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PROSPECTUS

INITIAL PUBLIC OFFERING

December 22, 2011

RAILTOWN CAPITAL CORP.

(A Capital Pool Company)

\$500,000

5,000,000 Common Shares

Price: \$0.10 per Common Share

The purpose of this offering (the “**Offering**”) is to provide **Railtown Capital Corp.** (the “**Company**”) with a minimum amount 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 Company is a Capital Pool Company (a “**CPC**”) as defined in the CPC Policy. It has not commenced commercial operations and has no assets other than a minimum amount of cash. Except as specifically contemplated in the CPC Policy, until the Completion of the Qualifying Transaction (as hereinafter defined), the Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a proposed Qualifying Transaction.

	<u>Common Share(s)</u>	<u>Price to the Public</u>	<u>Agent’s Commission</u>	<u>Proceeds to the Company</u>
Per Common Share	1	\$0.10	\$0.01	\$0.09
Offering	5,000,000	\$500,000	\$50,000	\$450,000

- (1) The Agent (as hereinafter defined) has agreed to act as agent in connection with the Offering and will receive a cash commission of 10% of the gross proceeds of the Offering (the “**Agent’s Commission**”). In addition, the Agent will be reimbursed for its expenses and legal fees incurred pursuant to the Offering. The Company will also grant to the Agent: (a) the Agent’s Option (as hereinafter defined) which is qualified for distribution under this prospectus and may be exercised during the period of 24 months from the Closing (as hereinafter defined); and (b) the Corporate Finance Shares (as hereinafter defined) as a corporate finance fee, which are qualified for distribution under this prospectus. See “Plan of Distribution”.
- (2) Before deducting costs of the Offering estimated at \$75,000 (exclusive of the Agent’s Commission), of which \$10,000 has been deposited against expenses to be incurred by the Agent pursuant to the Agency Agreement. Costs of the Offering include: expenses and legal fees of the Agent estimated at \$10,000 plus taxes and disbursements, legal and audit fees of the Company estimated at \$40,000, Exchange listing fees of approximately \$15,000 and filing fees of approximately \$10,000. See “Use of Proceeds”.

The Offering is being made on a commercially reasonable efforts basis by Haywood Securities Inc. (the “**Agent**”) in the provinces of British Columbia, Alberta and Ontario and is subject to a minimum subscription of 5,000,000 Common Shares at a purchase price of \$0.10 per Common Share (the “**Offering Price**”) for aggregate gross proceeds to the Company of \$500,000. See “Plan of Distribution”. The Offering Price was determined by negotiation between the Company and the Agent. All funds received from subscriptions for Common Shares will be held by the Agent pursuant to the terms of an agency agreement to be entered into between the Company and the Agent (the “**Agency Agreement**”). If the minimum subscription is not raised within 90 days from the issuance of a receipt for this 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.

Pursuant to the Agency Agreement to be entered into between the Company and the Agent, the Company will grant a non-transferable option to the Agent to purchase 500,000 Common Shares (the “**Agent’s Option**”), at a purchase price of \$0.10 per Common Share, exercisable for a period of 24 months from the Closing, which option is qualified for distribution under this prospectus. See “Plan of Distribution”.

There is no market through which the securities may be sold and purchasers may not be able to resell securities purchased under this prospectus. This may affect the pricing of the securities on the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See “Risk Factors”. The Company has applied to list its Common Shares on the Exchange. Listing will be subject to the Company fulfilling all of the listing requirements of the Exchange.

As at the date of this prospectus, the Company is an “IPO Venture Issuer” (defined under National Instrument 41-101 – *General Prospectus Requirements* as an issuer that: (a) files a long form prospectus; (b) is not a reporting issuer in any jurisdiction immediately before the date of the final long form prospectus; and (c) at the date of the long form prospectus, does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on (i) the Toronto Stock Exchange, (ii) a U.S. marketplace, or (iii) a marketplace outside of Canada and the United States of America, other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc).

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

Investment in the Common Shares offered by this prospectus is highly speculative due to the nature of the Company’s business and its present stage of development. The Offering is suitable only to those investors who are prepared to risk the loss of their entire investment. See “Risk Factors”.

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

The directors and officers of the Company will only devote a portion of their time to the business and affairs of the Company and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time. 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 the Common Shares acquired under this prospectus.

Investors acquiring Common Shares will suffer an immediate dilution of 24.5% or \$0.0245 per Common Share upon completion of the Offering, without the deduction of selling commissions and related expenses incurred by the Company. See “Dilution”.

The Company has only limited funds available to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify a suitable Qualifying Transaction. Further, even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company 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 Company 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 Common Shares from trading on the Exchange in the event that the Exchange has not issued a Final Exchange Bulletin (as hereinafter defined) within 24 months from the Listing Date (as hereinafter defined). If the Company does not complete a Qualifying Transaction within 24 months from the Listing Date it may apply for listing on the NEX board of the Exchange

rather than be delisted, subject to satisfying certain requirements. See “Business of the Company – Trading Halts, Suspension and Delisting”. Neither the Exchange, nor any securities regulatory authority, passes upon the merits of any proposed Qualifying Transaction.

If the management, directors or experts of the Company reside outside of Canada, or the Company identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any such Person (as hereinafter defined) resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce judgments obtained in Canadian courts against such Persons.

As a result of these factors, the Offering is suitable only to investors who are willing to rely solely on the management of the Company and who can afford to lose their entire investment. Those investors who are not prepared to do so should not invest in the Common Shares offered under this prospectus. See “Business of the Company”, “Directors, Officers and Promoters - Management and Key Personnel”, “Use of Proceeds” and “Risk Factors”.

Pursuant to the CPC Policy, no purchaser of Common Shares is permitted to directly or indirectly purchase more than 2% of the total Common Shares offered under this prospectus, being, 100,000 Common Shares, a \$10,000 investment. In addition, the maximum number of Common Shares that may directly or indirectly be purchased by any purchaser, together with any Associates (as hereinafter defined) or Affiliates (as hereinafter defined) of that purchaser, is 4% of the total Common Shares offered under this prospectus, being 200,000 Common Shares, a \$20,000 investment.

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 offered under this prospectus in definitive form will be available for delivery on the Closing.

Haywood Securities Inc.
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Waterfront Centre
Vancouver, British Columbia
V6C 3L6

The Company may be a “connected issuer”, as such term is defined under National Instrument 33-105 – *Underwriting Conflicts*, of Haywood Securities Inc. (the “Agent”). The basis on which the Company may be a connected issuer of the Agent is that: (a) Jane Ballantyne, the Corporate Secretary and a substantial shareholder of the Company, is married to Paul J.C. Woodward, Managing Director, Investment Banking, of the Agent; and (b) Martin Woodward, a director and substantial shareholder of the Company, is the brother of Paul Woodward. See “Relationship between the Company and the Agent” for further information.

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GLOSSARY

Unless the context otherwise specifies or requires, capitalized terms and phrases used in this prospectus and not otherwise defined herein shall have the same meaning ascribed to them in the CPC Policy or in Exchange Policy 1.1 “**Interpretation**”, as the case may be.

“**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 to be entered into between the Company and the Agent dated as of December 22, 2011 between the Company and the Agent.

“**Agent**” means Haywood Securities Inc., with an office in Vancouver, British Columbia.

“**Agent’s Option**” means the non-transferable option to be issued by the Company to the Agent which will entitle the Agent to purchase 500,000 Common Shares at a price of \$0.10 per Common Share, for a period of 24 months from the Closing.

“**Agent’s Option Shares**” means 500,000 previously unissued Common Shares in the authorized share capital of the Company, as presently constituted, issuable on exercise of the Agent’s Option.

“**Aggregate Pro Group**” means all Persons who are members of any Pro Group whether or not the Member is involved in a contractual relationship with the Company 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;
- (d) identifies the conditions to any further formal agreements to complete the Qualifying Transaction; and

- (e) 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, means:

- (a) an issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer;
- (b) any partner of the Person;
- (c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which a Person 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.

“**Change of Business**” means a transaction or series of transactions that will redirect an issuer's resources and will change the nature of its business, for example, through the acquisition of an interest in another business that represents a material amount of the issuer's market value, assets or operations, or which becomes the principal enterprise of the issuer.

“**Change of Control**” includes situations where after giving effect to the contemplated transaction and as a result of such transaction:

- (a) any one Person holds a sufficient number of the voting shares of the issuer or Resulting Issuer to affect materially the control of the issuer or Resulting Issuer; or
- (b) any combination of Persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, hold in total a sufficient number of the voting shares of the issuer or Resulting Issuer to affect materially the control of the issuer or Resulting Issuer,

where such Persons or combination of Persons did not previously hold a sufficient number of voting shares to affect materially the control of the issuer or the Resulting Issuer. In the absence of evidence to the contrary, any Person or combination of Persons acting in concert by virtue of an agreement, arrangement, commitment or understanding holding more than 20% of the voting shares of the issuer or Resulting Issuer is deemed to materially affect the control of the issuer or Resulting Issuer.

“**Closing**” means the completion of the Offering.

“**Common Shares**” means the common shares without par value in the capital of the Company as constituted on the date hereof.

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

“**Corporate Finance Shares**” means 100,000 previously unissued Common Shares in the authorized share capital of the Company, as presently constituted, issuable to the Agent as a corporate finance fee on Closing.

“**CPC**” means a company:

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

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

“**Final Exchange Bulletin**” means the Exchange bulletin which is issued following closing of the Qualifying Transaction and the submission of all required documentation and that evidences the Exchange’s final acceptance of the Qualifying Transaction. “**Initial Public Offering**” or “**IPO**” means a transaction that involves an issuer issuing securities from its treasury pursuant to its first prospectus.

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

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

“**Listing Date**” means the date that the Common Shares become listed for trading 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 (as such term is defined in Exchange Policy 5.9):
 - (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.

“**Member**” means a Person who has executed the Members’ Agreement (as defined in the Exchange Rules and Trading Policies), as amended from time to time, and is accepted as and becomes a member of the Exchange under the Exchange Requirements.

“**NEX**” means the market on which former Exchange and Toronto Stock Exchange issuers that do not meet

Exchange tier maintenance requirements for Tier 2 Issuers may continue to trade.

“Non Arm’s Length Parties to the Qualifying Transaction” means the Vendor and any Target Company and includes, in relation to Significant Assets or a 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 Party” means (i) 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; or another entity or an Affiliate of that entity, if that entity or its Affiliate have the same Promoter, officer, director, Insider or Control Person as the company, and (ii) in relation to an individual, any Associate of the individual or any company of which the individual is a Promoter, officer, director, Insider or Control Person.

“Non Arm’s Length Qualifying Transaction” means a proposed Qualifying Transaction where the same party or parties or their respective Associates or Affiliates control the CPC and the Significant Assets which are the subject of the proposed Qualifying Transaction.

