

# FORM 4M

## SHORT FORM OFFERING DOCUMENT ("OFFERING DOCUMENT")

### General Instructions:

1. The answers to the following items should be presented in narrative form, except where a tabular form is specifically required.
2. "Issuer" shall include any subsidiary of the Issuer.
3. "Year", except where the context otherwise requires, means a period of twelve months preceding the date of the certificate of the directors and promoters of the Issuer.
4. When the answer to any item refers to an issuer other than the Issuer whose securities are the subject of the distribution, disclose the name of any individual who is an insider or promoter of both issuers.

### Documents Incorporated by Reference:

1. Annual Information Forms (including documents filed as alternatives to Annual Information Forms), the most recent audited annual financial statements, and all quarterly interim financial statements, news releases disclosing Material Changes, Material Change reports, technical reports and consents required under National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*, that were filed on or after the current AIF, but before the date of the Short Form must be incorporated by reference in the Offering Document. The referenced document must be clearly identified and where applicable, the information incorporated by reference shall be identified by page, caption, paragraph or otherwise. The location of the document in SEDAR or any other publicly accessible database (eg. Issuer's web site, CDNX web site) must be provided. This information must precede the certificate of the directors and promoters of the Issuer.

### Cover Page:

1. State the name and address of each of the Issuer, the agent or underwriter and the registrar and transfer agent for the Issuer's securities.
2. Set out in tabular form, on the front cover of the Offering Document: the description, designation and number of securities being offered by the Issuer; the price per security; the agent's compensation; and the net proceeds to the Issuer on both a per security and an aggregate basis.

3. Where the securities offered are speculative in nature, the following statement shall be included on the front cover of the Offering Document:

“The securities offered hereunder are speculative in nature. Information concerning the risks involved may be obtained by reference to this document; further clarification, if required, may be sought from the agent or an adviser registered under the *Securities Act*.”

4. The following statements and information shall be included on the front cover of the Offering Document:

Neither The Canadian Venture Exchange Inc. (the “Exchange”), nor any securities regulatory authority has in any way passed upon the merits of the securities offered under this Offering Document.

The information provided in this Offering Document is supplemented by disclosure contained in the documents listed below which are incorporated by reference into this Offering Document. These documents must be read together with the Offering Document in order to provide full, true and plain disclosure of all material facts relating to the securities offered by this Offering Document. The documents listed below are not contained within, or attached to the Offering Document, and will be provided by the Issuer, at no charge, upon request. Alternatively, the documents may be accessed by the reader of the Offering Document at the following locations:

Type of Document (e.g. AIF, Material Change Report, Valuation)	Date of Document	Location at which document may be accessed (eg. SEDAR web site, Issuer web site, CDNX web site) (Provide specific web site addresses where applicable)

Any Subsequently Triggered Report will be deemed to be incorporated by reference into this Offering Document.”

**1. Plan of Distribution**

- a) State the manner in which the securities being offered are to be distributed, including the material details of any agency agreements and sub-agency agreements outstanding or proposed to be made, the particulars of any assignments or proposed assignments of any such agreements and any rights of first refusal on future offerings.
- b) Give details of any payments in cash or securities or any other consideration made or to be made to a promoter, finder or any other person in connection with the offering.
- c) State the number of securities of the Issuer beneficially owned, directly or indirectly, by the Professional Group.

## 2. Use of Proceeds

### Funds Available

Provide a breakdown of Funds Available as follows:

- a) the net proceeds to be derived by the Issuer from the sale of securities offered under the Offering Document; and
- b) the estimated working capital available to the Issuer as of the latest month end prior to the date of the Short Form, or where the date of the Short Form is within ten days of the end of the latest month, the month end prior to the end of that month; and
- c) the amounts and sources of any other funds that will be available to the Issuer prior to or concurrently with the completion of the offering.

### Principal Purposes

- d) Provide, in tabular form, a description of each of the principal purposes, with amounts, for which the Funds Available will be used. Where the closing of the distribution under the Offering Document is subject to a minimum subscription, provide separate columns disclosing the use of the proceeds for the minimum and maximum subscriptions.
- e) Where the proceeds are to be spent on the exploration and development of a natural resource property for which the Issuer has received Exchange acceptance, disclose the nature and extent of the proposed exploration and development program that is to be carried out. Additionally, provide:
  - i) an estimated timetable for the program, describing each significant component of the program and identifying the planned commencement and completion dates of each component;
  - ii) factors which may delay or impede the timetable described above; and
  - iii) a breakdown of costs for the proposed program.
- f) In the case of a best efforts offering, include a statement regarding priority usage of the actual proceeds where the entire offering is not sold.
- g) State the particulars of any provisions or arrangements made for holding any part of the net proceeds in trust or subject to the fulfilment of any conditions howsoever imposed.
- h) Give particulars of any of the proceeds of the offering which are to be paid to related parties.

