

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

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

PRELIMINARY PROSPECTUS

Initial Public Offering

December 18, 2012

PROSPECT PARK CAPITAL CORP. (a Capital Pool Company)

**Minimum Offering: \$400,000 or 2,000,000 Common Shares
Maximum Offering: \$600,000 or 3,000,000 Common Shares**

Price: \$0.20 per Common Share

The purpose of this offering (the "Offering") is to provide Prospect Park Capital Corp. (the "Corporation") with a minimum of funds in order to identify and evaluate assets or businesses with a view to completing a Qualifying Transaction, as hereafter defined. Any proposed Qualifying Transaction must be approved by the Exchange, as hereafter defined, and in the case of a Non Arm's Length Qualifying Transaction must also receive Majority of the Minority Approval, as hereafter defined, in accordance with the TSX Venture Exchange Policy 2.4 (the "CPC Policy"). The Corporation is a Capital Pool Company ("CPC") as such term is hereafter defined. It has not commenced commercial operations and has no assets other than a minimum amount of cash and other assets disclosed in the financial statements provided for in this prospectus. Except as specifically contemplated in the CPC Policy, until the Completion of the Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a proposed Qualifying Transaction. See "Business of the Corporation" and "Use of Proceeds". The Corporation hereby offers through its agent, Canaccord Genuity Corp. (the "Agent") a minimum of 2,000,000 common shares in the capital stock of the Corporation (the "Common Shares") at a price of \$0.20 per Common Share for minimum gross proceeds of \$400,000 and a maximum of 3,000,000 Common Shares for maximum gross proceeds of \$600,000.

This Offering is made on a commercially reasonable efforts basis only by the Agent and is subject to receipt by the Corporation of a minimum subscription of 2,000,000 Common Shares for total gross proceeds to the Corporation of \$400,000. This Offering is also subject to approval of certain legal matters by Garfinkle Biderman LLP on behalf of the Corporation and by Miller Thomson LLP on behalf of the Agent. The Offering price of the Common Shares was determined by negotiation between the Corporation and the Agent. All funds received from the sale of the Common Shares will be deposited and held by the Agent (the "Depository") pursuant to the terms of the Agency Agreement as hereafter defined. If subscriptions for a minimum of 2,000,000 Common Shares have not been received within 90 days of the issuance of a receipt for the final prospectus or 180 days of the issuance of a receipt for the final prospectus if an amendment to such prospectus is subsequently filed or such other time as may be consented to by Persons who subscribed within that period and agreed to by the Agent, all subscription proceeds will be returned to subscribers without interest or deduction unless the subscribers have otherwise instructed the Depository. See "Plan of Distribution."

	Common Shares	Offering Price	Agent's Commission ⁽¹⁾	Net Proceeds to the Corporation ⁽²⁾
Per Common Share	1	\$0.20	\$0.02	\$0.18
Minimum Offering	2,000,000	\$400,000	\$40,000	\$360,000
Maximum Offering ⁽³⁾	3,000,000	\$600,000	\$60,000	\$540,000

Notes:

(1) The Agent will receive a commission of 10% of the gross proceeds of this Offering representing an amount of \$40,000 if the minimum Offering is subscribed for and an amount of \$60,000 if the maximum Offering is subscribed for. In addition, the Agent and its designated sub-agents, if any, will be granted a non-transferable option (the "Agent's Option") to purchase that number of Common Shares that is equal to 10% of the total number of Common Shares sold under this Offering, at a price of \$0.20 per Common Share representing 200,000 Common Shares if the minimum Offering is subscribed for and 300,000 Common Shares if the maximum Offering is subscribed for, exercisable for a period of 24 months from the date of listing of the Common Shares on the Exchange. In addition, the Agent will receive a corporate finance fee pursuant to the Offering of \$10,000 payable at closing and the Agent will be reimbursed by the Corporation for its reasonable expenses and legal fees (which are estimated to be \$10,000 plus taxes and disbursements). See "Plan of Distribution".

- (2) Before deducting the expenses of this Offering, not including the Agent's commission, estimated at \$76,000 for both the minimum Offering and the maximum Offering, including the listing fee payable to the Exchange. See "Use of Proceeds".
- (3) A maximum of 3,000,000 Common Shares are offered hereunder. In addition, this prospectus qualifies for distribution the Agent's Option, and options to purchase a minimum of 573,691 Common Shares and a maximum of 673,691 Common Shares which are to be granted to the directors and officers of the Corporation (the "Incentive Stock Options"). See "Options to Purchase Securities".

Market for Securities

There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See "Risk Factors".

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

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

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

Risk Factors

Investment in the Common Shares offered hereunder should be regarded as highly speculative due to the proposed nature of the Corporation's business and its present stage of development. This Offering is suitable only to those investors who are prepared to risk the loss of their entire investment. See "Risk Factors".

Maximum Investment

Pursuant to the CPC Policy, the maximum number of Common Shares that may be directly or indirectly purchased by any one purchaser pursuant to this Offering is 2% or 40,000 of the total Common Shares offered under this prospectus if the minimum Offering is subscribed for and 60,000 of the total Common Shares offered under this prospectus if the maximum Offering is subscribed for. In addition, the maximum number of Common Shares that may directly or indirectly be purchased by that purchaser, together with any Associates or Affiliates of that purchaser, is 4% or 80,000 Common Shares if the minimum Offering is subscribed for and 120,000 Common Shares if the maximum Offering is subscribed for.

International Promoter

Samuel Herschkowitz may be considered to be the promoter of the Corporation in that he took the initiative in founding and organizing the Corporation. Dr. Herschkowitz resides outside of Canada, thus it may not be possible for investors to collect from Dr. Herschkowitz judgments obtained in courts in British Columbia and Ontario predicated on the civil liability provisions of securities legislation.

Receipt of Subscriptions

Subscriptions will be received subject to rejection or allotment in whole or in part and the Corporation reserves the right to close the subscription books at any time without notice. It is expected that share certificates evidencing the Common Shares in definitive form will be available for delivery at the Closing unless the Agent elects for delivery in electronic book entry form through CDS Clearing and Depository Services Inc. ("CDS") or its nominee. If delivered in book entry form, purchasers of Common Shares will receive only a customer confirmation from the registered dealer that is a CDS participant and from or through which the Common Shares were purchased.

**CANACCORD GENUITY CORP.
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GLOSSARY

"Affiliate" means a Company that is affiliated with another Company as described below.

A Company is an "Affiliate" of another Company if:

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

A Company is "controlled" by a Person if:

- (a) voting securities of the Company are held, other than by way of security only, by or for the benefit of that Person, and
- (b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the Company.

A Person beneficially owns securities that are beneficially owned by:

- (a) a Company controlled by that Person, or
- (b) an Affiliate of that Person or an Affiliate of any Company controlled by that Person.

"Agency Agreement" means an agency agreement dated ● , among the Corporation and the Agent.

"Agent" means Canaccord Genuity Corp.

"Agent's Option" means non-transferable options to be granted to the Agent upon completion of the Offering to purchase up to 300,000 Common Shares exercisable at a price of \$0.20 per Common Share for a period of 24 months from the date of listing the Common Shares on the Exchange.

"Aggregate Pro Group" has the meaning ascribed to such term in Policy 1.1 - *Interpretation* of the TSX Venture Exchange Inc.

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

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

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

"Associate" when used to indicate a relationship with a Person, means

- (a) an issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him or her 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 that is an individual, a relative of that Person, including

- (i) that Person's spouse or child, or
- (ii) any relative of the Person or of his or her 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 with respect to that Member firm, Member corporation or holding company.

"Capital Pool Company" or "CPC" means a corporation:

- (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.

"Common Shares" means the common shares in the capital stock of the Corporation.

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

"Completion of the Qualifying Transaction" means the date the Final Exchange Bulletin is issued by the Exchange.

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

"Corporation" means Prospect Park Capital Corp.

"CPC Policy" means Policy 2.4 - *Capital Pool Companies* of the TSX Venture Exchange Inc.

"Depository" means the Agent.

"Discount Seed Shares" means all of the Common Shares issued at a price less than \$0.20 per Common Share.

"Escrow Agreement" means an escrow agreement dated ●, among the Corporation, Computershare Investor Services Inc. and certain shareholders of the Corporation.

"Exchange" or "TSX Venture 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 final Exchange acceptance of the Qualifying Transaction.

"Incentive Stock Options" means options to purchase up to 673,691 Common Shares which are to be granted to the directors and officers of the Corporation.

"Insider" if used in relation to an issuer, means:

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

"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 defined in Exchange Policy 1.1):
 - (i) if the CPC holds its own shares, the CPC; and
 - (ii) a Person acting jointly or in concert with a Person referred to in paragraph (a) or (b) in respect of the transaction;

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

"Member" has the meaning ascribed to such term in Exchange Policy 1.1 - *Interpretation*.

"NEX" means the NEX trading board of the Exchange.

"Non Arm's Length Party" means in relation to a Company, a promoter, officer, director, other Insider or Control Person of that Company (including an issuer) and any Associates or Affiliates of any of such Persons. In relation to an individual, means any Associate of the individual or any Company of which the individual is a promoter, officer, director, Insider or Control Person.

