

This prospectus constitutes a public offering of the securities only in those jurisdictions where they may be lawfully offered for sale and, in such jurisdictions, only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

PROSPECTUS

Initial Public Offering

January 17, 2011

KR INVESTMENT LTD. (a capital pool company)

\$200,000

2,000,000 Common Shares

Price: \$0.10 per Common Share

KR Investment Ltd. (the “**Company**”) hereby offers through its agent, Raymond James Ltd. (the “**Agent**”), 2,000,000 common shares (the “**Common Shares**”) in the capital of the Company for sale to the public at a price of \$0.10 per Common Share (the “**Offering**”). The purpose of the Offering is to provide the Company with a minimum of funds with which to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction (as hereinafter defined). Any proposed Qualifying Transaction must be approved by the TSX Venture Exchange (the “**Exchange**”) and, in the case of a Non Arm’s Length Qualifying Transaction (as hereinafter defined), must also receive Majority of the Minority Approval (as hereinafter defined), in accordance with Policy 2.4 of the Exchange (the “**CPC Policy**”). The Company is a capital pool company (a “**CPC**”). It has not commenced commercial operations and has no assets other than a minimum amount of cash. Except as specifically contemplated in the CPC Policy, until the Completion of the Qualifying Transaction (as hereinafter defined), the Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a proposed Qualifying Transaction. See “Business of the Company” and “Use of Proceeds”.

	Common Shares	Price to the Public	Agent’s Commission⁽¹⁾	Proceeds to the Company⁽²⁾
Per Common Share	1	\$0.10	\$0.01	\$0.09
Total Offering	2,000,000	\$200,000	\$20,000	\$180,000

Notes:

⁽¹⁾ A cash commission equal to 10% of the gross proceeds of the Offering will be paid to the Agent (the “**Agent’s Commission**”) upon Closing (as hereinafter defined). The Agent will also be paid a non-refundable corporate finance fee of \$10,000 (plus HST), of which \$5,600 (including HST) has been paid to date. In addition, the Agent will be reimbursed by the Company for its reasonable expenses, including legal fees and disbursements estimated at \$12,000 (plus taxes) and other reasonable expenses, for which a deposit of \$12,000 was paid to the Agent. The Agent, or any sub-agents, if applicable, will also be granted the Agent’s Option (as hereinafter defined) entitling the Agent or its sub-agents, if any, to acquire an aggregate of up to 200,000 Common Shares of the Company at a price of \$0.10 per Common Share exercisable for a period of 24 months from the Listing Date (as hereinafter defined). The distribution of the Agent’s Option is qualified by this prospectus. See “Plan of Distribution”.

⁽²⁾ Before deducting the costs of this Offering estimated at \$80,000 including legal, audit and other expenses of the Company, the Agent’s corporate finance fee, the Agent’s legal fees and expenses, the listing fee payable to the Exchange and the filing fees payable to the applicable securities commissions but exclusive of the Agent’s Commission. See “Use of Proceeds”.

This Offering is made on a commercially reasonable efforts basis by the Agent and is subject to a minimum subscription of 2,000,000 Common Shares for total gross proceeds to the Company of \$200,000. The offering price of the Common Shares was determined by negotiation between the Company and the Agent. All funds received from subscriptions for Common Shares will be held by the Agent pursuant to the terms of the Agency Agreement (as hereinafter defined). If the minimum subscription is not raised within 90 days of the issuance of a receipt for the final prospectus or such other time as may be consented to by the regulatory authorities and Persons (as hereinafter defined) who subscribed within that period, all subscription monies will be returned to subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent.

Pursuant to the Agency Agreement, the Agent will be granted the Agent's Option to purchase up to 200,000 Common Shares at a price of \$0.10 per Common Share. The Agent's Option will be exercisable for a period of 24 months from the Listing Date. The Agent's Option is qualified for distribution under this prospectus. See "Plan of Distribution – Name of Agent and Agent's Compensation".

This prospectus also qualifies for distribution incentive stock options granted to directors and officers of the Company (the "Options"). The Options entitle the holders to purchase an aggregate of 400,000 Common Shares at a price of \$0.10 per Common Share and such options may be exercised for a period of 10 years from the Listing Date. See "Plan of Distribution" and "Options to Purchase Securities".

Other than the initial distribution of the Common Shares pursuant to this prospectus, the grant of the Agent's Option and the grant of the Options to the directors and officers of the Company, trading in all securities of the Company is prohibited during the period between the date a receipt for the preliminary prospectus is issued by the securities regulatory authorities and the time the Common Shares are listed for trading except, subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable security regulatory authorities grant a discretionary order.

The Exchange has conditionally accepted the listing of the Company's Common Shares. Listing is subject to the Company fulfilling all of the requirements of the Exchange.

As of the date of this prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

INVESTMENT IN THE COMMON SHARES OFFERED BY THIS PROSPECTUS IS HIGHLY SPECULATIVE DUE TO THE NATURE OF THE COMPANY'S BUSINESS AND ITS PRESENT STAGE OF DEVELOPMENT. THIS OFFERING IS SUITABLE ONLY TO THOSE INVESTORS WHO ARE PREPARED TO RISK THE LOSS OF THEIR ENTIRE INVESTMENT. SEE "RISK FACTORS".

THERE IS NO MARKET THROUGH WHICH THESE SECURITIES MAY BE SOLD AND PURCHASERS MAY NOT BE ABLE TO RESELL SECURITIES PURCHASED UNDER THIS PROSPECTUS. THIS MAY AFFECT THE PRICING OF THE SECURITIES IN THE SECONDARY MARKET, THE TRANSPARENCY AND AVAILABILITY OF TRADING PRICES, THE LIQUIDITY OF THE SECURITIES, AND THE EXTENT OF ISSUER REGULATION. SEE "RISK FACTORS".

Upon completion of the Offering, the purchaser will suffer an immediate dilution per Common Share of \$0.033 or 33%. There can be no assurance that an active and liquid market will develop for the Company's securities. The Company was only recently incorporated, has not commenced commercial operations and has no assets other than cash. It has no history of earnings and will not generate earnings or pay dividends until at least after Completion of the Qualifying Transaction. Given the proposed nature of the Company's business and its limited stage of development, an investment in its Common Shares is highly speculative. The directors and officers of the Company are directors and officers of other reporting issuers and, therefore, will devote only a portion of their time to the affairs of the Company and there may be potential conflicts of interest. The business objective of the Company is to identify and evaluate assets or businesses with a view to completing a Qualifying Transaction. There is no guarantee that the Company will identify a proposed Qualifying Transaction and, if identified, that the Company's limited financial resources will be sufficient to complete a Qualifying Transaction. Completion of a Qualifying Transaction will be subject to a number of conditions including acceptance by the Exchange and, in the case of a Non Arm's Length Qualifying Transaction, Majority of the Minority Approval. If a Qualifying Transaction is announced, trading in the Company's Common Shares will be halted for a period of time, usually until the Company retains a sponsor and the Exchange conducts certain other preliminary reviews. Trading may resume before the sponsor and Exchange have completed their review of the proposed Qualifying Transaction and such resumption of trading provides no assurance as to the merits of the proposed Qualifying Transaction or the likelihood of completion. Trading in the Company's Common Shares may also be halted for other reasons, including the failure to file documents to the Exchange within a prescribed period of time. If the Exchange does not issue a Final Exchange Bulletin (as hereinafter defined) within 24 months after the Listing Date, the Company's Common Shares will generally be suspended from trading by the Exchange. See "Risk Factors".

The Agent, as agent of the Company, offers these Common Shares on a commercially reasonable efforts basis, if, as and when subscriptions are accepted by the Company, subject to prior sale, in accordance with the terms and conditions of the Agency Agreement referred to under the heading "Plan of Distribution" and subject to the approval of certain legal matters by Thomas, Rondeau LLP, on behalf of the Company and by Miller Thomson LLP, on behalf of the Agent. Pursuant to the CPC Policy, no purchaser of the Common Shares is permitted to directly or indirectly purchase more than 2% or 40,000 (\$4,000) of the total number of Common Shares offered under this prospectus. In addition, the maximum number of Common Shares that may directly or indirectly be purchased by that purchaser, together with any Associates (as hereinafter defined) or Affiliates (as hereinafter defined) of that purchaser, is 4% or 80,000 (\$8,000) of the total number of Common Shares offered under this prospectus.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that share certificates evidencing the Common Shares in definitive form will be available for delivery on the date the Offering is closed.

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TABLE OF CONTENTS

GLOSSARY	I
PROSPECTUS SUMMARY	i
THE COMPANY	1
BUSINESS OF THE COMPANY	1
Preliminary Expenses	1
Proposed Operations until Completion of a Qualifying Transaction	1
Method of Financing	1
Criteria for a Qualifying Transaction	2
Filings and Shareholder Approval of a Non Arm's Length Qualifying Transaction	2
Initial Listing Requirements	2
Trading Halts, Suspensions and Delisting	3
Refusal of Qualifying Transaction	4
USE OF PROCEEDS	4
Proceeds and Principal Purposes	4
Permitted Use of Funds	5
Restrictions on Use of Proceeds	6
Private Placements for Cash	6
Prohibited Payments to Non Arm's Length Parties	6
PLAN OF DISTRIBUTION	7
Name of Agent and Agent's Compensation	7
Commercially Reasonable Efforts Offering and Minimum Distribution	7
Other Securities to be Distributed	8
Determination of Price	8
Listing Application	8
Subscriptions by and Restrictions on the Agent	8
Restrictions on Trading	8
DESCRIPTION OF THE SECURITIES DISTRIBUTED	9
Common Shares	9
CAPITALIZATION	9
OPTIONS TO PURCHASE SECURITIES	10
PRIOR SALES	10
ESCROWED SECURITIES	10
Escrowed Securities on Qualifying Transaction	12
PRINCIPAL SHAREHOLDERS	13
DIRECTORS, OFFICERS AND PROMOTERS	14
Name, Address, Occupation, Security Holdings and Involvement with Other Reporting Issuers	14
Management and Key Personnel	14
Other Reporting Issuer Experience	15
Corporate Cease Trade Orders or Bankruptcies	15
Penalties or Sanctions	16
Personal Bankruptcies	16
Conflicts of Interest	16
EXECUTIVE COMPENSATION	16
DILUTION	17
RISK FACTORS	17
LEGAL PROCEEDINGS	19
RELATIONSHIP BETWEEN THE COMPANY AND THE AGENT	19
RELATIONSHIP BETWEEN THE COMPANY AND PROFESSIONAL PERSONS	19
AUDITORS, TRANSFER AGENT AND REGISTRAR	19
MATERIAL CONTRACTS	19
OTHER MATERIAL FACTS	20
PROMOTER	20
ELIGIBILITY FOR INVESTMENT	20
PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION	21
AUDITORS' CONSENT	22
FINANCIAL STATEMENTS	F-1
CERTIFICATE OF THE COMPANY	C-1
CERTIFICATE OF THE AGENT	C-2

GLOSSARY

Except as otherwise defined, the following terms, when used herein, shall have the following meanings:

- “Affiliate”** means a company (as hereinafter defined) 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 “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.
- “Agency Agreement”** means the agency agreement dated January 17, 2011 entered into between the Company and the Agent.
- “Agent”** means Raymond James Ltd.
- “Agent’s Commission”** means the cash commission of 10% of the total gross proceeds of the Offering.
- “Agent’s Option”** means the non-transferable option to purchase Common Shares granted to the Agent pursuant to this Offering, entitling the Agent to acquire that number of Common Shares equal to 10% of the number of Common Shares sold pursuant to the Offering exercisable at a price of \$0.10 per Common Share for a period of 24 months from the Listing Date.
- “Aggregate Pro Group”** means all Persons who are members of any Pro Group (as hereinafter defined) whether or not the member is involved in a contractual relationship with the Company to provide financing, sponsorship or other advisory services.

