

MANAGEMENT INFORMATION CIRCULAR

PROSPECT PARK CAPITAL CORP.

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF PROSPECT PARK
CAPITAL CORP. TO BE HELD ON SEPTEMBER 25, 2014**

TO CONSIDER (AMONG OTHER MATTERS)

THE QUALIFYING TRANSACTION OF PROSPECT PARK CAPITAL CORP.

DATED AUGUST 28, 2014

Neither the TSX Venture Exchange Inc. (the "Exchange") nor any securities regulatory authority has in any way passed upon the merits of the Qualifying Transaction described in this information circular.

These materials require your immediate attention. If you are in doubt as to how to deal with these materials or the matters referred to herein, please consult your investment dealer, stockbroker, bank manager or other professional adviser.

PROSPECT PARK CAPITAL CORP.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual and Special Meeting (the “**Meeting**”) of Shareholders of Prospect Park Capital Corp. (the “**Prospect Park**”) will be held at the offices of its counsel, McMillan LLP, Brookfield Place, 181 Bay Street, Suite 4400, Toronto, Ontario M5J 2T3, on Thursday, the 25th day of September, 2014, at the hour of 10:00 a.m. (Toronto time) for the following purposes:

1. to receive the audited financial statements of Prospect Park for the period from September 7, 2012 (date of incorporation) to December 7, 2012 and the period from December 8, 2012 to September 30, 2013, together with the report of the auditors thereon, and the financial statements of Prospect Park for the three months and six months ended March 31, 2014;
2. to elect five (5) directors for the ensuing year;
3. to appoint auditors of Prospect Park for the ensuing year and authorize the directors to fix their remuneration;
4. to consider, and if thought appropriate, to pass, with or without variation, an ordinary resolution (the text of which is disclosed in Appendix “II” of the accompanying management information circular (the “**Circular**”) of Prospect Park) approving the 2014 Option Plan (as such term is defined in the Circular), as more particularly described in the Circular;
5. to consider, and if thought appropriate, to pass, by Majority of the Minority Shareholder Approval (as such term is defined in the Circular), with or without variation, the Non-Arm’s Length Resolution (as such term is defined in the Circular and the text of such resolution is disclosed in Appendix “III” of the Circular) approving the IOI Investment and the Skyline Investment (as such terms are defined in the Circular), which collectively will constitute Prospect Park’s Qualifying Transaction (as such term is defined in the Circular), as more particularly described in the Circular; and
6. to transact such further or other business as may properly come before the said meeting or any adjournment or adjournments thereof.

A copy of the Circular, a form of proxy, financial statement request form, a return envelope, and a copy of the audited financial statements of Prospect Park for the period from September 7, 2012 (date of incorporation) to December 7, 2012 and the period from December 8, 2012 to September 30, 2013 (attached as Schedule “A” to the Circular), together with the report of the auditors thereon, and accompanying management discussion and analysis (attached as Schedule “B” to the Circular), and the financial statements of Prospect Park for the three months and six months ended March 31, 2014 (attached as Schedule “C” to the Circular), and accompanying management discussion and analysis, accompany this Notice of Meeting, will be available for review at the Meeting and are available to the public on the SEDAR website at www.sedar.com.

The record date for the determination of shareholders entitled to receive notice of and to vote at the Meeting is August 25, 2014 (the “**Record Date**”). Shareholders of Prospect Park whose names have been entered on the register of shareholders at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting.

A shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be effective, the enclosed proxy must be mailed so as to reach or be deposited with Computershare Investor Services Inc., 100 University Avenue, 9th floor, Toronto, Ontario, M5J 2Y1, facsimile: (416) 263-9524, not later than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) prior to the time set for the Meeting or any adjournment thereof.

The instrument appointing a proxy must be in writing and must be executed by the shareholder or his or her attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized.

The individuals named in the enclosed form of proxy are directors and/or officers of Prospect Park. Each shareholder has the right to appoint a proxyholder other than such individuals, who need not be a shareholder, to attend and to act for such shareholder and on such shareholder’s behalf at the Meeting. To exercise such right, the names of the nominees of management should be crossed out and the name of the shareholder’s appointee should be legibly printed in the blank space provided.

DATED this 28th day of August, 2014.

BY ORDER OF THE BOARD

(signed) “Samuel Herschkowitz”
Chief Executive Officer

TABLE OF CONTENTS

GLOSSARY	4
CURRENCY AND EXCHANGE RATE INFORMATION	11
SPECIAL NOTE REGARDING FORWARD-LOOKING INFORMATION	11
SUMMARY OF INFORMATION CIRCULAR	12
Cautionary Language	12
The Meeting	12
Prospect Park	12
The Qualifying Transaction	13
The Management Agreement	14
Available Funds	17
Financial Information	17
Selected Pro Forma Consolidated Financial Information	17
Market Price of the Shares	17
Conditional Listing	17
Sponsor	18
Conflicts of Interest	18
Risk Factors	18
PROXY RELATED INFORMATION	20
Solicitation of Proxies	20
Appointment of Proxyholders	21
Persons Making the Solicitation	21
Revocation of Proxies	21
Exercise of Proxy	21
Non-Registered Holders	21
BUSINESS OF THE MEETING	23
Financial Statements	23
Election of Directors	23
Appointment of Auditors	25
Stock Option Plan	25
The Transactions	26
Board Approval and Recommendation	26
INFORMATION CONCERNING PROSPECT PARK	27
Corporate Structure	27
General Development of the Business	27
Selected Consolidated Financial Information and Management’s Discussion and Analysis	27
Description of the Securities	29
Stock Options	29
Prior Sales	31
Conditional Listing	31
Stock Exchange Price	31
Interest of Certain Persons or Companies in Matters to be Acted Upon	32
Non-Arm’s Length Party Transactions / Related Party Transactions	32
The Management Agreement	33
Conflicts of Interest	34
Legal Aspects of the Transactions	35
Voting Securities and Principal Holders	36
Legal Proceedings	36
Auditors, Registrar and Transfer Agent	36
Sponsorship	36

Material Contracts	37
QUALIFYING TRANSACTION – INFORMATION CONCERNING THE TARGET COMPANIES	37
Background to the Proposed Qualifying Transaction	37
Skyline Transaction	37
IOI Transaction.....	43
INFORMATION CONCERNING THE RESULTING ISSUER.....	46
Corporate Structure.....	46
The Manager.....	46
Narrative Description of the Business	46
Investment Objectives, Strategies and Restrictions	47
Description of Securities.....	48
Resulting Issuer Capitalization	48
Pro Forma Consolidated Capitalization	48
Available Funds and Principal Purposes.....	48
Dividends.....	49
Principal Securityholders.....	49
Directors, Officers and Promoters	50
Other Reporting Issuer Experience	53
Conflicts of Interest	54
Executive Compensation	55
Investor Relations Arrangements.....	56
Stock Option Plan	56
Escrowed Securities.....	56
Risk Factors	58
CORPORATE GOVERNANCE DISCLOSURE.....	60
AUDIT COMMITTEE	62
EXECUTIVE COMPENSATION.....	63
SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS	67
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS	67
INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS	67
AUDITORS, REGISTRAR AND TRANSFER AGENT.....	67
SPONSORSHIP AND AGENT RELATIONSHIP	68
EXPERTS AND INTERESTS OF EXPERTS	68
PARTICULARS OF OTHER MATTERS TO BE ACTED UPON.....	68
ADDITIONAL INFORMATION.....	68
OTHER MATERIAL FACTS	68
APPROVAL OF THE BOARD	69
SCHEDULE “A” AUDITED ANNUAL FINANCIAL STATEMENTS AND NOTES THERETO FOR THE PERIOD FROM THE DATE OF INCORPORATION (SEPTEMBER 7, 2012) TO DECEMBER 7, 2012 AND THE PERIOD FROM DECEMBER 8, 2012 TO SEPTEMBER 30, 2013	
SCHEDULE “B” MANAGEMENT’S DISCUSSION AND ANALYSIS FOR THE PERIOD FROM DECEMBER 8, 2012 TO SEPTEMBER 30, 2013	
SCHEDULE “C” UNAUDITED INTERIM FINANCIAL STATEMENTS AND NOTES THERETO FOR THE THREE MONTHS AND SIX MONTHS ENDED MARCH 31, 2014	

SCHEDULE "D" UNAUDITED CONSOLIDATED PRO FORMA BALANCE SHEET FOR THE RESULTING ISSUER

SCHEDULE "E" AUDIT COMMITTEE CHARTER

SCHEDULE "F" 2014 OPTION PLAN

SCHEDULE "G" SOK AGREEMENT

SCHEDULE "H" IOI AGREEMENT

SCHEDULE "I" MANAGEMENT AGREEMENT

SCHEDULE "J" STATEMENT OF INVESTMENT POLICIES AND PROCEDURES

APPENDIX "I" RESOLUTION APPOINTING AUDITORS

APPENDIX "II" RESOLUTION APPROVING STOCK OPTION PLAN

APPENDIX "III" NON-ARM'S LENGTH RESOLUTION

CERTIFICATE OF PROSPECT PARK CAPITAL CORP.

GLOSSARY

The following is a glossary of the defined terms used in this Circular. Terms and abbreviations used in the financial statements of Prospect Park and the Resulting Issuer included in the appendices to this Circular are defined separately and the terms and abbreviations defined below are not used therein, unless otherwise indicated. Words importing the singular, where the context requires, include the plural and vice-versa, and words importing any gender include all genders.

“2013 Option Plan” means the stock option plan established by the directors of Prospect Park and adopted by Prospect Park on March 6, 2013, as described under *“Stock Options – Stock Option Terms”*.

“2014 Option Plan” means the amended stock option plan to be approved by Shareholders and adopted by Prospect Park, as described under *“Stock Options – Stock Option Terms”*, and the full text of which is attached to this Circular as Schedule “F”.

“Affiliate” means a Company that is affiliated with another Company as described below:

A Company is an “Affiliate” of another Company if:

each of them is the subsidiary of the other, or

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.

“Agent Options” means the non-transferable options granted to the Sponsor for acting as agent for the IPO, which may be exercised for a period of 24 months from the date of listing of the Shares on the Exchange.

“Aggregate Pro Group” has the meaning ascribed to such term in Policy 1.1 – Interpretation of the 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
- (e) in respect of which there are no material conditions to closing (other than receipt of shareholder approval and Exchange acceptance), the satisfaction of which is dependent upon third parties and beyond the reasonable control of the Non Arm's Length Parties to the CPC or the Non Arm's Length Parties to the Qualifying Transaction.

“Agreements” means the SOK Agreement and the IOI Agreement.

“Associate” when used to indicate a relationship with a Person, means:

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;

any partner of the Person;

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;

in the case of a Person that is an individual, a relative of that Person, including but not limited to that Person's spouse or child, or any relative of the Person or of his or her spouse who has the same residence as that Person; and

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.

“Audit Committee” means the audit committee of Prospect Park.

“Beneficial Shareholders” means Shareholders whose Shares are not registered in such shareholders' names.

“Board” means the board of directors of Prospect Park.

“Capital Pool Company” or **“CPC”** means a corporation:

that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities regulatory authorities in compliance with Policy 2.4; and

in regard to which the Final Exchange Bulletin has not yet been issued.

“CEO” means Chief Executive Officer.

“CFO” means Chief Financial Officer.

“Circular” means this management information circular of Prospect Park, together with all appendices attached hereto and including the summary hereof.

“Closing” means the closing of the Transactions.

“Closing Date” means the date on which a Closing occurs.

“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.

“Compound” means desmopressin, a compound for treatment of certain urologic diseases and conditions.

“Computershare” means Computershare Investor Services Inc.

“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.

“Delaware Act” means the *Delaware Limited Liability Company Act*, 6 Del. C. § 18-101 *et seq.*, as amended from time to time.

“Downside Protection” means the downside protection provided by SOK to Prospect Park pursuant to Article 3 of the SOK Agreement for the Skyline Shares purchased by Prospect Park pursuant to the Skyline Investment.

“Escrow Agreement” means an escrow agreement dated March 6, 2013, among Prospect Park, Computershare and certain shareholders of Prospect Park.

“Escrowed Shares” means, collectively, the Shares held in escrow pursuant to the Escrow Agreement.

“Exchange” means the TSX Venture Exchange Inc.

“FDA” means U.S. Food and Drug Administration.

