’s outstanding securities immediately before and immediately after the Issuer’s IPO or immediately after the final Exchange bulletin for non IPO transactions; and
- (d) a 10% holder – a Person that:
  - (i) holds securities carrying more than 10% of the voting rights attached to the Issuer’s outstanding securities immediately before and immediately after the Issuer’s IPO or immediately after the final Exchange bulletin for non IPO transactions; and
  - (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the Issuer or any of its material operating subsidiaries.

In calculating these percentages, include securities that may be issued to the holder under outstanding convertible securities in both the holder’s securities and the total securities outstanding.

A company, more than 50% held by one or more Principals will be treated as a Principal. (In calculating this percentage, include securities of an entity that may be issued to the Principals under outstanding convertible

securities in both the Principals' securities of the entity and the total securities of the entity outstanding.) Any securities of the Issuer that this entity holds will be subject to escrow requirements.

A Principal's spouse and any relatives of the Principal or spouse who live at the same address as the Principal will also be treated as Principals and any securities of the Issuer they hold will be subject to escrow requirements;

**"Proposed Qualifying Transaction"** means the Company's acquisition of the option to purchase from Newcastle a 60% undivided interest in and to the West Timmins Gold Project together with the Financing, as described in this Filing Statement and submitted to the Exchange for acceptance as the Company's Qualifying Transaction;

**"Prospectus"** means a disclosure document required to be prepared in connection with a public offering of securities and which complies with the form and content requirements of a prospectus as described in applicable securities laws;

**"Qualifying Transaction"** means a transaction where a CPC acquires Significant Assets, other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means;

**"Resulting Issuer"** means the issuer that was formerly a CPC that exists upon issuance of the Final Exchange Bulletin after Completion of the Qualifying Transaction, being NY85 Capital Inc.;

**"Resulting Issuer Shares"** means the common shares in the capital of the Resulting Issuer;

**"Significant Assets"** means one or more assets or businesses which, when purchased, optioned or otherwise acquired by a CPC, together with any other concurrent transactions, would result in the CPC meeting the minimum listing requirements of the Exchange;

**"Stock Option Plan"** means the stock option plan adopted by the Company;

**"Timmins"** means Timmins Forest Products Ltd.;

**"Transfer Agent"** or **"Escrow Agent"** or **"Trustee"** means Computershare Investor Services Inc., located at 3<sup>rd</sup> Floor, 510 Burrard Street, Vancouver, British Columbia V6C 3B9;

**"Underlying Agreement"** means the agreement between Timmins and Newcastle dated December 15, 2009 and amended as of May 15, 2012 under which Timmins previously granted to Newcastle an option to acquire a 100% interest in the West Timmins Gold Project, subject to a 2% net smelter return royalty (half of which may be repurchased for \$1,000,000) and to Timmins retaining the timber rights on the property;

**"Units"** means up to 5,000,000 non-flow-through units of the Company which may be purchased under the Financing at the price of \$0.06 per Unit, where each Unit consists of one non-flow-through Common Share and one non-flow-through share purchase warrant entitling the holder to acquire one additional non-flow-through Common Share at the price of \$0.10 for a period of up to two years;

**"Warrants"** means up to 5,000,000 non-flow-through share purchase warrants to be comprised in the Units, each entitling the holder to acquire one non-flow-through Common Share at the price of \$0.10 for a period of up to two years;

**"West Timmins Gold Project"** means the nine freehold patented mining claims, comprising approximately 188.339 hectares, located 21 kilometres southwest of Timmins, Ontario, Canada as described in the West Timmins Technical Report; and

**"West Timmins Technical Report"** means the amended and restated technical report with respect to the West Timmins Gold Project prepared in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* by Daniel C. Leroux, B.Sc., P.Geo. of A.C.A. Howe International Limited titled "Technical Report

on the West Timmins Gold Project, Carscallen Township, Porcupine Mining District, Ontario for NY85 Capital Inc.” dated December 8, 2011.

### GLOSSARY OF MINING TERMS

The following is a glossary of certain terms used in this Filing Statement including the summary hereof. Terms and abbreviations used in the financial statements of the Company and the pro forma financial statements of the Resulting Issuer and in the appendices to this Filing Statement are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated.

“**Au**” means gold;

“**CIM**” means the Canadian Institute of Mining, Metallurgy and Petroleum;

“**CIM Standards**” means the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council from time to time (last revised on December 11, 2005);

“**Cu**” means copper;

“**GIS**” means geographic information system;

“**IP**” means induced polarization, which is a geophysical imaging technique used to identify minerals beneath the surface;

“**Ma**” means million years ago;

“**NSR**” means net smelter return royalty;

“**Pb**” means lead;

“**ppb**” means parts per billion; and

“**Zn**” means zinc.



## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Except for statements of historical fact, this Filing Statement contains “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 or “forward-looking information” within the meaning of applicable Canadian securities laws, all of which is referred to in herein as “forward-looking information”. Often, but not always, forward-looking information can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “believes” or the negatives thereof or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Such forward-looking information includes, but is not limited to, statements or information with respect to: the Completion of the Qualifying Transaction; the exploration and development of the mineral properties; the Resulting Issuer’s future business and strategies; requirements for additional capital and future financing; estimation of mineral resources; and estimated future working capital, funds available, and uses of funds, and future capital expenditures, exploration expenditures and other expenses for specific operations. Forward-looking information also includes information contained in pro forma financial statements.

The forward-looking information by its nature is based on a number of assumptions that management believes are reasonable, including but not limited to assumptions about:

- the ability of the Resulting Issuer to satisfy the conditions in the Option Agreement;
- the ability of the Company to complete the Financing and the financial condition of the Resulting Issuer;
- anticipated costs and expenditures; and
- general business conditions.

Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors, including those discussed in the Company’s quarterly and annual management discussion and analysis, which are available at [www.sedar.com](http://www.sedar.com) under the Company’s profile, any of which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information, including but not limited to:

- speculative nature of mineral exploration;
- market prices for metals, including gold price volatility;
- defective title to mineral claims or property;
- risks of not meeting production and cost targets, including discrepancies between actual and estimated production, mineral reserves and resources and metallurgical recoveries, including lower than expected grades and quantities of mineralization and resources, mining rates and recovery rates;
- mining operational and development risks, including risks and liabilities associated with exploration and development and mining activities, including delays in exploration and development projects;
- litigation risks, including environmental liability;
- regulatory restrictions, including changes in and the effect of government policies with respect to mineral exploration and exploitation, the ability to obtain required permits, and environmental regulatory restrictions;
- the lack of availability of necessary capital, which may not be available to the Resulting Issuer on terms acceptable to it or at all;
- general global economic climate, including the possibility of adverse developments in the financial markets generally;
- dilution;
- share price volatility;
- competition;
- loss of key employees; and
- those factors discussed in the Company’s quarterly and annual management discussion and analysis and this Filing Statement.

Although management believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that forward-looking information referenced herein will prove

to be accurate. Should underlying assumptions prove incorrect, or should one or more of the risks, uncertainties or other factors materialize, actual results may vary materially from those expressed or implied in the forward-looking information.

Forward-looking information is designed to help you understand management's current views of the Company's near and longer term prospects, and it may not be appropriate for other purposes. Forward-looking information is based on the reasonable beliefs, estimates and opinions of management at the date the statements are made and is subject to change without notice. These factors should be carefully considered and viewers are cautioned not to place undue reliance on forward-looking information, which speaks only as of the date of this Filing Statement. This information will not necessarily be updated unless required by applicable securities laws.

For a more detailed discussion of certain of these risk factors, see "*Description of the Risk Factors Associated with the Proposed Qualifying Transaction*".

## SUMMARY OF FILING STATEMENT

*The following is a summary of information relating to the Company, the Significant Assets and the Resulting Issuer (assuming Completion of the Qualifying Transaction) and should be read together with the more detailed information and financial data and statements contained elsewhere in this Filing Statement. Capitalized terms used in this summary will have the meaning provided in the Glossary or elsewhere in this Filing Statement.*

This Filing Statement is being prepared and filed in accordance with the CPC Policy in connection with the Proposed Qualifying Transaction.

**Summary of the Terms of the Proposed Qualifying Transaction:**

By Option Agreement dated March 1, 2012, Newcastle has granted to the Company an option to purchase a 60% undivided interest in and to the West Timmins Gold Project located in Carscallen Township, Porcupine Mining Division, Ontario by the Company: (i) making cash payments to Newcastle totalling \$85,000 over a period of two years, of which \$5,000 has been paid; (ii) issuing to Newcastle 650,000 Common Shares over a period of two years; and (iii) incurring exploration costs totalling \$900,000 on the West Timmins Gold Project over a period of three years. Newcastle holds an option from Timmins to acquire a 100% interest in the West Timmins Gold Project pursuant to the Underlying Agreement. The Company has the right to remedy any default of Newcastle under the Underlying Agreement. See *“Information Concerning the Company – General Development of the Business”*.

The Completion of the Qualifying Transaction contemplated by the Option Agreement is subject to certain conditions, including: (a) the approval of the Exchange; and (b) other customary conditions. The Option Agreement may be terminated if the Final Exchange Bulletin is not issued on or before May 31, 2012.

As part of the Closing of the Proposed Qualifying Transaction, the Company will complete the Financing of up to 2,500,000 FT Units at the price of \$0.08 per FT Unit and up to 5,000,000 Units at a price of \$0.06 per Unit for gross proceeds of up to \$500,000. See *“Information Concerning the Company – General Development of the Business”*.

Upon Closing of the Proposed Qualifying Transaction, all of the existing directors and officers of the Company will resign, with the exception of Jack (Jake) Kalpakian, and be replaced by Keith Anderson, Richard Macey and Martin Kostuik. See *“Information Concerning the Resulting Issuer – Directors, Officers and Promoters”*.

The current Principals of the Company as a group will hold an aggregate of 2,990,000 Common Shares on the Completion of the Qualifying Transaction, including Common Shares they will be purchasing under the Financing. In accordance with the CPC Policy, 2,000,000 of these Common Shares purchased by the Principals prior to the Company's IPO are held in escrow. Upon Completion of the Qualifying Transaction, 10% of these 2,000,000 Common Shares held in escrow will be released and the remaining Common Shares held in escrow will be released in six equal tranches of 15% every six months following the Closing. No Insiders of the Company will receive any consideration as a result of the Proposed Qualifying Transaction.

The Proposed Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction. The Proposed Qualifying Transaction will constitute the Company's Qualifying Transaction pursuant to the CPC Policy.

**Funds Available And Principal Uses Of Funds:**

Management of the Company anticipates that based on estimated working capital as at April 30, 2012, the Resulting Issuer will have Funds Available after Closing the Proposed Qualifying Transaction of approximately \$645,000. The principal purposes of the Funds Available will be to fund, among other things, the recommended Phase 1 work program on the West Timmins Gold Project, to fund acquisition costs associated with the West Timmins Gold Project, administrative costs and for general working capital purposes and to pay for the regulatory and legal costs to complete the Proposed Qualifying Transaction. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. See *“Information Concerning the Resulting Issuer — Available Funds and Principal Purposes”*.

**Selected Pro Forma Financial Information:**

The following table sets out certain unaudited pro forma financial information for the Resulting Issuer (as at January 31, 2012), after giving effect to the Proposed Qualifying Transaction. The following information should be read in conjunction with the unaudited pro forma balance sheet of the Resulting Issuer. See *“Appendix C — Pro Forma Balance Sheet of NY85 Capital Inc.”*

Pro Forma Resulting Issuer (Dated as of January 31, 2012)  
\$

Current Assets	\$620,465
Mineral Property Interests	29,000
Total Assets	649,465
Current Liabilities	52,240
Total Liabilities	52,240
Total Shareholders' Equity	597,225
Deficit	(88,881)

**Public Market:**

The Common Shares of the Company have been listed on the Exchange since July 28, 2011 under the symbol “NY.P”, but trading in the Common Shares is currently halted pending Completion of the Qualifying Transaction. The closing price of the Common Shares on November 30, 2011, being the last day on which the Common Shares traded prior to the announcement of the Proposed Qualifying Transaction on December 16, 2011, was \$0.06 per Common Share. See *“Information Concerning the Company - Stock Exchange Price”*.

**Sponsorship:**

The Company intends to rely on an exemption from the requirement to have a sponsor for the Proposed Qualifying Transaction. As such, no sponsor has been engaged by the Company in connection with the Proposed Qualifying Transaction. See *“General Matters - Sponsorship and Agent Relationship”*.

**Conflict of Interest:**

As of the date of this Filing Statement, the management of the Company is not aware of any material conflicts of interest arising out of the Proposed Qualifying Transaction. See *“Information Concerning the Resulting Issuer – Directors, Officers and Promoters”* for a discussion of the potential conflicts of interest that may arise with respect to the proposed directors and officers of the Resulting Issuer in the future.

**Interest of Experts:**

No person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Filing Statement or prepared or certified a report or valuation described or included in this Filing Statement currently

holds, directly or indirectly, more than 1% of the Common Shares, or holds any property of the Company or of an Associate or Affiliate of the Company and no such person is expected to be elected, appointed or employed as director, senior officer or employee of the Company or of an Associate or Affiliate of the Resulting Issuer and no such person is a promoter of the Company or of an Associate or Affiliate of the Company.

**Risk Factors:**

An investment in the Resulting Issuer is speculative and involves a high degree of risk due to the nature of the Resulting Issuer's proposed business and the present stage of exploration and development of the Vendor's mineral properties. The following risk factors, as well as risks not currently known to the Company, could materially adversely affect the Resulting Issuer's future business, operations and financial condition and could cause them to differ materially from the estimates described in forward-looking statements and information contained herein. Prospective investors should carefully consider the following risk factors along with the other matters set out herein:

- The Proposed Qualifying Transaction may not be approved.
- The Company has a limited operating history, no revenue from operations and no ongoing mining operations of any kind.
- Title to the Resulting Issuer's proposed mineral properties cannot be guaranteed and may be subject to prior unregistered agreements, transfers or claims and other defects. The right of the Resulting Issuer to earn a 60% interest in the West Timmins Gold Project is dependent upon Newcastle fully exercising its option to acquire a 100% interest in the West Timmins Gold Project from Timmins under the Underlying Agreement. In the event that Newcastle does not fully exercise its option and the Resulting Issuer is unable to remedy that default, the Resulting Issuer will lose its right to earn an interest in the West Timmins Gold Project.
- There can be no assurance that the Resulting Issuer's exploration programs will result in the establishment of mineral reserves or the expansion of such reserves with new mineral reserves.
- There can be no assurance that the Resulting Issuer will successfully establish mining operations or become profitable.
- The figures for the West Timmins Gold Project's mineral deposits are estimates based on interpretation and assumptions.
- The Resulting Issuer requires various permits in order to conduct its current and anticipated future operations and delays or a failure to obtain such permits, or a failure to comply with the terms of any such permits that Newcastle or Timmins has obtained, could have a material adverse impact on the Resulting Issuer.
- The Resulting Issuer, Newcastle and Timmins' permits, licences and mineral rights to the West Timmins Gold Project may be subject to challenges by First Nation groups based on the duty of the Federal Government to consult.

- The Resulting Issuer is subject to significant governmental regulations.
- The Resulting Issuer's activities will be subject to environmental laws and regulations that may increase its costs of doing business and restrict its operations.
- Mining is inherently dangerous and subject to conditions or events beyond the Resulting Issuer's control, which could have a material adverse effect on the Resulting Issuer.
- Changes in the market price of metals, which in the past has fluctuated widely, will significantly affect the potential of the West Timmins Gold Project.
- The Resulting Issuer will require external financing to conduct further exploration on and development of its mineral resource properties.
- Increased competition could adversely affect the Resulting Issuer's ability to attract necessary capital funding or acquire suitable prospects for mineral exploration in the future.
- The Resulting Issuer may experience difficulty attracting and retaining qualified management and personnel to meet the needs of its anticipated growth, and the failure to manage its growth effectively could have a material adverse effect on its business and financial condition.
- There can be no assurance that an active or liquid trading market in the Resulting Issuer's securities will be established and sustained.
- Certain of the Resulting Issuer's directors are also directors, officers or shareholders of other companies that are engaged in the business of acquiring, developing and exploiting natural resource properties.
- The Resulting Issuer has a history of losses and expects to incur losses for the foreseeable future.
- The Resulting Issuer has never paid dividends and does not expect to pay any dividends in the foreseeable future.
- The global financial crisis may negatively impact the Resulting Issuer.

See "*Description of the Risk Factors Associated with the Proposed Qualifying Transaction*" below for a more detailed description of the risk factors associated with the Proposed Qualifying Transaction.

**Conditional Listing Approval:** The Proposed Qualifying Transaction is subject to the acceptance of the Exchange and the Company fulfilling all of the requirements of the Exchange. The Exchange has conditionally accepted the Proposed Qualifying Transaction subject to the Company fulfilling all of the requirements of the Exchange on or before July 31, 2012.

## PART I — INFORMATION CONCERNING THE COMPANY

### CORPORATE STRUCTURE

#### The Company

NY85 Capital Inc. (the “**Company**”) was incorporated under the BCBCA on October 22, 2010. The Notice of Articles and Articles of the Company were amended on February 16, 2011 to amend its authorized capital to be comprised of an unlimited number of Common Shares and an unlimited number of preferred shares.

The registered and records office of the Company is located at Suite 2900, 550 Burrard Street, Vancouver, British Columbia, V6C 0A3. The head office of the Company is currently located at Suite 305, 1620 West 8th Avenue, Vancouver, British Columbia, V6J 1V4.

### GENERAL DEVELOPMENT OF THE BUSINESS

#### History

On July 25, 2011, the Company completed the CPC IPO pursuant to its Prospectus dated June 22, 2011 which qualified the distribution of 2,000,000 Common Shares at the price of \$0.10 per Common Share for aggregate gross proceeds of \$200,000. On July 28, 2011, the Company’s Common Shares began trading on the Exchange under the symbol “NY.P”. The Company is a CPC under the policies of the Exchange. As a CPC, the principal business of the Company is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Company has not commenced commercial operations and has no assets other than cash.

#### The Proposed Qualifying Transaction

##### *Option Agreement*

On December 8, 2011, the Company entered into a letter agreement with Newcastle, whereby Newcastle granted to the Company an option to purchase a 60% undivided interest in and to the West Timmins Gold Project located in Carscallen Township, Porcupine Mining Division, Ontario. Effective March 1, 2012, the Company entered into the formal Option Agreement with Newcastle, which supersedes and replaces the letter agreement dated December 8, 2011. This acquisition is intended to constitute the Company’s Qualifying Transaction.

Timmins is currently the registered owner of the property comprised in the West Timmins Gold Project. By agreement between Timmins and Newcastle dated December 15, 2009 as amended May 15, 2012 (the “**Underlying Agreement**”), Timmins previously granted to Newcastle an option to acquire a 100% interest in the West Timmins Gold Project, subject to a 2% net smelter return royalty (half of which may be repurchased for \$1,000,000) and to Timmins retaining the timber rights on the property, by Newcastle paying to Timmins a total of \$325,000 and issuing to Timmins a total of 3,750,000 shares in five stages over three years as follows:

<b>Date/Period</b>	<b>Cash Payments</b>	<b>Newcastle Share Issuances</b>
Closing of the Underlying Agreement – January 27, 2010	\$50,000 (paid)	250,000 (issued)
Six Months after such closing	\$50,000 (paid)	-
12 Months after such closing	\$50,000 (paid)	500,000 (issued)

<b>Date/Period</b>	<b>Cash Payments</b>	<b>Newcastle Share Issuances</b>
24 Months after such closing	\$75,000 (paid)	1,000,000 (issued)
36 Months after such closing	\$100,000	2,000,000
<b>TOTAL</b>	<b>\$325,000</b>	<b>3,750,000</b>

Newcastle further agreed to issue up to an additional 900,000 shares to Timmins based on future exploration results.

The Company and Newcastle also entered into a consent agreement dated March 1, 2012 amended as of May 15, 2012 (the “**Consent Agreement**”) with Timmins under which Timmins consents to the Option Agreement. In addition, Timmins grants the Company the right to remedy any default of Newcastle under the Underlying Agreement. In particular, if Newcastle fails to make the \$100,000 payment due to Timmins on January 27, 2013 (the “**Final Cash Payment**”), then the Company may make that Final Cash Payment to Timmins within 60 days of its receipt of notice of such default. If Newcastle fails to issue the remaining aggregate of up to 2,900,000 Newcastle shares to Timmins in accordance with the Underlying Agreement, then, in lieu of such Newcastle shares, the Company may pay Timmins \$100,000 (the “**Substituted Compensation Payment**”) by August 31, 2013. If the Company does make the Substituted Compensation Payment, Newcastle will assign its interest in the West Timmins Gold Project to the Company and Timmins will convey to the Company a 100% interest in the West Timmins Gold Project, subject to the 2% net smelter return royalty (half of which may be repurchased for \$1,000,000) and to Timmins retaining the timber rights on the property.

Under the Option Agreement, the Company may exercise its option to purchase from Newcastle a 60% undivided interest in and to the West Timmins Gold Project by making the following cash payments and share issuances and incurring the following expenditures:

<b><u>Date/Period</u></b>	<b><u>Cash Payments</u></b>	<b><u>Share Issuances</u></b>	<b><u>Expenditures</u></b>
On or before the Option Agreement is executed	\$5,000 (paid)	-	-
On or before the third Business Day after all conditions precedent to the Option Agreement are satisfied	\$15,000	150,000 Common Shares	-
On or before the date which is one year following the date of the Final Exchange Bulletin	\$25,000	250,000 Common Shares	\$200,000
On or before the date which is two years following the date of the Final Exchange Bulletin	\$40,000	250,000 Common Shares	An additional \$300,000
On or before the date which is three years following the date of the Final Exchange Bulletin	-	-	An additional \$400,000
<b>TOTALS</b>	<b>\$85,000</b>	<b>650,000 Common Shares</b>	<b>\$900,000</b>

The Option Agreement may be terminated by the mutual agreement of the parties, by one party if any of the conditions set forth in the Option Agreement for its benefit has not been fulfilled or waived at or before the Closing Date or by any party if the Proposed Qualifying Transaction is not completed by May 31, 2012, and, in such event, each party will be released from all obligations under the Option Agreement, save and except for its obligations relating to the covenants of the parties regarding confidentiality, which will survive.