“Agreement in Principle”

means any enforceable agreement or any other agreement or similar commitment which identifies the fundamental terms upon which the parties agree or intend to agree which:

- (a) identifies assets or a business to be acquired which would reasonably appear to constitute Significant Assets (as hereinafter defined) and the acquisition of which would reasonably appear to constitute a Qualifying Transaction;
- (b) identifies the parties to the Qualifying Transaction;
- (c) identifies the consideration to be paid for the Significant Assets or otherwise identifies the means by which the consideration will be determined; and
- (d) identifies the conditions to any further formal agreements to complete the transaction, and

in respect of which there are no material conditions to closing (other than receipt of shareholder approval and Exchange acceptance), the satisfaction of which is dependent upon third parties and beyond the reasonable control of the Non Arm’s Length Party(ies) (as hereinafter defined) to the CPC or the Non Arm’s Length Party(ies) to the Qualifying Transaction.

“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 him to more than 10% of the voting rights attached to outstanding securities of an 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 a Person serves as trustee or in a similar capacity,
- (d) in the case of an individual, a relative of that individual, including
 - (i) that individual’s spouse or child, or
 - (ii) any relative of the individual or of his spouse who has the same residence as that individual;

but

- (e) where the Exchange determines that two Persons shall, or shall not, be deemed to be associates with respect to a Member (as hereinafter defined) 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 Rule Book (as hereinafter defined) with respect to that Member firm, Member corporation or holding company.

“Board”

means the board of directors of the Company.

“Change of Business”

means a transaction or series of transactions which will redirect the Issuer’s resources and which changes the nature of its business, for example, through the acquisition of an interest in another business which represents a material amount of the Issuer’s market value, assets or operations, or which becomes the principal enterprise of the Issuer;

“Closing”

means the completion of the Offering.

“Common Shares”

means single voting common shares in the capital of the Company.

III

“company”	unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.
“Company”	means KR Investment Ltd.
“Completion of the Qualifying Transaction”	means the date the Final Exchange Bulletin is issued by the Exchange.
“Control Person”	means any Person or company that holds or is one of a combination of Persons or companies 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 an Issuer.
“CPC”	means a company: <ul style="list-style-type: none">(a) 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(b) in regard to which the Final Exchange Bulletin has not yet been issued.
“CPC Policy”	means Policy 2.4 <i>Capital Pool Companies</i> of the corporate finance manual of the Exchange.
“Escrow Agent”	means Computershare Investor Services Inc.
“Escrow Agreement”	means the escrow agreement dated September 15, 2010 among the Company, the Escrow Agent and the holders of Seed Shares (as hereinafter defined) of the Company.
“Exchange”	means the TSX Venture Exchange Inc.
“Exchange Rule Book”	means the TSX Venture Exchange Rule Book and policies governing the manner in which Members conduct business with the Exchange.
“Final Exchange Bulletin”	means the Exchange bulletin which is issued following closing of the Qualifying Transaction and the submission of all required documentation and that evidences the final Exchange acceptance of the Qualifying Transaction.
“Initial Listing Requirements”	means the minimum financial, distribution and other requirements that must be met by applicants seeking a listing on a particular tier of the Exchange.
“Initial Public Offering” or “IPO”	means a transaction that involves an Issuer issuing securities from its treasury pursuant to its first prospectus.

“Insider”	<p>if used in relation to an Issuer, means:</p> <ul style="list-style-type: none"> (a) a director or senior officer of the Issuer; (b) a director or senior officer of the company that is an Insider or subsidiary of the Issuer; (c) a Person that beneficially owns or controls, directly or indirectly, voting shares (as hereinafter defined) 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.
“Issuer”	<p>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.</p>
“Listing Date”	<p>means the date on which the Common Shares are listed on the Exchange.</p>
“Majority of the Minority Approval”	<p>means the approval of a Non Arm’s Length Qualifying Transaction by the majority of the votes cast by shareholders, other than:</p> <ul style="list-style-type: none"> (a) Non Arm’s Length Parties to the CPC; (b) Non Arm’s Length Parties to the Qualifying Transaction; and (c) in the case of a Related Party Transaction (as hereinafter defined): <ul style="list-style-type: none"> (i) if the CPC holds its own shares, the CPC, and (ii) a Person acting jointly or in concert with a Person referred to in paragraph (a) or (b) in respect of the transaction <p>at a properly constituted meeting of the common shareholders of the CPC.</p>
“Member”	<p>has the meaning in Rule A 1.01 of the Exchange Rule Book.</p>
“Multilateral Instrument 61-101”	<p>means Multilateral Instrument 61-101 <i>Protection of Minority Security Holders in Special Transactions</i>, as adopted by the Provinces of Ontario and Quebec.</p>
“NEX”	<p>means the market on which former Exchange and TSX (as hereinafter defined) Issuers that do not meet Exchange tier maintenance requirements for a Tier 2 listing may continue to trade.</p>
“Non Arm’s Length Party”	<p>means in relation to a company, a promoter, officer, director, other Insider or Control Person of that company (including an Issuer) and any Associates or Affiliates of any of such Persons. In relation to an individual, this term means any Associate of the individual or any company of which the individual is a promoter, officer, director, Insider or Control Person.</p>
“Non Arm’s Length Party(ies) to the Qualifying Transaction”	<p>means the Vendor(s) (as hereinafter defined), any Target Company(ies) (as hereinafter defined) and includes, in relation to Significant Assets or Target Company(ies), the Non Arm’s 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.</p>
“Non Arm’s Length Qualifying Transaction”	<p>means a proposed Qualifying Transaction where the same party or parties, or their respective Associates or Affiliates, are Control Persons in both the CPC and in relation to the Significant Assets which are the subject of the proposed Qualifying Transaction.</p>

- “Offering”** means the offering of Common Shares in accordance with the terms of this prospectus.
- “Options”** means the non-transferable incentive stock options granted by the Company to the directors and officers of the Company to purchase an aggregate of 400,000 Common Shares under the Plan at a price of \$0.10 per Common Share, which Options may be exercised for a period of up to 10 years from the Listing Date.
- “Person”** means a company or individual.
- “Plan”** means the Company’s incentive stock option plan.
- “Principal”** means
- (a) a Person who acted as a promoter of the Issuer within two years or their respective Associates or Affiliates, before the IPO prospectus or the Final Exchange Bulletin;
 - (b) a director or senior officer of the Issuer or any of its material operating subsidiaries at the time of the IPO prospectus or 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;
 - (d) a 10% holder – a Person that
 - (i) holds securities carrying more than 10% of the voting rights attached to an 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, securities that may be issued to the holder under outstanding convertible securities in both the holder’s securities and the total securities outstanding of the Issuer are included.

A company, trust, partnership or other entity more than 50% held by one or more Principals will be treated as a Principal. (In calculating this percentage, securities of the 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 are included.) Any securities of the Issuer that this entity holds will be subject to escrow requirements.

- (e) A Principal’s spouse and their relatives that 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.

“Pro Group”

means:

- (a) subject to subparagraph (b), (c) and (d) either individually or as a group:
 - (i) the Member;
 - (ii) the employees of the Member;
 - (iii) partners, officers and directors of the Member;
 - (iv) Affiliates of the Member; and
 - (v) Associates of any parties referred to in subparagraph (i) through (iv) above;
- (b) the Exchange may, in its discretion, include a Person or party in the Pro Group for the purposes of a particular calculation where the Exchange determines that the Person is not acting at arm’s length to the Member;
- (c) the Exchange may, in its discretion, exclude a Person from the Pro Group for the purposes of a particular calculation where the Exchange determines that the Person is acting at arm’s length to the Member; and
- (d) the Member may deem a Person who would otherwise be included in the Pro Group pursuant to subparagraph (a) to be excluded from the Pro Group where the Exchange determines that:
 - (i) the Person is an Affiliate or Associate of the Member acting at arm’s length to the Member;
 - (ii) the Associate or Affiliate has a separate corporate and reporting structure;
 - (iii) there are sufficient controls on information flowing between the Member and the Associate or Affiliate; and
 - (iv) the Member maintains a list of such excluded Persons.

“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.

“Related Party Transaction”

has the meaning ascribed to that term under Multilateral Instrument 61-101, and includes a related party transaction that is determined by the Exchange, to be a Related Party Transaction. The Exchange may deem a transaction to be a Related Party Transaction where the transaction involves Non Arm’s Length Parties, or other circumstances exist which may compromise the independence of the Company with respect to the transaction.

“Resulting Issuer”

means an Issuer that was formerly a CPC that exists upon issuance of the Final Exchange Bulletin.

“Reverse Takeover”

means a transaction which involves the Issuer issuing securities from its treasury to purchase another company or significant assets, where the owners of the other company or assets acquire control of the Resulting Issuer;

“SEDAR”

means the “System for Electronic Document Analysis and Retrieval” the Canadian Securities Administrators web site to make securities filings accessible to the public (www.sedar.com).

“Seed Shares”

means securities issued before an Issuer’s IPO or by a private Target Company before a Reverse Takeover, Change of Business or Qualifying Transaction, regardless of whether the securities are subject to resale restrictions or are free trading.

“Significant Assets”	means one or more assets or businesses which, when purchased, optioned or otherwise acquired by the CPC, together with any other concurrent transactions, would result in the CPC meeting the Initial Listing Requirements of the Exchange.
“Sponsor”	has the meaning specified in Exchange <i>Policy 2.2 – Sponsorship and Sponsorship Requirements</i> .
“Sponsorship Acknowledgement Form”	means the form prepared in accordance with Form 2G of the Corporate Finance Manual of the Exchange.
“Target Company”	means a company to be acquired by the CPC as its Significant Asset pursuant to a Qualifying Transaction.
“TSX”	means the Toronto Stock Exchange.
“Value Securities”	means securities issued pursuant to a transaction, for which the deemed value of the securities at least equals the value ascribed to the asset, using a valuation method acceptable to the Exchange, or securities which are otherwise determined by the Exchange to be Value Securities and required to be placed in escrow under a Value Security Escrow Agreement (as hereinafter defined).
“Value Security Escrow Agreement”	means an escrow agreement prepared in accordance with Form 5D of the Corporate Finance Manual of the Exchange to which Value Securities will be subject and which will include Schedule B(1) of Form 5D if an Issuer is a Tier 1 Issuer or Schedule B(2) of Form 5D if an Issuer is a Tier 2 Issuer.
“Vendors”	means one or all of the beneficial owners, of the Significant Assets (other than a Target Company).

PROSPECTUS SUMMARY

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus.

Business of the Company: The principal business of the Company will be 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 a minimum amount of cash. The Company has commenced the process of identifying potential acquisitions, but to date, the Company has not yet identified any assets or businesses for a potential Qualifying Transaction and has not entered into an Agreement in Principle. See “Business of the Company”.

Offering: A total of 2,000,000 Common Shares are being offered under this prospectus at a price of \$0.10 per Common Share. In addition, the Company will grant the Agent’s Option to the Agent to purchase 200,000 Common Shares at a price of \$0.10 per Common Share. The Agent’s Option will be exercisable for a period of 24 months from the Listing Date. The Agent’s Option is qualified for distribution under this prospectus. The Company also previously granted Options to its directors and officers to purchase an aggregate of 400,000 Common Shares under the Plan at a price of \$0.10 per Common Share, which Options may be exercised for a period of 10 years from the Listing Date. The Options granted to the directors and officers of the Company are qualified for distribution under this prospectus. See “Plan of Distribution” and “Options to Purchase Securities”.

Use of Proceeds: The net proceeds to the Company from the Offering will be \$180,000 after deducting the Agent’s Commission but before deducting the balance of the estimated costs of the Offering of \$120,000. The net proceeds of this Offering along with the proceeds from the sale of Seed Shares will be used to provide the Company with a minimum of funds with which to identify and evaluate assets or businesses for acquisition with a view to completing a Qualifying Transaction. The Company may not have sufficient funds to secure such assets or businesses once identified and evaluated and additional funds may be required. Until Completion of the Qualifying Transaction and except as otherwise provided in the CPC Policy, a maximum of the lesser of 30% of the gross proceeds realized or \$210,000 may be used for purposes other than evaluating businesses or assets. See “Use of Proceeds”, “Business of the Company” and “Risk Factors”.

Directors and Officers:

Ki Bong Cho:	Chief Executive Officer (“CEO”) Chief Financial Officer (“CFO”), Corporate Secretary, Promoter and Director
S. John Kim:	Director
Tristin R. Lee:	Director

See “Directors, Officers, and Promoters”.

