PROSPECT PARK CAPITAL CORP.

(A CAPITAL POOL COMPANY)

FINANCIAL STATEMENTS

**PERIOD FROM SEPTEMBER 7, 2012 (date of incorporation)
TO DECEMBER 7, 2012 AND
PERIOD FROM DECEMBER 8, 2012 TO SEPTEMBER 30, 2013**

(EXPRESSED IN CANADIAN DOLLARS)

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INDEPENDENT AUDITORS' REPORT

To the Shareholders 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 September 30, 2013, the statements of changes in shareholders' equity and cash flows for the period from December 8, 2012 to September 30, 2013, 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 September 30, 2013, and its financial performance and its cash flows for the period from December 8, 2012 to September 30, 2013 in accordance with International Financial Reporting Standards.

KPMG LLP

Chartered Accountants, Licensed Public Accountants
January 28, 2014
Toronto, Canada

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PROSPECT PARK CAPITAL CORP.
Statement of Financial Position
(Expressed in Canadian Dollars)

	As at September 30, 2013	As at December 7, 2012
Assets		
Current		
Cash and cash equivalents (Note 3)	**$ 1,056,150**	$ 490,000
Prepaid expenses and other assets	**-**	10,000
Total Assets	**$ 1,056,150**	$ 500,000
Liabilities		
Current		
Accrued liabilities	**$ 28,190**	$ 8,409
Total Liabilities	**28,190**	8,409
Shareholders' Equity		
Share capital (Note 4)	**1,040,562**	491,591
Reserves (Notes 5 and 6)	**170,125**	-
Deficit	**(182,727)**	-
Total shareholders' equity	**1,027,960**	491,591
Total Liabilities and Equity	**$ 1,056,150**	$ 500,000

Nature of operations (Note 1)
Related party transactions (Note 7)
Subsequent event (Note 9)

Approved on behalf of the Board:

"*Dr. Samuel Herschkowitz*", Director

"*Mr. Robbie Grossman*", Director

The accompanying notes are an integral part of these financial statements.

PROSPECT PARK CAPITAL CORP.
Statement of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Period from December 8, 2012 to September 30, 2013	Period from September 7, 2012 (date of incorporation) to December 7, 2012
Expenses		
Share-based compensation (Note 6)	$ 131,957	$ -
Professional fees	51,485	-
Operating loss before the following items	(183,442)	-
Interest income	715	-
Net loss and comprehensive loss for the period	$ (182,727)	$ -
Loss per share - basic and diluted (Note 8)	$ (0.03)	$ -
Weighted average number of shares outstanding - basic and diluted	6,021,068	1,665,995

The accompanying notes are an integral part of these financial statements.

PROSPECT PARK CAPITAL CORP.
Statement of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

			Reserves			
	Number of Shares	Share Capital	Warrant Reserve	Equity Settled Share-based Payments Reserve	Deficit	Total
Balance, September 7, 2012 (date of incorporation)	**-**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Common shares issued, net of financing costs	3,736,913	491,591	-	-	-	491,591
Balance, December 7, 2012	**3,736,913**	**491,591**	**-**	**-**	**-**	**491,591**
Initial public offering, net of financing costs	3,635,000	548,971	38,168	-	-	587,139
Share-based compensation	-	-	-	131,957	-	131,957
Net loss and comprehensive loss for the period	-	-	-	-	(182,727)	(182,727)
Balance, September 30, 2013	**7,371,913**	**$ 1,040,562**	**$ 38,168**	**$ 131,957**	**$ (182,727)**	**$ 1,027,960**

The accompanying notes are an integral part of these financial statements.