"Non Arm's Length Parties to the Qualifying Transaction" means the Vendor(s), any Target Company(ies) and includes, in relation to Significant Assets or Target Company(ies), the Non Arm's Length Parties of the Vendor(s), the Non Arm's Length Parties of any Target Company(ies) and all other parties to or associated with the Qualifying Transaction and Associates or Affiliates of all such other parties.

"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.

"Offering" means the offering of Common Shares pursuant to this prospectus.

"Person" means a Company or 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 initial public Offering ("IPO") prospectus or Final Exchange Bulletin;
- (b) a director or senior officer of the issuer or any of its material operating subsidiaries at the time of the IPO prospectus or Final Exchange Bulletin;
- (c) a 20% holder - a Person 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 that 10% of the voting rights attached to the issuer's outstanding securities immediately before and immediately after the issuer's IPO or immediately after the Final Exchange Bulletin for non IPO transactions; and
 - (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the issuer or any of its material operating subsidiaries.

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

A Company, more than 50% held by one or more Principals will be treated as a Principal. (In calculating this percentage, include securities of the entity that may be issued to the Principals under outstanding convertible securities in both the Principal's

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.

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

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

"Significant Assets" means one or more assets or businesses which, when purchased, optioned or otherwise acquired by the CPC, together with any other concurrent transactions, would result in the CPC meeting the initial listing requirements of the Exchange.

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

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

"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.

ISSUER: The Corporation was incorporated on September 7, 2012 under the name Prospect Park Capital Corp., pursuant to the *Business Corporations Act* (Ontario). See "The Corporation".

OFFERING: A minimum of 2,000,000 Common Shares in the capital of the Corporation are being offered under this prospectus at a price of \$0.20 per Common Share for minimum gross proceeds of \$400,000 and a maximum of 3,000,000 Common Shares for maximum gross proceeds of \$600,000. This Offering is being made on a commercially reasonable efforts basis by the Agent. In addition, the Corporation will grant to the Agent the Agent's Option to purchase that number of Common Shares that is equal to 10% of the total number of Common Shares sold pursuant to this Offering at a price of \$0.20 per Common Share representing 200,000 Common Shares if the minimum Offering is subscribed for and 300,000 Common Shares if the maximum Offering is subscribed for, exercisable for a period of 24 months from the date of listing of the Common Shares on the Exchange, which option is qualified for distribution under this prospectus. The Corporation also intends to grant the Incentive Stock Options to directors and officers of the Corporation to purchase up to 573,691 Common Shares if the minimum Offering is subscribed for and 673,691 Common Shares if the maximum Offering is subscribed for at a price of \$0.20 per Common Share, which Incentive Stock Options are qualified for distribution under this prospectus. A total of 973,691 options, comprising the Agent's Option and the Incentive Stock Options, are qualified for distribution under this prospectus. See "Plan of Distribution".

PRICE: \$0.20 per Common Share.

BUSINESS OF THE CORPORATION: The Corporation is a Capital Pool Company created pursuant to the CPC Policy. The principal business of the Corporation will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be approved by the Exchange and in the case of a Non Arm's Length Qualifying Transaction must also receive Majority of the Minority Approval, in accordance with the CPC Policy. The Corporation has not commenced commercial operations and has no assets other than a minimum amount of cash and other assets disclosed in the financial statements included in this prospectus. Except as specifically contemplated in the CPC Policy, until Completion of the Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of assets and businesses with a view to completing a Qualifying Transaction. To date, the Corporation has not yet identified a company or assets for a Qualifying Transaction. Furthermore, the Corporation has not entered into an Agreement in Principle. See "Business of the Corporation" and "Use of Proceeds".

USE OF PROCEEDS: Assuming completion of this Offering, the net proceeds thereof to the Corporation will be \$360,000 if the minimum Offering is subscribed for and \$540,000 if the maximum Offering is subscribed for (after deduction of the Agent's commission but before deduction of the issue costs). The net proceeds of this Offering will be used to provide the Corporation with a minimum of funds with which to identify and evaluate assets or businesses for acquisition with a view to completing a Qualifying Transaction. The Corporation may not have sufficient funds to secure such businesses or assets once identified and evaluated and additional funds may be required. Until Completion of the Qualifying Transaction, and except as otherwise provided in the CPC Policy, a maximum of the lesser of 30% of the gross proceeds from the sale of all securities issued by the Corporation and \$210,000 may be used for purposes other than evaluating businesses or assets, subject to the obtaining of a waiver of the Exchange. See "Use of Proceeds", "Risk Factors" and "Business of the Corporation".

DIRECTORS & MANAGEMENT: Samuel Herschkowitz - Chief Executive Officer, Chief Financial Officer, Director and Promoter
Robbie Grossman - Corporate Secretary and Director

Jeffrey Barnes - Director
Frank Mancuso Jr. - Director

See "Directors, Officers and Promoters".

ESCROWED SHARES:

All of the Common Shares of the Corporation issued at a price less than \$0.20 per Common Share ("Discount Seed Shares") will be deposited in escrow pursuant to an escrow agreement (the "Escrow Agreement") and will be released from escrow in stages over a period of up to three years from the date of the Final Exchange Bulletin. The total number of Discount Seed Shares to be held in escrow subject to the Escrow Agreement is 3,736,913 Common Shares. See "Escrowed Securities".

RISK FACTORS:

There is currently no established market for the Common Shares. An investment in the Common Shares offered by this prospectus is highly speculative due to the nature of the Corporation's business and its present stage of development. This Offering is suitable only to those investors who are prepared to risk the loss of their entire investment.

The Corporation was incorporated on September 7, 2012 and does not have any business operations or assets other than cash and other assets disclosed in the financial statements included in this prospectus. It has not entered into an Agreement in Principle as defined in the CPC Policy and does not have a history of earnings nor has it paid any dividends, and will not generate any earnings or pay any dividends before Completion of the Qualifying Transaction.

If the Corporation identifies a suitable business or asset, the Exchange may not approve the transaction as a Qualifying Transaction or management may determine that market conditions make the terms of the acquisition uneconomic. Furthermore, the Corporation may require additional financing to both secure and exploit the business or asset and there is no guarantee that such financing will be available.

If the Corporation fails to complete a Qualifying Transaction acceptable to the Exchange within 24 months of the date of listing on the Exchange, or if the Corporation fails to comply with the Exchange's listing maintenance requirements, the Common Shares may be suspended from trading or delisted.

An acquisition financed by the issuance of treasury shares could result in a change in the control of the Corporation and may cause the shareholders' interest in the Corporation to be further diluted.

Without limiting the generality of the foregoing, this Offering is only suitable for those investors who are willing to rely solely on the directors and management of the Corporation and who are prepared to risk a loss of their entire investment. The directors and officers of the Corporation will only devote part of their time and attention to the affairs of the Corporation and there are potential conflicts of interest to which some of the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. Assuming completion of the Offering, an investor will suffer an immediate dilution on investment of 21.56% or \$0.043 per Common Share if the minimum Offering is subscribed for and 18.36% or \$0.037 per Common Share if the maximum Offering is subscribed for based on the gross proceeds of this issue, before the deduction of selling commissions or related expenses of the issue.

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

Until Completion of the Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Corporation has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Corporation will be able to identify or complete a suitable Qualifying Transaction.

The Qualifying Transaction may involve the acquisition of businesses 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. See "Business of the Corporation", "Risk Factors" and "Conflicts of Interest".

THE CORPORATION

Name and Incorporation

The Corporation was incorporated on September 7, 2012, under the *Business Corporations Act* (Ontario) under the name Prospect Park Capital Corp. On October 29, 2012, the Corporation's articles were amended by removing private company restrictions. The authorized share capital of the Corporation consists of an unlimited number of common shares, without nominal or par value. At the date hereof, the Corporation had 3,736,913 common shares issued and outstanding.

Place of Business

The principal and registered office of the Corporation is located at Garfinkle Biderman LLP, 1 Adelaide Street East, Suite 801, Toronto, Ontario, M5C 2V9.

BUSINESS OF THE CORPORATION

Preliminary Expenses

The Corporation has incurred expenses to December 7, 2012 in the aggregate amount of \$18,409 in respect of a \$10,000 advance retainer to the Agent, and legal fees and expenses related to the Corporation's listing application. Since December 7, 2012, the Corporation has incurred expenses of \$ ● in respect of ● . Part of the net proceeds of the Offering will be utilized to satisfy additional obligations of the Corporation related to this Offering, including the expenses of its auditor, legal fees, fees of the Agent and its legal counsel, and fees of the Exchange and securities regulatory authorities. See "Use of Proceeds".

Proposed Operations until Completion of a Qualifying Transaction

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

Until Completion of the Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a potential Qualifying Transaction. With the consent of the Exchange and of the securities regulatory authorities if required, this may include the raising of additional funds in order to finance an acquisition. Except as described under "Private Placement for Cash", "Permitted Use of Funds" and "Restrictions on Use of Proceeds", the funds raised pursuant to this Offering and any subsequent financing will be utilized only for the identification and evaluation of potential Qualifying Transactions and not for any deposit, loan or direct investment in a potential acquisition. The Corporation has not yet entered into an Agreement in Principle.