“Final Exchange Bulletin” means the bulletin which will be issued by the Exchange following the completion of a Qualifying Transaction and the submission to the Exchange of all documentation required by it (to its satisfaction) and which evidences the final Exchange acceptance of a Qualifying Transaction.

“General Partner” means Prospect Park Management Inc., the general partner of the Manager.

“GST” means Goods and Services Tax.

“Incentive Stock Options” means options to purchase up to 737,191 Shares were granted to the directors and officers of Prospect Park upon closing of the IPO.

“Initial Listing Requirements” has the meaning specified in Policy 2.1 of the Exchange.

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

a director or senior officer of the issuer;

a director or senior officer of the Company that is an Insider or subsidiary of the issuer;

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

the issuer itself if it holds any of its own securities.

“IOI” means IOI, LLC, a limited liability company duly organized under the laws of the State of Delaware.

“IOI Agreement” means the subscription agreement between IOI and Prospect Park, pursuant to which Prospect Park agrees to a capital commitment of USD\$150,000.

“IOI Credit Agreement” means the credit and guaranty agreement entered into among IOI, as co-lender, various Lenders as may be party to the IOI Credit Agreement from time to time, Serenity as borrower, Serenity Pharmaceuticals Corporation, Pennsylvania Farmaceutival Enterprises LLC and certain subsidiaries of Serenity and Firefly Agent, LLC as administrative agent, dated as of July 12, 2013, pursuant to which, IOI and the Lenders have agreed to extend a senior secured first lien multi-draw term loan to Serenity.

“IOI Investment” means the acquisition of an IOI Membership Interest by Prospect Park in exchange for its capital contribution of USD\$150,000 to IOI.

“IOI LLC Agreement” means the amended and restated limited liability company agreement of IOI dated as of September 19, 2013 pursuant to which Prospect Park will be added as a member of IOI and shall receive and hold an IOI Membership Interest upon Prospect Park’s capital contribution of USD\$150,000.

“IOI Membership Interest” means the outstanding interests of the members of IOI, and is created, subject to the approval of the manager(s) of IOI, through the exchange of capital contribution provided by a new member of IOI. The IOI Membership Interest includes rights to distributions (liquidating or otherwise), allocations, information, and the right to participate in the management of the business and affairs of IOI, including the right to vote on, consent to or otherwise participate in certain decisions or actions of or by the members of IOI granted by the IOI LLC Agreement or the Delaware Act.

“IPO” means the initial public offering of Shares under a prospectus dated March 6, 2013, pursuant to which 3,635,000 Shares were sold at a price of \$0.20 per share for gross proceeds of \$727,000.

“Lenders” means the various lenders under the IOI Credit Agreement.

“License Agreement” means license, transfer and development agreement entered into between Serenity and Allergan Sales, LLC, Allergan USA, Inc. and Allergan, Inc dated March 31, 2010.

“Majority of the Minority Shareholder Approval” means the approval of the Qualifying Transaction by the majority of the votes cast by shareholders, other than:

- (a) a Non-Arm's Length Party to the CPC;
- (b) a Non-Arm's Length Party to the Qualifying Transaction; and
- (c) in the case of a Related Party Transaction:
 - (i) if a 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.

“Management Agreement” means the management agreement between the Manager and Prospect Park, as may be amended from time to time, pursuant to which Prospect Park appoints the Manager as the manager of Prospect Park.

“Manager” means Prospect Park Management Limited Partnership, the manager of Prospect Park pursuant to the Management Agreement.

“Maturity Amount” shall be an amount equal to the greater of (i) 1.40 times the full amount of the Term Loan funded by the Lenders under the IOI Credit Agreement less any loan repayments made by Serenity pursuant to the IOI Credit Agreement, and (ii) the outstanding principal amount of the Term Loan as of such date plus interest accruing at the rate of 20% per annum on the full amount of the Term Loan funded by the Lenders under the IOI Credit Agreement (plus any interest related to defaults under the IOI Credit Agreement).

“Meeting” means the annual and special meeting of the Shareholders to be held on September 25, 2014.

“Member” has the meaning ascribed to such term in Exchange Policy 1.1 – Interpretation.

“MI 61-101” means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

“Maximum Term Loan” means, subject to Serenity, as borrower, exercising its option to increase the Minimum Term Loan by USD\$5,000,000, a USD\$20,000,000 senior secured first lien multi-draw term loan to be extended, subject to assignment as permitted by the IOI Credit Agreement, by IOI (as to 20%) and the Lenders (as to 80%) to Serenity pursuant to the IOI Credit Agreement.

“Minimum Term Loan” means a USD\$15,000,000 senior secured first lien multi-draw term loan to be extended, subject to assignment as permitted by the IOI Credit Agreement, by IOI (as to 20%) and the Lenders (as to 80%) to Serenity pursuant to the IOI Credit Agreement.

“NDA” means new drug application.

“NEX” means the NEX trading board of the Exchange.

“NI 51-102” means National Instrument 51-102 – *Continuous Disclosure Obligations*.

“NI 52-110” means National Instrument 52-110 – *Audit Committees*.

“NI 58-101” means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

“Nominees” means the persons named in the Proxies, each of whom is a director and/or officer of Prospect Park, to vote the Shares represented by the Proxies (unless a shareholder has specified otherwise in his, her or its Proxy) at the Meeting.

“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 Party” means:

- (a) in relation to a Company:
 - (i) a Promoter, officer, director, other Insider (as such term is defined in the policies of the Exchange) or Control Person (as such term is defined in the policies of the Exchange) of that Company and any Associates or Affiliates of any such Persons; or
 - (ii) another entity or an Affiliate of that entity, if that entity or its Affiliate have the same Promoter, officer, director, Insider or Control Person as the Company;

- (b) in relation to an individual, any Associate of the individual or any Company of which the individual is a Promoter, officer, Insider or Control Person.

“**Non-Arm’s Length Qualifying Transaction**” has the meaning ascribed to such term in Policy 2.4.

“**Non-Arm’s Length Resolution**” means the resolution in respect of the SOK Agreement and the IOI Agreement to be considered and, if deemed advisable, approved by the Shareholders by Majority of the Minority Shareholder Approval at the Meeting (the full text of which is set out in Appendix “III”, in the case of the resolution to be put before the Shareholders).

“**Notice of Meeting**” means the notice of the Meeting, which accompanies this Circular.

“**OBCA**” means the *Business Corporations Act* (Ontario), including the regulations promulgated thereunder.

“**Person**” means a Company or individual.

“**Policy 2.2**” means the Exchange’s Policy 2.4 entitled “Sponsorship and Sponsorship Requirements”.

“**Policy 2.4**” means the Exchange’s Policy 2.4 entitled “Capital Pool Companies”.

“**Policy 4.4**” means the Exchange’s Policy 4.4 entitled “Incentive Stock Options”.

“**Principal**” means:

a Person who acted as a promoter of the issuer within two years or their respective Associates or Affiliates before the IPO prospectus or Final Exchange Bulletin;

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;

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; and

a 10% holder – a Person that

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

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.

“Promoter” means, (a) a Person or company who, acting alone or in conjunction with one or more other Persons, Companies or a combination thereof, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of an issuer, or (b) a Person or Company who, in connection with the founding, organizing or substantial reorganizing of the business of an issuer, directly or indirectly, receives in consideration of services or property, or both services and property, 10% or more of any class of securities of the issuer or 10% or more of the proceeds from the sale of any class of securities of a particular issue, but a Person or company who receives such securities or proceeds either solely as underwriting commissions or solely in consideration of property shall not be deemed a “Promoter” if such Person or Company does not otherwise take part in founding, organizing, or substantially reorganizing the business.

“Prospect Park” means Prospect Park Capital Inc., a company incorporated under the OBCA and a CPC, having its common shares listed on the Exchange under the trading symbol “PPK.P”.

“Proxy” means the form of proxy to be used by the Shareholders in connection with the Meeting.

“Qualifying Transaction” means a transaction whereby a CPC acquires “Significant Assets” (as defined in Policy 2.4), other than cash, by way of purchase, amalgamation, merger or arrangement with another Company or by other means.

“Related Party” and **“Related Party Transaction”** have the respective meanings ascribed to such terms in MI 61–101.

“Resulting Board” means the board of directors of the Resulting Issuer.

“Resulting Issuer” means the issuer that was formerly a CPC that exists upon issuance of the Final Exchange Bulletin and in this Circular means Prospect Park following completion of the Qualifying Transaction and issuance of the Final Exchange Bulletin.

“Serenity” means Serenity Pharmaceuticals LLC.

“Shareholders” means the registered holders of the Shares.

“Shares” means the common shares in the capital stock of Prospect Park and where context requires common shares of the Resulting Issuer.

“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, result in a CPC meeting the Initial Listing Requirements of the Exchange, and in this Circulars means the Target Company Securities acquired pursuant to the Qualifying Transaction.

“Skyline” means Skyline Medical Inc., a corporation incorporated pursuant to the laws of the State of Minnesota under the name “Biodrain Medical Inc.” in 2002, which changed its name to “Skyline Medical, Inc.” and its state of incorporation to Delaware in 2013.

“Skyline Investment” means the purchase of the Skyline Shares by Prospect Park.

“Skyline Shares” means the common shares in the capital of Skyline.

“SOK” means SOK Partners LLC, a limited liability corporation incorporated pursuant to the laws of the State of New Jersey.

“SOK Agreement” means the share purchase agreement between SOK, as vendor, and Prospect Park, as purchaser, dated August 28, 2014, pursuant to which Prospect Park will acquire that number of Skyline Shares equal to

CDN\$1,700,000 divided by the last closing price of Skyline Shares (on the stock exchange that the Skyline Shares are then trading) prior to the Closing Date of the Skyline Investment.

“**Sponsor**” means Canaccord Genuity Corp.

“**Sponsorship Agreement**” means the sponsorship agreement between the Sponsor and Prospect Park to be entered into on or about the date of Closing of the Transactions, pursuant to which the Sponsor agrees to act as the sponsor of Prospect Park pursuant to Policy 2.2.

“**Sponsorship Engagement Agreement**” means the sponsorship engagement letter between the Sponsor and Prospect Park entered into on December 2, 2013, pursuant to which the Sponsor agrees to act as the sponsor of Prospect Park pursuant to Policy 2.2, subject to completion of certain terms and conditions.

“**Target Company**” means a Company to be acquired by the CPC as its Significant Asset pursuant to a Qualifying Transaction, and in this Circular means any of Skyline and IOI, and “**Target Companies**” means, collectively Skyline and IOI.

“**Target Company Securities**” means, collectively, the Skyline Shares and the IOI Membership Interest.

“**Tax Act**” means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1. (5th Supp), including the regulations promulgated thereunder, each as amended from time to time.

“**Term Loan**” means the amount of senior secured first lien multi-draw term loan actually extended to Serenity by IOI (as to 20%) and the Lenders (as to 80%), which will either be an amount equal to the Minimum Term Loan or, at the option of Serenity, an amount up to the Maximum Term Loan.

“**Transactions**” means the IOI Investment and the Skyline Investment pursuant to their respective Agreements, which collectively will constitute Prospect Park’s Qualifying Transaction in accordance with Policy 2.4 of the Exchange.

“**U.S.**” means United States of America.

CURRENCY AND EXCHANGE RATE INFORMATION

In this Circular, all references to “\$” and “CDN\$” refer to Canadian dollars and all references to “USD\$” refer to United States dollars. The nominal noon exchange rate on August 28, 2014 as reported by the Bank of Canada for the conversion of United States dollars into Canadian dollars was US\$1.00 which equals CDN\$1.0857.

SPECIAL NOTE REGARDING FORWARD-LOOKING INFORMATION

This Circular contains or refers to certain forward-looking information concerning the business, operations and financial performance and condition of Prospect Park, Skyline, IOI and the Resulting Issuer. When used in this Circular, the words “believe”, “anticipate”, “intend”, “estimate”, “expect”, “potential”, “project” and similar expressions are intended to identify forward-looking information, although not all forward-looking information contain such words. Forward-looking information included in this Circular includes statements with respect to: (i) certain terms of the Qualifying Transaction; (ii) future business activities of Skyline and IOI; (iii) the proposed business of the Resulting Issuer; and (iv) the Resulting Issuer’s proposed investment strategy and objectives.