Escrowed Securities: All of the currently issued and outstanding Common Shares of the Company, being 4,000,000 Common Shares, will be deposited in escrow pursuant to the terms of the Escrow Agreement and will be released from escrow in stages over a period of up to three years after the date of the Final Exchange Bulletin. See “Escrowed Securities”.

Risk Factors:

Investment in the Common Shares must be regarded as highly speculative due to the proposed nature of the Company's business and its present stage of development. The Company was only recently incorporated and has no active business or assets other than cash. It does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the Completion of the Qualifying Transaction. The Offering is only suitable to investors who are prepared to rely entirely on the directors and management of the Company and can afford to risk the loss of their entire investment. The directors and officers of the Company will only devote part of their time and attention to the affairs of the Company and there are potential conflicts of interest to which some of the directors and officers of the Company will be subject in connection with the operations of the Company. Assuming completion of the Offering, an investor will suffer an immediate dilution on investment of 33% or \$0.033 per Common Share. There can be no assurance that an active and liquid market for the Company's Common Shares will develop and an investor may find it difficult to resell the Common Shares. Until Completion of the Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Company has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Company will be able to identify or complete a suitable Qualifying Transaction.

The Qualifying Transaction may involve the acquisition of a business or assets located outside of Canada. It may, therefore, be difficult or impossible to effect service or notice to commence legal proceedings upon any directors, officers and experts outside of Canada and it may not be possible to enforce against such persons or companies judgments obtained in Canadian courts predicated upon the civil liability provisions applicable to securities laws in Canada. See "Business of the Company", "Capitalization", "Directors, Officers and Promoters – Conflicts of Interest", "Dilution" and "Risk Factors".

THE COMPANY

KR Investment Ltd. was incorporated on August 3, 2010 under the British Columbia *Business Corporations Act* by the registration of its Notice of Articles and Articles.

The head office of the Company is located at Suite 1601, 1166 Alberni Street, Vancouver, British Columbia V6E 3Z3. The registered and records office of the Company is located at Suite 300 – 576 Seymour Street, Vancouver, BC V6B 3K1.

BUSINESS OF THE COMPANY

Preliminary Expenses

Since the date of incorporation (August 3, 2010) up to January 17, 2011, the Company has incurred \$67,000 in expenses related to the Offering, comprised of; i) \$39,900 paid to its legal counsel in respect of legal services, taxes and disbursements in connection with the Offering, ii) \$17,600 paid to the Agent, of which \$5,600 (\$5,000 plus HST) was paid in respect of the Agent's corporate finance fee and \$12,000 was paid as a deposit for the Agent's anticipated expenses, including the Agent's legal fees and disbursements and iii) \$9,500 was paid to its auditors.

Since November 30, 2010, the date of the Company's audited balance sheet for the interim period ended on the same date, the Company has incurred approximately \$16,300 in expenses comprised of, i) \$11,300 paid to its legal counsel with respect to legal services, taxes and disbursements in connection with the Offering and ii) \$5,000 paid to its auditors. Certain of the Offering proceeds will be utilized to satisfy the remaining obligations of the Company related to this Offering, including the expenses of its auditor, legal counsel, the Agent and filing fees. See "Use of Proceeds".

Proposed Operations until Completion of a Qualifying Transaction

The Company proposes to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the Exchange and, in the case of a Non Arm's Length Qualifying Transaction, is also subject to Majority of the Minority Approval in accordance with the CPC Policy. The Company has not conducted commercial operations. The Company currently intends to pursue a Qualifying Transaction in the resource exploration sector, but there is no assurance that this will, in fact, be the business sector of a proposed Qualifying Transaction or of the Company following the Completion of the Qualifying Transaction.

Until Completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction. With the consent of the Exchange, this may include the raising of additional funds in order to finance an acquisition. Except as described under the subheadings "Private Placements for Cash" and "Restrictions on Use of Proceeds", the funds raised pursuant to this Offering and any subsequent financing will be utilized only for the identification and evaluation of potential Qualifying Transactions and not for any deposit, loan or direct investment in a potential acquisition.

Although the Company has commenced the process of identifying potential acquisitions with a view to completing the Qualifying Transaction, the Company has not yet entered into an Agreement in Principle.

Method of Financing

The Company may use cash, bank financing, the issuance of treasury shares, public debt or equity financing or a combination of these for the purpose of financing its proposed Qualifying Transaction. **A Qualifying Transaction financed by the issue of treasury shares could result in a change in the control of the Company and may cause the shareholders' interest in the Company to be further diluted.**

Criteria for a Qualifying Transaction

The Company will consider acquisitions of assets or businesses operated or located both inside and outside of Canada, as permitted by the CPC Policy. All potential acquisitions will be evaluated initially by management of the Company to determine their economic viability. Approval of acquisitions will be made by the Board. The Board will examine proposed acquisitions having regard to sound business fundamentals, utilizing the expertise and experience of its directors. The Board must approve any proposed Qualifying Transaction. In exercising their powers and discharging their duties in relation to a proposed Qualifying Transaction, the directors will act honestly and in good faith with a view to the best interests of the Company and will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Filings and Shareholder Approval of a Non Arm's Length Qualifying Transaction

When the Company reaches an Agreement in Principle, the Company must issue a comprehensive news release, at which time the Exchange generally will halt trading in the Company's Common Shares until the filing requirements of the Exchange have been satisfied as set forth under the subheading "Trading Halts, Suspensions and Delisting". Within 75 days after issuance of such news release, the Company shall be required to submit for review to the Exchange either an information circular that complies with applicable corporate and securities laws or a filing statement that complies with Exchange requirements. An information circular must be submitted where there is a Non Arm's Length Qualifying Transaction. A filing statement must be submitted where the Qualifying Transaction is not a Non Arm's Length Qualifying Transaction. The information circular or filing statement, as applicable, must contain prospectus level disclosure of the Target Company and the Company, assuming Completion of the Qualifying Transaction, and be prepared in accordance with the CPC Policy and Form 3B1 or Form 3B2, as applicable, of the Exchange. Upon acceptance by the Exchange, the Company must then either:

- (a) file the filing statement on SEDAR at least seven business days prior to closing of the Qualifying Transaction, and issue a news release which discloses the scheduled closing date for the Qualifying Transaction as well as the fact that the filing statement is available on SEDAR; or
- (b) mail the information circular and related proxy material to its shareholders in order to obtain the Majority of the Minority Approval of the Qualifying Transaction or other requisite approval, at a meeting of shareholders.

Unless waived by the Exchange, the Company will also be required to retain a Sponsor, who must be a Member of the Exchange, and who will be required to submit to the Exchange a sponsor report prepared in accordance with the policies of the Exchange. The Company will no longer be considered to be a CPC upon the Exchange having issued the Final Exchange Bulletin. The Exchange will generally not issue the Final Exchange Bulletin until the Exchange has received:

- (a) in the case of a Non Arm's Length Qualifying Transaction, confirmation of Majority of the Minority Approval of the Qualifying Transaction;
- (b) confirmation of closing of the Qualifying Transaction; and
- (c) all post-meeting or final documentation, as applicable, otherwise required to be filed with the Exchange pursuant to the CPC Policy.

Upon issuance of the Final Exchange Bulletin, the CPC Policy will generally cease to be applicable, with the exception of the escrow provisions of the CPC Policy and the restrictions in the CPC Policy precluding the Company from completing a reverse take-over for a period of one year from the Completion of the Qualifying Transaction.

Initial Listing Requirements

The Resulting Issuer must satisfy the Exchange's Initial Listing Requirements for the particular industry sector in either Tier 1 or Tier 2 as prescribed under the applicable policies of the Exchange.

Trading Halts, Suspensions and Delisting

The Exchange will generally halt trading in the Common Shares from the date of the public announcement of an Agreement in Principle until all filing requirements of the Exchange have been satisfied, which includes the submission of a Sponsorship Acknowledgment Form, where the Qualifying Transaction is subject to sponsorship. In addition, personal information forms or, if applicable, declarations, for all individuals who may be directors, senior officers, promoters, or Insiders of the Resulting Issuer must be filed with the Exchange and any preliminary background searches that the Exchange considers necessary or advisable must also be completed before the trading halt will be lifted by the Exchange.

Even if all filing requirements have been satisfied and preliminary background checks completed, the Exchange may continue or reinstate a halt in trading of the Common Shares for public policy reasons including:

- (a) the unacceptable nature of the business of the Resulting Issuer; or
- (b) the number of conditions precedent to, or the nature and number of deficiencies required to be resolved prior to, completion of the Qualifying Transaction, are so significant or numerous as to make it appear to the Exchange that the halt should be reinstated or continued.

A trading halt may also be imposed by the Exchange where the Company fails to file the supporting documents relating to the Qualifying Transaction within a period of 75 days after public announcement of the Agreement in Principle or if the Company fails to file post-meeting or final documents, as applicable, within the time required. A trading halt may also be imposed if a Sponsor terminates its sponsorship.

The Exchange may suspend from trading or delist the Common Shares of the Company where the Exchange has not issued a Final Exchange Bulletin to the Company within 24 months of the Listing Date. If the Common Shares of the Company are delisted by the Exchange, the Company, within 90 days from the date of such delisting, shall wind up and make a pro rata distribution of its remaining assets to its shareholders, unless shareholders, pursuant to a majority vote exclusive of the votes of Non Arm's Length Parties to the Company, determine to deal with the Company or its remaining assets in some other manner. See "Business of the Company - Filings and Shareholder Approval of a Non Arm's Length Qualifying Transaction."

If the Company does not complete a Qualifying Transaction within 24 months of the Listing Date, it may apply for listing on NEX rather than be delisted. In order to be eligible to list on the NEX, the Company must:

- (a) obtain majority shareholder approval for the transfer to NEX, exclusive of the votes of Non Arms Length Parties of the Company; and
- (b) either:
 - (i) cancel all escrowed Common Shares purchased by Non Arm's Length Parties to the Company at a discount to the Offering price, in accordance with section 11.2(a) of the CPC Policy, as if the Company had delisted from the Exchange or
 - (ii) subject to majority shareholder approval, cancel the escrowed Common Shares purchased by Non Arm's Length Parties to the Company so that the average costs of the remaining Seed Shares is at least equal to the Offering price.

If the Company lists the Common Shares on NEX it must continue to comply with all requirements and restrictions of the CPC Policy.

Refusal of Qualifying Transaction

The Exchange, in its sole discretion, may not accept a Qualifying Transaction where:

- (a) the Resulting Issuer fails to satisfy the applicable Initial Listing Requirements of the Exchange;
- (b) the aggregate number of securities of the Resulting Issuer owned, directly or indirectly, by:
 - (i) a Member firm of the Exchange;
 - (ii) registrants, unregistered corporate finance professionals, employee shareholders and partners of such Member firm; and
 - (iii) Associates of any such Person;
 collectively, would exceed 20% of the issued and outstanding securities of the Resulting Issuer;
- (c) the Resulting Issuer will be a financial institution, finance company, finance issuer or mutual fund, as defined in the securities legislation;
- (d) the majority of the directors and senior officers of the Resulting Issuer are not residents of Canada or the United States or are individuals who have not demonstrated positive association as directors or officers with public companies that are subject to a regulatory regime comparable to the companies listed on a Canadian exchange; or
- (e) notwithstanding the definition of a Qualifying Transaction, there is any other reason for denying acceptance of the Qualifying Transaction.

USE OF PROCEEDS

Proceeds and Principal Purposes

The Company received gross proceeds of \$200,000 from the sale of Common Shares prior to the date of this prospectus. The Company has not incurred any significant expenses with respect to the issuance of the Seed Shares to date. The gross proceeds to be received by the Company from the sale of the Common Shares offered by this prospectus will be \$200,000. The expenses and costs associated with the Offering, including the Agent's commission, are estimated at \$120,000, of which the following amounts have been paid to date: \$5,600 (\$5,000 plus HST) was paid towards the Agent's corporate finance fee of \$10,000, plus HST; \$12,000 was paid to the Agent as a deposit towards the Agent's anticipated expenses, including the Agent's legal fees and disbursements, \$9,500 was paid to the Company's auditors and \$39,900 was paid to the Company's legal counsel for legal services, taxes and disbursements. The Company estimates that \$280,000 will be available to the Company from the sale of Common Shares distributed under this prospectus and prior sales of Common Shares.