Method of Financing

The Corporation may use cash, bank financing and the issuance of treasury shares either by way of private placement or public offering or some combination thereof for the purpose of financing its proposed Qualifying Transaction. **A Qualifying Transaction financed by the issue of treasury shares could result in a change in control of the Corporation and may cause the shareholders' interest in the Corporation to be further diluted.**

Criteria for a Qualifying Transaction

The board of directors of the Corporation must approve any proposed Qualifying Transaction. In exercising their powers and discharging their duties in relation to a proposed Qualifying Transaction, the directors will act honestly and in good faith with a view to the best interests of the Corporation 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 Corporation reaching an Agreement in Principle, the Corporation must issue a comprehensive news release, at which time the Exchange generally will halt trading in the Corporation's Common Shares until the filing requirements of the Exchange have been satisfied as set forth under "Trading Halts, Suspension and Delisting". Within 75 days after the issuance of such press release, the Corporation shall be required to submit for review to the Exchange either an information circular that complies with applicable corporate and securities laws or a filing statement that complies with the Exchange requirements. The information

circular must be submitted where there is a Non Arm's Length Qualifying Transaction or where shareholders approval is otherwise required. A filing statement must be submitted where a Qualifying Transaction is not a Non Arm's Length Qualifying Transaction or where shareholders approval is not otherwise required. The information circular or filing statement, as applicable, must contain prospectus level disclosure of the Target Company and the Corporation, assuming Completion of the Qualifying Transaction, and be prepared in accordance with the CPC Policy and Form 3B1 or Form 3B2. Upon acceptance by the Exchange, the Corporation must then either:

- (a) file the filing statement on SEDAR at least seven (7) business days prior to closing of the Qualifying Transaction, and issue a press release which discloses the scheduled closing date for the Qualifying Transaction as well as the fact that the filing statement is available on SEDAR; or
- (b) mail the information circular and related proxy material to its shareholders in order to obtain the Majority of the Minority Approval of the Qualifying Transaction or other requisite approval at a meeting of the shareholders.

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

- (a) in the case of a Non Arm's Length Qualifying Transaction, confirmation of Majority of 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 or otherwise required to be filed with the Exchange pursuant to the CPC Policy.

Upon issuance of the Final Exchange Bulletin, the CPC Policy will generally cease to apply, with the exception of the escrow provisions of the CPC Policy and the restrictions in the CPC Policy precluding the Corporation from completing a reverse takeover 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 its 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 acknowledgement form, where the Qualifying Transaction is subject to sponsorship. In addition, personal information forms for all individuals who may be directors, senior officers, promoters, or Insiders of the Resulting Issuer must be filed with the Exchange and any preliminary background searches that the Exchange considers necessary or advisable, must also be completed, before the trading halt will be lifted by the Exchange.

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

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

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

The Exchange may suspend from trading or delist the Common Shares of the Corporation where the Exchange has not issued a Final Exchange Bulletin to the CPC within 24 months of the date of listing. If the Common Shares of the Corporation are delisted

by the Exchange, then within 90 days from the date of such delisting, the Corporation shall wind up and liquidate its assets pursuant to the *Business Corporation Act* (Ontario) and shall make a pro rata distribution of its remaining assets to its shareholders, unless, within that 90 day period and pursuant to a majority vote of shareholders, exclusive of the vote of Non Arm's Length Parties to the Corporation, the shareholders determine to deal with the remaining assets in some other manner. See "Filings and Shareholder Approval of Non Arm's Length Qualifying Transaction."

If the Corporation does not complete a Qualifying Transaction within 24 months of the date of listing, it may apply for listing on NEX rather than be delisted. In order to be eligible to list on the NEX, the Corporation must (a) either: (i) cancel all escrowed Common Shares purchased by Non Arm's Length Parties to the Corporation at a discount to the Offering price, in accordance with section 11.2(a) of the CPC Policy, as if the Corporation had delisted from the Exchange, or (ii) subject to majority shareholder approval, cancel the escrowed Common Shares purchased by Non Arm's Length Parties to the Corporation so that the average cost of the remaining Discount 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 of the Corporation. If the Corporation lists the Common Shares on NEX it must continue to comply with all requirements and restrictions of the CPC Policy.

Refusal of a Qualifying Transaction

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

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

USE OF PROCEEDS

Proceeds and Principal Purposes

- (a) The gross proceeds received by the Corporation from the sale of 3,736,913 Common Shares prior to the date of this prospectus amounted to \$500,000.
- (b) The Corporation has not incurred any expenses and costs with respect to the issue of Common Shares referred in (a) above.
- (c) The gross proceeds to be received by the Corporation from the sale of the Common Shares offered by this prospectus will be \$400,000 if the minimum Offering is subscribed for and \$600,000 if the maximum Offering is subscribed for.
- (d) The expenses and costs, including the Agent's corporate finance fee and commission, related to the Offering referred to in (c) incurred to date and expected to be incurred in the future will total approximately \$116,000 if the minimum Offering is subscribed for and \$136,000 if the maximum Offering is subscribed for.

- (e) The Corporation expects the gross funds available to it from (i) the sale of Common Shares distributed under this prospectus, and (ii) the prior sale of Common Shares will be \$900,000 if the minimum Offering is subscribed for and \$1,100,000 if the maximum Offering is subscribed for.

The funds received from the Offering will be deposited with the Depository, and will not be released until subscriptions for a minimum of \$400,000 of Common Shares are received. Minimum subscriptions of 2,000,000 Common Shares for total gross proceeds of \$400,000 must be raised within 90 days of the issuance of a final receipt for this prospectus or 180 days of the issuance of a receipt for the final prospectus if an amendment to such prospectus is subsequently filed, or such other time as may be consented to by Persons who subscribed within that period, failing which the Depository will remit the funds collected to the original subscribers without interest or deduction.

The following table indicates the principal uses to which the Corporation proposes to apply the funds available to it upon the completion of this Offering:

Proceeds to the Corporation	Minimum Offering	Maximum Offering
Cash proceeds raised from the sale of Common Shares prior to this Offering ⁽¹⁾	\$500,000	\$500,000
Expenses and costs relating to raising the cash proceeds above	Nil	Nil
Cash proceeds to be raised pursuant to this Offering ⁽²⁾	\$400,000	\$600,000
Costs and expenses associated with this Offering (including listing fees, Agent's fee and commission, legal fees and audit fees)	\$116,000	\$136,000
Estimated funds available (on completion of the Offering)	\$784,000	\$964,000
Estimated funds available for identifying and evaluating assets or business ⁽³⁾	\$709,000	\$889,000
Estimated general and administrative expenses until Completion of a Qualifying Transaction ⁽⁴⁾	\$75,000	\$75,000
TOTAL NET PROCEEDS	\$784,000	\$964,000

Notes:

- (1) See "Prior Sales".
- (2) In the event the Agent exercises the Agent's Option and the Incentive Stock Options are exercised, there will be available to the Corporation an additional \$154,738 in the event the minimum Offering is subscribed for and \$194,738 in the event the maximum Offering is subscribed for, which will be added to the working capital of the Corporation. There is no assurance that any of these options will be exercised.
- (3) In the event that the Corporation enters into an Agreement in Principle prior to spending the estimated funds available of \$784,000 in the event the minimum Offering is subscribed for and \$964,000 in the event the maximum is subscribed for, 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.
- (4) Estimated expenses based on the completion of a Qualifying Transaction within 24 months of the date the Common Shares are listed for trading on the Exchange.

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

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

to identify and evaluate assets or businesses and in the event of a Non Arm's Length Qualifying Transaction, 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 and geological reports;
- (f) financial statements, including audited financial statements;
- (g) fees for legal and accounting services; and
- (h) Agents' fees, costs and commissions,

relating to the identification and evaluation of assets or businesses and in the case of a Non Arm's Length Qualifying Transaction, the obtaining of shareholder approval for the Corporation'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 Corporation to a Vendor or Target Company, as the case may be, for a proposed arm's length Qualifying Transaction provided that the arm's length Qualifying Transaction has been publicly announced at least 15 days prior to the date of such advance, due diligence with respect to the Qualifying Transaction is well underway and either a Sponsor has been engaged or sponsorship has been waived. A maximum aggregate amount of \$25,000 may also be advanced as a non-refundable deposit, unsecured deposit or advance to a Vendor or Target Company, as the case may be, to preserve assets without the prior acceptance of the Exchange.

Restrictions on Use of Proceeds

Until Completion of the Qualifying Transaction, not more than the lesser of 30% of the gross proceeds from the sale of all securities issued by the Corporation or \$210,000, subject to receiving a waiver from the Exchange, will be used for purposes other than those described above. For greater certainty, expenditures not included as "Permitted Uses 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 Corporation, including office supplies, office rent and related utilities; printing costs (including the printing of this prospectus and share certificates); equipment leases (provided that no proceeds shall be used to acquire or lease a vehicle); and fees for legal advice and audit expenses, other than those described above under "Permitted Use of Funds".