PROSPECT PARK CAPITAL CORP.
Statement of Cash Flows
(Expressed in Canadian Dollars)

	Period from December 8, 2012 to September 30, 2013	Period from September 7, 2012 (date of incorporation) to December 7, 2012
Cash and cash equivalents (used in) provided by:		
Operating Activities		
Net loss for the period	**$ (182,727)**	$ -
Adjustment for:		
Share-based compensation	**131,957**	-
Net changes in non-cash working capital:		
Prepaid expenses and other assets	**10,000**	(10,000)
Accrued liabilities	**19,781**	8,409
Net cash used in operating activities	**(20,989)**	(1,591)
Financing Activities		
Proceeds from issuance of common shares, net of financing costs	**-**	491,591
Proceeds from initial public offering, net of financing costs	**587,139**	-
Net cash provided by financing activities	**587,139**	491,591
Change in cash and cash equivalents during the period	**566,150**	490,000
Cash and cash equivalents, beginning of period	**490,000**	-
Cash and cash equivalents, end of period	**$ 1,056,150**	$ 490,000

The accompanying notes are an integral part of these financial statements.

1. Nature of Operations

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 181 Bay Street, Suite 4400, Toronto, Ontario, M5J 2T3. The Corporation's financial year ends on September 30.

On March 28, 2013, the Corporation completed an initial public offering ("IPO") pursuant to Policy 2.4 – Capital Pool Companies (the "CPC Policy") of the TSX Venture Exchange ("Exchange") and became classified as a Capital Pool Company (as such term is defined in the CPC Policy). The Corporation's common shares were listed on the Exchange and commenced trading under the symbol "PPK.P". The Corporation's principal business is the identification and evaluation of assets or businesses for the purpose of completing a Qualifying Transaction (as such term is defined in the CPC Policy).

The Corporation has not commenced commercial operations and has no assets other than cash and cash equivalents and deferred transaction costs. 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. Any proposed Qualifying Transaction must be accepted by the Exchange.

There is no assurance that the Corporation will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or delist the Corporation's shares from trading.

2. Significant Accounting Policies

(a) Statement of compliance and basis of presentation
These financial statements of the Corporation have been prepared by management in accordance with International Financial Reporting Standards ("IFRS").

The financial statements have been prepared on historical cost basis.

These financial statements were authorized for use by the Board of Directors of the Corporation on January 28, 2014.

(b) Functional and presentation currency
These financial statements have been prepared in Canadian dollars, which is the Corporation's functional and presentation currency.

(c) Cash and cash equivalents
Cash and cash equivalents in the statements of financial position comprise cash at banks and mutual funds.

(d) Share-based payment transactions
The Corporation has a share-based compensation plan that grants stock options and warrants to employees and non-employees.

The fair value method is applied for accounting for all share-based transactions whereas the fair value of all stock options and warrants are estimated at the grant date using the Black-scholes option pricing model.

For the options, compensation cost is recognized on a straight-line basis over the vesting period of the stock based compensation expense. At the end of each reporting period the Corporation re-assesses its estimate of the number of stock options expected to vest and recognizes the impact of any revisions in earnings.

2. Significant Accounting Policies (Continued)

(e) Financial instruments
Financial assets and liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Corporation has transferred substantially all risks and rewards of ownership. Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held for maturity, available for sale, loans and receivables or at fair value through profit and loss ("FVTPL").

FVTPL are measured at fair value with unrealized gain and losses recognized through profit and loss. Cash and cash equivalents are classified as FVTPL.

Financial assets classified as held to maturity and loans and receivable are measured at amortized cost using the effective interest rate method.

Financial assets classified as available for sale and measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss), except for equity instruments without a quoted market price in an active market and whose fair value cannot be reliably measured, which are measured at cost.

Financial liabilities within the scope of IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39") are classified as financial liabilities at FVTPL, or other financial liabilities, as appropriate.

Financial liabilities classified as other financial liabilities are measured at amortized cost. Accrued liabilities are classified as other financial liabilities.

Financial liabilities classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit and loss. At September 30, 2013 the Corporation has not classified any financial liabilities as FVTPL.

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash and cash equivalents are classified as level 1.