### **3. Business of the Issuer**

Describe the business carried on and intended to be carried on by the Issuer, including the products that the Issuer is or will be developing or producing and the stage of development of each of the products. If the Issuer is a mining or oil and gas issuer, state whether the Issuer's properties are primarily in the exploration or in the development or production stage.

### **4. Risk Factors**

List the risks that could be considered to be material to an investor as follows:

- a) risks relating to the nature of the business of the Issuer;
- b) risks relating to the nature of the offering; and
- c) any other risks.

### **5. Acquisitions**

If the Issuer proposes to use the proceeds of this offering to finance a material acquisition of an asset, property or existing business, (which must have received Exchange acceptance), provide the following information:

- a) the nature of the assets to be acquired. If the asset is a resource property:
  - i) the name, location, size, and the number of claims and concessions comprising the property; and
  - ii) the nature (claim, title, lease, option, or other interest) extent and status (patented, unpatented etc.) of the interest under which the Issuer has or will have the rights to hold or operate the property, and the expiry date, if applicable;
- b) the actual or proposed date of each acquisition;
- c) the name of the vendor and whether the transaction will be at arm's length;
- d) for an acquisition not at arm's length, the vendor's out of pocket costs;
- e) the consideration, both monetary and non-monetary, to be paid by the Issuer;
- f) any material obligations that must be complied with in order to keep any acquisition agreement or property interest in good standing;
- g) how the consideration was determined, (eg. out of pocket costs, valuation report or arm's length negotiations); and

- h) the location (on SEDAR, the Issuer's web site, or any other publicly accessible location) of any valuation opinion or technical report required by a policy of the Exchange or other regulatory authority for the acquisition.

## 6. Corporate Information

State the authorized and issued share capital of the Issuer and outline briefly any material rights and restrictions attaching to the share capital, such as voting, preference, conversion or redemption rights.

## 7. Directors, Officers, Promoters and Principal Holders of Voting Securities

- a) List the names and municipality of residence for all directors, officers and promoters of the Issuer, and for each person, disclose:
  - i) the current positions and offices with the Issuer;
  - ii) the principal occupations during the five years prior to the date of the Offering Document, and where the principal occupation is that of an officer of a company other than the Issuer, state the name of the company and the principal business in which it was engaged;
  - iii) as of the conclusion of the offering, the number and percentage of voting shares of the Issuer beneficially owned, directly or indirectly, separated by class into (a) escrowed, (b) pooled and (c) all other shares; and
  - iv) where a director, officer or promoter is an associate of another director, officer or promoter, disclose the relationship.
- b) Where any director, officer or promoter of the Issuer is, or within five years prior to the date of the Offering Document has been, a director, officer or promoter of any other Issuer that while that person was acting in that capacity:
  - i) was the subject of a cease trade or similar order or an order that denied the Issuer access to any statutory exemptions for a period of more than 30 consecutive days, state the fact and describe the reasons and whether the order is still in effect; or
  - ii) was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement or compromise with the creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person, state the fact.

- c) Where any director, officer or promoter of the Issuer has, within ten years prior to the date of the Offering Document, been subject to any penalties, or sanctions imposed by a court or securities regulatory authority relating to trading in securities, promotion or management of a publicly traded Issuer, or theft or fraud, describe the penalties or sanctions imposed.
- d) Give the full name, and number of voting shares, separated by class into (a) escrowed, (b) pooled and (c) all other voting shares, beneficially owned by each person who is known by the signatories hereto to own beneficially, directly or indirectly, more than 10% of the voting shares of the Issuer, other than those persons disclosed in a). Where the beneficial owner is a privately held corporation, provide the names of the beneficial owners of the corporation.

## **8. Options to Purchase Securities of the Issuer**

- a) Disclose on an individual basis, the exercise price and expiry date of all options, share purchase warrants or other rights to acquire securities granted to insiders or promoters of the Issuer.
- b) Disclose the exercise price and expiry date of all options granted to employees. This disclosure may be shown in the aggregate, without specific identification of the holders of the options.
- c) Disclose the exercise price and expiry date of all remaining options, share purchase warrants or rights not disclosed pursuant to a) or b). This disclosure may be shown in the aggregate without specific identification of the security holders.

## **9. Securities of the Issuer Held in Escrow**

Where the Issuer has performance shares or other escrowed securities state:

- a) the number of performance shares and other escrowed securities divided into each category;
- b) the estimated percentage that the performance and other escrowed securities will represent of the total issued and outstanding voting securities of the Issuer upon completion of the offering;
- c) the names of the beneficial owners of the performance shares and other escrowed securities and the number of such shares owned by each beneficial owner; and
- d) the date of the escrow agreement and the conditions governing the release and cancellation of the performance and other escrowed shares.

