

SYPHER RESOURCES LTD.

FORM 2A

ANNUAL LISTING STATEMENT

FOR THE FINANCIAL YEAR ENDED MAY 31, 2011

SEPTEMBER 29, 2011

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GLOSSARY OF GENERAL TERMS

The following are definitions for terms used in this Listing Statement:

“Agent”	means Leede Financial Markets Inc.
“Agent’s Option”	means the non-transferable option to be granted to the Agent to purchase that number of Common Shares equal to 7.5% of the Common Shares sold under the Offering at a purchase price of \$0.15 per Common Share which may be exercised for a period of 24 months from the Listing Date.
“Annual Financial Statements”	means audited financial statements for the year ended May 31, 2011. A copy may be found on SEDAR at www.sedar.com .
“Annual MD&A”	means the management discussion & analysis for the year ended May 31, 2011. A copy may be found on SEDAR at www.sedar.com
“CNSX”	means the Canadian National Stock Exchange.
“Common Shares”	means the common shares in the capital of the Corporation.
“Computershare”	means Computershare Trust Company of Canada.
“Stock Options”	means the options to directors, officers and employees of the Corporation which options entitle the holders to purchase an aggregate of 300,000 Common Shares at a price of \$0.15 per Common Share and which options may be exercised for a period of 10 years from the date of grant.
“Escrow Agreement”	means the escrow agreement dated August 26, 2010 among the Corporation, Computershare and certain principal shareholders of the Corporation.
“McBride Property”	means the McBride gold property forming the subject of the Technical Report, which is comprised of four mineral claims covering 893 hectares located in north-western Manitoba 15 km southwest of the Town of Lynn Lake.
“MEAP”	means Mineral Exploration Assistance Program, a financial assistance program provided by the Province of Manitoba for non-fuel mineral exploration in Manitoba.
“Nevgold”	means Nevgold Resource Corp. (TSXV: NDG).
“NI 43-101”	means National Instrument 43-101 – <i>Standards of Disclosure for Mineral Properties</i> .

“Offering”	means the offering of 3,000,000 Common Shares at a price of \$0.15 per Common Share for gross proceeds of \$450,000.
“Option”	means the option to acquire an undivided 100% legal and beneficial interest in the McBride Property granted by Nevgold to the Corporation pursuant to the Option Agreement.
“Option Agreement”	means the property option agreement made and dated May 15, 2010 between the Corporation and Nevgold, pursuant to which the Corporation was granted the Option.
“Project”	means the McBride Property gold project.
“Prospectus”	means the prospectus dated August 26, 2010 filed with the Alberta Securities Commission, the British Columbia Securities Commission and the Ontario Securities Commission
“SEDAR”	means the System for Electronic Document Analysis and Retrieval (“SEDAR”) at www.sedar.com .
“Technical Report”	means the technical report dated May 20, 2010 prepared for the Corporation in accordance with NI 43-101 entitled, “Technical Report on the McBride Gold Property, Manitoba”. A copy may be found on SEDAR.

2. Corporate Structure

- 2.1 State the full corporate name of the Issuer or, if the Issuer is an unincorporated entity, the full name under which the entity exists and carries on business and the address(es) of the Issuer's head and registered office.

The name of the Issuer is Sypher Resources Ltd. (the “**Issuer**”, or the “**Corporation**”). The Issuer’s registered office is Centennial Place, East Tower, 1900, 520 - 3rd Avenue SW, Calgary, Alberta T2P 0R3. The Issuer’s head office is Suite 1028, 550 Burrard Street, Vancouver BC, V6C 2B5.

- 2.2 State the statute under which the Issuer is incorporated or continued or organized or, if the Issuer is an unincorporated entity, the laws of the jurisdiction or foreign jurisdiction under which the Issuer is established and exists. Describe the substance of any material amendments to the articles or other constating or establishing documents of the Issuer.

The Issuer was incorporated under the Business Corporations Act (Alberta) on January 21, 2010.

- 2.3 Describe, by way of a diagram or otherwise, the intercorporate relationships among the Issuer and the Issuer's subsidiaries.

This section is not applicable.

- 2.4 If the Issuer is requalifying following a fundamental change or is proposing an acquisition, amalgamation, merger, reorganization or arrangement, describe by way of diagram or otherwise these intercorporate relationships both before and after the completion of the proposed transaction.

This section is not applicable.

- 2.5 Non-corporate Issuers and Issuers incorporated outside of Canada must describe how their governing legislation or constating documents differ materially from Canadian corporate legislation with respect to the corporate governance principles set out in Policy 4.

This section is not applicable.

3. General Development of the Business

- 3.1 Describe the general development of the Issuer's business over its three most recently completed financial years and any subsequent period. Include only major events or conditions that have influenced the general development of the Issuer's business. If the business consists of the production or distribution of more than one product or the rendering of more than one kind of service, describe the principal products or services. Also discuss changes in the business of the Issuer that are expected to occur during the current financial year of the Issuer.

The Corporation is engaged in the acquisition of interests in and the exploration of mineral resource properties and is currently focusing on its interest in the Johnson Shear Zone within the Paleoproterozoic Lynn Lake greenstone belt in Manitoba. The Corporation's sole property interest is in respect of the McBride Property, which is comprised of four (4) mineral claims located in The Pas Mining Division 15 km southwest of Lynn Lake, Manitoba. The claims have not yet been legally surveyed. The mineral claims which comprise the McBride Property are more particularly described as follows:

Mineral Claims Comprising the McBride Property

Claim Name	Record #	APa (ha)	Expiry Date	Work Required (\$)	Registered Owner
Rund 2	CB12318	259	3/22/2016	\$6,475	Nevgold Resource Corp.
Rund 3	CB12319	195	3/22/2016	\$4,875	Nevgold Resource Corp.
Kix 12	W49663	238	2/4/2016	\$5,950	Nevgold Resource Corp.
Kix 13	W49664	201	2/4/2016	\$5,025	Nevgold Resource Corp.
Total		893		\$22,325	

Period from incorporation on January 21, 2010 to May 31, 2010

During the period from incorporation on January 21, 2010 to May 31, 2010, the Corporation issued a total of 1,000,000 Common Shares at \$0.02 per share (subsequently re-valued at \$0.055 per share), 2,500,000 Common Shares at \$0.055 per share and 500,000 Common Shares issued on a flow through basis within the meaning of the Income Tax Act (Canada) at \$0.10 per share, for aggregate gross proceeds of \$242,500.