“Person” means a company or an individual.

“Principal” means:

- (a) a Person who acted as a Promoter of the issuer within two years or their respective Associates or Affiliates, before the IPO prospectus or the issuance of the Final Exchange Bulletin;
- (b) a director or senior officer of the issuer or any of its material operating subsidiaries at the time of the IPO prospectus or Final Exchange Bulletin;
- (c) a 20% holder – a Person that holds securities carrying more than 20% of the voting rights attached to the issuer’s outstanding securities immediately before and immediately after the issuer’s IPO or immediately after the Final Exchange Bulletin for non IPO transactions;
- (d) a 10% holder - a Person that:
 - (i) holds securities carrying more than 10% of the voting rights attached to the issuer’s outstanding securities immediately before and immediately after the issuer’s IPO or immediately after the issuance of the Final Exchange Bulletin for non IPO transactions; and
 - (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the issuer or any of its material operating subsidiaries;

In calculating these percentages, securities that may be issued to the holder under outstanding convertible securities must be included 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, securities of the entity that may be issued to the Principals under outstanding convertible securities must be included 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) and (d), 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 in the Pro Group for the purposes of a particular calculation where the Exchange determines that the Person is not acting at arm's length to the Member;
 - (c) The Exchange may, in its discretion, exclude a Person from the Pro Group for the purposes of a particular calculation where the Exchange determines that the Person is acting at arm's length to the Member;
 - (d) The Exchange may deem a Person who would otherwise be included in the Pro Group pursuant to subparagraph (a) to be excluded from the Pro Group where the Exchange determines that:
 - (i) the Person is an Affiliate or Associate of the Member acting at arm's length to the Member;
 - (ii) the Associate or Affiliate has a separate corporate and reporting structure;
 - (iii) there are sufficient controls on information flowing between the Member and the Associate or Affiliate; and
 - (iv) the Member maintains a list of such excluded Persons.

"Promoter" has the meaning prescribed by 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 Person or by other means.

"Resale Restrictions" means restrictions on the ability to trade securities including restrictions imposed under applicable Securities Laws such as hold periods and notice requirements and any restrictions under escrow or pooling agreements.

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

"Reverse Take-Over" or **"RTO"** means a transaction or series of transactions involving an acquisition by the issuer or of the issuer, and a securities issuance by the issuer, that results in:

- (a) new shareholders holding more than 50% of the outstanding voting securities of the issuer; and
- (b) a Change of Control of the issuer;

but does not include any transaction or series of transactions whereby the newly issued securities are to be issued to shareholders of an issuer listed on the Toronto Stock Exchange or another senior exchange under a formal takeover bid made pursuant to Securities Laws.

The Exchange may deem a transaction to have resulted in a Change of Control by aggregating the shares of a Vendor and/or incoming management group.

A transaction or series of transactions may include an acquisition of a business or assets or an amalgamation, arrangement or other reorganization.

Any securities issued pursuant to a private placement effected concurrently, contingent upon, or otherwise linked to a transaction or series of transactions, may be used in order to determine whether the transaction or series of transactions satisfies subparagraphs (a) and (b).

“**Securities Laws**” means securities legislation, securities regulations and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to a company.

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

“**Seed Shares**” means securities issued before an issuer’s IPO, 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 Assets**” means one or more assets or businesses which, when purchased, optioned or otherwise acquired by the CPC, together with any other concurrent transactions, would result in the CPC meeting the minimum listing requirements of the Exchange.

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

“**Sponsorship Acknowledgement Form**” means the form prepared in accordance with Exchange Form 2G.

“**Sponsor Report**” means the report to be provided to the Exchange by the Sponsor.

“**Stock Options**” means stock options granted by the Company to purchase up to a maximum of 400,000 Common Shares to directors and officers of the Company under the Option Plan.

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

“**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.

Company: The principal business of the Company will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Company has not commenced commercial operations and has no assets other than a minimum amount of cash. See “Business of the Company”.

Offering: An aggregate of 5,000,000 Common Shares are being offered under this prospectus at a purchase price of \$0.10 per Common Share in the provinces of British Columbia, Alberta and Ontario. In addition, the Company will grant the Agent the Agent’s Option exercisable for a period of 24 months from the Closing and 100,000 Corporate Finance Shares. The Agent’s Option and Corporate Finance Shares are qualified for distribution under this prospectus. See “Use of Proceeds” and “Plan of Distribution”. The Company has also granted Stock Options to purchase up to 400,000 Common Shares to directors and officers of the Company. See “Stock Options”.

Use of Proceeds: The net proceeds to the Company from the Offering after the payment of all costs in respect of the Offering, together with existing funds of the Company, are estimated to be \$610,000. After deducting the estimated general and administrative expenses of the Company until the Completion of the Qualifying Transaction of \$70,000, the Company will have \$540,000 available, which will be used to provide the Company with a minimum of funds with which to identify and evaluate assets or businesses for acquisition with a view to completing a Qualifying Transaction. The Company may not have sufficient funds to secure such businesses or assets once identified and evaluated and additional funds may be required. Until Completion of the Qualifying Transaction and except as otherwise provided in the CPC Policy, a maximum of the lesser of: (i) 30% of the gross proceeds realized; and (ii) \$210,000, may be used for purposes other than evaluating businesses or assets. See “Use of Proceeds”, “Business of the Company - Criteria for Qualifying Transaction” and “Risk Factors”.

Directors and Officers: The directors and officers of the Company are:

Jason Moreau	-	President, CEO, CFO and Director
William Benjamin Catalano	-	Director
Alan Ji	-	Director
Martin Woodward	-	Director
Jane Ballantyne	-	Corporate Secretary

See “Directors, Officers and Promoters - Management and Key Personnel”.

Escrowed Securities: All of the currently issued and outstanding Common Shares, being 4,500,000 Common Shares, will be deposited into escrow pursuant to the terms of an 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 issuance of the Final Exchange Bulletin. See “Escrowed Securities”.

Risk Factors:

Investment in the Common Shares offered under this prospectus must be regarded as highly speculative due to the proposed nature of the Company's business and its present stage of development. The Company was only recently incorporated and has no active business or assets other than cash, and has not identified potential assets or businesses 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 Company and can afford to risk the loss of their entire investment. The directors and officers of the Company will only devote part of their time and attention to the affairs of the Company and there are potential conflicts of interest to which some of the directors and officers of the Company will be subject in connection with the operations of the Company. Assuming completion of the Offering, investors acquiring Common Shares under this prospectus will suffer an immediate dilution on investment of 24.5% or \$0.0245 per Common Share, without deduction of selling commissions and related expenses incurred by the Company. 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 the Common Shares acquired under this prospectus. Until Completion of the Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Company has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Company will be able to identify or complete a suitable Qualifying Transaction. The Qualifying Transaction may involve the acquisition of a business or assets located outside of Canada. It may, therefore, be difficult or impossible to effect service or notice to commence legal proceedings upon any directors, officers and experts outside of Canada and it may not be possible to enforce against such Persons judgments obtained in Canadian courts predicated upon the civil liability provisions applicable to securities laws in Canada. Subject to prior acceptance by the Exchange, the Company may be permitted to loan or advance up to an aggregate of \$225,000 of its proceeds to a target business without requiring shareholder approval and there can be no assurance that the Company will be able to recover that loan.

See "Corporate Structure", "Business of the Company", "Directors, Officers and Promoters - Management and Key Personnel", "Use of Proceeds", "Risk Factors" and "Conflicts of Interest".

CORPORATE STRUCTURE

Railtown Capital Corp. was incorporated by a Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (British Columbia) dated May 11, 2011.

The head office of the Company is located at Suite 108 – 329 Main Street, Vancouver, British Columbia, V6A 2S9.

The registered office of the Company is located at Suite 108 – 329 Main Street, Vancouver, British Columbia, V6A 2S9.

BUSINESS OF THE COMPANY

Preliminary Expenses

As at the date hereof, the Company has incurred or accrued preliminary expenses with respect to legal and auditing fees and expenses in the aggregate amount of approximately \$30,000 since the date of the financial statements included in this prospectus. The total estimated legal, auditing fees and other expenses related to this prospectus (including the legal expenses of the Agent) is \$75,000.

Upon completion of the Offering, the deposit of \$10,000 which has been deposited against expenses to be incurred by the Agent pursuant to the Agency Agreement, will be applied towards the payment of the expenses of the Agent and its legal counsel. The Company will have also incurred legal expenses, including expenses in respect of the prior issuances of Common Shares, general legal services and costs associated with the incorporation and organization of the Company.

A portion of the proceeds of the Offering will be used to satisfy the obligations of the Company related to the Offering, including the expenses of its legal counsel and auditor and the Agent's legal counsel. See "Use of Proceeds".

Proposed Operations Until Completion of a Qualifying Transaction

The Company proposes to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the Exchange and in the case of a Non Arm's Length Qualifying Transaction will also be subject to Majority of the Minority Approval in accordance with the CPC Policy. The Company has not conducted commercial operations.

Until Completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction. With the consent of the Exchange, this may include the raising of additional funds in order to finance an acquisition. Except as described under "Use of Proceeds - Restrictions on Use of Proceeds" and "Use of Proceeds - 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.

The Company has not yet entered into an Agreement in Principle. The Company currently intends to pursue a Qualifying Transaction in the technology industry, but there is no assurance that this will, in fact, be the business sector of a Proposed Qualifying Transaction or of the Company following completion of the Qualifying Transaction.

Method of Financing Participation or Acquisitions

The Company may use either 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 Common Shares could result in a Change of Control of the Company and may cause the shareholders' interest in the Company to be further diluted.**

Criteria for Qualifying Transaction

The Company will consider acquisitions of assets or businesses operated or located both inside and outside of Canada, as permitted by applicable Exchange policies. All potential acquisitions will be screened initially by management of the Company to determine their economic viability. The board of directors of the Company must approve any proposed Qualifying Transaction. In exercising their powers and discharging their duties in relation to a proposed Qualifying Transaction, the directors will act honestly and in good faith with a view to the best interests of the Company and will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

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

Upon the Company reaching an Agreement in Principle, the Company must issue a comprehensive news release, at which time the Exchange will generally halt trading in the Common Shares until the filing requirements of the Exchange have been satisfied as set forth under "Business of the Company - Trading Halts, Suspension and Delisting". Within 75 days after the issuance of the news release, the Company will be required to submit for review to the Exchange either an information circular that complies with applicable corporate laws and Securities Laws or a filing statement that complies with the Exchange's requirements. An information circular must be submitted where there is a Non Arm's Length Qualifying Transaction or where shareholder approval is otherwise required. A filing statement must be submitted where the Qualifying Transaction is not a Non Arm's Length Qualifying Transaction. The information circular or filing statement, as applicable, must contain prospectus level disclosure of the Target Company and the Company, assuming Completion of the Qualifying Transaction, and be prepared in accordance

with the CPC Policy and Exchange Form 3B1/Form 3B2. Upon acceptance by the Exchange, the Company must then either:

- (a) file the filing statement on SEDAR at least seven business days prior to the 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 of the Company.

