

*A copy of this preliminary prospectus has been filed with the securities regulatory authorities in each of the provinces of British Columbia, Alberta, Manitoba, Saskatchewan and Ontario and with the TSX Venture Exchange, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authorities.*

*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.*

## **PRELIMINARY PROSPECTUS**

*Initial Public Offering*

September 8, 2011

### **TRIUMPH VENTURES III CORPORATION**

**(A Capital Pool Company “CPC”)**

**Minimum Offering: \$200,000 or 1,000,000 Common Shares**

**Maximum Offering: \$1,000,000 or 5,000,000 Common Shares**

**Price: \$0.20 per Common Share**

The purpose of this offering (the “Offering”) is to provide Triumph Ventures III Corporation (the “Corporation”) 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 Inc. (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 Exchange Policy 2.4 (the “CPC Policy”). The Corporation is a CPC, as hereinafter defined. 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, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. See “Business of the Corporation” and “Use of Proceeds”.

This Offering is being conducted on a commercially reasonable best efforts basis by Portfolio Strategy Securities Inc. (the “Agent”) in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario and consists of a minimum of 1,000,000 common shares (the “Common Shares”) of the Corporation (the “Minimum Offering”) and a maximum of 5,000,000 Common Shares (the “Maximum Offering”) at a price of \$0.20 (the “Offering Price”) for total gross proceeds to the Corporation of a minimum of \$200,000 and a maximum of \$1,000,000. The Offering Price was determined by negotiation between the Corporation and the Agent. See “Plan of Distribution”.

Pursuant to the Agency Agreement, as hereinafter defined, the Corporation will grant non-transferable warrants (“Agent’s Warrants”) to the Agent to purchase that number of Common Shares that is equal to 10% of the total number of Common Shares sold under this Offering at a price of \$0.20 per Common Share, exercisable for a period of 24 months from the date of listing of the Common Shares on the Exchange. This prospectus also qualifies for distribution the Agent’s Warrants. In addition, and subject to regulatory approval, the Corporation also proposes to grant stock options to purchase up to 215,000 Common Shares (in the case of the Minimum Offering) or up to 615,000 Common Shares (in the case of the Maximum Offering), all at a price of \$0.20 per Common Share, exercisable for a period of five years from the date of grant to directors and officers in accordance with the policies of the Exchange, which options and Common Shares issuable pursuant thereto are qualified for distribution under this prospectus. See “Options To Purchase Securities.”

	<u>Common Shares</u>	<u>Price to the Public</u>	<u>Agent's Commission</u> <sup>(1)(2)</sup>	<u>Proceeds to the Corporation</u> <sup>(3)</sup>
<u>Per Common Share</u>	<b>1</b>	<b>\$0.20</b>	<b>\$0.02</b>	<b>\$0.18</b>
<u>Minimum Offering</u>	<b>1,000,000</b>	<b>\$200,000</b>	<b>\$20,000</b>	<b>\$180,000</b>
<u>Maximum Offering</u>	<b>5,000,000</b>	<b>\$1,000,000</b>	<b>\$100,000</b>	<b>\$900,000.</b>

**Notes:**

- (1) The Agent will receive a commission (the "Agent's Commission") equal to 10% of the gross proceeds of the Offering. See Plan of Distribution.
- (2) Pursuant to the Agency Agreement, the Corporation will also grant to the Agent non-transferable warrants (the "Agent's Warrants"), to purchase such number of Common Shares that is equal to 10% of the aggregate number of Common Shares sold pursuant to the Offering, at a price of \$0.20 per Common Share, for a period of 24 months from the date of listing the Common Shares on the Exchange which Agent's Warrants are qualified for distribution under this prospectus. See "Plan of Distribution".
- (3) Before deducting costs of the Offering estimated at approximately \$80,000 (exclusive of the Agent's Commission), including corporate finance fees of \$25,000 and legal fees of the Agent's counsel which are estimated at \$7,500 plus disbursements and applicable taxes, legal and auditor's fees of the Corporation estimated at \$24,000 plus disbursements and H.S.T., Exchange listing fees of approximately \$15,000 plus H.S.T. and filing fees of approximately \$6,850.

The Offering is made on a commercially reasonable best efforts basis by the Agent and is subject to a minimum subscription of 1,000,000 Common Shares which must be raised within 90 days of the issuance of a receipt for this prospectus, or such time as may be consented to by persons or companies who subscribed within that period, as well as agreed to by 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 this prospectus or such other time as may be consented to by persons 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. See "Plan of Distribution".

**Risk Factors**

**Investment in the Common Shares offered by this prospectus is highly speculative due to the nature of the Corporation'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 currently no market through which the securities offered hereby may be sold.

Other than the initial distribution of the Common Shares pursuant to this prospectus, the grant of the Agent's Warrants and the grant of options to the directors, officers and technical consultants of the Corporation, trading in all securities of the Corporation is prohibited during the period between the date a receipt for this prospectus is issued by the Ontario Securities Commission 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 securities commission grants a discretionary order.

The Corporation has not commenced commercial operations and has no assets other than cash and deferred share issuance cost. It has no history of earnings and will not generate earnings or pay dividends until at least after the Completion of the Qualifying Transaction. Until the Completion of the Qualifying Transaction, the Corporation is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions. See "Corporate Structure", "Business of the Corporation" and "Use of Proceeds".

The directors and officers of the Corporation will only devote a portion of their time to the business and affairs of the Corporation and they are and will be engaged in other projects or businesses such that conflicts of interest may arise from time to time. See “Directors, Officers and Promoters”.

There can be no assurance that an active and liquid market for the Common Shares will develop and an investor may find it difficult to resell its Common Shares.

Investors acquiring the Common Shares offered by this prospectus will suffer an immediate dilution of approximately 26.75% or \$0.0535 per Common Share assuming completion of the Minimum Offering and approximately 9.5% or \$0.019 per Common Share assuming completion of the Maximum Offering, before the deduction of selling commissions and related expenses incurred by the Corporation. See “Dilution”.

The Corporation has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Corporation will be able to identify a suitable Qualifying Transaction. Further, even if a proposed Qualifying Transaction is identified, there can be no assurance that the Corporation will be able to complete the transaction. The Qualifying Transaction may be financed in whole, or in part, by the issuance of additional securities by the Corporation and this may result in further dilution to investors. See “Use of Proceeds”.

The Exchange will generally suspend trading in the Common Shares or delist the Corporation in the event that the Exchange has not issued a Final Exchange Bulletin in respect of the Qualifying Transaction within 24 months from the date of listing. Neither the Exchange, nor any securities regulatory authority, passes upon the merits of any proposed Qualifying Transaction.

In the event that the management of the Corporation resides out of Canada or the Corporation identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or 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.

**As a result of these factors, the Offering is suitable only to investors who are willing to rely solely on the management of the Corporation 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. See “Business of the Corporation”, “Directors, Officers and Promoters”, “Management of the Corporation”, “Use of Proceeds” and “Risk Factors”.**

### **Maximum Investment**

Pursuant to the CPC Policy, no purchaser of the Common Shares is permitted to directly or indirectly purchase more than 2% of the total Common Shares offered under this prospectus (being 20,000 Common Shares in the case of the Minimum Offering and 100,000 Common Shares in the case of the Maximum Offering). In addition, the maximum number of Common Shares that may directly or indirectly be purchased by that purchaser, together with any Associates or Affiliates of that purchaser, is 4% of the total Common Shares offered under this prospectus (being 40,000 Common Shares in the case of the Minimum Offering and 200,000 Common Shares in the case of the Maximum Offering).

The Agent hereby offers for sale, on a commercially reasonable best efforts basis as agent on behalf of the Corporation, a minimum of 1,000,000 Common Shares and a maximum of 5,000,000 Common Shares at a price of \$0.20 per Common Share. The Common Shares are conditionally offered, subject to prior sale, if, as and when issued by the Corporation, and in accordance with the conditions contained in the Agency Agreement referred to under “Plan of Distribution” and subject to approval by Heenan Blaikie LLP on behalf of the Corporation and by McMillan LLP on behalf of the Agent, of such legal matters for which approval is specifically sought by the Corporation or the Agent.

## **Receipt of Subscriptions**

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 closing of the Offering.

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## **GLOSSARY**

“**Affiliate**” means a Company that is affiliated with another Company as described below.

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

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

A Company is “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 September 8, 2011 between the Corporation and the Agent.

“**Aggregate Pro Group**” means all Persons who are members of any Pro Group whether or not the Member of the Pro Group is involved in a contractual relationship with the Corporation to provide financing sponsorship and 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 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 Parties to the CPC or the Non Arm’s Length Parties to the Qualifying Transaction.

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

- (a) an issuer of which the Person or Company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer,
- (b) any partner of the Person or Company,
- (c) any trust or estate in which the Person or Company has a substantial beneficial interest or in respect of which a Person or Company serves as trustee or in a similar capacity,
- (d) in the case of a Person, a relative of that Person, including
  - (i) that Person's spouse or child, or
  - (ii) any relative of the Person or of his spouse who has the same residence as that Person;

but

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

“**CPC**” means a corporation:

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

“**Company**” unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

“**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 the issuer.

“**Escrow Agreement**” means the escrow agreement dated ●, 2011 among the Corporation, the Transfer Agent and certain shareholders of the Company.