Pursuant to the Option Agreement made and dated May 15, 2010 (the "**Effective Date**") between the Corporation and Nevgold, the Corporation has been granted the option to acquire an undivided 100% legal and beneficial interest in the McBride Property. Nevgold, an arm's length public company listed on the TSX Venture Exchange, owns 100% of the contiguous claims comprising the McBride Property. Under the terms of the Option Agreement, the Corporation will earn its 100% interest directly from Nevgold.

Under the terms of the Option Agreement, the Corporation may exercise the Option by:

- (a) issuing to Nevgold on or before May 30, 2014: 500,000 Common Shares subject to receipt of all regulatory approvals, if any, and compliance with applicable securities and corporate laws, or, at the option of Nevgold, an amount of common shares equal to a deemed value of \$500,000 as of the date of issuance; and
- (b) incurring the following expenditures on the McBride Property ("Expenditures") and providing Nevgold with evidence of such Expenditures, to the Optionor's satisfaction, acting reasonably by the following dates:

- (i) \$50,000 on or before May 30, 2011; and
- (ii) an additional \$100,000 on or before May 30, 2012; and
- (iii) an additional \$150,000 on or before May 30, 2013; and
- (iv) an additional \$300,000 on or before May 30, 2014 (the "Option Deadline");

(collectively, the "**Conditions of Exercise**").

Nevgold also reserves a three percent (3%) net smelter royalty as defined in the Option Agreement. If the Corporation spends, in any of the above periods, less than the required Expenditures, it may pay Nevgold the shortfall between the amount it actually spent and the required Expenditures before the expiry of that respective period in full satisfaction of the corresponding Expenditures to be incurred. If the Corporation spends more than the required amount in a given period, the excess shall be carried forward and credited against the Expenditures to be incurred in succeeding periods. Subject to the foregoing, in the event that any of the Conditions of Exercise in respect of the Option are not satisfied by the Option Deadline then the Option shall terminate. Nothing in the Option Agreement obligates the Corporation to exercise the Option or incur the Expenditures.

An area of mutual interest ("**AMI**") is located within ten (10) km of the existing exterior boundaries of each of the four (4) individual mineral claims groups comprising the McBride Property. If at any time during the subsistence of the Option Agreement, either the Corporation or Nevgold (the "**Acquiring Party**") acquires any mineral rights to or property interest within the AMI, within a six (6) month period prior to the Effective Date or during the term of the Option Agreement, the Acquiring Party is required to give notice to the other party of that acquisition and the total cost thereof. The notified party shall then have thirty (30) days following receipt by it of the foregoing notification to elect in writing to have the property interest or mineral rights included as part of the particular individual claim group. If the notified party does not so elect in writing within this thirty (30) day period, the Acquiring Party shall be entitled to retain the property interest or mineral rights for its own account and such property interest or mineral rights will not form part of said individual claim group and will not be subject to the terms of the Option Agreement.

The Option Agreement shall terminate at any time prior to the Option Deadline by the Corporation giving notice of termination to Nevgold. Notwithstanding any other provision of the Option Agreement, if at any time during the term of the Option, the Corporation fails to advance to Nevgold any payment or fails to incur any of the Expenditures provided for above, or is in breach of any representation or warranty made pursuant to the Option Agreement, or other certain terms of the Option Agreement, Nevgold may terminate the Option Agreement, but only if: (a) it shall have first given to the Corporation a notice of default containing particulars of the payment not advanced, the Expenditures not incurred, or the representation, warranty or other term breached; and (b) the Corporation has not, within thirty (30) days following delivery of such notice of default, cured such default. Should the Corporation fail to cure such default in accordance with (b) herein, Nevgold may thereafter terminate the Option Agreement, and the following shall be applicable:

If the Option Agreement terminated prior to the exercise of the Option, the Corporation shall:

- (a) ensure that all filings for assessment credit have been made in respect of all Expenditures to the maximum extent permitted, or all payments of money in lieu thereof have been made to maintain the McBride Property in good standing for at least 1 year from the date of termination; and
- (b) ensure that Nevgold is provided with copies of all plans, survey records, geologic maps and sections, assays and digital (computer) records relating to the Expenditures which had theretofore not been delivered to Nevgold.

The Corporation shall vacate the McBride Property within a reasonable time after termination, but shall have the right of access to the McBride Property for six (6) months following termination for the purpose of removing its buildings, plant, equipment, machinery, tools, appliances and supplies from the McBride Property. The Corporation shall not leave any buildings, plan, equipment, machinery, tools appliances or supplies on the McBride Property beyond this six (6) month period after termination without the written consent of Nevgold.

Financial Year Ended May 31, 2011

On September 29, 2010, the Corporation completed its initial public offering ("IPO") of 3,000,000 common shares at a price of \$0.15 per share for total gross proceeds of \$450,000. The Corporation is listed on the CNSX under the symbol "SYP".

In the fiscal year ended May 31, 2011, the Corporation completed a Mobile Metal Ion ("MMI") soil geochemical survey covering an area of 1.7 by 1.0 km of the McBride Property.

The MMI survey identified two gold-arsenic anomalies. The first gold-arsenic anomaly extends intermittently from L6W to L14W for a distance of over 800 metres, where single sample sites returned from 0.8 ppb ("parts per billion") gold to 2.3 ppb gold and 120 ppb to 430 ppb arsenic. The second gold-arsenic anomaly occurs in the southwestern portion of the surveyed area, from L10W to L14W with single sample sites returning from 1.1 ppb gold to 1.9 ppb gold and 60 ppb to 130 ppb arsenic.

In January 2011, Nevgold received and accepted the Corporation's 2010 exploration report and expenditures under the McBride option agreement for the 2010-2011 period and the Corporation is currently in good standing on the McBride property until May 30, 2012.

The Corporation is evaluating the data to determine the potential of defining drill targets through the implementation of a low-cost trenching program over the anomalies.

In March 2010, the Corporation made an application for the MEAP. MEAP provides financial assistance for non-fuel mineral exploration in Manitoba. The program is designed to increase exploration and to stimulate activities that could lead to the development of new mines and industrial mineral deposits in Manitoba. The program is available to companies or individuals proposing mineral exploration projects in Manitoba. The program provides assistance of up to 25% of approved eligible expenditures (within industry standards). A higher percentage is offered for projects

conducted in Lynn Lake/Leaf Rapids and the Northern Superior/Other Northern areas of Manitoba. In these areas, up to 35% of approved eligible expenditures. On May 17, 2010 the Corporation was awarded a potential reimbursement of exploration expenditures of up to \$16,078 for the McBride Project. The Corporation is not required to make the expenditures under the MEAP agreement but will only get reimbursement up to \$16,078 by completing the exploration program proposed by the Corporation and accepted by the Manitoba Minerals Resources Division. In July 2011, the Corporation received its MEAP 2010 grant for the exploration work completed on the McBride Gold Property of \$14,160.