The following indicates the principal uses to which the Company proposes to use the total funds available to it upon the completion of this Offering:

Item	Total Offering
Gross cash proceeds raised prior to this Offering ⁽¹⁾	\$200,000
Expenses and costs relating to prior issuance of the Seed Shares ⁽²⁾	\$Nil
Gross cash proceeds to be raised pursuant to this Offering ⁽³⁾	\$200,000
Estimated expenses and costs relating to this Offering ⁽⁴⁾	<u>(\$120,000)</u>
Estimated funds available on completion of the Offering	<u>\$280,000</u>

Funds available for identifying and evaluating assets or business prospects ⁽⁵⁾⁽⁶⁾	\$240,000
Estimated general and administrative expenses until Completion of a Qualifying Transaction ⁽⁶⁾	<u>\$40,000</u>
Total Net Proceeds	\$280,000

Notes:

- (1) See "Prior Sales".
- (2) See "Business of the Company - Preliminary Expenses". No expenses and costs have been allocated towards the prior issuance of the Common Shares. See the Company's audited balance sheet as at November 30, 2010.
- (3) If the Agent exercises the Agent's Option and the directors or officers of the Company exercise the Options granted, there will be available to the Company a maximum of an additional \$60,000 which will be added to the working capital of the Company. There is no assurance that any of the foregoing options will be exercised.
- (4) This figure includes applicable taxes. This figure includes the Agent's Commission of \$20,000, the Agent's corporate finance fee of \$10,000 (plus HST) and other reasonable expenses of the Agent, including legal fees, estimated at \$12,000 (plus taxes), other reasonable expenses, the Company's legal fees and disbursements estimated at \$35,000 (plus taxes), the Company's audit fees estimated at \$16,000 (plus HST) and listing and filing fees estimated at \$20,000 (plus HST).
- (5) If the Company enters into an Agreement in Principle prior to spending the entire \$240,000 on identifying and evaluating assets or businesses, the remaining funds may be used to finance or partially finance the acquisition of Significant Assets or for working capital after Completion of the Qualifying Transaction.
- (6) The maximum amount that may be used for purposes other than those described under the subheading "Permitted Use of Funds" below is the lesser of 30% of the gross proceeds from the sale of all securities issued by the Company or \$210,000. See "Use of Proceeds - Restrictions on Use of Proceeds".

Until required for the Company's purposes, the proceeds will only be invested in securities of, or those guaranteed by, the Government of Canada or any Province or territory of Canada or the Government of the United States of America, in certificates of deposit or interest bearing accounts of Canadian chartered banks, trust companies or credit unions.

The proceeds from this Offering and any prior sale of Common Shares, after deducting the expenses associated with this Offering, will only be sufficient to identify and evaluate a finite number of assets and businesses, and additional funds may be required to finance any acquisition to which the Company may commit.

Permitted Use of Funds

Until the Completion of the Qualifying Transaction and except as otherwise specifically provided by the CPC Policy and described under the subheadings "Restrictions on Use of Proceeds", "Private Placements for Cash", and "Prohibited Payments to Non Arm's Length Parties", the gross proceeds realized from the sale of all securities issued by the Company will be used by the Company only to identify and evaluate businesses or assets and obtain shareholder approval for a proposed Qualifying Transaction.

The proceeds may be used for expenses incurred for the preparation of:

- (a) valuations or appraisals;
- (b) business plans;
- (c) feasibility studies and technical assessments;
- (d) sponsorship reports;
- (e) engineering or geological reports;
- (f) financial statements, including audited financial statements;

- (g) fees for legal and accounting services; and
- (h) agents' fees, costs and commissions,

relating to the identification and evaluation of assets or businesses and, in the case of a Non Arm's Length Qualifying Transaction, the obtaining of shareholder approval for the Company's proposed Qualifying Transaction.

In addition, with the prior acceptance of the Exchange, up to an aggregate of \$225,000 may be advanced as a refundable deposit or secured loan by the Company to a Vendor or Target Company, as the case may be, for a proposed arm's length Qualifying Transaction that has been publicly announced at least 15 days prior to the date of such advance, due diligence with respect to the Qualifying transaction is well underway and either a Sponsor has been engaged or sponsorship has been waived. A maximum aggregate amount of \$25,000 may also be advanced as a non-refundable deposit, unsecured deposit or advance to a Vendor or Target Company, as the case may be, to preserve assets without the prior acceptance of the Exchange.

Restrictions on Use of Proceeds

Until Completion of a Qualifying Transaction, not more than the lesser of 30% of the gross proceeds from the sale of all securities issued by the Company or \$210,000 will be used for purposes other than those described above. For greater certainty, expenditures which are not included under the subheading "Permitted Use of Funds" include:

- (a) listing and filing fees (including SEDAR fees);
- (b) other costs for the issuance of securities, (including legal, accounting and audit expenses) relating to the preparation and filing of this prospectus; and
- (c) administrative and general expenses of the Company, including:
 - (i) office supplies, office rent and related utilities;
 - (ii) printing costs (including the printing of this prospectus and share certificates);
 - (iii) equipment leases; and
 - (iv) fees for legal advice and audit expenses, other than those described above under the subheading "Permitted Use of Funds".

No proceeds will be used to acquire or lease a vehicle.

Private Placements for Cash

After the closing of the Offering and until the Completion of the Qualifying Transaction, the Company will not issue any securities unless written acceptance of the Exchange is obtained before issuance. Prior to the Completion of a Qualifying Transaction, the Exchange generally will not accept a private placement by the Company where the gross proceeds raised from the issuance of securities both prior to and pursuant to the Offering, together with any proceeds anticipated to be raised upon closing of the private placement, will exceed \$5,000,000. The only securities issuable pursuant to such a private placement will be Common Shares. Subject to certain limited exceptions, any Common Shares issued pursuant to the private placement to Non Arm's Length Parties to the Company and to Principals of the Resulting Issuer will be subject to escrow.

Prohibited Payments to Non Arm's Length Parties

Except as described under the heading "Options to Purchase Securities" and under the above subheading "Restrictions on Use of Proceeds", the Company has not made and, until the Completion of the Qualifying Transaction, will not make any payment of any kind, directly or indirectly, to a Non Arm's Length Party to the

Company, to a Non Arm's Length Party to the Qualifying Transaction or to a Person engaged in investor relations activities, by any means, including:

- (a) remuneration, which includes but is not limited to salaries, consulting fees, management contract fees or directors' fees, finders' fees, loans, advances and bonuses; and
- (b) deposits and similar payments.

Further, no such payment will be made on or after the Completion of a Qualifying Transaction if such payment relates to services rendered or obligations incurred prior to or in connection with the Qualifying Transaction.

Notwithstanding the above, the Company may reimburse a Non Arm's Length Party to the Company for reasonable expenses for office supplies, office rent and related utilities, equipment leases (excluding vehicle leases), and legal services (provided that neither the lawyer providing the legal services nor any member of the law firm providing the services is a promoter of the Company or, in the case of a law firm, no member of the firm owns greater than 10% of the outstanding Common Shares of the Company). The Company may also reimburse a Non Arm's Length Party to the Company for reasonable out-of-pocket expenses incurred in pursuing the business of the Company described under the above subheading "Permitted Use of Funds".

The foregoing restrictions on the use of proceeds and prohibitions on payments to Non Arm's Length Parties and Persons engaged in investor relations activities continue to apply until the Completion of the Qualifying Transaction.

PLAN OF DISTRIBUTION

Agent's Compensation

Pursuant to the Agency Agreement, the Company has appointed the Agent as its agent to offer for sale on a commercially reasonable efforts basis to the public 2,000,000 Common Shares as provided in this prospectus, at a price of \$0.10 per Common Share, for total gross proceeds of \$200,000, subject to the terms and conditions in the Agency Agreement. The Agent will receive the Agent's Commission of 10% of the aggregate gross proceeds from the sale of the Common Shares. In addition, the Agent will be paid a corporate finance fee of \$10,000 (plus HST), of which \$5,600 (\$5,000 plus HST) has been paid to the Agent as of the date of this prospectus. The Company will also pay the Agent's expenses, including legal fees and disbursements, estimated at \$12,000 (plus tax) and has paid a deposit to the Agent of \$12,000.

The Company has also agreed to grant to the Agent the Agent's Option to purchase 200,000 Common Shares at a price of \$0.10 per Common Share, which may be exercised for a period of 24 months from the Listing Date. The Agent's Option is qualified for distribution under this prospectus. Not more than 50% of the aggregate number of Common Shares which can be acquired by the Agent on the exercise of the entire Agent's Option may be sold by the Agent prior to the Completion of the Qualifying Transaction. The remaining 50% may be sold after the Completion of the Qualifying Transaction. The Agent has agreed to use its commercially reasonable efforts to secure subscriptions for the Common Shares offered hereunder on behalf of the Company and may make co-brokerage arrangements with other investment dealers at no additional cost to the Company. The obligations of the Agent under the Agency Agreement may be terminated at its discretion on the basis of its assessment of the state of financial markets and may also be terminated on the occurrence of certain events as stated in the Agency Agreement.

Commercially Reasonable Efforts Offering and Minimum Distribution

The total Offering is 2,000,000 Common Shares at a price of \$0.10 per Common Share for total gross proceeds of \$200,000. Under the CPC Policy, no purchaser of the Common Shares is permitted to purchase more than 2% or 40,000 of the total number of Common Shares in the Offering. In addition, the maximum number of Common Shares permitted to be purchased by that purchaser, together with any Associates or Affiliates of that purchaser, is 4% or 80,000 of the total number of Common Shares in the Offering. The funds received from the Offering will be

deposited with the Agent and will not be released until a minimum of \$200,000 has been deposited. The total subscription must be raised within 90 days of the date a receipt for the final prospectus is issued, or such other time as may be consented to by the regulatory authorities and by Persons who subscribed within that period, failing which the Agent will remit the funds collected to the original subscribers without interest or deduction, unless subscribers have otherwise instructed the Agent.

Other Securities to be Distributed

The Company has also granted Options to purchase an aggregate of 400,000 Common Shares at a price of \$0.10 per Common Share to its directors and officers in accordance with the policies of the Exchange, which Options are qualified for distribution under this prospectus. See “Options to Purchase Securities”.

Determination of Price

The offering price of the 2,000,000 Common Shares offered hereunder was determined by negotiation between the Company and the Agent.

Listing Application

The Exchange has conditionally accepted the listing of the Company’s Common Shares. Listing is subject to the Company fulfilling all of the requirements of the Exchange.

As of the date of this prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

Subscriptions by and Restrictions on the Agent

All subscriptions by any member of the Aggregate Pro Group are subject to the applicable client priority rules and the general rule of the CPC Policy that no purchaser can: (i) directly or indirectly purchase more than 2% of the total Common Shares offered under this Offering; and (ii) together with any Associates or Affiliates purchase more than 4% of the total Common Shares offered under this Offering. Any Common Shares issued to any member of the Aggregate Pro Group prior to the date of this prospectus will be held in escrow pursuant to the CPC Policy.

Until Completion of the Qualifying Transaction, the aggregate number of Common Shares permitted to be owned directly or indirectly by the members of the Pro Group cannot exceed 20% of the issued and outstanding Common Shares of the Company exclusive of Common Shares reserved for issuance at a further date. The Exchange will require that any securities issued to the Pro Group in connection with or in contemplation of the Qualifying Transaction will be subject to a four month Exchange hold period and the securities certificate(s) legended accordingly, as prescribed by Exchange Policy 3.2 “Filing Requirements and Continuous Disclosure”.

The Agent has advised the Company that to the best of its knowledge and belief, no directors, officers, employees or contractors of the Pro Group or any Associate or Affiliate of the foregoing have subscribed for Common Shares of the Company.