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

“**Exchange Requirements**” means and includes the articles, by-laws, policies, circulars, rules, guidelines, orders, notices, rulings, forms, decisions and regulations of the Exchange as from time to time enacted, any instructions, decisions and directions of the Exchange (including those of any committee of the Exchange as appointed from time to time), and all applicable provisions of the securities laws of any other jurisdiction.

“**Final Exchange Bulletin**” means the Exchange bulletin which is issued following closing of the Qualifying

Transaction and the submission of all required documentation that evidences the final Exchange acceptance of the Qualifying Transaction.

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

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

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

“**Majority of the Minority Approval**” means the approval of a Non Arm’s Length Qualifying Transaction by the majority of the votes cast by shareholders, other than:

- (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:
  - (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

at a properly constituted meeting of the common shareholders of the CPC.

“**Member**” means a Person who has executed the Members’ Agreement, as amended from time to time, with the Exchange and is accepted as and becomes a member of the Exchange.

“**Members Agreement**” means the members’ agreement among the Exchange and each person who, from time to time, is acceptable and becomes a member of the Exchange under Exchange requirements.

“**Non Arm’s Length Party**” 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, means any Associate of the individual or any Company of which the individual is a promoter, officer, director, Insider or Control Person.

“**Non Arm’s Length Parties to the Qualifying Transaction**” means the Vendor, any Target Company and includes, in relation to Significant Assets or any Target Company, the Non Arm’s Length Parties of the Vendor, the Non Arm’s Length Parties of any Target Company and all other parties to or associated with the Qualifying Transaction and Associates or Affiliates of all such other parties.

“**Non Arm’s Length Qualifying Transaction**” 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.

“**Offering Price**” means \$0.20 per common share.



“**Person**” means a Company or individual.

“**Principal**” means:

- (a) a Person or Company who acted as a promoter of the issuer within two years or their respective Associates or Affiliates, before the initial public offering (“IPO”) prospectus or 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 or Company 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 or Company that
  - (i) holds securities carrying more than 10% of the voting rights attached to the issuer’s outstanding securities immediately before and immediately after the issuer’s IPO or immediately after the Final Exchange Bulletin for non-IPO transactions; and
  - (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the issuer or any of its material operating subsidiaries.

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

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

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 subparagraphs (b), (c), (d) and (e) “Pro Group” shall include, either individually or as a group:
  - (i) the Member;
  - (ii) 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 subparagraphs (i) through (iv).

- (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 of the Member;
- (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 Member determines that:
  - (i) the Person is an Affiliate or Associate of the Member acting at arm's length of 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.

“**Promoter**” has the meaning ascribed to it in the Securities Act (Ontario).

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

“**Qualifying Transaction**” means a transaction where a CPC acquires Significant Assets, other than cash, by way of purchase, amalgamation, merger or arrangement with another Company or by other means.

“**Resulting Issuer**” means the issuer that was formerly a CPC that exists upon issuance of the Final Exchange Bulletin.

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval.

“**Seed Shares**” means securities issued before the Corporation's initial public offering, or by a private Target Company before a reverse take-over, change of business or Qualifying Transaction, regardless of whether the securities are subject to resale restrictions or are free trading.

“**Significant Asset**” 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 minimum listing requirements of the Exchange.

“**Sponsor**” has the meaning specified in Exchange Policy 2.2 – *Sponsorship and Sponsorship Requirements*.

“**Target Company**” means a Company to be acquired by the CPC as its Significant Asset pursuant to a Qualifying Transaction.

“**Transfer Agent**” means Equity Financial Trust Company.

“**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.*

- The Corporation:** Triumph Ventures III Corporation
- Business of the Corporation:** The principal business of the Corporation will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Corporation has not commenced commercial operations and has no assets other than a minimum amount of cash. See “Business of the Corporation”.
- Offering:** A minimum of 1,000,000 Common Shares and a maximum of 5,000,000 Common Shares are being offered under this prospectus at a price of \$0.20 per Common Share in the provinces of Alberta, Saskatchewan and Ontario. Agent’s Warrants to purchase that number of Common Shares that is equal to 10% of the total number of Common Shares sold under this Offering at a price of \$0.20 per Common Share, exercisable for a period of 24 months from the date of listing of the Common Shares on the Exchange, are qualified for distribution under this prospectus. Subject to regulatory approval, the Corporation also proposes to grant stock options to purchase up to 215,000 Common Shares (in the case of the Minimum Offering) or up to 615,000 Common Shares (in the case of the Maximum Offering), all at a price of \$0.20 per Common Share, exercisable for a period of five years from the date of grant to directors and officers in accordance with the policies of the Exchange, which options and Common Shares is issuable pursuant thereto are qualified for distribution under this prospectus. See “Plan of Distribution” and “Options To Purchase Securities.”
- Use of Proceeds:** Assuming the completion of this Offering, the net proceeds to the Corporation, after the payment of all costs in respect of the Offering, are estimated to be \$215,000 in the case of the Minimum Offering and \$935,000 in the case of the Maximum Offering. The net proceeds of the Offering together with the proceeds from prior sales of Common Shares will be used to provide the Corporation 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 Corporation may not have sufficient funds to secure such businesses or assets once identified and evaluated and additional funds may be required. The CPC Policy provides that until Completion of the Qualifying Transaction and except as otherwise provided in the CPC Policy, a maximum of the lesser of (i) 30% of the gross proceeds realized by the Corporation in respect of the sale of its securities, and (ii) \$210,000, may be used for purposes other than evaluating businesses or assets. See “Use of Proceeds”, “Business of the Corporation”, “Criteria for Qualifying Transaction” and “Risk Factors”.
- Directors and Officers:** The directors of the Corporation are Pierre G. Gagnon (Chairman), James H. Decker, James Roberts, Stephen Roberts, George W. Roberts and Peter

Wanner. The officers of the Corporation are Peter Wanner, President, Chief Executive Officer and Chief Financial Officer and Pierre G. Gagnon, Corporate Secretary. See “Management of the Corporation” and “Directors, Officers and Promoters”.

**Escrowed Securities:**

All of the currently issued Common Shares, being 1,150,000 Common Shares, will be deposited in escrow pursuant to the terms of the Escrow Agreement (as hereinafter defined) 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 Corporation’s business and its present stage of development.**

The Corporation was recently incorporated and has no active business or assets other than cash and deferred share issuance costs, and has not identified a potential company, asset or business with a view to completing a Qualifying Transaction. 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 Corporation and can afford to risk the loss of their entire investment.

The directors and officers of the Corporation will only devote part of their time and attention to the affairs of the Corporation and there may be potential conflicts of interest to which some of the directors and officers of the Corporation will be subject in connection with the operations of the Corporation.

Assuming completion of the Offering, investors acquiring the Common Shares offered by this prospectus will suffer an immediate dilution of approximately 26.75% or \$0.0535 per Common Share in the case of the Minimum Offering and approximately 9.5% or \$0.019 per Common Share in the case of the Maximum Offering, before the deduction of selling commissions and related expenses incurred by the Corporation. There can be no assurance that an active and liquid market for the Common Shares will develop and investors may find it difficult to resell the Common Shares.

Until Completion of the Qualifying Transaction, the Corporation 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 Corporation has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Corporation 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 “Corporate Structure”, “Business of the Corporation”, “Directors, Officers and Promoters”, “Management of the Corporation”, “Use of Proceeds”, “Risk Factors” and “Conflicts of Interest”).

## CORPORATE STRUCTURE

The Corporation was incorporated by a Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (Ontario) on January 19, 2011 under the name “Triumph Ventures III Corporation”.

The head office and the registered office of the Corporation are located 44 Greystone Crescent, Georgetown, Ontario, L7G 1G9.

## BUSINESS OF THE CORPORATION

### Preliminary Expenses

As at the date hereof, the Corporation has incurred or accrued preliminary expenses with respect to the incorporation and organization of the Corporation, corporate finance, legal and auditing fees and expenses, and the retainer for fees of legal counsel to the Agent in the aggregate amount of approximately \$42,000.

A portion of the proceeds of the Offering will be used to satisfy the obligations of the Corporation related to the Offering, including the expenses of its legal counsel and auditor. See “Use of Proceeds”.

### Proposed Operations Until Completion of a Qualifying Transaction

The Corporation 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 will also be subject to Majority of the Minority Approval in accordance with the CPC Policy. The Corporation has not conducted commercial operations other than to begin the process of identifying potential acquisitions with a view to completing a Qualifying Transaction.

Until Completion of a Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a 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 “Restrictions on Use of Proceeds” and “Private Placements for Cash”, the funds raised pursuant to the 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 Corporation has commenced the process of identifying potential acquisitions with a view to completing the Qualifying Transaction, the Corporation has not yet entered into an Agreement in Principle.

### Method of Financing Participation or Acquisitions

The Corporation may use cash, secured or unsecured debt, issuance of treasury shares, public financing of debt or equity, 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 Corporation and may cause the shareholders’ interest in the Corporation to be further diluted.**

### Criteria for Qualifying Transaction

The board of directors of the Corporation must approve any proposed Qualifying Transaction. In exercising their powers and discharging their duties in relation to a proposed Qualifying Transaction, the directors must act honestly and in good faith with a view to the best interests of the Corporation and must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The acquisition of, or participation in, companies, assets or businesses may arise in numerous ways. The Corporation has not established pre-determined criteria for such participations or acquisitions other than sound business fundamentals. Such fundamentals include, but are not limited to: (i) the ratio of risk to reward; (ii) the potential for growth; (iii) the length of the payout period; and (iv) the rate of return.