3.2 Disclose:

(1)

- (a) any significant acquisition completed by the Issuer or any significant probable acquisition proposed by the Issuer, for which financial statements would be required under National Instrument 41-101 *General Prospectus Requirements* if this Listing Statement were a prospectus; and
- (b) any significant disposition completed by the Issuer during the most recently completed financial year or the current financial year for which *pro forma* financial statements would be required under National Instrument 41-101 *General Prospectus Requirements* if this Listing Statement were a prospectus.

(2) Under paragraph (1) include particulars of

- (a) the nature of the assets acquired or disposed of or to be acquired or disposed of;
- (b) the actual or proposed date of each significant acquisition or significant disposition;
- (c) the consideration, both monetary and non-monetary paid, or to be paid, to or by the Issuer;
- (d) any material obligations that must be complied with to keep any significant acquisition or significant disposition agreement in good standing;
- (e) the effect of the significant acquisition or significant disposition on the operating results and financial position of the Issuer;
- (f) any valuation opinion obtained within the last 12 months required under Canadian securities legislation, a directive of a Canadian securities regulatory authority, or a requirement of a Canadian stock exchange or other Canadian market to support the value of the consideration received or paid by the Issuer or any of its subsidiaries for the assets, including the name of the author, the date of the

opinion, the assets to which the opinion relates and the value attributed to the assets; and

- (g) whether the transaction is with a Related Party of the Issuer and if so, disclose the identity of the other parties and the relationship of the other parties to the Issuer.

This section is not applicable.

- 3.3 Discuss any trend, commitment, event or uncertainty that is both presently known to management and reasonably expected to have a material effect on the Issuer's business, financial condition or results of operations, providing forward-looking information based on the Issuer's expectations as of the date of the Listing Statement.

There are significant uncertainties regarding the prices of minerals and the availability of equity financing for the purposes of mineral exploration and development. For instance, the prices of various metals have fluctuated widely in recent years and wide fluctuations are expected to continue. Also see "Risk Factors" below.

4 Narrative Description of the Business

4.1 General

(1) Description of the Business

- (a) Business objectives that the Issuer expects to accomplish in the forthcoming 12-month period:

The principal business carried on and intended to be carried on by the Corporation is the acquisition and exploration of mineral resource properties. The Corporation currently does not have any known reserves. The McBride Property, in which the Corporation holds an option to acquire an undivided 100% legal and beneficial interest, is currently in the exploration stage.

- (b) describe each significant event or milestone that must occur for the business objectives in (a) to be accomplished and state the specific time period in which each event is expected to occur and the costs related to each event;

In order to accomplish the Corporation's stated business objectives as described above, the Corporation is planning an initial exploration program on the McBride Property, which is estimated to cost approximately \$100,000 and be completed in December 2011. This would meet the Corporation's commitments required under the Option Agreement for the period up to May 30, 2012. Additional work would be dependent on favourable exploration results. The Corporation will also continue to assess new properties and will seek to acquire interests in additional properties if the Corporation feels that they have sufficient potential.

- (c) disclose the total funds available to the Issuer and the following breakdown of those funds:
- (i) the estimated consolidated working capital (deficiency) as of the most recent month end prior to filing the Listing Statement, and
 - (ii) the total other funds, and the sources of such funds, available to be used to achieve the objectives and milestones set out in paragraphs (a) and (b); and

At August 31, 2011, the estimated working capital was \$376,000 and consisted of cash of \$384,000 plus HST receivable of \$4,000 less estimated amounts payable of \$12,000.

- (d) describe in reasonable detail and, if appropriate, using tabular form, each of the principal purposes, with approximate amounts, for which the funds available described under the preceding paragraph will be used by the Issuer.

Principal Purpose	Amount
Exploration expenditures on the McBride Property	\$100,000
Estimated general and administrative expenses	\$72,000
Unallocated working capital	\$204,000
Total:	\$376,000

- (2) For principal products or services describe:

- (a) the methods of their distribution and their principal markets;
- (b) as dollar amounts or as percentages, for each of the two most recently completed financial years, the revenues for each category of principal products or services that accounted for 15 per cent or more of total consolidated revenues for the applicable financial year derived from:
 - (i) sales or transfers to joint ventures in which your company is a participant or to entities in which your company has an investment accounted for by the equity method,
 - (ii) sales to customers, other than those referred to in clause (i), outside the consolidated entity,
 - (iii) sales or transfers to controlling shareholders; and
 - (iv) sales or transfers to investees.

- (c) if not fully developed, the stage of development of the principal products or services and, if the products are not at the commercial production stage,
 - (i) the timing and stage of research and development programs,
 - (ii) the major components of the proposed programs, including an estimate of anticipated costs,
 - (iii) whether the Issuer is conducting its own research and development, is subcontracting out the research and development or is using a combination of those methods, and
 - (iv) the additional steps required to reach commercial production and an estimate of costs and timing.

This section is not applicable.

- (3) Concerning production and sales, disclose:
 - (a) the actual or proposed method of production of products and if the Issuer provides services, the actual or proposed method of providing services;
 - (b) the payment terms, expiration dates and terms of any renewal options of any material leases or mortgages, whether they are in good standing and, if applicable, that the landlord or mortgagee is a Related Person of the Issuer;
 - (c) specialized skill and knowledge requirements and the extent that the skill and knowledge are available to the Issuer;
 - (d) the sources, pricing and availability of raw materials, component parts or finished products;
 - (e) the importance, duration and effect on the segment of identifiable intangible properties such as brand names, circulation lists, copyrights, franchises, licences, patents, software, subscription lists and trademarks;
 - (f) the extent to which the business of the segment is cyclical or seasonal;
 - (g) a description of any aspect of the Issuer's business that may be affected in the 12 months following the date of the Listing Statement by renegotiation or termination of contracts or sub-contracts and the likely effect;

- (h) the financial and operational effects of environmental protection requirements on the capital expenditures, earnings and competitive position of the Issuer in the current financial year and the expected effect, on future years;
- (i) the number of employees, as at the most recent financial year end or as an average over that year, whichever is more relevant;
- (j) any risks associated with foreign operations of the Issuer and any dependence of the segments upon the foreign operations;
- (k) a description of any contract upon which your company's business is substantially dependent, such as a contract to sell the major part of your company's products or services or to purchase the major part of your company's requirements for goods, services or raw materials, or any franchise or licence or other agreement to use a patent, formula, trade secret, process or trade name upon which your company's business depends;
- (l) a description of any aspect of your company's business that you reasonably expect to be affected in the current financial year by renegotiation or termination of contracts or sub-contracts, and the likely effect.