2. Significant Accounting Policies (Continued)

(f) Significant accounting judgments and estimates
The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, accrued liabilities, share-based compensation and warrants valuation.

(g) Recent accounting pronouncements
Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning after December 31, 2012, or later periods. The following have not yet been adopted and are being evaluated to determine their impact on the Corporation.

(i) IFRS 9 – Financial Instruments (“IFRS 9”) was issued by the IASB in October 2010 and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2015. Earlier adoption is permitted.

(ii) IFRS 13 – Fair Value Measurement (“IFRS 13”) was issued by the IASB in May 2011. IFRS 13 is a new standard which provides a precise definition of fair value and a single source of fair value measurement considerations for use across IFRSs. The key points of IFRS 13 are as follows:

- fair value is measured using the price in a principal market for the asset or liability, or in the absence of a principal market, the most advantageous market;
- financial assets and liabilities with offsetting positions in market risks or counterparty credit risks can be measured on the basis of an entity’s net risk exposure;
- disclosures regarding the fair value hierarchy has been moved from IFRS 7 to IFRS 13, and further guidance has been added to the determination of classes of assets and liabilities;
- a quantitative sensitivity analysis must be provided for financial instruments measured at fair value;
- a narrative must be provided discussing the sensitivity of fair value measurements categorized under Level 3 of the fair value hierarchy to significant unobservable inputs;
- and information must be provided on an entity’s valuation processes for fair value measurements categorized under Level 3 of the fair value hierarchy.

IFRS 13 is effective for annual periods beginning on or after January 1, 2013.

(iii) IAS 32 – Financial Instruments: Presentation (“IAS 32”) was amended by the IASB in December 2011 to clarify certain aspects of the requirements on offsetting. The amendments focus on the criterion that an entity currently has a legally enforceable right to set off the recognized amounts and the criterion that an entity intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The amendments to IAS 32 are effective for annual periods beginning on or after January 1, 2014. Earlier adoption is permitted.

(Expressed in Canadian Dollars)

3. Cash Restrictions

The proceeds raised from the issuance of common shares by a company classified as a Capital Pool Company may only be used to identify and evaluate assets or businesses for future investment, with the exception that no more than the lesser of 30% of the gross proceeds from the issuance of shares or $210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses not related to the identification and evaluation of a Qualifying Transaction. These restrictions apply until Completion of the Qualifying Transaction by the Corporation as defined under the policies of the Exchange.

4. Share Capital

(a) Authorized:

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

(b) Issued common shares:

	Number of Shares	Amount
Balance, September 7, 2012 (date of incorporation)	**-**	**$ -**
Common shares issued for cash (seed financing) (i)	3,736,913	500,000
Financing costs	-	(8,409)
Balance, December 7, 2012	**3,736,913**	**491,591**
Common shares issued pursuant to the IPO (ii)	3,635,000	727,000
IPO costs (ii)	-	(178,029)
Balance, September 30, 2013	**7,371,913**	**$ 1,040,562**

(i) 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. Upon completion of the IPO, these shares are being held in escrow and will be released in future periods in accordance with the policies of the Exchange.

(ii) On March 28, 2013, the Corporation completed its IPO by issuing 3,635,000 common shares at a price of $0.20 per share for gross proceeds of $727,000. Canaccord Genuity Corp. (the "Agent") acted as agent for the IPO. The Corporation paid the Agent a commission of $72,700 (10% of the gross proceeds of the offering) and a $10,000 corporate finance fee. In addition, the Corporation granted the Agent warrants to acquire 363,500 common shares at a price of $0.20 per share that may be exercised until March 28, 2015.

5. Warrants

The following table reflects the continuity of warrants for the periods presented:

	Number of Warrants	Weighted Average Exercise Price ($)
Balance, September 7, 2012 (date of incorporation) and December 7, 2012	**-**	**-**
Granted (i)	363,500	0.20
Balance, September 30, 2013	**363,500**	**0.20**

(i) A value of $38,168 was estimated for the 363,500 agent's warrants on the date of grant using a relative fair value method based on the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 100%; risk-free interest rate of 1.00%; and an expected average life of two years.