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

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

Upon issuance of the Final Exchange Bulletin, the CPC Policy will generally cease to apply, with the exception of the escrow provisions of the CPC Policy and the restrictions in the CPC Policy precluding the Company from completing a Reverse Take-Over for a period of one year from the Completion of the Qualifying Transaction.

Initial Listing Requirements

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

Trading Halts, 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 filing requirements of the Exchange have been satisfied, which includes the submission of a Sponsorship Acknowledgment Form, where the Qualifying Transaction is subject to sponsorship. In addition, personal information forms or, if applicable, declarations, for all individuals who may be directors, senior officers, Promoters or Insiders of the Resulting Issuer must be filed with the Exchange and any preliminary background searches that the Exchange considers necessary or advisable must also be completed before the trading halt will be lifted by the Exchange.

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

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

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

The Exchange may suspend from trading or delist the Common Shares where the Exchange has not issued a Final

Exchange Bulletin to the Company within 24 months from the Listing Date. If the Common Shares are delisted by the Exchange, within 90 days from the date of such delisting, the Company must wind-up and must make a pro rata distribution of its remaining assets to its shareholders, unless shareholders, pursuant to a majority vote exclusive of the votes of Non Arm's Length Parties to the Company, determine to deal with the Company or its remaining assets in some other manner. See "Filings and Shareholder Approval of a Non Arm's Length Qualifying Transaction" and "Refusal of Qualifying Transaction".

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

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

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

Refusal of Qualifying Transaction

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

- (a) the Resulting Issuer fails to satisfy the applicable minimum listing requirements of the Exchange;
- (b) the aggregate number of securities of the Resulting Issuer owned, directly or indirectly, by:
 - (i) a Member firm of the Exchange;
 - (ii) registrants, unregistered corporate finance professionals, employee shareholders and partners of such Member 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 Securities Laws;
- (d) the majority of the directors and senior officers of the Resulting Issuer are not residents of Canada or the United States of America 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 to be received by the Company from the sale of the Common Shares offered under this prospectus will be \$500,000. The gross proceeds received by the Company from the sale of Common Shares prior to the date of this prospectus were \$225,000. From the aggregate gross proceeds of \$725,000 will be deducted the expenses and costs of the Offering estimated in the aggregate, including the Company's legal fees, audit fees, regulatory fees, transfer agent fees and the Agent's Commission, administration fee, legal fees and expenses, to be approximately \$125,000. The Company estimates that the net amount of \$600,000 will be available to the Company from the combination of prior sales of Common Shares and the sale of the Common Shares pursuant to the Offering.

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

	<u>Offering</u>
Cash proceeds raised prior to the Offering (Seed Shares) ⁽¹⁾	\$225,000
Cash Proceeds from the Offering ⁽²⁾	<u>\$500,000</u>
Total Proceeds	\$725,000
The Agent's Commission and Legal Expenses of the Agent ⁽³⁾	(\$60,000)
Legal, Accounting, Audit and Other Expenses Relating to the Offering ⁽⁴⁾	<u>(\$65,000)</u>
Estimated funds available (on completion of the Offering)	<u>\$600,000</u>
Funds available for identifying and evaluating assets or business prospects	\$530,000
Estimated general and administrative expenses until Completion of the Qualifying Transaction	\$70,000
Total Net Proceeds ⁽⁵⁾	<u>\$600,000</u>

- (1) Since the date of incorporation of the Company, 4,500,000 Common Shares have been issued. See "Prior Sales".
- (2) Assuming no exercise of the Agent's Option or the Stock Options. If the Agent's Option or the Stock Options are exercised in full, the following additional amounts, which may be added to the working capital of the Company, may be available to the Company: (i) \$50,000, if the Agent exercises the Agent's Option; and (ii) \$40,000, if all of the Stock Options are exercised. See "Plan of Distribution" and "Stock Options". There is no assurance that all, or any part of, the Agent's Option or Stock Options will be exercised.
- (3) Of this amount, \$10,000 has been deposited against expenses to be incurred by the Agent pursuant to the Agency Agreement. See "Business of the Company – Preliminary Expenses".
- (4) The Company estimated legal and audit fees to be approximately \$40,000, Exchange listing fees to be approximately \$15,000 and filing fees to be approximately \$10,000.
- (5) If the Company enters into an Agreement in Principle before spending the entire \$530,000 on identifying and evaluating assets or businesses, the remaining funds may be used to finance or partially finance the acquisition of Significant Assets or for working capital after Completion of the Qualifying Transaction.

Until required for the Company's purposes, the proceeds from the sale of securities of the Company will only be invested in securities of, or guaranteed by, the Government of Canada or any province or territory of Canada or the Government of the United States of America, or 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 Company may commit.

Permitted Use of Funds

Until the Completion of the Qualifying Transaction and except as otherwise specifically provided by the CPC Policy and described 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 Company will be used by the Company only to identify and evaluate businesses or assets and obtain shareholder approval for a proposed Qualifying Transaction.

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

- (a) valuations or appraisals;
- (b) business plans;
- (c) feasibility studies and technical assessments;
- (d) sponsorship reports;
- (e) engineering or geological reports;
- (f) financial statements, including audited financial statements;
- (g) fees for legal and accounting services; and
- (h) agent fees, costs and commissions,

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

In addition, with the prior acceptance of the Exchange, up to an aggregate of \$225,000 may be advanced as a refundable deposit or secured loan by the Company to a Vendor or Target Company, as the case may be, for a proposed arm’s length Qualifying Transaction, provided that:

- (a) the Qualifying Transaction has been publicly announced;
- (b) due diligence with respect to the Qualifying Transaction is well underway;
- (c) either a Sponsor has been engaged or sponsorship has been waived; and
- (d) the advance has been announced in a news release at least 15 days prior to the date of any such advance.

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, without the prior acceptance of the Exchange, to preserve assets.

Restrictions on Use of Proceeds

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

- (a) listing and filing fees (including SEDAR fees);
- (b) other costs for the issuance of securities, (including legal, accounting and audit expenses) relating to the preparation and filing of this prospectus; and
- (c) administrative and general expenses of the Company, including:

- (i) office supplies, office rent and related utilities;
- (ii) printing costs (including the printing of this prospectus and share certificates);
- (iii) equipment leases; and
- (iv) fees for legal advice and audit expenses, other than those described above under “Permitted Use of Funds”.

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

Private Placements for Cash

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

Prohibited Payments to Non Arm’s Length Parties

Except as described under “Stock Options” and “Restrictions on Use of Proceeds”, the Company has not made, and until the Completion of the Qualifying Transaction will not make, any payment of any kind, directly or indirectly, to a Non Arm’s Length Party to the Company 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 Company may reimburse a Non Arm’s Length Party to the Company for reasonable expenses for office supplies, office rent and related utilities, equipment leases (excluding vehicle leases), and legal services (provided that neither the lawyer providing the legal services nor any member of the law firm providing the services is a Promoter of the Company or in the case of a law firm, no member of the firm owns greater than 10% of the outstanding Common Shares of the Company), and the Company may also reimburse a Non Arm’s Length Party to the Company for reasonable out-of-pocket expenses incurred in pursuing the business of the Company described 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 to be entered into between the Company and the Agent, the Company has appointed the Agent as its agent to offer for sale to the public on a commercially reasonable efforts basis 5,000,000 Common Shares, as provided in this prospectus, at a price of \$0.10 per Common Share for gross proceeds of \$500,000, subject to the terms and conditions in the Agency Agreement to be entered into between the Company and the Agent. The Agent will receive a cash commission of 10% of the gross proceeds from the sale of the Common Shares. In addition, the Company will issue to the Agent 100,000 Corporate Finance Shares as a corporate finance fee and pay the Agent’s legal fees incurred pursuant to the Offering, estimated at \$10,000 plus

disbursements and taxes, and any other reasonable expenses of the Agent. The Corporate Finance Shares are qualified for distribution under this prospectus.

The Company has also agreed to grant to the Agent the Agent's Option, equal to 10% of the total number of Common Shares sold pursuant to the Offering. The Options may be exercised during the period of 24 months from the Closing. The Agent's Option is qualified for distribution under this prospectus. Not more than 50% of the Agent's Option Shares received on the exercise of the Agent's Option may be sold by the Agent prior to the Completion of the Qualifying Transaction. The remaining 50% may be sold after the Completion of the Qualifying Transaction. The Agent has agreed to use its commercially reasonable efforts to secure subscriptions for the Common Shares offered hereunder on behalf of the Company and may make co-brokerage arrangements with other investment dealers at no additional cost to the Company. The obligations of the Agent under the Agency Agreement to be entered into between the Company and the Agent 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 to be entered into between the Company and the Agent.

Commercially Reasonable Efforts Offering and Minimum Distribution

The total Offering is for 5,000,000 Common Shares at a purchase price of \$0.10 per Common Share for total gross proceeds to the Company of \$500,000. Under the CPC Policy, no purchaser of Common Shares is permitted to purchase more than 2% of the total Common Shares offered under this prospectus, being 100,000 Common Shares, a \$10,000 investment. In addition, the maximum number of Common Shares permitted to be purchased by any purchaser, together with any Associates or Affiliates of that purchaser, is 4% of the total Common Shares offered under this prospectus, being 200,000 Common Shares, a \$20,000 investment. The funds received from the Offering will be deposited with the Agent and will not be released until proceeds of \$500,000 have been deposited. The total subscription must be raised within 90 days from the date a receipt for the prospectus is issued, or such other time as may be consented to by the Agent and Persons who subscribed within that period, failing which the Agent will remit the funds collected to the original subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent.

Determination of Price

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

Right of First Refusal

Pursuant to the terms of the Agency Agreement to be entered into between the Company and the Agent, the Company has granted to the Agent a right of first refusal to act as lead selling agent in respect of any further brokered equity financing and/or debt financing of the Company for a period of 24 months from the listing of the Company's Common Shares on the Exchange.

Listing Application

The Company has applied to list its Common Shares on the Exchange. Listing will be subject to the Company fulfilling all the listing requirements of the Exchange.

Subscriptions by and Restrictions on the Agent

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

subject to a four month Exchange hold period and the securities certificate(s) legended accordingly, as prescribed by Exchange Policy 3.2 “Filing Requirements and Continuous Disclosure”.

The Agent has advised the Company that, other than disclosed below, 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, has subscribed for Common Shares of the Company before the date of this prospectus.