This section is not applicable.

- (4) Describe the competitive conditions in the principal markets and geographic areas in which the Issuer operates, including, if reasonably possible, an assessment of the Issuer's competitive position.

The resource industry is intensely competitive in all of its phases, and the Corporation competes with many companies possessing greater financial resources and technical facilities than itself. Competition could adversely affect the Corporation's ability to acquire suitable properties for exploration in the future.

- (5) With respect to lending operations of an Issuer's business, describe the investment policies and lending and investment restrictions.

This section is not applicable.

- (6) Disclose the nature and results of any bankruptcy, or any receivership or similar proceedings against the Issuer or any of its subsidiaries or any voluntary bankruptcy, receivership or similar proceedings by the Issuer or any of its subsidiaries, within the three most recently completed financial years or the current financial year.

This section is not applicable.

- (7) Disclose the nature and results of any material restructuring transaction of the Issuer within the three most recently completed financial years or completed during or proposed for the current financial year.

This section is not applicable.

- (8) If the Issuer has implemented social or environmental policies that are fundamental to the Issuer's operations, such as policies regarding the Issuer's relationship with the environment or with the communities in which the Issuer does business, or human rights policies, describe them and the steps the Issuer has taken to implement them.

This section is not applicable.

Companies with Asset-backed Securities Outstanding

- 4.2 For issuers with asset backed securities outstanding provide the disclosure required by items 6.2 and 10.3 of OSC Form 41-501F1 as if the securities were or were being distributed under a prospectus.

This section is not applicable.

- 4.3 For Issuers with a mineral project, disclose and insert here the information required by Appendix A for each property material to the Issuer.

See Appendix "A" attached hereto.

- 4.4 For Issuers with Oil and Gas Operations disclose and insert here the information required by Appendix B (in tabular form, if appropriate).

This section is not applicable.

5. Selected Consolidated Financial Information

- 5.1 Annual Information — Provide the following financial data for the Issuer in summary form for each of the last three completed financial years and any period subsequent to the most recent financial year end for which financial statements have been prepared, accompanied by a discussion of the factors affecting the comparability of the data, including discontinued operations, changes in accounting policies, significant acquisitions or significant dispositions and major changes in the direction of the Issuer's business:

The following table sets forth certain selected annual financial information for the Corporation for the financial years ended from incorporation on January 21, 2010 to May 31, 2010 and May 31, 2011 and should be read conjunction with the audited annual financial statements for the financial years ended May 31, 2010 and May 31, 2011, copies of which are available on SEDAR..

	Year Ended May 31, 2011 (\$)	Period From Incorporation on January 21, 2010 to May 31, 2010 (\$)
Interest Income	2,290	Nil
Operating Expenses	162,531	49,716
Loss for the period	148,391	49,716
Deficit (end of period)	(198,107)	(49,716)
Loss per share (basic and diluted)	(0.03)	(0.02)
Total Assets	391,457	213,071
Total long-term financial liabilities	Nil	Nil
Cash dividends per share	Nil	Nil

The Corporation was incorporated on January 21, 2010. Expenses were lower in the initial start-up period ending May 31, 2010 than in the following year due to the fact that the Corporation was initially inactive for several months and due to the reduced length of the fiscal period.

- 5.2 Quarterly Information — For each of the eight most recently completed quarters ending at the end of the most recently completed financial year, provide the information required in paragraphs (a), (b) and (b) of Section 5.1.

	Quarter ended May 31, 2011	Quarter ended Feb. 28, 2011	Quarter ended Nov. 30, 2010	Quarter ended August 31, 2010	Quarter ended May 31, 2010	Period ended Feb. 28, 2010
Interest Income	707	745	687	151	-	-
Operating Expenses	21,914	15,585	17,360	19,019	13,460	-
Stock based compensation	-	-	38,130	-	35,000	-
Exploration expenditures	3,500	2,555	44,468	-	1,256	-
Loss for the period	12,857	17,395	99,271	18,868	49,716	-
Deficit (end of period)	198,107	185,250	168,855	68,584	49,716	-
Loss per share (basic and diluted)	\$0.01	-	\$0.02	-	\$0.02	-
Total Assets	391,457	405,203	434,746	235,008	213,071	-
Total long-term financial liabilities	-	-	-	-	-	-
Cash dividends per share	-	-	-	-	-	-

Information is not available for eight quarters as the Company was incorporated on January 21, 2010.

5.3 Dividends

The Corporation has neither declared nor paid any dividends on its Common Shares to date. The Corporation intends to retain its earnings to finance growth and expand its operations and does not anticipate paying any dividends on its Common Shares in the foreseeable future.

5.4 Foreign GAAP

This section is not applicable.

6. Management's Discussion and Analysis

Annual MD&A

6.1 *Date*

May 31, 2011

6.2 *Overall Performance*

See disclosure in the Annual MD&A.

6.3 *Selected Annual Information*

See disclosure in the Annual MD&A.

6.5 *Results of Operations*

See disclosure in the Annual MD&A.

6.6 *Summary of Quarterly Results*

See disclosure in the Annual MD&A..

6.7 *Liquidity*

See disclosure in the Annual MD&A..

6.8 *Capital Resources*

See disclosure in the Annual MD&A.

6.9 *Off-Balance Sheet Arrangements*

See disclosure in the Annual MD&A.

6.10 Transactions with Related Parties

See disclosure in the Annual MD&A.

6.11 *Fourth Quarter*

See disclosure in the Annual MD&A.

6.12 *Proposed Transactions*

See disclosure in the Annual MD&A.

6.13 *Changes in Accounting Policies including Initial Adoption*

See disclosure in the Annual MD&A.

6.14 *Financial Instruments and Other Instruments*

See disclosure in the Annual MD&A.

Interim MD&A

6.15 to 6.16

As of the date of this Filing Statement, the Interim MD&A for the first quarter ended August 31, 2011 had not been prepared. This interim MD&A will be posted on SEDAR within the prescribed time periods pursuant to applicable securities legislation.