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

Private Placements for Cash

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

Prohibited Payments to Non Arm's Length Parties

Except as described under "Options to Purchase Securities" and "Restrictions on Use of Proceeds", the Corporation has not made, and until Completion of the Qualifying Transaction will not make, any payment of any kind, directly or indirectly, to a Non Arm's Length Party to the Corporation or a Non Arm's Length Party to the Qualifying Transaction, or to a Person engaged in investor relations activities, by any means, including:

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

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

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

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

PLAN OF DISTRIBUTION

Name of Agent and Agent's Compensation

Pursuant to an agency agreement (the "Agency Agreement") dated ● , 2012, among the Corporation and the Agent, the Corporation has appointed the Agent as its agent to offer for distribution to the public, on a commercially reasonable efforts basis, a minimum of 2,000,000 Common Shares and a maximum of 3,000,000 Common Shares, pursuant to this prospectus, at a price of \$0.20 per Common Share for minimum gross proceeds of \$400,000 and for maximum gross proceeds of \$600,000, subject to the terms and conditions of the Agency Agreement. The Agent will receive a commission of 10% of the aggregate gross proceeds from the sale of the Common Shares. In addition, the Agent will receive a corporate finance fee pursuant to the Offering of \$10,000 payable at closing and the Agent will be reimbursed by the Corporation for its reasonable expenses and legal fees (which are estimated to be \$10,000 plus taxes and disbursements).

In addition, the Agent and its designated sub-agents, if any, will be granted the non-transferable Agent's Option to purchase 200,000 Common Shares in the case of the minimum Offering and 300,000 Common Shares in the case of the maximum Offering exercisable at a price of \$0.20 per Common Share for a period of 24 months from the date of listing the Common Shares on the Exchange, which Agent's Option is qualified for distribution under this prospectus. The Agent's Option may be exercised in whole or in part by the Agent before the Completion of the Qualifying Transaction, provided that no more than 50% of the Common Shares received by the Agent on exercise of the option may be sold prior to the Completion of the Qualifying Transaction. The remaining 50% may only be sold after Completion of the Qualifying Transaction. As at the date hereof, the Agent does not own any Common Shares of the Corporation.

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

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

The Agent has agreed to use commercially reasonable efforts to secure subscriptions for all of the Common Shares offered hereunder on behalf of the Corporation and may make co-brokerage arrangements with other investment dealers at no additional cost to the Corporation. The obligations of the Agent under the Agency Agreement may be terminated at its discretion on the basis of its assessment of the state of financial markets or upon the occurrence of certain events as stated in the Agency Agreement, including the non-fulfillment of conditions of closing.

Commercially Reasonable Efforts Offering and Minimum Distribution

The Offering consists of 3,000,000 Common Shares for total gross proceeds of \$600,000 if the maximum Offering is subscribed for and 2,000,000 Common Shares for total gross proceeds of \$400,000 if the minimum Offering is subscribed for. Pursuant to the CPC Policy, the maximum number of Common Shares which may be directly or indirectly purchased by any one purchaser pursuant to this Offering is 2% of the Common Shares offered hereunder or 60,000 Common Shares if the maximum Offering is subscribed for and 40,000 Common Shares if the minimum Offering is subscribed for. In addition, the maximum number of Common Shares that may directly or indirectly be purchased by that purchaser pursuant to this Offering, together with any Associates or Affiliates of that purchaser, is 4% or 120,000 Common Shares if the maximum Offering is subscribed for and 80,000 Common Shares if the minimum Offering is subscribed for. The funds received from the Offering will be deposited with the Depository, and will not be released until a minimum of \$400,000 has been deposited. Minimum subscriptions of 2,000,000 Common Shares for total gross proceeds of \$400,000 must be raised within 90 days of the issuance of a final receipt for this prospectus or 180 days of the issuance of a receipt for the final prospectus if an amendment to such prospectus is subsequently filed, or such other time as may be consented to by Persons who subscribed within that period, failing which the Depository will remit the funds collected to the original subscribers without interest or deduction, unless the subscribers have otherwise instructed the Depository.

Other Securities to be Distributed

The Corporation also proposes to grant Incentive Stock Options to directors and officers to purchase up to 573,691 Common Shares if the minimum Offering is subscribed for and up to 673,691 Common Shares if the maximum Offering is subscribed for, in accordance with the policies of the Exchange, which options are qualified for distribution under this prospectus. See "Options to Purchase Securities" and "Plan of Distribution".

Determination of Price

The price of this Offering has been determined by negotiation between the Corporation and the Agent.

Listing Application

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

Restrictions on the Agent

The Agent has advised the Corporation that to the best of its knowledge and belief and except as described herein, neither it, nor any of its directors, officers, employees or contractors or any Associate or Affiliate thereof has subscribed for Common Shares of the Corporation prior to the date hereof.

The aggregate number of Common Shares permitted to be owned directly or indirectly by the participants referred to above, is 20% of the issued and outstanding Common Shares of the Corporation, exclusive of Common Shares reserved for issuance at a future date.

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 Incentive Stock Options, no securities of the Corporation will be permitted to be issued during the period between the date a receipt for the preliminary prospectus is issued by the British Columbia and Ontario securities commissions and the time the Common Shares are listed for trading on the Exchange, except subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable securities regulatory authorities grant a discretionary order.

DESCRIPTION OF SECURITIES DISTRIBUTED

The Corporation is authorized to issue an unlimited number of Common Shares of which 3,736,913 Common Shares were issued and outstanding as fully paid and non-assessable as at the date hereof. In addition, a maximum of 7,710,604 Common Shares are reserved for issuance in the event the maximum Offering is subscribed for and 6,510,604 Common Shares are reserved for issuance in the event the minimum Offering is subscribed for, including the Common Shares reserved for issuance upon exercise of the Agent's Option and the Incentive Stock Options. All of the Common Shares to be outstanding on completion of this Offering will be fully paid and non-assessable. See "Prior Sales", "Options to Purchase Securities" and "Plan of Distribution".

Common Shares

The holders of the Common Shares are entitled to vote at meetings of the shareholders of the Corporation, except meetings at which only holders of a specified class of shares other than the Common Shares are entitled to vote, to receive dividends, if, as and when declared by the board of directors of the Corporation on the Common Shares and subject to the rights, privileges and conditions attaching to any other class of shares of the Corporation, to receive the remaining property of the Corporation upon dissolution, liquidation or winding up of the Corporation.

CAPITALIZATION

The table below shows the capitalization of the Corporation before and after giving effect to this Offering but prior to taking into account the costs of issue:

Designation of Securities	Amount Authorized	Amount outstanding as at December 7, 2012 (audited) ⁽¹⁾	Amount outstanding as at the date hereof	Amount to be outstanding if the minimum Offering is sold ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	Amount to be outstanding if the maximum Offering is sold ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾
Common Shares	Unlimited	\$500,000 (3,736,913 Common Shares)	\$500,000 (3,736,913 Common Shares)	\$900,000 (5,736,913 Common Shares)	\$1,100,000 (6,736,913 Common Shares)

Notes:

- (1) As at the date of such balance sheet, the Corporation had not commenced commercial operations.
- (2) The Corporation has reserved an aggregate of up to 573,691 Common Shares in the event the minimum Offering is subscribed for and 673,691 Common Shares in the event the maximum Offering is subscribed for pursuant to Incentive Stock Options to be granted to directors and officers of the Corporation.
- (3) The Corporation has reserved a number of Common Shares equal to 10% of the number of Common Shares to be issued under the Offering for issuance pursuant to the Agent's Option representing 200,000 Common Shares if the minimum Offering is subscribed for and 300,000 Common Shares if the maximum Offering is subscribed for. The Agent's Option will have an exercise price of \$0.20 per Common Share. See "Plan of Distribution."
- (4) All 3,736,913 Common Shares outstanding as at the date hereof, will be held in escrow in accordance with the CPC Policy. See "Escrowed Securities".
- (5) Before deducting the Agent's commission and legal fees and the Corporation's expenses of the issue estimated to be \$116,000 if the minimum Offering is subscribed for and \$136,000 if the maximum Offering is subscribed for.

OPTIONS TO PURCHASE SECURITIES

The Incentive Stock Options to purchase up to 573,691 Common Shares in the event the minimum Offering is subscribed for and up to 673,691 Common Shares if the maximum Offering is subscribed for, which Incentive Stock Options are to be granted immediately after closing of this Offering to directors and officers of the Corporation, are subject to regulatory approval and are qualified for distribution pursuant to this prospectus. The granting of the Incentive Stock Options described in the table below are qualified under this prospectus:

Name of Optionee ⁽¹⁾	No. of Common Shares reserved under Option if minimum Offering is subscribed for	No. of Common Shares reserved under Option if maximum Offering is subscribed for	Exercise Price	Expiration Date
Samuel Herschkowitz	286,845	336,845	\$0.20	10 years from the date of grant
Frank Mancuso Jr.	108,146	126,997	\$0.20	10 years from the date of grant
Jeffrey Barnes	55,369	65,021	\$0.20	10 years from the date of grant
Robbie Grossman	123,331	144,828	\$0.20	10 years from the date of grant
Total	573,691	673,691		

Note:

- (1) All of the Incentive Stock Options are to be granted to directors of the Corporation.