Restrictions on Trading

Other than the initial distribution of the Common Shares pursuant to this prospectus, the grant of the Agent’s Option and the issuance of the Corporate Finance Shares, no securities of the Company will be permitted to be issued during the period between the date a receipt for the preliminary prospectus is issued by the securities 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 Laws or where the applicable securities regulatory authorities grant a discretionary order.

As at the date of this prospectus, the Company is an “IPO Venture Issuer” (defined under National Instrument 41-101 – *General Prospectus Requirements* as an issuer that: (a) files a long form prospectus; (b) is not a reporting issuer in any jurisdiction immediately before the date of the final long form prospectus; and (c) at the date of the long form prospectus, does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on (i) the Toronto Stock Exchange, (ii) a U.S. marketplace, or (iii) a marketplace outside of Canada and the United States of America, other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc).

DESCRIPTION OF SECURITIES DISTRIBUTED

The Company is authorized to issue an unlimited number of Common Shares without nominal or par value of which, as of the date hereof, 4,500,000 Common Shares are issued and outstanding as fully-paid and non-assessable shares. The holders of Common Shares are entitled to receive notice of and attend all meetings of the shareholders of the Company and are entitled to one vote in respect of each Common Share held at such meetings. In the event of the liquidation, dissolution or winding-up of the Company, the holders of Common Shares are entitled to share rateably in the remaining assets of the Company.

In addition, 5,000,000 Common Shares are reserved for issuance under this prospectus, 500,000 Agent’s Option Shares are reserved for issuance pursuant to the exercise of the Agent’s Option, 100,000 Corporate Finance Shares are reserved for issuance as a corporate finance fee on Closing and 400,000 Common Shares are authorized for issuance upon the exercise of the Stock Options. See “Plan of Distribution” and “Stock Options”.

CAPITALIZATION

The following table represents the share capital of the Company both before and after the issuance of the Common Shares issuable upon completion of the Offering:

Capital	Amount Authorized	Amount outstanding as of the date of the balance sheet contained in the prospectus ⁽¹⁾	Amount outstanding as of the date hereof	Amount to be outstanding after giving effect to the Offering ⁽³⁾⁽⁴⁾
Common Shares	Unlimited	\$10.00	\$225,000	\$725,000
		(100 Common Shares) ⁽²⁾	(4,500,000 Common Shares)	(9,600,000 Common Shares)

(1) As at the date of the balance sheet, and as at the date hereof, the Company had not commenced commercial operations.

- (2) These Common Shares were subsequently cancelled and returned to treasury.
- (3) The number of Common Shares includes the Corporate Finance Shares to be issued on Closing, but assumes no exercise of the Agent's Option or the Stock Options. The Company has granted Stock Options to purchase up to a maximum of 400,000 Common Shares to directors and officers of the Company. The Company has also reserved a total of 500,000 Agent's Option Shares for issuance upon the exercise of the Agent's Option. See "Stock Options" and "Plan of Distribution".
- (4) This amount represents gross proceeds of this Offering (including the Corporate Finance Shares) and prior issuances of Common Shares, prior to deducting the expenses of the prior issuances of Common Shares, the Agent's Commission and the estimated expenses of the Offering (estimated to be \$125,000). See "Use of Proceeds".

The following table sets out the fully diluted share capital structure of the Company upon completion of the Offering:

	Number of Common Shares	Percentage of Total
<u>Common Shares Issued or Allotted</u>		
Issued as of the date of this Prospectus	4,500,000	42.86%
Offering (including Corporate Finance Shares)	5,100,000	48.57%
<u>Common Shares reserved for future issuance:</u>		
Stock Options	400,000	3.81%
Agent's Option	500,000	4.76%
TOTAL:	<u>10,500,000</u>	<u>100%</u>

STOCK OPTIONS

The Company has adopted an incentive stock option plan (the "**Option Plan**") which provides that a committee of the board of directors of the Company appointed in accordance with the Option Plan may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company non-transferable Stock Options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares at the time of such grant. The number of Common Shares which may be reserved for issuance to any one director, officer or employee of the Company may not exceed 5% of the issued Common Shares on a yearly basis, or 2% if the optionee is a consultant of the Company. Under the Option Plan, Stock Options are required to have an exercise price not less than the closing market price of the Common Shares prevailing on the day the Stock Option is granted, less applicable discounts, if any, permitted by regulatory authorities. For so long as the Company is not a Tier 1 issuer on the Exchange, Stock Options may be exercised up to five years from the Listing Date, subject to the following cancellation provisions. Stock Options will terminate 90 days after an optionee ceases to be a director or officer of the Company, or 30 days after an optionee ceases to be an employee or consultant of the Company, unless the optionee is engaged in investor relations activities, in which case the Stock Options will terminate on the date such optionee ceases to be an employee or consultant of the Company. However, where an optionee is a director or officer of the Company, the Stock Options will terminate immediately on the date the optionee ceases to be a director or officer of the Company as a result of: (a) ceasing to meet the qualifications set forth in applicable corporate legislation; or (b) in the case of a director, a special resolution being passed by the shareholders of the Company removing the optionee as a director of the Company. Similarly, where the optionee is an employee or consultant of the Company, the Stock Options will terminate immediately on the date the employee or consultant ceases to hold such position as a result of: (a) termination for cause; or (b) an order made by a regulatory authority having jurisdiction to do so. Finally, in the event that an optionee dies while: (a) a director, officer, employee or consultant (other than an employee or consultant performing investor relations activities) of the Company, the optionee's Stock Options will terminate 12 months from the date of the optionee's death; or (b) an employee or consultant of the Company performing investor relations activities, the optionee's Stock Options will terminate 30 days from the date of the optionee's death.

Notwithstanding the terms of the Option Plan, the following restrictions shall apply to the Option Plan until the issuance of the Final Exchange Bulletin:

- Stock Options may only be granted to directors, officers and technical consultants of the Company, and no Stock Options may be granted to any person providing Investor Relations Activities (as such term is defined in the policies of the Exchange), promotional or market making activities;
- the total number of Common Shares reserved under Stock Option for issuance pursuant to the Option Plan may not exceed 10% of the Common Shares to be outstanding as at the Closing;
- the maximum number of Common Shares reserved for issuance to any individual officer or director may not exceed 5% of the Common Shares to be outstanding after the Closing;
- the maximum number of Common Shares reserved for issuance to all technical consultants may not exceed 2% of the Common Shares to be outstanding after the Closing;
- the exercise price per Common Share under any Stock Option granted by the Company may not be less than the greater of the Offering Price and the Discounted Market Price (as such term is defined in the policies of the Exchange);
- any Common Shares acquired pursuant to the exercise of Stock Options before the Completion of the Qualifying Transaction, must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued; and
- if an optionee does not continue as a director, officer, technical consultant or employee of the Company following Completion of the Qualifying Transaction, the Stock Option will have a maximum term of the later of 12 months after Completion of the Qualifying Transaction and 90 days after the optionee ceases to become a director, officer, technical consultant or employee of the Resulting Issuer following Completion of the Qualifying Transaction.

The Company has issued stock option certificates dated for reference September 28, 2011 granting the following Stock Options to directors and officers of the Company:

Name	Number of Common Shares under Option	Exercise Price per Common Share	Expiry Date
Jason Moreau	80,000	\$0.10	September 27, 2016
William Benjamin Catalano	80,000	\$0.10	September 27, 2016
Alan Ji	80,000	\$0.10	September 27, 2016
Martin Woodward	80,000	\$0.10	September 27, 2016
Jane Ballantyne	80,000	\$0.10	September 27, 2016
Total	<u>400,000</u>		

PRIOR SALES

Since the date of incorporation of the Company, 4,500,000 Common Shares have been issued as follows:

Date	Number of Common Shares	Issue Price per Common Share	Aggregate Issue Price	Consideration Received
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May 11, 2011	100 ⁽¹⁾	\$0.001	\$10.00	Cash
June 7, 2011	2,500,000 ⁽²⁾	\$0.05	\$125,000	Cash
September 21, 2011	2,000,000 ⁽²⁾	\$0.05	\$100,000	Cash

(1) These Common Shares were subsequently cancelled and returned to treasury.

(2) These Common Shares will be held in escrow. See “Escrowed Securities”.

ESCROWED SECURITIES

Securities Escrowed Prior to the Completion of Qualifying Transaction

All of the 4,500,000 Common Shares issued before the Offering, which were issued for \$0.05 per Common Share, all Common Shares that may be acquired by Non Arm’s Length Parties of the Company either under the Offering or otherwise before the Completion of the Qualifying Transaction and all Common Shares acquired by members of the Aggregate Pro Group before the Offering will be deposited into escrow with Computershare Investor Services Inc. (“**Computershare**”) under an escrow agreement (the “**Escrow Agreement**”) to be entered into before the completion of the Offering in accordance with the CPC Policy.

All Common Shares acquired on exercise of Stock Options before Completion of a Qualifying Transaction must also be deposited into escrow and will be subject to escrow until the Final Exchange Bulletin is issued.

In addition, all Common Shares acquired in the secondary market before the Completion of a Qualifying Transaction by any person or company who becomes a Control Person are required to be deposited into escrow. Subject to certain exemptions permitted by the Exchange, all securities of the Company held by Principals of the Resulting Issuer must also be escrowed.

The following table sets out, as at the date hereof, the number of Common Shares which will be held in escrow pursuant to the Escrow Agreement:

Name and Municipality of Residence of Shareholder ⁽¹⁾	Common Shares	Number of Common Shares to be held in Escrow	Percentage of Common Shares prior to giving effect to the Offering	Percentage of Common Shares after giving effect to the Offering ⁽¹⁾⁽²⁾
Jason Moreau Surrey, British Columbia	500,000	500,000	11.1%	5.21%
William Benjamin Catalano Burnaby, British Columbia	500,000	500,000	11.1%	5.21%
Alan Ji San Jose, California	500,000	500,000	11.1%	5.21%
Martin Woodward North Vancouver, British Columbia	500,000	500,000	11.1%	5.21%
Jane Ballantyne Port Moody, British Columbia	500,000	500,000	11.1%	5.21%

Derek Lew Vancouver, British Columbia	500,000	500,000	11.1%	5.21%
Michael Edwards Whistler, British Columbia	500,000	500,000	11.1%	5.21%
Manji Investments Limited ⁽³⁾ Vancouver, British Columbia	500,000	500,000	11.1%	5.21%
Peter Gill Vancouver, British Columbia	40,000	40,000	0.9%	0.42%
Tenuous Holdings Ltd. ⁽⁴⁾ North Vancouver, British Columbia	40,000	40,000	0.9%	0.42%
AFT Investments Inc. ⁽⁵⁾ Vancouver, British Columbia	40,000	40,000	0.9%	0.42%
Yabert Capital Inc. ⁽⁶⁾ Vancouver, British Columbia	380,000	380,000	8.4%	3.96%
Total	4,500,000	4,500,000	100%	46.89%

- (1) Assuming no Common Shares are purchased by these Persons under the Offering.
- (2) Assuming no exercise of the Agent's Option or the Stock Options, but assuming issuance of the Corporate Finance Shares.
- (3) The principal of Manji Investments Limited is Samir Manji.
- (4) The principal of Tenuous Holdings Ltd. is Ian McLeod.
- (5) The principal of AFT Investments Inc. is Cameron Sobolik.
- (6) The principal of Yabert Capital Inc. is Robert Madigan.