Forward-looking information does not constitute historical fact but reflects the current expectations of Prospect Park and its management regarding future results or events based on information that is currently available. Forward-looking information is subject to uncertainty and changes in circumstances that may cause actual results to differ materially from those expressed or implied by such forward-looking information. With respect to the forward-looking information contained in this Circular, Prospect Park has made assumptions regarding, among other things, the completion of the Qualifying Transaction. Although Prospect Park believes that the assumptions inherent in any

forward-looking information are reasonable, forward-looking information is not a guarantee of future events or performance and, accordingly, readers are cautioned not to place undue reliance on such information due to the inherent uncertainty therein.

By its nature, forward-looking information is subject to a number of inherent risks and uncertainties, both general and specific, which could cause actual results to differ materially from those suggested by the forward-looking information. Even if such results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, Prospect Park or the Resulting Issuer. Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to: economic, business, competitive and regulatory factors including: inflation, changes in exchange and interest rates, and adverse general market conditions; the inability to complete the Qualifying Transaction for any reason whatsoever; failure to receive final Exchange acceptance of the Qualifying Transaction; future unforeseen liabilities; and other factors including, but not limited to, those listed under “*Risk Factors*” in this Circular.

Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, Prospect Park (or the Resulting Issuer) do not undertake any obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information.

SUMMARY OF INFORMATION CIRCULAR

Cautionary Language

The following is a summary of the information relating to Prospect Park, the Resulting Issuer (assuming completion of the Transactions) and the Transactions provided in greater detail in this Circular and should be read together with the more detailed information and financial data and statements contained elsewhere in this Circular.

The Meeting

The Meeting will be held at the offices of McMillan LLP, Brookfield Place, Suite 4400, 181 Bay Street, Toronto, Ontario, Canada, M5J 2T3, on September 25, 2014 at 10:00 a.m. (Toronto time) for the following purposes:

1. to receive the audited financial statements of Prospect Park for the year ended September 30, 2013 and the unaudited interim financial statements of Prospect Park for the three months and six months ended March 31, 2014;
2. to elect five (5) directors of Prospect Park;
3. to appoint the auditors of Prospect Park;
4. to consider authorizing and approving the 2014 Option Plan as the stock option plan of Prospect Park;
5. to consider authorizing and approving the Non-Arm’s Length Resolution;
6. to transact such further and other business as may properly come before the Meeting.

Certain capitalized words and terms used in this Summary are defined in the Glossary.

Prospect Park

Prospect Park was incorporated pursuant to the provisions of the OBCA on September 7, 2012, and completed the IPO as a CPC on March 27, 2013. The Shares are listed on the Exchange under the trading symbol “PPK.P”. On September 20, 2013 trading of the Shares was halted and on October 7, 2013 Prospect Park issued a press release

announcing the Agreement in Principle regarding the proposed Qualifying Transaction. The Shares remain halted as of the date of this Circular.

As a CPC, Prospect Park's business has been to identify and evaluate opportunities for the acquisition of an interest in one or more assets or businesses with a view to completing a Qualifying Transaction and Prospect Park will not carry on any other business prior to such completion.

As of the close of trading on September 12, 2013, the last day a trade of Prospect Park was made prior to the date trading was halted pending announcement of the Agreement in Principle regarding the proposed Qualifying Transaction, the price per Share was \$0.23.

See "*Information Concerning Prospect Park*".

The Qualifying Transaction

Prospect Park is a CPC listed on the Exchange. The Transactions will constitute Prospect Park's Qualifying Transaction under Policy 2.4 of the Exchange. Following completion of the Transactions, Prospect Park will continue its existence as the Resulting Issuer under the existing management with Kyle Appleby appointed as the new CFO and will be listed on the Exchange as a Tier 2 Investment Issuer.

Skyline Transaction

Skyline is a public corporation incorporated pursuant to the laws of the State of Delaware and is a medical device company.

Prospect Park entered into the SOK Agreement with SOK, pursuant to which Prospect Park will acquire from SOK that number of Skyline Shares equal to CDN\$1,700,000 divided by the last closing price of the Skyline Shares (on the stock exchange that the Skyline Shares are then trading) prior to the Closing Date with respect to the Skyline Investment for the purchase price of CDN\$1,000,000. The purchase price of CDN\$1,000,000 shall be payable as follows: (i) CDN\$400,000 payable in cash, certified cheque or electronic transfer at Closing; (ii) CDN\$300,000 payable at Closing by the issuance of 1,304,347 Shares at a deemed price of \$0.23 per Share; and (iii) CDN\$300,000 payable within six (6) months of Closing by the issuance of 1,714,285 Shares at a deemed price of \$0.175 per Share. Pursuant to Article 3 of the SOK Agreement and subject to the conditions and adjustments contained therein, SOK covenants and agrees to provide Downside Protection to Prospect Park for the Skyline Shares acquired pursuant to the Skyline Investment, such Downside Protection to be determined as of the 90th calendar day after Closing and as of the 12 month anniversary of Closing. See "*Qualifying Transaction – Information Concerning the Target Companies - Skyline Transaction*" for additional information.

Pursuant to the SOK Agreement, SOK is assigning to Prospect Park its contractual right to appoint a member of the board of directors of Skyline.

SOK and Skyline are Non-Arm's Length Parties to Prospect Park. See "*Information Concerning Prospect Park – Non-Arm's Length Party Transactions / Related Party Transactions*" for additional information. The consideration payable for the Skyline Shares of CDN\$1,000,000 was negotiated by Prospect Park and SOK. Based on the nominal noon exchange rate on August 28, 2014 as reported by the Bank of Canada for the conversion of United States dollars into Canadian dollars (\$1.0857), the closing price of the Skyline Shares on the last trading date prior to the date hereof (\$0.14), and the issued and outstanding Skyline Shares as of March 31 2014 (222,213,697), upon completion of the Skyline Investment, Prospect Park would beneficially hold approximately 5.03% of the outstanding Skyline Shares as at the Closing Date.

IOI Transaction

IOI is a limited liability company duly organized under the laws of the State of Delaware and is a company that invests in pharmaceutical companies.

Prospect Park entered into the IOI Agreement with IOI pursuant to which Prospect Park will make a capital commitment to IOI of USD\$150,000 in exchange for an IOI Membership Interest. Prospect Park and IOI are Non-Arm's Length Parties. The consideration payable for the IOI Membership Interest was negotiated by the parties.

Upon completion of the IOI Investment, if the Minimum Term Loan is extended to Serenity, Prospect Park would beneficially hold 7.5% of the IOI Membership Interest and if the Maximum Term Loan is extended to Serenity, Prospect Park would hold 5.0% of the IOI Membership Interest.

IOI and the Lenders have entered into the IOI Credit Agreement with Serenity as borrower, pursuant to which IOI (as to 20%) and the Lenders (as to 80%) have agreed to extend a loan amount equal to the Minimum Term Loan of USD\$15,000,000 or, at the option of Serenity, up to the Maximum Term Loan of USD\$20,000,000, subject to certain qualifications as outlined in the IOI Credit Agreement. On July 12, 2013, an eligible assignee (as such term is defined in the IOI Credit Agreement) of IOI extended an initial loan of USD\$1,000,000 to Serenity under the IOI Credit Agreement, and IOI will extend the remaining loan amount of USD\$2,000,000 under the Minimum Term Loan or up to USD\$3,000,000 under the Maximum Term Loan.

See "*Qualifying Transaction – Information Concerning the Target Companies*" for additional information.

Related Party Transactions

The Skyline Investment and the IOI Investment may each be considered a Related Party Transaction and, accordingly, requires (among other things) Majority of the Minority Shareholder Approval at the Meeting. As a result, the Transactions are conditional upon (among other things) the Non-Arm's Length Resolution being approved at the Meeting by a Majority of the Minority Shareholder Approval. If Majority of the Minority Shareholder Approval is obtained at the Meeting for the Non-Arm's Length Resolution and all of the conditions precedent to the completion of the Transactions contained in the respective Agreements have been satisfied or waived, the Board intends to complete the Transactions in accordance with the terms of the respective Agreements, copies of which are attached as Schedule "G" and Schedule "H" to this Circular.

The Management Agreement

The Manager is a limited partnership formed under the laws of the Province of Ontario. The General Partner of the Manager is a corporation formed and validly existing under the laws of the Province of Ontario. Pursuant to the Management Agreement to be entered into on the Closing Date, a copy of which is attached as Schedule "I" to this Circular, the Manager will be appointed the manager of Prospect Park and will provide management services to Prospect Park and be responsible for the day-to-day operations of Prospect Park. The Manager will administer, on behalf of and for the account of Prospect Park, the activities of Prospect Park in connection with the direct or indirect acquisition, administration and management of assets of Prospect Park.

Pursuant to the Management Agreement, the Manager has the right to nominate at least two members of the board of directors of Prospect Park.

The Manager and the General Partner are Non-Arm's Length Parties to Prospect Park. The management fees and performance fees payable pursuant to the Management Agreement was negotiated by Prospect Park and the Manager.

See "*Information Concerning Prospect Park – The Management Agreement*".

Directors and Management

Following the completion of the Transactions, all of the current directors and officers of Prospect Park will remain as directors and officers of the Resulting Issuer and Kyle Appleby will be appointed the new CFO in place of Samuel Herschkowitz who will relinquish that role and remain as CEO. The proposed directors and officers of the Resulting Issuer will be:

Samuel Herschkowitz – CEO and Director

Kyle Appleby – CFO

Joshua Kornberg – Director

Frank Mancuso Jr. – Director

Jeffrey Barnes – Director

Robbie Grossman – Corporate Secretary and Director

Interest of Insiders, Promoters or Control Persons

The Skyline Investment may be considered a Related Party Transaction due to Dr. Samuel Herschkowitz, one of the directors and officers of Prospect Park and Joshua Kornberg, one of the directors of Prospect Park, being the co-managing members and each 50% owners of a private company that is the managing member and sole beneficial owner of SOK (the vendor of the Skyline Shares to Prospect Park). In addition, Joshua Kornberg is the Interim Chairman of the Board, President and CEO of Skyline and Frank Mancuso Jr., one of the directors of Prospect Park, is an independent director of Skyline.

The IOI Investment may be considered a Related Party Transaction due to Dr. Samuel Herschkowitz, one of the directors and officers of Prospect Park, being the manager of IOI. Dr. Herschkowitz, holds less than 1% of the IOI Membership Interest.

The directors and officers of Prospect Park currently hold 2,010,648 Shares, representing approximately 27.3% of the issued and outstanding Shares prior to Completion of the Qualifying Transaction. Upon Closing of the Transactions, the directors and officers of Prospect Park will hold, directly and indirectly, 3,314,995 Shares, representing 37.8% of the issued and outstanding Shares upon Closing of the Transactions.

In accordance with the Policy 2.4, all of the 3,736,913 Shares issued prior to the IPO at a price below \$0.20 per Share are subject to escrow pursuant to the Escrow Agreement. All 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 Shares 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 Prospect Park held by Principals of the Resulting Issuer, will also be escrowed.

Under the Escrow Agreement, upon Completion of the Qualifying Transaction, 10% (373,691) of the escrowed Shares will be released from escrow on the issuance of the Final Exchange Bulletin and an additional 15% (560,537) will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Completion of the Qualifying Transaction.

On completion of the Qualifying Transaction, none of the Insiders (and their respective Associates and Affiliates) of the Target Companies will hold greater than 10% of the issued and outstanding Shares, with the exception of SOK, which will be holding 1,304,347 Shares upon Closing (which will represent 15.0% of the issued and outstanding Shares) and 3,018,632 Shares within 6 (six) months of Closing (which will represent 29.1% of the issued and outstanding Shares (assuming no other Shares are issued post-Closing other than the 3,018,632 Shares issued to SOK)). Mr. Samuel Herschkowitz will be holding 860,749 Shares, which will represent 11.7% of the issued and outstanding Shares prior to the completion of the Qualifying Transaction and 9.92% of the issued and outstanding Shares upon completion of the Qualifying Transaction.