## **REGULATORY AND SHAREHOLDER APPROVAL**

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

Upon the Corporation reaching an Agreement in Principle, the Corporation must issue a comprehensive news release, at which time the Exchange generally will halt trading in the Common Shares until the filing requirements of the Exchange have been satisfied as set forth under "Trading Halts, Suspensions and Delisting". Within 75 days after issuance of such news release, the Corporation 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 Corporation, assuming Completion of the Qualifying Transaction, and be prepared in accordance with the CPC Policy and Exchange Form 3B1/Form 3B2. Upon acceptance by the Exchange, the Corporation 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 Majority of the Minority Approval of the Qualifying Transaction or other requisite approval at a meeting of shareholders.

Unless waived by the Exchange, the Corporation 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 Corporation 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 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 apply, with the exception of the escrow provisions of the CPC Policy and the restrictions in the CPC Policy precluding the Corporation from completing a reverse take-over for a period of one year from the Completion of the Qualifying Transaction.

### **Minimum Listing Requirements**

The Resulting Issuer must satisfy the Exchange's minimum 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, Suspension 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 initial 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 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, the 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 Corporation 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 CPC 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 Corporation where the Exchange has not issued a Final Exchange Bulletin to the CPC within 24 months of the date of listing. In the event that the Common Shares of the Corporation are delisted by the Exchange, within 90 days from the date of such delisting, the Corporation shall wind-up and shall make a *pro rata* distribution of its remaining assets to its shareholders, unless the shareholders, pursuant to a majority vote exclusive of the votes of Non Arm's Length Parties to the Corporation, determine to deal with the remaining assets in some other manner. See "Shareholder Approval of a Non Arm's Length Qualifying Transaction" and "Refusal of Qualifying Transaction".

If the Corporation has not completed a Qualifying Transaction within the time frame prescribed by the CPC Policy, it may apply for listing on NEX (the market on which former Exchange and Toronto Stock Exchange issuers that do not meet the minimum listing requirements for Tier 2 issuers may continue to trade) rather than be delisted. In order to be eligible to list on NEX the Corporation must:

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

If the Corporation lists on NEX, it must continue to comply with all the 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 minimum listing requirements of the Exchange;
- (b) the aggregate number of securities of the Resulting Issuer owned, directly or indirectly, by
  - (i) Member firms of the Exchange,
  - (ii) registrants, unregistered corporate finance professionals, employee shareholders and partners of such Member firms, 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 gross proceeds received by the Corporation from the combination of prior sales of Common Shares and the sale of the Common Shares offered by this Offering will be \$315,000 in the case of the Minimum Offering, and \$1,115,000 in the case of the Maximum Offering.

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

	<u>Minimum Offering</u>	<u>Maximum Offering</u>
Cash proceeds raised prior to this Offering <sup>(1)</sup>	\$115,000	\$115,000
Expenses and costs relating to raising the cash proceeds	Nil <sup>(2)</sup>	Nil <sup>(2)</sup>
Cash proceeds to be raised pursuant to this Offering	\$200,000	\$1,000,000
Expenses and costs associated with this Offering (including listing fees, Agent's commission, corporate finance fee, legal fees, audit fees and expenses <sup>(3)</sup> )	(\$100,000)	(\$180,000)
<b>Estimated funds available (on completion of Offering)<sup>(3)</sup></b>	<b>\$215,000</b>	<b>\$935,000</b>
Funds available for identifying and evaluating assets or business	\$200,000	\$920,000



prospects <sup>(3)(4)</sup>

Estimated general and administrative expenses until Completion of the Qualifying Transaction <sup>(5)</sup>	\$15,000	\$15,000
<b>Total Use of Proceeds<sup>(2)</sup></b>	<b>\$215,000</b>	<b>\$935,000</b>

**Notes:**

- (1) See “Prior Sales”.
- (2) No costs have been allocated towards the issuance of these shares.
- (3) In the event the Agent exercises the Agent’s Warrants and the directors or officers exercise their options, there will be available to the Corporation an additional \$63,000 in the case of the Minimum Offering or \$223,000 in the case of the Maximum Offering which will be added to the working capital of the Corporation. There is no assurance that any of these Agent’s Warrants or options will be exercised.
- (4) See “Business of the Corporation – Preliminary Expenses” and the Corporation’s balance sheet as at July 31, 2011.
- (5) In the event that the Corporation enters into an Agreement in Principle prior to spending all of its funds 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.

Until required for the Corporation’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 the Offering and any prior sale of Common Shares, after deducting the expenses associated with the 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 Corporation may commit.

**Permitted Use of Proceeds**

Until the Completion of the Qualifying Transaction and except as otherwise specifically provided by the CPC Policy and described in “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 Corporation will be used by the Corporation 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

- (i) valuations or appraisals;
- (ii) business plans;
- (iii) feasibility studies and technical assessments;
- (iv) sponsorship reports;
- (v) engineering or geological reports;
- (vi) financial statements, including audited financial statements;
- (vii) fees for legal and accounting services; and
- (viii) Agent’s 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, obtaining of shareholder approval for the Corporation's proposed Qualifying Transaction. Subject to Exchange approval, the Corporation may use a portion of the gross proceeds to pay directors' and officers' insurance premiums, which the Corporation estimates will be approximately \$18,000 per annum.

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 Corporation 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, provided 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**

The CPC Policy provides that until Completion of the Qualifying Transaction and except as otherwise provided in the CPC Policy, a maximum of the lesser of (i) 30% of the gross proceeds realized from the sale of all securities issued by the Corporation, and (ii) \$210,000 may be used for purposes other than evaluating businesses or assets. For greater certainty, expenditures which are not included under "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 Corporation, 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 "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 Corporation will not issue any securities unless written acceptance of the Exchange is obtained before issuance. Prior to the Completion of the Qualifying Transaction, the Exchange generally will not accept a private placement by the Corporation 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 \$2,000,000. 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 Corporation and to Principals of the Resulting Issuer will be subject to escrow.

### **Prohibited Payments to Non Arm's Length Parties**

Except as described under "Options to Purchase Securities" and "Restrictions on Use of Proceeds", the Corporation 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 Corporation or 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 the 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 Corporation may reimburse a Non Arm's Length Party to the Corporation 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 Corporation or in the case of a law firm, no member of the firm owns greater than 10% of the outstanding Common Shares of the Corporation), and the Corporation may also reimburse a Non Arm's Length Party to the Corporation for reasonable out-of-pocket expenses incurred in pursuing the business of the Corporation described in "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 and Agent's Compensation**

Pursuant to the Agency Agreement dated September 8, 2011 between the Corporation and the Agent, the Corporation will appoint the Agent as agent to offer for sale to the public on a commercially reasonable best efforts basis a minimum of 1,000,000 and a maximum of 5,000,000 Common Shares, as provided in this prospectus, at a price of \$0.20 per Common Share, for gross proceeds of a minimum of \$200,000 and a maximum of \$1,000,000, subject to the terms and conditions in the Agency Agreement. The Agent will receive a cash commission of 10% of the gross proceeds from the sale of the Common Shares pursuant to the Offering. In addition, the Corporation will pay to the Agent a corporate finance fee of \$25,000 plus GST and will reimburse the Agent's reasonable expenses incurred pursuant to the Offering, including the legal fees of the Agent's legal counsel estimated at \$7,500 plus disbursements and taxes.

The Corporation has also agreed to grant to the Agent the Agent's Warrants to purchase that number of Common Shares that is equal to 10% of the total number of Common Shares sold under this Offering at a price of \$0.20 per Common Share, which may be exercised for a period of 24 months from the date that the Common Shares are listed on the Exchange. The Agent's Warrants are qualified for distribution under this prospectus. The Agent intends to sell to the public any Common Shares received by it upon the exercise of the Agent's Warrants. Not more than 50% of the Common Shares received on the exercise of the Agent's Warrants 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. As at the date hereof, the Agent does not own any Common Shares of the Corporation. The Agent was also granted a right of first refusal regarding any further brokered equity financing (or securities convertible into equity) that the Corporation may require or propose to obtain during the twenty-four months following the listing of the Common Shares of the Corporation on the Exchange as well as a right of first refusal to act as the sponsor of the Corporation, if required, for its Qualifying Transaction.

Other than as described in this prospectus, there are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder or any other person or Corporation in connection with the Offering.

The Offering will be made in accordance with the rules and policies of the Exchange and with the consent of the Exchange. The closing of the Offering will take place at such time as the Corporation and the Agent may agree provided that the minimum subscriptions have been received and that the rescission rights of the purchaser of Common Shares which are available pursuant to securities laws have expired. See "Purchaser's Statutory Rights of Withdrawal and Rescission".

The Agent has agreed to use its commercially reasonable best efforts to secure subscriptions for the Common Shares offered hereunder on behalf of the Corporation and may make co-brokerage arrangements with other investment dealers at no additional cost to the Corporation. 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, including the non-fulfillment of conditions of closing.