Restrictions on Trading

Other than the initial distribution of the Common Shares pursuant to this prospectus, the grant of the Agent’s Option and the grant of the Options to the directors and officers of the Company, no securities of the Company will be permitted to be issued during the period between the date a receipt for the preliminary prospectus is issued by the securities commission that is designated the principal regulator pursuant to Multilateral Instrument 11-102 *Passport System* and the time the Common Shares of the Company are listed for trading on the Exchange, except subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable securities regulatory authorities grant a discretionary order.

DESCRIPTION OF THE SECURITIES DISTRIBUTED

Common Shares

The Company is authorized to issue an unlimited number of Common Shares, of which 4,000,000 are issued and outstanding as fully paid and non-assessable. In addition, 2,000,000 Common Shares are reserved for issuance pursuant to this Offering, 200,000 Common Shares are reserved for issuance pursuant to the exercise of the Agent's Option and 400,000 Common Shares are reserved for issuance pursuant to the exercise of the Options granted to directors and officers of the Company. See "Plan of Distribution" and "Options to Purchase Securities".

The holders of Common Shares are entitled to dividends, as and when declared by the Board, to one vote per Common Share at meetings of shareholders of the Company and, upon liquidation, to receive such assets of the Company as are distributable to the holders of Common Shares. All Common Shares to be outstanding on completion of this Offering will be fully paid and non-assessable.

CAPITALIZATION

The following table sets forth information respecting the capitalization of the Company as at the date of the balance sheet contained herein and as at the date hereof both before and after giving effect to the Offering.

	Amount authorized	Amount outstanding as of the date of the most recent balance sheet contained in the prospectus ⁽¹⁾	Amount outstanding as at the date hereof, before giving effect to the Offering	Amount to be outstanding as at the date hereof, after giving effect to the Offering ⁽²⁾⁽³⁾
Common Shares	Unlimited	4,000,000⁽⁴⁾	4,000,000⁽⁴⁾	6,000,000

Notes:

- (1) As of the date of the most recent balance sheet contained in the prospectus, the Company had not commenced commercial operations.
- (2) This figure excludes the issuance of 200,000 Common Shares pursuant to the exercise of the Agent's Option at a price of \$0.10 per common share, which Agent's Option is exercisable for a period of 24 months from the Listing Date. The figure also excludes the issuance of 400,000 Common Shares which may be issued pursuant to the exercise of the Options granted to the directors and officers of the Company, exercisable at a price of \$0.10 per Common Share for a period of 10 years from the Listing Date. See "Plan of Distribution" and "Options to Purchase Securities".
- (3) The total gross proceeds to be received by the Company from the sale of the Common Shares offered by this prospectus will be \$200,000 prior to deducting the expenses of the Offering estimated at \$120,000 (including applicable taxes), which expenses include the Agent's Commission of \$20,000, the Agent's corporate finance fee of \$10,000 (plus HST, of which \$5,000 plus HST has been paid), the Agent's expenses and legal fees estimated at \$12,000 (plus HST and disbursements, of which \$12,000 has been paid), the Company's audit and legal fees estimated at \$51,000 (plus HST and disbursements, of which approximately \$49,400 has been paid) and listing and filing fees estimated at \$20,000 (plus HST, where applicable, of which \$9,500 has been paid). See "Use of Proceeds".
- (4) These Common Shares are subject to escrow restrictions. See "Escrowed Securities".

OPTIONS TO PURCHASE SECURITIES

The Company has adopted the Plan which provides that the Board may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, senior officers, employees or consultants to the Company, consultant company or management company employees or to an eligible charitable organization, 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. Such options will be exercisable for a period of up to ten years from the date of grant. In connection with the foregoing, the number of Common Shares reserved for issuance to: (a) any individual director or officer will not exceed five percent (5%) of the issued and outstanding Common Shares; and (b) all consultants will not exceed two percent (2%) of the issued and outstanding Common Shares. If the optionee's position with the Company ceases, the options may be exercised the greater of 12 months after the Completion of the Qualifying Transaction and 90 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, or 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. Any Common Shares acquired pursuant to the exercise of options under the Plan 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 "Escrowed Securities".

The Options previously granted to the directors and officers of the Company are qualified for distribution pursuant to this prospectus and are allocated as follows:

Name of Optionee	Number of Common Shares Under Option	Exercise Price Per Common Share	Expiry Date
Ki Bong Cho	200,000	\$0.10	10 Years from the Listing Date
S. John Kim	100,000	\$0.10	10 Years from the Listing Date
Tristin R. Lee	100,000	\$0.10	10 Years from the Listing Date
Total	400,000		

PRIOR SALES

Since the date of incorporation of the Company, 4,000,001 Common Shares have been issued as follows:

Date	Number of Common Shares	Issue Price Per Common Share	Aggregate Issue Price	Consideration Received
August 3, 2010 ⁽¹⁾	1	\$1.00	\$1.00	Cash
August 3, 2010 ⁽²⁾	1	\$0.05	\$0.05	Cash
August 5, 2010 ⁽²⁾	2	\$0.05	\$0.10	Cash
August 30, 2010 ⁽²⁾	3,999,997	\$0.05	\$199,999.85	Cash

Notes:

- (1) This Common Share was repurchased by the Company on August 3, 2010. This Common Share was cancelled and the sum of \$1.00 was deducted from the stated capital account of the Company.
- (2) All of the 4,000,000 Common Shares issued to the Principals prior to the IPO will be held in escrow in accordance with the CPC Policy. See "Escrowed Securities".

ESCROWED SECURITIES

All of the 4,000,000 Common Shares issued prior to this Offering at a price below \$0.10 per Common Share, all Common Shares that may be acquired by Non Arm's Length Parties of the Company either under the Offering or otherwise prior to Completion of the Qualifying Transaction, and all Common Shares acquired by members of the Aggregate Pro Group prior to this Offering will be deposited with the Escrow Agent under the terms of the Escrow Agreement.

All Common Shares acquired pursuant to the exercise of Options under the Plan prior to the Completion of a 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 of the Company acquired in the secondary market prior to the Completion of a Qualifying Transaction by any Person who becomes a Control Person are required to be deposited in escrow. Subject to certain exemptions permitted by the Exchange, all securities of the Company held by Principals of the Resulting Issuer will also be escrowed.

The following table sets out, as at the date hereof, the number of Common Shares of the Company, which are held in escrow.

Name and Municipality of Residence of Shareholder	Common Shares	Number of Common Shares held in escrow	Percentage of Common Shares prior to giving effect to the Offering	Percentage of Common Shares after giving effect to the Offering⁽¹⁾
Ki Bong Cho Seoul, Korea	3,800,000	3,800,000	95%	63.33%
S. John Kim Vancouver, BC	100,000	100,000	2.5%	1.66%
Tristin R. Lee Vancouver, BC	100,000	100,000	2.5%	1.66%
Total	4,000,000	4,000,000	100%	66.65%

Notes:

- (1) The percentages in this column assume that no Common Shares are purchased by the above shareholders under the Offering and exclude the 400,000 Common Shares to be issued upon the exercise of the Options and the 200,000 Common Shares to be issued upon the exercise of the Agent's Option.

Where the Common Shares of the Company which are required to be held in escrow are held by a non-individual (a "**Holding Company**"), each Holding Company pursuant to the Escrow Agreement, has agreed, or will agree, not to carry out any transactions during the currency of the Escrow Agreement which would result in a change of control of the Holding Company, without the consent of the Exchange. Any Holding Company must sign an undertaking to the Exchange that, to the extent reasonably possible, it will not permit or authorize any issuance of securities or transfer of securities that could reasonably result in a change of control of the Holding Company. In addition, the Exchange may require an undertaking from any Control Person of the Holding Company not to transfer the shares of that Holding Company.

Under the terms of the Escrow Agreement, 10% of the escrowed Common Shares will be released from escrow upon the issuance of the Final Exchange Bulletin (the "**Initial Release**") and an additional 15% will be released on the dates 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 Initial Listing Requirements either at the time the Final Exchange Bulletin is issued or subsequently, the release of the escrowed Common Shares will be accelerated. 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 escrowed Common 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 escrowed Common Shares will not be released. Under the Escrow Agreement, each Non Arm's Length Party to the Company who holds escrowed Common Shares acquired at a price

below the Offering price under this prospectus has irrevocably authorized and directed the Escrow Agent to immediately:

- (a) cancel all of those escrowed Common Shares upon the issuance by the Exchange of a bulletin delisting the Common Shares of the Company; or
- (b) if the Company lists on NEX, either:
 - (i) cancel all Seed Shares purchased by Non Arm's length Parties to the Company 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 Company so that the average cost of the remaining Seed Shares is at least equal to the IPO price.

Escrowed Securities on Qualifying Transaction

Generally, if at least 75% of the securities issued pursuant to the Qualifying Transaction are Value Securities, then all the securities issued to Principals of the Resulting Issuer pursuant to the Qualifying Transaction will be deposited into escrow pursuant to a Value Security Escrow Agreement. Value Securities are securities issued pursuant to a transaction, for which the deemed value of the securities at least equals the value ascribed to the assets, using a valuation method acceptable to the Exchange, or securities that are otherwise determined by the Exchange to be Value Securities and required to be placed in escrow under a Value Security Escrow Agreement; however, if at least 75% of the securities issued pursuant to the Qualifying Transaction are not Value Securities, all securities issued pursuant to the Qualifying Transaction will be deposited into a surplus security escrow agreement (a "**Surplus Security Escrow Agreement**").

The principal distinction between a Value Security Escrow Agreement and a Surplus Security Escrow Agreement is the time period for release of securities from escrow. In the case of a Resulting Issuer that will be a Tier 2 Issuer when the Final Exchange Bulletin is issued, the Value Security Escrow Agreement provides for a three year escrow release mechanism with 10% of the escrowed securities being releasable at the time of the Final Exchange Bulletin, and 15% of the escrowed securities being releasable every 6 months thereafter, on each of the 6, 12, 18, 24, 30 and 36 month anniversaries of the Final Exchange Bulletin. In the case of a Resulting Issuer that will be a Tier 2 Issuer, when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement also provides for a three-year escrow release mechanism with:

- (a) 5% of the escrowed securities being releasable upon issuance of the Final Exchange Bulletin and an additional 5% on the date which is 6 months after the Final Exchange Bulletin;
- (b) 10% of the escrowed securities being releasable on each of the dates which are 12 and 18 months after the Final Exchange Bulletin;
- (c) 15% of the escrowed securities being releasable on each of the dates which are 24 and 30 months after the Final Exchange Bulletin; and
- (d) 40% of the escrowed securities being releasable on the date which is 36 months after the Final Exchange Bulletin.

In the case of a Resulting Issuer that will be a Tier 1 Issuer when the Final Exchange Bulletin is issued, the Value Security Escrow Agreement provides for an 18 month escrow release mechanism with 25% of the escrowed securities being releasable at the time of the Final Exchange Bulletin, and with 25% of the escrowed securities being releasable every 6 months thereafter. In the case of a Resulting Issuer that will be a Tier 1 Issuer when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement also provides for an 18 month release mechanism with:

- (a) 10% of the escrowed securities being releasable upon the issuance of the Final Exchange Bulletin;

- (b) 20% of the escrowed securities being releasable on the date which is 6 months after the Final Exchange Bulletin;
- (c) 30% of the escrowed securities being releasable on the date which is 12 months after the Final Exchange Bulletin; and
- (d) 40% of the escrowed securities being releasable on the date which is 18 months after the Final Exchange Bulletin.

Securities issued pursuant to a private placement to Principals of the Company and the proposed Resulting Issuer will generally be exempt from escrow requirements where:

- (a) the private placement is announced at least five trading days after the news release announcing the Agreement in Principle and the pricing of the financing is at not less than the discounted market price, as determined in accordance with the policies of the Exchange; or
- (b) the private placement is announced concurrently with the Agreement in Principle; and
 - (i) at least 75% of the proceeds from the private placement are not from Principals of the Company or the proposed Resulting Issuer;
 - (ii) if subscribers, other than Principals of the Company or the proposed Resulting Issuer, will obtain securities subject to hold periods, then in addition to any resale restrictions under applicable securities legislation, any securities issued to such Principals will be subject to a four month hold period; and
 - (iii) none of the proceeds of the private placement are allocated to pay compensation or to settle indebtedness owing to Principals of the Resulting Issuer.