The following table summarizes the share holdings of the Insiders and Promoters of Prospect Park prior to the completion of the Qualifying Transaction:

Name of Insiders or Promoter	Number of Shares	Percentage of Shares
Samuel Herschkowitz <i>Brooklyn, New York</i>	860,749	11.7%
Frank Mancuso Jr. <i>Beverly Hills, California</i>	666,566	9.0%
Jeffrey Barnes <i>Dover, Massachusetts</i>	333,333	4.5%
Robbie Grossman <i>Toronto, Ontario</i>	100,000	1.4%
Joshua Kornberg <i>Toronto, Ontario</i>	50,000	0.7%
Total	2,010,648	27.3%

The following table summarizes the share holdings of the Insiders and Promoters of the Resulting Issuer upon Completion of the Qualifying Transaction:

Name of Insiders or Promoter	Number of Shares	Percentage of Shares
Samuel Herschkowitz <i>Brooklyn, New York</i>	860,749	9.92%
Frank Mancuso Jr. <i>Beverly Hills, California</i>	666,566	7.68%
Jeffrey Barnes <i>Dover, Massachusetts</i>	333,333	3.48%
Robbie Grossman <i>Toronto, Ontario</i>	100,000	1.15%
Joshua Kornberg <i>Toronto, Ontario</i>	50,000	0.57%
SOK Partners LLC ⁽¹⁾ <i>New Jersey, United States</i>	1,304,347 ⁽²⁾⁽³⁾	15.0% ⁽²⁾⁽³⁾
Total	3,314,995	37.80%

Notes:

- (1) Dr. Samuel Herschkowitz, one of the directors and officers of Prospect Park, and Joshua Kornberg, one of the directors of Prospect Park, are the co-managing members and 50% owners of a private company that is the managing member and sole beneficial owner of SOK.
- (2) Pursuant to the SOK Agreement, CDN\$300,000 of the CDN\$1,000,000 purchase price for the Skyline Shares shall be payable at Closing by the issuance of 1,304,347 Shares at a deemed price of \$0.23 per Share.
- (3) Pursuant to the SOK Agreement, CDN\$300,000 of the CDN\$1,000,000 purchase price for the Skyline Shares shall be payable within six (6) months of Closing by the issuance of 1,714,285 Shares at a deemed price of \$0.175 per Share. After the issuance of such 1,714,285 Shares, SOK will own approximately 29.1% of the outstanding Shares (assuming no other Shares are issued post-Closing other than the 3,018,632 Shares issued to SOK).

See “*Information Concerning the Resulting Issuer – Escrowed Securities*” for additional information.

Available Funds

Based on information available as at March 31, 2014, upon Closing of the Qualifying Transaction, the Resulting Issuer expects to have estimated working capital of \$1,030,256. The estimated consolidated working capital as at the most recent month end of July, 2014 is \$987,915.

Based on information available as at July 31, 2014, upon Closing of the Qualifying Transaction, the Resulting Issuer expects to have approximately \$987,915 in available funds (\$424,565 after completion of the Transactions). The Resulting Issuer is expected to use the funds available to it in furtherance of its stated business objectives. See “*Information Concerning the Resulting Issuer – Narrative Description of the Business*”.

Financial Information

In this Circular, unless stated otherwise, all amounts are presented in Canadian dollars.

Selected Pro Forma Consolidated Financial Information

The following table summarizes selected consolidated pro forma financial information for the Resulting Issuer and should be read in conjunction with the unaudited pro forma consolidated balance sheet of the Resulting Issuer, appended as Schedule “D”. All information set out below has been prepared in accordance with Canadian generally accepted accounting principles.

	Pro Forma Balance Sheet (as of March 31, 2014) (unaudited)
Cash and equivalents	\$364,461
Current Assets	\$2,245,979
Long Term Assets	Nil
Current Liabilities	\$43,595
Long Term Liabilities	Nil
Total Liabilities	\$43,595
Shareholders’ Equity	\$2,202,384

Market Price of the Shares

The Shares trade on the Exchange under the trading symbol “PPK.P”. The closing trading price of the Shares on the Exchange on September 12, 2013 (the last day a trade of Prospect Park was made prior to the date trading was halted pending announcement of the Agreement in Principle regarding the proposed Qualifying Transaction) was \$0.23. See “*Information Concerning Prospect Park – Corporate Structure*” and “*Information Concerning Prospect Park – General Development of the Business*”.

Conditional Listing

The Exchange has conditionally accepted the Transactions as Prospect Park’s Qualifying Transaction subject to Prospect Park fulfilling all of the requirements of the Exchange on or before November 27, 2014. If Prospect Park fails to complete a Qualifying Transaction acceptable to the Exchange by March 27, 2015, or if Prospect Park fails

to comply with the Exchange's listing maintenance requirements, the Shares may be suspended from trading or delisted.

Sponsor

Pursuant to the Policy 2.2, sponsorship is required in conjunction with a Qualifying Transaction. The Sponsor of Vancouver, British Columbia has agreed to act as Sponsor pursuant to the Sponsorship Engagement Agreement entered into December 2, 2013, as supplemented by a Sponsorship Agreement between the Sponsor and Prospect Park dated on or about the Closing Date. The Sponsor will receive a fee of \$35,000 (plus GST) for providing sponsorship services, including conducting appropriate due diligence on the Transactions and this Circular in compliance with the relevant standards and guidelines applicable in Policy 2.2. Prospect Park will also reimburse the Sponsor for reasonable expenses incurred. The Sponsor owns no securities of Prospect Park other than warrants to acquire 363,500 Shares of Prospect Park pursuant to the Agent Options.

See “*Information Concerning Prospect Park – Sponsorship*”.

Conflicts of Interest

There are potential conflicts of interest to which the directors, officers, insiders and promoters of the Resulting Issuer will be subject in connection with the operations of the Resulting Issuer. Some of the directors, officers and insiders have been and will continue to be engaged in the identification and evaluation, with a view to potential acquisition of interests in businesses and corporations on their own behalf and on behalf of other corporations, and situations may arise where some or all of the directors, officers, insiders and promoters will be in direct competition with the Resulting Issuer. See “*Information Concerning the Resulting Issuer – Conflicts of Interest*” and “*Information Concerning the Resulting Issuer – Risk Factors – Directors and Conflicts of Interest*”.

Risk Factors

There are certain risks that will be associated with the securities of the Resulting Issuer due to the nature of its business, the uncertainty related to the completion of the Transactions and certain other factors. Shareholders should consider that the Resulting Issuer may not realize the anticipated benefits of the Transactions.

Shares of the Resulting Issuer will be a risky and speculative investment and are only suitable for those investors prepared to lose their entire investment.

Prospect Park has no businesses or assets, other than cash. Prospect Park has no history of earnings and it has not paid any dividends and it is unlikely to pay any dividends in the immediate or foreseeable future. Prospect Park's proposed investment in the Target Company Securities is speculative and there is not an active and liquid market for the IOI Membership Interest.

Additionally, there are certain risks that the Resulting Issuer will face in its normal course of business, following completion of the Qualifying Transaction which include:

- (i) **market risk:** the Resulting Issuer will be exposed to fluctuations in the market prices of its securities portfolio.
- (ii) **lack of liquidity of the IOI Membership Interest:** due to factors beyond its control, the Resulting Issuer may not be able to liquidate investments when it desires to do so, which may adversely affect the value of the Resulting Issuer's investments.
- (iii) **risk of limited number of investments:** the Resulting Issuer intends to participate in a limited number of investments and, as a consequence, the aggregate return of the Resulting Issuer may be substantially adversely affected by the unfavourable performance of even a single investment.

- (iv) **financing risks:** the Resulting Issuer may need to raise additional financing following Completion of the Qualifying Transaction in order to pursue its business as an investment issuer and such financing may not be available to the Resulting Issuer on favourable terms or at all.
- (v) **currency risk:** an investment in Skyline Shares and IOI Membership Interest is denominated in U.S. dollars and entails risks that are not associated with a similar investment in a security denominated in Canadian dollars. Such risks include, without limitation, the possibility of significant changes in rates of exchange between the Canadian dollar and the U.S. dollar.
- (vi) **competition:** the Resulting Issuer faces competition from other capital providers for investment opportunities.
- (vii) **key personnel:** the Resulting Issuer's success will depend on its ability to attract and retain its key personnel.
- (viii) **retention of key management:** the Resulting Issuer has not entered into any agreements with its proposed directors or officers regarding their continued involvement with the Resulting Issuer. The inability of the Resulting Issuer to retain its directors or senior officers, as a result of volatility or lack of positive performance in the Resulting Issuer's stock price, may adversely affect the Resulting Issuer's ability to carry out its business.
- (ix) **directors and conflicts of interest:** the Resulting Issuer must rely substantially on the knowledge and expertise of its directors and officers in selecting investment opportunities. Certain of the directors and officers of the Resulting Issuer are engaged and will continue to be engaged in the search for investments for themselves, angel investment groups or organizations and on behalf of others. Additionally certain of the directors of the Resulting Issuer may become directors and/or officers of the Target Companies. Conflicts of interest may arise from time to time.
- (x) **dividends:** to date, Prospect Park has not paid any dividends on its outstanding shares. Any decision to pay dividends on the shares of the Resulting Issuer will be made by the Resulting Board on the basis of the Resulting Issuer's earnings, financial requirements and other conditions.
- (xi) **dilution:** the number of Shares the Resulting Issuer is authorized to issue is unlimited. The Resulting Issuer may, in its sole discretion, issue additional Shares from time to time, and the interests of the holders of Shares may be diluted thereby.
- (xii) **potential volatility of share price:** in recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market price of securities of many junior companies have experienced wide fluctuations in price. The market price of the Shares may be volatile and could be subject to wide fluctuations due to a number of factors. Broad market fluctuations, as well as economic conditions generally and in the industries in which the Resulting Issuer will make its investment, may adversely affect the market price of the Shares.
- (xiii) **conditions precedent:** the Qualifying Transaction remains subject to a number of conditions precedent, including approval of the Exchange. There is no assurance that the Qualifying Transaction will receive Exchange approval, that all other conditions precedent will be satisfied or waived, or that the Qualifying Transaction will be completed.

- (xiv) ***Target Companies are early stage companies:*** the Resulting Issuer's investments in the Target Companies will expose the Resulting Issuer to the risks inherent with an investment in early stage companies. Each of the Target Companies is an early stage company whose products and technologies: are under development; will require further investment; are without a substantial market; are dependent on acceptance by the marketplace of new technologies; and face competition from other companies, many of which have greater financial, marketing, technological and personnel resources.
- (xv) ***prior ranking indebtedness:*** investments by the Resulting Issuer in the indebtedness of current or future Target Companies may be subordinated to permitted senior indebtedness of such Target Company. In the event of such Target Company's insolvency, bankruptcy, liquidation, reorganization, dissolution or winding up, its assets would be made available to satisfy the obligations of the creditors of such senior indebtedness before being available to pay such obligations to the Resulting Issuer. Accordingly, all or a substantial portion of such Target Company's assets could be made unavailable to satisfy the claims of the Resulting Issuer.
- (xvi) ***minority interest in Target Companies:*** the Resulting Issuer will hold a minority interest in each of the Target Companies and will have a limited ability to influence management of the Target Companies with respect to: business and financial decisions; the issuance of additional securities; and the issue price for additional securities.

See "*Information Concerning the Resulting Issuer – Risk Factors*" for additional information.

PROXY RELATED INFORMATION

Solicitation of Proxies

This Circular is provided in connection with the solicitation of proxies by the management of Prospect Park for use at the Meeting to be held on September 25, 2014, at the place and time and for the purposes set forth in the Notice and at any adjournment thereof. This solicitation is being made primarily by mail, but proxies may also be solicited by directors, officers or employees of Prospect Park. The cost of the solicitation of proxies will be borne by Prospect Park.

No Person has been authorized by Prospect Park to give any information or make any representations in connection with the transactions described herein other than those contained in this Circular and, if given or made, any such information or representation must not be relied upon as having been authorized by Prospect Park.

The Board have fixed the record date for the Meeting at the close of business on August 25, 2014. Prospect Park will prepare, as at that date, a list of Shareholders entitled to receive notice of the Meeting and showing the number of Shares held by each such Shareholder. Each Shareholder named in such list will be entitled to vote the Shares shown opposite such Shareholder's name on such list at the Meeting.