### **Commercially Reasonable Best Efforts Offering and Minimum Distribution**

The total Offering is of 1,000,000 Common Shares for total gross proceeds of \$200,000 in the case of the Minimum Offering and of 5,000,000 Common Shares for total gross proceeds of \$1,000,000 in the case of the Maximum Offering. Under the CPC Policy, the maximum number of Common Shares that may be purchased, directly or indirectly, by any single subscriber to the Offering is 2% of the Offering, being 20,000 Common Shares in the case of the Minimum Offering and 100,000 Common Shares in the case of the Maximum Offering. In addition, the maximum number of Common Shares that may directly or indirectly be purchased by that purchaser, together with any Associates or Affiliates of that purchaser, is 4% of the total Common Shares offered under this prospectus, being 40,000 Common Shares in the case of the Minimum Offering and 200,000 Common Shares in the case of the Maximum Offering.

The Offering is subject to the Minimum Offering being raised within 90 days of the issuance of a receipt for this prospectus, or within such time as may be consented to by persons or companies who subscribed within that period and by the Agent. All funds received from subscriptions for Common Shares will be held by the Agent pursuant to the terms of the Agency Agreement, and will not be released until the Minimum Offering has been deposited. If the Minimum Offering 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 persons or companies 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.

### **Other Securities to be Distributed**

The Corporation also proposes to grant stock options to purchase up to 215,000 Common Shares (in the case of the Minimum Offering) or up to 615,000 Common Shares (in the case of the Maximum Offering), all at a price of \$0.20 per Common Share, exercisable for a period of five years from the date of grant to directors and officers in accordance with the policies of the Exchange, which options and Common Shares is issuable pursuant thereto are qualified for distribution under this prospectus. See "Options To Purchase Securities."

### **Determination of Price**

The price of the Common Shares offered pursuant to the Offering was determined by negotiation between the Corporation and the Agent.

### **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 is 20% of the issued and outstanding Common Shares of the Corporation exclusive of Common Shares reserved for issuance at a future 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 Corporation that to the best of its knowledge and belief, no directors, officers, employees or contractors of the Agent or any Associate or Affiliate of the foregoing have subscribed for any Common Shares of the Corporation.

### Restrictions on Trading

Other than the initial distribution of the Common Shares pursuant to this prospectus, the grant of the Agent's Warrants and the grant of the stock options to directors and officers, no securities of the Corporation will be permitted to be issued during the period between the date a receipt for the preliminary prospectus is issued by the applicable securities regulatory authorities and the time the Common Shares 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 SECURITIES DISTRIBUTED

The Corporation is authorized to issue an unlimited number of Common Shares, of which as of the date hereof 1,150,000 Common Shares are issued and outstanding as fully-paid and non-assessable. There are no other shares of any class issued and outstanding. A maximum of 5,000,000 Common Shares are reserved for issuance pursuant to this Offering. In addition, 100,000 Common Shares in the event the Minimum Offering is subscribed, or 500,000 Common Shares in the event the Maximum Offering is subscribed, as the case may be, are reserved for issuance upon the exercise of the Agent's Warrants. Subject to regulatory approval, 215,000 Common Shares in the event the Minimum Offering is subscribed, and 615,000 Common Shares in the event the Maximum Offering is subscribed, as the case may be, are reserved for issuance upon the exercise of options by directors and officers of the Corporation. All of the Common Shares to be outstanding on completion of this Offering will be fully paid and non-assessable. See "Prior Sales", "Options to Purchase Securities" and "Plan of Distribution".

The holders of Common Shares are entitled to receive notice of and attend all meetings of the shareholders of the Corporation and are entitled to one vote in respect of each Common Share held at such meetings. In the event of liquidation, dissolution or winding-up of the Corporation, the holders of Common Shares are entitled to share ratably the remaining assets of the Corporation.

### CAPITALIZATION

The following table sets out the capitalization of the Corporation.

Description of Security	Amount Authorized	Amount outstanding as at July 31, 2011 <sup>(1)</sup>	Amount outstanding as of the date hereof	Amount to be outstanding after giving effect to the Offering <sup>(2)(3)</sup>	
				Minimum Offering	Maximum Offering
Common Shares	Unlimited	\$115,000 (1,150,000 Common Shares)	\$115,000 (1,150,000 Common Shares)	\$315,000 <sup>(3)</sup> (2,150,000 Common Shares)	\$1,150,000 <sup>(3)</sup> (6,150,000 Common Shares)

#### Notes:

- (1) As at July 31, 2011, the Corporation had not yet commenced commercial operations.
- (2) Subject to regulatory approval, the Corporation has reserved a maximum of 615,000 Common Shares for issuance upon exercise of stock options to be granted to directors and officers of the Corporation. All of the options will have an exercise price of \$0.20 per share. See "Option to Purchase Securities". The Corporation has also reserved a maximum of 500,000 Common Shares for issuance upon the exercise of the Agent's Warrants. The Agent's Warrants will have an exercise price of \$0.20 per share See "Plan of Distribution".
- (3) This amount represents gross proceeds of this and prior issues of Common Shares of the Corporation, prior to deducting the estimated expenses of the Offering (estimated to be \$100,000 in the case of the Minimum Offering and \$180,000 in the case of the Maximum Offering). See "Use of Proceeds".

## OPTIONS TO PURCHASE SECURITIES

Subject to regulatory approval, options to purchase up to 215,000 Common Shares in the event the Minimum Offering is subscribed and up to 615,000 Common Shares if the Maximum Offering is subscribed, are to be granted after the closing of this Offering to directors and officers pursuant to the Corporation's employee stock option plan (the "Stock Option Plan") and are qualified for distribution pursuant to this prospectus. The table below outlines the options to be granted to directors and officers of the Corporation as well as the Common Shares to be issued upon exercise of the options which are qualified under this prospectus.

Name	Common Shares under option if Minimum Offering	Common Shares under option if Maximum Offering	Exercise price per Common Share	Expiry Date
James H. Decker	32,250	92,250	\$0.20	5 years
James Roberts	32,250	92,250	\$0.20	5 years
Oakmeg Partners Inc. <sup>1</sup>	32,250	92,250	\$0.20	5 years
George W. Roberts	43,000	123,000	\$0.20	5 years
Peter D. Wanner	64,500	184,500	\$0.20	5 years
Stephen Roberts	10,750	30,750	\$0.20	5 years
<b>Total:</b>	215,000	615,000		

**Notes:**

(1) Oakmeg Partners Inc. is wholly owned by Pierre G. Gagnon, Director, Secretary & Chairman.

**Stock Option Terms**

The policies of the Exchange provide that the board of directors of the Corporation may from time to time, in its discretion and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants of the Corporation, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the total issued and outstanding Common Shares of the Corporation, for a period of up to 5 years from the date of the grant. The number of Common Shares reserved for issuance to any individual director or officer of the Corporation will not exceed 5% of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to all consultants, if any, will not exceed 2% of the issued and outstanding Common Shares.

The options may be exercised by the later of twelve (12) months after the Completion of the Qualifying Transaction and ninety (90) days following cessation of the optionee's position with the Corporation, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death subject to the expiry date of such option. Any Common Shares acquired pursuant to the exercise of options prior to the Completion of the Qualifying Transaction, must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued. See "Escrowed Securities".

215,000 Common Shares (in the event that the Minimum Offering is subscribed) and 615,000 Common Shares (in the event that the Maximum Offering is subscribed) are reserved for issue in connection with the exercise of options to be granted to directors and officers of the Corporation. The exercise price of all such options will be \$0.20 per Common Share.

## PRIOR SALES

Since the date of incorporation of the Corporation, 1,150,000 Common Shares have been issued and are outstanding as follows:

Date	Number of Shares	Issue Price per Share	Aggregate Issue Price	Consideration Received
July 19, 2011	1,150,000	\$0.10	\$115,000	Cash
<b>Total</b>	<b>1,150,000</b>	<b>\$0.10</b>	<b>\$115,000</b>	<b>Cash</b>

**Notes:**

(1) All of the 1,150,000 Common Shares issued at a price of \$0.10 will be held in escrow. See “Escrowed Securities”.

## ESCROWED SECURITIES

### Securities Escrowed Prior to the Completion of the Qualifying Transaction

All of the 1,150,000 Common Shares issued prior to the Offering at a price below \$0.20 per Common Share, and all Common Shares that may be acquired by Non Arm’s Length Parties of the Corporation either under the Offering or otherwise prior to Completion of the Qualifying Transaction will be deposited with the Transfer Agent under the Escrow Agreement.

