PROSPECT PARK CAPITAL CORP.

(A CAPITAL POOL COMPANY)

CONDENSED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED DECEMBER 31, 2013

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

PROSPECT PARK CAPITAL CORP.
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	As at December 31, 2013	As at September 30, 2013
Assets		
Current		
Cash and cash equivalents (Note 3)	**$ 1,044,478**	$ 1,056,150
Amount receivable	**1,102**	-
Prepaid expenses	**15,000**	-
Total Assets	**$ 1,060,580**	$ 1,056,150
Liabilities		
Current		
Accounts payable and accrued liabilities	**$ 85,677**	$ 28,190
Total Liabilities	**85,677**	28,190
Shareholders' Equity		
Share capital (Note 4)	**1,040,562**	1,040,562
Reserves (Notes 5 and 6)	**170,125**	170,125
Deficit	**(235,784)**	(182,727)
Total shareholders' equity	**974,903**	1,027,960
Total Liabilities and Equity	**$ 1,060,580**	$ 1,056,150

Approved on behalf of the Board:

"*Dr. Samuel Herschkowitz*", Director

"*Mr. Robbie Grossman*", Director

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

PROSPECT PARK CAPITAL CORP.
Condensed Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended December 31, 2013	2012
Expenses		
Professional fees	$ **51,688**	$ 11,150
Transfer agent, listing and filing fees	**4,697**	-
Operating loss before the following items	**(56,385)**	(11,150)
Interest income	**3,328**	-
Net loss and comprehensive loss for the period	$ **(53,057)**	$ (11,150)
Loss per share - basic and diluted (Note 8)	$ **(0.01)**	$ (0.00)
Weighted average number of shares outstanding - basic and diluted	**7,371,913**	2,437,117

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

PROSPECT PARK CAPITAL CORP.
Condensed Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Number of Shares	Share Capital	Reserves: Warrant Reserve	Reserves: Equity Settled Share-based Payments Reserve	Deficit	Total
Balance, September 30, 2012	**-**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Common shares issued, net of financing costs	3,736,913	491,591	-	-	-	491,591
Net loss and comprehensive loss for the period	-	-	-	-	(11,150)	(11,150)
Balance, December 31, 2012	**3,736,913**	**$ 491,591**	**$ -**	**$ -**	**$ (11,150)**	**$ 480,441**
Balance, September 30, 2013	**7,371,913**	**$ 1,040,562**	**$ 38,168**	**$ 131,957**	**$ (182,727)**	**$ 1,027,960**
Net loss and comprehensive loss for the period	-	-	-	-	(53,057)	(53,057)
Balance, December 31, 2013	**7,371,913**	**$ 1,040,562**	**$ 38,168**	**$ 131,957**	**$ (235,784)**	**$ 974,903**

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

PROSPECT PARK CAPITAL CORP.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended December 31, 2013	2012
Cash and cash equivalents (used in) provided by:		
Operating Activities		
Net loss for the period	**$ (53,057)**	$ (11,150)
Net changes in non-cash working capital:		
Amount receivable	**(1,102)**	-
Prepaid expenses	**(15,000)**	-
Accounts payable and accrued liabilities	**57,487**	18,000
Net cash (used in) provided by operating activities	**(11,672)**	6,850
Financing Activities		
Proceeds from 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	**-**	(16,850)
Net cash provided by financing activities	**-**	483,150
Change in cash and cash equivalents during the period	**(11,672)**	490,000
Cash and cash equivalents, beginning of period	**1,056,150**	-
Cash and cash equivalents, end of period	**$ 1,044,478**	$ 490,000

The accompanying notes are an integral part of these unaudited condensed interim 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, amount receivable and prepaid expenses. 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

Statement of compliance

The Corporation applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the IFRS Interpretations Committee (“IFRIC”). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting and using the accounting policies described herein consistent with the Company's September 30, 2013 audited annual financial statements with exception of new accounting standards adopted during the period as described below. These condensed interim statements should be read in conjunction with the September 30, 2013 audited annual financial statements.

These condensed interim financial statements were authorized for issue by the Board of Directors on March 3, 2014.

Accounting standards adopted during the period

(i) 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. At October 1, 2013, the Corporation adopted this pronouncement and there was no material impact on the Corporation’s unaudited condensed interim financial statements.

(Expressed in Canadian Dollars)

2. Significant Accounting Policies (Continued)

Recent accounting pronouncements

(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 will be effective for accounting periods beginning on January 1, 2018. The Corporation is in the process of assessing the impact of this pronouncement.

(ii) 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.

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 30, 2012	**-**	**$**	**-**
Common shares issued for cash (seed financing) (i)	3,736,913		500,000
Financing costs	-		(8,409)
Balance, December 31, 2012	**3,736,913**	**$**	**491,591**
Balance, September 30, 2013 and December 31, 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.

(Expressed in Canadian Dollars)

5. Warrants

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

	Number of Warrants	Weighted Average Exercise Price ($)
Balance, September 30, 2012 and December 31, 2012	**-**	**-**
Balance, September 30, 2013 and December 31, 2013	**363,500**	**0.20**

The following table reflects the actual warrants issued and outstanding as of December 31, 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 30, 2012 and December 31, 2012	**-**	**-**
Balance, September 30, 2013 and December 31, 2013	**737,191**	**0.20**

The following table reflects the actual stock options issued and outstanding as of December 31, 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	9.25	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) Robbie Grossman is a former partner of Garfinkle Biderman LLP and a director of the Corporation. Included in the December 31, 2013 accounts payable and accrued liabilities is $5,126 (September 30, 2013 - $5,126) due to Garfinkle Biderman LLP for legal services including disbursements.

(ii) During the three months ended December 31, 2013, the Corporation also incurred expenditures of $50,937 (three months ended December 31, 2012 - $nil) to McMillan LLP for legal services (including disbursements). Robbie Grossman is a partner of McMillan LLP and a director of the Corporation. Included in the December 31, 2013 accounts payable and accrued liabilities is $59,647 (September 30, 2013 - $4,863) due to McMillan LLP.

(iii) As at December 31, 2013, Dr. Samuel Herschkowitz owned directly or indirectly 860,749 common shares of the Corporation, representing approximately 12% of the issued and outstanding common shares of the Corporation. Dr. Herschkowitz is the Chief Executive Officer, Chief Financial Officer and a director of the Corporation. The remaining 88% of the shares are widely held, which includes various small holdings which are owned by directors of the Corporation. These holdings can change at any time at the discretion of the owner.

The Corporation is not aware of any arrangements that may, at a subsequent date, result in a change in control of the Corporation. To the knowledge of the Corporation, it is not directly or indirectly owned or controlled by another company, by any government or by any natural or legal person severally or jointly.

8. Net Loss per Common Share

The calculation of basic and diluted loss per share for the three months ended December 31, 2013 was based on the loss attributable to common shareholders of $53,057 (three months ended December 31, 2012 - $11,150) and the weighted average number of common shares outstanding of 7,371,913 (three months ended December 31, 2012 - 2,437,117). Diluted loss per share did not include the effect of 737,191 incentive stock options (December 31, 2012 - nil) and 363,500 agent's warrants (December 31, 2012 - nil) as they are anti-dilutive.

9. Qualifying Transaction

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 are intended to 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.