The foregoing summary of the Option Agreement is not complete and is qualified in its entirety by reference to the Option Agreement.

**Financing**

The Company also intends to conduct a non-brokered private placement Financing of up to 2,500,000 FT Units at the price of \$0.08 per FT Unit and up to 5,000,000 non-flow-through Units at the price of \$0.06 per Unit for gross proceeds to the Company of up to \$500,000. Each FT Unit will consist of one flow-through Common Share and one non-flow-through share purchase NFT Warrant entitling the holder to acquire one additional non-flow-through Common Share of the Company at the price of \$0.125 for a period of up to two years from closing of the Financing. Each Unit will consist of one non-flow-through Common Share and one non-flow-through share purchase Warrant entitling the holder to purchase one additional non-flow-through Common Share at the price of \$0.10 for a period of up to two years from closing of the Financing. In the event that the Company's Common Shares trade at \$0.25 or above for a period of 30 consecutive days, an early termination provision will come into effect for all of the NFT Warrants and Warrants issued. Each NFT Warrant and Warrant will then entitle the holder to purchase one Common Share at the previously agreed exercise price until the date which is the earlier of: (i) the date which is 2 years following the closing of the Financing; and (ii) the date which is 30 days following the issuance of a press release by the Company confirming that the closing price of the Common Shares was at least \$0.25 on each trading day during a period of 30 consecutive days. The Company may pay an Agent's Fee of up to 7% of the gross proceeds from any FT Units or Units sold by any Agent under the Financing, for a maximum Agent's Fee of \$35,000 which would result in net proceeds to the Company of \$465,000. All securities issued in relation to the Financing, including the Common Shares, NFT Warrants and Warrants, will be subject to a hold period until four months and one day following the date such securities are issued.

The Completion of the Qualifying Transaction contemplated by the Option Agreement is subject to certain conditions, including: (a) the approval of the Exchange; and (b) other customary conditions. The Completion of the Qualifying Transaction will take place on the earlier of May 31, 2012 and such other date as the Company and Newcastle may agree in writing.

Upon Completion of the Qualifying Transaction, the Resulting Issuer will be engaged in the business of exploring for gold and other precious and base metals at the West Timmins Gold Project, and such other properties and interests as may be subsequently acquired by the Resulting Issuer.

**SELECTED FINANCIAL INFORMATION AND  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Information from Inception**

Since its incorporation, the Company has incurred costs in carrying out the CPC IPO, in seeking, evaluating and negotiating potential Qualifying Transactions, and in meeting the disclosure obligations imposed upon it as a reporting issuer listed for trading on the Exchange.

<b>Item</b>	<b>From Incorporation to April 30, 2011 (Audited)</b>	<b>May 1, 2011 to January 31, 2012 (Unaudited)</b>
Interest Income	Nil	Nil
Total Expenses	\$8,547	\$80,334
Amounts deferred in connection with the Proposed Qualifying Transaction	Nil	Nil

## **Management's Discussion and Analysis**

See Appendix B for the Company's most recent Management's Discussion and Analysis.

A pro-forma balance sheet for the Resulting Issuer giving effect to the Proposed Qualifying Transaction as at January 31, 2012 is attached to this Filing Statement as Appendix C.

## **DESCRIPTION OF SECURITIES**

The Company is authorized to issue an unlimited number of Common Shares without par value and an unlimited number of Preferred Shares without par value.

### **Common Shares**

As of the date hereof, 4,000,000 Common Shares are issued and outstanding as fully paid and non-assessable. In addition, 400,000 Common Shares are reserved for issuance under CPC Outstanding Options granted to directors and officers (all of which are expected to be exercised on the date the Final Exchange Bulletin is issued), and 200,000 Common Shares are reserved for issuance under the CPC IPO Agent's Options.

The holders of Common Shares are entitled to dividends, if, as and when declared by the Board of directors of the Company, entitled to one vote per share at meetings of the shareholders of the Company and, upon dissolution, entitled to share equally in such assets of the Company as are distributable to the holders of Common Shares and subject to the rights of the holders of Preferred Shares. The Common Shares do not include any conversion or exchange rights: redemption, retraction, purchase for cancellation or surrender provisions; sinking or purchase fund provisions; provisions permitting or restricting the issuance of additional securities or any other material restrictions; nor any provisions requiring a securityholder to contribute additional capital.

### **Preferred Shares**

As of the date hereof, no Preferred Shares of the Company are outstanding.

Its Preferred Shares may be issued in one or more series. The holders of Preferred Shares shall be entitled, on the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or on any other distribution of its assets among its shareholders for the purpose of winding up its affairs, to receive, before any distribution is made to the holders of Common Shares with respect to the repayment of capital on any such event, the amount paid up with respect to each Preferred Share held by them, together with the fixed premium (if any) thereon, an amount equal to all accrued and unpaid cumulative dividends (if any and if preferential) thereon, which for such purpose shall be calculated as if such dividends were accruing on a day-to-day basis up to the date of such distribution, whether or not earned or declared, whether or not there are any moneys of the Company properly applicable to the payment of dividends, and all declared and unpaid non-cumulative dividends (if any and if preferential) thereon. After payment to the holders of the Preferred Shares of the amounts so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Company, except as specifically provided in the special rights and restrictions attached to any particular series. All assets remaining after payment to the holders of Preferred Shares as aforesaid shall be distributed rateably among the holders of the Common Shares. Except for such rights as may be attached to any series of the Preferred Shares by the directors, holders of Preferred Shares shall be entitled, as such, to receive notice of, and to attend and vote at, any general meeting of shareholders of the Company (other than a separate meeting of the holders of another class of shares), having one vote for each Preferred Share held.

### **Financing**

Under the Financing, the Company will issue up to 2,500,000 FT Units at the price of \$0.08 per FT Unit and up to 5,000,000 non-flow-through Units at the price of \$0.06 per Unit for gross proceeds to the Company of up to \$500,000. Each FT Unit will consist of one flow-through Common Share and one non-flow-through NFT Warrant entitling the holder to acquire one additional non-flow-through Common Share of the Company at the price of

\$0.125 for a period of up to two years from closing of the Financing. Each Unit will consist of one non-flow-through Common Share and one non-flow-through share purchase Warrant entitling the holder to purchase one additional non-flow-through Common Share at the price of \$0.10 for a period of up to two years from closing of the Financing. In the event that the Company's Common Shares trade at \$0.25 or above for a period of 30 consecutive days, an early termination provision will come into effect for all of the NFT Warrants and Warrants issued. Each NFT Warrant and each Warrant will then entitle the holder to purchase one Common Share at the previously agreed exercise price until the date which is the earlier of: (i) the date which is 2 years following the closing of the Financing; and (ii) the date which is 30 days following the issuance of a press release by the Company confirming that the closing price of the Common Shares was at least \$0.25 on each trading day during a period of 30 consecutive days. All Common Shares to be issued under the Financing will have the rights set out above under "Common Shares".

### STOCK OPTION PLAN AND OPTIONS GRANTED

The Company has adopted the Stock Option Plan, pursuant to which the Board or a committee or administrator authorized and directed thereby (the "**Committee**") may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable Options to purchase Common Shares, provided that the aggregate number of Common Shares reserved for issuance under outstanding Options at any given time will not exceed 10% of the number of issued and outstanding Common Shares at that time. Until the Completion of the Qualifying Transaction, the number of Common Shares reserved for issuance pursuant to the Company's Stock Option Plan will not exceed 400,000 Common Shares. After the Closing of the Proposed Qualifying Transaction, including the Financing and the exercise of the 400,000 CPC Outstanding Options, the Company will be eligible to have an aggregate of 1,205,000 Options outstanding. The vesting schedule for an Option, if any, must be determined by the Committee and be set out in the certificate issued in respect of the Option.

The exercise price of the Common Shares to be acquired on the exercise of Options will be determined by the Committee and will not be less than the greater of \$0.10 and the Market Value (as defined in the Stock Option Plan) of the Common Shares on the date the Option is granted. In any case, the exercise price will not be less than the price permitted by the Exchange.

After the Closing and while the Company is listed on the Exchange, the following limitations shall apply to the Stock Option Plan and all Options thereunder so long as such limitations are required by the Exchange:

- (a) the expiry date of an Option shall be no later than the tenth anniversary of the grant date of such Option;
- (b) the maximum number of Options which may be granted to any one consultant within any 12 month period shall not exceed 2% of the number of Common Shares outstanding;
- (c) the maximum number of Options which may be granted within any 12 month period to employees or consultants engaged in investor relations activities shall not exceed 2% of the number of Common Shares outstanding and all options granted to such consultants shall vest in stages over 12 months with no more than 25% of the Options vesting in any three month period; and
- (d) unless the Company has received disinterested shareholder approval to do so, when combined with all of the Company's other security-based compensation arrangements:
  - (i) the maximum number of Common Shares reserved for issuance under Options granted to Insiders shall not exceed 10% of the number of Common Shares outstanding;
  - (ii) the maximum number of Options granted to Insiders, within any 12 month period, shall not exceed 10% of the number of Common Shares outstanding; and

- (iii) the maximum number of Common Shares reserved for issuance to any one Option holder, within any 12 month period, shall not exceed 5% of the number of Common Shares outstanding.

Options granted to any future optionee that does not continue as a director, officer, technical consultant or employee of the Resulting Issuer generally may be exercised until the 90th day (or such “reasonable period” determined by the Board) following cessation of the optionee’s position with the Company, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death or disability, the Option may be exercised within a maximum period of one year after such death or disability, subject to the expiry date of such Option; provided however that if the Option holder was engaged in investor relations activities for the Company, the Option must be exercised within 30 days after termination. Any Common Shares acquired pursuant to the exercise of Options prior to the Completion of the Qualifying Transaction, must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued. See “*Information Concerning the Resulting Issuer – Escrowed Securities*”.

CPC Outstanding Options to acquire an aggregate of 400,000 Common Shares are currently outstanding under the Stock Option Plan, all of which are exercisable at a price of \$0.10 per the Common Share. The CPC Outstanding Options were issued to officers and directors of the Company for their role in creating and managing the Company as well as their efforts in completing the Proposed Qualifying Transaction. It is expected that all 400,000 CPC Outstanding Options will be exercised on the date the Final Exchange Bulletin is issued.

The following table sets out all outstanding Options granted by the Company:

<b>Optionee</b>	<b>Number of Common Shares Reserved Under Option</b>	<b>Exercise Price<sup>(1)</sup></b>	<b>Expiry Date</b>
Christopher Kape	120,000	\$0.10	July 28, 2021
Jake Kalpakian	120,000	\$0.10	July 28, 2021
Bedo Kalpakian	120,000	\$0.10	July 28, 2021
Michael Shapray	40,000	\$0.10	July 28, 2021
<b>Total:</b>	<b>400,000</b>		
<b>Note:</b> The exercise price of such options was determined by the Board of directors of the Company, in accordance with the policies of the Exchange.			

### PRIOR SALES

Since the Company’s incorporation, 4,000,000 Common Shares have been issued as follows:

<b>Date</b>	<b>Number of Common Shares</b>	<b>Issue Price Per Share</b>	<b>Aggregate Issue Price</b>	<b>Consideration Received</b>
October 22, 2010	1 <sup>(1)</sup>	\$1.00	\$1.00	Cash
October 22, 2010	2,000,000 <sup>(2)</sup>	\$0.05	\$100,000.00	Cash
July 25, 2011	2,000,000 <sup>(3)</sup>	\$0.10	\$200,000.00	Cash
<b>Total</b>	<b>4,000,000</b>		<b>\$300,000.00</b>	

Notes:

<sup>(1)</sup> This initial incorporator’s Common Share was repurchased by the Company on October 22, 2010 for \$1.00 and cancelled.

<sup>(2)</sup> These Common Shares are owned by Christopher Kape as to 600,000; Jake Kalpakian as to 600,000; Bedo Kalpakian as to 600,000; and Michael Shapray as to 200,000; and all are held in escrow. See “*Information Concerning the Resulting Issuer – Escrowed Securities*”.

<sup>(3)</sup> These Common Shares were issued under the Company’s CPC IPO.

### STOCK EXCHANGE PRICE

The Common Shares have been listed and posted for trading on the Exchange since July 28, 2011. Trading in the Common Shares was halted on December 15, 2011 pending the Company's announcement of the Proposed Qualifying Transaction and has remained halted since that date. The following table sets out trading information for the Common Shares for the periods indicated.

	<b>Period</b>	<b>High</b>	<b>Low</b>	<b>Trading Volume</b>
<b>2012</b>				
	March 2012	Not trading	Not trading	Not trading
	February 2012	Not trading	Not trading	Not trading
	January 2012	Not trading	Not trading	Not trading
	December 2011 <sup>(1)</sup>	N/A	N/A	Nil
	November 2011	0.06	0.06	1,000
	October 2011	0.08	0.08	5,000
	September 2011	0.12	0.12	15,000
	August 2011	N/A	N/A	Nil
	July 28 – 31, 2011 <sup>(1)</sup>	N/A	N/A	Nil

**Note:**

- (1) Trading in the Common Shares commenced on July 28, 2011 and was halted on December 15, 2011 pending announcement of the Proposed Qualifying Transaction and will remain halted until Completion of the Qualifying Transaction. November 30, 2011 was the last date that the Common Shares were traded on the Exchange prior to trading being halted. The price range and volume indicated is from July 28, 2011 (the date of listing of the Common Shares on the Exchange) to November 30, 2011.

### ARM'S LENGTH TRANSACTION

The Proposed Qualifying Transaction was negotiated by the parties dealing at arm's length with each other and therefore, in accordance with the policies of the Exchange, is not a Non-Arm's Length Qualifying Transaction. As a result, approval of the Proposed Qualifying Transaction by the Company's shareholders is not required under the Exchange policies as a condition to the Completion of the Qualifying Transaction.

### LEGAL PROCEEDINGS

There are no legal proceedings to which the Company is a party or of which any of its property is the subject matter, and there are no such proceedings known to the Company to be contemplated.

### AUDITOR, TRANSFER AGENT AND REGISTRAR

**Auditor**

The auditor of the Company is Smythe Ratcliffe LLP, Chartered Accountants at its office at 700 – 355 Burrard Street, Vancouver, British Columbia V6C 2G8.

**Transfer Agent and Registrar**

The Company's transfer agent and registrar is Computershare Investor Services Inc. at its Vancouver office located at 510 Burrard, 3<sup>rd</sup> Floor, Vancouver, British Columbia V6C 3B9.

## MATERIAL CONTRACTS

Since incorporation, the only material contracts entered into by the Company, other than contracts entered into in the ordinary course of business, are as follows:

1. the Option Agreement, which supersedes the letter agreement dated December 8, 2011, as described above under “*Information Concerning the Company – General Development of the Business*”;
2. the Consent Agreement, as described above under “*Information Concerning the Company – General Development of the Business*”;
3. the IPO Agency Agreement;
4. the CPC Escrow Agreement;
5. Transfer Agent, Registrar and Dividend Disbursing Agent Agreement dated April 27, 2011 between the Company and the Transfer Agent; and
6. Indemnity Agreements dated as of October 22, 2010 between the Company and each of Christopher Kape, Jake Kalpakian, Bedo Kalpakian and Michael Shapray.

Copies of these agreements will be available for inspection at the offices of Fasken Martineau DuMoulin LLP, located at Suite 2900, 550 Burrard Street, Vancouver, British Columbia V6C 0A3, during ordinary business hours until the date of Closing of the Proposed Qualifying Transaction and for a period of thirty days thereafter.

## PART II — INFORMATION CONCERNING THE WEST TIMMINS GOLD PROJECT

### NARRATIVE DESCRIPTION OF THE BUSINESS

#### **The West Timmins Gold Project**

Pursuant to the Option Agreement, the Company has the option to purchase a 60% undivided interest in the West Timmins Gold Project. See “*Information Concerning the Company – General Development of the Business – The Proposed Qualifying Transaction – Option Agreement*”.

The Company retained Daniel C. Leroux, B.Sc., P.Geo. of A.C.A. Howe International Limited to prepare the Technical Report on the West Timmins Gold Project in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”). The technical report dated December 8, 2011 entitled “*Technical Report on the West Timmins Gold Project, Carscallen Township, Porcupine Mining District, Ontario for NY85 Capital Inc.*” provides the basis for the information on the West Timmins Gold Project, as described below. A copy of the West Timmins Technical Report will be filed on SEDAR in accordance with NI 43-101 and made available for inspection at the head office of the Company.

#### ***Property Description and Location***

The West Timmins Gold Project is located about 21 km southwest of Timmins, in the south-eastern part of Carscallen Township, Ontario. Lake Shore Gold’s West Timmins – Bell Creek gold mine is located 5 km east of the property.

The property consists of nine (9) freehold patented mining claims (P28962 to P28970) covering a total of 118.339 hectares in Carscallen Township, Porcupine Mining Division, Ontario. All of the claims optioned by the Company from Newcastle cover both surface and mining rights. Each individual patented claim has no expiry date. Annual provincial and municipal mining land taxes for the patented claims total \$632 which is paid by NY85. There are no

royalties, back-in rights or other agreements or encumbrances to which the patented claims are subject. Permits are not required to conduct exploration work such as geological mapping and sampling, nor for drilling on patented claims.

In Howe's opinion, there are no significant factors and/or risks that may affect access, title or the right or ability to perform work on the property.

Howe is not aware of any environmental liabilities to which the property may be subject. Given the isolated location of the West Timmins Gold Project, the environmental impact of the exploration program is minimal. As per the mining industry's best management practice guidelines for all aspects of mineral exploration, any environmental remediation required at this stage would comprise of back-filling drill pad and drill sumps, removal drill casing and de-commissioning of any buildings and camps.



Property Location Map (marked by diamond)

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

The property is situated approximately 21 km southwest of Timmins, Ontario and is located just north of Highway 101. Primary access within the property is by a network of seasonal trails that can be accessed from Highway 101 either by 4x4 vehicles or 4x4 all terrain vehicles.

The climate is typical of northern boreal forest areas, with extended periods of sub zero temperatures during the winter months of November through March. Moderate temperatures prevail during the summer months with

temperatures in the range of 15-28°C accompanied by moderate precipitation. Diamond drilling programs can be executed during all seasons of the year except for areas that are swampy and/or wet.

The City of Timmins is the nearest source of mining related commercial services and an abundant pool of managerial and skilled labour. Timmins is serviced by modern telecommunications, commercial airlines, rail service and truck transportation.

Electrical power can be obtained from a high voltage transmission line located approximately 2 km south of the property. Numerous creeks and small lakes in and around the property area offer an abundant source of water.

The property lies at an average altitude of 300m above sea level and is characterized by gently undulating hills with the lows typically defined as wetlands with muskeg and few creeks and streams.

The vegetation is forest cover typical of this region and is mostly coniferous such as jack pine, black and white spruce but includes a mix of deciduous trees such as white birch and aspen.

### ***History***

The original staking of the patented claims was carried out in the early 1900s. As with freehold patented mining claims, the title holder(s) are not required to file mineral exploration assessment work as part of keeping the patented claims in good standing.

As such, there is no record of previous work conducted on any of the freehold patented claim blocks; therefore, the approach to exploration by the Company and previous operators has relied on information obtained from the Ontario Geological Survey (“**OGS**”) provided by both regional airborne geophysical surveys and geological surveys carried out by the OGS and by historical activities on the adjacent properties as reported by competitor activity.

### ***Geological Setting***

#### ***Regional Setting***

Carscallen Township, situated in the Abitibi Greenstone Belt (“**AGB**”), of the Superior Province comprises a stratigraphically continuous succession of Neo- to Mesoarchean (2500 to 2900 Ma) metavolcanic and metasedimentary rocks interpreted to have developed in an ensimatic basin. These supracrustal rocks are intruded by multiple generations of felsic to ultramafic igneous rocks. This intrusive activity extended from the Neoproterozoic into the late Proterozoic.

Three volcanic and two sedimentary assemblages are exposed in the Timmins region:

Volcanic:

- Deloro assemblage is the oldest (2730-2724 Ma) and consists of mafic to felsic, calc-alkalic metavolcanic rocks and associated iron formation;
- Kidd-Munro assemblage ranges in age from 2719 Ma to 2710 Ma and unconformably overlies the Deloro assemblage. The Kidd-Munro assemblage consists of a suite of tholeiitic and komatiitic metavolcanic rocks locally interlayered with rhyolite and a suite of calc-alkalic felsic to intermediate metavolcanic rocks;
- Tisdale assemblage overlies the Kidd-Munro assemblage and ranges in age from 2710 Ma to 2703 Ma. The base of the Tisdale assemblage consists of tholeiitic mafic to komatiitic metavolcanic rocks locally associated with high-silica rhyolites. Felsic to intermediate, calc-alkalic pyroclastic metavolcanic rocks and local thick accumulations of iron formation form the upper, younger parts of the Tisdale assemblage.



Sediments:

- Porcupine assemblage is the oldest (2696-2692 Ma), lowermost sedimentary package in the area and consists dominantly of turbiditic metasedimentary rocks. The Porcupine assemblage unconformably overlies the metavolcanic assemblages;
- Timiskaming assemblage unconformably overlies the Porcupine assemblage and consists of coarse clastic metasedimentary rocks.