All Common Shares acquired on exercise of stock options prior to Completion of a Qualifying Transaction must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued. In addition, all Common Shares of the Corporation acquired in the secondary market prior to the Completion of a Qualifying Transaction by any person or company who becomes a Control Person are required to be deposited in escrow. Subject to certain exemptions permitted by the Exchange, all securities of the Corporation 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 Corporation, which are held in escrow pursuant to the Escrow Agreement:

Name and Municipality of Residence of Shareholder	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	
			Minimum Offering <sup>(1)(2)</sup>	Maximum Offering <sup>(1)(2)</sup>
James H. Decker	250,000	21.74%	11.62%	4.06%
James Roberts	250,000	21.74%	11.62%	4.06%
Oakmeg Partners Inc.	250,000	21.74%	11.62%	4.06%
George W. Roberts	250,000	21.74%	11.62%	4.06%
Peter D. Wanner	50,000	4.34%	2.32%	0.81%
Stephen Roberts	100,000	8.69%	4.65%	1.62%
<b>TOTAL</b>	<b>1,150,000</b>			

**Notes:**

- (1) Before giving effect to the exercise of the Agent's Warrants and the options to acquire Common Shares that are to be granted to the directors and officers of the Corporation upon closing of this Offering.
- (2) Assuming that no Common Shares are purchased by any of the above named shareholders pursuant to the Offering.
- (3) Oakmeg Partners Inc. is wholly owned by Pierre G. Gagnon, Director, Secretary & Chairman.

Under the Escrow Agreement, 10% of the escrowed Common Shares will be released from escrow on the issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 15% will be released on each of the dates which are 6, 12, 18, 24, 30 and 36 months respectively following the Initial Release.

If the Resulting Issuer meets the Exchange's Tier 1 minimum listing requirements either at the time the Final Exchange Bulletin is issued or subsequently, the release of the 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 Corporation who holds escrowed Common Shares acquired at a price below the Offering price under this prospectus has irrevocably authorized and directed the Transfer 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 Corporation; or
- (b) if the Corporation lists on the NEX board of the Exchange, either:
  - (i) cancel all Seed Shares purchased by Non-Arm's Length Parties to the CPC at a discount from the Offering Price under this prospectus 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 of the CPC so that the average cost of the remaining Seed Shares is at least equal to the Offering Price under this prospectus.

### **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 agreement (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 asset, 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 provides for a three year escrow release mechanism with: 5% of the escrowed securities being releasable at the time of the Final Exchange Bulletin, with 5% of the escrow securities being releasable after 6 months from the Final Exchange Bulletin, with 10% of the escrowed securities being releasable after 12 and 18 months from the Final Exchange Bulletin, with 15% of the escrowed securities being releasable after 24 and 30 months from the Final Exchange Bulletin, and, the final 40% of the escrowed securities being releasable after 36 months from 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, with 25% of the escrowed securities being releasable every 6 months thereafter. In the case of a Resulting Issuer that will be a Tier I issuer when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement provides for a 18 month escrow release mechanism with 10% of the escrowed securities being releasable at the time of the Final Exchange Bulletin, with 20% of the escrowed securities releasable after 6 months from the Final Exchange Bulletin, with 30% of the escrowed securities being releasable after 12 months from the Final Exchange Bulletin and, 40% of the escrowed securities being releasable after 18 months from the Final Exchange Bulletin.

Securities issued pursuant to a private placement to Principals of the Corporation 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 for 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 Corporation or the proposed Resulting Issuer,
  - (ii) if subscribers, other than Principals of the Corporation 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 Corporation as at the date hereof.

Name and Municipality of Residence	Type of Ownership	Number of Common Shares <sup>(1)</sup>	Percentage of Common Shares Prior to Offering	Percentage of Common Shares After Minimum Offering <sup>(2) (3)</sup>	Percentage of Common Shares After Maximum Offering <sup>(2) (3)</sup>
James H. Decker, Calgary, Alberta	Direct	250,000	21.74%	11.62%	4.06%
James Roberts, Fergus, Ontario	Direct	250,000	21.74%	11.62%	4.06%
Oakmeg Partners Inc., Oakville, Ontario	Direct	250,000	21.74%	11.62%	4.06%

George W. Roberts, Toronto, Ontario	Direct	250,000	21.74%	11.62%	4.06%
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**Notes:**

- (1) These shares are subject to escrow pursuant to the policies of the Exchange. See "Escrowed Securities".
- (2) Before giving effect to the exercise of the Agent's Warrants and the options to acquire Common Shares that are to be granted to the directors and officers of the Corporation upon closing of this Offering.
- (3) Assuming that no Common Shares are purchased by any of the above named shareholders pursuant to the Offering.
- (4) Oakmeg Partners Inc. is wholly owned by Pierre G. Gagnon, Director, Secretary & Chairman.

**DIRECTORS, OFFICERS AND PROMOTERS**

The following are the names and municipalities of residence of the directors and officers of the Corporation, their position and offices with the Corporation and their principal occupations during the last five years. See also "Management of the Corporation".

<b>Name and Municipality of Residence</b>	<b>Positions with Corporation</b>	<b>No. of Common Shares</b>	<b>Percent Ownership in Case of Minimum Offering</b>	<b>Percent Ownership in Case of Maximum Offering</b>	<b>Principal Occupation during the last five years</b>
James H. Decker Calgary, Alberta	Director	250,000	11.62%	4.06%	<p>President &amp; Director, Jim Decker &amp; Associates Inc. (December 2004 to present)</p> <p>Executive Chairman, Director &amp; Chairman of the Board, Antioquia Gold Inc., (August 2008 to present)</p> <p>Director, Nebu Resources Inc. (January 2008 to present)</p> <p>Director, Rainbow Resources Inc. (May 2001 to present)</p> <p>Director, Sea Green Capital Corp (December</p>

					2003 to present)
James Roberts Fergus, Ontario	Director	250,000	11.62%	4.06%	President, Dalsa Inc. (January 2001 to present)
Pierre G. Gagnon Oakville, Ontario	Director, Chairman & Secretary	250,000 (registered to Oakmeg Partners Inc., which is wholly owned by Pierre G. Gagnon, Director, Chairman & Secretary)	11.62%	4.06%	Chairman, Pheet Inc. (May 2011 to present)  Director Gravitas Inc. (June 2011 to present)  Chairman, Copernicus Educational Products Inc. (October 2006 to August 2009)
George W. Roberts Toronto, Ontario	Director	250,000	11.62%	4.06%	V.P. Mining, HB Global (April 2008 to present)  Director, Spartron Resources (June 2010 to present)  Director, Polar Star Mining (April 2009 to February 2010)  V.P. Corporate Development & Senior Officer, Breakwater Resources (April 2006 to March 2008)
Peter Wanner, Georgetown, Ontario	Director, President, Chief Executive Officer & Chief Financial Officer	50,000	2.23%	0.81%	Managing Director, IG Aviation Tax Services Inc. (June 2011 to present)  CFO & Director,

					<p>First National Energy Corp. (May 2004 to present)</p> <p>CFO, HearAtLast (July 2006 to September 2009)</p> <p>Director &amp; President, Scorpio Capital (September 2004 to January 2007)</p>
Stephen Roberts, Victoria, BC	Director	100,000	4.65%	1.62%	<p>Social &amp; Economic Scientist, Self-Employed (January 2011 to present)</p> <p>Senior Social &amp; Economic Scientist, Watts, Griffis &amp; McOuat (January 2007 to December 2010)</p>

Each of the directors of the Corporation has been a director since August 11, 2011.

In addition to any other requirements of the Exchange, the Exchange expects management of the Corporation to meet a high management standard. The directors and officers of the Corporation 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, officers and promoters of the Corporation directly or indirectly collectively hold 100% of the Common Shares of the Corporation. Following the completion of the Offering, the directors and officers of the Corporation will directly or indirectly collectively hold approximately 50.50% of the Common Shares in the case of the Minimum Offering and 16.94% in the case of the Maximum Offering.

### MANAGEMENT OF THE CORPORATION

*James H. Decker (Jim) – Director, age 63*

Mr. Decker has a B.Sc. (Mining Engineering) from Queen's University and is a registered mining engineer (P. Eng.) with more than 40 years in the mining business. He is the President and principal partner of Jim Decker & Associates Inc., a mining consulting firm that provides senior management input for operating mines and mining projects. Although incorporated in December 2004, Mr. Decker was engaged in substantially similar activities with the firm starting in January 1997. Mr. Decker's principal activities in the past five years have been associated with due diligence exercises for acquisitions and sales of mining properties, operating audits of surface mining operations

and supervisory training for large mining companies such as Barrick Gold, Placer Dome, Teck and X-Strata Since 2008, he has been a director and chairman of the board of Antioquia Gold Inc. He was appointed Executive Chairman in November 2010.

It is anticipated that Mr. Decker will devote such time and expertise as is reasonably required by the Corporation.

*James Roberts – Director, age 52*

James W. Roberts, Ph.D. has been President of the Digital Imaging division of Teledyne DALSA Inc. since September 1, 2007. He is responsible for the overall ... management and strategic direction of the Digital Imaging division within Teledyne DALSA. Digital Imaging represents the largest division within Teledyne DALSA, with annual revenues well in excess of \$100M. Prior to being promoted to President of Digital Imaging, and since 2001, Dr. Roberts served as Executive Vice President and General Manager of Vision for Machines division of DALSA Corporation. Dr. Roberts joined DALSA in 1990 as an engineer/scientist. He holds a Doctorate in Electrical Engineering from the University of Waterloo, a Master of Mathematics from the University of Waterloo and a B.Sc. in Applied Mathematics from the University of Western Ontario. Early in his career in his role as a scientist and engineer, Dr. Roberts published several peer reviewed technical papers and was awarded one US patent in the area of machine vision systems applications.

It is anticipated that Mr. Roberts will devote such time and expertise as is reasonably required by the Corporation.