Stock Option Terms

The policies of the Exchange and the stock option plan of the Corporation established by the directors of the Corporation on ●, 2012 (the "Stock Option Plan"), provide that the board of directors of the Corporation may from time to time, in its discretion and in accordance with the Exchange requirements, grant to directors, officers and employees of the Corporation as well as Management Company Employees and Consultants (as such terms are defined in the Exchange's Corporate Finance Manual Policy 4.4 as amended from time to time), non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the total issued and outstanding Common Shares of the Corporation, exercisable for a period

of up to ten (10) years from the date of the grant. The number of Common Shares reserved for issuance to any individual director or officer of the Corporation will not exceed 5% of the issued and outstanding Common Shares (2% in the case of all optionees providing investor relations services to the Corporation and 2% in the case of all technical consultants of the Corporation in any 12 month period). The exercise price of any option granted pursuant to the Stock Option Plan shall be determined by the board of directors when granted, but shall not be less than the Discounted Market Price (as such term is defined by the Exchange). Notwithstanding the foregoing, until Completion of the Qualifying Transaction the exercise price shall not be less than the greater of \$0.20 and the Discounted Market Price. The options granted pursuant to the Stock Option Plan are non-transferable, except by means of a will or pursuant to the laws of descent and distribution.

If the tenure of a director or officer or the employment of an employee of the Corporation is terminated for cause, no option held by such optionee may be exercised following the date upon which termination occurred. If termination occurs for any reason other than cause, then any option held by such optionee, shall be exercisable, in whole or in part, for a period not later than one (1) year thereafter or prior to the expiry date of the option, whichever is sooner, or such shorter period of time as may be determined by the directors when the option is granted. Notwithstanding the foregoing, if the tenure of an optionee who is granted Incentive Stock Options upon completion of this Offering ends prior to the Completion of the Qualifying Transaction such Incentive Stock Options shall only be exercisable for 90 days.

Any Common Shares acquired pursuant to the exercise of options prior to the Completion of the Qualifying Transaction, must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued. See "Escrowed Securities".

PRIOR SALES

Since the date of incorporation of the Corporation, 3,736,913 Common Shares have been issued as follows:

Date Issued	Number of Common Shares ⁽¹⁾	Issue Price Per Common Share	Aggregate Issue Price	Nature of Consideration
October 18, 2012	1,010,749	\$0.10	\$101,074.90	Cash
October 31, 2012	200,000	\$0.10	\$20,000.00	Cash
November 1, 2012	2,526,164	\$0.15	\$378,925.10	Cash
	3,736,913		\$500,000.00	

Note:

(1) Subject to escrow. See "Escrowed Securities".

ESCROWED SECURITIES

Escrowed Securities Prior to the Completion of the Qualifying Transaction

All of the 3,736,913 Common Shares issued prior to this Offering at a price below \$0.20 per Common Share and all Common Shares that may be acquired by Non Arm's Length Parties of the Corporation either under this Offering or otherwise prior to Completion of the Qualifying Transaction, and all Common Shares acquired by members of the Aggregate Pro Group prior to this Offering, will be deposited with Computershare Investor Services Inc. under an escrow agreement dated the ● day of ●, 2012 (the "Escrow Agreement").

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

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

The following table sets out, as of the date of this prospectus, the number of Common Shares of the Corporation held in escrow:

Name and Municipality of Residence of Shareholder	Common Shares	Number of Escrowed Shares	Percentage of Shares Issued Before Offering	Percentage of Shares Issued if Minimum Offering ⁽¹⁾	Percentage of Shares Issued if Maximum Offering ⁽¹⁾
Samuel Herschkowitz <i>Brooklyn, New York</i>	910,749	910,749	24.37%	15.88%	13.52%
Frank Mancuso Jr.	666,566	666,566	17.84%	11.62%	9.89%

<i>Beverly Hills, California</i>					
Jeffrey Barnes <i>Dover, Massachusetts</i>	333,333	333,333	8.92%	5.81%	4.95%
Robbie Grossman <i>Toronto, Ontario</i>	100,000	100,000	2.68%	1.74%	1.48%
Michael Bird <i>Katonah, New York</i>	366,666	366,666	9.81%	6.39%	5.44%
Anthony G. Caserta <i>White Plains, New York</i>	33,333	33,333	0.89%	0.58%	0.49%
Richard Taney <i>Great Neck, New York</i>	333,333	333,333	8.92%	5.81%	4.95%
Carla Bauer Rentrop <i>New York, New York</i>	167,903	167,903	4.49%	2.93%	2.49%
Thomas J. Barbarie <i>Danbury, Connecticut</i>	163,268	163,268	4.37%	2.85%	2.42%
Gregory J. Spanos <i>Marblehead, Massachusetts</i>	661,762	661,762	17.71%	11.54%	9.82%
Total	3,736,913	3,736,913	100%	65.14%	55.47%

Notes:

- (1) Assuming that no Common Shares are purchased by these shareholders under this Offering and before the exercise of the Agent's Option, and the Incentive Stock Options issued under the Stock Option Plan.

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

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

If the Resulting Issuer meets the Exchange's Tier 1 initial listing requirements either at the time the Final Exchange Bulletin is issued or subsequently, the release of the escrowed Common Shares will be accelerated. An accelerated escrow release will not commence until the Resulting Issuer has made 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 the Final Exchange Bulletin is not issued, the escrowed Common Shares will not be released. Under the Escrow Agreement each Non Arm's Length Party to the Corporation who holds escrowed Common Shares acquired at a price below the Offering price under this prospectus has irrevocably authorized and directed the Escrow Agent to immediately (a) cancel all of the escrowed Common Shares upon issuance by the Exchange of a bulletin delisting the Common Shares of the Corporation, or (b) if the Corporation lists on NEX, either (i) cancel all Discount Seed Shares purchased by Non-Arm's Length Parties to the Corporation at a discount from the Offering price, in accordance with section 11.2(a) of the CPC Policy, or (ii) subject to majority shareholder approval, cancel an amount of Discount Seed Shares purchased by Non Arm's Length Parties to the Corporation so that the average cost of the remaining Discount 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 a Qualifying Transaction are "Value Securities", then all of 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 (the "Value Security Escrow Agreement"). "Value Securities" are securities issued pursuant to a transaction, for which the deemed value of the securities at least equals the value ascribed to the assets, using a valuation method acceptable to the Exchange, or securities that are otherwise determined by the Exchange to be Value Securities and required to be placed in escrow under the Value Security Escrow Agreement. However, if at least 75% of the securities

issued pursuant to the Qualifying Transaction are not Value Securities, all securities issued pursuant to the Qualifying Transaction will be deposited into a surplus security escrow agreement (a "Surplus Security Escrow Agreement").

The principal distinction between a Value Security Escrow Agreement and a Surplus Security Escrow Agreement is the time period for release of securities from escrow. In the case of a Resulting Issuer that will be a Tier 2 issuer when the Final Exchange Bulletin is issued, the Value Security Escrow Agreement provides for a three year escrow release mechanism with 10% of the escrowed securities being releasable at the time of the Final Exchange Bulletin, and 15% of the escrowed securities being releasable every 6 months thereafter until the date which is 36 months after the Final Exchange Bulletin. In the case of a Resulting Issuer that will be a Tier 2 issuer subject to a Surplus Security Escrow Agreement, when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement provides for a 3 year escrow release mechanism with 5% of the escrowed securities releasable at the time of the Final Exchange bulletin, 5% on the date which is 6 months after the Final Exchange Bulletin, 10% on each of the dates which are 12 and 18 months after the Final Exchange Bulletin, 15% on each of the dates which are 24 and 30 months after the Final Exchange Bulletin and 40% on the date which is 36 months after the Final Exchange Bulletin.

In the case of a Resulting Issuer that will be a Tier 1 issuer when the Final Exchange Bulletin is issued, the Value Security Escrow Agreement provides for an 18 month escrow release mechanism with 25% of the escrowed securities being releasable at the time of the Final Exchange Bulletin, and 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 a 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 Final Exchange Bulletin, 30% on the date which is 12 months after the Final Exchange Bulletin and 40% on the date which is 18 months after the Final Exchange Bulletin.

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

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

PRINCIPAL SHAREHOLDERS

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

Name and Municipality of Residence of the Shareholder	Type of Ownership	Number of Common Shares	Percentage of Common Shares Owned				
			Before Offering	After Minimum Offering ⁽¹⁾	After Minimum Offering (fully diluted) ⁽²⁾	After Maximum Offering ⁽¹⁾	After Maximum Offering (fully diluted) ⁽²⁾
Samuel Herschkowitz <i>Brooklyn, New York</i>	Registered and Beneficial	910,749	24.37%	15.88%	18.39%	13.52%	16.18%
Frank Mancuso Jr. <i>Beverly Hills, California</i>	Registered and Beneficial	666,566	17.84%	11.62%	11.90%	9.89%	10.29%
Gregory J. Spanos <i>Marblehead, Massachusetts</i>	Registered and Beneficial	661,762	17.71%	11.54%	10.16%	9.82%	8.58%

TOTAL		2,239,077	59.92%	39.04%	40.45%	33.23%	35.05%
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Notes:

- (1) Assuming that no Common Shares are purchased by such shareholders under this Offering and before the exercise of the Agent's Option and the Incentive Stock Options.
- (2) Assuming that no Common Shares are purchased by such shareholders under this Offering and in the event that the Agent's Option and the Incentive Stock Options are exercised. See "Options to Purchase Securities".