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

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 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release.

If the Resulting Issuer meets the Exchange's Tier 1 minimum listing requirements either at the time the Final Exchange Bulletin is issued or subsequently, the release of the escrowed Common Shares will be accelerated. An accelerated escrow release will not commence until the Resulting Issuer has made an application to the Exchange for listing as a Tier 1 issuer and the Exchange has issued a bulletin that announces the acceptance for listing of the Resulting Issuer on Tier 1 of the Exchange.

The Exchange's prior consent must be obtained before a transfer within escrow of escrowed Common Shares.

Generally, the Exchange will only permit a transfer within escrow to be made to incoming Principals in connection with a proposed Qualifying Transaction.

If a Final Exchange Bulletin is not issued, the escrowed Common Shares will not be released. Under the Escrow Agreement, each Non Arm's Length Party to the Company who holds escrowed Common Shares acquired at a price below the Offering Price has irrevocably authorized and directed Computershare to immediately:

- (a) cancel all of those escrowed Common Shares upon the issuance by the Exchange of a bulletin delisting the Common Shares of the Company; or
- (b) if the Company lists on NEX, either:
 - (i) cancel all Seed Shares purchased by Non Arm's Length Parties to the Company at a discount from the Offering Price in accordance with Section 11.2(a) of Exchange Policy 2.4 – Capital Pool Companies; or
 - (ii) subject to majority shareholder approval, cancel an amount of Seed Shares purchased by Non Arm's Length Parties to the Company so that the average cost of the remaining Seed Shares is at least equal to the Offering Price.

Escrowed Securities on Qualifying Transaction

Generally, if at least 75% of the securities issued pursuant to the Qualifying Transaction are “**Value Securities**”, then all the securities issued to Principals of the Resulting Issuer pursuant to the Qualifying Transaction will be deposited into escrow pursuant to a value security 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 issuance 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 issuance 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 releasable at the time of the issuance of the Final Exchange Bulletin, 5% on the date which is 6 months after the issuance of the Final Exchange Bulletin, 10% on each of the dates which are 12 and 18 months after the issuance of the Final Exchange Bulletin, 15% on each of the dates which are 24 and 30 months after the issuance of the Final Exchange Bulletin and 40% on the date which is 36 months after the issuance of 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 issuance of the Final Exchange Bulletin, and 25% of the escrowed securities being releasable every 6 months thereafter. In the case of a Resulting Issuer that will be a Tier 1 issuer when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement provides for an 18 month escrow release mechanism with 10% of the escrowed securities being releasable upon the issuance of the Final Exchange Bulletin, 20% on the date which is 6 months after the issuance of the Final Exchange Bulletin, 30% on the date which is 12 months after the issuance of the Final Exchange Bulletin and 40% on the date which is 18 months after the issuance of the Final Exchange Bulletin.

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

- (a) the private placement is announced at least five trading days after the news release announcing the Agreement in Principle and the pricing 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 Company or the proposed Resulting Issuer,
 - (ii) if subscribers, other than Principals of the Company or the proposed Resulting Issuer, will obtain securities subject to hold periods, then in addition to any resale restrictions under applicable Securities Laws, any securities issued to such Principals will be subject to a four month hold period; and
 - (iii) none of the proceeds of the private placement are allocated to pay compensation or to settle indebtedness owing to Principals of the Resulting Issuer.

PRINCIPAL SHAREHOLDERS

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

Name and Municipality of Residence	Type of Ownership	Number of Common Shares	Percentage of Common Shares owned before Offering	Percentage of Common Shares owned after Offering ⁽¹⁾⁽²⁾
Jason Moreau Surrey, British Columbia	Direct	500,000	11.1%	5.21%
William Benjamin Catalano Burnaby, British Columbia	Direct	500,000	11.1%	5.21%
Alan Ji San Jose, California	Direct	500,000	11.1%	5.21%
Martin Woodward North Vancouver, British Columbia	Direct	500,000	11.1%	5.21%
Jane Ballantyne Port Moody, British Columbia	Direct	500,000	11.1%	5.21%
Derek Lew Vancouver, British Columbia	Direct	500,000	11.1%	5.21%
Michael Edwards Vancouver, British Columbia	Direct	500,000	11.1%	5.21%

Samir Manji Vancouver, British Columbia	Indirect	500,000 ⁽³⁾	11.1%	5.21%
Total		4,000,000	88.8%	41.68%

- (1) Assuming no exercise of the Agent's Option or the Stock Options, but assuming issuance of the Corporate Finance Shares. Assuming these Persons will not purchase any Common Shares under the Offering.
- (2) On a fully diluted basis, assuming the full exercise of the Agent's Option and all Stock Options, each of Jason Moreau, William Benjamin Catalano, Alan Ji, Martin Woodward and Jane Ballantyne will own 5.52% of the Common Shares of the Company after giving effect to the Offering, and each of Derek Lew, Michael Edwards and Samir Manji will own 4.76% of the Common Shares of the Company after giving effect to the Offering.
- (3) The registered holder of these shares is Manji Investments Limited, a private company controlled by Mr. Manji.

DIRECTORS, OFFICERS AND PROMOTERS

The following are the names and municipalities of residence of the directors and officers of the Company and their position and offices with the Company. The Company does not have any Promoters. See also "Directors, Officers and Promoters – Management and Key Personnel".

Name, Municipality of Residence and Position	Principal Occupation or Employment during the past Five Years	Number of Common Shares⁽¹⁾	Director Since⁽²⁾
Jason Moreau ⁽³⁾⁽⁴⁾ Surrey, British Columbia	President and CEO of Cytiva Software Inc., a human resources software company, from May 1996 to April 2011; Self-employed as a business consultant from April 2011 to present	500,000	June 7, 2011
William Benjamin Catalano ⁽⁴⁾ Burnaby, British Columbia	Realtor at Sutton Group Realty, a real estate company, from January 1991 to present	500,000	June 7, 2011
Alan Ji San Jose, California	Managing Partner of Greenfield Capital Group Inc., a private global investment firm, from March 2008 to present; President of World Travelers Network Inc., a travel distribution technology and service company, from February 2005 to March 2008	500,000	June 7, 2011
Martin Woodward ⁽⁴⁾ North Vancouver, British Columbia	Server Administrator at Ballard Power Systems, a fuel cell technology company, from July 2001 to present	500,000	June 7, 2011
Jane Ballantyne Port Moody, British Columbia	Office Manager of Longwave Analytics Inc., an investment relations company, from February 2009 to present; Sales Assistant of Bolder Investment Partners, Ltd., an investment firm, from December 2007 to February 2009; Student at the University of British Columbia from 2003 to 2007	500,000	N/A ⁽⁵⁾

- (1) These Common Shares are subject to escrow restrictions. See "**Escrowed Securities**".
- (2) Each director of the Company ceases to hold office immediately before an annual general meeting for the election of directors is held but is eligible for re-election or re-appointment.

- (3) Mr. Moreau is also President, CEO and CFO of the Company.
- (4) Member of Audit Committee.
- (5) Ms. Ballantyne is Corporate Secretary of the Company, but is not a director.

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

Before the completion of the Offering, the directors and officers of the Company collectively hold 2,500,000 Common Shares or 55.56% of the issued and outstanding Common Shares. Following the completion of the Offering, the directors and officers of the Company will collectively hold 26.04% of the outstanding Common Shares of the Company and 27.62% on a fully-diluted basis.

Management and Key Personnel

Jason Moreau (age 40), President, CEO, CFO and Director

Mr. Moreau has over 18 years of experience in the software industry. In 1995, he founded Cytiva Software Inc. (CRX:TSX-V), a company producing software as a service for corporate human resource department. He served as the Chairman, President and Chief Executive Officer of the Cytiva, providing his vision, leadership and management to the company, from 1995 to 2011. He has also served as the Chief Executive Officer and President of One45 Software Inc., and as a consultant to QED Software Solutions Ltd., Whistler Real Estate Co. and Pacific Customs Brokers Ltd. A native of Vancouver, British Columbia, Mr. Moreau holds a Diploma of Computer Science Technology from the British Columbia Institute of Technology. Mr. Moreau has not signed a non-competition or non-disclosure agreement with the Company, and he currently plans on spending 20% of his time on Company matters. As President and CEO of the Company, Mr. Moreau is responsible for the day to day operations of the Company and the implementation of significant corporate policies as may be directed by the board of directors from time to time. As CFO of the Company Mr. Moreau is responsible for matters of corporate finance, including the preparation of annual and quarterly financial statements, the organization of day to day financial book and record-keeping of the Company and financial analysis of acquisition opportunities, if any, as they arise.

William Benjamin Catalano (age 47), Director

Mr. Catalano is currently a realtor with Sutton Group West Coast Realty. He brings more than twenty years of business experience spanning a number of industries including real estate marketing and development, high tech, biomedical, telecommunications, securities trading / brokerage and mining and resources. Mr. Catalano has not signed a non-competition or non-disclosure agreement with the Company, and he currently plans on spending 10% of his time on Company matters.

Alan Ji (age 50), Director

Mr. Ji is currently a Managing Partner at Greenfield Capital Group Inc. He was also a Director of CAG Capital Inc., a CPC company that had successfully completed its qualifying transaction as Stellar Biotechnologies, Inc. (KLH on the TSX Venture Exchange). He is a senior business and technology executive with more than 20 years of experience in general management, business strategy and development, merger and acquisition, and systems engineering across different industries. Prior to joining Greenfield Capital Group, Mr. Ji was the President of World Travelers Network Inc., a leading travel distribution technology and service company with operations in China and US. He had previously held various management and engineering positions at companies including WebEx Communications Inc., Microsoft Corporation, and Hotjobs.com Ltd. Mr. Ji received a Master of Engineering degree in Industrial Engineering from the University of Toronto and an MBA from the University of Science and Technology of China. Mr. Ji has not signed a non-competition or non-disclosure agreement with the Company, and he currently plans on spending 10% of his time on Company matters.

Martin Woodward (age 44), Director

After a 12 year career with a major Canadian chartered bank, Mr. Woodward attended Capilano College's Technical Computer Professional (TCP) program where he graduated on the Dean's List in 2001. Upon his graduation, Mr. Woodward was employed by Xcellsis Fuel Cell Engine Co., and currently he is employed by Ballard Power Systems Inc. in their IT department. Mr. Woodward has passed the Canadian Securities Course and has over 11 years experience as a director of public companies. Mr. Woodward has not signed a non-competition or non-disclosure

agreement with the Company, and he currently plans on spending 10% of his time on Company matters.