A quorum for the transaction of business at the Meeting will be present if, at such Meeting, two Shareholders holding in the aggregate five percent (5%) of the Shares entitled to vote at such Meeting are present in person or represented by proxy. Any matter that is submitted to a vote of Shareholders by ordinary resolution at the Meeting must be approved, unless otherwise indicated in this Circular, by simple majority (affirmative vote of at least 50% plus one) of the votes cast thereon. The Transactions must be approved at the Meeting by a majority of votes cast on the Non-Arm's Length Resolution excluding votes cast by any Non-Arm's Length Parties such as Prospect Park, and directors, senior officers and principal Shareholders of Prospect Park due to the Majority of the Minority Shareholder Approval requirements under MI 61-101 (such Shares expected to be excluded from voting with respect to the Non-Arm's Length Resolution at the Meeting represent 2,010,648 Shares (or approximately 27.3% of the issued and outstanding Shares)). See "*Business of the Meeting – The Transactions*" and "*Information Concerning Prospect Park – Legal Aspects of the Transaction*".

Appointment of Proxyholders

The persons named in the enclosed form of proxy are directors and officers of Prospect Park. A Shareholder has the right to appoint a person other than the persons named in the enclosed forms of proxy to attend and vote for him or her at the Meeting. In order to do so, the Shareholder may cross out the names printed in these forms of proxy and insert such person's name in the blank space provided thereon or complete another form of proxy. In either case, the duly completed forms of proxy must be delivered to Prospect Park, c/o Computershare Investor Services Inc., 100 University Avenue, 9th floor, Toronto, Ontario, M5J 2Y1, facsimile: (416) 263-9524, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the commencement of the Meeting or any adjournment thereof or the Secretary of the Meeting, on the day of the Meeting or any adjournment thereof. It is not necessary to be a Shareholder in order to act as a proxy.

Persons Making the Solicitation

The solicitation is made on behalf of the management of Prospect Park. Prospect Park will bear its costs incurred in the solicitation of proxies and the preparation and mailing of the meeting materials, including this Circular. In addition to solicitation by mail, proxies may be solicited by personal interviews, telephone or by other means of communication and by the respective directors and officers of Prospect Park who will not be specifically remunerated therefor. While no arrangements have been made to date by Prospect Park, it may contract for the distribution and solicitation of proxies for the Meeting.

Revocation of Proxies

A Shareholder may revoke his proxy at any time, relating to any question for which the voting right granted by the proxy has not yet been exercised, by instrument in writing executed by the Shareholder or by his attorney authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized. Such revocation must be deposited with Prospect Park, c/o Computershare Investor Services Inc., 100 University Avenue, 9th floor, Toronto, Ontario, M5J 2Y1, facsimile: (416) 263-9524, at any time up to and including the day preceding the day of the Meeting, or with the Secretary of the Meeting on the day of the Meeting, or in any other manner permitted by law.

Exercise of Proxy

The voting rights attached to the Shares in the capital of Prospect Park represented by proxies will be voted or withheld from voting in accordance with the instructions indicated therein. If no instructions are given, the voting rights attached to said Shares will be exercised by those persons designated in the form of proxy and will be voted IN FAVOUR of all the matters described therein.

The enclosed form of proxy confers discretionary voting authority upon the persons named therein with respect to amendments to matters identified in the Notice of Meeting, and with respect to such matters as may properly come before the Meeting. As of the date hereof, management of Prospect Park knows of no such amendments or other matters to come before the Meeting.

Non-Registered Holders

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Shareholders who do not hold their Shares in their own name (the "Non-Registered Shareholders") are advised that only proxies from shareholders of record can be recognized and voted at the Meeting.

Most Shareholders are Non-Registered Shareholders because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares. Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Shareholder deals with in respect of the Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or

administrators of self administered registered retirement savings plans, registered retirement investment funds, registered education savings plans and similar plans); or (ii) in the name of a clearing agency (such as The CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant.

There are two kinds of Non-Registered Shareholders – those who object to their name being made known to the issuers of securities which they own (called “**OBOs**” for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called “**NOBOs**” for Non-Objecting Beneficial Owners). The Notice of Meeting, this Circular and the instrument of proxy or a voting instruction form and the request form (collectively, the “**Meeting Materials**”) are being sent to both registered Shareholders and Non-Registered Shareholders. If you are a Non-Registered Shareholder, and Prospect Park or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send these materials to you directly, Prospect Park (and not the Intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Non-Objecting Beneficial Owners

If you are a NOBO, Prospect Park is sending the Meeting Materials to you directly. Please complete the voting instruction form and carefully follow the instructions therein for return of the executed form or other method of response. If you wish to vote in person at the Meeting (or to have another person attend and vote on your behalf), you must insert your own name (or such other person’s name) in the space provided for the appointment of a proxyholder on the voting instruction form and carefully follow the instructions therein for return of the executed form or other method of response.

Objecting Beneficial Owners

In accordance with applicable securities law requirements, Prospect Park will have distributed copies of the Meeting Materials to the clearing agencies and Intermediaries for distribution to OBOs.

Intermediaries are required to forward the Meeting Materials to OBOs unless an OBO has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to OBOs.

OBOs are not permitted to vote at the Meeting. Generally, OBOs who have not waived the right to receive Meeting Materials will either:

- i) be given a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the OBO and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a “**voting instruction form**”) which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of a one page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for the form of proxy to validly constitute a voting instruction form, the OBO must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or
- ii) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the OBO but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the OBO when submitting the proxy. In this case, the OBO who wishes to submit a proxy should properly complete the form of proxy and **deposit it with Prospect Park, c/o Computershare Investor Services Inc., 100 University Avenue, 9th floor, Toronto, Ontario, M5J 2Y1.**

In either case, the purpose of these procedures is to permit OBOs to direct the voting of the Shares they beneficially own. Should an OBO who receives one of the above forms wish to vote at the Meeting in person (or have another person attend and vote on behalf of the OBO), the OBO should strike out the persons named in the instrument of proxy and insert the OBO or such other person's name in the blank space provided. **In either case, OBOs should carefully follow the instructions of their Intermediary, including those regarding when and where the instrument of proxy or voting instruction form is to be delivered.**

An OBO may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting Materials and to vote which is not received by the Intermediary at least seven (7) days prior to the Meeting.

Unless otherwise indicated in this Circular and in the form of proxy and Notice of Meeting attached hereto, shareholders shall mean registered shareholders.

BUSINESS OF THE MEETING

To the knowledge of the directors of Prospect Park, the only matters to be brought before the Meeting are those set forth in the accompanying Notice of Meeting.

Financial Statements

Pursuant to the OBCA, the directors of Prospect Park will place before the Shareholders at the Meeting (i) the audited financial statements of Prospect Park for the period from September 7, 2012 (date of incorporation) to December 7, 2012 and the period from December 8, 2012 to September 30, 2013, and the auditors' report thereon; and (ii) the interim financial statements of Prospect Park for the three months and six months ended March 31, 2014, accompanying this Circular. Shareholder approval is not required in relation to the financial statements.

Election of Directors

The Board presently consists of five directors, each of whom management propose to nominate for re-election at the Meeting until the next annual meeting. All of the current directors have been directors since the dates indicated below and all will be standing for re-election. A director's election is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

Each director will hold office until his re-election or replacement at the next annual meeting of the shareholders unless he resigns his duties or his office becomes vacant following his death, dismissal or any other cause prior to such meeting.

Unless otherwise instructed, proxies and voting instructions given pursuant to this solicitation by the management of Prospect Park will be voted for the election of the proposed nominees. **If any proposed nominee is unable to serve as a director, the individuals named in the enclosed form of proxy reserve the right to nominate and vote for another nominee in their discretion.**

Nominees to the Board of Directors

Name, Residence and Position with Prospect Park	Principal Occupation or Employment during the last five years	Served as Director Since	Number of Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed(1)
Samuel Herschkowitz ⁽¹⁾ <i>Brooklyn, New York</i> CEO and Director	Medical doctor since 1976. CEO of Serenity Pharmaceutical Corporation since 2006. Director, Chief Operating Officer and Chief Technical Officer of Delcath Systems, Inc. from 1994 to June 2007.	September 7, 2012	860,749
Joshua Kornberg <i>Toronto, Ontario</i> Director	Interim Chairman of the Board of Skyline since August 2013. CEO and President of Skyline since July 2012 and director since March 2012. President and founding partner of Atlantic Partners Alliance, LLC, a private equity fund based in New York since May 2008. Chief Investment Officer of The Lightstone Group and Director of the Lightstone Value Plus REIT from February 2006 to April 2008.	December 17, 2013	50,000
Frank Mancuso Jr. ⁽¹⁾ <i>Beverly Hills, California</i> Director	Director of Skyline since August 2013. President of Boss Media, LLC since April 2011. President of 360 Pictures, LLC from March 2006 to March 2011.	September 7, 2012	666,566
Jeffrey Barnes ⁽¹⁾ <i>Dover, Massachusetts</i> Director	Managing Director of BioVentures Investors Management, LLC since January 2010. General Partner at Oxford Bioscience Partners Management Corp. from September 1999 to August 2009.	September 7, 2012	333,333
Robbie Grossman <i>Toronto, Ontario</i> Corporate Secretary and Director	Corporate finance and securities partner at McMillan LLP since September 2013. Corporate finance and securities lawyer at Garfinkle Biderman LLP from February 2004 to September 2013.	September 7, 2012	100,000

Notes:

- (1) Member of the Audit Committee.

Corporate Cease Trade Orders or Bankruptcies

None of the proposed directors of Prospect Park is, as at the date hereof, or has been, within the previous 10 years, a director, chief executive officer or chief financial officer of any company (including Prospect Park) that, (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer, or (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

None of the proposed directors of Prospect Park is, as at the date hereof, or has been, within the previous 10 years, a director or executive officer of any company (including Prospect Park) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

None of the proposed directors of Prospect Park has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Personal Bankruptcies

None of the proposed directors of Prospect Park has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become 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 the proposed director.

Appointment of Auditors

Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or voting instruction form in favour of the re-appointment of KPMG LLP, as auditors of Prospect Park and the Resulting Issuer upon, and subject to, completion of the Transactions, to hold office until the next annual meeting of shareholders and the authorization of the directors of Prospect Park to fix their remuneration.

The resolution re-appointing KPMG LLP as auditors of Prospect Park and the Resulting Issuer is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

Stock Option Plan

Under section 2.9(b) of Policy 4.4, all rolling stock option plans, such as the 2013 Option Plan, must receive Shareholder approval yearly, at Prospect Park's annual shareholders meeting.

At the Meeting, Shareholders will be asked to pass a resolution approving the 2014 Option Plan, a copy of which (including a version compared to the 2013 Option Plan) is attached hereto as Schedule "F". A new clause (under Section 2.05) has been added extending the expiry date of options by ten (10) business days if the expiry date falls within a blackout period, and specific terms intending on ensuring compliance with the CPC Policy have been removed. Accordingly, at the Meeting, Shareholders are being asked to consider and, if thought advisable, approve an ordinary resolution in the form attached hereto as Appendix "II".

Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or voting instruction form in favour of authorizing and approving the 2014 Option Plan (the full text of which is attached to this Circular as Schedule “F”). The directors of Prospect Park recommend that shareholders vote in favour of the approval of the 2014 Option Plan.

The resolution authorizing and approving the 2014 Option Plan is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

The Transactions

The Skyline Investment and the IOI Investment may each be considered a Related Party Transaction and, accordingly, requires (among other things) Majority of the Minority Shareholder Approval at the Meeting. As a result, the Transactions are conditional upon (among other things) the Non-Arm’s Length Resolution being approved at the Meeting by a Majority of the Minority Shareholder Approval. If Majority of the Minority Shareholder Approval is obtained at the Meeting for the Non-Arm’s Length Resolution and all of the conditions precedent to the completion of the Transactions contained in the respective Agreements have been satisfied or waived, the Board intends to complete the Transactions in accordance with the terms of the respective Agreements, copies of which are attached as Schedule “G” and Schedule “H” to this Circular.

See “*Qualifying Transaction – Information Concerning the Target Companies*” for additional information.

Board Approval and Recommendation

Election of Directors

The board of directors of Prospect Park recommends that shareholders vote in favour of the electing as directors the five nominees of management listed in the table listed under “*Business of the Meeting – Election of Directors*”.

Appointment of Auditors

The board of directors of Prospect Park recommend that shareholders vote in favour of the resolution appointing KPMG LLP as auditors of Prospect Park and the Resulting Issuer, and the authorization of the directors of Prospect Park to fix their remuneration (the text of which is set out at Appendix “I” hereto).

Approval of 2014 Option Plan

The board of directors of Prospect Park recommend that shareholders vote in favour of the resolution authorizing and approving the 2014 Option Plan (the text of which is set out at Appendix “II” hereto).

