PROSPECT PARK CAPITAL CORP.

(A CAPITAL POOL COMPANY)

CONDENSED INTERIM FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED MARCH 31, 2014

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

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INTERIM REVIEW REPORT

To the Members of the Audit Committee

In accordance with our engagement letter dated May 21, 2014, we have reviewed the condensed interim financial statements of Prospect Park Capital Corp., consisting of:

– the statement of financial position as at March 31, 2014

– the statements of loss and comprehensive loss for the three and six month periods ended March 31, 2014 and 2013

– the statements of changes in shareholders' equity for the six months ended March 31, 2014 and 2013; and

– the statements of cash flows for the six months ended March 31, 2014 and 2013.

These condensed interim financial statements are the responsibility of management.

We performed our reviews in accordance with Canadian generally accepted standards for a review of interim financial statements by an entity's auditors (an "interim review"). Such an interim review consists principally of applying analytical procedures to financial data, and making enquiries of and having discussions with persons responsible for financial and accounting matters. An interim review is substantially less in scope than an audit, whose objective is the expression of an opinion regarding the financial statements; accordingly, we do not express such an opinion. An interim review does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit.

Based on our interim reviews, we are not aware of any material modification that needs to be made for these condensed interim financial statements to be in accordance with International Accounting Standard No. 34, Interim Financial Reporting.

Comparative Information

We have previously audited, in accordance with Canadian generally accepted auditing standards, the financial statements of Prospect Park Capital Corp., which comprise the statement of financial position as at September 30, 2013, the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information (not presented herein). In our auditors' report dated January 28, 2014, we expressed an unmodified audit opinion on those financial statements.
In our opinion, the information set forth in the accompanying statement of financial position as at September 30, 2013, is fairly stated, in all material respects, in relation to the financial statements from which it has been derived.

Use of the report

This report is for the use of the Audit Committee of Prospect Park Capital Corp. to assist it in discharging its obligation to review these condensed interim financial statements, and should not be used for any other purpose. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this document has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

May 29, 2014
Toronto, Canada

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

	As at March 31, 2014	As at September 30, 2013
Assets		
Current		
Cash and cash equivalents (Note 3)	**$ 1,030,256**	$ 1,056,150
Accounts receivable	**723**	-
Prepaid expenses	**15,000**	-
Total Assets	**$ 1,045,979**	$ 1,056,150
Liabilities and Shareholders' Equity		
Current		
Accounts payable and accrued liabilities	**$ 143,595**	$ 28,190
Total Liabilities	**143,595**	28,190
Shareholders' Equity		
Share capital (Note 4)	**1,040,562**	1,040,562
Reserves (Notes 5 and 6)	**170,125**	170,125
Deficit	**(308,303)**	(182,727)
Total shareholders' equity	**902,384**	1,027,960
Total Liabilities and Shareholders' Equity	**$ 1,045,979**	$ 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 March 31, 2014	Three Months Ended March 31, 2013	Six Months Ended March 31, 2014	Six Months Ended March 31, 2013
Expenses				
Share-based compensation (Note 6)	**$ -**	$ 131,957	**$ -**	$ 131,957
Professional fees	**75,641**	9,921	**127,329**	21,071
Transfer agent, listing and filing fees	**-**	-	**4,697**	-
Bank charges	**90**	-	**90**	-
Operating loss before the following items	**(75,731)**	(141,878)	**(132,116)**	(153,028)
Interest income	**3,212**	-	**6,540**	-
Net loss and comprehensive loss for the period	**$ (72,519)**	$ (141,878)	**$ (125,576)**	$ (153,028)
Loss per share - basic and diluted (Note 8)	**$ (0.02)**	$ (1.17)	**$ (0.03)**	$ (2.55)
Weighted average number of shares outstanding - basic and diluted (Note 8)	**3,635,000**	121,167	**3,635,000**	59,918

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
Initial public offering, net of issuance costs	3,635,000	562,995	38,168	-	-	601,163
Share-based compensation	-	-	-	131,957	-	131,957
Net loss and comprehensive loss for the period	-	-	-	-	(153,028)	(153,028)
Balance, March 31, 2013	**7,371,913**	**$ 1,054,586**	**$ 38,168**	**$ 131,957**	**$ (153,028)**	**$ 1,071,683**
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	-	-	-	-	(125,576)	(125,576)
Balance, March 31, 2014	**7,371,913**	**$ 1,040,562**	**$ 38,168**	**$ 131,957**	**$ (308,303)**	**$ 902,384**

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)

	Six Months Ended March 31, 2014	Six Months Ended March 31, 2013
Cash and cash equivalents (used in) provided by:		
Operating activities		
Net loss for the period	**$ (125,576)**	$ (153,028)
Adjustment for:		
Share-based compensation	**-**	131,957
Net changes in non-cash working capital:		
Accounts receivable	**(723)**	-
Prepaid expenses	**(15,000)**	-
Accounts payable and accrued liabilities	**115,405**	40,514
Net cash (used in) provided by operating activities	**(25,894)**	19,443
Financing activities		
Proceeds from issuance of common shares, net of financing costs	**-**	491,591
Proceeds from initial public offering, net of issuance costs	**-**	601,163
Net cash provided by financing activities	**-**	1,092,754
Change in cash and cash equivalents during the period	**(25,894)**	1,112,197
Cash and cash equivalents, beginning of period	**1,056,150**	-
Cash and cash equivalents, end of period	**$ 1,030,256**	$ 1,112,197

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, accounts 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 unaudited condensed interim statements should be read in conjunction with the September 30, 2013 audited annual financial statements.