6.17 Additional Disclosure for Issuers without Significant Revenue:

This information is disclosed in Note 5 to the Annual Financial Statements.

6.18 Description of Securities:

As of the date of this Filing Statement, the following securities were outstanding:

7,000,000	Common shares
300,000	Stock options, exercisable into 300,000 Common Shares
225,000	Agent's option, exercisable into 225,000 Common Shares

6.19 Provide Breakdown:

(a) if the Issuer has not had significant revenue from operations in either of its last two financial years, disclose a breakdown of material components of:

- (i) capitalized or expensed exploration and development costs,
- (ii) expensed research and development costs,
- (iii) deferred development costs,

- (iv) general and administrative expenses, and
 - (v) any material costs, whether capitalized, deferred or expensed, not referred to in paragraphs (i) through (iv);
- (b) present the analysis of capitalized or expensed exploration and development costs required by subsection (a) on a property-by-property basis, if the Issuer's business primarily involves mining exploration and development; and
- (c) provide the disclosure in subsection (a) for the following periods:
- (i) the two most recently completed financial years, and
 - (ii) the most recent year-to-date interim period and the comparative year-to-date period presented in the interim financial statements included, if any.

This information required above has been disclosed in the Annual Financial Statements.

6.20 Negative cash-flow - If the Issuer had negative operating cash flow in its most recently completed financial year for which financial statements have been included, disclose:

- (a) the period of time the proceeds raised are expected to fund operations;
- (b) the estimated total operating costs necessary for the Issuer to achieve its stated business objectives during that period of time; and
- (c) the estimated amount of other material capital expenditures during that period of time.

As of the date of this Filing Statement, the Issuer had working capital of approximately \$360,000. The Issuer anticipates that these funds will be sufficient to fund operations for approximately 18 months. Administrative costs are expected to average approximately \$6,000 per month and the option agreement on the McBride Property requires that the Corporation incur \$100,000 of exploration expenditures prior to May 30, 2012 and an additional \$150,000 of exploration expenditures by May 30, 2013. The Corporation does not have any other material expenditures or capital expenditures planned during this period.

6.21 Additional disclosure for Issuers with significant equity investees:

Not applicable as the Issuer does not hold any equity investments.

7. Market for Securities

- 7.1 Identify the exchange(s) and quotation and trade reporting system(s) on which the Issuer's securities are listed and posted for trading or quoted.

The Common Shares are currently listed on the CNSX under the trading symbol "SYP".

8. Consolidated Capitalization

- 8.1 Describe any material change in, and the effect of the material change on, the share and loan capital of the Issuer, on a consolidated basis, since the date of the comparative financial statements for the Issuer's most recently completed financial year contained in the Listing Statement.

The following table sets forth the capitalization of the Corporation as at May 31, 2011 and May 31, 2010.

Type of Security	Authorized	Amount Outstanding as at May 31, 2010 ⁽¹⁾⁽²⁾	Amount Outstanding as at May 31, 2011 ⁽¹⁾⁽²⁾
Common Shares	Unlimited	4,000,000 (\$207,500)	7,000,000 (\$514,151)

Notes:

- (1) On September 29, 2010, the Company completed its IPO and issued 3,000,000 shares at a price of \$0.15 per common share for gross proceeds of \$450,000.

- (2) Does not include options to purchase Common Shares.

9. Options to Purchase Securities

- 9.1 As at May 31, 2011, a total of 300,000 options to purchase Common Shares were outstanding as indicated in the table below.

Optionee	Number of Common Shares Reserved Under Option under the Offering	Exercise Price	Expiry Date
Richard Graham Director and President	100,000	\$0.15	September 29, 2020
Michael Atkinson Director	75,000	\$0.15	September 29, 2020
Miles Thompson Director	75,000	\$0.15	September 29, 2020
K. Peter Miller Chief Financial Officer	15,000	\$0.15	September 29, 2020
Sandra Lee Corporate Secretary	25,000	\$0.15	September 29, 2020
Winnie Chu Head Accountant	10,000	\$0.15	September 29, 2020
Total	300,000		

In addition, as at May 31, 2011, the Agent's Option to purchase an aggregate of 225,000 Common Shares was also outstanding. See "*Prior Sales*" in Section 10.7 below.

10. Description of the Securities

- 10.1 The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares ("Preferred Shares"), all without nominal or par value. As of the date hereof, there are 7,000,000 Common Shares and no Preferred Shares, issued and outstanding as fully paid and non-assessable. See "*Prior Sales*" in Section 10.7 below.

Common Shares

The Common Shares have attached to them the rights, privileges, restrictions and conditions as hereinafter set forth.

Except for meetings at which only holders of specified class of shares of the Corporation are entitled to vote separately as a class, each holder of a Common Share is entitled to receive notice of, to attend and to vote at all meetings of the shareholders of the Corporation.

The holders of the Common Shares are entitled to receive dividends if, as and when declared by the directors of the Corporation, provided that the Corporation shall be entitled to declare dividends on the Preferred Shares or any class of shares without being obliged to declare any dividends on the Common Shares.

Subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation, the holders of the Common Shares are entitled to receive the remaining property of the Corporation upon dissolution in equal rank.

The holders of the Common shares are entitled to the rights, privileges, and restrictions normally attached to common shares.

10.2 Debt securities

This section is not applicable.

- 10.4 Other securities - If securities other than equity securities or debt securities are being listed, describe fully the material attributes and characteristics of those securities.

This section is not applicable.

10.5 Modification of terms:

This section is not applicable.

10.6 Other attributes:

This section is not applicable.

- 10.7 Prior Sales - State the prices at which securities of the same class as the securities to be listed have been sold within the 12 months before the date of the Listing Statement, or are to be sold, by the Issuer or any Related Person and the number of securities of the class sold or to be sold at each price.

Date	Number of Common Shares	Price per Common Share	Aggregate	Nature of Consideration
Sept. 29, 2010	3,000,000 ⁽¹⁾	\$0.15	\$450,000	cash

Note:

(1) These Common Shares were issued in connection with the Issuer's initial public offering.

10.8 Stock Exchange Price:

- if shares of the same class as the shares to be listed were or are listed on a Canadian stock exchange or traded on a Canadian market, provide the price ranges and volume traded on the Canadian stock exchange or market on which the greatest volume of trading generally occurs;
- if shares of the same class as the shares to be listed were or are not listed on a Canadian stock exchange or traded on a Canadian market, provide the price ranges and volume traded on the foreign stock exchange or market on which the greatest volume of trading generally occurs; and
- information is to be provided on a monthly basis for each month or, if applicable, part month, of the current quarter and the immediately preceding quarter and on a quarterly basis for the next preceding seven quarters.