## 10. Particulars of any Other Material Facts

- a) Briefly describe any actual or pending material legal proceedings to which the Issuer is or is likely to be a party or of which any of its business or property is or is likely to be the subject. Where applicable, include the name of the court or agency, the date the proceedings were instituted, the principal parties to the proceedings, the nature of the proceedings, the amount claimed, if any, whether the proceedings are being contested, the present status of the proceedings, and, if a legal opinion is referred to in this Offering Document, the name of the counsel providing that opinion.
- b) Specify any properties proposed to be acquired for which regulatory approval is not presently being sought.
- c) If liabilities (including bonds, debentures, notes or other debt obligations) have significantly increased or altered subsequent to the date of the most recent financial statements filed with the applicable Securities Commission(s), disclose particulars of such increase or alteration.
- d) Briefly state any other material facts not previously disclosed herein.

## 11. Contractual Rights of Action

This Offering Document must include the following description of the contractual rights of action against the Issuer, its directors and every person except the agent, who signed the Offering Document.

### CONTRACTUAL RIGHTS OF ACTION

“If this Short Form Offering Document, together with any Subsequently Triggered Report contains a “misrepresentation” as that term is defined in the *Securities Act* (Alberta) or the *Securities Act* (British Columbia), as applicable, and it was a misrepresentation on the date of investment, the purchaser will be deemed to have relied on the misrepresentation and will have a right of action, either for damages against the Issuer and its directors, and every person, except the agent, who signed the Offering Document, (the “Issuer Representatives”) or alternatively for rescission of the agreement of purchase and sale for the securities. In any such action, parties against whom remedies are sought shall have the same defenses as are available in section 131 of the *Securities Act* (British Columbia) or section 168 of the *Securities Act* (Alberta) as applicable, as if the Short Form Offering Document were a prospectus.

A purchaser is not entitled to commence an action to enforce this right after the limitation periods as set out in section 140 of the *Securities Act* (British Columbia) or section 175 of the *Securities Act* (Alberta), as applicable have expired.

The contractual rights provided herein are in addition to and without derogation from any other right the purchaser may have at law.”

## 12. Contractual Rights of Withdrawal

This Offering Document must include the following description of rights of withdrawal available to the purchasers under the Offering Document:

### CONTRACTUAL RIGHT OF WITHDRAWAL

“An order or subscription for the securities offered under this Short Form Offering Document is not binding on a purchaser if the dealer from whom the purchaser purchased the security (or the Issuer if the purchaser did not purchase the security from a dealer), receives, not later than two business days after the receipt by the purchaser of the Short Form Offering Document and any Subsequently Triggered Report, written notice sent by the purchaser evidencing the intention of the purchaser not to be bound by the agreement.

The foregoing right of withdrawal does not apply if the purchaser is a member of a “professional group” as defined under Multilateral Instrument 33-105, *Underwriting Conflicts* or any successor policy or instrument, or if the purchaser disposes of the beneficial ownership of the security (otherwise than to secure indebtedness) before the end of the withdrawal period.

The onus of proving that the time for giving notice of withdrawal has ended is on the dealer from whom the purchaser has agreed to purchase the security, or if the purchaser did not purchase from a dealer, such onus is on the Issuer.”

## 13. Include the Following Certificates

- a) Certificate of the directors and promoters of the Issuer:

“The foregoing, including the documents incorporated by reference constitute full, true and plain disclosure of all material facts relating to the securities offered by this Offering Document. The standard for full, true and plain disclosure is the same as that required for prospectuses by the *Securities Act* (British Columbia) or the *Securities Act* (Alberta), as applicable, and the regulations thereunder.”

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Date

- i) This certificate must be signed in accordance with the requirements in sections 68(2)-(5) of the *Securities Act* (British Columbia) or section 90(1) of the *Securities Act*, (Alberta), as applicable as if the Offering Document was a prospectus.
- ii) Identify each signatory and the signing capacity of the signatory.



b) Certificate of the Agent(s):

The following certificate shall be signed by the agent.

“We have reviewed this Offering Document and the information it incorporates by reference. Our review consisted primarily of enquiry, analysis and discussion related to the information supplied to us by the Issuer and information about the Issuer in the public domain.

We have not carried out a review of the type that would be carried out for a prospectus filed under the *Securities Act* (British Columbia) or the *Securities Act* (Alberta), as applicable. Therefore, we cannot certify that this document and the information it incorporates by reference constitutes full, true and plain disclosure of all material facts relating to the Issuer and the securities offered by it.

Based on our review, nothing has come to our attention that causes us to believe that this Offering Document and the information that it incorporates by reference: (1) contains an untrue statement of a material fact; or (2) omits to state a material fact necessary to prevent a false statement or misleading interpretation of any other statement.

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Date