The Kamiskotia Gabbroic Complex is interpreted to be coeval with the Tisdale assemblage and intrudes the Deloro and Kidd-Munro assemblages. Several plutons of felsic to intermediate compositions are considered to be comagmatic with the Kamiskotia Gabbroic Complex based on similar geochemical characteristics, overlap in U/Pb zircon ages, contact relationships, and textural similarities. Archean, post-volcanic, felsic plutons and associated dikes intrude all of the assemblages. Proterozoic mafic dikes (Matachewan, Abitibi swarms) intrude Archean rocks.

The rocks of the Abitibi Subprovince have experienced variable degrees of deformation and metamorphism. Of particular significance in the Timmins region, due to its relationship with gold mineralization, is the Porcupine-Destor Fault Zone (“PDFZ”). The fault zone is a major structural feature that strikes east-northeast and has been traced along strike for over 450 km across the Abitibi Subprovince. The PDFZ is offset by numerous north-northwest-striking faults that partition the Abitibi Greenstone Belt into distinct blocks that display different styles of alteration associated with gold mineralization, deformation and metamorphism. Early Proterozoic (2454 Ma) Matachewan dikes are also offset by the north-northwest-striking faults. The relationship between these late faults and the younger mafic dikes of the Abitibi swarm has not been determined.

Phanerozoic bedrock is not exposed in the Timmins area; therefore, there is no record of the geological history post-dating the late faulting and/or intrusion of the Abitibi dike swarm. Unconsolidated Quaternary glacial deposits and recent terrestrial sedimentary and regolithic deposits cover most of the Precambrian bedrock in the Timmins region.

*Property Geology*

Archean metavolcanic and plutonic rocks and Paleozoic mafic dikes underlie Carscallen and Denton townships. Mafic to ultramafic plutonic rocks of the Kamiskotia Gabbroic Complex occur in the northwest corner of Carscallen Township while felsic metavolcanic rocks dominate the northeast corner. The Carlton Lake Pluton, a large, semi-circular felsic intrusion, lies in the southwest corner of Carscallen Township and the northwest corner of Denton Township. Felsic plutonic rocks underlie the southern third of Denton Township. Mafic metavolcanic-dominated supracrustal rocks underlie the rest of the map area. The regionally significant PDFZ traverses the southern half of Denton Township with a dominantly westward trend.

Denton and Carscallen townships are underlain by three distinctive metavolcanic and metasedimentary sequences as well as mafic and felsic intrusions. Identifying the assemblage to which these sequences of supracrustal rocks belong is complicated by the lithologic, stratigraphic and geochemical similarities between the assemblages. Locally intense hydrothermal alteration has also obscured the nature of the metavolcanic and metasedimentary rocks. Structural complexities, including the regionally significant PDFZ, further obscure and offset the assemblages. However, two U-Pb geochronological samples taken in Denton and Carscallen townships have yielded zircons of Deloro and Kidd-Munro ages respectively, indicating that these assemblages at least are present in the field area.

*Metamorphism*

The supracrustal rocks of the Abitibi greenstone belt have undergone sub-greenschist to greenschist facies regional metamorphism. Amphibolite facies metamorphism occurs in proximity to large granitoid plutons.

The dominant metamorphic mineral assemblage in the map area is actinolite ± chlorite + plagioclase + quartz + epidote ± white mica. This is consistent with the regional greenschist facies metamorphism recorded elsewhere in the Abitibi. Higher-grade metamorphic mineral assemblages are present in other parts of the map area.

In west Carscallen Township, between the KGC and the CLP, amphibolite facies metamorphism is recorded in some of the mafic and felsic metavolcanic rocks. Assemblages in this area include hornblende + plagioclase ± garnet ± biotite ± white mica ± quartz. This elevated metamorphic grade is herein interpreted to be a result of an increased thermal gradient due to the intrusion of the two plutons.

In central to southern Denton Township, hornblende + plagioclase ± actinolite ± biotite ± white mica define the amphibolite facies metamorphism observed in metagabbroic and metavolcanic rocks. The amphibolitized rocks of this area lie between and within the two mylonitic splays of the Porcupine-Destor fault zone. East of the “Tri-Lakes Fault” amphibolite grade metamorphism was not observed. It is interpreted that this area of elevated metamorphic grade reflects rocks brought to surface from greater depths along the Destor-Porcupine fault.

### *Structural Geology*

The impacts of four deformation episodes (D1, D2, D3 and D4) have been recognized in the Carscallen and Denton Township map area. These manifest themselves as folds with distinctive morphologies and orientations. Planar fabrics are associated with some folds and display a range of characteristics that seem to reflect rock type characteristics as well as the degree of deformation. Distinct zones of mylonitized rock were recognized during bedrock mapping. The large, west-striking mylonite zones are interpreted to represent the PDFZ. Three vertical, essentially north-striking faults have been identified in the map area. These faults are correlated with the Mattagami River fault and are associated with significant displacement of stratigraphy. Numerous, small, brittle-ductile shear zones have also been identified throughout the map area and are commonly associated with sulphide mineralization.

### *Exploration*

The following describe the exploration work carried out on the Carscallen project by Newcastle from 2010 to 2011 and its former option partner, SGX Exploration Ltd. (“**SGX**”), in 2010.

In April 2010, Newcastle contracted Vision Exploration Inc. (“**Vision**”) of Timmins, Ontario to carry out the following ground geophysical surveys on the West Timmins Gold Project: (a) ground total field magnetic survey; and (b) Induced Polarization (“**IP**”) and resistivity survey.

A total of 13.71 line kilometres was surveyed for all three ground survey methods on a cut grid overlying the property area with cross-lines spaced at 100m intervals and oriented at 300°. A GEM Systems GSM-19 magnetometer was used to carry out the total field magnetic survey. Readings were collected at 12.5m intervals along all cross-lines. For the IP/Resistivity survey, a pole-dipole array with a 50m spacing was used for the survey.

The total field magnetic survey results show a general northeast/southwest trend in the rock units underlying the property. Vision has also interpreted that the total field magnetic lows may be related to alteration of the host rocks.

As well, a total of eight (8) individual IP anomalies were identified with coincident resistivity highs on the property. The majority of the southern IP/Resistivity anomalies coincide with total field magnetic anomalies whereas the northwestern IP anomalies correspond with total field magnetic lows.

A 080° trending fault has also been interpreted to cross-cut the property and it has been interpreted as the possible Bristol Fault.

In 2010, SGX collected a total of 72 MMI soil geochemical samples from a total of seven (7) cross lines spaced at a nominal 100m across the south eastern grid area. The soil geochemical traverse lines were positioned in such a fashion in order to obtain soil geochemical values over the various geological units and ground geophysical targets (both IP and total field magnetic) that to occur on the property. Each MMI soil geochemical sample was collected at 25m spacing along each cross-line. Approximately 300g of sample was collected to a depth of 0.30m for each. Each MMI soil geochemical sample was inserted into a plastic bag that was then labelled with the sample number and UTM coordinate. The MMI samples were then labelled with the sample number and line grid coordinate. The MMI soil samples were then securely sealed for dispatch to SGS Canada in Toronto, Ontario for sample analysis. Sample preparation, analyses and security is discussed below.

Of the 72 soil samples, no samples returned anomalous gold values. However, seven (7) samples returned Cu-in soil anomalies > 1000ppb Cu along lines 800E, 900e and 1000E. As well, two samples returned Pb values > 400ppb and nine samples returned Zn values > 500ppb. The Pb and Zn MMI soil sample anomalies occur on lines 1200E, 1300E and 1400E respectively. The Cu and Pb-Zn MMI anomalies would suggest that the geological units differ as seen from the ground magnetic signatures. In Howe's opinion, there are no factors that may have resulted in sample bias of the MMI results.

### ***Mineralization***

As early as 1911, gold-bearing quartz veins were reported in both "grey biotite granite" and "greenish and greyish schists" in Denton Township. Gold mineralization in both Carscallen and Denton Townships is associated with a diversity of rock types, assemblages, structures and alteration characteristics in the map area. Some of the general characteristics of gold mineralization and host rocks that are known to occur in both Carscallen and Denton Township are described below:

- host rocks include metavolcanic rocks of all assemblages, iron formation and granodioritic rocks of the Carleton Lake Pluton;
- wall rock alternation dominantly consists of chloritization, silicification and variable late iron-carbonization;
- gold is commonly associated with sulphide minerals such as pyrite and arsenopyrite;
- gold occurs with disseminated sulphide mineralization and quartz-carbonate, quartz-chlorite and/or quartz tourmaline veins that may or may not be deformed;
- gold is hosted by D<sub>2</sub> and D<sub>3</sub> structures such as folds and shear zones and by late brittle faults.

The observations above indicate that gold mineralizing events occurred relatively late in the tectonic history of Carscallen-Denton townships area.

Gold mineralization on the property is based on the geological interpretation and results obtained from drilling programs as there is no outcrop on the property. The known gold mineralization on the property is associated with both epigenetic quartz veins and disseminated to thin (< 0.30 m) massive lenses of pyrite within various sequences of NE-SW trending felsic volcanic rocks at various vertical depths from 50m to 90m. The widths of the gold mineralization intersected in the drill holes to date on the property range from 0.05 m to 1.50 m in apparent width (or 0.02m to 0.75m in true width). Due to the amount of drilling completed to date, the continuity of the gold mineralization is not known at this time.

### ***Drilling***

#### ***2010 Drilling Program***

From April 15, 2010 to July 8, 2010, a total of seven (7) BQ (35mm diameter) NC-10-series drill holes totalling 1,516.2 meters were completed on the West Timmins Project by Newcastle. The 2010 drilling program was operated by SGX as per the option agreement. Malette Drilling Inc. ("**Malette**") of Timmins, Ontario was contracted to carry out the diamond drilling program.

These drill holes were carried out in order to test the IP conductors that were defined in the 2010 ground IP survey.

The drill hole collars were located based on the line grid coordinates and UTM coordinates were then obtained at the drill collar following the completion of the drill hole. All drill holes were downhole surveyed with readings collected at 50m intervals with a Tropari. No drilling, sampling or recovery issues were encountered during the drilling program. A total of 420 samples (including standards and blanks) were collected from the seven drill holes for analysis. Sample lengths range from 0.20m to 1.8m.

Of the 420 core samples collected, only four (4) samples assayed >100ppb Au. The highest gold assay was obtained from Hole NC-10-01, sample number 431374 with a value of 404ppb Au over 1.0m from 70.0 to 71.0m or approximately 0.50 m in true thickness. The anomalous gold sample was derived from a felsic tuff with up to 10% disseminated sulphides. The orientation of the host rock containing the gold mineralization is interpreted to be NE-SW and dipping at 50° to the north.

### *2011 Drilling Program*

From January 8, 2011 to February 12, 2011, a total of nine (9) BQ (35mm diameter) NC-11-series drill holes totalling 2,032.4 meters were completed on the West Timmins Gold Project by Newcastle. The 2011 drilling program was carried out by Clarke Exploration (“**Clarke**”) of Thunder Bay, Ontario. Cartwright Drilling Inc. (“**Cartwright**”) of Thunder Bay, Ontario was contracted to carry out the diamond drilling program.

These drill holes were carried out in order to test additional IP conductors that were defined in the 2010 ground IP survey, plus testing the presence of gold mineralization down dip and/or along strike to 2010 series drill holes which intersected anomalous gold values.

The drill hole collars were located based on the line grid coordinates and UTM coordinates were then obtained at the drill collar following the completion of the drill hole. All drill holes were downhole surveyed with readings collected at 50m intervals with a Tropari. A total of 817 samples (including standards and blanks) were collected from the nine drill holes for analysis. Sample lengths range from 0.20m to 1.15m, but the majority were collected at 1.0m length.

Of the 817 samples collected, only four (4) samples assayed >100ppb Au. The highest gold assay was obtained from Hole NC-11-06, (sample number 21596 from 182.0m to 183.0m) with a value of 381ppb Au over 1.0m or approximately 0.50m in true thickness. The sample was derived from a quartz veins zone containing 5-10% disseminated sulphides and hosted within an ash tuff unit. The orientation of the host rock containing the gold mineralization is interpreted to be NE-SW and dipping at 50° to the south.

### *Sampling and Analysis*

#### *Drill Core Samples*

It is presumed by Howe that all of Newcastle’s sample collection was completed in a manner consistent with current industry standard sampling techniques. Newcastle submitted drill core samples from the Newcastle property to Cattarello Assayers (“**Cattarello**”) in Timmins, Ontario for sample preparation and analysis. Cattarello are not an ISO 9000:2008 registered laboratory.

Each drill core sample was placed in individual polystyrene bag, tagged with a sample number and then securely sealed with a tie wrap. The samples were then placed in nylon bags for transport to the lab. All sample shipments were carried out by the drill geologist. In addition to the standard quality control of the laboratory, a series of blanks and standards were inserted by Newcastle and SGX with every shipment for quality control purposes.

Sample preparation consisted of weighing and conventional drying followed by crushing and the sample was split for fire assay using a 30g aliquot.

In addition to standards submitted by SGX and Newcastle, Cattarello conducts check assays on 10% of the samples to monitor assay repeatability, and analyzes a second pulp for samples that return high assays. They also analyze their own standards and blanks with every batch of samples. Cattarello’s employees are independent from Newcastle. Also, Newcastle or SGX’s personnel are not involved in sample preparation and analysis.

Eighteen sample pulps were selected by SGX for check analysis. These sample pulps were sent to ALS Chemex Laboratories Ltd. (“**ALS Chemex**”) in Timmins, Ontario for sample preparation and analysis. ALS Chemex is an industry recognized and accepted global provider of assaying and analytical testing services for mining and mineral exploration companies. ALS Chemex is an ISO 9000:2008 accredited laboratory.

Sample preparation consisted of weighing each sample pulp and conventional drying if required. The sample pulp was then sent to the wet chemistry laboratory for analysis. ALS Chemex's analytical procedure codes are Au-AA23, an Au 30g aliquot fire assay with atomic absorption finish and a 30g aliquot fire assay with gravimetric finish.

A QA-QC review of the original versus the check sample assay pairs data by Howe for the two laboratories shows no major error or sample bias and the results are deemed acceptable by Howe.

It is Howe's opinion that the security, sample collection, preparation and analytical procedures undertaken on the West Timmins Gold Project conform to industry standards.

#### *MMI Sample Preparation and Analysis*

Newcastle/SGX submitted Mobile Metal Ion™ (“**MMI**”) soil geochemical samples from the West Timmins Gold Project to SGS Canada Inc.'s Mineral Services laboratory (“**SGS Canada**”) located in Toronto, Canada for preparation and analysis. SGS Canada is an industry recognized and accredited lab (ISO/IEC 17025) and accepted global provider of assaying and analytical testing services for mining and mineral exploration companies. The SGS Canada Toronto facility is a full-service sample preparation and analytical facility that serves the North American continent.

MMI sample preparation consisted of weighing and conventional drying if required as the soil samples were treated as pulps (no crushing, pulverizing). The sample pulp was then sent to the wet chemistry laboratory for analysis.

The MMI analysis procedure consists of adding a 50g aliquot of MMI extractant in this case the MMI-M extractant package to 50g of the sample (i.e. soil). After 24 hours, the supernatant liquid is centrifuged and then analysed via Induced Coupled Plasma Mass Spectrometry (“**ICP-MS**”). The MMI-M extractant package is a 53 element suite.

A QA-QC review of the MMI analytical data supplied by SGX was carried out by Howe and the results show that there are no major errors or sample bias and the MMI results are deemed acceptable by Howe.

#### *Security of Samples*

The sample security, chain of custody and sample integrity of both the 2010 and 2011 diamond drilling programs was designed and managed by SGX and Clarke respectively. All of the samples were transported in polystyrene bags by both SGX and Clarke geologists to the Cattarello Lab in Timmins, Ontario for analysis.

The entire 2010 and 2011 drill core is currently stored outdoors at SGX's compound in Timmins. The compound area is secure with access limited to SGX and Newcastle personnel/consultants.

It is Howe's opinion that the sample preparation, security and analytical procedures are appropriate/satisfactory for this stage of exploration.

#### *Mineral Resource Estimates*

There is no mineral resource or reserve compliant with the CIM Standards on Mineral Resources and Reserves and, therefore no NI 43-101 compliant resource/reserve for the West Timmins Gold Project.

#### *Recommendations*

It is Howe's opinion that the West Timmins Gold Project warrants additional work based on the available technical data, previous exploration history and results obtained from adjacent property mining companies.

In 2009, Newcastle optioned the West Timmins Gold Project from TFBL and in 2010, commissioned a line cutting program in order to complete a ground total field magnetic and IP/Resistivity survey over the property area.

The results of the ground geophysical surveys and conclusions obtained by Newcastle on the West Timmins Gold Project suggested that the potential exists for the strike extension of the Bristol Fault plus the geology, plus styles of gold mineralization similar to that found on LSG's Timmins mine may be present on its property.

In 2010, seven drill holes were completed to test several IP/Resistivity anomalies and magnetic anomalies found within the property. Most of the IP/Resistivity anomalies tested were determined to be derived from disseminated pyrite-rich (up to 10%) or pyrite-bearing quartz veins within felsic volcanic rocks. Unfortunately, these felsic volcanic rocks only had trace amounts to anomalous gold values (up to 404ppb over 1.0m).

Similar geology, alteration, sulphide mineralization and low gold results were also obtained from the 2011 drill program.

Although the 2010 and 2011 drill programs were not successful in locating LSG-type Timmins Mine short strike length and steeply plunging gold mineralization chutes, both the geology, volcanology, alteration, and structural geology within the property is still poorly understood.

As such, the Company proposes that a detail review of the 2010 and 2011 drill program (drill logs) and a digital GIS database compilation a 3D geological modeling of the geoscientific data found in assessment file reports from the surrounding mineral claims be carried out. This work program is designed to generate additional drill targets from the geological interpretation work and merging this data with the ground geophysical data for target generation purposes.

In Howe's opinion, there are no significant risks and/or uncertainties that could reasonably be expected to affect the reliability or confidence in the exploration information presented in this technical report. As such, there are no foreseeable impacts of risks and uncertainties at this time that can affect the project's potential economic viability.

Based on the available technical data and previous exploration history, it is Howe's opinion that the West Timmins Gold Project warrants additional work and that Howe concurs with the exploration work program considered by the Company. The proposed exploration program is described below:

1. The Company proposes to complete a GIS geoscientific compilation of assessment file data pertaining to surrounding mineral claims. The results of this GIS geoscientific data compilation could help in determining if any potential LSG-type Timmins Mine gold mineralization type and structures may be present within the West Timmins Gold Project;
2. Howe has recommended to the Company that the 2010 and 2011 drill core be re-logged for the presence of mafic volcanic units that were previously mis-identified and to do an alteration study. Mafic volcanic units and the presence of tourmaline are keys to locating possible gold mineralization in the Timmins gold camp; and
3. Howe has recommended that a volcanological/structural study be carried out upon completion of the work outlined in 1 and 2.

The above GIS geoscientific gold compilation, drill core re-logging, volcanological/structural study and 3D geological modeling work will allow the Company to identify new drilling targets for the Phase 2 work program.

It is expected that the recommended Phase 1 work program would be completed by the Company within a 6 month time frame. A budget of approximately \$210,000 is estimated for the Phase 1 work program.

Pending favourable results from the Phase 1 work program, the Company's proposed Phase 2 would consist of a detailed drilling program, based on the assumption on the discovery of 3-5 gold target areas is estimated to cost \$350,000.

The estimated cost of the recommended Phase 1 and 2 work program is as follows:

<b>Phase 1</b>	
GIS geoscientific data compilation	\$50,000
Drill core re-logging	\$50,000
Volcanological/Structural study	\$50,000
3D Geological Modelling	\$60,000
<b>Phase 1 Subtotal</b>	<b>\$210,000</b>
<b>Phase 2</b>	
Diamond Drill Program (2,000@\$100/m all incl.)	\$200,000
Diamond Drill Program Assays (2000@\$30/sample)	\$60,000
Exploration Capital Costs (lodging, vehicles, etc)	\$50,000
Exploration Personnel and Consumables (2 months)	\$40,000
<b>Phase 2 Subtotal</b>	<b>\$350,000</b>
<b>Phase 1 and 2 Total</b>	<b>\$560,000</b>

### PART III — INFORMATION CONCERNING THE RESULTING ISSUER

#### CORPORATE STRUCTURE

##### Name and Incorporation

Immediately following Completion of the Qualifying Transaction, it is anticipated that the Resulting Issuer will operate under the name “NY85 Capital Inc.” and will be governed by the provisions of the BCBCA. The Notice of Articles and Articles of the Resulting Issuer were amended on February 16, 2011 to amend its authorized capital to be comprised of an unlimited number of common shares and an unlimited number of preferred shares. It is expected that the Resulting Issuer will change its name to “**Alchemist Mining Inc.**” (or another name approved by the shareholders) at its 2012 annual meeting of shareholders, after which the Notice of Articles and Articles of the Resulting Issuer will be altered accordingly. The Resulting Issuer will continue to be governed by the BCBCA.

The head office of the Resulting Issuer will be located at Suite 2606, 400 Capilano Road, Port Moody, British Columbia, V3H 0E1 and the registered office will be located at Suite 2900, 550 Burrard Street, Vancouver, British Columbia, V6C 0A3.

##### Intercorporate Relationships

Following the Completion of the Qualifying Transaction, the Resulting Issuer will have no subsidiaries or interest in any other corporate entities.

## NARRATIVE DESCRIPTION OF THE BUSINESS

### Business

For the narrative description of the business of the Resulting Issuer, see “*Information Concerning the West Timmins Gold Project*”.

### Stated Business Objectives

The Resulting Issuer expects to use its available working capital to finance exploration and development on the West Timmins Gold Project, and for general working capital, including acquisitions. The Resulting Issuer’s immediate short-term objectives will be to:

- (a) complete the recommended work program on the West Timmins Gold Project pursuant to the West Timmins Technical Report; and
- (b) acquire and evaluate other mineral properties to expand the Resulting Issuer’s portfolio.