Jane Ballantyne (age 30), Corporate Secretary

Ms. Ballantyne graduated from the University of British Columbia in 2007, and is currently the Office Manager of Longwave Analytics, an interpreter of the Kondratieff Wave Theory. Prior to that, she was a Sales Assistant at Bolder Investment Partners, Ltd. Ms. Ballantyne has not signed a non-competition or non-disclosure agreement with the Company, and she currently plans on spending 10% of her time on Company matters. As Corporate Secretary of the Company, Ms. Ballantyne is responsible for maintaining and updating the corporate records of the Company.

**REPORTING ISSUER EXPERIENCE OF THE
DIRECTORS AND OFFICERS OF THE COMPANY**

The following table sets out the directors and officers of the Company that are, or have been within the last five years, directors, officers or Promoters of other issuers that are or were reporting issuers in any Canadian jurisdiction:

Name	Name of Reporting Issuer	Exchange or Market	Position	From	To
Jason Moreau	Cytiva Software Inc.	TSXV	President/CEO	Aug 2001	Apr 2011
	RSI International	TSXV	Director	Jun 2005	Apr 2011
William Benjamin Catalano	African Queen Mines	TSXV	Director	May 2008	Present
	Sacre Coeur Minerals	TSXV	Director	June 2004	Present
	Royal Monashee Gold Corp.	N/A	Director	Jun 2004	Present
	Stellar Biotechnologies	TSXV	Director	Jun 2007	May 2011
	Advanced Proteome Therapeutics	TSXV	Director	Dec 2004	May 2007
	Pan African Mining	TSXV	Director	Mar 2004	July 2008
Alan Ji	CAG Capital Inc.	TSXV	Director and CFO	Aug 2008	Apr 2010

Name	Name of Reporting Issuer	Exchange or Market	Position	From	To
Martin Woodward	Royal Monashee Gold Corp.	N/A	Director	Jun 2004	Present
	CAG Capital Inc.	TSXV	Director	Jun 2007	Apr 2010
	Menika Mining Ltd.	TSXV	Director	May 2007	Mar 2009
	Advance Proteome Therapeutics Corp.	TSXV	Director	Jan 2005	Apr 2007
Jane Ballantyne	None	N/A	N/A	N/A	N/A

CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES

No director, officer, Insider or Promoter of the Company or a shareholder holding sufficient securities of the Company to affect materially the control of the Company, 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 Laws for a period of more than 30 consecutive days; or (b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, other than those stated below:

Each of Martin Woodward and William Benjamin Catalano was an officer and director of Advanced Proteome Therapeutics Corporation (TSXV – APC), formerly “Thrilltime Entertainment International Inc.” (“Thrilltime”) between December 2004 and May 2007. On December 6, 2005, a cease trade order was issued by the British Columbia Securities Commission (the “BCSC”) against Thrilltime for failure to file financial statements and management’s discussion and analysis for the year ended July 31, 2005 and interim financial statements and management’s discussion and analysis for the three months ended October 31, 2005 (the “Delinquent Financial Statements”). On March 24, 2006, a similar cease trade order was also issued by the Alberta Securities Commission (the “ASC”) for failure to file the Delinquent Financial Statements. On September 19, 2006 both the BCSC cease trade order and the ASC cease trade order were revoked.

Each of Martin Woodward and William Benjamin Catalano is a director of Royal Monashee Gold Corp. (“Royal Monashee”), a position he has held since June 2004. On February 2, 2009, a cease trade order was issued by the BCSC against Royal Monashee for failure to file audited financial statements and management’s discussion and analysis for the financial year ended September 30, 2008. On October 5, 2010, the cease trade order was revoked.

PENALTIES OR SANCTIONS

No director, officer, Insider or Promoter of the Company or a shareholder holding sufficient securities of the Company to affect materially the control of the Company, has (a) been subject to any penalties or sanctions imposed by a court relating to Securities Laws or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

PERSONAL BANKRUPTCIES

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

CONFLICTS OF INTEREST

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

AUDIT COMMITTEE

General

As the Company is a “venture issuer” (as defined in National Instrument 52-110 – Audit Committees (“**NI 52-110**”)), it is relying on the exemptions provided to it with respect to the composition of the audit committee and with respect to audit committee reporting obligations. The Audit Committee is responsible for reviewing the Company’s financial reporting procedures, internal controls and the performance of the financial management and external auditors of the Company. The Audit Committee also reviews the annual and interim financial statements and makes recommendations to the Board.

The Audit Committee is comprised of Jason Moreau, William Benjamin Catalano and Martin Woodward, all of whom are “financially literate” and two of whom are “independent”, as those terms are defined in NI 52-110. Jason Moreau is not independent as he is currently an executive officer of the Company. The education and experience of each audit committee member that is relevant to the performance of his responsibilities as an audit committee member is as follows:

Jason Moreau Mr. Moreau has acted as an officer and director of public issuers since 2004 and in such roles he has been responsible for the preparation, review and filing of annual and interim financial statements for such issuers.

William Benjamin Catalano Mr. Catalano has acted as a director of public issuers since 2004 and in such role he has been responsible for the preparation, review and filing of annual and interim financial statements for such issuers.

Martin Woodward Mr. Woodward has acted as a director of public issuers since 2004 and in such role he has been responsible for the preparation, review and filing of annual and interim financial statements for such issuers.

Charter

The Audit Committee’s charter is as follows:

General

The primary function of the Audit Committee is to assist the Board of Directors of the Company (the “Board”) in fulfilling its oversight responsibilities by reviewing the financial information to be provided to the shareholders and others, the systems of internal controls and management information systems

established by management and the Company's external audit process and monitoring compliance with the Company's legal and regulatory requirements with respect to its financial statements.

The Audit Committee is accountable to the Board. In the course of fulfilling its specific responsibilities hereunder, the Audit Committee is expected to maintain an open communication between the Company's external auditors and the Board.

The responsibilities of a member of the Audit Committee are in addition to such member's duties as a member of the Board.

The Audit Committee does not plan or perform audits or warrant the accuracy or completeness of the Company's financial statements or financial disclosure or compliance with generally accepted accounting procedures as these are the responsibility of management and the external auditors.

Relationship with External Auditors

The external auditor is required to report directly to the Audit Committee. Opportunities shall be afforded periodically to the external auditor and to members of senior management to meet separately with the Audit Committee.

Composition of Audit Committee

The Committee membership shall satisfy the laws governing the Company and the independence, financial literacy and experience requirements under securities law, stock exchange and any other regulatory requirements as are applicable to the Company.

Responsibilities

1. The Audit Committee shall be responsible for making the following recommendations to the Board:
 - (a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
 - (b) the compensation of the external auditor.
2. The Audit Committee shall be directly responsible for overseeing the work of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting. This responsibility shall include:
 - (a) reviewing with management and the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgments of management that may be material to financial reporting;
 - (b) questioning management and the external auditor regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
 - (c) reviewing audited annual financial statements, in conjunction with the report of the external auditor;
 - (d) reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management; and
 - (e) reviewing the evaluation of internal controls by the external auditor, together with management's response.
3. The Audit Committee shall review interim unaudited financial statements before release to the public.

4. The Audit Committee shall review all public disclosures of audited or unaudited financial information before release, including any prospectus, annual report, annual information form, and management's discussion and analysis.
5. The Audit Committee shall review the appointments of the chief financial officer and any other key financial executives involved in the financial reporting process, as applicable.
6. Except as exempted by securities regulatory policies, the Audit Committee shall pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the external auditor.
7. The Audit Committee shall ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, and shall periodically assess the adequacy of those procedures.
8. The Audit Committee shall establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
9. The Audit Committee shall periodically review and approve the Company's hiring policies, if any, regarding partners, employees and former partners and employees of the present and former external auditor of the Company.
10. Meetings of the Audit Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly.

Authority

The Audit Committee shall have the authority to:

1. to engage independent counsel and other advisors as it determines necessary to carry out its duties;
2. to set and pay the compensation for any advisors employed by the Audit Committee; and
3. to communicate directly with the external auditors.

Audit Fees

During the period from incorporation to September 30, 2011, no fees have been billed to the Company by its auditors.

CORPORATE GOVERNANCE

On June 30, 2005, National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) and National Policy 58-201 – *Corporate Governance Guidelines* (the “**Guidelines**”), came into force. The Guidelines address matters such as the constitution of and the functions to be performed by the Company's board. NI 58-101 requires that the Company disclose its approach to corporate governance with reference to the Guidelines. The board of the Company is committed to ensuring that the Company has an effective corporate governance system, which adds value and assists the Company in achieving its objectives.

Board of Directors

Each of William Benjamin Catalano, Alan Ji and Martin Woodward is an “independent” Director, according to the definition set out in NI 52-110. Jason Moreau is not independent as he is currently an executive officer of the Company.

The independent Directors believe that their knowledge of the Company’s business and their independence are sufficient to facilitate the functioning of the Board independently of management. To facilitate open and candid discussion among the Board’s independent Directors, the independent Directors have the discretion to meet in private in the absence of any non-independent Directors whenever they believe it is appropriate to do so. To date, the independent Directors have not held a meeting at which non-independent Directors and members of management were not in attendance.

Other Directorships

See “Reporting Issuer Experience of the Directors and Officers of the Company”.

Orientation and Continuing Education

Management will ensure that a new appointee to the Board receives the appropriate written materials to fully apprise him or her of the duties and responsibilities of a director pursuant to applicable law and policy. Each new director brings a different skill set and professional background, and with this information, the Board is able to determine what orientation to the nature and operations of the Company’s business will be necessary and relevant to each new director

Ethical Business Conduct

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company’s business plan and to meet performance objectives and goals. In addition, the Board must comply with conflict of interest provisions in Canadian corporate law, including relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

Nomination of Directors

Given the Company’s current stage of development and size of the Board, the Board is presently of the view that it functions effectively as a committee of the whole with respect to the nomination of directors. The entire Board will assess potential nominees and take responsibility for selecting new directors. Any nominees are expected to be generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members and the President of the Company.

Compensation

The Company does not have a Compensation Committee. Compensation matters for the Company’s Directors and officers are dealt with by the full Board. The Board meets to discuss and determine Director and management compensation without reference to formal objectives, criteria or analysis.

Other Board Committees

The only Board committee of the Company is the Audit Committee.

Assessments

The Board annually reviews its own performance and effectiveness. Neither the Company nor the Board has determined formal means or methods to regularly assess the Board, its committees or the individual directors with respect to their effectiveness and contributions. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of an individual director are informally monitored by the

other Board members, having in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

The Board is of the view that the Company's corporate governance practices are appropriate and effective for the Company, given its relatively small size and limited operations. The Company's method of corporate governance allows for the Company to operate efficiently, with simple checks and balances that control and monitor management and corporate functions without excessive administrative burden.