*Pierre G. Gagnon – Director, Chairman & Secretary, age 52*

Pierre G. Gagnon is the Chair of Pheet Inc., a chain of clinics specializing in foot care. He is a Director of Gravitass Inc, a private Investment Bank. Mr. Gagnon was the chair of Copernicus Educational Products Inc. from 2006 to 2009. He is also a director of Halton Healthcare Services Foundation and Oakville Galleries.

It is anticipated that Mr. Gagnon will devote such time and expertise as is reasonably required by the Corporation.

*George W. Roberts (Wes) – Director, age 53*

Wes Roberts is Vice-President Mining, Heenan Blaikie Global Advisors which is an affiliate of Heenan Blaikie LLP and is a professional mining engineer specializing in the economic evaluation and development of mineral deposits. Wes Roberts holds a B.Sc. (Mining Engineering) and M.Sc. (Mining Engineering) from Queen's University, and an M.B.A. (Finance) from the Schulich School of Business. He has more than 25 years of experience in mineral exploration, mining operations, project engineering and management as well as diverse mining engineering experience. Mr. Roberts has held numerous positions in the mining industry, which include Canada Talc Limited, Derry Michener Booth & Wahl, Davey International, Bharti Engineering, Griffiths McBurnie & Partners, Inco Ltd and most recently as Vice-President of Corporate Development at Breakwater Resources Ltd from 2006 to 2008. From 2001 to 2006 Mr. Roberts was a self-employed mining engineer, during which time he consulted on various projects for Inco Limited.

It is anticipated that Mr. Roberts will devote such time and expertise as is reasonably required by the Corporation.

*Peter D. Wanner, CGA – Director, President, Chief Executive Officer & Chief Financial Officer, age 58*

Currently, Peter Wanner is the Managing Director of IG Aviation Tax Services Inc ([www.igaviaton.ca](http://www.igaviaton.ca)). Peter received his Certified General Accountant designation in 1981 and worked in public accounting for a short period, moving over to a capital equipment manufacturer before finally getting his more or less permanent position as VP Controller of Worldways Canada – then Canada's 3rd largest airline. In 1990, Peter went into his own consulting business, acting as an Interim CFO for companies in financial demand.

Peter has been director and officer of a number of public companies – First National Energy (OTCBB:FNEC), HearAtLast Holdings (PK:HRAL), and a number of CPC’s – Trophy Capital, Ribbon Capital, and Scorpio Capital. Peter has acted as an officer with a number of operating companies as they were going public – Aviation Distributors, Integrated Data Systems, Baymount Capital and Pavana Power Corp.

It is anticipated that Mr. Wanner will devote such time and expertise as is reasonably required by the Corporation.

*Stephen Roberts – Director, age 50*

Currently, Stephen Roberts holds the position of manager at Watts, Griffis and McOuat Ltd. Dr. Roberts holds a Ph.D in Mining Engineering and a Master of Landscape Architecture. Dr. Roberts has over seven years of experience in the area of community consultation and mine closure planning. He was responsible for the development of the socio-economic component of the Environmental Impact Assessment for the proposed New Afton mine. Most recently, Dr. Roberts co-developed a project proposal for a major multi-ear stakeholder engagement process intended to address the basis of conflict in the Niger Delta Region, Republic of Nigeria.

It is anticipated that Dr. Roberts will devote such time and expertise as is reasonably required by the Corporation.

**Other Reporting Issuer Experience**

<u>Name and Municipality of Residence</u>	<u>Name of Reporting Issuer</u>	<u>Exchange or Market</u>	<u>Position</u>	<u>From</u>	<u>To</u>
James H. Decker Calgary, Alberta	Antioquia Gold Inc.	TSX-V	Executive Chairman, Director & Chairman of the Board	August 2008	Present
	Nebu Resources Inc.	TSX-V	Director	January 2008	Present
	Rainbow Resources Inc.	TSX-V	Director	May 2001	Present
	Sea Green Capital Corp.	TSX-V	Director	December 2003	Present
	Poplar Creek Resources	TSX-V	Director	March 2007	July 2009
	Digifonica International Inc.	TSX-V	Director	December 2006	May 2007
	Catalyst Ventures Inc.	CDNX	Director	June 1998	December 2001
	High American Gold Inc.	CDNX	President & Director	February 1997	December 2003
	International Cabo	TSX-V	Director	April 1997	March 2001

James Roberts Fergus, Ontario	Dalsa Corp.	TSX	President	January 2001	February 2011
Pierre G. Gagnon, Oakville, Ontario	Baymount Incorporated	TSX-V	Director	June 2008	Present
	Spot Coffee Inc.	TSX-V	Director	April 2008	June 2011
	Tangerine Payment Solutions	TSX-V	Director	September 2005	March 2009
	Pisces Capital Inc.	Private	Director	March 2006	December 2007
George W. Roberts, Toronto, Ontario	Sparton Resources	TSX	Director	June 2010	Present
	Polar Star Mining	TSX	Director	April 2009	February 2010
	Breakwater Resources	TSX	Senior Officer	May 2006	March 2008
Peter Wanner, Georgetown, Ontario	First National Energy Corp.	OTCBB:FNE C	CFO & Director	May 2004	Present
	Hear At Last	PK:HRAL	CFO	July 2006	September 2009
	Trophy Capital	TSX-V	Director	July 2003	March 2004
	Ribbon Capital	TSX-V	Director	June 2004	September 2006
	Scorpio Capital	TSX-V	Director & President	September 2004	January 2007
	Triumph Ventures 2 Corp.	TSX-V	Director & CFO	January 2011	Present
	Triumph Ventures 3 Corp.	TSX-V	Director & CFO	January 2011	Present
	Pavana Power Corp.	Private	President	March 2010	Present
Stephen Roberts, Victoria, BC	N/A	N/A	N/A	N/A	N/A

## OTHER CORPORATE INFORMATION

### Corporate Cease Trade Orders or Bankruptcies

No director, officer, Insider, Principal or Promoter of the Corporation has, within the previous 10-year period, been a director, officer, Insider or Promoter of any other issuer that, while the person was acting in that capacity: (a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under

applicable securities legislation for a period of more than 30 consecutive days; or (b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

### **Penalties or Sanctions**

No director, officer, Insider or Principal of the Corporation, within the last 10 years, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

### **Personal Bankruptcies**

No director, officer, Insider, Principal or Promoter of the Corporation, or a shareholder holding sufficient securities of the Corporation to affect materially the control of the Corporation, or a personal holding company of any such Persons, has, within the 10 years preceding the date of this prospectus, 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 the assets of the individual.

### **Conflicts of Interest**

There may be potential conflicts of interest to which the directors, officers, Insiders and Promoters of the Corporation may be subject in connection with the operations of the Corporation. The directors, officers, Insiders and Promoters may be engaged in corporations or businesses which may be in competition with the search by the Corporation for businesses or assets in order to close a Qualifying Transaction. Accordingly, situations may arise where a director, officer, Insider or Promoter will be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies as provided under the *Business Corporations Act* (Ontario).

## **EXECUTIVE COMPENSATION**

Except as set out below or otherwise disclosed in this prospectus, prior to a Completion of the Qualifying Transaction, no payment of any kind has been made, or will be made, directly or indirectly, by the Corporation to a Non Arm's Length Party to the Corporation or 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 Corporation 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.

However, the Corporation may reimburse Non Arm's Length Parties for the Corporation's reasonable allocation of rent, secretarial services and other general administrative expenses, at fair market value ("Permitted Reimbursement"). No reimbursement may be made for any payment made to lease or buy a vehicle. The Corporation anticipates paying fees for legal services to a law firm in respect of which a director of the Corporation



is a partner.

The Corporation has reserved 215,000 Common Shares in the event the Minimum Offering is subscribed and 615,000 in the event the Maximum Offering is subscribed in relation to the options to be granted to its directors and officers to subscribe for Common Shares of the Corporation pursuant to the Stock Option Plan. See “Options to Purchase Securities”.

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

## **DILUTION**

Assuming completion of the Offering, investors acquiring the Common Shares offered by this prospectus will suffer an immediate dilution of approximately 26.75% or \$0.0535 per Common Share on the basis of there being 2,150,000 Common Shares issued and outstanding following completion of the Minimum Offering and an immediate dilution of approximately 9.5% or \$0.019 per Common Share on the basis of there being 6,150,000 Common Shares outstanding following completion of the Maximum 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 this prospectus without deduction of commissions or related expenses incurred by the Corporation.

## **ELIGIBILITY FOR INVESTMENT**

In the opinion of Heenan Blaikie LLP, counsel to the Corporation, provided the Common Shares are listed on a prescribed stock exchange (which includes the Exchange) at the relevant time, the Common Shares when issued will be qualified investments, within the meaning of the Income Tax Act (Canada), for trusts governed by registered retirement saving plans, registered retirement income funds, deferred profit sharing plans and registered education savings plans.

## **RISK FACTORS**

**Investment in the Common Shares offered by this prospectus is highly speculative due to the nature of the Corporation’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.**

The Corporation was only recently incorporated 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 the Completion of the Qualifying Transaction. The Corporation has not identified a potential asset or business for acquisition or participation and has not entered into an Agreement in Principle as defined in the CPC Policy. Until Completion of the Qualifying Transaction, the Corporation is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions. There can be no assurance that an active and liquid market for the Common Shares will develop and an investor may find it difficult to resell its Common Shares. See “Business of the Corporation”.