The Resulting Issuer’s long-term objectives will be to:

- (a) determine if an economic mineral deposit exists on the West Timmins Gold Project;
- (b) find one or more economic mineral deposits and bring them to commercial production; and
- (c) deliver a return on capital to shareholders.

### Milestones

The principal milestones that must occur for the stated short-term business objectives described above to be accomplished are as follows:

Milestone	Target Date	Cost (\$)
Phase 1 Work Program on the West Timmins Gold Project	July 2012, after Completion of the Qualifying Transaction	\$210,000
Phase 2 Work Program on the West Timmins Gold Project	July 2013, dependent upon the results from the Phase 1 Work Program	\$350,000

See “*Information Concerning the West Timmins Gold Project – Narrative Description of the Business – The West Timmins Gold Project – Recommendations*” for a description of the work programs.

### Exploration and Development

The Resulting Issuer intends to complete the exploration activities as recommended in the West Timmins Technical Report commencing in the summer of 2012 with the Phase 1 work program on the West Timmins Gold Project. Completion of the Phase 2 work program is dependent upon the Resulting Issuer obtaining positive results from the Phase 1 work program. See “*Information Concerning the West Timmins Gold Project – Narrative Description of the Business – The West Timmins Gold Project – Recommendations*” for a description of the work programs.



## DESCRIPTION OF THE SECURITIES

Upon Completion of the Qualifying Transaction, the Common Shares will be the Resulting Issuer Shares.

For a description of the attributes of the Resulting Issuer Shares, Preferred Shares, Warrants and NFT Warrants of the Resulting Issuer upon Completion of the Qualifying Transaction, see *“Information Concerning the Company – Description of Securities”*.

For a description of the Options of the Resulting Issuer upon Completion of the Qualifying Transaction, see *“Information Concerning the Company - Stock Option Plan and Options Granted”*.

## PRO FORMA CONSOLIDATED CAPITALIZATION

The following table sets out the Resulting Issuer’s pro forma consolidated capitalization as at the date indicated after giving effect to the Proposed Qualifying Transaction.

Designation of Security	Amount Authorized	Amount outstanding after giving effect to the Proposed Qualifying Transaction
Resulting Issuer Shares	Unlimited	12,050,000 <sup>(1)(2)</sup>
Preferred Shares	Unlimited	Nil
Long Term Debt	N/A	N/A

**Notes:**

- (1) This number assumes that the maximum Financing is completed and that all CPC Outstanding Options are exercised. See *“Information Concerning the Company - General Development of the Business - Financing”*. Of these shares, 2,000,000 are currently held in escrow. See *“Information Concerning the Resulting Issuer – Escrowed Securities”*.
- (2) On an undiluted basis. In addition to the number of issued and outstanding Resulting Issuer Shares, approximately 200,000 CPC IPO Agent’s Options, 2,500,000 NFT Warrants and 5,000,000 Warrants will be outstanding. See *“Information Concerning the Resulting Issuer – Pro Forma Consolidated Capitalization - Fully Diluted Share Capital”*.
- (3) The Company has a deficit of \$88,881 as at January 31, 2012.

**Fully Diluted Share Capital**

The following table sets out the share capital of the Resulting Issuer, on a fully-diluted basis, immediately upon Completion of the Qualifying Transaction, including the Financing:

	Number of Securities	Percentage of Total After Giving Effect to the Proposed Qualifying Transaction
Common Shares issued and outstanding as at the date of the Filing Statement	4,000,000 <sup>(1)</sup>	19.8%
Common Shares issued pursuant to the Option Agreement	150,000	0.7%

	<b>Number of Securities</b>	<b>Percentage of Total After Giving Effect to the Proposed Qualifying Transaction</b>
Common Shares issued pursuant to the Financing	7,500,000	37.0%
Common Shares issued upon the exercise of all CPC Outstanding Options	400,000	2.0%
<b>Securities Reserved for Future Issue:</b>		
Common Shares to be issued pursuant to the Option Agreement	500,000	2.5%
Reserved for issuance pursuant to CPC IPO Agents's Options	200,000	1.0%
Reserved for issuance pursuant to NFT Warrants	2,500,000	12.3%
Reserved for issuance pursuant to Warrants	5,000,000	24.7%
<b>Total:</b>	<b>20,250,000</b>	<b>100%</b>

**Notes:**

- (1) 2,000,000 of these Resulting Issuer Shares are subject to escrow. See “*Information Concerning the Resulting Issuer – Escrowed Securities*”.

**AVAILABLE FUNDS AND PRINCIPAL PURPOSES**

**Funds Available**

Concurrently with the Completion of the Qualifying Transaction, the Financing of up to 2,500,000 FT Units and up to 5,000,000 Units for gross proceeds of up to \$500,000 will be completed. The Company may pay an aggregate commission of up to 7% of the gross proceeds (\$35,000) to agents resulting in net proceeds to the Company from the Financing. However, it is not expected that any commission will be paid in respect of the Financing, resulting in proceeds to the Company of \$500,000. In addition, it is expected that all of the 400,000 CPC Outstanding Options will be exercised on the date the Final Exchange Bulletin is issued.

The following table sets forth the estimated total Funds Available of the Resulting Issuer as at April 30, 2012 after giving effect to the Financing:

<b>Sources of Funds</b>	<b>Amount</b>
Approximate working capital of the Resulting Issuer	\$105,000
Proceeds from the Financing	\$500,000
Proceeds from the exercise of the CPC Outstanding Options	\$40,000
<b>Total Funds Available:</b>	<b>\$645,000</b>

**Dividends**

The proposed directors of the Resulting Issuer anticipate that the Resulting Issuer will retain all future earnings and other cash resources for the future operation and development of its business, and accordingly, it does not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of the Resulting Issuer's board of directors after taking into account many factors including the Resulting Issuer's operating results, financial condition and current and anticipated cash needs.

### Principal Purposes of Funds

It is intended that the estimated total Funds Available of the Resulting Issuer will be expended as follows in order of priority:

Description	Amount to be Expended
Costs of Financing and Proposed Qualifying Transaction (estimated)	\$60,000
Property acquisition costs at West Timmins Gold Project	\$45,000 <sup>(1)</sup>
Phase 1 program at West Timmins Gold Project	\$210,000
General and administrative expenses for 12 months (estimated)	\$219,400
Unallocated Working Capital	\$110,600
<b>Total Funds Available</b>	<b>\$645,000</b>

**Notes:**

(1) Includes \$5,000 which was paid following execution of the Option Agreement.

Upon Completion of the Qualifying Transaction, the Funds Available will be sufficient to meet the administrative costs and expenditures of the Resulting Issuer for at least 12 months. The Resulting Issuer intends to spend the net Funds Available to it as stated in this Filing Statement. See “*Information Concerning the West Timmins Gold Project – Narrative Description of the Business – The West Timmins Gold Project – Recommendations*”. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary.

### PRINCIPAL SECURITYHOLDERS

To the knowledge of the management of the Company, no person will own, of record or beneficially, directly or indirectly, or exercise control or direction over, Resulting Issuer Shares carrying more than 10% of the voting rights attached to all Resulting Issuer Shares as of the date of this Filing Statement.

### DIRECTORS, OFFICERS AND PROMOTERS

#### Name, Address, Occupation and Security Holdings

The following are the names and municipalities of residence of those persons who are proposed to be directors, officers and promoters of the Resulting Issuer following the Proposed Qualifying Transaction, the positions and offices they are to hold with the Resulting Issuer, their principal occupations within the five preceding years, and the number of Resulting Issuer Shares which will be beneficially held by each of them upon the Completion of the Qualifying Transaction. Each director will hold office until the next annual general meeting of the Resulting Issuer unless his office is earlier vacated in accordance with the provisions of the BCBCA or the Articles of the Resulting Issuer.

Name, Municipality of Residence and Proposed Position with Resulting Issuer	Principal Occupation for Past Five Years	Date of first appointment as a Director or Officer of the Resulting Issuer	Resulting Issuer Shares held at Closing Date	Percentage of Resulting Issuer Shares held at Closing Date
<p><b>Keith Anderson</b>  <i>Coquitlam, British Columbia</i>                      President, Chief Executive Officer, Corporate Secretary and Director</p>	<p>June 1987 to December 2011 – Investment Advisor at Canaccord Genuity.</p>	<p>On Completion of the Qualifying Transaction</p>	<p>300,000<sup>(1)</sup></p>	<p>2.5%</p>
<p><b>Richard Macey</b>  <i>Goldbridge, British Columbia</i>                      Chief Financial Officer and Director</p>	<p>October 2009 to Present – CEO &amp; Director of Touchdown Resources Inc. (a junior mineral exploration company); October 2007 to January 2009 – CFO and Director of Cloudbreak Resources Ltd.; January 2009 to October 2010 – CEO and Director of Cloudbreak Resources Ltd.</p>	<p>On Completion of the Qualifying Transaction</p>	<p>250,000<sup>(2)</sup></p>	<p>2.1%</p>
<p><b>Martin Kostuik</b>  <i>Brentwood, Tennessee</i>                      Director</p>	<p>September 2009 to present – Director of Aggregate Operations of The Rogers Group Inc. (a financial advisory company); May 2007 to August 2009 – Manager of Mining for Taseko Mines Ltd.; May 2001 to April 2007 – General Manager of Vulcam Materials Co.</p>	<p>On Completion of the Qualifying Transaction</p>	<p>Nil</p>	<p>N/A</p>

Name, Municipality of Residence and Proposed Position with Resulting Issuer	Principal Occupation for Past Five Years	Date of first appointment as a Director or Officer of the Resulting Issuer	Resulting Issuer Shares held at Closing Date	Percentage of Resulting Issuer Shares held at Closing Date
<b>Jack (Jake) Kalpakian</b> <i>Vancouver, British Columbia</i> Director	January 1991 to present - President of the Las Vegas From Home.com Entertainment Inc. (an online gaming software development company); January 1991 to present - Vice President of Kokomo Enterprises Inc. (a junior mineral exploration stage company); 2010 to June 2011 - President & CEO of Active Growth Capital Inc.; 2009 to 2010 - President & CEO of Giyani Gold Corp.; 2005 to 2009 - Vice President, CFO & Secretary of First Lithium Resources Inc.; 2005 to 2009 - President, CEO & CFO of Touchdown Resources Inc.; 2007 to 2008 - Vice President of Colt Resources Inc.	October 22, 2010	926,700 <sup>(3)</sup>	7.7%

**Notes:**

- (1) Includes 300,000 Common Shares to be purchased under the Financing.
- (2) Includes 250,000 Common Shares to be purchased under the Financing.
- (3) Includes 100,000 Common Shares to be purchased by Mr. Kalpakian and 106,700 Common Shares to be purchased by his wife under the Financing.

The proposed members of the Resulting Issuer’s audit committee on the Closing Date will be Keith Anderson, Martin Kostuik and Jake Kalpakian.

On the Closing Date, the directors, officers and promoters of the Resulting Issuer, as a group, will beneficially own, directly or indirectly, 2,383,300 Resulting Issuer Shares representing 19.8% of the total issued and outstanding Resulting Issuer Shares, assuming the completion of the Financing and the exercise of all CPC Outstanding Options.

**Management**

The following sets forth further particulars of the proposed officers and directors of the Resulting Issuer, including the positions they will hold with the Resulting Issuer and their relevant educational background.

***Keith Franklin Anderson (age 46) - President, Chief Executive Officer, Corporate Secretary and Director***

Mr. Anderson has over 20 years of experience in the brokerage community as a Senior Investment Advisor at Canaccord/Genuity. Throughout his career as an Investment Advisor, he has primarily focused on small-cap venture companies in the resource sector. Mr. Anderson has acquired extensive knowledge in the structuring and financing of junior resource companies. After 20 years in the industry, he has created deep industry relationships with mining executives and investors from around the world.

Mr. Anderson will devote the time necessary to perform the work required in connection with his service as the President, CEO, Corporate Secretary and a director of the Resulting Issuer, estimated to be approximately 100% of his time at the outset. He will be an independent contractor to the Resulting Issuer and has not entered into any non-competition or non-disclosure agreement with the Resulting Issuer.

***Richard Gordon Macey (age 41) - Chief Financial Officer and Director***

Mr. Macey has been the President, CEO and a director of Touchdown Resources Inc., an Exchange listed company, since October 2009. Over the past several years, he has been employed in various capacities by over a half dozen publicly traded resource companies. In addition, Mr. Macey has fifteen years experience as a private business owner and operator.

Mr. Macey will devote the time necessary to perform the work required in connection with his service as the CFO and a director of the Resulting Issuer, estimated to be approximately 10% of his time. He will not be an employee of the Resulting Issuer and has not entered into any non-competition or non-disclosure agreement with the Resulting Issuer.

***Martin Leslie Kostuik (age 42) - Director***

Mr. Kostuik is currently serving as Director of Aggregate Operations for The Rogers Group Inc. Mr. Kostuik holds a B.Sc., Applied Science, Mining and Mechanical Engineering from Queen's University in Kingston, Ontario and a Masters of Business Administration from the University of Tennessee. He brings a diverse skill set gained from years of experience in the mining industry. Mr. Kostuik's expertise and experience as mine manager for such companies such as Barrick Gold, Gibraltar Mines Ltd. and most recently with The Rogers Group Inc. will provide invaluable knowledge and experience as the Resulting Issuer acquires and develops mineral exploration interests.

Mr. Kostuik will devote the time necessary to perform the work required in connection with his service as a director of the Resulting Issuer, estimated to be approximately 10% of his time. He will not be an employee of the Resulting Issuer and has not entered into any non-competition or non-disclosure agreement with the Resulting Issuer.

***Jack (Jake) Hagop Kalpakian (age 43) - Director***

Jake Kalpakian has served as a director of the Resulting Issuer since October 22, 2010. Since January 1991, he has been employed as a 50% owner of Kalpakian Bros. of B.C. Ltd., a private company that provides management company services. In addition, from November 2010 to the summer of 2011, Mr. Kalpakian was the President, Chief Executive Officer and a director of Active Growth Capital Inc., a junior mineral exploration company listed on the Exchange. Since January 1991, he has also been the Vice President and director of Kokomo Enterprises Inc. (formerly Zab Resources Inc.), a junior mineral exploration stage company listed on the Canadian National Stock Exchange (the "CNSX") and OTCQB. Since January 1991, Mr. Kalpakian has also been the President and a director, and since May 2004 the Chief Executive Officer, of Las Vegas From Home.com Entertainment Inc., an online gaming software development company listed on the Exchange, the OTC Pink, the Berlin Stock Exchange (the "BSE") and the Frankfurt Stock Exchange (the "FSE"). Since April 2009, he has also been a director of Big Mojo Capital Inc., a CPC listed on the Exchange. From July 2005 to October 2009, Mr. Kalpakian was the President, Chief Executive Officer and Chief Financial Officer, and from July 2005 to June 2010 a director, of Touchdown Resources Inc. (formerly Touchdown Capital Inc.), a mineral exploration company listed on the Exchange. On April 24, 2012, Mr. Kalpakian became the President, Chief Executive Officer and a director of Bulldog Exploration Inc. (formerly SinoGas West Inc.), a mineral exploration company listed on the Exchange. From November 2009 to June 2010, Mr. Kalpakian was the President, Chief Executive Officer and a director of Giyani Gold Corp. (formerly 99 Capital Corporation), a mineral exploration company listed on the Exchange. From September 2004 to December 2008, Mr. Kalpakian was a director, and from February 2007 to December 2008 the Vice President, of Colt Resources Inc. (formerly Colt Capital Inc.), a junior mineral exploration company listed on the Exchange, FWB and OTCQX. From September 2005 to January 2009, Mr. Kalpakian was the Chief Financial Officer, Secretary and director of First Lithium Resources Inc. (formerly Mountain Capital Inc.), a junior mineral exploration company listed on the Exchange, FSE and OTC Pink.

Mr. Kalpakian will devote the time necessary to perform the work required in connection with his service as a director of the Resulting Issuer, estimated to be approximately 10% of his time. He will not be an employee of the Resulting Issuer and has not entered into any non-competition or non-disclosure agreement with the Resulting Issuer.

### **Promoter Consideration**

Christopher Kape may be considered the promoter of the Company as he took the initiative in founding and organizing the Company. Chris Kape has not received, nor is he expected to receive anything of value, including money, property, contracts, options or rights of any kind, directly or indirectly, from the Resulting Issuer or a subsidiary of the Resulting Issuer, except as disclosed below or elsewhere in this Filing Statement.

Upon Completion of the Qualifying Transaction, Chris Kape will hold 906,600 Resulting Issuer Shares, which shares will represent approximately 7.5% of the then issued and outstanding shares of the Resulting Issuer assuming the completion of the Financing. See also “*Information Concerning the Resulting Issuer — Escrowed Securities*”.

### **Corporate Cease Trade Orders or Bankruptcies**

No proposed director, officer or promoter of the Resulting Issuer nor any securityholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer has, within the last ten years, been a director, officer or promoter of any person or company that, while such person was acting in that capacity:

- (a) was the subject of a cease trade or similar order, or an order that denied the company access to any exemption under applicable securities laws, for a period of more than 30 consecutive days; or
- (b) 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.

### **Penalties or Sanctions**

No proposed director, officer or promoter of the Resulting Issuer, or a securityholder anticipated to hold a sufficient number of securities to materially affect the control of the Resulting Issuer, or any personal holding company of such persons, has:

- (a) 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 agreement with a securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would likely to be considered important to a reasonable securityholder making a decision about the Proposed Qualifying Transaction.

### **Personal Bankruptcies**

No proposed director, officer or promoter of the Resulting Issuer, or a securityholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or a personal holding company of any such persons, has, within the ten years prior to the date of this Filing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his or her assets.

## Conflicts of Interest

The proposed directors, officers and promoter of the Resulting Issuer may, from time to time, serve as directors or officers of other issuers or organizations or may be involved with the business and operations of other issuers or organizations, in which case a conflict of interest may arise.

## Other Reporting Issuer Experience

The following table sets out the proposed directors, officers and promoters of the Resulting Issuer that are, or within the past five years have been, directors, officers or promoters of other reporting issuers:

Name	Name and Jurisdiction of Reporting Issuer	Position	From	To
Richard Macey	Windfire Capital Corp. - Exchange	Director	April 2011	Present
	Touchdown Resources Inc. - Exchange	CEO Director	October 2009 October 2009	Present Present
	Petro One Energy Inc. (formerly Cloudbreak Resources Ltd.) - Exchange	CEO Director CFO	January 2009 October 2007 October 2007	October 2010 October 2010 January 2009
Jake Kalpakian	Active Growth Capital Inc. - Exchange	President CEO Director	November 2010 November 2010 November 2010	June 2011 June 2011 July 2011
	Big Mojo Capital Inc. - Exchange	CEO CFO Secretary Director	September 2011 September 2011 September 2011 April 2009	Present Present Present Present
	Kokomo Enterprises Inc. - CNSX; OTCQB	Vice President Director	January 1991 January 1991	Present Present
	Las Vegas from Home.com Entertainment Inc. - Exchange	President CEO Director	January 1991 May 2004 January 1991	Present Present Present
	Bulldog Exploration Inc. (formerly SinoGas West Inc.) - Exchange	President CEO Director	April 2012 April 2012 April 2012	Present Present Present
	Giyani Gold Corp. - Exchange	President CEO Director	November 2009 November 2009 November 2009	June 2010 June 2010 June 2010
	Touchdown Resources Inc.- Exchange	President CEO CFO Director	July 2005 July 2005 July 2005 July 2005	October 2009 October 2009 October 2009 June 2010
	First Lithium Resources Inc. - Exchange	Vice President CFO Secretary Director	September 2005 September 2005 September 2005 September 2005	January 2009 January 2009 January 2009 January 2009
	Colt Resources - Exchange; OTCQX	Vice President Director	February 2007 September 2004	December 2008 December 2008



## EXECUTIVE COMPENSATION

### General Provisions

For the purposes of this Filing Statement, “executive officer” of the Resulting Issuer means an individual who at any time during the year was the Chair or a Vice-Chair of the Resulting Issuer; the President; any Vice-President in charge of a principal business unit, division or function including sales, finance or production; and any officer of the Resulting Issuer or of a subsidiary of the Resulting Issuer or any other individual who performed a policy-making function in respect of the Resulting Issuer.

“Named Executive Officer” (“NEO”) means each of the following individuals:

- (a) a Chief Executive Officer (“CEO”);
- (b) a Chief Financial Officer (“CFO”);
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Resulting Issuer, nor acting in a similar capacity, during the year.

The information below contains disclosure of anticipated compensation, to the extent known, for the proposed Named Executive Officers of the Resulting Issuer for the 12 month period following the Closing of the Proposed Qualifying Transaction.

### Compensation Discussion and Analysis

The Resulting Issuer has no formal compensation policy. The Board of Directors of the Resulting Issuer (the “Board of Directors”) as a whole will be responsible for reviewing and approving corporate goals and objectives relevant to an NEO’s compensation, evaluating the NEO’s performance in light of those goals and objectives and making recommendations with respect to the NEO’s compensation based on this evaluation.

The Board of Directors will monitor levels of executive remuneration to ensure overall compensation reflects the Resulting Issuer’s objectives and philosophies and meets the Resulting Issuer’s desired relative compensation position. The key components comprising executive officer compensation will be base salary, annual bonuses and participation in the Resulting Issuer’s incentive stock option plan. These components are normal for companies that are comparable to the Resulting Issuer. Executive compensation will be based on a number of factors including a comparative review of information provided to the Resulting Issuer by compensation consultants, recruitment agencies and auditors. At the end of each year, the Board of Directors will also review actual performance against corporate objectives.

Executive officers’ compensation will be designed in a manner to recognize and reward executive officers based upon individual and corporate performance, to be competitive with the compensation arrangements and programs established by other resource companies with which the Resulting Issuer compares itself, and to be consistent with the executive officers’ respective contributions to the overall benefit of the Resulting Issuer.