EXECUTIVE COMPENSATION

Except as disclosed in this prospectus, prior to the Completion of a Qualifying Transaction, no payment of any kind has been made, or will be made, directly or indirectly, by the Company to a Non Arm's Length Party to the Company 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 Company or any Resulting Issuer by any means, including:

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

However, the Company may reimburse Non Arm's Length Parties to the Company for the Company's reasonable allocation of rent, secretarial and accounting 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 directors and officers of the Company may also be granted stock options. See "Stock Options".

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

DILUTION

Purchasers of the Common Shares offered under this prospectus will suffer an immediate dilution of 24.5% or \$0.0245 per Common Share on the basis of there being 9,600,000 Common Shares of the Company issued and outstanding following completion of the Offering. Dilution has been computed on the basis of total gross proceeds to be raised pursuant to the Offering and from sales of securities before filing this prospectus without deduction of commissions or related expenses incurred by the Company, and is set forth below:

Item	Total Offering ⁽¹⁾
Gross proceeds of prior Common Share issues	\$225,000
Gross proceeds of the Offering	\$500,000
Total gross proceeds after the Offering	\$725,000

Offering Price per Common Share	\$0.10
Proceeds per Common Share after the Offering	\$0.0755
Dilution per Common Share to subscriber	\$0.0245
Percentage of dilution in relation to Offering Price	24.5%

(1) These calculations do not include the exercise of the Agent's Option or the Stock Options.

RISK FACTORS

Investment in the Common Shares offered by this prospectus is highly speculative due to the nature of the Company's business and its present stage of development. The Offering is suitable only for those investors who are prepared to risk the loss of their entire investment.

Investment in the Common Shares offered by this prospectus is highly speculative given the proposed nature of the Company's business and its present stage of development.

The Company was only recently incorporated, has not commenced commercial operations and has no assets other than cash. It has no history of earnings and will not generate earnings or pay dividends until at least after the Completion of the Qualifying Transaction. The Company has not identified a potential asset or business for acquisition or participation and has not entered into an Agreement in Principle. Until Completion of the Qualifying Transaction, the Company 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 the Common Shares offered under this prospectus. See "Business of the Company".

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

Investors acquiring Common Shares under this prospectus will suffer an immediate dilution of 24.5% or \$0.0245 per Common Share pursuant to completion of the Offering as set forth under "Dilution" above. The Qualifying Transaction may be financed in all or part by the issuance of additional securities by the Company and this may result in further dilution to the investor, which dilution may be significant and which may also result in a Change of Control of the Company. See "Dilution".

The Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify a suitable Qualifying Transaction. Further, even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to complete the transaction. Subject to prior Exchange approval, the Company may be permitted to loan or advance up to an aggregate of \$225,000 of its proceeds to a target business without requiring shareholder approval and there can be no assurance that the Company will be able to recover that loan. See "Business of the Company" 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 the Minority Approval. Unless the shareholder has the right to dissent and be paid fair value in accordance with applicable corporate or other law, a shareholder who votes against a proposed Non Arm's Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no other

entitlement to payment by the Company of fair value for the Common Shares.

Upon public announcement of a proposed Qualifying Transaction, trading in the Common Shares of the Company 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 will be reinstated for trading before the Exchange has reviewed the transaction and before the Sponsor has completed its full review. Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Company completing the proposed Qualifying Transaction. Trading in the Common Shares may be halted at other times for other reasons, including for failure by the Company to submit documents to the Exchange in the time periods required. The Exchange will generally suspend trading in the Common Shares or delist the Company if the Exchange has not issued a Final Exchange Bulletin within 24 months from the Listing Date. See “Business of the Company”.

The Company 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 Company and its shareholders. The Qualifying Transaction may also result in additional dilution to the Company’s shareholders or increased debt. Any failure to successfully integrate a business acquired pursuant to the Qualifying Transaction or a failure of such business to benefit the Company could have a material adverse effect on the Resulting Issuer’s business and results of operations.

The Company is relying solely on the past business success of its directors and officers to identify, negotiate, and complete a Qualifying Transaction. The success of the Company is dependent upon the efforts and abilities of its management team. The loss of any member of the management team could have a material adverse effect upon the business and prospects of the Company. See “Directors, Officers and Promoters”.

If the management, directors or experts of the Company reside outside of Canada or the Company identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any such Person 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 acceptance by the Exchange, the Company may be permitted to loan or advance up to an aggregate of \$225,000 of its proceeds to a target business without requiring shareholder approval and there can be no assurance that the Company will be able to recover that loan.

Neither the Exchange nor any securities regulatory authority will pass upon the merits of any proposed Qualified Transaction.

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

LEGAL PROCEEDINGS

The Company is not party to any legal proceedings, nor to the best of its knowledge are any legal proceedings threatened or pending against the Company.

RELATIONSHIP BETWEEN THE COMPANY AND THE AGENT

The Company may be a “connected issuer”, as such term is defined under National Instrument 33-105 – *Underwriting Conflicts*, of the Agent. The basis on which the Company may be a connected issuer of the Agent is that: (a) Jane Ballantyne, the Corporate Secretary and a substantial shareholder of the Company, is married to Paul J.C. Woodward, Managing Director, Investment Banking, of the Agent; and (b) Martin Woodward, a director and substantial shareholder of the Company, is the brother of Paul Woodward. The Agent was not involved in the decision to conduct the Offering or distribute the Common Shares being offered. The terms of the distribution were determined by negotiation between the Issuer and the Agent, in its role as agent under the Offering, as described under “Plan of Distribution”. The proceeds of the Offering will be applied to the benefit of the Agent only insofar

as: the Agent will receive a cash commission of 10% of the gross proceeds from the sale of the Common Shares and the Company will reimburse the Agent for its legal fees incurred pursuant to the Offering, estimated at \$10,000 plus disbursements and taxes, and any other reasonable expenses of the Agent.

RELATIONSHIP BETWEEN THE COMPANY AND PROFESSIONAL PERSONS

Certain legal matters relating to this Offering will be passed upon by Beadle Woods, Vancouver, British Columbia, on behalf of the Company, and by McCullough O'Connor Irwin LLP on behalf of the Agent.

As at the date hereof, except as set out below, no “professional person” (including the Company’s auditor or solicitors) holds any beneficial interest, direct or indirect, in any securities or properties of the Company or of an Associate or Affiliate of the Company; however, such “professional person” may subscribe for Common Shares pursuant to the Offering.

No professional person is or is expected to be elected, appointed or employed as a director, senior officer or employee of the Company or of an Associate or Affiliate or a Promoter of the Company.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditor of the Company is Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants, of 1500 & 1700 - 1140 West Pender Street, Vancouver, British Columbia, V6E 4G1.

The transfer agent and registrar for the Common Shares is Computershare Investor Services Inc. of 510 Burrard Street, Vancouver, British Columbia, V6C 3B9.

MATERIAL CONTRACTS

The Company 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 Agency Agreement dated December 22, 2011 between the Company and the Agent. See “Plan of Distribution”;
2. the Escrow Agreement dated December 22, 2011 among the Company, Computershare and certain shareholders of the Company. See “Escrowed Securities”;
3. the Stock Option Plan, adopted by the board of directors of the Company on September 28, 2011. See “Stock Options”;
4. the Stock Option Certificates dated for reference September 28, 2011 issued by the Company to each of Jason Moreau, William Benjamin Catalano, Alan Ji, Martin Woodward and Jane Ballantyne. See “Stock Options”; and
5. the Transfer Agent and Registrar Agreement dated December 22, 2011 between the Company and Computershare.

Copies of these agreements will be available for inspection at the offices of the Company’s legal counsel, Beadle Woods, Business Lawyers, at 600 – 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7 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 the knowledge of management of the Company, 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 provides 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 the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

FINANCIAL STATEMENTS

Attached to and forming a part of this prospectus is the balance sheet of the Company as at as at September 30, 2011, and the statements of loss and cash flows and changes in equity for the period from incorporation on May 11, 2011, to September 30, 2011, and notes thereto.

Railtown Capital Corp.

Financial Statements

September 30, 2011

To the Directors of Railtown Capital Corp:

We have audited the accompanying financial statements of Railtown Capital Corp. which comprise the statement of financial position as at September 30, 2011, and the statements of comprehensive loss, changes in shareholders' equity and cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determine 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 that we have obtained in our audit 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 Railtown Capital Corp. as at September 30, 2011, and their financial performance and cash flow for the period then ended, in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that the Company is not able to finance day to day activities through operations. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

"Dale Matheson Carr-Hilton Labonte LLP"

CHARTERED ACCOUNTANTS
Vancouver, Canada

RAILTOWN CAPITAL CORP.

Statement of Financial Position

September 30, 2011

Assets

Current assets

Cash (note 4)	\$ 163,101
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Liabilities and Shareholders' Equity

Current liabilities

Trade and other payables (note 5)	\$ 16,160
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Shareholders' equity

Share capital (note 6)	215,000
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Subscriptions receivable (note 6)	(50,010)
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Share based reserve (note 6)	29,832
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Deficit	(47,881)
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146,941

\$ 163,101

Nature of operations (note 1)

Commitments (note 7)

Subsequent event (note 11)

Approved on behalf of the Board:

"William Benjamin Catalano"

"Martin Woodward"

See accompanying notes to financial statements.

RAILTOWN CAPITAL CORP.

Statement of Comprehensive Loss

	For the period from May 11, 2011 (Inception) to September 30, 2011
Expenses	
Bank charges	\$ 34
Filing fees	1,120
Foreign exchange	735
Professional fees	16,160
Stock-based compensation	29,832
Net and comprehensive loss	\$ (47,881)
Weighted average number of common shares outstanding – basic and diluted	-
Basic and diluted loss per common share	\$ -

See accompanying notes to financial statements.

RAILTOWN CAPITAL CORP.

Statement of Cash Flows

	For the period from May 11, 2011 (Inception) to September 30, 2011
Cash provided by (used in):	
Operating activities:	
Net loss	\$ (47,881)
Changes in non-cash items	
Stock-based compensation	29,832
Change in non-cash working capital item:	
Trade and other payables	16,160
Net cash used in operating activities	(1,889)
Financing activities:	
Subscription receivable	(50,010)
Common shares issued for cash	215,000
Net cash provided by financing activities	164,990
Increase in cash	163,101
Cash, beginning of period	-
Cash, end of period	\$ 163,101
Cash paid for interest	\$ -
Cash paid for income taxes	\$ -

See accompanying notes to financial statements.

RAILTOWN CAPITAL CORP.