Approval of the Transactions

The board of directors of Prospect Park has reviewed the terms of the Transactions, and authorized the entry by Prospect Park into each of the respective Agreements, as well as the mailing of this Circular to Shareholders. Subject to the following, the Board has each unanimously determined that the Transactions are in the best interests of Prospect Park and its Shareholders.

As Dr. Samuel Herschkowitz and Joshua Kornberg are the co-managing members and each 50% owners of a private company that is the managing member and sole beneficial owner of SOK (the vendor of the Skyline Shares to Prospect Park) and in addition, as Joshua Kornberg is a director and officer of Skyline and Frank Mancuso Jr., one of the directors of Prospect Park, is an independent director of Skyline, Dr. Samuel Herschkowitz, Joshua Kornberg and Frank Mancuso Jr. abstained from voting on the motion to recommend or approve the SOK Agreement or the Skyline Investment pursuant to section 132(5) of the OBCA.

As Dr. Samuel Herschkowitz is the manager of IOI and the CEO of Serenity, he abstained from voting on the motion to recommend or approve the IOI Agreement or the IOI Investment pursuant to section 132(5) of the OBCA.

Based on the foregoing, the Board unanimously recommends that the Shareholders approve at the Meeting the Transactions by voting in favour of the Non-Arm's Length Resolution (the text of which is set out at Appendix "III" hereto).

Unless otherwise directed in a Proxy, it is the intention of the Nominees to vote proxies in favour of the Non-Arm's Length Resolution.

In the event that the Non-Arm's Length Resolution does not receive Majority of the Minority Shareholder Approval at the Meeting or if the Qualifying Transaction is not completed for some other reason prior to March 28, 2015, the Shares may be delisted from the Exchange.

INFORMATION CONCERNING PROSPECT PARK

Corporate Structure

Prospect Park was incorporated on September 7, 2012, under the OBCA under the name Prospect Park Capital Corp. On October 29, 2012, Prospect Park's articles were amended by removing private company restrictions. The principal and registered office of Prospect Park is located at 181 Bay Street, Suite 4400, Toronto, Ontario, M5J 2T3. Prospect Park is a reporting issuer in the provinces of British Columbia, Alberta and Ontario and the Shares are listed for trading on the Exchange. Prospect Park has no subsidiaries.

General Development of the Business

History

Prospect Park is a CPC pursuant to the Policy 2.4. Prospect Park completed the IPO by issuing 3,635,000 Shares for gross proceeds of \$727,000 on March 27, 2013. The Shares commenced trading on the Exchange on March 28, 2013 under the trading symbol "PPK".

The sole business of Prospect Park since its incorporation has been to identify and evaluate opportunities for the acquisition of an interest in assets or businesses, and once identified and evaluated, to negotiate an acquisition or participation so as to complete a Qualifying Transaction. Prospect Park does not have any business operations or assets other than cash, and currently has no written or oral agreements in principle for the acquisition of an asset or business other than in respect of the Qualifying Transaction. Upon completion of the Qualifying Transaction, the Shares will continue to be listed on the Exchange under the trading symbol "PPK".

Selected Consolidated Financial Information and Management's Discussion and Analysis

Information from Inception

Since September 7, 2012 (date of incorporation), Prospect Park has incurred the following costs in carrying out its IPO, in seeking, evaluating and negotiating potential Qualifying Transactions and in meeting the disclosure obligations required for a reporting issuer listed for trading on the Exchange.

Costs		Balance Sheet (as of September 30, 2013) (unaudited)
Expenses		
<i>Professional Fees</i>	<i>\$21,071</i>	
Total Expenses		<i>\$21,071</i>
Deferred acquisition costs		<i>Nil</i>

Costs		Balance Sheet (as of September 30, 2013) (unaudited)
Expenses		
<i>IPO</i>	<i>\$139,861</i>	
<i>Seeking, evaluating and negotiating potential Qualifying Transaction</i>	<i>\$15,799</i>	
<i>Disclosure Obligations</i>	<i>\$35,686</i>	
Total Expenses		<i>\$191,346</i>
Deferred acquisition costs		<i>Nil</i>
Interest income		<i>\$715</i>

Consolidated Pro-Forma Financial Information

The following table summarizes selected consolidated pro forma financial information for the Resulting Issuer and should be read in conjunction with the unaudited pro forma consolidated balance sheet of the Resulting Issuer, appended as Schedule "D". All information set out below has been prepared in accordance with Canadian generally accepted accounting principles.

	Pro Forma Balance Sheet (as of March 31, 2014) (unaudited)
Cash and equivalents	\$364,461
Current Assets	\$2,245,979
Long Term Assets	Nil
Current Liabilities	\$43,595
Long Term Liabilities	Nil
Total Liabilities	\$43,595
Shareholders' Equity	\$2,202,384

Management's Discussion and Analysis

Prospect Park's management's discussion and analysis for the period from December 8, 2012 to September 30, 2013 is incorporated by reference and attached to this Circular as Schedule "B", and should be read in conjunction with Prospect Park's audited financial statements and notes thereto also included in this Circular as Schedule "A". The audited financial statements of Prospect Park included in this Circular as Schedule "A" are for the period from the date of incorporation (September 7, 2012) to December 7, 2012 and the period from December 8, 2012 to September 30, 2013.

Prospect Park's unaudited interim financial statements for the three months and six months ended March 31, 2014 is incorporated by reference and attached to this Circular as Schedule "C".

An unaudited consolidated pro forma balance sheet for the Resulting Issuer, giving effect to the Transactions as at March 31, 2014 is attached to this Circular as Schedule "D".

Description of the Securities

The authorized capital of Prospect Park consists of an unlimited number of Shares without par value. As at the date of this Circular, there are 7,371,913 Shares issued and outstanding. The holders of the Shares are entitled to vote at all meetings of shareholders of Shares, to receive dividends if, as and when declared by the directors and to participate ratably in any distribution of property or assets upon the liquidation, winding-up or other dissolution of Prospect Park. The Shares carry no pre-emptive rights, conversion or exchange rights, or redemption, retraction, repurchase, sinking fund or purchase fund provisions. There are no provisions requiring the holder of Shares to contribute additional capital and no restrictions on the issuance of additional securities by Prospect Park. There are no restrictions on the repurchase or redemption of Shares by Prospect Park except to the extent that any such repurchase or redemption would render Prospect Park insolvent.

Stock Options

At the closing of the IPO, Prospect Park Capital also granted Incentive Stock Options to its then existing four officers and directors to acquire a total of 737,191 Shares. The options may be exercised for a period of ten years at a price of \$0.20 per share.

The details of the Incentive Stock Options grants to the directors are described in the table below:

Name of Optionee	No. of Shares reserved under Option if maximum offering is subscribed for	Exercise Price	Expiration Date
Samuel Herschkowitz	368,595	\$0.20	March 27, 2023 – 10 years from the date of grant
Frank Mancuso Jr.	138,967	\$0.20	March 28, 2023 – 10 years from the date of grant
Jeffrey Barnes	71,149	\$0.20	March 28, 2023 – 10 years from the date of grant
Robbie Grossman	158,480	\$0.20	March 28, 2023 – 10 years from the date of grant
Total	737,191		

Stock Option Terms

The policies of the Exchange and the 2013 Option Plan provide that the board of directors of Prospect Park may from time to time, in its discretion and in accordance with the Exchange requirements, grant to directors, officers and employees of Prospect Park as well as Management Company Employees and Consultants (as such terms are defined in Policy 4.4), non-transferable options to purchase Shares, provided that the number of Shares reserved for issuance will not exceed 10% of the total issued and outstanding Shares of Prospect Park, exercisable for a period of up to ten (10) years from the date of the grant. The number of Shares reserved for issuance to any individual director or officer of Prospect Park will not exceed 5% of the issued and outstanding Shares (2% in the case of all optionees providing investor relations services to Prospect Park and 2% in the case of all technical consultants of Prospect Park in any 12 month period). The exercise price of any option granted pursuant to the 2013 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 2013 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 Prospect Park 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 ends prior to the Completion of the Qualifying Transaction such Incentive Stock Options shall only be exercisable for 90 days.

Any 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 “*Information Concerning the Resulting Issuer – Escrowed Securities*”.

The options of granted to the optionees who are residents of the U.S., namely, Samuel Herschkowitz, Frank Mancuso Jr. and Jeffrey Barnes, are subject to stock option certificates containing, amongst other things, a clause prohibiting the exercise of such options prior to Prospect Park completing a Qualifying Transaction if it would result in Prospect Park failing to maintain its status as a “foreign private issuer” as such term is defined in the United States Securities Act of 1933, as amended.

Prior Sales

Since the date of incorporation (September 7, 2012) of Prospect Park, 7,371,913 Shares have been issued as follows:

Date Issued	Number of Shares	Issue Price Per Share	Aggregate Issue Price	Nature of Consideration
October 18, 2012	1,010,749 ⁽¹⁾	\$0.10	\$101,074.90	Cash
October 31, 2012	200,000 ⁽¹⁾	\$0.10	\$20,000.00	Cash
November 1, 2012	2,526,164 ⁽¹⁾	\$0.15	\$378,925.10	Cash
March 27, 2013	3,635,000	\$0.20	\$727,000	Cash
Total	7,371,913			

Notes:

- (1) All of these Shares were placed in escrow pursuant to the Escrow Agreement in accordance with the Policy 2.4. See *"Information Concerning the Resulting Issuer – Escrowed Securities"*.

Conditional Listing

The Exchange has conditionally accepted the Transactions as Prospect Park's Qualifying Transaction subject to Prospect Park fulfilling all of the requirements of the Exchange. If Prospect Park fails to complete a Qualifying Transaction acceptable to the Exchange by March 27, 2015, or if Prospect Park fails to comply with the Exchange's listing maintenance requirements, the Shares may be suspended from trading or delisted.

Stock Exchange Price

The following table shows the monthly high, low and closing prices and average trading volume of Shares between March 28, 2013, being the first day the Shares began trading on the Exchange, and September 12, 2013, being the last trade day prior to the Shares being halted from trading on the Exchange on September 20, 2013:

Month	High	Low	Closing	Volume
March 2013 ⁽¹⁾	N/A	N/A	N/A	N/A
April 2013	0.24	0.22	0.22	30,000
May 2013	0.21	0.21	0.21	10,000
June 2013	0.22	0.22	0.22	34,903
July 2013	0.22	0.22	0.22	51,000
August 2013	N/A	N/A	N/A	N/A
September 2013 ⁽²⁾	0.23	0.23	0.23	195,000

Notes:

- (1) The trading of the Shares on the Exchange commenced on March 28, 2013.

- (2) The trading of the Shares was halted on September 20, 2013 pending review of the Qualifying Transaction by the Exchange.
- (3) For the month where the high, low, close and volume of Shares on the Exchange are listed as N/A, no trading of Shares occurred during this period.

Interest of Certain Persons or Companies in Matters to be Acted Upon

Except as described below and elsewhere in this Circular, management of Prospect Park is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of (a) any director or executive officer of Prospect Park, (b) any proposed nominee for election as a director of Prospect Park, and (c) any associates or affiliates of any of the persons or companies listed in (a) and (b), in any matter to be acted on at the Meeting.

Non-Arm's Length Party Transactions / Related Party Transactions

Skyline Transaction

Skyline is a public corporation incorporated pursuant to the laws of the State of Delaware and is a medical device company.

Prospect Park entered into the SOK Agreement with SOK, pursuant to which Prospect Park will acquire from SOK that number of Skyline Shares equal to CDN\$1,700,000 divided by the last closing price of the Skyline Shares (on the stock exchange that the Skyline Shares are then trading) prior to the Closing Date with respect to the Skyline Investment for the purchase price of CDN\$1,000,000. The purchase price of CDN\$1,000,000 shall be payable as follows: (i) CDN\$400,000 payable in cash, certified cheque or electronic transfer at Closing; (ii) CDN\$300,000 payable at Closing by the issuance of 1,304,347 Shares at a deemed price of \$0.23 per Share; and (iii) CDN\$300,000 payable within six (6) months of Closing by the issuance of 1,714,285 Shares at a deemed price of \$0.175 per Share. Pursuant to Article 3 of the SOK Agreement and subject to the conditions and adjustments contained therein, SOK covenants and agrees to provide Downside Protection to Prospect Park for the Skyline Shares acquired pursuant to the Skyline Investment, such Downside Protection to be determined as of the 90th calendar day after Closing and as of the 12 month anniversary of Closing. See "*Qualifying Transaction – Information Concerning the Target Companies - Skyline Transaction*" for additional information.