The Common Shares trade on the CNSX under the symbol "SYP". The following table sets forth the reported high and low sale prices (which are not necessarily the closing prices) and the trading volumes for the Common Shares on the CNSX as reported by the CNSX for the periods indicated.

Date	High (\$)	Low (\$)	Trading Volume
2011			
May	0.25	0.21	405,000
April	0.35	0.20	445,000
March	No Trades		
February	0.35	0.35	14,000
January	0.36	0.33	17,000
2010			
December	0.36	0.36	36,000
November	0.38	0.36	12,000
October	0.36	0.30	159,000

11. Escrowed Securities

- 11.1 The following table sets forth the Common Shares held in escrow as at the date of this Listing Statement pursuant to the terms of the Escrow Agreement :

Designation of Class Held in Escrow	Number of Common Shares Held in Escrow	Percentage of Class
Common Shares	975,000	13.93%

Note:

- (1) An aggregate of 1,300,000 Common Shares were initially deposited into escrow. Pursuant to the terms of the Escrow Agreement, 10% of the Common Shares subject to escrow were released on the date the Common Shares were listed on the CNSX, with the remaining Common Shares held in escrow being released in 15% tranches every 6 months thereafter.

12. Principal Shareholders

Richard A. Graham, a director and the President and Chief Executive Officer of the Company owns 1,525,000 common shares (21.79%) of the Corporation, of which 1,425,000 of such Common Shares are held by Graham's Geological Data Ltd, a company wholly owned and controlled by Mr. Graham.

13. Directors and Officers

- 13.1 List the name and municipality of residence of each director and executive officer of the Issuer and indicate their respective positions and offices held with the Issuer and their respective principal occupations within the five preceding years.

Name and Municipality of Residence	Position and Date Appointed Director / Officer	Principal Occupation(s) During the Preceding Five Year Period	Common Shares and Percentage Beneficially Held or Controlled as at the Date Hereof
Richard A. Graham ⁽¹⁾ Coquitlam, BC, Canada	Director January 21, 2010 President March 26, 2010	Manager of Corporate Development of Ionic Management Corp, a privately owned management services company.	1,525,000 ⁽³⁾ (21.79%)
Michael Atkinson ⁽¹⁾ Vancouver, B.C. Canada	Director January 21, 2010	Currently President of Maverick Projects Inc. a private consulting company. Also President and CEO of Canadian Phoenix Resources Corp. and Chairman of Petra Petroleum Inc. both TSXV listed oil and gas companies.	104,000 (1.49%)
Miles Thompson ⁽¹⁾ Rio de Janeiro, RJ, Brazil	Director March 6, 2010	Currently Chief Executive Officer and Chairman of Lara Explorations Ltd., and Chairman of Reservoir Capital Corp., both TSXV Listed companies.	104,000 (1.49%)

Name and Municipality of Residence	Position and Date Appointed Director / Officer	Principal Occupation(s) During the Preceding Five Year Period	Common Shares and Percentage Beneficially Held or Controlled as at the Date Hereof
K. Peter Miller West Vancouver, BC, Canada	Chief Financial Officer March 26, 2010	Currently the Chief Financial Officer of Ionic Management Corp., a privately owned management company.	54,000 (0.77%)
Sandra Lee Vancouver, BC, Canada	Corporate Secretary March 26, 2010	Currently Corporate Secretary of Ionic Management Corp., a privately owned management company.	29,000 (0.41%)

Notes:

- (1) Denotes members of the Audit Committee.
- (2) 1,425,000 of such Common Shares is held by Graham's Geological Data Ltd, a company wholly-owned and controlled by Mr. Graham

The directors and senior officers of the Corporation currently collectively and beneficially own, directly or indirectly, 1,816,000 Common Shares, representing approximately 25.94% of the Corporation's issued and outstanding Common Shares.

Corporate Cease Trade Orders or Bankruptcies

Other than as described herein, no director, officer or shareholder of the Corporation holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation is, or within ten years before the date of this Prospectus, has been a director or officer of any other issuer that, while that person was acting in that capacity, was the subject of a cease trade or similar order, or an order that denied such issuer access to any statutory exemptions for a period of more than 30 consecutive days or 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 other than as set forth below.

Sandra Lee was Corporate Secretary of Esperanza Silver Corporation ("**Esperanza**") from December 1999 to April 2004. In early 2003, the directors and officers of Esperanza became aware that Esperanza was subject to outstanding cease trade orders from each of the Alberta Securities Commission (issued on September 17, 1998) and the l'Autorite des marches financiers (issued on August 12, 1997) for failure to file its financial statements within the prescribed times. The cease trade orders were rescinded on or prior to August 1, 2003.

Penalties or Sanctions

No director, officer or shareholder of the Corporation holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has 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 has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would likely be considered important to a reasonable investor in making an investment decision.

Personal Bankruptcies

No director, officer or shareholder of the Corporation holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, or a personal holding company of any such persons has, within the 10 years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or has been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold such person's assets.

Conflicts of Interest

There are potential conflicts of interest to which the directors, officers and promoter of the Corporation may be subject with respect to the operations of the Corporation. Certain of the directors may serve as directors and/or officers of other companies or have significant shareholdings in other companies. Situations may arise where the directors, officers and promoter of the Corporation will be engaged in direct competition with the Corporation. Any conflicts of interest will be subject to and governed by the law applicable to directors and officers conflicts of interest.

Management of the Corporation

Richard A. Graham - President (Age 48)

Mr. Graham is a Professional Geologist, registered with the Association of Professional Engineers, Geologists and Geophysicists of Alberta and has approximately 22 years of geological experience. Mr. Graham has worked in Canada and overseas with combination of major and junior mining companies. He was a geological researcher and reporter for Hollinger Inc. (the Northern Miner) from September 1999 to January 2004. Since February, 2004, Mr. Graham has been and is currently Manager of Corporate Development for Ionic Management Corp. Mr. Graham currently serves on the board of directors numerous other public companies.

K. Peter Miller - Chief Financial Officer (Age 65)

Mr. Miller obtained a Bachelor of Applied Science degree from the University of Waterloo in 1970 and was granted the designation of Chartered Accountant from the Ontario Institute of Chartered Accountants in 1974. Since May 1997, Mr. Miller has been and is currently the Chief Financial Officer of Ionic Management Corp., a privately owned management company. Mr. Miller is also Chief Financial Officer of several other public companies.