(Expressed in Canadian Dollars)

5. Warrants (Continued)

The following table reflects the actual warrants issued and outstanding as of September 30, 2013:

Expiry Date	Exercise Price ($)	Number of Warrants Outstanding
March 28, 2015	0.20	363,500

6. Stock Options

The following table reflects the continuity of stock options for the periods presented:

	Number of Stock Options	Weighted Average Exercise Price ($)
Balance, September 7, 2012 (date of incorporation) and December 7, 2012	-	-
Granted (i)	737,191	0.20
Balance, September 30, 2013	**737,191**	**0.20**

(i) On March 28, 2013, the Corporation granted incentive stock options to its then existing four directors to acquire a total of 737,191 common shares. The incentive stock options may be exercised for a period of ten years at a price of $0.20 per share. The incentive stock options vested on the date of grant.

A value of $131,957 was estimated for the 737,191 stock options on the date of grant with the following assumptions: expected dividend yield of 0%; expected volatility of 100%; risk-free interest rate of 1.55%; and an expected average life of ten years.

The following table reflects the actual stock options issued and outstanding as of September 30, 2013:

Expiry Date	Exercise Price ($)	Weighted Average Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (exercisable)	Number of Options Unvested
March 28, 2023	0.20	9.50	737,191	737,191	-

7. Related Party Transactions

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

The below noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

(i) An amount of $131,957 was recognized as share-based compensation during the period from December 8, 2012 to September 30, 2013 for the incentive stock options that were granted to the Corporation's four directors that hold stock options (Note 6(i)).

(ii) During the period from December 8, 2012 to September 30, 2013, the Corporation also incurred expenditures of $44,574 to Garfinkle Biderman LLP for legal services (including taxes and disbursements), and part of this amount pertains to financing costs. Robbie Grossman is a former partner of Garfinkle Biderman LLP and a director of the Corporation. Included in the September 30, 2013 accrued liabilities is $5,126 due to Garfinkle Biderman LLP.

(iii) During the period from December 8, 2012 to September 30, 2013, the Corporation also incurred expenditures of $4,863 to McMillan LLP for legal services (including taxes and disbursements). Robbie Grossman is a partner of McMillan LLP and a director of the Corporation. Included in the September 30, 2013 accrued liabilities is $4,863 due to McMillan LLP.

(iv) The directors and officers of the Corporation beneficially own, directly or indirectly, or have control or direction over 2,010,648 or approximately 27.3% of the issued and outstanding common shares of the Corporation.

8. Net Loss per Common Share

The calculation of basic and diluted loss per share for the period from December 8, 2012 to September 30, 2013 was based on the loss attributable to common shareholders of $182,727 (period from September 7, 2012 to December 7, 2012 - $nil) and the weighted average number of common shares outstanding of 6,021,068 (period from September 7, 2012 to December 7, 2012 - 1,665,995). Diluted loss per share did not include the effect of 737,191 incentive stock options (December 7, 2012 - nil) and 363,500 agent's warrants (December 7, 2012 - nil) as they are anti-dilutive.

9. Subsequent Event

On October 7, 2013, the Corporation announced that it had entered into three agreements with Skyline Medical Inc., JB Therapeutics and IOI, LLC. Pursuant to the terms of the agreements and subject to completion of certain conditions precedent, including, satisfactory due diligence, execution of definitive agreements and receipt of all necessary director, shareholder, regulatory and Exchange approvals, the proposed transactions will qualify as the Corporation's Qualifying Transaction.

If the three transactions are completed, the Corporation would effectively invest more than 50% of its available cash in equity or debt securities of the above companies and the Corporation would continue as an “investment issuer” on the Exchange focused on investments in the health care industry.