PRINCIPAL SHAREHOLDERS

The following table lists those Persons who own 10% or more of the issued and outstanding Common Shares of the Company as at the date hereof:

Name and Municipality of Residence	Type of Ownership	Number of Common Shares ⁽²⁾	Percentage of Common Shares owned before the Offering ⁽¹⁾	Percentage of Common Shares owned after the Offering ⁽¹⁾⁽³⁾	Percentage of Common Shares owned after the Offering on a fully diluted basis ⁽¹⁾⁽⁴⁾
Ki Bong Cho Seoul, Korea	Direct	3,800,000	95%	63.3%	60.6%

Notes:

- (1) Assuming that no Common Shares are purchased by Ki Bong Cho under the Offering.
- (2) These Common Shares will be held in escrow. See “Escrowed Shares”.
- (3) Excluding the issuance of 200,000 Common Shares pursuant to the exercise of the Agent’s Option and the issuance of an aggregate of 400,000 Common Shares pursuant to the exercise of the Options granted to the directors and officers of the Company. See “Plan of Distribution” and “Options to Purchase Securities”.
- (4) On a fully diluted basis, assuming the exercise of the Agent’s Option and the exercise of all of the Options granted to the directors and officers of the Company.

DIRECTORS, OFFICERS AND PROMOTERS

Name, Address, Occupation, Security Holdings and Involvement with Other Reporting Issuers

The following is a list of the current directors, officers and promoters of the Company, their municipalities of residence, their current positions with the Company, and the number of common shares of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised:

Name, Municipality of Residence	Position Held within the Company	Principal Occupation(s)	Common Shares Held as of the date of this Prospectus ⁽²⁾	Percentage of Common Shares owned before the Offering	Percentage of Common Shares owned after the Offering ⁽¹⁾⁽³⁾
Ki Bong Cho ⁽⁴⁾⁽⁵⁾ Seoul, Korea	CEO, CFO, Secretary and Director since August 3, 2010	Chairman of Korea Energy Exploration & Production Co. Ltd.	3,800,000	95%	63.3%
S. John Kim ⁽⁴⁾ Vancouver, BC	Director since August 4, 2010	Chief Financial Officer of Mount Dakota Energy Corp.; Director of Global Key Investment Limited.	100,000	2.5%	1.66%
Tristin R. Lee ⁽⁴⁾ Vancouver, BC	Director since August 4, 2010	Self-employed, barrister & solicitor	100,000	2.5%	1.66%

Notes:

- (1) Assuming that no Common Shares are purchased by the above directors and officers of the Company under the Offering.
- (2) These Common Shares will be held in escrow. See “Escrowed Shares”.
- (3) Excluding the issuance of 200,000 Common Shares pursuant to the exercise of the Agent’s Option and the issuance of an aggregate of 400,000 Common Shares pursuant to the exercise of the Options granted to the directors and officers of the Company. See “Plan of Distribution” and “Options to Purchase Securities”.
- (4) Denotes members of the audit committee of the Company (the “**Audit Committee**”).
- (5) Denotes a promoter of the Company.

In addition to any other requirements of the Exchange, the Exchange expects management of the Company to meet a high management standard. The directors and officers of the Company believe that, on a collective basis, management possesses the appropriate experience, qualifications and history to be capable of identifying, investigating and acquiring a Significant Asset.

Prior to the completion of the Offering, the directors and officers of the Company collectively hold 100% of the Common Shares of the Company. Following the completion of the Offering, and assuming that they do not purchase any Common Shares under the Offering, the directors and officers of the Company will collectively hold 66.6% of the Common Shares of the Company and 66.6% on a fully-diluted basis.

Mr. Ki Bong Cho is also a promoter of the Company in that he took the initiative in founding and organizing the Company. Prior to the completion of the Offering, Mr. Cho holds 95% of the Common Shares of the Company. Following the completion of the Offering, Mr. Cho will hold 63.3% of the Common Shares of the Company and 60.6% on a fully-diluted basis.

Management and Key Personnel

The following is a brief description of key members of management of the Company.

Ki Bong Cho, Secretary, CEO, CFO, Director and Promoter, Age 72

Mr. Cho is currently the Chairman of Korea Energy Exploration & Production Co., Ltd. From 2001 to 2005 Mr. Cho held various offices, including Chief Executive Officer, with GHENP Co., Ltd., a company providing consulting services to mineral resource exploration companies. From 1996 to 1998, Mr. Cho served as the President, Overseas Resources Division, of Jinro Co., Ltd., one of the largest liquor producers in Korea. From 1978 to 1992, Mr. Cho served as the Director General for the Ministry of Energy and Resources for the Republic of Korea. Mr. Cho earned a Bachelor of Engineering (Mining) from Seoul National University in 1961.

Mr. Cho will devote approximately 75% of his time to the business of the Company.

S. John Kim, Director, Age 42

Mr. Kim has been a director and has acted in the capacity of Chief Financial Officer of Mount Dakota Energy Corp., an oil and gas company listed on the Exchange, since November 1994. Since October 25, 2007, Mr. Kim has also served as a director of Global Key Investment Limited., a company listed on the Exchange involved with the importation, distribution and selling of wine products into certain provinces of China.

Mr. Kim will devote approximately 5% of his time to the business of the Company.

Tristin R. Lee, Director, Age 36

Ms. Lee has been a member of the Law Society of British Columbia since 2006. Ms. Lee holds a J.D. degree and a Bachelor's degree with a major in Political Science from the University of British Columbia. Ms. Lee practiced law with various law firms in Vancouver, specializing in the areas of securities and corporate finance. Ms. Lee is currently the principal of TRL Law Corporation and advises both public and private companies on various matters, including initial public offerings, public and private equity and debt financings, continuous disclosure, corporate governance and regulatory compliance. In addition, Ms. Lee serves as Corporate Secretary of NMC Resource Corporation.

Ms. Lee will devote approximately 5% of her time to the business of the Company.

Other Reporting Issuer Experience

The following table sets out the directors, officers and promoter(s) of the Company that are, or have been within the last five years, directors, officers or promoters of other Issuers that are or were reporting Issuers in any Canadian jurisdiction:

Name	Name of Reporting Issuer	Name of Exchange or Market	Position	Term
S. John Kim	Mount Dakota Energy Corp.	TSX Venture Exchange	Chief Financial Officer and Director	November 1994 - Current
	Global Key Investment Limited	TSX Venture Exchange	Director	October 2007 - Current
Tristin R. Lee	NMC Resource Corporation	TSX Venture Exchange	Corporate Secretary	December 2009 – Current

Corporate Cease Trade Orders or Bankruptcies

No director, officer, Insider or promoter of the Company, or any shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company is or has within the 10 years before the date of the prospectus been a director, officer, Insider or promoter of any Issuer that, while such Person was acting

in that capacity, was the subject of a cease trade or similar order or an order that denied an Issuer access to any exemptions under applicable securities legislation for a period of more than 30 consecutive days or became a 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 director, officer, Insider or promoter of the Company, or any shareholder holding sufficient securities of the Company to affect materially the control of the Company has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any 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 be likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

No director, officer, Insider or promoter of the Company, or any shareholder holding sufficient securities of the Company to affect materially the control of the Company, or a personal holding company of any such Persons, has, within the 10 years preceding the date of this prospectus, as applicable, 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 their assets.

Conflicts of Interest

There are potential conflicts of interest to which the directors, officers, Insiders and promoters of the Company may be subject in connection with the operations of the Company. All of the directors, officers, Insiders and promoters are engaged in and will continue to be engaged in corporations or businesses which may be in competition with the search by the Company for businesses or assets in order to close a Qualifying Transaction. Accordingly, situations may arise where all of the directors, officers, Insiders and promoters will be in direct competition with the Company. Conflicts, if any, will be subject to the procedures and remedies as provided under the British Columbia *Business Corporations Act*.

EXECUTIVE COMPENSATION

Except as set out below or otherwise disclosed in this prospectus, prior to the Completion of a Qualifying Transaction, no payment of any kind has been made or will be made, directly or indirectly, by the Company to a Non Arm's Length Party to the Company, to a Non Arm's Length Party to the Qualifying Transaction or to any Person engaged in investor relations activities in respect of the securities of the Company or any Resulting Issuer by any means, including:

- (a) remuneration, which includes but is not limited to:
 - (i) salaries;
 - (ii) consulting fees;
 - (iii) management contract fees or directors' fees;
 - (iv) finder's fees;
 - (v) loans, advances, bonuses; and
- (b) deposits and similar payments.

The Company, however, may reimburse Non Arm's Length Parties for the Company's reasonable allocation of rent, secretarial services and other general administrative expenses, at fair market value (the **"Permitted Reimbursement"**). There have been no reimbursements since incorporation. No reimbursement may be made for any payment made to lease or buy a vehicle.

The directors and officers of the Company may be granted additional options pursuant to the Plan.

Following the Completion of the Qualifying Transaction, it is anticipated that the Company will pay compensation to its directors and officers. No payment other than the Permitted Reimbursements will be made by the Company or by any party on behalf of the Company, after Completion of the Qualifying Transaction, if the payment relates to services rendered or obligations incurred prior to or in connection with the Qualifying Transaction.

DILUTION

Purchasers of Common Shares under this prospectus will suffer an immediate dilution of 33% or \$0.033 per Common Share on the basis of there being 6,000,000 Common Shares of the Company issued and outstanding following completion of this Offering. Dilution has been computed on the basis of total gross proceeds to be raised by this prospectus and from sales of securities prior to filing of this prospectus, without deduction of the Agent's Commission or other related expenses incurred by the Company, as set forth below:

Gross proceeds from prior issuance of Common Shares	\$200,000
Gross proceeds of this Offering	\$200,000
Total gross proceeds after this Offering	\$400,000
Offering price per Common Share	\$ 0.10
Gross proceeds per Common Share after this Offering	\$ 0.066
Dilution per Common Share to subscriber	\$ 0.033
Percentage of dilution in relation to offering price	33%

RISK FACTORS

Investment in the Common Shares of the Company must be regarded as highly speculative due to the proposed nature of the Company's business and its present stage of development. The following are risk factors associated with the Company:

- (a) the Company was only recently incorporated, has not commenced commercial operations and has no assets other than cash. It has no history of earnings, and will not generate earnings or pay dividends until at least after Completion of the Qualifying Transaction;
- (b) investment in the Common Shares offered by the prospectus is highly speculative given the proposed nature of the Company's business and present stage of development;
- (c) the directors and officers of the Company will only devote a portion of their time to the business and affairs of the Company and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time;
- (d) assuming completion of the Offering, an investor will suffer an immediate dilution to its investment of 33% or \$0.033 per Common Share;
- (e) there can be no assurance that an active and liquid market for the Company's Common Shares will develop and an investor may find it difficult to resell their Common Shares;

- (f) until Completion of a Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions;
- (g) the Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify a suitable Qualifying Transaction;
- (h) even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to successfully complete the transaction;
- (i) Completion of the Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and, in the case of a Non Arm's Length Qualifying Transaction, Majority of the Minority Approval;
- (j) unless the shareholder has the right to dissent and be paid fair value in accordance with applicable corporate or other law, a shareholder who votes against a proposed Non Arm's Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Company of fair value for the Common Shares;
- (k) upon public announcement of a proposed Qualifying Transaction, trading in the Common Shares of the Company will be halted and will remain halted for a period of time, typically until a Sponsor has been retained and certain preliminary reviews have been conducted. The Common Shares of the Company will be reinstated to trading before the Exchange has reviewed the transaction and before the Sponsor has completed its full review. Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Company completing the proposed Qualifying Transaction;
- (l) trading in the Common Shares of the Company may be halted at other times for other reasons, including for failure by the Company to submit documents to the Exchange in the time periods required;
- (m) the Exchange will generally suspend trading in the Company's Common Shares or delist the Company if the Exchange has not issued a Final Exchange Bulletin within 24 months from the Listing Date;
- (n) neither the Exchange nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction;
- (o) if management of the Company resides outside of Canada or the Company identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service of notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such Persons, judgments obtained in Canadian courts;
- (p) the Qualifying Transaction may be financed in whole or in part by the issuance of additional securities by the Company and this may result in further dilution to the investor, which dilution may be significant, and which issuance of additional securities may also result in a change of control of the Company;
- (q) subject to prior acceptance by the Exchange, the Company may be permitted to loan or advance up to an aggregate of \$250,000 of its proceeds to a target business without requiring shareholder approval and there can be no assurance that the Company will be able to recover that loan; and
- (r) the Company is relying solely on the past business success of its directors and officers to identify a Qualifying Transaction of merit. The success of the Company is dependent upon the efforts and abilities of its management team. The loss of any member of the management team could have a material adverse effect upon the business and prospects of the Company. In such event, the Company will seek satisfactory replacements but there can be no guarantee that appropriate personnel may be found.