CEO compensation will be determined by the Board of Directors. The Board of Directors’ view is that the salary of the CEO should be in line with competitive salaries for positions of similar responsibility at companies that are, like the Resulting Issuer, publicly held. In assessing compensation paid to the CEO, the Board of Directors will also review available industry data relating to such companies and information or advice provided by compensation consultants or recruitment agencies. The CEO will participate in discussions or reviews relating to executive compensation for NEOs, but will not participate in the discussions and reviews relating to his own compensation.

In establishing compensation objectives for executive officers, the Board of Directors will seek to:

1. motivate executives to achieve corporate performance objectives and reward them when such objectives are met;
2. recruit and subsequently retain highly qualified executive officers by offering overall compensation which is competitive with that offered for comparable positions in similar companies; and
3. align the interest of executive officers with the long-term interests of shareholders through participation in the Resulting Issuer's stock incentive plan.

The Board of Directors will determine the number of stock options to be awarded. Stock options are generally awarded to executive officers at the commencement of employment and periodically thereafter. Stock options are granted to reward individuals for current performance, expected future performance and value to the Resulting Issuer. The size of awards made subsequent to the commencement of employment takes into account stock options already held by the individual.

### Summary Compensation Table

The Company currently has one Named Executive Officer, being Christopher Kape. The Resulting Issuer is expected to initially have two Named Executive Officers, being Keith Anderson, its President, Chief Executive Officer and Corporate Secretary, and Richard Macey, its Chief Financial Officer. The following table contains a summary of the compensation anticipated to be paid to them for the 12 month period following the Completion of the Qualifying Transaction.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Share-based awards	Option-based awards (\$) <sup>(2)</sup>	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
						Annual incentive plans	Long-term incentive plans			
Keith Anderson <sup>(1)</sup> <i>President, CEO &amp; Corporate Secretary</i>	2012	\$108,000	TBD	Nil	TBD	Nil	Nil	Nil	TBD	TBD
Richard Macey <i>CFO</i>	2012	Nil	TBD	Nil	TBD	Nil	Nil	Nil	TBD	TBD

#### Notes:

1. It is currently anticipated that Mr. Anderson will be paid \$9,000/month or \$108,000/year following Completion of the Qualifying Transaction.
2. "TBD" means "to be determined" by the Board of Directors of the Resulting Issuer following Completion of the Qualifying Transaction. The compensation will be dependent on the services actually required to be provided to the Resulting Issuer, the extent of which has not yet been determined.

### Incentive Plan Awards

The Resulting Issuer will continue to have in effect the Stock Option Plan which permits the granting of Options to eligible participants to purchase up to a maximum of such number of common shares as is equal to 10% of the then issued and outstanding common shares of the Resulting Issuer. For further particulars of the stock incentive plan, see "*Information Concerning the Resulting Issuer – Options to Purchase Securities*".

No share-based awards or option-based awards were outstanding at the end of the most recently completed financial year ended April 30, 2011. On completion of the CPC IPO, an aggregate of 400,000 CPC Outstanding Options were granted. See "*Information Concerning the Company – Stock Option Plan and Options Granted*". No options have been granted to Keith Anderson, Richard Macey or Martin Kostuik.

### **Pension Plan Benefits**

The Resulting Issuer does not have any retirement plan.

### **Termination and Change of Control Benefits**

The Resulting Issuer has no compensatory contract, agreement, plan or arrangement whereby any Named Executive Officer may be compensated in an amount exceeding \$50,000 in the event of that officer's resignation, retirement or other termination of employment, or in the event of a change of control of the Resulting Issuer or a subsidiary or a change in the Named Executive Officer's responsibilities following such a change of control.

### **Director Compensation**

The Resulting Issuer has no standard arrangement pursuant to which directors are compensated for their services in their capacity as directors except for the granting, from time to time, of incentive stock options in accordance with the Resulting Issuer's stock option plan and the policies of the Exchange. No cash compensation was paid to any director of the Company or the Resulting Issuer for the director's services as a director during the financial year ended April 30, 2011.

## **INDEBTEDNESS OF DIRECTORS AND OFFICERS**

Other than routine indebtedness, no current or former officer, director or employee of the Resulting Issuer or any of its subsidiaries, or any proposed nominee for election as a director or officer of the Resulting Issuer, or any associate or affiliate of any such officer, director, employee or proposed nominee, is or has been indebted to the Resulting Issuer or any of its subsidiaries, or to any other entity that was provided a guarantee, support agreement, letter of credit or other similar arrangement by the Resulting Issuer or any of its subsidiaries in connection with the indebtedness, at any time since the beginning of the most recently completed financial year of the Resulting Issuer.

## **INVESTOR RELATIONS ARRANGEMENTS**

The Company has not reached any written or oral agreement or understanding with any person to provide any promotional or investor relations services for the Resulting Issuer.

## **OPTIONS TO PURCHASE SECURITIES**

### **Options to Purchase Securities**

It is expected that all of the CPC Outstanding Options will be exercised on the date the Final Exchange Bulletin is issued. No Options are currently intended to be issued. Accordingly, following Completion of the Qualifying Transaction, no Options are expected to be outstanding.

### **Stock Option Plan**

All options of the Resulting Issuer will continue to be governed by the terms of the Stock Option Plan, as described above under "*Information Concerning the Company - Stock Option Plan and Options Granted*". The Resulting Issuer may adopt a new stock option plan at the next annual general meeting of the Resulting Issuer.

### **Other Convertible Securities**

The following table sets out information regarding other convertible securities of the Resulting Issuer that may be outstanding or issuable following Completion of the Qualifying Transaction.

Type of Convertible Security	Number of Resulting Issuer Shares Issuable if Convertible Securities are Fully Exercised	Exercise Price	Expiry Date
CPC IPO Agent's Options	200,000	\$0.10	July 28, 2013
NFT Warrants	2,500,000	\$0.125	Up to 24 months after Completion of the Qualifying Transaction
Warrants	5,000,000	\$0.10	Up to 24 months after Completion of the Qualifying Transaction
<b>Total</b>	<b>7,700,000</b>		

### ESCROWED SECURITIES

There are a total of 2,000,000 CPC Escrowed Shares held in escrow with the Trustee, the Company's registrar and transfer agent, under the Escrow Agreement. In addition, any Common Shares acquired on exercise of stock options prior to the Completion of the Qualifying Transaction must also be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued.

In addition, all Common Shares acquired in the secondary market prior to the Completion of the Qualifying Transaction by any person or company who becomes a Control Person are required to be deposited in escrow.

Under the Escrow Agreement, 10% of the CPC Escrowed Shares will be released from escrow on the issuance of the Final Exchange Bulletin (the "**Initial Release**") and an additional 15% will be released on the dates that are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release. If the Resulting Issuer meets the Exchange's Tier 1 minimum listing requirements either at the time the Final Exchange Bulletin is issued or subsequently, the release of the CPC Escrowed Shares will be accelerated over an 18 month period with 25% of the escrowed securities being releasable at the time of the Final Exchange Bulletin, and 25% of the escrowed securities being releasable every 6 months thereafter. An accelerated escrow release will not commence until the Resulting Issuer has made application to the Exchange for listing as a Tier 1 issuer and the Exchange has issued a bulletin that announces the acceptance for listing of the Resulting Issuer on Tier 1 of the Exchange. The Exchange's prior consent must be obtained before a transfer within escrow of CPC Escrowed Shares. Generally, the Exchange will only permit a transfer within escrow to be made to incoming Principals in connection with a proposed Qualifying Transaction. If a Final Exchange Bulletin is not issued, the CPC Escrowed Shares will not be released.

Under the Escrow Agreement, each Non-Arm's Length Party to the Company who holds CPC Escrowed Shares acquired from treasury at a price below the offering price under the Company's initial prospectus (\$0.10) has irrevocably authorized and directed the escrow agent to immediately:

- (a) cancel all of those CPC Escrowed Shares upon the issuance by the Exchange of a bulletin delisting the Common Shares; or
- (b) if the Company lists on NEX, either:
  - (i) cancel all Seed Shares (as defined in the Exchange policies) purchased by Non-Arm's Length Parties to the CPC at a discount from the IPO price, in accordance with section 11.2 (a) of the CPC Policy, or
  - (ii) subject to majority shareholder approval, cancel an amount of Seed Shares purchased by Non-Arm's Length Parties to the CPC so that the average cost of the remaining Seed Shares is at least equal to the IPO price.

The following table sets out, as of the date hereof and to the knowledge of the Company, the name and municipality of residence of the beneficial holders whose Resulting Issuer Shares are CPC Escrowed Shares:

Name and Municipality of Residence of Registered and Beneficial Owner	Prior to Giving Effect to the Proposed Qualifying Transaction		After Giving Effect to the Proposed Qualifying Transaction	
	Number of Common Shares held in Escrow	Percentage of Common Shares Outstanding	Number of Resulting Issuer Shares to be held in Escrow	Percentage of Resulting Issuer Shares Outstanding (Assuming Financing)
Christopher Kape <i>Vancouver, BC</i>	600,000	15%	540,000	4.48%
Jake Kalpakian <i>Vancouver, BC</i>	600,000	15%	540,000	4.48%
Bedo Kalpakian <i>Vancouver, BC</i>	600,000	15%	540,000	4.48%
Michael Shapray <i>Vancouver, BC</i>	200,000	5%	180,000	1.5%
<b>Total</b>	<b>2,000,000</b>	<b>50%</b>	<b>1,800,000</b>	<b>14.9%</b>

#### AUDITORS, TRANSFER AGENT AND REGISTRAR

##### Auditor

The auditor of the Resulting Issuer following Completion of the Qualifying Transaction will be Smythe Ratcliffe LLP, Chartered Accountants, at its office at 700 – 355 Burrard Street, Vancouver, British Columbia, V6C 2G8.

##### Transfer Agent and Registrar

The registrar and transfer agent for the Resulting Issuer will be Computershare Investor Services Inc. at its head office in Vancouver, British Columbia at 3<sup>rd</sup> Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9.

#### PART IV — DESCRIPTION OF THE RISK FACTORS ASSOCIATED WITH THE PROPOSED QUALIFYING TRANSACTION

The following is a summary of risks and uncertainties that management believes to be material to the Resulting Issuer. It is possible that other risks and uncertainties that affect the Resulting Issuer will arise or become material. An investment in the Resulting Issuer is speculative and involves a high degree of risk due to the nature of its business and the present stage of exploration and development of its mineral properties. An investment in securities of the Resulting Issuer should only be made by persons who can afford a significant or total loss of their investment. The following risk factors, as well as risks not currently known to the Company, could materially adversely affect the Resulting Issuer’s future business, operations and financial condition and could cause them to differ materially from the information provided in forward-looking statements contained herein. Holders of Common Shares or Resulting Issuer Shares and prospective investors should carefully consider the following risk factors along with the other matters set out herein and in the Resulting Issuer’s other public filings.

*The Proposed Qualifying Transaction may not be approved.*

The Completion of the Qualifying Transaction is subject to the satisfaction of certain conditions set out in the Option Agreement, including the approval of the Exchange. There can be no assurance that all of the necessary

conditions will be satisfied. In addition, there is no guarantee that the Company will be able to complete the Financing, which is necessary to complete the Proposed Qualifying Transaction. If the Proposed Qualifying Transaction does not complete, the Company will continue to search for other opportunities, however, it will have incurred significant costs associated with the Proposed Qualifying Transaction. In the event that the Proposed Qualifying Transaction is not approved, the Company will remain a CPC.

The Exchange will review the expenses, disclosure, trading history and other transactions undertaken by the Company during its listing to determine compliance with Exchange policies. The Exchange may refuse to accept the Proposed Qualifying Transaction if significant concerns arise from its review and where, among other things, the Resulting Issuer fails to meet the minimum listing requirements prescribed by the Exchange upon Completion of the Qualifying Transaction, or the consideration proposed to be paid by the Company in connection with the Proposed Qualifying Transaction is objectionable to the Exchange.

***The Company has a limited operating history, no revenue from operations and no ongoing mining operations of any kind.***

The Company is a relatively new company with limited operating history and no history of business or mining operations. The Resulting Issuer will be a mineral exploration company and has no revenue from operations and no ongoing mining operations of any kind. The Resulting Issuer will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Resulting Issuer anticipates that it may take several years, if ever, to achieve positive cash flow from operations.

The West Timmins Gold Project is in the exploration stage, and Newcastle has not defined or delineated any proven or probable mineral reserves on the West Timmins Gold Project. Mineral exploration involves significant risk because few properties that are explored contain bodies of ore that would be commercially economic to develop into producing mines. If the Resulting Issuer's current exploration programs do not result in the discovery of commercial ore, the Resulting Issuer may need to write-off part or all of its investment in its existing properties and it will be required to acquire additional properties in order to remain in business.

The determination of whether any mineral deposits on the West Timmins Gold Project are economic is affected by numerous factors beyond the Resulting Issuer's control. These factors include:

- the metallurgy of the mineralization forming the mineral deposit;
- market fluctuations for metal prices;
- the proximity and capacity of natural resource markets and processing equipment; and
- government regulations governing prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection.

***Title to the Resulting Issuer's mineral properties cannot be guaranteed and may be subject to prior unregistered agreements, transfers or claims and other defects.***

The right of the Resulting Issuer to earn a 60% interest in the West Timmins Gold Project is dependent upon Newcastle fully exercising its option to acquire a 100% interest in the West Timmins Gold Project from Timmins under the Underlying Agreement. In the event that Newcastle does not fully exercise its option and the Resulting Issuer is unable to remedy that default, the Resulting Issuer will lose its right to earn an interest in the West Timmins Gold Project.

The Resulting Issuer cannot guarantee that title to the properties in which it may acquire an interest will not be challenged. Title insurance is generally not available for mineral properties and the Resulting Issuer's ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be severely constrained. While the Resulting Issuer has investigated title to all of its mineral claims and, to the best of its

knowledge, title to all such mineral properties is in good standing, the mineral properties may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects. A successful challenge to the precise area and location of these claims could result in the Resulting Issuer being unable to operate on its properties as permitted or being unable to enforce its rights with respect to its properties.

***There can be no assurance that the Resulting Issuer's exploration programs will result in the establishment of mineral reserves or the expansion of such reserves with new mineral reserves.***

The Resulting Issuer's future growth and profitability will depend, in part, on its ability to identify and then expand its mineral reserves through additional exploration of the West Timmins Gold Project and on the costs and results of continued exploration and development programs. Mining exploration is highly speculative in nature, involves many risks and frequently is not productive. Most exploration projects do not result in the discovery of commercially mineable ore deposits and no assurance can be given that any anticipated level of recovery of mineral reserves will be realized or that any identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be legally and economically exploited. There can be no assurance that the Resulting Issuer's exploration efforts at the West Timmins Gold Project will be successful. Success in identifying and then increasing reserves is the result of a number of factors, including the quality of a company's management, its level of geological and technical expertise, the quality of land available for exploration, metal prices and other factors. The Resulting Issuer's strategy is to seek to identify and then expand identified resources through additional drilling, to define better the location and grade of known mineralization and to locate areas of additional mineralization or extensions of known mineralization. However, feasibility studies will be necessary to determine whether mineral resources qualify as commercially mineable (or viable) ore bodies. If any additional mineralization is discovered at the West Timmins Gold Project, it may take several years in the initial phases of drilling until the evaluation of such mineralization is possible, during which time the economic feasibility of the deposit may change. Substantial expenditures will be required at the West Timmins Gold Project to:

- establish mineral reserves through drilling and metallurgical and other testing techniques and evaluation of the economic and legal feasibility of mining operations;
- determine metal content and the optimal metallurgical recovery processes to extract the metals from the ore;
- determine the optimal development approach for a mine; and
- construct mining and processing facilities.

As a result of these uncertainties, no assurance can be given that the Resulting Issuer's exploration programs at the West Timmins Gold Project will result in the establishment or future expansion of mineral reserves.

***There can be no assurance that the Resulting Issuer will successfully establish mining operations or become profitable.***

The Resulting Issuer has no history of production. The West Timmins Gold Project is in the exploration stage and Newcastle has not defined or delineated any proven or probable reserves at the West Timmins Gold Project. The West Timmins Gold Project is not currently under development. The future development of the West Timmins Gold Project will require additional financing, the design, construction and operation of mines, a processing plant and related infrastructure. As a result, the Resulting Issuer will be subject to all of the risks associated with establishing new mining operations and business enterprises including:

- the timing and cost, which will be considerable, of the construction of mining and processing facilities;
- the availability and costs of skilled labour, power, water, transportation and mining equipment;
- the availability and cost of appropriate smelting and/or refining arrangements;

- the need to obtain necessary environmental and other governmental approvals and permits, and the timing of those approvals and permits; and
- the availability of funds to finance construction and development activities.

The costs, timing and complexities of mine construction and development are increased by the location of the West Timmins Gold Project. It is common in new mining operations to experience unexpected problems and delays during construction, development, and mine start-up. In addition, delays in the commencement of mineral production often occur and, once commenced, the production of a mine may not meet expectations or the estimates set forth in feasibility or other studies. Accordingly, there are no assurances that the Resulting Issuer will successfully establish mining operations or become profitable.

***The figures for mineral deposits are estimates based on interpretation and assumptions.***

The mineralization figures presented in this Filing Statement are based upon estimates made by geologists. These estimates are imprecise and depend upon interpretation of geologic formations, grade and metallurgical characteristics, and upon statistical inferences drawn from drilling and sampling analysis, any or all of which may prove to be unreliable. Material changes in mineral resources or mineral reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project. Estimates can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. There can be no assurance that:

- the estimates made by geologists upon which the mineralization figures presented in this Filing Statement are based will be accurate;
- mineral resource or other mineralization figures will be accurate; or
- this mineralization could be mined or processed profitably.

Newcastle has not defined or delineated any mineral reserves on the West Timmins Gold Project and mineralization estimates for the West Timmins Gold Project may require adjustments or downward revisions based upon further exploration or development work. It is possible that the Resulting Issuer may encounter unusual or unexpected geologic formations or other geological or grade problems, unanticipated changes in metallurgical characteristics and gold recovery and unanticipated ground or earth conditions. If mining operations are commenced, the grade of mineralization ultimately mined, if any, may differ from that indicated by drilling results. Estimates of mineral recovery rates used in mineral reserve and mineral resource estimates are uncertain and there can be no assurance that mineral recovery rates in small scale tests will be duplicated in large scale tests under on-site conditions or in production scale.

There has not yet been established the presence of any proven and probable mineral reserves at the West Timmins Gold Project. There can be no assurance that subsequent testing or future studies will establish mineral reserves on the West Timmins Gold Project. The failure to establish proven and probable mineral reserves would severely restrict the Resulting Issuer's ability to successfully implement its strategies for long-term growth.

***The Resulting Issuer requires various permits in order to conduct its current and anticipated future operations and delays or a failure to obtain such permits, or a failure to comply with the terms of any such permits that Newcastle or Timmins has obtained, could have a material adverse impact on the Resulting Issuer.***

Exploration and development of, and production from, any deposit at the West Timmins Gold Project require permits from various Canadian federal, territorial and local government authorities. There can be no assurance that any required permits will be obtained in a timely manner, or at all or that they will be obtained on reasonable terms. Delays or failure to obtain, expiry of or a failure to comply with the terms of such permits could prohibit development of the West Timmins Gold Project and have a material adverse impact on the Resulting Issuer.



***The Resulting Issuer, Newcastle and Timmins' permits, licences and mineral rights to the West Timmins Gold Project may be subject to challenges by First Nation groups based on the duty of the Federal Government to consult.***

In 2005, the Supreme Court of Canada determined that there is a duty on the government to consult with and, where appropriate, accommodate where government decisions have the potential to adversely affect treaty rights of First Nations. The Court found that third parties are not responsible for consultation or accommodation of aboriginal interests and that this responsibility lies with government. If the Federal Government fails to consult with First Nations before issuing any permits, licences, mineral claims, mineral leases, mineral licences or surface rights (collectively, "**permits**") to the Resulting Issuer or Newcastle, there may be valid challenges to any such permits which could affect the development of the West Timmins Gold Project.

***The Resulting Issuer is subject to significant governmental regulations.***

The Resulting Issuer's operations and exploration and development activities in Canada are subject to extensive federal, territorial and local laws and regulations governing various matters, including:

- environmental protection;
- management and use of toxic substances and explosives;
- management of natural resources;
- exploration, development of mines, production and post-closure reclamation;
- taxation and mining royalties;
- regulations concerning business dealings with native groups;
- labour standards and occupational health and safety, including mine safety; and
- historic and cultural preservation.

Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations or requiring corrective measures, installation of additional equipment or remedial actions, any of which could result in the Resulting Issuer incurring significant expenditures. The Resulting Issuer may also be required to compensate private parties suffering loss or damage by reason of a breach of such laws, regulations or permitting requirements. It is also possible that future laws and regulations, or a more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspensions of the Resulting Issuer's operations and delays in the development of the West Timmins Gold Project.

***The Resulting Issuer's activities are subject to environmental laws and regulations that may increase its costs of doing business and restrict its operations.***

All of the Resulting Issuer's exploration and production activities are in Canada and subject to regulation by governmental agencies under various environmental laws. These laws address emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species and reclamation of lands disturbed by mining operations. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. Compliance with environmental laws and regulations may require significant capital outlays on behalf of the Resulting Issuer and may cause material changes or delays in the Resulting Issuer's intended activities. There can be no assurance that future changes in environmental regulations will not adversely affect the Resulting Issuer's business, and it is possible that future changes in these laws or

regulations could have a significant adverse impact on some portion of the Resulting Issuer's business, causing the Resulting Issuer to re-evaluate those activities at that time.