The Skyline Investment may be considered a Related Party Transaction under MI 61-101. SOK and Skyline are Non-Arm's Length Parties to Prospect Park under Policy 2.4 due to Dr. Samuel Herschkowitz, one of the directors and officers of Prospect Park, and Joshua Kornberg, one of the directors of Prospect Park, being the co-managing members and each 50% owners of a private company that is the managing member and sole beneficial owner of SOK (the vendor of the Skyline Shares to Prospect Park). In addition, Joshua Kornberg is a director and officer of Skyline and Frank Mancuso Jr., one of the directors of Prospect Park, is an independent director of Skyline.

The consideration payable for the Skyline Shares of CDN\$1,000,000 was negotiated by Prospect Park and SOK. Based on the nominal noon exchange rate on August 28, 2014 as reported by the Bank of Canada for the conversion of United States dollars into Canadian dollars (\$1.0857), the closing price of the Skyline Shares on the last trading date prior to the date hereof (\$0.14), and the issued and outstanding Skyline Shares as of March 31 2014 (222,213,697), upon completion of the Skyline Investment, Prospect Park would beneficially hold approximately 5.03% of the outstanding Skyline Shares as at the Closing Date.

IOI Transaction

IOI is a limited liability company duly organized under the laws of the State of Delaware and is a company that invests in one or more pharmaceutical companies.

IOI and the Lenders have entered into the IOI Credit Agreement with Serenity as borrower, pursuant to which IOI (as to 20%) and the Lenders (as to 80%) have agreed to extend a loan amount equal to the Minimum Term Loan of USD\$15,000,000 or, at the option of Serenity, up to the Maximum Term Loan of USD\$20,000,000, subject to

certain qualifications as outlined in the IOI Credit Agreement. On July 12, 2013, an eligible assignee (as such term is defined in the IOI Credit Agreement) of IOI extended an initial loan of USD\$1,000,000 to Serenity under the IOI Credit Agreement, and IOI will extend the remaining loan amount of USD\$2,000,000 under the Minimum Term Loan or up to USD\$3,000,000 under the Maximum Term Loan.

The proceeds of the Term Loan will be used by Serenity to fund clinical trials of the Compound desmopressin for treatment of certain urologic diseases and conditions, continuing operations related to the clinical trials of the Compound, the NDA filing with respect to the Compound commercialization thereof and transaction expenses relating thereto and any associated legal expense and general and administrative expenses.

Prospect Park entered into the IOI Agreement with IOI pursuant to which Prospect Park will make a capital contribution to IOI of USD\$150,000 in exchange for an IOI Membership Interest.

Upon completion of the IOI Investment, if the Minimum Term Loan is extended to Serenity, Prospect Park would beneficially hold 7.5% of the IOI Membership Interest and if the Maximum Term Loan is extended to Serenity, Prospect Park would hold 5.0% of the IOI Membership Interest.

The IOI Investment may be considered a Related Party Transaction under MI 61-101. IOI is a Non-Arm's Length Party to Prospect Park under Policy 2.4 due to Dr. Samuel Herschkowitz, one of the directors and officers of Prospect Park, being the manager of IOI. Dr. Herschkowitz, holds less than 1% of the IOI Membership Interest. Dr. Samuel Herschkowitz, is also the CEO of Serenity. The consideration payable for the IOI Membership Interest was negotiated by the parties.

See "*Business of the Meeting – The Transactions*" and "*Qualifying Transaction – Information Concerning the Target Companies*" for additional information.

The Management Agreement

The Manager, Prospect Park Management Limited Partnership, is a limited partnership formed under the laws of the Province of Ontario pursuant to a limited partnership agreement dated March 19, 2014 between the General Partner and Joshua Kornberg and Dr. Samuel Herschkowitz as limited partners, which authorized the General Partner to carry on the business of the Manager. The General Partner of the Manager, Prospect Park Management Inc., was incorporated pursuant to the provisions of the OBCA on March 19, 2014. The address of both the principal place of business of the Manager and the registered office of the General Partner is 181 Bay Street, Suite 4400, Toronto, Ontario, M5J 2T3.

Pursuant to the Management Agreement, to be entered into by the Manager and executed by the General Partner on behalf of the Manager on the Closing Date, the Manager will be appointed the manager of Prospect Park and will provide management services to Prospect Park and be responsible for the day-to-day operations of Prospect Park. The Manager will administer, on behalf of and for the account of Prospect Park, the activities of Prospect Park in connection with the direct or indirect acquisition, administration and management of assets of Prospect Park. A copy of the Management Agreement is attached as Schedule "I" to this Circular.

Pursuant to the Management Agreement, the Manager has the right to nominate at least two members of the board of directors of Prospect Park.

Joshua Kornberg and Dr. Samuel Herschkowitz are the limited partners of the Manager and the sole officers, directors and shareholders of the General Partner of the Manager. Further information on each of the directors of the General Partner of the Manager, including residence, position and principal occupations for the last five years are set out below under "*Business of Meeting – Election of Directors – Nominees of the Board of Directors*".

Pursuant to the Management Agreement, Prospect Park may delegate certain of its powers to third parties at no additional cost to Prospect Park where, in the discretion of the Manager, it would be in the best interests of Prospect

Park and the Shareholders to do so, provided that such delegation shall not relieve the Manager of any of its obligations under the Management Agreement

The Manager, the General Partner and their agents or delegates shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Manager and the General Partner will not be liable in any way for any default, failure or defect of the assets of Prospect Park if the Manager has satisfied the duties and the standard of care, diligence and skill as set forth above.

The Management Agreement shall have an initial term of five (5) years (the “**Initial Term**”) and may be automatically renewed for successive one (1) year terms (the “**Additional Term**”). The Management Agreement may be terminated by either party at the end of the Initial Term or any Additional Term with 180 days notice. Pursuant to the Management Agreement, Prospect Park or the Manager may also terminate the Management Agreement in the event that the other party is in material breach of its obligations or default of the material provisions of the Management Agreement and such breach or default has not been cured within 30 days following notice thereof. In addition, the Management Agreement may be terminated in certain circumstances (i.e. a special resolution of the shareholders of Prospect Park, fraudulent acts, bankruptcy or insolvency of Manager or a change of control of Prospect Park) in accordance with the Management Agreement.

Pursuant to the Management Agreement, the Manager shall receive a monthly management fee (a “**Management Fee**”) equal to 1/12th of 2% of the net asset value of Prospect Park, inclusive of any taxes payable by Prospect Park in respect of the Management Fee, calculated as of the last Business Day of each month.

In addition to the Management Fee, the Manager shall receive in respect of each fiscal year of Prospect Park, a performance fee (the “**Performance Fee**”) equal to 20% of the net appreciation in the net asset value of Prospect Park calculated as of the last day of such fiscal year in excess of the net asset value of Prospect Park calculated as of the last day of the previous fiscal year, less any taxes payable by Prospect Park in respect of the Performance Fee. During Prospect Park’s 2014 fiscal year the Performance Fee shall be calculated, accrued and paid in respect of performance from the Closing Date to September 30, 2014 and pro-rated for such period. Where the cash on hand is insufficient to satisfy the Performance Fee in full on the date on which such payment is required hereunder, the Performance Fee shall be paid as to the amount of such cash, net of Prospect Park’s working capital requirements as reasonably determined by the Manager available on the required date and the balance shall be accrued and paid as and when sales proceeds of Prospect Park’s investments become available. In addition, notwithstanding anything to the contrary in the Management Agreement, in the event the payment of the Performance Fee will directly or indirectly result in the Prospect Park’s cash and cash equivalents to go below \$100,000 during the twelve (12) month period following the Closing Date, the Performance Fee will be deferred.

Shareholdings of Directors and Officers of Prospect Park

The directors and officers of Prospect Park currently hold 2,010,648 Shares, representing approximately 27.3% of the issued and outstanding Shares prior to Completion of the Qualifying Transaction. The Shares were issued at prices ranging from \$0.10 to \$0.15 per Share and the directors and officers of Prospect Park at the time of the IPO were granted options to purchase up to 737,191 Shares at a price of \$0.20 per Share pursuant to the IPO. Upon Closing of the Transactions, the directors and officers of Prospect Park will hold, directly and indirectly, 3,314,995 Shares, representing 37.8% of the issued and outstanding Shares upon Closing of the Transactions due to the issuance of 1,304,347 Shares to SOK pursuant to the SOK Agreement upon Closing of the Transactions.

Conflicts of Interest

Prior to making any investment commitment, including with respect to the Transactions, all members of the Board shall disclose their interest in the potential investment. Where a conflict is determined to exist within the Board, the director having a conflict of interest shall abstain from making further decisions or recommendation concerning the potential investment and from voting on all matters related to the potential investment.

Legal Aspects of the Transactions

Canadian Securities Law Matters

The Skyline Investment and the IOI Investment are subject to Majority of the Minority Shareholder Approval pursuant to Policy 2.4 and MI 61-101 at the Meeting. See “*Business of the Meeting – The Transactions*” and “*Information Concerning Prospect Park – Legal Aspects of the Transactions*”.

MI 61-101 is intended to regulate certain transactions to ensure the protection and fair treatment of minority securityholders. The Skyline Investment and the IOI Investment each may be considered a Related Party Transaction under MI 61-101 and, as such, MI 61-101 imposes certain requirements on Prospect Park in respect of the Transactions.

Majority of the Minority Shareholder Approval

MI 61-101 requires that, unless exempted, the Non-Arm’s Length Resolution must receive Majority of the Minority Shareholder Approval at the Meeting. Accordingly, votes attaching to shares held by Non-Arm’s Length Parties such as Prospect Park and directors, senior officers and principal securityholders of Prospect Park (Prospect Park being an “interested party” under MI 61-101), as the case may be, must be excluded from the votes in respect of the Non-Arm’s Length Resolution for Majority of the Minority Shareholder Approval, as described in further detail below.

To the knowledge of Prospect Park and its directors and senior officers, after reasonable inquiry, votes attaching to the following Shares will be excluded for the purposes of the Majority of the Minority Shareholder Approval of the Non-Arm’s Length Resolution:

Name of Insiders or promoters	Number of Shares Beneficially Owned or Over which Control or Direction is Exercised	Percentage of Shares
Samuel Herschkowitz <i>Brooklyn, New York</i>	860,749	11.7%
Frank Mancuso Jr. <i>Beverly Hills, California</i>	666,566	9.0%
Jeffrey Barnes <i>Dover, Massachusetts</i>	333,333	4.5%
Robbie Grossman <i>Toronto, Ontario</i>	100,000	1.4%
Joshua Kornberg <i>Toronto, Ontario</i>	50,000	0.7%
Total	2,010,648	27.3%

Formal Valuation

MI 61-101 provides that, unless exempted, an issuer proposing to carry out a “related party transaction” is required to engage an independent valuator to prepare a formal valuation of the affected securities and to provide to the holders of the affected securities a summary of such valuation. In connection with the Transactions, an exemption from this valuation requirement is available pursuant to MI 61-101, because none of the securities of Prospect Park are listed or quoted on any of the exchanges or markets listed in MI 61-101.

Prior Valuations

MI 61-101 requires Prospect Park to disclose any prior valuations of Prospect Park or their securities or material assets made in the 24 months preceding the date of this Circular, whether or not prepared by an independent valuator, that, if disclosed, would reasonably be expected to affect the decision of a Shareholder to vote for or against the Non-Arm's Length Resolution, or to retain or dispose of his, her or its Shares. After reasonable inquiry, neither Prospect Park nor any director or any senior officer of Prospect Park has knowledge of any such prior valuation.

Voting Securities and Principal Holders

As at the date hereof, Prospect Park had 7,371,913 Shares outstanding, representing Prospect Park's only securities with respect to which a voting right may be exercised at the Meeting. Each Share carries the right to one vote at the Meeting. A quorum for the transaction of business at the Meeting is two Shareholders, or one or more Proxyholders representing two Shareholders, or one Shareholder and a Proxyholder representing another Shareholder, holding or representing not less than five percent (5%) of the issued and outstanding Shares enjoying voting rights at the Meeting.