These unaudited condensed interim financial statements were authorized for issue by the Board of Directors on May 29, 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.

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.

(Expressed in Canadian Dollars)

2. Significant Accounting Policies (Continued)

Recent accounting pronouncements (continued)

(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. The Corporation is in the process of assessing the impact of this pronouncement.

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)
Common shares issued pursuant to the IPO (ii)	3,635,000	727,000
IPO costs (ii)	-	(164,005)
Balance, March 31, 2013	**7,371,913**	**$ 1,054,586**
Balance, September 30, 2013 and March 31, 2014	**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.

(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	**-**	**-**
Granted (i)	363,500	0.20
Balance, March 31, 2013	**363,500**	**0.20**
Balance, September 30, 2013 and March 31, 2014	**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.

The following table reflects the actual warrants issued and outstanding as of March 31, 2014:

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	**-**	**-**
Granted (i)	737,191	0.20
Balance, March 31, 2013	**737,191**	0.20
Balance, September 30, 2013 and March 31, 2014	**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.

(Expressed in Canadian Dollars)

6. Stock Options (Continued)

The following table reflects the actual stock options issued and outstanding as of March 31, 2014:

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	9.00	737,191	737,191	-

7. Related Party Transactions

Related parties include Board of Directors, close family members, enterprises and others over which it exercises significant influence.

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.

(i) An amount of $131,957 was recognized as share-based compensation during the three and six months ended March 31, 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 three and six months ended March 31, 2014, the Corporation also incurred expenditures of $56,837 and $107,774, respectively (three and six months ended March 31, 2013 - $nil) to McMillan LLP for legal services (including disbursements). Robbie Grossman is a partner of McMillan LLP and an officer and director of the Corporation. Included in the March 31, 2014 accounts payable and accrued liabilities is $111,966 (September 30, 2013 - $4,863) due to McMillan LLP.

(iii) During the three and six months ended March 31, 2014, the Corporation also incurred expenditures of $nil (three and six months ended March 31, 2013 - $7,078 and $20,778, respectively) to Garfinkle Biderman LLP for legal services (including disbursements), and part of this amount pertains to financing costs. Robbie Grossman is a former partner of Garfinkle Biderman LLP and an officer and director of the Corporation. Included in the March 31, 2014 accounts payable and accrued liabilities is $5,126 (September 30, 2013 - $5,126) due to Garfinkle Biderman LLP.

(iv) As at March 31, 2014, 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 and six months ended March 31, 2014 was based on the loss attributable to common shareholders of $72,519 and $125,576, respectively (three and six months ended March 31, 2013 - $141,878 and $153,028, respectively) and the weighted average number of common shares outstanding of 3,635,000 (three and six months ended March 31, 2013 - 121,167 and 59,918, respectively). Diluted loss per share did not include the effect of 737,191 incentive stock options (March 31, 2013 - 737,191) and 363,500 agent's warrants (March 31, 2013 - 363,500) as they are anti-dilutive.

The seed common shares are considered contingently returnable until the Company completes a Qualifying Transaction and accordingly, they are not considered to be outstanding shares for purposes of loss per share calculations.

9. Financial Instruments

Fair Values
At March 31, 2014, the Corporation's financial instruments consist of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments. The Corporation classifies its cash and cash equivalents as a financial asset at fair value through profit and loss, accounts receivable as loans and receivables and its accounts payable and accrued liabilities as other financial liabilities.

Credit Risk
Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Corporation to concentrations of credit risks consist principally of cash and cash equivalents and accounts receivable. Cash and cash equivalents are held with a major Canadian chartered bank, from which management believes the risk of loss to be minimal.

Accounts receivable consists of sales tax receivable from government authorities in Canada. Management believes that the credit risk with respect to this accounts receivable is minimal.

Interest Rate Risk
The Corporation is not exposed to any significant interest rate risk.

Liquidity Risk
Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation currently settles its financial obligations out of cash and cash equivalents. The ability to do this relies on the Corporation raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs

Capital Management
The Corporation's capital currently consists of common shares. Its principal source of cash is from the issuance of common shares. The Corporation's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to identify, evaluate and then acquire an interest in a business or assets. The Corporation does not have any externally imposed capital requirements to which it is subject. The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation may attempt to issue new shares.

10. 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.

The Corporation continues to work towards completing the Qualifying Transaction.