***Mining is inherently dangerous and subject to conditions or events beyond the Resulting Issuer's control, which could have a material adverse effect on the Resulting Issuer.***

The business of mining is subject to a number of risks and hazards including environmental hazards, industrial accidents, labour disputes, cave-ins, pit wall failures, flooding, fires, rock bursts, explosions, power outages, periodic interruptions due to inclement or hazardous weather conditions, and other acts of God or unfavourable operating conditions. Such risks could result in damage to, or destruction of, mineral properties or processing facilities, personal injury or death, loss of key employees, environmental damage, delays in mining, increased production costs, monetary losses and possible legal liability.

Where considered practical to do so, the Resulting Issuer intends to maintain insurance against risks in the operation of its business in amounts which it believes to be reasonable. Such insurance, however, contains exclusions and limitations on coverage. There can be no assurance that such insurance will continue to be available, will be available at economically acceptable premiums or will be adequate to cover any resulting liability. In some cases, coverage is not available or considered too expensive relative to the perceived risk. The Resulting Issuer may suffer a material adverse effect on its business if it incurs losses related to any significant events that are not covered sufficiently or at all by its insurance policies.

***Changes in the market price of metals, which in the past has fluctuated widely, will significantly affect the potential of the West Timmins Gold Project.***

The potential of the West Timmins Gold Project to be economically mined is significantly affected by changes in the market price of metals. The market price of metals is volatile and is impacted by numerous factors beyond the Resulting Issuer's control, including:

- expectations with respect to the rate of inflation;
- the relative strength of the U.S. dollar and certain other currencies;
- interest rates;
- global or regional political or economic conditions;
- government regulation relating to price, royalties, allowable production and the importing and exporting of minerals;
- supply and demand for jewellery and industrial products containing metals; and
- sales by central banks and other holders, speculators and producers of gold and other metals in response to any of the above factors.

A decrease in the market price of metals could make it difficult or impossible to finance the exploration or development of the West Timmins Gold Project or cause the Resulting Issuer to determine that it is impractical to commence or continue exploration of the West Timmins Gold Project or development efforts if any, which would have a material adverse effect on the Resulting Issuer's results of operations. There can be no assurance that the market price of metals will not decrease.

***The Resulting Issuer will require external financing to conduct further exploration on and development of its mineral resource properties.***

Although the Resulting Issuer currently believes it will have sufficient financial resources to undertake its presently planned exploration program on the West Timmins Gold Project assuming completion of the Financing, further

exploration on and development of the West Timmins Gold Project will require additional capital. Accordingly, the continuing exploration and development of the West Timmins Gold Project will depend upon the Resulting Issuer's ability to obtain financing on reasonable terms and will be dilutive to its shareholders. There is no assurance the Resulting Issuer will be successful in obtaining the required financing at all. The failure to obtain such financing could have a material adverse effect on the Resulting Issuer's results of operations and financial condition.

***Increased competition could adversely affect the Resulting Issuer's ability to attract necessary capital funding or acquire suitable prospects for mineral exploration in the future.***

The mining industry is intensely competitive. The Resulting Issuer will compete with other mining companies, many of which have greater financial resources for the acquisition of mineral claims, permits and concessions as well as for the recruitment and retention of qualified employees. As a result, the Resulting Issuer may be unable to acquire attractive mining properties on terms it considers acceptable. Increased competition could adversely affect the Resulting Issuer's ability to attract necessary capital funding or acquire suitable properties or prospects for mineral exploration in the future.

***The Resulting Issuer may experience difficulty attracting and retaining qualified management and personnel to meet the needs of its anticipated growth, and the failure to manage its growth effectively could have a material adverse effect on its business and financial condition.***

The Resulting Issuer will be dependent on the services of key executives including the Chief Executive Officer and Chief Financial Officer and other highly skilled and experienced executives and personnel focused on managing its interests, the advancement of the West Timmins Gold Project, as well as the identification of new opportunities for growth and funding. The proposed management of the Resulting Issuer will have some experience in exploring for minerals, but may lack all or some of the necessary technical training and experience to successfully develop and operate a mine. The loss of these persons or the Resulting Issuer's inability to attract and retain additional highly skilled employees required for the development of its activities may have a material adverse effect on the its business or future operations.

***There can be no assurance that an active or liquid trading market in the Resulting Issuer's securities will be established and sustained.***

There can be no assurance that an active or liquid trading market in the Resulting Issuer's securities will be established and sustained. The market price for the Resulting Issuer's securities could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of the Resulting Issuer's peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the securities of the Resulting Issuer. The stock market has from time to time experienced extreme price and volume fluctuations, particularly in the mining sector, which have often been unrelated to the operating performance of particular companies.

***Certain of the Resulting Issuer's directors are also directors, officers or shareholders of other companies that are engaged in the business of acquiring, developing and exploiting natural resource properties.***

Such associations may give rise to conflicts of interest from time to time. Such a conflict poses the risk that the Resulting Issuer may enter into a transaction on terms which place the Resulting Issuer in a worse position than if no conflict existed. The directors are required by law to act honestly and in good faith with a view to the best interest of the Resulting Issuer and to disclose any interest which they may have in any project or opportunity of the Resulting Issuer. However, each director has a similar obligation to other companies for which such director serves as an officer or director.

If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter, in determining whether or not the Resulting Issuer will participate in any project or opportunity, the Board will primarily consider the degree of risk to which the Resulting Issuer may be exposed and its financial position at that time.

***The Resulting Issuer has a history of losses and expects to incur losses for the foreseeable future.***

The Resulting Issuer has incurred losses and may continue to incur losses for the foreseeable future. Further exploration and development of the West Timmins Gold Project will require the commitment of substantial financial resources. It may be several years before the Resulting Issuer will generate any revenues from operations, if ever. There can be no assurance that the Resulting Issuer will realize revenue or achieve profitability.

***The Resulting Issuer has never paid dividends and does not expect to pay any dividends in the foreseeable future.***

The Resulting Issuer has not paid any dividends on the Resulting Issuer Shares and there can be no assurance that the Resulting Issuer will ever pay any dividends. Payment of dividends in the future will be dependent on, among other things, the cash flow, results of operations and financial condition of the Resulting Issuer, the need for funds to finance ongoing operations and other considerations as the Board considers relevant.

***The global financial crisis may negatively impact the Resulting Issuer.***

Recent market events and conditions, including disruption in the international credit markets and other financial systems and the deterioration of global economic conditions, have caused significant volatility to commodity prices. These conditions worsened in 2008 and continued in 2009, 2010 and 2011, causing a loss of confidence in the broader U.S. and global credit and financial markets and resulting in the collapse of, and government intervention in, major banks, financial institutions and insurers and creating a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses, and tighter credit conditions. Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions caused the broader credit markets to further deteriorate and stock markets to decline substantially. These factors have negatively impacted company valuations and may impact the performance of the global economy going forward.

## **PART V – GENERAL MATTERS**

### **SPONSORSHIP AND AGENT RELATIONSHIP**

#### **Sponsor**

A general policy of the Exchange requires that a sponsor be retained to prepare a sponsor report in compliance with Exchange Policy 2.2. The Company intends to rely on an exemption from sponsorship contained in subsection 3.4(a) (i) of the Exchange's Policy 2.2 Sponsorship and Sponsorship Requirements. As such, no sponsor has been engaged by the Company in connection with the Proposed Qualifying Transaction.

#### **Relationships**

The Resulting Issuer has not entered into any agreement with any registrant to provide sponsorship or corporate finance services.

### **EXPERTS**

#### **Opinions**

The following professional persons have prepared reports or have provided opinions that are either included in or referred to in this Filing Statement:

1. Smythe Ratcliffe LLP, Chartered Accountants, auditors of the Company; and

2. Daniel C. Leroux, B.Sc., P.Geo., the author and “qualified person” (within the meaning of NI 43-101) responsible for the preparation of the West Timmins Technical Report.

### **Interests of Experts**

Except as disclosed herein, no person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Filing Statement or prepared or certified a report or valuation described or included in this Filing Statement currently holds, directly or indirectly, more than 1% of the Common Shares, or holds any property of the Company or of an Associate or Affiliate of the Company and no such person is expected to be elected, appointed or employed as director, officer or employee of the Company or of an Associate or Affiliate of the Resulting Issuer and no such person is a promoter of the Company or an Associate or Affiliate of the Company.

As of the date of this Filing Statement, Smythe Ratcliffe LLP has reported that they are independent in accordance with the rules of professional conduct of the Institute of Chartered Accountants of British Columbia.

### **OTHER MATERIAL FACTS**

There are no other material facts in respect of the Resulting Issuer which are not disclosed elsewhere in this Filing Statement.

### **BOARD APPROVAL**

The Board of the Company has approved the contents and the delivery of this Filing Statement.

**APPENDIX A**

**NY85 CAPITAL INC.**

**FINANCIAL STATEMENTS  
AS AT APRIL 30, 2011**

<b><u>Index</u></b>	<b><u>Page</u></b>
<b>Management's Responsibility for Financial Reporting</b>	1
<b>Independent Auditors' Report to the Shareholders</b>	2
<b>Financial Statements</b>	
Balance Sheet	3
Statement of Operations and Deficit	4
Statement of Cash Flows	5
Notes to Financial Statements	6 – 10

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of NY85 Capital Inc. are the responsibility of the Company's management. The financial statements are prepared in accordance with Canadian generally accepted accounting principles and reflect management's best estimates and judgment based on information currently available.

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

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

The financial statements as at April 30, 2011 and for the initial 190-day period then ended have been audited by Smythe Ratcliffe LLP, Chartered Accountants, and their report outlines the scope of their examination and gives their opinion on the financial statements.

*"Christopher Kape" (signed)*

---

Christopher Kape  
Chief Executive Officer and Chief Financial Officer

Vancouver, British Columbia  
June 22, 2011

**INDEPENDENT AUDITORS' REPORT**

**TO THE SHAREHOLDERS OF NY85 CAPITAL INC.**

We have audited the accompanying financial statements of NY85 Capital Inc., which comprise the balance sheet as at April 30, 2011, the statements of operations and deficit and cash flows for the initial 190-day period then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

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

*Auditors' Responsibility*

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

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

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

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of NY85 Capital Inc. as at April 30, 2011, and the results of its operations and cash flows for the initial 190-day period then ended, in accordance with Canadian generally accepted accounting principles.

*"Smythe Ratcliffe LLP"*

Chartered Accountants

Vancouver, British Columbia  
May 26, 2011, except as to note 6,  
which is as of June 22, 2011.



**NY85 CAPITAL INC.**  
**Balance Sheet**  
**April 30**

	<b>2011</b>
<b>Assets</b>	
Cash	\$ 68,855
HST receivable	3,868
Prepaid expense	18,516
Share issue costs	8,062
	<b>\$ 99,301</b>
<b>Liabilities</b>	
Accounts payable	\$ 7,848
<b>Shareholders' Equity</b>	
<b>Share Capital</b> (note 6)	100,000
<b>Deficit</b>	(8,547)
	<b>91,453</b>
	<b>\$ 99,301</b>

Nature of operations (note 1)  
 Continuation of operations (note 2)  
 Subsequent events (note 8)

Approved on behalf of the Board:

*"Christopher Kape"*  
 ..... Director  
 Christopher Kape

*"Michael Shapray"*  
 ..... Director  
 Michael Shapray

**NY85 CAPITAL INC.**  
**Statement of Operations and Deficit**

	<b>Initial 190-Day Period Ended April 30, 2011</b>
<b>General and Administrative Expenses</b>	
Accounting and audit	\$ 8,500
Bank fees	47
<b>Net Loss for Period</b>	8,547
<b>Deficit, Beginning of Period</b>	-
<b>Deficit, End of Period</b>	\$ 8,547
<b>Loss Per Common Share – Basic</b> (note 6(b))	\$ 0.004
<b>Weighted Average Number of Common Shares Outstanding</b>	2,000,000

**NY85 CAPITAL INC.**  
**Statement of Cash Flows**

	<b>Initial 190-Day Period Ended April 30, 2011</b>
<b>Operating Activities</b>	
Net loss for the period	\$ (8,547)
Changes in non-cash working capital	
HST receivable	(3,868)
Prepaid expense	(18,516)
Accounts payable	7,848
<b>Cash Used in Operating Activities</b>	<b>(23,083)</b>
<b>Financing Activities</b>	
Share issue costs	(8,062)
Issuance of common shares	100,000
<b>Cash Provided by Financing Activities</b>	<b>91,938</b>
<b>Inflow of Cash</b>	<b>68,855</b>
<b>Cash, Beginning of Period</b>	<b>-</b>
<b>Cash, End of Period</b>	<b>\$ 68,855</b>
<b>Supplemental Information</b>	
Interest paid	\$ -
Income taxes paid	\$ -

**1. NATURE OF OPERATIONS**

NY85 Capital Inc. (the "Company") was incorporated under the *Business Corporations Act* on October 22, 2010 in British Columbia. The Company is a capital pool company as defined in TSX Venture Exchange ("TSX-V") Policy 2.4. The principal business of the Company is the exploration and investment in viable assets and businesses in various industries.

**2. CONTINUANCE OF OPERATIONS**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") on the assumption it will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company's ability to continue as a going concern is dependent upon its ability to identify, evaluate and complete a Qualifying Transaction (as such term is defined in Exchange Policy 2.4). Until completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of assets and businesses with a view to completing a Qualifying Transaction. With the consent of the TSX-V, the Company may raise additional funds. These financial statements do not give effect to any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to identify or complete a suitable Qualifying Transaction within the permitted time prescribed by Exchange Policy 2.4.

**3. SIGNIFICANT ACCOUNTING POLICIES**

(a) Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of estimates include the determination of valuation allowance for future tax assets. While management believes these estimates are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

(b) Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, future income tax assets and liabilities are computed based on differences between the financial statement carrying values and their respective income tax basis (temporary differences). Future income tax assets and liabilities are measured using the enacted or substantially enacted tax rates expected to be in effect when the temporary differences are likely to reverse. The effect on future income tax assets and liabilities of a change in tax rates is included in operations in the period in which the change is enacted or substantively enacted. The amount of future income tax assets recognized is limited to the amount of the benefit that is more likely than not to be realized.

**3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(c) Loss Per Share

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

Shares subject to escrow restrictions are excluded from the weighted average number of common shares unless their release is subject only to the passage of time.

(d) Financial Instruments

The Company classifies its financial instruments into one of these five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments are measured in the balance sheet at fair value, except for loans and receivables, held-to-maturity investments and other financial liabilities, which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification as follows: held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net income; available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is no longer recognized or impaired, at which time the amounts would be recorded in net income.

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

(e) Stock-Based Compensation

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

**3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(f) Share Issue Costs

The Company accounts for share issue costs by capitalizing the costs until the shares are issued, at which time the costs are charged to share capital as share issue costs. If the share offering does not proceed, the costs are expensed.

(g) Future Accounting Change

*International Financial Reporting Standards ("IFRS")*

In February 2008, the Canadian Accounting Standards Board announced that January 1, 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canadian GAAP. The IFRS standards will be effective for the Company for interim and annual financial statements relating to the Company's fiscal year commencing January 1, 2011. The effective date will require the restatement for comparative purposes of amounts reported by the Company for interim periods and the comparative numbers for the year ended April 30, 2011. The Company has assessed the impact of the adoption of IFRS for fiscal 2011 and concluded no significant modifications or adjustments would result from the change.

**4. CAPITAL MANAGEMENT**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to enter into a Qualifying Transaction and to maintain a flexible capital structure for the benefit of its stakeholders.

The Company defines capital as all components of shareholders' equity. The Company manages its capital structure and makes adjustments thereto, based on the funds available in order to support the daily operations of the Company and the funding of investment opportunities.

The Company raises capital through the issuance of its share capital to fund its identification and evaluation of assets or a business for acquisition. Although the Company has been successful at raising funds in the past through issuance of common shares, there can be no assurance that it will continue to be able to do so in the future.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the initial 190-day period ended April 30, 2011. The Company is not subject to externally imposed capital requirements.

**5. FINANCIAL INSTRUMENTS**

The Company has classified its cash as held-for-trading.

The Company is exposed in varying degrees to a variety of financial instrument related risks, including credit risk, liquidity risk and market risk, which includes interest rate risk, foreign currency risk and other price risk. The types of risk exposure and the way in which such exposure is managed are provided below.

**NY85 CAPITAL INC.**  
**Notes to Financial Statements**  
**Initial 190-Day Period Ended April 30, 2011**

---

**5. FINANCIAL INSTRUMENTS (Continued)**

(a) Credit Risk

Credit risk is the risk of an unexpected loss if a party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash. The Company manages credit risk with respect to its cash by maintaining deposits with a major Canadian financial institution; however, this exposes the Company's cash to a concentration of credit risk, as all amounts are held at a single financial institution.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company is not exposed to significant liquidity risk.

(c) Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices. Market risk is comprised of the following types of risk: interest rate, foreign currency and other price risk. The Company is not exposed to any of these risks.

**6. SHARE CAPITAL**

(a) Authorized

Unlimited number of common shares without par value  
 Unlimited number of preferred shares without par value

(b) Issued

	Number of Shares	Amount
Common shares issued	2,000,000	\$ 100,000

On October 22, 2010, the Company issued 2,000,000 common shares at a price of \$0.05 per common share.

(c) Escrow Shares

During the period ended April 30, 2011 the Company issued 2,000,000 common shares at \$0.05 per share for total proceeds of \$100,000. These common shares will be held in escrow. Upon issuance of the TSX Venture Exchange Final Exchange Bulletin, issued in connection with a qualifying transaction, 10% of the escrowed common shares will be released from escrow and an additional 15% will be released every six months thereafter. While in escrow, the escrow shares may not be sold, assigned, hypothecated, transferred within escrow or otherwise dealt with in any manner without the consent of the regulatory authorities. If the Final Exchange Bulletin is not issued, the shares will not be released from escrow. If the Company is delisted, the shares will be cancelled. As at April 30, 2011, 2,000,000 common shares will be deposited in escrow.

**7. INCOME TAXES**

The Company has \$8,547 in accumulated losses for Canadian income tax purposes for which a full valuation allowance has been taken.

**8. SUBSEQUENT EVENTS**

The Company has filed a prospectus to list its shares for trading on the TSX-V and complete an initial public offering of 2,000,000 common shares at \$0.10 per share for gross proceeds of \$200,000. Pursuant to the engagement letter dated January 17, 2011, the Company has agreed to pay the agent a commission, on closing, of 10% of the aggregate gross proceeds pursuant to the offering, payable in cash, and reimburse the agent for all reasonable out-of-pocket expenses.

On completion of the offering, the Company has agreed to grant to the agent options entitling the agent to purchase up to 200,000 common shares at \$0.10 per share for a period of 24 months from the date the common shares commence trading on the TSX-V.



**NY85 CAPITAL INC.**

**Condensed Interim Financial Statements  
Three and Nine Months Ended January 31, 2012 and  
Three Months and 101-Day Period Ended January 31, 2011  
(Expressed in Canadian Dollars)  
(Unaudited)**

<b><u>Index</u></b>	<b><u>Page</u></b>
<b>Financial Statements</b>	
Condensed Interim Balance Sheets	1
Condensed Interim Statements of Comprehensive Loss	2
Condensed Interim Statements of Shareholders' Equity	3
Condensed Interim Statements of Cash Flow	4
Notes to Condensed Interim Financial Statements	5 – 15

**NY85 CAPITAL INC.**  
**Condensed Interim Balance Sheets**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

	January 31, 2012	April 30, 2011
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 167,460	\$ 68,855
Other receivables	8,005	3,868
Prepaid expenses	-	18,516
Share issue costs	-	8,062
	175,465	99,301
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 2,240	\$ 7,848
<b>Shareholders' Equity (Deficit)</b>		
<b>Capital Stock</b> (note 5)	212,106	100,000
<b>Contributed Surplus</b>	38,000	-
<b>Warrants</b>	12,000	-
<b>Deficit</b>	(88,881)	(8,547)
	173,225	91,453
	\$ 175,465	\$ 99,301

On behalf of the Board:

*"Jake H. Kalpakian"*

..... Director

Jake H. Kalpakian

*"Christopher Kape"*

..... Director

Christopher Kape

**NY85 CAPITAL INC.**  
**Condensed Interim Statements of Comprehensive Loss**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

	<b>Three Months Ended January 31, 2012</b>	<b>Three Months Ended January 31, 2011</b>	<b>Nine Months Ended January 31, 2012</b>	<b>101-Day Period Ended January 31, 2011</b>
<b>Expenses</b>				
Accounting fees	\$ 1,500	\$ 7,000	\$ 11,416	\$ 7,000
Filing fees	3,697	-	18,306	-
Legal fees	2,500	-	11,390	-
Office expense	-	-	1,222	-
Share-based compensation	-	-	38,000	-
<b>Net Loss and Comprehensive Loss for the Period</b>				
	\$ 7,697	\$ 7,000	\$ 80,334	\$ 7,000
<b>Loss Per Share, basic and diluted</b>				
	\$ (0.004)	\$ -	\$ (0.060)	\$ -
<b>Weighted Average Number of Common Shares</b>				
	2,000,000	-	1,342,857	-

**NY85 CAPITAL INC.**  
**Condensed Interim Statement of Shareholders' Equity**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

	Capital Stock		Contributed			Total Shareholders' Equity
	Shares	Amount	Surplus	Warrants	Deficit	
<b>Balance, October 22 and 31, 2010</b>	2,000,000	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000
Net loss for the period	-	-	-	-	(7,000)	(7,000)
<b>Balance, January 31, 2011</b>	2,000,000	100,000	-	-	(7,000)	93,000
Net loss for the period	-	-	-	-	(1,547)	(1,547)
<b>Balance, April 30, 2011</b>	2,000,000	100,000	-	-	(8,547)	91,453
Common shares issued	2,000,000	112,106	-	12,000	-	124,106
Share-based compensation	-	-	38,000	-	-	38,000
Net loss for the period	-	-	-	-	(65,345)	(65,345)
<b>Balance, July 31, 2011</b>	4,000,000	212,106	38,000	12,000	(73,892)	188,214
Net loss for the period	-	-	-	-	(7,292)	(7,292)
<b>Balance, October 31, 2011</b>	4,000,000	\$ 212,106	\$ 38,000	\$ 12,000	(81,184)	\$ 180,922
Net loss for the period	-	-	-	-	(7,697)	(7,697)
<b>Balance, January 31, 2012</b>	4,000,000	\$ 212,106	\$ 38,000	\$ 12,000	\$ (88,881)	\$ 173,225

**NY85 CAPITAL INC.**  
**Condensed Interim Statement of Cash Flow**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

	<b>Three Months Ended January 31, 2012</b>	<b>Three Months Ended January 31, 2011</b>	<b>Nine Months Ended January 31, 2012</b>	<b>101-Day Period Ended January 31, 2011</b>
<b>Operating Activities</b>				
Net loss	\$ (7,697)	\$ (7,000)	\$ (80,334)	\$ (7,000)
Item not involving cash				
Share-based compensation	-	-	38,000	-
	(7,697)	(7,000)	(42,334)	(7,000)
Changes in non-cash working capital				
Other receivables	(673)	(2,100)	(4,137)	(2,100)
Prepaid expenses	1,016	-	1,016	-
Accounts payable and accrued liabilities	1,642	7,000	(5,608)	7,000
<b>Cash Used in Operating Activities</b>	<b>(5,712)</b>	<b>(2,100)</b>	<b>(51,063)</b>	<b>(2,100)</b>
<b>Financing Activities</b>				
Issuance of common shares, net of share issue costs	-	-	149,668	100,000
Prepaid expenditures associated with issuance of common shares	-	(17,500)	-	(17,500)
<b>Cash Provided by Financing Activities</b>	<b>-</b>	<b>(17,500)</b>	<b>149,668</b>	<b>82,500</b>
<b>Increase (Decrease) in Cash</b>	<b>(5,712)</b>	<b>(19,600)</b>	<b>98,605</b>	<b>80,400</b>
<b>Cash, Beginning of Period</b>	<b>173,172</b>	<b>100,000</b>	<b>68,855</b>	<b>-</b>
<b>Cash, End of Period</b>	<b>\$ 167,460</b>	<b>\$ 80,400</b>	<b>\$ 167,460</b>	<b>\$ 80,400</b>
<b>Supplemental Information</b>				
Prepaid expenditures transferred to capital stock as share issue costs	\$ -	\$ -	\$ 17,500	\$ -
Capitalized share issue costs transferred to capital stock	\$ -	\$ -	\$ 8,062	\$ -

**1. NATURE OF OPERATIONS**

NY85 Capital Inc. (the "Company" or the "Corporation") was incorporated under the *Business Corporations Act* on October 22, 2010 in the Province of British Columbia. The Company is a capital pool company ("CPC") as defined in TSX Venture Exchange ("TSX-V") Policy 2.4. The principal business of the Company is to identify and evaluate potential investments in viable assets and businesses in various industries in order to satisfy the requirement to complete a Qualifying Transaction (as such term is defined in Exchange Policy 2.4).