DIRECTORS, OFFICERS AND PROMOTERS

Name, Address, Occupation and Security Holding

The following are the names and municipalities of residence of the directors and officers of the Corporation, their positions and offices with the Corporation and their principal occupations during the last five years:

Name, Age and Municipality of Residence	Office Held with the Corporation	Principal Occupation	Number of Common Shares Held Before Offering	Percentage of Common Shares Owned Before Offering
Samuel Herschkowitz (63) ⁽¹⁾ <i>Brooklyn, New York</i>	CEO, CFO and Director Promoter	Medical doctor since 1976, the Chief Executive Officer of Serenity Pharmaceutical Corporation since 2006, and a director and the Chief Operating Officer and Chief Technical Officer of Delcath Systems, Inc. from 1994 to June 2007.	910,749	24.37%
Frank Mancuso Jr. (54) ⁽¹⁾ <i>Beverly Hills, California</i>	Director	President of Boss Media, LLC since April 2011 and President of 360 Pictures, LLC from March 2006 to March 2011.	666,566	17.84%
Jeffrey Barnes (58) ⁽¹⁾ <i>Dover, Massachusetts</i>	Director	Managing Director of BioVentures Investors Management, LLC since January 2010 and General Partner at Oxford Bioscience Partners Management Corp. from September 1999 to August 2009.	333,333	8.92%
Robbie Grossman (38) <i>Toronto, Ontario</i>	Corporate Secretary and Director	Corporate finance and securities lawyer at Garfinkle Biderman LLP since 2004.	100,000	2.68%

Notes:

- (1) Member of Audit Committee.
- (2) The term of office of each of the directors of the Corporation will expire at the next annual meeting of shareholders of the Corporation.

The following are brief resumes of the five foregoing individuals:

Samuel Herschkowitz

Dr. Herschkowitz obtained his Bachelor of Arts from Syracuse University in 1971 and his M.D. from Downstate Medical Centre in Brooklyn, New York, in 1976. Dr. Herschkowitz has been a medical doctor since 1972, and the Chief Executive Officer of Serenity Pharmaceutical Corporation since 2006. From 1994 to 2007 he was a director, the Chief Operating Officer and the Chief Technical Officer of Delcath Systems, Inc. (NASDAQ:DCTH). He was the Chief Executive Officer and a director of Receptor Technologies, Inc. which was purchased by Senetek, PLC in 1995. From 1995 to 1998 he was a director of Senetek PLC, which traded on the London Stock Exchange and through the NASDAQ Small Cap Market.

Frank Mancuso Jr.

Mr. Mancuso Jr. obtained a Bachelor of Arts (Business) degree from Upsala College, a private college in East Orange, New Jersey, in 1980. He has been the President of Boss Media, LLC since April 2011. From March 2006 to March 2011 he was the President of 360 Pictures, LLC and from July 1994 to February 2006 he was the President of FGM Entertainment Inc. He was a director of Delcath Systems, Inc. (NASDAQ:DCTH) from March 1999 to March 2002.

Jeffrey Barnes

Mr. Barnes obtained his Bachelor of Science from Duke University in 1978 and his Masters of Science from Stanford University in 1984. He has been the Managing Director of BioVentures Investors Management, LLC since January 2010. From September 1999 to August 2009 he was a General Partner at Oxford Bioscience Partners Management Corp. He was a director of Criticare Systems, Inc. (NASDAQ: CXIM) from October 2000 to June 2006.

Robbie Grossman

Mr. Grossman holds a LL.B. from the University of Windsor and a B.A. (Political Science) from Concordia University, and he was called to the Ontario bar in 2002. Mr. Grossman, an experienced corporate commercial and securities partner, has been with Garfinkle Biderman LLP since 2004 and became a partner in 2008. He is a corporate finance and securities lawyer acting for public and private companies and securities dealers. Prior to joining Garfinkle Biderman LLP, Mr. Grossman was the founder and President of a publishing company. He was a director of Mercury Capital Limited which completed its Qualifying Transaction in February 2012. He is currently an officer and director of Solid Gold Resources Corp. (TSXV:SLD), the Corporate Secretary of Mooncor Oil & Gas Corp. (TSXV:MOO) and MCW Energy Group Limited (TSXV:MCW), and the Assistant Secretary of RedWater Energy Corp. (TSXV:RED).

The directors and officers of the Corporation will devote the time required to achieve the goals of the Corporation, being the identification and completion of a Qualifying Transaction. Time actually spent may vary according to the needs of the Corporation.

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

As a group, the directors and officers of the Corporation beneficially own, directly or indirectly, or exercise control or direction over 2,010,648 Common Shares, representing 53.81% of the issued and outstanding Common Shares of the Corporation before the Offering, 35.05% after giving effect to the minimum Offering or 29.85% after giving effect to the maximum Offering, assuming that no Common Shares are purchased by such shareholders under this Offering or pursuant to Incentive Stock Options and no Common Shares are purchased pursuant to the Agent's Option.

The directors, as a group, shall receive a total of 573,691 Common Share purchase options in the case of the minimum Offering and 673,691 in the case of the maximum Offering. See "Options to Purchase Securities".

Experience with Other Reporting Issuers

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

Name	Name of Reporting Issuer	Name of Exchange or Market (if applicable)	Position	From	To
Samuel Herschkowitz	Senetek, PLC	London Stock Exchange and Nasdaq Small Cap Market	Director	1995	1998
	Delcath Systems, Inc.	Nasdaq	Director	1992	Jun 2007
Frank Mancuso Jr.	Delcath Systems, Inc.	Nasdaq	Director	Mar 1999	Mar 2002
Jeffrey Barnes	Criticare Systems, Inc.	Nasdaq	Director	Oct 2000	Jun 2006
Robbie Grossman	Mooncor Oil & Gas Corp.	TSXV	Secretary	Jun 2011	Current
			Assistant Secretary	Oct 2007	Jun 2011
	Mercury Capital Limited ⁽¹⁾	TSXV	Director	Jul 2010	Feb 2012
	Solid Gold Resources Corp.	TSXV	Director	Mar 2009	Current
			Assistant Secretary	Dec 2008	Current
	RedWater Energy Corp.	TSXV	Assistant Secretary	Mar 2011	Current
MCW Energy Group Limited	TSXV	Secretary	Oct 2012	Current	

Notes:

(1) Changed its name to Canada Coal Inc. in March 2012 in connection with the completion of its Qualifying Transaction.

Corporate Cease Trade Orders or Bankruptcies

None of the directors, officers, Insiders and promoters of the Corporation, or a shareholder holding sufficient securities of the Corporation to affect materially the control of the Corporation, is, or within 10 years before the date hereof has been, a director, officer, Insider or promoter of any other issuer that during his or her tenure, was the subject of a cease trade order or similar order

or an order that denied that issuer access to any exemptions under applicable securities legislation for a period of more than 30 consecutive days, or became bankrupt or 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 the assets of that issuer.

Penalties or Sanctions

None of the directors, officers, Insiders and promoters of the Corporation or a shareholder holding sufficient securities of the Corporation to affect materially the control of the Corporation has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority.

None of the directors, officers, Insiders and promoters of the Corporation or a shareholder holding sufficient securities of the Corporation to affect materially the control of the Corporation has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

None of the directors, officers, Insiders and promoters of the Corporation, or a shareholder holding sufficient securities of the Corporation to affect materially the control of the Corporation, has, during the past ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold their assets.

Conflicts of Interest

There are potential conflicts of interest to which some or all of the directors, officers, Insiders and promoters of the Corporation will be subject in connection with the operations of the Corporation. Some or all of the directors, officers, Insiders and promoters have been and will continue to be engaged in activities on their own behalf and on behalf of other corporations, and situations may arise where the directors and officers will be in direct competition with the Corporation's efforts to identify and evaluate assets or businesses for acquisition with a view to completing a Qualifying Transaction. Conflicts, if any, will be subject to the procedures and remedies prescribed by the *Business Corporations Act* (Ontario), the Exchange, and applicable securities laws, regulations and policies.

Promoter

Samuel Herschkowitz may be considered to be the promoter of the Corporation in that he took the initiative in founding and organizing the Corporation. Mr. Herschkowitz will not receive any compensation in his capacity as the promoter of the Corporation. See also "Prior Sales", "Principal Shareholders" and "Directors, Officers and Promoters".

EXECUTIVE COMPENSATION

Remuneration

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

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

However, the Corporation may reimburse Non Arm's Length Parties for the Corporation's reasonable allocation of rent, secretarial services and other general administrative expenses, at fair market value ("Permitted Reimbursements"). No reimbursement may be made for any payment made to lease or buy a vehicle.

The Corporation has reserved an aggregate of up to 573,691 Common Shares in the event the minimum Offering is subscribed for and 673,691 Common Shares in the event the maximum Offering is subscribed for pursuant to Incentive Stock Options to be granted to directors and officers of the Corporation. All of the Incentive Stock Options have an exercise price of \$0.20 per Common Share. See "Options to Purchase Securities".