Sandra Lee - Corporate Secretary (Age 47)

Ms. Lee is a certified legal assistant and since since December 1996, Ms. Lee has also been the Corporate Secretary of Ionic Management Corp., a private management company. Previously, from May 2009 to Jan. 2011 and from July 2003 to August 2008 was the Corporate Secretary of Sprott Resource Lending Corp., a resource lending corporation which trades on the Toronto Stock Exchange and NYSE Amex. Sandra Lee is also the Corporate Secretary of numerous other public companies.

None of the members of management have entered into a non-competition or non-disclosure agreement with the Corporation. All the members of management are employed by Ionic Management Corp.

14. Capitalization

14.1 Prepare and file the following chart for each class of securities to be listed:

Issued Capital

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
<u>Public Float</u>				
Total outstanding (A)	7,000,000	7,525,000	100.0	100.0
Held by Related Persons of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	4,501,000	4,801,000	64.3	63.8
Total Public Float (A-B)	2,499,000	2,724,000	35.7	36.19
<u>Freely-Tradeable Float</u>				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	975,000	975,000	13.93	12.96
Total Tradeable Float (A-C)	6,025,000	6,550,000	86.07	87.04

Public Securityholders (Registered)

Instruction: For the purposes of this report, "public securityholders" are persons other than persons enumerated in section (B) of the previous chart. List registered holders only.

Class of Security

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	-	-
100 – 499 securities	-	-
500 – 999 securities	-	-
1,000 – 1,999 securities	-	-
2,000 – 2,999 securities	-	-
3,000 – 3,999 securities	-	-
4,000 – 4,999 securities	-	-
5,000 or more securities ⁽¹⁾	7	2,125,000
TOTAL:	7	2,125,000

Public Securityholders (Beneficial)

Instruction: Include (i) beneficial holders holding securities in their own name as registered shareholders; and (ii) beneficial holders holding securities through an intermediary where the Issuer has been given written confirmation of shareholdings. For the purposes of this section, it is sufficient if the intermediary provides a breakdown by number of beneficial holders for each line item below; names and holdings of specific beneficial holders do not have to be disclosed. If an intermediary or intermediaries will not provide details of beneficial holders, give the aggregate position of all such intermediaries in the last line.

Class of Security

Size of Holding	Number of holders ⁽¹⁾	Total number of securities ⁽¹⁾
1 – 99 securities	-	-
100 – 499 securities	-	-
500 – 999 securities	-	-
1,000 – 1,999 securities	1	1,000
2,000 – 2,999 securities	3	6,000
3,000 – 3,999 securities	2	6,000
4,000 – 4,999 securities	115	461,000
5,000 or more securities	41	4,401,000
TOTAL:	162	4,875,000

Non-Public Securityholders (Registered)

Instruction: For the purposes of this report, "non-public securityholders" are persons enumerated in section (B) of the issued capital chart.

Class of Security

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	-	-
100 – 499 securities	-	-
500 – 999 securities	-	-
1,000 – 1,999 securities	-	-
2,000 – 2,999 securities	-	-
3,000 – 3,999 securities	-	-
4,000 – 4,999 securities	-	-
5,000 or more securities	6	2,125,000
TOTAL:	6	2,125,000

- 14.2 Provide the following details for any securities convertible or exchangeable into any class of listed securities.

Description of Security (include conversion/exercise terms, including conversion/ exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
Agents options exercisable into common shares at an exercise price of \$0.15 and expiring October 4, 2012	225,000	225,000
Stock Options exercisable into common shares at an exercise price of \$0.15 and expiring Sept. 29, 2020	300,000	300,000

- 14.3 Provide details of any listed securities reserved for issuance that are not included in section 14.2.

There are no quoted securities of the Corporation reserved for issuance other than as set out in Section 14.2.

15. Executive Compensation

- 15.1 Attach a Statement of Executive Compensation from Form 51-102F6 or any successor instrument and describe any intention to make any material changes to that compensation.

See Schedule "A" attached hereto.

16. Indebtedness of Directors and Executive Officers

- 16.1 No individual who is or, at any time during the financial year ended May 31, 2011, was a director, executive officer or senior officer of the Corporation, nor their associates, is or has been at any time since the beginning of the financial year ended May 31, 2011, indebted to the Corporation, nor has any such individual been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Corporation.

17. Risk Factors

- The Corporation may need to raise funds through public or private debt or equity financing in the event that the Corporation incurs operating losses or requires substantial capital investment, or in order for the Corporation to respond to unanticipated competitive pressures or to take advantage of unanticipated opportunities. There can be no assurance that additional financing will be available on terms favorable to the Corporation, or at all. If adequate funds are not available or are not available on

acceptable terms, the Corporation may not be able to continue to explore and develop its properties or otherwise to respond to competitive pressures or continue to be viable. Such inability could have a material adverse effect on the Corporation's business, financial condition and results of operations.

- The Corporation has a very limited history of operations, in its present business is in the early stage of development and must be considered a start-up. As such, the Corporation is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Corporation will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.
- The Corporation has limited financial resources, no source of operating cash flow and no assurance that additional funding will be available for it for further exploration and development of the Corporation's projects or to fulfill its obligations under any applicable agreements. There can be no assurance that the Corporation will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Corporation's projects with the possible loss of such projects.
- The Corporation is engaged in exploration and development of mineral properties. The mineral exploration and development industry involves a high degree of risk, which even with a combination of experience, knowledge and careful evaluation, no assurance can be given that commercial quantities of minerals can be successfully found or produced.
- The Corporation has not yet earned a profit and intends to retain any future earnings to finance growth and expand operations and does not anticipate paying any dividends in the foreseeable future. See "*Dividend Record and Policy*".
- The Corporation's operations are subject to the risks normally incident to the operation and development of mineral properties, including drilling, trenching and surveying, all of which could result in personal injuries, loss of life and damage to the property of the Corporation and others. In accordance with customary industry practice, the Corporation is not fully insured against all of these risks, nor are all such risks insurable.
- All of the properties in which the Corporation has an interest, or the right to acquire an interest, are in the early exploration stage and are without a known body of commercial ore. Development of the Corporation's resource properties will only follow upon obtaining satisfactory results. Exploration for and the development of natural resources involve a high degree of risk and few properties which are explored are ultimately developed into producing properties. There is no assurance that the Corporation's exploration and development activities will result in any discoveries of commercial bodies of ore. The long term profitability of the Corporation's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors.
- Substantial expenditures are required to establish reserves through drilling, to develop processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Although substantial benefits may be derived from the discovery of a major deposit, no

assurance can be given that resources will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis.