The principal business office of the Corporation is located at Suite 305 – 1620 West 8th Avenue, Vancouver, British Columbia, V6J 1V4. The Corporation's phone number is (604) 630-6550 ext 111 and its facsimile number is (604) 630-6551.

**2. GOING CONCERN**

The Company's ability to continue as a going concern is dependent upon its ability to identify, evaluate and complete a Qualifying Transaction. Until completion of a Qualifying Transaction, the Company will not and may not carry on any business other than the identification and evaluation of assets and businesses with a view to completing a Qualifying Transaction. With the consent of the TSX-V, the Company may raise additional funds up to a certain limit in accordance with the TSX-V's CPC policy. These financial statements do not give effect to any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to identify or complete a suitable Qualifying Transaction within the permitted time prescribed by Exchange Policy 2.4.

**3. BASIS OF PRESENTATION AND ADOPTION OF IFRS**

The Company adopted International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board effective May 1, 2011. These are condensed interim financial statements for the third quarter of the period covered by the first IFRS financial statements to be presented in accordance with IFRS for the year ending April 30, 2012 and IFRS 1, *First-Time Adoption of International Financial Reporting Standards*, has been applied. The impact of the transition from Canadian generally accepted accounting principles ("GAAP") to IFRS is explained in note 6.

These condensed interim financial statements were prepared in accordance with International Accounting Standard 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements.

The accounting policies set out in note 4 have been applied consistently to all periods presented by the Company. The Company's functional and reporting currency is the Canadian dollar.

The interim financial statements were authorized for issue on February 13, 2012 by the directors of the Company.

**NY85 CAPITAL INC.**

**Notes to Condensed Interim Financial Statements**

**Three and Nine Months Ended January 31, 2012 and Three Months and 101-Day Period Ended January 31, 2011**

**(Expressed in Canadian Dollars, unless otherwise stated)**

**(Unaudited)**

---

**4. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies of the Company include the following:

(a) Use of estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Significant estimates made in the preparation of these financial statements include accrued liabilities, assumptions for the determination of fair value of share-based compensation, and determination of valuation allowance for deferred tax assets. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

(b) Financial instruments

Financial assets are classified into one of four categories:

- fair value through profit or loss ("FVTPL");
- held-to-maturity ("HTM");
- available-for-sale ("AFS"); and
- loans and receivables.

The classification is determined at initial recognition and depends on the nature and purpose of the financial asset.

(i) FVTPL financial assets

Financial assets classified as FVTPL are stated at fair value with any resultant change in fair value recognized in comprehensive loss. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset.

(ii) HTM investments

HTM investments are recognized on a trade-date basis and are initially measured at fair value using the effective interest rate method. The Company does not have any assets classified as HTM investments.

(iii) AFS financial assets

Short-term investments and other assets not otherwise designated are classified as AFS and stated at fair value on the date of acquisition and each subsequent reporting date. Any change in fair value is recognized as other comprehensive income.

**NY85 CAPITAL INC.**

**Notes to Condensed Interim Financial Statements**

**Three and Nine Months Ended January 31, 2012 and Three Months and 101-Day Period Ended January 31, 2011**

**(Expressed in Canadian Dollars, unless otherwise stated)**

**(Unaudited)**

---

**4. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(b) Financial instruments (Continued)

(iv) Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Loans and receivables are initially recognized at the transaction value and subsequently carried at amortized cost less impairment losses. The impairment loss on receivables is based on a review of all outstanding amounts at period-end. Bad debts are written off during the year in which they are identified. Interest income is recognized by applying the effective interest rate method.

(v) Effective interest method

The effective interest method calculates the amortized cost of a financial asset and allocates interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(vi) Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

(vii) Other financial liabilities

Other financial liabilities are initially measured at fair value and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

(viii) Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.



**NY85 CAPITAL INC.**

**Notes to Condensed Interim Financial Statements**

**Three and Nine Months Ended January 31, 2012 and Three Months and 101-Day Period Ended January 31, 2011**

**(Expressed in Canadian Dollars, unless otherwise stated)**

**(Unaudited)**

---

**4. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(c) Income taxes

Income tax expense consisting of current and deferred tax expense is recognized in the statement of comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(d) Share-based compensation

The Company grants share options to acquire common shares of the Company to directors, officers and employees. The fair value of the options to employees is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period for employees using the graded method. Fair value of share-based payments for non-employees is recognized and measured at the date the goods or services are received, at the fair value of such goods or services or if the fair value is not reliably measurable, the fair value of the equity instruments issued using the Black-Scholes option pricing model. For both employees and non-employees, the fair value is recognized as an expense with a corresponding increase in contributed surplus. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

**NY85 CAPITAL INC.**

**Notes to Condensed Interim Financial Statements**

**Three and Nine Months Ended January 31, 2012 and Three Months and 101-Day Period Ended January 31, 2011**

**(Expressed in Canadian Dollars, unless otherwise stated)**

**(Unaudited)**

---

**4. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(e) Earnings (loss) per share

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

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

(f) Capital stock

Proceeds from the exercise of share options and warrants are recorded as capital stock in the amount for which the option or warrant enabled the holder to purchase a share in the Company. Capital stock issued for non-monetary consideration is valued at the closing market price at the date of issuance. The proceeds from the issuance of units are allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the proceeds are allocated to capital stock based on the fair value of the common shares and any residual value is allocated to common share purchase warrants.

(g) Share Issue Costs

The Company accounts for share issue costs by capitalizing the costs until the shares are issued, at which time the costs are charged to share capital as share issue costs. If the share offering does not proceed, the costs are expensed.

**5. CAPITAL STOCK**

(a) Authorized

Unlimited number of common shares without par value  
Unlimited number of preferred shares without par value  
All issued shares are fully paid and non-assessable

(b) Issued

On July 28, 2011, pursuant to the Company's prospectus dated June 22, 2011, the Company completed its Initial Public Offering ("IPO") of 2,000,000 common shares at a price of \$0.10 per share, for gross proceeds of \$200,000 (the "Offering"). The Company received net proceeds of \$149,668 from Mackie Research Capital Corporation (the "Agent") after share issuance costs of \$50,332.

**NY85 CAPITAL INC.****Notes to Condensed Interim Financial Statements****Three and Nine Months Ended January 31, 2012 and Three Months and 101-Day Period Ended January 31, 2011****(Expressed in Canadian Dollars, unless otherwise stated)****(Unaudited)**

---

**5. CAPITAL STOCK (Continued)****(b) Issued (Continued)**

The company incurred an additional \$25,562 of issuance cost that were previously paid and capitalized on the balance sheet. The total issuance cost incurred in connection with the IPO is \$75,894.

*Escrow Shares*

On October 22, 2010, the Company issued 2,000,000 common shares at \$0.05 per share for total proceeds of \$100,000. These common shares are held in escrow. Upon issuance of the TSX Venture Exchange Final Exchange Bulletin of the completion of a qualifying transaction, 10% of the common shares will be released from escrow and an additional 15% will be released every six months thereafter. While in escrow, the escrow shares may not be sold, assigned, hypothecated, transferred within escrow or otherwise dealt with in any manner without the consent of the regulatory authorities. If the Final Exchange Bulletin is not issued, the shares will not be released from escrow. If the Company is delisted, the shares will be cancelled. As at January 31, 2012, 2,000,000 common shares remain in escrow.

**(c) Share Options**

The Company has adopted a share option plan pursuant to which the board of directors of the Company may from time to time, in its discretion, and in accordance with the TSX-V requirements, grant to directors, officers and technical consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares at the time of grant and exercisable for a period of up to 10 years from the date of grant. The number of common shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding common shares. Options may be exercised within 90 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

---

	Number of Options	Exercise Price
Balance, April 30, 2011	-	\$ -
Granted	400,000	\$ 0.10
Balance, July 31, 2011, October 31, 2011 and January 31, 2012	400,000	\$ 0.10

---

**NY85 CAPITAL INC.****Notes to Condensed Interim Financial Statements****Three and Nine Months Ended January 31, 2012 and Three Months and 101-Day Period Ended January 31, 2011****(Expressed in Canadian Dollars, unless otherwise stated)****(Unaudited)**

---

**5. CAPITAL STOCK (Continued)****(c) Share options (Continued)**

On July 28, 2011, the Company completed the initial public offering of 2,000,000 common shares. Upon completion of the initial public offering, the Company effectively granted directors and officers of the Company 400,000 share options at an exercise price of \$0.10 per common share. The options are fully vested and exercisable upon grant and expire July 28, 2021 unless otherwise terminated earlier. The common shares issuable upon exercise of the options are subject to escrow restrictions if exercised before the Company receives the final Exchange notice of the completion of a qualifying transaction.

The Company applied the fair value method using the Black-Scholes option pricing model in accounting for its share options granted with the following assumptions: risk-free interest rate: 2.88%; expected dividend yield: 0; expected share price volatility: 120.00%; expected life in years: 10. The Company does not have a history of forfeitures and therefore has estimated a forfeiture rate of 0%. Accordingly, \$38,000 (101-Day Period Ended January 31, 2011- \$nil) was recognized as share-based compensation expense.

**(d) Warrants**

Pursuant to the completed IPO in July 2011, the Agent was granted warrants to purchase 200,000 common shares of the Company ("Agent's Warrants"), exercisable at the price of \$0.10 per share until July 28, 2013.

---

	Number of Warrants	Exercise Price
Balance, April 30, 2011	-	\$ -
Granted	200,000	\$ 0.10
Balance, July 31, 2011, October 31, 2011 and January 31, 2012	200,000	\$ 0.10

---

The Company applied the fair value method using the Black-Scholes option pricing model in accounting for its Agent's Warrants granted with the following assumptions: risk-free interest rate: 1.48%; expected dividend yield: 0; expected stock price volatility: 120.00%; expected life in years: 2. Accordingly, \$12,000 (101-Day Period Ended January 31, 2011 - \$nil) was recognized as share issue costs and recorded as a reduction in the capital stock amount.

**NY85 CAPITAL INC.**

**Notes to Condensed Interim Financial Statements**

**Three and Nine Months Ended January 31, 2012 and Three Months and 101-Day Period Ended January 31, 2011**

**(Expressed in Canadian Dollars, unless otherwise stated)**

**(Unaudited)**

---

**6. TRANSITION TO IFRS**

As stated in note 3, these are the Company's third quarter interim financial statements for the period covered by the first annual financial statements prepared in accordance with IFRS. An explanation of how the transition from previous GAAP to IFRS has affected the Company's financial position and comprehensive loss is set out in this note.

The accounting policies set out in note 4 have been applied in preparing the financial statements for the initial 190-day period ended April 30, 2011, and in the preparation of an opening IFRS balance sheet at October 22, 2010 (the Company's date of transition).

*IFRS 1, "First-time Adoption of International Financial Reporting Standards" (IFRS 1)*

IFRS 1 generally requires that first-time adopters retrospectively apply all effective IFRS standards and interpretations in effect as at the reporting date. IFRS 1 also provides for certain optional exemptions and certain mandatory exceptions to this general principle.

*Optional Exemption*

The Company has elected under IFRS 1 to not apply IFRS 2 to options that were granted on or before November 7, 2002 or to options that were granted subsequent to November 7, 2002 but vested before the date of transition to IFRS.

*Mandatory Exemption*

In accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under previous GAAP, unless there is objective evidence that those estimates were in error. The Company's IFRS estimates as of October 22, 2010 are consistent with its Canadian GAAP estimates for the same date.

*Adjustments on transition to IFRS*

IFRS has many similarities to Canadian GAAP as it is based on a similar conceptual framework. However, there are important differences with regards to recognition, measurement and disclosure. Although there are differences that exist between IFRS and Canadian GAAP, there was no impact on the financial statements of the Company.

***Reconciliation of Assets, Liabilities and Equity***

The table below provides a summary of the adjustments to the Company's balance sheets at January 31, 2011:

**NY85 CAPITAL INC.****Notes to Condensed Interim Financial Statements****Three and Nine Months Ended January 31, 2012 and Three Months and 101-Day Period Ended January 31, 2011****(Expressed in Canadian Dollars, unless otherwise stated)****(Unaudited)****6. TRANSITION TO IFRS (Continued)**

	<b>January 31, 2011</b>
<b>Total Assets per Canadian GAAP</b>	\$ 100,000
Adjustments required on adoption of IFRS	-
<b>Total Assets per IFRS</b>	\$ 100,000
<b>Total Liabilities under Canadian GAAP</b>	\$ -
Adjustments required on adoption of IFRS	-
<b>Total Liabilities under IFRS</b>	\$ -
<b>Shareholders' Equity</b>	
<b>Total Equity under Canadian GAAP</b>	\$ 100,000
Adjustments required on adoption of IFRS	-
<b>Total Equity under IFRS</b>	\$ 100,000
<b>Total Liabilities and Equity under IFRS</b>	\$ 100,000

***Reconciliation of Net Income and Comprehensive Income***

The table below provides a summary of the adjustments to net income and comprehensive income for the 101-day period ended January 31, 2011:

	<b>101-Day Period Ended January 31, 2011</b>
<b>Net Loss and Comprehensive Loss per Canadian GAAP</b>	\$ (7,000)
Adjustments required on adoption of IFRS	-
<b>Net Loss and Comprehensive Loss per IFRS</b>	\$ (7,000)

**NY85 CAPITAL INC.****Notes to Condensed Interim Financial Statements****Three and Nine Months Ended January 31, 2012 and Three Months and 101-Day Period Ended January 31, 2011****(Expressed in Canadian Dollars, unless otherwise stated)****(Unaudited)****6. TRANSITION TO IFRS (Continued)*****Reconciliation of Net Income and Comprehensive Income***

The table below provides a summary of the adjustments to net income and comprehensive income for the three months ended January 31, 2011:

	<b>Three Months Ended January 31, 2011</b>
<b>Net Loss and Comprehensive Loss per Canadian GAAP</b>	\$ (7,000)
Adjustments required on adoption of IFRS	-
<b>Net Loss and Comprehensive Loss per IFRS</b>	<b>\$ (7,000)</b>

***Reconciliation of Cash Flow***

The table below provides a summary of the adjustments to cash flow for the 101-day period ended January 31, 2011:

	<b>101-Day Period Ended January 31, 2011</b>
<b>Operating Activities per Canadian GAAP</b>	\$ (2,100)
Adjustments required on adoption of IFRS	-
<b>Operating Activities per IFRS</b>	<b>\$ (2,100)</b>
<b>Financing Activities per Canadian GAAP</b>	\$ 82,500
Adjustments required on adoption of IFRS	-
<b>Financing Activities per IFRS</b>	<b>\$ 82,500</b>

**7. SUBSEQUENT EVENTS**

NY85 Capital Inc. (the "Company") (TSX.Venture: NY.P) has entered into an arm's length Letter of Intent dated December 8, 2011 (the "LOI") with Newcastle Minerals Ltd. ("Newcastle") (TSX Venture: NCM), a British Columbia corporation listed on the TSX Venture Exchange (the "Exchange"), whereby the Company will be entering into an exclusive option agreement with Newcastle to acquire a 60% undivided interest in and to nine freehold patented mining claims located in Carscallen Township, Porcupine Mining Division of Ontario (the "Property").

The transaction shall constitute the Company's Qualifying Transaction under the policies of the Exchange.

**NY85 CAPITAL INC.**

**Notes to Condensed Interim Financial Statements**

**Three and Nine Months Ended January 31, 2012 and Three Months and 101-Day Period Ended January 31, 2011**

**(Expressed in Canadian Dollars, unless otherwise stated)**

**(Unaudited)**

---

**7. SUBSEQUENT EVENTS (Continued)**

In order for the Company to acquire a 60% undivided interest in the Property the Company must make cash payments to Newcastle over a period of two (2) years for a total amount of \$85,000 of which \$5,000 has been paid to Newcastle, the Company must issue to Newcastle over a period of two (2) years a total number of 650,000 common shares in the capital of the Company as fully paid and nonassessable, and the Company must incur exploration costs totaling the amount of \$900,000 on the Property over a period of three (3) years.

The Company intends to conduct a non-brokered private placement of 2,500,000 flow through units at a price of \$0.08 per unit and 5,000,000 non-flow-through units at a price of \$0.06 per unit for gross proceeds to the Company of \$500,000. Each flow-through unit will consist of one flow-through common share and one non-flow-through share purchase warrant entitling the holders to acquire an additional non-flow-through common share of the Company at a price of \$0.125 per share for a period of two years from closing of the private placement, and each non-flow-through unit will consist of one non-flow-through common share and one non-flow-through share purchase warrant entitling the holders to acquire an additional non-flow-through common share of the Company at a price of \$0.10 per share for a period of two years from closing of the private placement.

In the event that the Company's shares trade at \$0.25 or above for a period of 30 consecutive days, a forced exercise provision will come into effect for the warrants issued in connection with the private placement financing.



## APPENDIX B

### NY85 Capital Inc. Management's Discussion and Analysis For The Nine Month Period Ending January 31, 2012

#### Introduction

The following discussion of performance and financial condition should be read in conjunction with the unaudited condensed interim financial statements of NY85 Capital Inc. (the **"Corporation" or the "Company"**) as at and for the three and nine month period ended January 31, 2012. The Corporation's unaudited condensed interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard 34 ("IAS 34"). The Corporation's reporting currency is the Canadian Dollar unless otherwise stated.

This Management Discussion and Analysis ("**MD&A**") is dated February 13, 2012.

#### Description of Business

NY85 Capital Inc. was incorporated under the British Columbia Business Corporations Act on October 22, 2010. The fiscal year end of the Corporation is April 30. The Corporation is listed on the TSX Venture Exchange (the **"Exchange"**) as a capital pool company ("**CPC**") under the trading symbol NY.P.

The principal business office of the Corporation is located at Suite 305 – 1620 West 8<sup>th</sup> Avenue, Vancouver, British Columbia, V6J 1V4. The Corporation's main contact is its President, Mr. Christopher Kape. The Corporation's phone number is (604) 630-6550 ext 111 and its facsimile number is (604) 630-6551.

The registered office and records of the Corporation is located at 800-885 West Georgia Street, Vancouver, British Columbia, V6C 3H1.

The Corporation was incorporated with the purpose of identifying and evaluating businesses and assets with a view to complete a qualifying transaction (the **"Qualifying Transaction" or "QT"**). Any proposed Qualifying Transaction must be accepted by the Exchange and, in the case of a Non-Arm's Length Qualifying Transaction, the Qualifying Transaction is also subject to shareholder approval in accordance with the Policies of the Exchange. The Corporation has not conducted and may not conduct commercial operations other than to enter into discussions for the purpose of identifying potential acquisitions and interests.

#### Selected Financial Information

The Corporation filed its final CPC prospectus on June 22, 2011 with reliance upon audited financial statements for the Initial 190-day period ended April 30, 2011.