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

DILUTION

Purchasers of the Common Shares offered hereunder will suffer an immediate dilution of 21.56% or \$0.043 per Common Share if the minimum Offering is subscribed for and a dilution of 18.36% or \$0.037 per Common Share if the maximum Offering is subscribed for, on the basis of there being 5,736,913 Common Shares of the Corporation issued and outstanding in the event the minimum Offering is subscribed for and 6,736,913 Common Shares of the Corporation issued and outstanding in the event the maximum Offering is subscribed for following completion of this Offering. Dilution has been computed on the basis of total gross proceeds to be raised under this prospectus and from sales of securities prior to filing this prospectus, without deduction of commissions or related expenses incurred by the Corporation.

RISK FACTORS

The following is a list of risk factors that a prospective investor should consider before subscribing for Common Shares, which list is not exhaustive:

Investing in the Common Shares involves a high degree of risk. Prospective investors should carefully consider the risks described below, together with all of the other information included in this prospectus before making an investment decision. If any of the following risks actually occurs, the business, financial condition or results of operations of the Corporation could be harmed. In such an event, the trading price of the Common Shares could decline and prospective investors may lose part or all of their investment.

No Operating History

This Offering should be considered highly speculative due to the proposed nature of the Corporation's business, its present stage of development and the fact that it has not carried out any activities since its incorporation. The Corporation does not own any assets, other than cash and other assets disclosed in the financial statements included in this prospectus and does not own any property or businesses. The Corporation has neither a history of earnings nor has it paid any dividends and it is unlikely to produce earnings or pay dividends in the immediate or foreseeable future. Until completion of a Qualifying Transaction, the Corporation is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions. The Corporation has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Corporation will be able to identify a suitable Qualifying Transaction. Even if a proposed Qualifying Transaction is identified, there can be no assurance that the Corporation will be able to successfully complete the transaction.

No Market

There is currently no market through which the Common Shares of the Corporation will be sold and there is no assurance that an active and liquid market for the Corporation's Common Shares will develop. Investors may not be able to resell the Corporation's Common Shares acquired under this prospectus.

Possible Trading Suspension or Delisting

The Exchange may suspend from trading or delist the securities of the Corporation where the Corporation has failed to complete a Qualifying Transaction within the 24 months of the date of listing or if the Corporation fails to meet initial listing requirements of the Exchange upon completion of the Qualifying Transaction. Suspension from trading of the Common Shares may, and delisting of the Common Shares will, result in the regulatory securities authorities issuing an interim cease trade order against the Corporation. In addition, delisting of the Common Shares will result in the cancellation of all of the currently issued and

outstanding Common Shares of the Corporation held by Insiders. Trading in the Common Shares of the Corporation may be halted at other times for other reasons, including for failure by the Corporation to submit documents to the Exchange in the time periods required.

Halt of Trading

Upon public announcement of a potential Qualifying Transaction, trading in the Common Shares of the Corporation will be halted and will remain halted for an indefinite period of time, typically until a Sponsor has been retained and certain preliminary reviews have been conducted. The Common Shares of the Corporation will be reinstated to trading before the Exchange has reviewed the transaction and before the Sponsor has completed its full review. Reinstatement to trading provides no assurances with respect to the merits of the transaction or the likelihood of the Corporation completing the potential Qualifying Transaction. Neither the Exchange nor any securities regulatory authority passes upon the merits of the potential Qualifying Transaction.

Exchange May Not Approve a Qualifying Transaction

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.

Notwithstanding that a transaction may meet the definition of a Qualifying Transaction, the Exchange may not approve a Qualifying Transaction:

- (a) if the Corporation fails to meet the initial listing requirements prescribed by Policy 2.1 of the Exchange upon Completion of the Qualifying Transaction;
- (b) if, following Completion of the Qualifying Transaction, the Corporation will be a finance company or a mutual fund as defined under applicable securities laws;
- (c) the consideration proposed to be paid by the Corporation in connection with the Qualifying Transaction is not acceptable to the Exchange; or
- (d) for any other reason at the sole discretion of the Exchange.

Approval by the Majority of the Minority

Where Majority of the Minority Approval is required, unless the shareholder has the right to dissent and be paid fair value in accordance with the applicable corporate or other law, a shareholder who votes against a proposed Non Arm's Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Corporation of fair value for the Common Shares.

Dilution

Shareholders acquiring Common Shares under this Offering will experience an immediate dilution of 21.56% or \$0.043 per Common Share if the minimum Offering is subscribed for and 18.36% or \$0.037 per Common Share if the maximum Offering is subscribed for based on gross proceeds of this Offering and prior issue by the Corporation, without taking account of deductions such as selling commissions or related expenses of issue.

If the Corporation issues treasury shares to finance acquisition or participation opportunities, control of the Corporation may change and subscribers may suffer significant dilution of their investment.

Directors and Officers

The directors and officers of the Corporation currently own 53.81% of the issued and outstanding Common Shares and will own 35.05% of the issued and outstanding Common Shares if the minimum Offering is subscribed for and 29.85% of the issued and outstanding Common Shares if the maximum Offering is subscribed for.

The directors and officers of the Corporation will not be devoting all of their time to the affairs of the Corporation but will be devoting such time as required to effectively manage the Corporation. Some of the directors and officers of the Corporation are engaged and will continue to be engaged in the search for assets or businesses on their own behalf or on behalf of others such that conflicts may arise from time to time. As a consequence of such conflicts, the Corporation may be exposed to liability and its ability to achieve its business objectives may be impaired. See "Conflicts of Interest".

Reliance on Management

The Corporation is relying solely on the past business success of its directors and officers to identify a Qualifying Transaction of merit. The success of the Corporation is dependent upon the efforts and abilities of its directors and officers. The loss of any of its directors or officers could have a material adverse effect upon the business and prospects of the Corporation.

Foreign Acquisition

In the event the Corporation identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts.

Loans or Advances

Subject to prior acceptance from the Exchange, the Corporation may be permitted to loan or advance up to an aggregate of \$250,000 of its proceeds to a target business without requiring shareholder approval and there can be no assurance that the Corporation will be able to recover the loan or advance.

Tax-Free Savings Accounts

If the Corporation does not make an election to be a public corporation in the manner contemplated in this prospectus, the purchasers may be penalized by the Canada Revenue Agency with respect to any Common Shares held in TFSA's (as defined hereafter under the heading "Eligibility for Investment").

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

LEGAL PROCEEDINGS

The Corporation is not aware of any legal proceedings in which it is involved and any such proceedings are not known by the Corporation to be contemplated.

RELATIONSHIP BETWEEN THE CORPORATION AND THE AGENT

The agent for the Offering is Canaccord Genuity Corp. The employees, officers and directors of the Agent do not own any Common Shares. Legal counsel to the Agent is Miller Thomson LLP.

The Offering price of the Common Shares was determined by negotiation between the Corporation and the Agent, however the Agent was not involved in the decision by the Corporation to offer the Common Shares pursuant to this prospectus. The Offering was not required or suggested by the Agent.

RELATIONSHIP BETWEEN CORPORATION AND PROFESSIONAL PERSONS

The Corporation's legal advisors are Garfinkle Biderman LLP. Except for Robbie Grossman, a partner of Garfinkle Biderman LLP, who owns 100,000 Common Shares, none of the partners or associates of Garfinkle Biderman LLP, hold any beneficial interest, direct or indirect, in any securities or properties of the Corporation or of an Associate or Affiliate of the Corporation, but may subscribe for Common Shares pursuant to the Offering, and none are expected to be elected, appointed or employed as a director, senior officer or employee of the Corporation or of an Associate or Affiliate of the Corporation, or a promoter of the Corporation or of an Associate or Affiliate of the Corporation.

The Agent's legal advisors are Miller Thomson LLP. None of the partners or associates of Miller Thomson LLP, hold any beneficial interest, direct or indirect, in any securities or properties of the Corporation or of an Associate or Affiliate of the Corporation, and none are expected to be elected, appointed or employed as a director, senior officer or employee of the Corporation or of an Associate or Affiliate of the Corporation, or a promoter of the Corporation or of an Associate or Affiliate of the Corporation.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are KPMG LLP, located at 333 Bay Street, Suite 4600, Bay Adelaide Centre, Toronto, Ontario M5H 2S5.

The transfer agent and registrar of the Corporation is Computershare Investor Services Inc., at its principal offices in Vancouver, British Columbia.

MATERIAL CONTRACTS

The Corporation has not entered into any material contracts and will not enter into any material contracts prior to the closing of this Offering, other than:

- (a) Transfer Agent, Registrar and Disbursing Agent Agreement dated the ● day of ●, 2012, between the Corporation and Computershare Investor Services Inc.;
- (b) Escrow Agreement dated the ● day of ●, 2012, between the Corporation, Computershare Investor Services Inc. and those shareholders that executed such Escrow Agreement (see "Escrow Securities"); and
- (c) Agency Agreement dated the ● day of ●, 2012, between the Corporation and the Agent.

Copies of the foregoing agreements will be available for inspection while the securities offered by this prospectus are in the course of distribution and for a period of 30 days thereafter at the offices of Garfinkle Biderman LLP, Dundee Place, 1 Adelaide Street East, Suite 801, Toronto, Ontario, M5C 2V9, counsel to the Corporation, during ordinary business hours, and may be viewed on SEDAR at www.sedar.com.