The directors and officers of the Corporation will only devote a portion of their time to the business and affairs of the Corporation 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. See “Directors, Officers, and Promoters”.

Assuming completion of the Offering, Investors acquiring the Common Shares offered by this prospectus will suffer an immediate dilution of approximately 26.75% or \$0.0535 per Common Share in the case of the Minimum Offering and approximately 9.5% or \$0.019 per Common Share in the case of the Maximum Offering, before the deduction of selling commissions and related expenses incurred by the Corporation. See “Dilution”.

The Corporation has only limited funds with which to identify and evaluate potential Qualifying Transactions and

there can be no assurance that the Corporation will be able to identify a suitable Qualifying Transaction. Further, even if a proposed Qualifying Transaction is identified, there can be no assurance that the Corporation will be able to complete the transaction. The Qualifying Transaction may be financed in whole, or in part, by the issuance of additional securities by the Corporation and this may result in further dilution to investors, which dilution may be significant and which may also result in a change of control of the Corporation. Subject to prior Exchange approval, the Corporation 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 Corporation will be able to recover that loan. See “Business of the Corporation” and “Use of Proceeds”.

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 Minority Approval. Unless the shareholder has the right to dissent and be paid fair value in accordance with applicable corporate or other applicable 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 other entitlement to payment by the Corporation of fair value for the Common Shares.

Upon public announcement of a proposed Qualifying Transaction, trading in Common Shares of the Corporation will remain halted for an indefinite period of time, typically until a Sponsor has been retained and certain preliminary reviews have been conducted. The Common Shares of the Corporation 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 Corporation completing the proposed Qualifying Transaction. Trading in the Common Shares of the Corporation may be halted at other times for other reasons, including for failure by the Corporation to submit documents to the Exchange in the time periods required. The Exchange will generally suspend trading in the Common Shares or delist the Corporation in the event that the Exchange has not issued a Final Exchange Bulletin within 24 months from the date of listing. Neither the Exchange, nor any securities regulatory authority, passes upon the merits of the proposed Qualifying Transaction. See “Business of the Corporation”.

The Corporation cannot be certain and provides no guarantee that, if a Qualifying Transaction is completed, the business acquired pursuant to the Qualifying Transaction will be profitable or ultimately benefit the Corporation and its shareholders. Neither the Exchange nor any Securities regulatory authority passes on the merits of the proposed Qualifying Transaction. The Qualifying Transaction may also result in additional dilution to the Corporation’s shareholders, increased debt or a change in control of the Corporation. Any failure to successfully integrate a business acquired pursuant to the Qualifying Transaction or a failure of such business to benefit the Corporation, could have a material adverse effect on the Resulting Issuer’s business and results of operations.

In the event that the management of the Corporation resides out of Canada or the Corporation identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or 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.

Subject to prior Exchange approval, the Corporation 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 Corporation will be able to recover that loan.

**As a result of these factors, this Offering is suitable only to investors who are willing to rely solely on the management of the Corporation 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 Corporation is not party to any legal proceedings, nor to the best of its knowledge are any legal proceedings threatened or pending.

## **RELATIONSHIP BETWEEN THE CORPORATION AND THE AGENT**

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

## **RELATIONSHIP BETWEEN THE CORPORATION AND PROFESSIONAL PERSONS**

No “professional person” (including the Corporation’s auditor or solicitors) holds any beneficial interest, direct or indirect, in any securities or properties of the Corporation.

## **INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Certain directors and officers of the Corporation have acquired Common Shares of the Corporation in the seed capital phase of the Corporation. In addition, each of the directors and officers of the Corporation will be granted options to purchase Common Shares pursuant to the Corporation’s Stock Option Plan.

## **AUDITOR, TRANSFER AGENT AND REGISTRAR**

The auditor of the Corporation is Collins Barrow Toronto LLP.

The transfer agent and registrar for the Common Shares is Equity Financial Trust Company, whose principal office is located at Suite 920, 120 Adelaide Street West, Toronto, Ontario M5H 1T1

## **MATERIAL CONTRACTS**

The Corporation has not entered into any contracts material to investors in the Common Shares since incorporation, other than contracts in the ordinary course of business, except:

1. the Escrow Agreement dated ●, 2011 among the Corporation, the Transfer Agent and certain shareholders of the Corporation. See “Escrowed Securities”;
2. the Agency Agreement dated September 8, 2011 between the Corporation and the Agent. See “Plan of Distribution”; and
3. the Transfer Agency and Registrarship Agreement dated September 8, 2011 between the Corporation and the Transfer Agent. See “Auditor, Transfer Agent and Registrar”.

Copies of these agreements will be available for inspection at the offices of the Corporation’s counsel, Heenan Blaikie LLP, at any time 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 about the Common Shares being distributed that are not otherwise disclosed in this prospectus, or are necessary in order for the prospectus to contain full, true and plain disclosure of all material facts relating to the Common Shares being distributed.

## **PURCHASERS’ STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in certain of the provinces and territories of Canada provide purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several provinces and territories, the securities

legislation further provides a purchaser with remedies for rescission, or in some jurisdictions damages, if this 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 advisor.

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# **Triumph Ventures III Corporation**

**(a capital pool corporation)**

**Financial Statements**

**For the Period from Date of Incorporation (January 19, 2011) to July 31, 2011**

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## **INDEPENDENT AUDITORS' REPORT**

### **To the Directors of Triumph Ventures III Corporation**

We have audited the accompanying financial statements of Triumph Ventures III Corporation which comprise the balance sheet as at July 31, 2011, the statement of changes in equity and the statement of cash flows for the period from date of incorporation (January 19, 2011) to July 31, 2011 and a summary of significant accounting policies and other explanatory information.

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

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

#### *Auditor's Responsibility*

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

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

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

#### *Opinion*

In our opinion, these financial statements present fairly, in all material respects, the financial position of Triumph Ventures III Corporation as at July 31, 2011, and its financial performance and its cash flows for period from date of incorporation (January 19, 2011) to July 31, 2011 in accordance with Internationally Financial Reporting Standards.

Licensed Public Accountants  
Chartered Accountants  
September 8, 2011 (except for Note 8, which is as of ●)  
Toronto, Ontario

**Triumph Ventures III Corporation**  
 (a capital pool corporation)  
 Notes to Financial Statements  
 July 31, 2011

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<b>Triumph Ventures III Corporation</b> <b>(a capital pool company)</b> <b>Balance Sheet</b> <b>As At July 31, 2011</b>		
<b>Assets</b>		
<b>Current</b>		
Cash (Note 4)		\$ 114,976
<b>Deferred Share Issuance Costs (Note 7)</b>		42,475
		<u>\$ 157,451</u>
<b>Liabilities</b>		
<b>Current</b>		
Accrued Liabilities		\$ 42,451
<b>Shareholders' Equity</b>		
<b>Capital Stock (Note 5)</b>		115,000
		<u>\$ 157,451</u>
<b>Subsequent event (Note 8)</b>		

The accompanying notes are an integral part of these financial statements

**Triumph Ventures III Corporation**  
(a capital pool corporation)  
Notes to Financial Statements  
July 31, 2011

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<b>Triumph Ventures III Corporation</b>			
<b>(a capital pool company)</b>			
<b>Statement of Changes in Equity</b>			
<b>For the period from date of incorporation (January 19, 2011) to July 31, 2011</b>			
	<b>As at January 19, 2011</b>		\$ -
	Issuance of Capital Stock		115,000
	<b>Total Equity at July 31, 2011</b>		<u>\$ 115,000</u>

The accompanying notes are an integral part of these financial statements



**Triumph Ventures III Corporation**  
 (a capital pool corporation)  
 Notes to Financial Statements  
 July 31, 2011

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<b>Triumph Ventures III Corporation</b> <b>(a capital pool company)</b> <b>Statement of Cash Flows</b> <b>For the period from date of incorporation (January 19, 2011) to July 31, 2011</b>			
<b>Cash Provided by (Used in)</b>			
<b>Operations</b>			
	Net earnings (loss) for the period		\$ -
	Deferred shares issuance costs		(24)
<b>Financing</b>			
	Issuance of capital stock		115,000
<b>Increase in cash during the period and cash at the end of the period</b>			<b>\$ 114,976</b>

The accompanying notes are an integral part of these financial statements

## **Triumph Ventures III Corporation**

(a capital pool corporation)

Notes to Financial Statements

July 31, 2011

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### **1. NATURE OF THE CORPORATION**

Triumph Ventures III Corporation. (the "Company") was incorporated under the Business Corporations Act (Ontario) on January 19, 2011 and is classified as a Capital Pool Corporation ("CPC") as defined in TSX Venture Exchange Inc. (the "Exchange"). The Company has no significant assets other than cash and proposes to identify and evaluate potential acquisitions or businesses with a view to completing a Qualifying Transaction, as defined in Exchange policy 2.4. The Company did not incur any revenues and expenditures for the period from date of incorporation (January 19, 2011) to July 31, 2011, and accordingly a statement of income has not been presented in these financial statements.

There is no assurance that the Company will identify a Qualifying Transaction within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or delist the Company's shares from trading.