As a result of these factors, this Offering is only suitable to investors who are willing to rely solely on management of the Company and who can afford to lose their entire investment. Those investors who are not prepared to do so should not invest in the Common Shares.

LEGAL PROCEEDINGS

The Company is not currently a party to any legal proceedings, nor is the Company currently contemplating any legal proceedings. Management of the Company is currently not aware of any legal proceedings contemplated against the Company.

RELATIONSHIP BETWEEN THE COMPANY AND THE AGENT

The Company is not a related or connected party (as such terms are defined in National Instrument 33-105 *Underwriting Conflicts*) to the Agent.

RELATIONSHIP BETWEEN THE COMPANY AND PROFESSIONAL PERSONS

Certain legal matters relating to this Offering will be passed upon by Thomas, Rondeau LLP on behalf of the Company and by Miller Thomson LLP on behalf of the Agent. No Person whose profession or business gives authority to a statement made by such Person and who is named in this prospectus has received or shall receive a direct or indirect interest in the property of the Company or any Associate or Affiliate of the Company. As at the date hereof, the aforementioned Persons beneficially own, directly or indirectly, no securities of the Company or its Associates and Affiliates. In addition, none of the aforementioned Persons nor any director, officer or employee of any of the aforementioned Persons, is or is expected to be elected, appointed or employed as a director, senior officer or employee of the Company or of an Associate or Affiliate of the Company, or a promoter of the Company or of an Associate or Affiliate of the Company.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are Manning Elliott LLP, Chartered Accountants, of 11th Floor, 1050 West Pender Street, Vancouver, BC V6E 3S7.

Computershare Investor Services Inc. of Vancouver, BC is the transfer agent and registrar for the Company's Common Shares.

MATERIAL CONTRACTS

The Company has not entered into any contracts material to investors in the Common Shares hereunder within the two years prior to the date hereof, other than the following:

1. Agency Agreement dated January 17, 2011 between the Company and the Agent. See "Plan of Distribution".
2. Escrow Agreement dated September 15, 2010 among the Company, the Escrow Agent and the holders of the Seed Shares. See "Escrowed Securities".
3. Registrar and Transfer Agent Agreement dated September 15, 2010 between the Company and Computershare Investor Services Inc.
4. The Company's Stock Option Plan.

Copies of these agreements will be available for inspection at the registered office of the Company located at Suite 300 – 576 Seymour Street, Vancouver, BC V6B 3K1 during ordinary business hours while the securities offered by this prospectus are in the course of distribution and for a period of 30 days thereafter.

OTHER MATERIAL FACTS

To management's knowledge, there are no other material facts relating to the securities being distributed that are not otherwise disclosed in this prospectus, or that are necessary in order for the prospectus to contain full, true and plain disclosure of all material facts relating to the securities being distributed.

PROMOTER

Ki Bong Cho is considered to be the Promoter of the Company in that he took the initiative in founding and organizing the Company. See also "Prior Sales" and "Principal Shareholders".

ELIGIBILITY FOR INVESTMENT

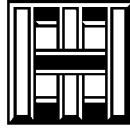
In the opinion of Thomas, Rondeau LLP, based on the current provisions of the *Income Tax Act* (Canada) (the "Tax Act") and the regulations thereunder (the "Regulations"), and any specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, provided the Common Shares are, at a particular time, listed on a "designated stock exchange", as defined in the Tax Act (which currently includes the Exchange), the Common Shares will be "qualified investments" at the particular time for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts ("TFSA's") under the Tax Act (collectively, the "Investment Plans").

The Common Shares are not currently listed on a "designated stock exchange". The Exchange has conditionally accepted the listing of the Company's Common Shares. Listing will be subject to the Company fulfilling all of the requirements of the Exchange. The Common Shares, however, will not be listed on a "designated stock exchange" at the date of the closing of the Offering. The Company may, but is not obligated to, make an election, pursuant to the Tax Act, to be designated as a "public corporation" on the same day of, but after, the Closing (the "Election"). If the Company were to make such Election it would be doing so on the reliance that the Canada Revenue Agency (the "CRA") will administratively accept that the Election, if validly made in satisfaction of the minimum requirements set out in the Tax Act and the Regulations and duly filed, will result in the Company being deemed to be a "public corporation" for purposes of the Tax Act from the date of incorporation to the date of the Closing, thus causing the Common Shares issued on the Closing to be "qualified investments" for the Investment Plans at the time of issuance (the "Company's Reliance"). **If the Company's Reliance is incorrect or the Election, if made, is not accepted as being validly filed or made in satisfaction of the minimum requirements set out in the Tax Act and the Regulations, then the Common Shares will not be "qualified investments" for an Investment Plan at the time of issuance. Significant Penalties will be applicable if Common Shares are acquired by an Investment Plan at a time that such common shares are not "qualified investments" for the Investment Plan. Holders that intend to transfer Common Shares to an Investment Plan after the completion of the Offering should consult their own tax advisor about the applicable tax consequences with respect to such a transfer as, for example, income tax and penalties may be payable as a result of the transfer.**

Notwithstanding that the Common Shares may, at a particular time, be qualified investments for a trust governed by a TFSA, the holder of a TFSA will be subject to a penalty tax with respect to the Common Shares held in a TFSA if such shares are "prohibited investments" for the TFSA within the meaning of the Tax Act. Provided that the holder of a TFSA does not hold a "significant interest" (as defined in the Tax Act) in the Company or any corporation, partnership or trust that does not deal at arm's length with the Company for the purposes of the Tax Act, and provided that such holder deals at arm's length with the Company for the purposes of the Tax Act, the Common Shares will not be "prohibited investments" for a trust governed by the TFSA. **Prospective holders that intend to hold Common Shares in a TFSA are urged to consult their own tax advisers.**

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in the Provinces of Alberta and British Columbia provides purchasers with the right to withdraw from an agreement to purchase securities. The right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. The securities legislation further provides a purchaser with remedies for rescission or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.



MANNING ELLIOTT
CHARTERED ACCOUNTANTS

11th floor, 1050 West Pender Street, Vancouver, BC, Canada V6E 3S7

Phone: 604. 714. 3600 Fax: 604. 714. 3669 Web: manningelliott.com

AUDITORS' CONSENT

We have read the Prospectus of KR Investment Ltd. (the "Company") dated January 17, 2011 relating to the issuance of 2,000,000 common shares of the Company. We have complied with Canadian generally accepted standards for an auditor's involvement with such offering documents.

We consent to the incorporation by reference in the Prospectus of our report to the shareholders of the Company on the balance sheets of the Company as at November 30, 2010 and August 31, 2010 and the statements of operations, comprehensive loss and deficit, and cash flows for the three-month period ended November 30, 2010 and for the period from inception on August 3, 2010 to August 31, 2010. Our report is dated January 17, 2011.

"/s/ Manning Elliott LLP"

CHARTERED ACCOUNTANTS

Vancouver, British Columbia, Canada

January 17, 2011

KR INVESTMENT LIMITED
FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED
NOVEMBER 30, 2010 AND FOR THE PERIOD
FROM INCEPTION ON AUGUST 3, 2010 TO
AUGUST 31, 2010
(Expressed in Canadian Dollars)

KR INVESTMENT LTD.

FINANCIAL STATEMENTS

**FOR THE THREE MONTH PERIOD ENDED NOVEMBER 30, 2010 AND
FOR THE PERIOD FROM INCEPTION ON AUGUST 3, 2010 TO AUGUST 31, 2010**

Table of Contents

Auditors' Report	3
Balance Sheet.....	4
Statement of Operations, Comprehensive Loss and Deficit	5
Statement of Cash Flows	6
Notes to the Financial Statements	7-13



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AUDITORS' REPORT

To the Shareholders of
KR Investment Ltd.

We have audited the balance sheets of KR Investment Ltd. as at November 30, 2010 and August 31, 2010 and the statements of operations, comprehensive loss and deficit and cash flows for the three-month period ended November 30, 2010 and for the period from inception on August 3, 2010 to August 31, 2010. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2010 and August 31, 2010 and the results of its operations and its cash flows for the three-month period ended November 30, 2010 and for the period from inception on August 3, 2010 to August 31, 2010 in accordance with Canadian generally accepted accounting principles.

Manning Elliott LLP

Chartered Accountants
Vancouver, British Columbia
January 17, 2011

KR INVESTMENT LTD.**BALANCE SHEET**

	November 30, 2010 \$	August 31, 2010 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	153,810	209,864
DEFERRED FINANCING COSTS	58,914	1,680
	<u>212,724</u>	<u>211,544</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payables and accrued liabilities	14,815	5,799
Due to related party (Note 5)	11,100	11,100
	<u>25,915</u>	<u>16,899</u>
SHAREHOLDERS' EQUITY		
Share capital (Note 4)	197,760	197,760
Deficit	(10,951)	(3,115)
	<u>186,809</u>	<u>194,645</u>
	<u>212,724</u>	<u>211,544</u>

NATURE OF OPERATIONS (Note 1)
COMMITMENTS (Note 4(c) and 4(d))
SUBSEQUENT EVENTS (Note 9)

Approved on behalf of the Board:

"Ki Bong Cho"
Ki Bong Cho, Director

"S. John Kim"
S. John Kim, Director

The accompanying notes are an integral part of these financial statements

KR INVESTMENT LTD.**STATEMENTS OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT**

	Three Month Period Ended November 30, 2010	Period from Inception on August 3, 2010 to August 31, 2010
	\$	\$
REVENUE	-	-
EXPENSES		
Accounting and legal	7,440	3,115
Bank charges	159	-
Telephone	88	-
Transfer agent and filing fees	149	-
	<u>7,836</u>	<u>3,115</u>
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	(7,836)	(3,115)
DEFICIT, BEGINNING OF PERIOD	(3,115)	-
DEFICIT, END OF PERIOD	<u>(10,951)</u>	<u>(3,115)</u>
LOSS PER SHARE		
Loss Per Share – Basic and Diluted	-	(0.02)
Weighted Average Shares Outstanding	<u>4,000,000</u>	<u>142,860</u>

The accompanying notes are an integral part of these financial statements

KR INVESTMENT LTD.**STATEMENTS OF CASH FLOWS**

	Three Month Period Ended November 30, 2010 \$	Period from Inception on August 3, 2010 to August 31, 2010 \$
OPERATING ACTIVITIES		
Net loss for the period	(7,836)	(3,115)
Changes in operating assets and liabilities:		
Accounts payable and accrued liabilities	9,016	5,799
	<u>1,180</u>	<u>2,684</u>
FINANCING ACTIVITIES		
Advances from a related party	-	11,100
Common shares issued for cash	-	200,000
Share issuance and deferred financing costs	(57,234)	(3,920)
	<u>(57,234)</u>	<u>207,180</u>
INCREASE IN CASH AND CASH EQUIVALENTS	(56,054)	209,864
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	209,864	-
CASH AND CASH EQUIVALENTS, END OF PERIOD	153,810	209,864
CASH AND CASH EQUIVALENTS		
Demand deposits	99,856	200,000
Cash held in trust	53,954	9,864
	<u>153,810</u>	<u>209,864</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for:		
Interest	-	-
Income taxes	-	-

The accompanying notes are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the three month period ended November 30, 2010 and for the period from inception on August 3, 2010 to August 31, 2010

1. NATURE OF OPERATIONS

KR Investment Ltd. (the "Company") was incorporated on August 3, 2010 under the Business Corporations Act (British Columbia). The Company is in the process of applying to become a Capital Pool Company ("CPC") as defined in TSX Venture Exchange Policy 2.4, and accordingly, its planned principal activity is to use its capital to investigate and find a business or group of assets to acquire (the "Qualifying Transaction").