On July 28, 2011, the Corporation completed its Initial Public Offering ("Offering") and issued 2,000,000 common shares at \$0.10 per share, for gross proceeds of \$200,000. Fees and expenses incurred in connection with the offering aggregated \$75,894. The net cash proceeds of this Offering are being used to provide the Corporation with funds with which to identify and evaluate assets or businesses for acquisition with a view to completing a Qualifying Transaction.

On July 28, 2011, the common shares of the Corporation commenced trading on the Exchange under the trading symbol "NY.P" (CUSIP #670710102). The Corporation's transfer agent is Computershare Investor Services Inc.

## **Results of Operations**

For the nine month period ended January 31, 2012, the Company incurred a net loss of \$80,334 compared to a net loss of \$7,000 for the 101-day period ended January 31, 2012. The net loss figures include various operational expenses such as accounting fees, bank fees, filing and legal fees. Set forth below is the summarized results of operations for the nine month period ended January 31, 2012 and the 101-day period ended January 31, 2011.

	Nine month period ended January 31, 2012	101-day period ended January 31, 2011
Total Revenues	\$nil	\$nil
Net Income/(Loss)	(\$80,334)	(\$7,000)
Basic Loss per Common Share	(\$0.004)	N/A

Note: Earnings (loss) per common share calculations in the above tables are based on the weighted average number of common shares outstanding for the periods. Escrow shares are not included in the calculation of the weighted average number of common shares outstanding.

## **Revenues**

The Corporation is still in the process of finding a Qualifying Transaction and currently does not have a revenue stream.

## **Expenses**

The administration expenses for the nine month period ended January 31, 2012 totaled \$80,334 (101-day period ended January 31, 2011: \$7,000). The significant cost components of this item include accounting, legal and filing fees of \$41,112 in the aggregate and share-based compensation of \$38,000.

## **Selected financial information**

The following table sets forth selected financial information of the Corporation for the nine month period ending January 31, 2012 and the initial 190 day period ended April 30, 2011. This information has been derived from the Corporation's unaudited condensed interim financial statements for the three and nine month period ended January 31, 2012 and from the Corporation's audited financial statements for the initial 190-day period ended April 30, 2011, and should be read in conjunction with those financial statement and the notes thereto.

	Nine month period ended January 31, 2012	Initial 190 day period ended April 30, 2011
Net Loss	(\$80,334)	(\$8,547)
Total Assets	\$175,465	\$99,301
Total Liabilities	\$2,240	\$7,848
Total Shareholder's Equity	\$173,225	\$91,453

## **Liquidity and Capital Resources**

As at January 31, 2012, the Corporation has \$167,460 in cash and other current assets of \$8,005 in the aggregate. Moreover, as at such date its accounts payable and accrued liabilities totaled \$2,240. Accordingly, as at January 31, 2012, the Corporation's net working capital was \$173,225.

## **Summary of Quarterly Reports**

Results for the most recent quarters ending with the last quarter for the period ended January 31, 2012. The Corporation was incorporated on October 22, 2010. As such, there is only a 101-day comparative for the period ended January 31, 2011.

2012 Fiscal Year:

	Three Months Ended January 31, 2012	Three Months Ended October 31, 2011	Three Months Ended July 31, 2011
i) Revenues	\$Nil	\$Nil	\$Nil
ii) Net loss for the period	(\$7,697)	(\$7,292)	(\$65,345)
iii) Loss per common share, basic and diluted	(\$0.004)	(\$0.004)	(\$0.75)

The Corporation's third quarter loss of \$7,697 consists of accounting fees, filing fees and legal fees.

2011 Fiscal Year:

	Three Months Ended April 30, 2011	Three Months Ended January 31, 2011	9 Day Period Ended October 31, 2010
i) Revenues	\$Nil	\$Nil	\$Nil
ii) Net loss for the period	(\$8,547)	(\$7,000)	\$Nil
iii) Loss per common share, basic and diluted	\$Nil	\$Nil	\$Nil

## **Outstanding Share Data**

a) Authorized Share Capital: unlimited common shares without par value and unlimited preferred shares without par value.

b) Issued and Outstanding Share Capital: As at January 31, 2012, 4,000,000 common shares (of which 2,000,000 common shares are held in escrow).

c) Share Options: As at January 31, 2012, 400,000 share options are outstanding with an exercise price of \$0.10 per common share. Share options were effectively granted to directors and officers of the Company upon completion of the Offering on July 28, 2011. As at January 31, 2012, the Company recognized share-based compensation expense of \$38,000 on these options.

d) Agent's Warrants: As at January 31, 2012, 200,000 Agent's Warrants are outstanding with an exercise price of \$0.10 per common share. The Agent's Warrants were granted upon completion of the Offering. As at January 31, 2012, the Company recognized on the balance sheet, share issuance cost related to these warrants of \$12,000.

There were no changes to the outstanding share data between January 31, 2012 and the date of this report.

### **Related Party Transaction**

There were no related party transactions for the nine month period ended January 31, 2012.

### **Subsequent Events**

NY85 Capital Inc. (the "Company") (TSX.Venture: NY.P) has entered into an arm's length Letter of Intent dated December 8, 2011 (the "LOI") with Newcastle Minerals Ltd. ("Newcastle") (TSX Venture: NCM), a British Columbia corporation listed on the TSX Venture Exchange (the "Exchange"), whereby the Company will be entering into an exclusive option agreement with Newcastle to acquire a 60% undivided interest in and to nine freehold patented mining claims located in Carscallen Township, Porcupine Mining Division of Ontario (the "Property").

The transaction shall constitute the Company's Qualifying Transaction under the policies of the Exchange.

In order for the Company to acquire a 60% undivided interest in the Property the Company must make cash payments to Newcastle over a period of two (2) years for a total amount of \$85,000 of which \$5,000 has been paid to Newcastle, the Company must issue to Newcastle over a period of two (2) years a total number of 650,000 common shares in the capital of the Company as fully paid and non-assessable, and the Company must incur exploration costs totaling the amount of \$900,000 on the Property over a period of three (3) years.

The Company intends to conduct a non-brokered private placement of 2,500,000 flow-through units at a price of \$0.08 per unit and 5,000,000 non-flow-through units at a price of \$0.06 per unit for gross proceeds to the Company of \$500,000. Each flow-through unit will consist of one flow-through common share and one non-flow-through share purchase warrant entitling the holders to acquire an additional non-flow through common share of the Company at a price of \$0.125 per share for a period of two years from closing of the private placement, and each non-flow-through unit will consist of one non-flow-through common share and one non-flow-through share purchase warrant entitling the holders to acquire an additional non-flow-through common share of the Company at a price of \$0.10 per share for a period of two years from closing of the private placement.

In the event that the Company's shares trade at \$0.25 or above for a period of 30 consecutive days, a forced exercise provision will come into effect for the warrants issued in connection with the private placement financing.

### **Financial and Other Instruments**

The Corporation's financial assets and liabilities consist of cash, capitalized share issue costs and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant credit, liquidity or market risks arising from these financial instruments. The fair value of these instruments approximates their carrying value due to the short-term nature of their maturity.

### **Critical Accounting Estimates**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Significant estimates made in the preparation of these financial statements include accrued liabilities, assumptions for the determination of fair value of share-based compensation, and determination of valuation allowance for deferred tax assets. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

### **Changes in Accounting Estimates**

During the nine month period ended January 31, 2012, the Corporation transitioned to IFRS. However, the Corporation did not implement any accounting policy changes with regards to accounting estimates during the nine month period.

### **Transition to International Financial Reporting Standards**

On February 13, 2008, the Canadian Accounting Standards Board (“AcSB”) confirmed the mandatory changeover date to International Financial Reporting Standards (“IFRS”) for Canadian profit-oriented publicly accountable entities (“PAE’s”) such as the Company.

The AcSB requires that IFRS compliant financial statements be prepared for annual and interim financial statements commencing on or after January 1, 2011. The first audited annual financial statements will be for the year ending April 30, 2012, with comparative financial information for the initial 190 day period ended April 30, 2011. In October 2010, the Company’s management assessed the impact of adoption to IFRS and concluded that an adoption date will be May 1, 2011 and a transition date October 22, 2010. The Company’s first financial statements prepared under IFRS were the interim financial statements for the three months ended July 31, 2011 with comparatives for the period April 30, 2011 along with the balance sheet as of the transition date. The Company has assessed the impact of restating the initial 190 day period ended April 30, 2011 financial statements and the transition balance sheet as of October 22, 2010 and concluded that there is no effect on the Company’s financial statements as a result of the transition to IFRS from the previous GAAP.

The Company reviewed its existing accounting system along with its internal and disclosure control process and concluded that they would not need significant modification as a result of the Company’s conversion to IFRS in 2011.

### **Off-Balance Sheet Arrangements**

The Corporation did not enter into any off-balance sheet arrangements during the nine month period ended January 31, 2012.

### **Management’s Responsibility for Financial Statements**

The information provided in this report, including the unaudited condensed interim financial statements, is the responsibility of Corporation’s management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements.

The Corporation's CEO has evaluated the effectiveness of the Corporation's disclosure controls and procedures and has concluded that they provide reasonable assurance that material information was accumulated and communicated up to management in sufficient time for management to make decisions regarding the Corporation's disclosure required by securities legislation.

### **Risks and Uncertainties**

The Corporation has a limited history of existence and does not have a revenue stream.

The securities of the Corporation should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Corporation's securities:

- ***Dilution:*** There are a number of outstanding securities and agreements pursuant to which common shares of the Corporation may be issued in the future. This will result in further dilution to the Corporation's shareholders.
- ***Revenues and Dividends:*** The Corporation has no revenues and does not expect to have any revenues in the foreseeable future (in particular, in the event, if ever, the Corporation completes a Qualifying Transaction). In the event that the Corporation generates any meaningful revenues in the future, then the Corporation may retain its earnings in order to finance further growth. Furthermore, the Corporation has not paid any dividends in the past and may not pay any dividends in the future.
- ***Disruption in Trading:*** **In the event that the Company makes a public announcement of a proposed qualifying transaction, trading in the common shares of the Corporation will be halted and will remain halted for an indefinite period of time. Trading in the common shares of the Corporation may be halted at other times for other reasons, including the failure by the Corporation to submit documents to the Exchange in the time periods required. The Exchange will generally suspend trading in the Corporation's common shares or delist the Corporation's common shares in the event that the Exchange has not issued a final Exchange bulletin within 24 months from the date of listing.**

### **Other Information**

Additional information about the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Caution Regarding Forward Looking Statements**

Except for historical information contained in this MD&A, disclosure statements contained herein are forward-looking. Certain statements contained herein are "forward-looking" and are based on the opinions and estimates of management, or on opinions and estimates provided to and accepted by management. Forward-looking statements are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those expressed or implied. Readers are therefore cautioned not to place reliance on any forward-looking statement.

**APPENDIX C**

**NY85 CAPITAL INC.**

**PRO FORMA BALANCE SHEET**

**January 31, 2012**

**(UNAUDITED – Expressed in Canadian dollars)**

**NY85 CAPITAL INC.  
PRO FORMA BALANCE SHEET  
JANUARY 31, 2012  
(Unaudited – Expressed in Canadian dollars)**

	January 31, 2012	Adjustments	Notes	Pro Forma
<b>Assets</b>				
Current				
Cash	\$ 167,460	\$ (20,000)	3(a)	
		300,000	3(c)	
		200,000	3(d)	
		(35,000)	3(e)	\$ 612,460
Other receivables	8,005			8,005
	175,465	445,000		620,465
Exploration and evaluation assets		20,000	3(a)	
		9,000	3(b)	29,000
	\$ 175,465	\$ 474,000		\$ 649,465
<b>Liabilities</b>				
Current				
Accounts payable and accrued liabilities	\$ 2,240	\$ 50,000	3(d)	\$ 52,240
<b>Shareholders' Equity</b>				
Capital stock	212,106	9,000	3(b)	
		300,000	3(c)	
		150,000	3(d)	
		(35,000)	3(e)	636,106
Contributed surplus	38,000			38,000
Warrants	12,000			12,000
Deficit	(88,881)			(88,881)
	173,225	424,000		597,225
	\$ 175,465	\$ 474,000		\$ 649,465



**1. BASIS OF PRESENTATION**

The accompanying unaudited pro forma balance sheet has been prepared by management of NY85 Capital Inc. (the "Company") for inclusion in the Filing Statement of the Company (the "Filing Statement") dated May 16, 2012 in respect of the proposed Qualifying Transaction involving the exclusive option agreement with Newcastle Minerals Ltd. ("Newcastle") to acquire a 60% undivided interest in and to the West Timmins Gold Project located in Carscallen Township, Porcupine Mining Division of Ontario (the "Property"). Concurrent with completion of the proposed transaction, the Company would close an equity financing of a maximum of 5,000,000 non-flow-through units of the Company at a price of \$0.06 per unit and a maximum of 2,500,000 flow-through units of the Company at a price of \$0.08 per unit.

The unaudited pro forma balance sheet has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by International Accounting Standards Board and the Company's accounting policies, as disclosed in the Company's unaudited financial statements for the nine-month period ended January 31, 2012. The unaudited pro forma balance sheet as at January 31, 2012 has been compiled from the unaudited condensed interim balance sheet of the Company as at January 31, 2012 and the resulting adjustments from the Qualifying Transaction and the concurrent financing, assuming both the transaction and the financing had occurred on January 31, 2012.

The unaudited pro forma balance sheet should be read in conjunction with the January 31, 2012 unaudited condensed interim financial statements and notes included therein and the April 30, 2011 audited financial statements, which are prepared in accordance with Canadian generally accepted accounting principles and have been included in the Filing Statement.

It is management's opinion that the unaudited pro forma balance sheet includes all adjustments necessary for the fair presentation of the transactions as described in note 2 and are in accordance with IFRS applied on a basis consistent with the Company's accounting policies. The unaudited pro forma balance sheet is not intended to reflect the financial position of the Company, which would have actually resulted had the transactions been effected on the date indicated. Furthermore, the unaudited pro forma financial information is not necessarily indicative of the financial position for any future period or any future date. Actual amounts recorded upon consummation of the transactions will differ from those recorded in the unaudited pro forma balance sheet and the differences may be material.

**2. PRO FORMA TRANSACTIONS**

The accompanying unaudited pro forma balance sheet gives effect to the completion of the transactions contemplated by the Company and Newcastle. The option agreement with Newcastle to acquire a 60% undivided interest in the Property has the following terms:

- (a) The Company must make aggregate cash payments to Newcastle of \$85,000 as follows:
- \$5,000 upon the execution of the Formal Agreement dated March 1, 2012;
  - \$15,000 on or before the third business date after TSX Venture Exchange approval of the Qualifying Transaction;
  - \$25,000 on or before one year from the date of TSX Venture Exchange approval of the Qualifying Transaction; and
  - \$40,000 on or before two years from the date of TSX Venture Exchange approval of the Qualifying Transaction.

**2. PRO FORMA TRANSACTIONS (Continued)**

- (b) The Company must issue 650,000 common shares in the capital of the Company to Newcastle as follows:
- 150,000 common shares of the Company on or before the third business date after TSX Venture Exchange approval of the Qualifying Transaction;
  - 250,000 common shares of the Company on or before one year from the date of TSX Venture Exchange approval of the Qualifying Transaction; and
  - 250,000 common shares of the Company on or before two years from the date of TSX Venture Exchange approval of the Qualifying Transaction.
- (c) The Company must incur exploration costs on the Property accumulating to \$900,000 as follows:
- \$200,000 on or before one year from the date of TSX Venture Exchange approval of the Qualifying Transaction;
  - An additional \$300,000 on or before two years from the date of TSX Venture Exchange approval of the Qualifying Transaction; and
  - An additional \$400,000 on or before three years from the date of TSX Venture Exchange approval of the Qualifying Transaction.

Concurrently with the completion of the Qualifying Transaction, the Company will close an equity financing of a maximum of 5,000,000 non-flow-through units of the Company at a price of \$0.06 per unit and a maximum of 2,500,000 flow-through units of the Company at a price of \$0.08 per unit. In the event that the Company's shares trade at \$0.25 per share or above for a period of 30 consecutive days, a forced exercise provision will come into effect for the warrants issued in connection with the private placement financing.

**3. PRO FORMA ASSUMPTIONS AND ADJUSTMENTS**

The unaudited pro forma balance sheet as at January 31, 2012 gives effect to the following assumptions and adjustments:

- (a) Upon the completion of the Qualifying Transaction, the Company will be required to make an immediate cash payment of \$15,000 to Newcastle. This payment along with the \$5,000 cash payment made to Newcastle will be reflected as an acquisition cost incurred by the Company and has been capitalized as an exploration and evaluation asset.
- (b) Upon the completion of the Qualifying Transaction, the Company will be required to issue 150,000 common shares in the capital of the Company to Newcastle. The value of shares issued will be based on the fair value of the date of issuance. The Company has valued these shares at a price of \$0.06 per share for a total value of \$9,000. This issuance will be reflected as an acquisition cost incurred by the Company and has been capitalized as an exploration and evaluation asset.
- (c) Concurrent with the completion of the Qualifying Transaction, the Company will complete a non-brokered private placement of 5,000,000 non-flow-through units at a price of \$0.06 per unit for gross proceeds of \$300,000. Each non-flow-through unit will consist of one non-flow-through common share and one non-flow-through share purchase warrant entitling the holders to acquire an additional non-flow-through common share at a price of \$0.10 per share for a period of two years from the closing of the private placement. The

**NY85 CAPITAL INC.**  
**NOTES TO PRO FORMA BALANCE SHEET**  
**January 31, 2012**  
**(Unaudited – Expressed in Canadian dollars)**

**3. PRO FORMA ASSUMPTIONS AND ADJUSTMENTS (Continued)**

(c) (Continued)

proceeds from the issuance of units are allocated between common shares and warrants based on the residual value method. Under this method, the proceeds are allocated first to capital stock based on the fair value of the common shares at the time the units are priced and any residual value is allocated to the warrants. The entire value of the non-flow-through unit has been allocated to capital stock.

(d) Concurrent with the completion of the Qualifying Transaction, the Company will complete a non-brokered private placement of 2,500,000 flow-through units at a price of \$0.08 per unit for gross proceeds of \$200,000. Each flow-through unit will consist of one flow-through common share and one non-flow-through share purchase warrant entitling the holders to acquire an additional non-flow-through common share at a price of \$0.125 per share for a period of two years from the closing of the private placement. The proceeds from the issuance of units are allocated between common shares and flow-through share premium based on the residual value method. Under this method, the proceeds are allocated first to capital stock based on the fair value of the common shares at the time the units are priced and any residual value is allocated to the flow-through share premium. The Company recorded \$150,000 to capital stock and \$50,000 to flow-through share premium liability, which is included in accounts payable and accrued liabilities. This liability amount will be reversed into earnings (deferred income tax expense) as eligible flow-through expenditures are incurred.

(e) Cash transaction costs with respect to the financing are equal to an Agent's fee of 7% of the gross proceeds raised in the two private placements of \$35,000 ((c) and (d) above). Cash transaction costs have been allocated directly to capital stock.

**4. PRO FORMA CAPITAL STOCK**

	Number of Common Shares	Amount
Issued		
Balance as at January 31, 2012	4,000,000	\$ 212,106
Additional consideration for property payment (note 3(b))	150,000	9,000
Issuance of common shares in connection with non-flow-through private placement (note 3(c))	5,000,000	300,000
Issuance of common shares in connection with flow-through private placement (note 3(d))	2,500,000	150,000
Share issue costs (note 3(e))	-	(35,000)
<b>Pro forma balance as at January 31, 2012</b>	<b>11,650,000</b>	<b>\$ 636,106</b>

**5. INCOME TAX**

The pro forma effective income tax rate applicable to the operations will be approximately 28.5%.

**AUDITORS' CONSENT**

We have read the Filing Statement of NY85 Capital Inc. (the "Company") dated May 16, 2012 with respect to the Qualifying Transaction associated with an option agreement entered with Newcastle Minerals Ltd. to acquire a 60% undivided interest in and to the West Timmins Gold Project located in Carscallen Township, Porcupine Mining Division of Ontario. We have complied with Canadian generally accepted standards for an auditor's involvement with such documents.

We consent to the use in the above-mentioned Filing Statement of our auditors' report to the shareholders of the Company on the balance sheet of the Company as at April 30, 2011 and the statements of operations and deficit and cash flows for the initial 190-day period then ended. Our report is dated May 26, 2011, except as to note 6 which is as of June 22, 2011

*"Smythe Ratcliffe LLP"*

**CHARTERED ACCOUNTANTS**

Vancouver, British Columbia  
May 16, 2012

**CERTIFICATE OF NY85 CAPITAL INC.**

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities of NY85 Capital Inc. assuming Completion of the Qualifying Transaction.

DATED: May 16, 2012

*“Christopher Kape”*

---

**Christopher Kape**  
Chief Executive Officer, Chief Financial Officer,  
Secretary and Director

**ON BEHALF OF THE BOARD OF DIRECTORS  
OF NY85 CAPITAL INC.**

*“Jack (Jake) Kalpakian”*

---

**Jack (Jake) Kalpakian**  
Director

*“Bedo Kalpakian”*

---

**Bedo Kalpakian**  
Director

**ACKNOWLEDGEMENT – PERSONAL INFORMATION**

“Personal Information” means any information about an identifiable individual, and includes information contained in any Items in the attached filing statement that are analogous to Items 4.2, 11, 12.1, 15, 17.2, 18.2, 23, 24, 26, 31.3, 32, 33, 34, 35, 36, 37, 38, 40 and 41 of Exchange Form 3B1/3B2, as applicable.

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

- (a) the disclosure of Personal Information by the undersigned to the Exchange (as defined in Appendix 6B) pursuant to Exchange Form 3B1/3B2; and
- (b) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6B or as otherwise identified by the Exchange, from time to time.

Dated: May 16, 2012

*“Christopher Kape”*

---

Christopher Kape  
Chief Executive Officer of NY85 Capital Inc.