OTHER MATERIAL FACTS

There is no other material fact relating to this Offering which has not been otherwise disclosed hereunder. This prospectus contains full, true and plain disclosure of all material facts relating to the securities being distributed.

ELIGIBILITY FOR INVESTMENT

In the opinion of Garfinkle Biderman LLP, counsel for the Corporation, based on the provisions of the Income Tax Act (Canada) (the "ITA"), the regulations thereunder in force as of the date hereof and the proposals to amend the ITA and the regulations thereunder publicly announced by, or on behalf of, the Minister of Finance (Canada) prior to the date hereof, provided that the Common Shares are listed on the TSXV at the relevant time, the Common Shares, if issued on the date hereof, would be "qualified investments" under the ITA and the regulations thereunder for trusts governed by registered retirement savings plans ("RRSP"), registered retirement income funds ("RRIF"), Registered Education Savings Plan ("RESP"), deferred profit sharing plans, registered disability savings plans and tax free savings accounts ("TFSA") (collectively, the "Plans"), subject to the specific provisions of any particular plan.

Notwithstanding that the Common Shares may be a qualified investment for a TFSA, the holder of a TFSA will be subject to a penalty tax on the Common Shares held in the TFSA if such shares are a "prohibited investment" for the purposes of the Tax Act. The Common Shares will not be prohibited investments for a TFSA held by a particular holder provided the holder deals at arm's length with the Corporation for the purposes of the Tax Act, and does not have a "significant interest", as defined in the Tax Act, in either the Corporation or a person or partnership that does not deal at arm's length with the Corporation for the purposes of the Tax Act (the "Prohibited Investment Rules"). Holders should consult their own advisors as to whether the Common Shares will be a prohibited investment in their particular circumstances.

If the Common Shares are not listed on a prescribed stock exchange at the time of issue hereunder, the Company will file an election to be a public corporation with the Canada Revenue Agency in its tax return for its first taxation year such that the Common Shares will be qualified investments for such plans, notwithstanding that the Common Shares were not listed on a prescribed stock exchange at the time of issue hereunder.

In the 2011 Canadian Federal Budget, released on June 6, 2011 (Bill C-13), the Minister of Finance (Canada) proposed amendments to the Tax Act (the "RRSP/RRIF Proposals") to extend the Prohibited Investment Rules to RRSPs and RRIFs. Subject to certain exceptions, the RRSP/RRIF Proposals, if enacted as currently proposed, will apply to transactions occurring, and investments acquired, after March 22, 2011. However, no assurance can be given that the RRSP/RRIF Proposals will be enacted in their current form, or at all.

Prospective purchasers who intend to hold Common Shares in their TFSA, RRSP, RESP or RRIF should consult their own tax advisors regarding their particular circumstances.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces 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 of the provinces, the securities legislation further provides a purchaser of the Common Shares 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 such purchaser's province. Purchasers of Common Shares 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.

AUDITORS' CONSENT

To Board of Directors of Prospect Park Capital Corp.

We have read the preliminary prospectus of Prospect Park Capital Corp. (the "Entity") dated December 18, 2012 relating to the sale and issue of common shares of the Entity. 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 board of directors of the Company on the financial statements of the Entity, which comprise the statement of financial position as at December 8, 2012, the statements of changes in shareholders' equity and cash flow for the period from September 7, 2012 (date of incorporation) to December 7, 2012, and notes, comprising a summary of significant accounting policies and other explanatory information. Our report is dated December __, 2012.

Chartered Accountants, Licensed Public Accountants

Toronto, Canada
December __, 2012

Financial Statements
(In Canadian dollars)

PROSPECT PARK CAPITAL CORP.

Period from September 7, 2012
(date of incorporation) to December 7, 2012

INDEPENDENT AUDITORS' REPORT

To Board of Directors of Prospect Park Capital Corp.

We have audited the accompanying financial statements of Prospect Park Capital Corp., which comprise the statement of financial position as at December 7, 2012, the statements of changes in shareholders' equity and cash flows for the period from September 7, 2012 (date of incorporation) to December 7, 2012, and notes, comprising 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 determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 our 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, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Prospect Park Capital Corp. as at December 7, 2012, and its financial performance and its cash flows for the period from September 7, 2012 (date of incorporation) to December 7, 2012 in accordance with International Financial Reporting Standards.

DRAFT

Chartered Accountants, Licensed Public Accountants

_____, 2012
Toronto, Canada

PROSPECT PARK CAPITAL CORP.

Statement of Financial Position
(In Canadian dollars)

December 7, 2012

Assets

Cash	\$ 490,000
Prepaid expenses and other assets	10,000
	<hr/>
	\$ 500,000

Liabilities and Shareholders' Equity

Liabilities:	
Accrued liabilities	\$ 8,409
Shareholders' equity (note 3)	491,591
Subsequent event (note 4)	
	<hr/>
	\$ 500,000

See accompanying notes to financial statements.

The financial statements were approved by the Board on December __, 2012 and signed on its behalf by:

_____ Director

_____ Director

PROSPECT PARK CAPITAL CORP.

Statement of Changes in Shareholders' Equity
(In Canadian dollars)

Period from September 7, 2012 (date of incorporation) to December 7, 2012

Shareholders' equity, beginning of period	\$	–
Common shares issued, net of financing costs		491,591
Shareholders' equity, end of period	\$	491,591

See accompanying notes to financial statements.

PROSPECT PARK CAPITAL CORP.

Statement of Cash Flows
(In Canadian dollars)

Period from September 7, 2012 (date of incorporation) to December 7, 2012

Cash flows from (used in) financing activities:	
Issuance of common shares, net of financing costs	\$ 491,591
Change in accrued liabilities related to financing costs	8,409
Legal fees related to financing costs	(10,000)
<hr/>	
Increase in cash, being cash, end of period	<hr/> \$ 490,000 <hr/>

See accompanying notes to financial statements.

PROSPECT PARK CAPITAL CORP.

Notes to Financial Statements
(In Canadian dollars)

Period from September 7, 2012 (date of incorporation) to December 7, 2012

1. Incorporation:

Prospect Park Capital Corp. (the "Corporation") was incorporated under the Business Corporations Act (Ontario) on September 7, 2012 and to date there have been limited operations. The registered office of the Corporation is located at 1 Adelaide Street East, Suite 801, Toronto, Ontario. The principal business of the Corporation is the identification and evaluation of assets or businesses for the purpose of completing a Qualifying Transaction (as such term is defined by Policy 2.4 of the TSX Venture Exchange (the "CPC Policy")).

2. Statement of compliance:

These financial statements of the Corporation have been prepared by management in accordance with International Financial Reporting Standards. These financial statements were authorized for use by the Board of Directors of the Corporation on December ____, 2012. These financial statements are presented in Canadian dollars, which is the functional currency of the Corporation.

3. Shareholders' equity:

Units outstanding and share capital:

Authorized:

The Corporation has authorized share capital of an unlimited number of common shares.

Issued capital:

	Shares	Amount
Balance, beginning of period	–	\$ –
Common shares issued for cash (seed financing)	3,736,913	500,000
Financing costs	–	(8,409)
Balance, end of period	3,736,913	\$ 491,591

PROSPECT PARK CAPITAL CORP.

Notes to Financial Statements (continued)
(In Canadian dollars)

Period from September 7, 2012 (date of incorporation) to December 7, 2012

3. Shareholders' Equity (continued):

Between October 18, 2012 and November 1, 2012, the Corporation issued 3,736,913 common shares for cash of \$500,000 in its seed financing. In the event the Corporation completes an initial public offering in accordance with the CPC Policy, these shares will be held in escrow and will be released in future periods in accordance with the Escrow Agreement to be entered into between the Corporation and the seed shareholders.

The directors and officers of the Corporation beneficially own, directly or indirectly, or have control or direction over 2,010,648 or approximately 53.81% of the issued and outstanding common shares of the Corporation.

4. Subsequent event:

On December ____, 2012, the Corporation filed a final prospectus for the sale to the public of a minimum of 2,000,000 common shares and a maximum of 3,000,000 common shares at a price of \$0.20 per share, payable on closing for aggregate gross proceeds of a maximum of \$600,000, prior to deduction of issue costs.

In connection with the offering, the Corporation intends to grant, stock options to directors and officers of the Corporation to purchase between 573,691 and 673,691 common shares (depending on whether the minimum or maximum offering is subscribed for), at \$0.20 per share that vest immediately. The stock options will expire 10 years from the date the options are granted.

CERTIFICATE OF THE CORPORATION

Date: December 18, 2012

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

(signed) Samuel Herschkowitz
Chief Executive Officer

(signed) Samuel Herschkowitz
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) Frank Mancuso Jr.
Director

(signed) Jeffrey Barnes
Director

CERTIFICATE OF THE PROMOTER

Date: December 18, 2012

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

(signed) Samuel Herschkowitz
Samuel Herschkowitz

CERTIFICATE OF THE AGENT

Date: December 18, 2012

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

CANACCORD GENUITY CORP.

Per: (signed) Frank G. Sullivan
Vice-President, Investment Banking