The Company does not currently have operations or assets capable of generating ongoing revenues or cash flows and there is no certainty that it will complete a Qualifying Transaction within the twenty-four month time period specified by TSX Venture Exchange Policy 2.4.

Although these financial statements have been prepared and presented on a going concern basis, there is significant risk that the Company will not become a going concern, in which case this basis of presentation will not be appropriate.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and are expressed in Canadian dollars.

(b) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash in accounts, cash held in trust and when applicable, securities that on acquisition have a term to maturity of three months or less, or may be redeemed during this period. These financial instruments are highly liquid marketable securities and deposits, which will be designated as held-for-trading and recorded at their fair values. Fair values are determined by reference to quoted market prices at the balance sheet date. Unrealized gains and losses on held-for-trading investments are recognized in income. Investment transactions will be recognized on the trade date with transaction costs included in the underlying balance. At each balance sheet date, the Company will assess for any impairment in value that is considered to be other than temporary, and record any write-downs in net loss for the period.

(d) Income Taxes

The Company follows the asset and liability method for determining income taxes. Under this method, future income tax assets and liabilities are recognized for temporary differences between the carrying amounts for financial statement purposes and the tax basis for certain assets and liabilities. Future income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which these temporary differences are expected to be settled. A valuation allowance is recorded against future income tax assets if it is more likely than not that the asset will not be realized.

(e) Financial Instruments

Cash and cash equivalents are classified as held-for-trading and are measured at fair value, with changes in fair value being recorded in net loss. Due to related party is classified as other financial liabilities and is recorded at amortized cost.

NOTES TO THE FINANCIAL STATEMENTS

For the three month period ended November 30, 2010 and for the period from inception on August 3, 2010 to August 31, 2010

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(f) Financing Costs**

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the transaction has been specifically identified and completion is considered likely; otherwise they are expensed as incurred. Share issuance costs are offset against share capital when the related shares are issued. Debt issuance costs will be offset against the related obligation when issued. Deferred financing costs related to financing transactions that are not completed are charged to expenses.

(g) Comprehensive Loss

Comprehensive loss reflects net loss and other comprehensive income (loss) for the period. Other comprehensive income (loss) includes changes in unrealized foreign currency translation amounts arising from self-sustaining foreign operations, unrealized gains and losses on available-for-sale assets and changes in the fair value of derivatives designated as cash flow hedges to the extent they are effective.

(h) Loss per Share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method of calculating diluted per share amounts whereby any proceeds from the exercise of stock options or other dilutive instruments are assumed to be used to purchase common shares at the average market price during the period they are outstanding.

3. RECENT ACCOUNTING PRONOUNCEMENTS

Recent Canadian accounting pronouncements that have been announced but are not yet effective are as follows:

(i) CICA 1582, "Business Combinations", CICA 1601, "Consolidated Financial Statements" and CICA 1602, "Non-Controlling Interests"

In January 2009, the CICA issued Section 1582 "Business Combinations" to replace Section 1581. Prospective application of the standard is effective January 1, 2011, with early adoption permitted. This new standard effectively harmonizes the business combinations standard under Canadian GAAP with International Financial Reporting Standards ("IFRS"). The new standard revises guidance on the determination of the carrying amount of the assets acquired and liabilities assumed, goodwill and accounting for non-controlling interests at the time of a business combination. The CICA concurrently issued Section 1601 "Consolidated Financial Statements" and Section 1602 "Non-Controlling Interests," which replace Section 1600 "Consolidated Financial Statements." Section 1601 provides revised guidance on the preparation of consolidated financial statements and Section 1602 addresses accounting for non-controlling interests in consolidated financial statements subsequent to a business combination. These standards are effective January 1, 2011, unless they are early adopted at the same time as Section 1582 "Business Combinations." The adoption of this standard is not expected to have a material effect on the Company's financial statements.

(ii) International Financial Reporting Standards

In February 2008, the CICA Accounting Standards Board confirmed that public companies will be required to prepare interim and annual financial statements under International Financial Reporting Standards ("IFRS") for fiscal years beginning on or after January 1, 2011. The Company is currently assessing the impact of adopting IFRS and has not yet determined its effect on its financial statements.

KR INVESTMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the three month period ended November 30, 2010 and for the period from inception on August 3, 2010 to August 31, 2010

4. SHARE CAPITAL

- (a) Authorized: Unlimited number of common shares without par value.
- (b) Issued and Outstanding

	Number of Shares	Amount \$
Balance, August 3, 2010	-	-
Issued for cash	4,000,001	200,001
Cancelled	(1)	(1)
Less: related issuance costs	-	(2,240)
Balance as at August 31, 2010 and November 30, 2010	4,000,000	197,760

On August 3, 2010, the Company issued 1 common share at a price of \$1 and 1 common share at a price of \$0.05. The first common share issued at \$1 was subsequently returned to treasury and cancelled.

On August 5, 2010, the Company issued 2 common shares at a price of \$0.05.

On August 30, 2010, the Company issued 3,999,997 common shares at a price of \$0.05 per share for gross proceeds of \$200,000. These shares were subscribed for by the Company's directors.

- (c) On September 2, 2010, the Company entered into an agreement with its agent to commit to offer 2,000,000 common shares of the Company at a price of \$0.10 per share for gross proceeds of \$200,000 (the "IPO"). In connection with the IPO, the Company filed a preliminary prospectus on SEDAR on October 15, 2010, and agreed to pay to its agent a cash commission equal to 10% of the gross proceeds of the IPO and to issue agent options to acquire the number of common shares of the Company equal to 10% of the common shares issued under the IPO. The agent options will be exercisable at a price of \$0.10 per share for a period of two years from the date the common shares are listed for trading on the TSX Venture Exchange.
- (d) On September 15, 2010, the Company approved the issuance of 400,000 share purchase options to directors of the Company, at an exercise price of \$0.10 per share, exercisable for a period of ten years from the date of issuance. These options will be issued at the time of closing the Initial Public Offering as described in Note 4(c) and will be subject to the same escrow provisions as described in Note 4(e).
- (e) Escrowed Shares
- In conjunction with the Company's application to become a CPC, the 4,000,000 shares outstanding at November 30, 2010 will be held in escrow and released in accordance with TSX Venture Exchange Policy 2.4 over a period of up to 36 months from the date of the Final Exchange Bulletin following the completion of a Qualifying Transaction.

5. RELATED PARTY TRANSACTIONS AND BALANCES

During the three month period ended November 30, 2010, the Company had no related party transactions.

During August 2010, a director of the company advanced a retainer of \$11,100 to the Company's legal counsel on behalf of the Company. This advance remains outstanding as of November 30, 2010, is unsecured, non-interest bearing and due on demand.

KR INVESTMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the three month period ended November 30, 2010 and for the period from inception on August 3, 2010 to August 31, 2010

6. INCOME TAXES

The following table reconciles the amount of income tax recoverable upon application of statutory Canadian federal and provincial income tax rates to the amount reported in these financial statements:

	November 30, 2010 \$	August 31, 2010 \$
Net loss before income taxes	(7,836)	(3,115)
Statutory rate	28.5%	28.5%
Expected future income tax recovery	(2,233)	(888)
Change in enacted tax rates	–	(60)
Change in valuation allowance	2,233	948
Future income tax recovery	–	–

In assessing the realizability of future tax assets, management considers whether it is more likely than not that some portion of all of the future tax assets will not be realized. The ultimate realization of future tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences are expected to reverse. Management considers the scheduled reversal of future tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of future tax asset considered realizable could change materially in the near term based on future taxable income during the carry forward period.

The significant components of the Company's future income tax assets are as follows:

	November 30, 2010 \$	August 31, 2010 \$
Future income tax assets:		
Non-capital losses carried forward	2,850	891
Share issuance costs	448	448
Total future income tax assets	3,298	1,339
Valuation allowance	(3,298)	(1,339)
Net future income tax assets	–	–

The Company has \$11,399 of non-capital losses that may be carried forward and applied against taxable income of future years. If unused, the non-capital losses will begin to expire in 2030.

NOTES TO THE FINANCIAL STATEMENTS

For the three month period ended November 30, 2010 and for the period from inception on August 3, 2010 to August 31, 2010

7. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to complete a qualifying transaction to raise equity or other financing and to safeguard the Company's ability to continue as a going concern (see Note 1). The Company does not have any externally imposed capital requirements to which it is subject.

As at November 30, 2010, the Company considers capital to consist of share capital deficit. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or long term debt.

The Company expects its current and future capital resources to be sufficient to pursue a Qualifying Transaction and to fund current operations.

8. FINANCIAL INSTRUMENTS AND RISKS

(a) Financial instruments

The Company's financial instruments include cash and cash equivalents, accounts payable and amounts due to a related party. The Company classified its cash and cash equivalents as held-for-trading and its accounts payable as other financial liabilities.

(b) Fair value measurements

CICA 3862, *Financial Instruments – Disclosures*, requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. CICA 3862 establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. CICA 3862 prioritizes the inputs into three levels that may be used to measure fair value:

Level 1

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

NOTES TO THE FINANCIAL STATEMENTS

For the three month period ended November 30, 2010 and for the period from inception on August 3, 2010 to August 31, 2010

8. FINANCIAL INSTRUMENTS AND RISKS (continued)

(b) Fair value measurements (continued)

Level 3

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The fair value of cash and cash equivalents is determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets.

Assets measured at fair value on a recurring basis were presented on the Company's balance sheet as at November 30, 2010 and August 31, 2010 as follows:

Fair Value Measurements as at November 30, 2010 Using				
	Quoted Prices in Active Markets For Identical Instruments (Level 1) \$	Significant Other Observable Inputs (Level 2) \$	Significant Unobservable Inputs (Level 3) \$	November 30, 2010 \$
Assets:				
Cash and cash equivalents	153,810	–	–	153,810

Fair Value Measurements as at August 31, 2010 Using				
	Quoted Prices in Active Markets For Identical Instruments (Level 1) \$	Significant Other Observable Inputs (Level 2) \$	Significant Unobservable Inputs (Level 3) \$	August 31, 2010 \$
Assets:				
Cash and cash equivalents	209,864	–	–	209,864

(c) Financial risks

In management's opinion, the Company is not exposed to significant interest rate, currency exchange rate or liquidity risk arising from these financial instruments. The fair values of these financial instruments approximate their carrying values because of their current or on demand nature. The Company is not exposed to derivative financial instruments.

Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash and cash equivalents. To minimize the credit risk the Company places these instruments with high credit quality financial institutions. The values of these instruments may exceed the amounts insured by an agency of the government of Canada.

KR INVESTMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the three month period ended November 30, 2010 and for the period from inception on August 3, 2010 to August 31, 2010

9. SUBSEQUENT EVENTS

On January 17, 2011, the Company filed its final Initial Public Offering Prospectus with the British Columbia and Alberta Securities Commissions to offer 2,000,000 common shares of the Company at a price of \$0.10 per share for gross proceeds of \$200,000 in accordance with the agreement described in Note 4(c).

CERTIFICATE OF THE COMPANY

Dated: January 17, 2011

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia and Alberta and the regulations thereunder.

"Ki Bong Cho"

KI BONG CHO

Corporate Secretary, Chief Executive Officer,
Chief Financial Officer and Director

ON BEHALF OF THE BOARD OF DIRECTORS

"S. John Kim"

S. JOHN KIM

Director

"Tristin R. Lee"

TRISTIN R. LEE

Director

CERTIFICATE OF THE PROMOTER

Dated: January 17, 2011

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia and Alberta and the regulations thereunder.

"Ki Bong Cho"

KI BONG CHO

Promoter

CERTIFICATE OF THE AGENT

Dated: January 17, 2011

To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia and Alberta and the regulations thereunder.

RAYMOND JAMES LTD.

Per: “David Melillo”
David Melillo
Vice President, Venture Corporate Finance