- The Corporation has relied and may continue to rely upon consultants and others for expertise. The economics of developing gold and other mineral properties is affected by many factors including the cost of operations, variations of the grade of ore mined, fluctuating mineral markets, costs of processing equipment, competition and such other factors as government regulations, including regulations relating to title to mineral concessions, royalties, allowable production, importing and exporting of minerals and environmental protection. Depending on the price of gold or other minerals produced, the Corporation may determine that it is impractical to commence or continue commercial production.
- Exploration for natural resources involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Corporation has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of resources, any of which could result in work stoppages, damage to persons or property and possible environmental damage.
- The Corporation may obtain liability insurance in an amount which management considers adequate but the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable against, or the Corporation might not elect to insure itself against such liabilities due to high premium costs or other reasons, in which event the Corporation could incur significant costs that could have a material adverse effect upon its financial condition.
- The Corporation's revenues, if any, are expected to be in large part derived from the extraction and sale of base and precious metals such as gold. The price of those commodities has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Corporation's control including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors on the price of base and precious metals, and therefore the economic viability of any of the Corporation's exploration projects, cannot accurately be predicted.
- Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Corporation's operations.

- The resource industry is intensely competitive in all of its phases, and the Corporation competes with many companies possessing greater financial resources and technical facilities than itself. Competition could adversely affect the Corporation's ability to acquire suitable properties for exploration in the future.
- There is no guarantee that title to the Corporation's properties will not be challenged or impugned. While title has been investigated and, to the best of the Corporation's knowledge, title to the properties is in good standing, this should not be construed as a guarantee of title. Also, new claims are being made by aboriginal peoples that call into question the rights to minerals and surface use.
- The operations of the Corporation may require licenses and permits from various aboriginal and governmental authorities. There can be no assurance that the Corporation will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.
- The Corporation is dependent on a relatively small number of key employees and consultants, the loss of any of whom could have an adverse effect on the Corporation.
- Certain of the directors and officers of the Corporation also serve as officers and/or directors of other companies which engage in mineral resource exploration and development activities. In accordance with the laws of Alberta, the directors of the Corporation are required to act honestly, in good faith and in the best interest of the Corporation. In determining whether the Corporation will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the potential benefits to the Corporation, the degree of risk to which the Corporation may be exposed and its financial position at that time. Other than as indicated, the Corporation has no other procedures or mechanisms to deal with conflicts of interest.
- The prices of metals are primarily outside the control of the Corporation. The Corporation will be a price taker for its products and commodity prices can be expected to show volatility.

18. Promoters

Richard A. Graham, President and a director of the Corporation, may be considered to be the promoter of the Corporation in that he took the initiative in substantially organizing the business of the Corporation. Mr. Graham owns, directly or indirectly, 1,525,000 Common Shares (21.79%).

19. Legal Proceedings

There are no legal proceedings involving the Corporation or its assets as of the date of this Prospectus which management of the Corporation believes to be material to the Corporation, nor are any such proceedings known by the Corporation to be contemplated.

20. Interest of Management and Others in Material Transactions

Other than as disclosed herein, management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or senior officer, any person or company who owns of record,

or is known by the Corporation to own beneficially, directly or indirectly, more than 10% of the Common Shares of the Corporation or any associate or affiliate of the foregoing persons or companies in any transaction within the three years prior to the date hereof or in any proposed transaction that has materially affected or will materially affect the Corporation.

The Corporation has entered into a corporate services agreement effective July 1, 2010 with Ionic Management Corp. ("Ionic") (the "Corporate Services Agreement"), a private management company. Pursuant to the Corporate Services Agreement, Ionic will provide various consulting, administrative, management and related corporate services. Under the terms of the Corporate Services Agreement, Ionic will be paid a consulting fee of \$4,000 per month and shall also be reimbursed for all reasonable expenses incurred if the performance of its services. Sandra Lee and K. Peter Miller, officers of the Corporation, are also officers of Ionic. Richard Graham is Manager of Corporate Development for Ionic. Ionic is wholly owned by A. Murray Sinclair and Brian E. Bayley.

21. Auditors, Transfer Agents and Registrars

The auditor of the Corporation is Davidson & Company LLP, Chartered Accountants, at 1200 - 609 Granville Street, Vancouver, British Columbia, V7Y 1G6.

Computershare Trust Company of Canada, through its principal office at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9, is the registrar and transfer agent for the Common Shares.

22. Material Contracts

Except for contracts entered into in the ordinary course of business, the only contracts entered into by the Corporation since incorporation on January 21, 2010 to the date hereof which can reasonably be regarded as presently material are the following:

- (a) Option Agreement.
- (b) Agency Agreement.
- (c) Escrow Agreement. See "Escrow Securities".
- (d) MEAP Agreement effective April 1, 2010 between the Government of Manitoba and the Corporation. See "General Development of the Business".

23 Interest of Experts

The auditors of the Corporation are Davidson & Company LLP, Chartered Accounts, Vancouver, British Columbia. Davidson & Company LLP has confirmed that they are independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

24. Other Material Facts

This section not applicable.

25. Financial Statements

Annual Financial Statements may be found on SEDAR.

The first certificate below must be signed by the CEO, CFO, any person or company who is a promoter of the Issuer and two directors of the Issuer. In the case of an Issuer re-qualifying following a fundamental change, the second certificate must also be signed by the CEO, CFO, any person or company who is a promoter of the target and two directors of the target.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, Sypher Resources Ltd, hereby applies for the listing of the above mentioned securities on CNSX. The foregoing contains full, true and plain disclosure of all material information relating to (full legal name of the Issuer). It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, BC,

this 29th day of September, 2011.

“Richard A. Graham”

RICHARD A. GRAHAM
Chief Executive Officer

“K. Peter Miller”

K. PETER MILLER
Chief Financial Officer

“Michael Atkinson”

MICHAEL ATKINSON
Director

“Miles Thompson”

MILES THOMPSON
Director

APPENDIX A: Mineral Projects

See disclosure under “General Development of the Business – McBride Property” on pages 15 to 29 of the Issuer’s Prospectus. Also see the Technical Report.

**SCHEDULE “A”: Statement Of Executive Compensation For
The Financial Year Ended May 31, 2011**

See “Executive Compensation” on pages 4 to 7 of the Issuer’s Management Information Circular dated October 3, 2011 and filed on SEDAR.