The head office, principal address and records office of the Company are located at 44 Greystone Crescent, Georgetown, Ontario, Canada, L7G 1G9. The Company's registered address is 44 Greystone Crescent, Georgetown, Ontario, Canada, L7G 1G9.

On August 31, 2011, the Board of Directors approved the financial statements for the period from Date of Incorporation (January 19, 2011) to July 31, 2011.

### **2. BASIS OF PRESENTATION**

#### **Statement of Compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

#### **Basis of Preparation**

The financial statements are presented in Canadian dollars, which is the Company's functional and reporting currency.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities. The estimates and associated assumptions are based on anticipations and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

**2. BASIS OF PRESENTATION (Cont'd)**

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

There have been no significant judgments made by management in the application of IFRS that have a significant effect on these financial statements.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements are prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss ("FVTPL"), which are stated at their fair value. The accounting policies have been applied consistently throughout the entire period presented in these financial statements.

**Financial Instruments**

All financial instruments are recorded initially at fair value. In subsequent periods, all financial instruments are measured based on the classification adopted for the financial instrument: held to maturity, loans and receivables, fair value through profit or loss ("FVTPL"), available for sale, FVTPL liabilities or other liabilities.

FVTPL assets and liabilities are subsequently measured at fair value with the change in the fair value recognized in net income (loss) during the period.

Held to maturity assets, loans and receivables, and other liabilities are subsequently measured at amortized cost using the effective interest rate method

Available for sale assets are subsequently measured at fair value with the changes in fair value recorded in other comprehensive income (loss), except for equity instruments without a quoted market price in an active market and whose fair value cannot be reliably measured, which are measured at cost.

The Company has classified its financial instruments as follows:

<b>Financial Instrument</b>	<b>Classification</b>
Cash	FVTPL
Accrued liabilities	Other liabilities

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**Financial Instruments (Cont'd)**

The Company's financial instruments measured at fair value on the balance sheet consist of cash. Cash is measured at level 1 of the fair value hierarchy. There are three levels of the fair value hierarchy as follows:

Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2: Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3: Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

**Impairment**

(i) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized if the carrying amount of a cash-generating unit exceeds its estimated recoverable amount. The recoverable amount of an asset or a cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the assets. Impairment losses are recognized in net income (loss).

Impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**Impairment (Cont'd)**

(ii) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in net income (loss) and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through net income (loss).

**Comprehensive Income (Loss)**

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit such as unrealized gains or losses on available-for-sale investments and gains or losses on certain derivative instruments. To date there has not been any other comprehensive income (loss) and accordingly, a statement of comprehensive income (loss) has not been presented.

**Deferred Share Issuance Costs**

These costs relate directly to the proposed issuance of shares by the Company, as disclosed in Note 7. Upon completion of the initial public offering, the costs will be charged against capital stock.

**Deferred Taxes**

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

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

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

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**Future Changes in Accounting Policies**

The following standards have been issued but are not yet effective:

- (i) IFRS 9 *Financial Instruments* was issued by the IASB in October 2010 and will replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2013. The IASB has proposed to move the effective date of IFRS 9 to January 1, 2015.
- (ii) IFRS 10 *Consolidated Financial Statements* was issued by the IASB in May 2011. IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 replaces the consolidation requirements in SIC-12 *Consolidation—Special Purpose Entities* and IAS 27 *Consolidated and Separate Financial Statements* and is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.
- (iii) IFRS 11 *Joint Arrangements* was issued by the IASB in May 2011. IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities. IFRS 11 supersedes IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly Controlled Entities - Non-Monetary Contributions by Venturers*, and is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.
- (iv) IFRS 12 *Disclosure of Interests in Other Entities* was issued by the IASB in May 2011. IFRS 12 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. IFRS 12 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.
- (v) IFRS 13 *Fair Value Measurement* was issued by the IASB in May 2011. IFRS 13 establishes new guidance on fair value measurement and disclosure requirements for IFRSs and US generally accepted accounting principles (GAAP). The guidance, set out in IFRS 13 and an update to Topic 820 in the FASB's Accounting Standards Codification (formerly referred to as SFAS 157), completes a major project of the boards' joint work to improve IFRSs and US GAAP and to bring about their convergence. The standard is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

The accompanying notes are an integral part of these financial statements

## Triumph Ventures III Corporation

(a capital pool corporation)

Notes to Financial Statements

July 31, 2011

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Future Changes in Accounting Policies (con'd)

- (vi) IAS 1 *Presentation of Financial Statements* was amended by the IASB in June 2011 in order to align the presentation of items in other comprehensive income with US GAAP standards. Items in other comprehensive income will be required to be presented in two categories: items that will be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged. The amendments to IAS 1 are effective for annual periods beginning on or after July 1, 2012.

The Company is currently evaluating the impact of the above standards on its financial performance and financial statement disclosures but expects that such impact will not be material.

### 4. CASH RESTRICTION

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or \$34,500 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the Exchange policy 2.4.

### 5. CAPITAL STOCK

Authorized  
unlimited common shares

Issued

	Number	Value
Issued for cash	1,150,000	\$ 115,000
Balance at July 31, 2011	1,150,000	\$ 115,000

The accompanying notes are an integral part of these financial statements

Upon closing of the prospectus disclosed in Note 8, the 1,150,000 issued Common Shares of the Company will be subject to a CPC Escrow Agreement. Under the CPC Escrow Agreement, 10% of the escrowed Common Shares will be released from escrow on the issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release.

## **6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

### **Capital Management**

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company includes equity, comprised of issued common shares, in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The Company is not subject to externally imposed capital requirements other than the cash restriction disclosed in Note 4.

### **Risk Disclosures and Fair Values**

The Company's financial instruments, consisting of cash and accrued liabilities, approximate fair values due to the relatively short term maturities of the instruments. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

As at July 31, 2011, the Company has accrued liabilities of \$42,451 due within 12 months and has cash of \$114,976 to meet its current obligations. As a result the Company has minimal liquidity risk.

## **7. DEFERRED TAXES**

As of July 31, 2011, the Company has a deferred tax asset of approximately \$10,600, which includes temporary differences of \$9,500 relating to share issuance costs and \$1,100 relating to non-capital losses which may be carried forward 20 years. A valuation allowance has been recognized for this amount as the Company does not consider it probable that the deferred tax asset will be recovered.



**8. SUBSEQUENT EVENT**

Pursuant to an agency agreement dated September 8, 2011, the Company has filed a prospectus dated ●, 2011, offering a minimum of 1,000,000 common shares at a price of \$0.20 per common share by way of an Initial Public Offering (the "Offering") pursuant to the policies of the TSX Venture Exchange governing CPCs. The Company has agreed to pay the Agent a commission of 10% of the gross proceeds of this Offering, a work fee of \$25,000 plus HST and the Agent's legal fees. The Agent will also be granted non-transferable option to purchase common shares that is equal to 10% of the total number of common shares sold under this Offering at a price of \$0.20 per common share, exercisable for a period of 24 months from the date of listing of the common shares on the Exchange.

The Company also proposes to grant options to purchase the equivalent of 10% of the outstanding common shares of the Company upon the closing of the minimum offering being 215,000 common shares (the "Incentive Stock Options"), at a price of \$0.20 per common share, to certain of the Company's directors and officers in accordance with the policies of the Exchange. The prospectus qualifies the distribution of the Incentive Stock Options. The Incentive Stock Options are expected to be granted immediately following the closing of the Offering.

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### AUDITOR'S CONSENT

We have read the prospectus of Triumph Ventures III Corporation (the "Company") dated September 8, 2011 relating to the sale and issue of a minimum of 1,000,000 common shares of the Company at a price of \$0.20 per common share. We have complied with Canadian Generally Accepted Standards for an auditor's involvement with offering documents.

We consent to the use in the above-mentioned prospectus of our auditors' report dated September 8, 2011 (except Note 8, which is as of ●, 2011) to the directors of the Company on the balance sheet at July 31, 2011, the statement of changes in equity and the statement of cash flows for the period from the date of incorporation (January 19, 2011 to July 31, 2011).

Collins Barrow Toronto LLP  
Licensed Public Accountants  
Toronto, Ontario  
●, 2011

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**CERTIFICATE OF THE CORPORATION**

Dated: September 8, 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, Alberta, Manitoba, Saskatchewan and Ontario.

**TRIUMPH VENTURES III CORP.**

*"PETER WANNER"*

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PETER WANNER  
PRESIDENT, CHIEF EXECUTIVE  
OFFICER AND CHIEF FINANCIAL  
OFFICER

*"PIERRE G. GAGNON"*

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PIERRE GAGNON  
SECRETARY AND CHAIRMAN

**On behalf of the Board of Directors of  
Triumph Ventures III Corp.**

*"JAMES H. DECKER"*

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JAMES H. DECKER  
DIRECTOR

*"GEORGE W. ROBERTS"*

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GEORGE W. ROBERTS  
DIRECTOR

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**CERTIFICATE OF AGENT**

Dated: September 8, 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, Alberta, Manitoba, Saskatchewan and Ontario.

**PORTFOLIO STRATEGIES  
SECURITIES INC.**

By:

*“ROBERT CARBONARO”*

ROBERT CARBONARO