Statement of Changes in Equity

For the period from May 11, 2011 to September 30, 2011

	Share capital		Share based reserve	Subscriptions receivable	Deficit	Total shareholders' equity
	Shares	Amount				
Balance, May 11, 2011	–	\$ –	\$ –	\$ –	\$ –	–
Common shares issued, net	4,500,000	215,000	–	–	–	215,000
Subscription receivable	–	–	–	(50,010)	–	(50,010)
Stock options issued	–	–	29,832	–	–	29,832
Net loss	–	–	–	–	(47,881)	(47,881)
Balance, September 30, 2011	4,500,000	\$ 225,000	\$ 29,832	\$ (50,010)	(47,881)	\$ 146,941

See accompanying notes to financial statements.

RAILTOWN CAPITAL CORP.

Notes to Financial Statements, page 1

For the period from May 11, 2011 (Inception) to September 30, 2011

1. Nature of operations

Railtown Capital Corp. (the "Company") was incorporated by a Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (British Columbia) on May 11, 2011.

The Company is planning to apply to become a Capital Pool Company as its principal business is the identification and evaluation of companies, assets or business with a view to completing a Qualifying Transaction ("QT") in accordance with Policy 2.4 of the TSX Venture Exchange ("Exchange"). The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business. Such a transaction will be subject to shareholder and regulatory approval.

The Company intends to complete an Initial Public Offering ("IPO") on the Exchange to raise \$500,000 through the issuance of 5,000,000 common shares of the Company at \$0.10 per share, subject to regulatory approval (notes 7 and 11).

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to identify and negotiate a QT. Further discussion of liquidity risk has been disclosed in notes 8 and 9.

2. Basis of presentation

a. Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The financial statements are presented in Canadian dollars.

b. Use of estimates and judgements

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgement, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

- Note 1 – going concern assessments
- Note 3 – fair values of financial instruments
- Note 10 – future tax rates used to determine deferred income taxes

RAILTOWN CAPITAL CORP.

Notes to Financial Statements, page 2

For the period from May 11, 2011 (Inception) to September 30, 2011

3. Significant accounting policies

a. Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss – This category involves financial instruments held for the purpose of selling them in the short term. All of the financial instruments in this category meet the definition of financial assets held for trading. Derivatives are included in this category, unless they are designated as hedges. The instruments classified in this category are classified in current assets and include cash. The financial instruments included in this category are initially recognized at fair value and the transaction costs are expensed to the Statement of Comprehensive Loss. Subsequently, financial assets at fair value through profit or loss are measured at fair value and all gains and losses, realized and unrealized, measured on the basis of market transactions, are recognized directly in the Statement of Comprehensive Loss. As at September 30, 2011, the Company has reported cash at fair value. Cash is comprised of cash held with the bank and held in trust.

Loans and receivables – These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. The Company has no loans and receivables as at September 30, 2011.

Held-to-maturity investments – These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the Statement of Comprehensive Loss. The Company has no held to maturity investments as at September 30, 2011.

RAILTOWN CAPITAL CORP.

Notes to Financial Statements, page 3

For the period from May 11, 2011 (Inception) to September 30, 2011

3. Significant accounting policies (continued)

a. Financial instruments (continued)

Available-for-sale – Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the Statement of Comprehensive Loss. The Company has no available-for-sale assets as at September 30, 2011.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss – This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the balance sheet at fair value with changes in fair value recognized in the Statement of Comprehensive Loss. The Company has no derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term.

Other financial liabilities – This category includes promissory notes, amounts due to related parties and trade and other payables, all of which are recognized at amortized cost. The Company has reported its trade and other payables as at September 30, 2011 at amortized cost.

b. Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognized in Statement of Comprehensive Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on

RAILTOWN CAPITAL CORP.

Notes to Financial Statements, page 4

For the period from May 11, 2011 (Inception) to September 30, 2011

3. Significant accounting policies (continued)

b. Income tax (continued)

the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend.

c. Recent accounting pronouncement – Not yet adopted

The IASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Company has decided not to early adopt. A discussion of those future requirements and their impact on the Company is as follows:

In November 2009 the IASB issued the new accounting standard IFRS 9 'Financial Instruments' and the resulting amending standard 'Amendments to Other IFRSs and Guidance.' These Standards are applicable retrospectively and amend the classification and measurement of financial assets. The Company has not yet determined any potential impact on the financial statements.

The changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortized cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortized cost;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortized cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognized in profit or loss and there is no impairment or recycling on disposal of the instrument; and
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows.

The Company does not anticipate early adoption of any of the above Accounting Standards and Interpretations.

RAILTOWN CAPITAL CORP.

Notes to Financial Statements, page 5

For the period from May 11, 2011 (Inception) to September 30, 2011

4. Cash

	September 30, 2011
Cash at bank	\$ 163,101

5. Trade and other payables

	September 30, 2011
Accruals	\$ 6,000
Payables	10,160
Total	\$ 16,160

6. Share capital

a. Authorized

Unlimited number of common shares without par value.

b. Issued

Pursuant to subscription agreements dated June 7, 2011, 2,500,000 common shares at \$0.05 per share were issued for gross proceeds of \$125,000. Pursuant to subscription agreements dated September 21, 2011, 2,000,000 common shares at \$0.05 per share were issued for gross proceeds of \$100,000. The Company received \$50,010 for these shares subsequent to September 30, 2011.

During the period from May 11, 2011 (Date of Inception) to September 30, 2011, the Company recorded \$10,000 in share issuance costs in connection to its IPO (Note 7).

Pursuant to an escrow agreement, all of the 4,500,000 common shares issued are held in escrow. Under the escrow agreement, 10% of the escrowed common shares will be released from escrow on the date of the issuance of the final Exchange bulletin (the "Initial Release") upon completion of the IPO, and an additional 15% will be released every six months following the Initial Release over a period of thirty six months.

b. Stock options

On September 28, 2011, the Company granted 400,000 stock options with an exercise price of \$0.10 and an expiry date of 5 years after the grant date. During the year ended September 30, 2011, stock based compensation in the amount of \$ 29,832 was recorded and included in contributed surplus. The amount is management's estimate of the fair value of the stock options vesting during the year and has been expensed in the statement of comprehensive loss. The Black-Scholes option pricing model was used with the expected annual volatility of 100%, risk-free interest rate of 1.44%, expected life of 5 years, and an expected dividend yield of 0%.

RAILTOWN CAPITAL CORP.

Notes to Financial Statements, page 6

For the period from May 11, 2011 (Inception) to September 30, 2011

7. Commitments

On August 1, 2011, the Company signed an agency agreement with Haywood Securities Inc. ("Haywood") pursuant to which Haywood will act as the agent or underwriter of the Company in connection with any future brokered equity financing until the Company has completed the IPO and its shares are listed on the Exchange.

In addition, the Company will pay a corporate finance fee and reimburse Haywood for all of its reasonable legal fees and other expenses. As at September 30, 2011, the Company paid \$10,000 in share issuance costs in connection with the agreement, representing a \$10,000 retainer.

8. Financial instruments

Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank account, which at September 30, 2011 was \$163,101. As a majority of the Company's cash is held by a Canadian bank, there is a concentration of credit risk with one bank in Canada. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates only in Canada and is therefore not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

Interest rate risk

Interest rate risk is the risk that an investment's value will change due to a change in the level of interest rates. The Company is exposed to interest rate risk as its bank account earns interest income at variable rates. The income earned on the bank account is subject to the movements in interest rates. Management considers the risk to be minimal.

RAILTOWN CAPITAL CORP.

Notes to Financial Statements, page 7

For the period from May 11, 2011 (Inception) to September 30, 2011

8. Financial instruments (continued)

Financial risk management (continued)

Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash and seeking equity financing when needed. As at September 30, 2011, the Company was holding cash of \$163,101 and is planning an IPO of \$500,000.

9. Capital disclosure

Management's objective is to manage its capital to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern through the optimization of its capital structure. The capital structure consists of share capital and working capital.

In order to achieve this objective, management makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust capital structure, management may invest its excess cash in interest bearing accounts of Canadian chartered banks and/or raise additional funds externally as needed. The Company is not subject to externally imposed capital requirements.

10. Income taxes

The reported income tax recovery differs from the amount computed by applying the Canadian basic statutory rate to the loss before income taxes. The reasons for this difference and the related tax effect are as follows:

Loss for the period	\$	(47,881)
Canadian basic statutory tax rate		26.5%
Potential income tax recovery based upon reported loss		(12,688)
Effect of share issuance costs not recognized		(2,650)
Change in tax rate		1,525
Change in valuation allowance		13,813
	\$	–
Deferred income tax assets:		
Non-capital losses	\$	12,688
Share issuance costs		2,650
Change in tax rate		(1,525)
		13,813
Valuation allowance		(13,813)
Net deferred income tax assets	\$	–

The Company has accumulated non-capital losses of approximately \$12,688 which may be deducted in the calculation of taxable income in future years. The losses expire in 2031.

RAILTOWN CAPITAL CORP.

Notes to Financial Statements, page 8

For the period from May 11, 2011 (Inception) to September 30, 2011

10. Income taxes (continued)

Due to the uncertainty surrounding the realization of income tax assets in future years, the Company has provided a 100% valuation allowance against its potential deferred income tax assets. The valuation allowance reflects the Company's estimate that the tax assets more likely than not, will not be realized.

11. Subsequent event

Subsequent to September 30, 2011, the Company is planning to file a prospectus with the regulatory authorities of British Columbia, Alberta and Ontario constituting an offering to the public of 5,000,000 common shares of the Company at \$0.10 per share for gross proceeds of \$500,000. Pursuant to the Letter of Intent dated August 1, 2011, Haywood will act as the agent on this offering (note 7).

AUDITORS' CONSENT

We have read the prospectus of Railtown Capital Corp. (the “**Company**”) dated December 22, 2011 relating to the sale and issue of 5,000,000 common shares of the Company. 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 report to the directors of the Company on the statement of financial position of the Company as at September 30, 2011 and the statements of comprehensive loss, cash flows and changes in equity for the period from incorporation on May 11, 2011 to September 30, 2011. Our report is dated November 15, 2011 (except as to Note 11 which is as of December 22, 2011).

Vancouver, Canada

“Dale Matheson Carr-Hilton Labonte LLP”
Chartered Accountants

DATE December 22, 2011

CERTIFICATE OF THE COMPANY

December 22, 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 and Ontario.

(Signed) Jason Moreau
Director, President, CEO and CFO

(Signed) Jane Ballantyne
Corporate Secretary

On behalf of the Board of Directors

(Signed) William Benjamin Catalano
Director

(Signed) Martin Woodward
Director

CERTIFICATE OF THE AGENT

December 22, 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 and Ontario.

Haywood Securities Inc.

Per: (Signed) *Martin Burian*
Managing Director, Investment Banking