The Record Date to determine the shareholders' eligibility to receive the Notice of Meeting and vote at the Meeting was fixed at August 25, 2014 (the "**Record Date**").

To the knowledge of the directors and senior officers of Prospect Park as at the date hereof, based on information provided on the System for Disclosure by Insiders (SEDI) and on information filed by third parties on the System for Electronic Document Analysis and Retrieval (SEDAR), no person or corporation beneficially owned, directly or indirectly, or exercised control or discretion over, voting securities of Prospect Park carrying more than 10% of the voting rights attached to any class of voting securities of Prospect Park, other than the following:

Name	Number of Shares	Percentage of Shares
Samuel Herschkowitz <i>Brooklyn, New York</i>	860,749	11.7%

Legal Proceedings

Prospect Park is not involved in any legal proceedings and no such proceedings are known to Prospect Park to be contemplated.

Auditors, Registrar and Transfer Agent

KPMG LLP is the current auditor for Prospect Park. KPMG LLP's offices are located at 333 Bay Street, Suite 4600, Toronto, Ontario, M5H 2S5. See "*Business of the Meeting – Appointment of Auditors*".

It is expected that Computershare Investor Services Inc., the current registrar and transfer agent for Prospect Park, will serve as the Resulting Issuer's registrar and transfer agent. It is expected that transfers of the securities of the Resulting Issuer may be recorded at registers maintained by Computershare Investor Services Inc. in Toronto, Ontario.

Sponsorship

The Sponsor of Vancouver, British Columbia has agreed to act as Sponsor pursuant to the Sponsorship Engagement Agreement entered into on December 2, 2013, as supplemented by a Sponsorship Agreement between the Sponsor and Prospect Park dated on or about the Closing. The Sponsor will receive a fee of \$35,000 (plus GST) for providing sponsorship services, including conducting appropriate due diligence on the Transactions and this Circular

in compliance with the relevant standards and guidelines applicable in Policy 2.2. Prospect Park will also reimburse the Sponsor for expenses incurred. The Sponsor owns no securities of Prospect Park other than broker warrants to acquire 363,500 Shares until March 29, 2015.

Material Contracts

The following are the material contracts of Prospect Park that are outstanding as of the date of this Circular:

- a) Transfer Agent, Registrar and Dividend Disbursing Agent Agreement dated March 6, 2013 between Prospect Park and Computershare;
- b) Escrow Agreement dated March 6, 2013 between Prospect Park, Computershare and securityholders of Prospect Park: See “*Information Concerning the Resulting Issuer – Escrow Securities*” for further particulars;
- c) the SOK Agreement;
- d) the IOI Agreement;
- e) the Management Agreement; and
- f) the Sponsorship Engagement Agreement.

Certain contracts specified above are filed on SEDAR at www.sedar.com and all of the contracts above may be inspected at the offices of McMillan LLP at Brookfield Place, Suite 4400, 181 Bay Street, Toronto, Ontario during normal business hours until the Closing Date and for a period of 30 days following the effective date of this Circular.

QUALIFYING TRANSACTION – INFORMATION CONCERNING THE TARGET COMPANIES

Background to the Proposed Qualifying Transaction

Prospect Park is a Capital Pool Company listed on the Exchange. Prospect Park has the sole business objective of identifying and evaluating assets and/or businesses with a view to completing a Qualifying Transaction.

The Skyline Investment and the IOI Investment will constitute Prospect Park’s Qualifying Transaction under Policy 2.4 of the Exchange. Following Completion of the Qualifying Transaction Prospect Park will continue its existence as the Resulting Issuer under the existing management with Kyle Appleby appointed as the new CFO and will be listed on the Exchange as a Tier 2 Investment Issuer.

The Skyline Investment and the IOI Investment may be considered Related Party Transactions and, accordingly, requires Majority of the Minority Shareholder Approval at the Meeting. As a result, the Skyline Investment and the IOI Investment are conditional upon (among other things) the Non-Arm’s Length Resolution being approved at the Meeting by a Majority of the Minority Shareholder Approval. See “*Non-Arm’s Length Party Transactions – Legal Aspects of the Transactions*”.

Skyline Transaction

Prospect Park entered into the SOK Agreement with SOK, pursuant to which Prospect Park will acquire from SOK that number of free trading Skyline Shares equal to CDN\$1,700,000 divided by the last closing price of the Skyline Shares (on the stock exchange that the Skyline Shares are then trading) prior to the Completion of the Qualifying Transaction for the purchase price of CDN\$1,000,000. The purchase price of CDN\$1,000,000 shall be payable as follows: (i) CDN\$400,000 payable in cash, certified cheque or electronic transfer at Closing; (ii) CDN\$300,000

payable at Closing by the issuance of 1,304,347 Shares at a deemed price of \$0.23 per Share; and (iii) CDN\$300,000 payable within six (6) months of Closing by the issuance of 1,714,285 Shares at a deemed price of \$0.175 per Share. Pursuant to Article 3 of the SOK Agreement and subject to the conditions and adjustments contained therein, SOK covenants and agrees to provide downside protection to Prospect Park (“**Downside Protection**”) for the Skyline Shares acquired pursuant to the Skyline Investment, such Downside Protection to be determined as of the 90th calendar day after Closing and as of the 12 month anniversary of Closing. Should the calculations from the formula for the Downside Protection provided by SOK for either the 90th calendar day after Closing or the 12 month anniversary of Closing result in amounts less than zero, no additional Skyline Shares will be transferred by SOK to Prospect Park.

Pursuant to the SOK Agreement, SOK is assigning to Prospect Park its contractual right to appoint a member of the board of directors of Skyline.

Prospect Park and Skyline are Non-Arm’s Length Parties. The consideration payable for the Skyline Shares of CDN\$1,000,000 was negotiated by Prospect Park and SOK. Based on the nominal noon exchange rate on August 28, 2014 as reported by the Bank of Canada for the conversion of United States dollars into Canadian dollars (\$1.0857), the closing price of the Skyline Shares on the last trading date prior to the date hereof (\$0.14), and the issued and outstanding Skyline Shares as of March 31 2014 (222,213,697), upon completion of the Skyline Investment, Prospect Park would beneficially hold approximately 5.03% of the outstanding Skyline Shares as at the Closing Date.

Skyline Corporate Structure

Skyline was originally incorporated on April 23, 2002 under the laws of the State of Minnesota as “BioDrain Medical, Inc.” Effective August 6, 2013, Skyline changed its name to Skyline Medical Inc. Pursuant to an Agreement and Plan of Merger dated effective December 16, 2013, Skyline merged with and into a Delaware corporation with the same name that was its wholly-owned subsidiary, with such Delaware corporation as the surviving corporation of the merger. Skyline is currently incorporated under the laws of the State of Delaware.

Skyline’s principle executive office address is located at 2915 Commers Drive, Suite 900, Eagan, Minnesota 55121. Skyline’s telephone number is (651) 389–4800, and Skyline’s website address is www.skylinemedical.com.

General Description of the Business of Skyline

Skyline is an early stage medical device company, and its mission is to provide hospitals and surgical centers an effective, efficient, and affordable means to safely dispose of contaminated fluids generated in the operating room and other similar medical locations in a manner that protects healthcare workers from exposure and is environmentally friendly. Skyline owns patent rights to their products and will distribute their products to medical facilities where bodily and irrigation fluids produced during surgical procedures must be contained, measured, documented, and disposed. Skyline products minimize the exposure potential to the healthcare workers who handle such fluids. Skyline's goal is to create products that dramatically reduce staff exposure without significant changes to established operative procedures, historically a major stumbling block to innovation and product introduction. In addition to simplifying the handling of these fluids, Skyline believes their technologies will provide cost savings to facilities over the aggregate costs incurred today using the traditional canister method of collection, neutralization, and disposal. Skyline intends to sell their products through independent distributors and manufacturer’s representatives in the U.S. and Europe, initially, and eventually to other areas of the world.

Products

The Streamway™ Fluid Management System (“FMS”)

The Streamway™ FMS, a fluid collection and measurement system, addresses the need for a simple, safe, virtually hands-free, touch-screen computer-controlled, method of removing, retaining, calculating fluid loss, and disposing of fluid waste during operative procedures. The FMS will replace the manual process of collecting fluids in canisters

and transporting and dumping in sinks outside of the operating room that is still being used by many hospitals and surgical centers. The manual process, involving canisters, requires that the operating room personnel open the canisters that contain waste fluid, often several liters, at the end of the surgical procedure and either add a solidifying agent or empty the canisters in the hospital drain system. Some facilities require that used canisters be cleaned by staff and reused. It is during these procedures that there is increased potential for contact with the waste fluid through splashing or spills. The FMS eliminates the use of canisters and these cleaning and disposal steps by collecting the waste fluid in the internal collection chamber and automatically disposing of the fluid with no handling by personnel. Each procedure requires the use of a disposable filter. At the end of each procedure, a proprietary cleaning fluid is attached to the FMS and an automatic cleaning cycle ensues, making the FMS ready for the next procedure. The cleaning fluid bottle is attached to the port on the FMS device. The cleaning fluid bottle and its contents are not contaminated and are used to clean the internal fluid pathway in the FMS device to which personnel have no exposure. During the cleaning cycle, the cleaning fluid is pulled from the bottle into the FMS, and then disposed in the same manner as the waste fluid from the surgical case. At the end of the cleaning cycle, the bottle is discarded. The filter and any suction tubing used during the procedure must be disposed of in the same manner as suction tubing used with the canister system. Handling of this tubing does present the potential for personnel exposure but that potential is minimal.

Selected Financial Information and Managements' Discussion and Analysis of Skyline

Skyline is not a reporting issuer in any jurisdiction, however as a “smaller reporting company” under Rule 12b-2 of the *Securities Exchange Act of 1934*, it is required to file an annual report and hold an annual shareholder meeting. To the extent required by its shareholders and investors, Skyline provides annual financial statements and quarterly financial statements and files such documents with the SEC.

Description of Securities of Skyline

The Skyline Shares have been quoted on the OTCQB since November 16, 2009 and have been quoted under the symbol “SKLN” since August 8, 2013.

Skyline has an authorized share capital comprised of 800,000,000 Skyline Shares with a par value of USD\$0.01 and of which as of March 31 2014, 222,213,697 Skyline Shares are issued and outstanding and have certain rights, preferences and limitation as determined by the board of directors of Skyline.

The holders of Skyline Shares are entitled to: (i) vote at all meeting of the shareholders; (ii) receive, upon any voluntary or involuntary liquidation, dissolution or winding-up of Skyline, the entire assets and funds of Skyline legally available for distribution, if any, pro rata, in proportion to the number of Skyline Shares that each holder holds on the date of determination relating to liquidation, dissolution or winding-up of Skyline; and (iii) receive dividends or distributions declared by the board of directors of Skyline.

Capitalization of Skyline

As of March 31, 2014, Skyline had 222,213,697 Skyline Shares of common stock, at a par value USD\$0.01 per Skyline Share outstanding.

The following table provides information concerning Skyline's capital with respect to its options and warrants as of March 31, 2014:

Designation of Security	Number of Underlying Skyline Shares	Average Exercise Price
Options	32,515,938	USD\$0.10
Warrants	31,444,567	USD\$0.15

For further information on the Skyline Shares and the options and warrants of Skyline, please refer to the Form 10-Q of Skyline for the period ended March 31, 2014, filed on the U.S. Securities and Exchange Commission EDGAR system website at <http://www.sec.gov/edgar/searchedgar/webusers.htm>.

The Skyline Shares have been quoted on the OTCQB since November 16, 2009 and have been quoted under the symbol "SKLN" since August 8, 2013.

Prior Sales of Skyline

During the three months ended March 31, 2014, 2,276,078 Skyline Shares were issued.

For further information on the foregoing, please refer to the Form 10-Q of Skyline for the period ended March 31, 2014, filed on the U.S. Securities and Exchange Commission EDGAR system website at <http://www.sec.gov/edgar/searchedgar/webusers.htm>.

Directors, Officers and Advisors of Skyline

The following table identifies Skyline's current executive officers and directors:

Name	Position Held
Joshua Kornberg	President & CEO, Interim Chairman of the Board
David O. Johnson	Chief Operating Officer
Bob Myers	CFO
Thomas J. McGoldrick	Director
Andrew P. Reding	Director
Ricardo Koenigsberger	Director
Frank Mancuso Jr.	Director
Dr. Arnon I. Dreyfuss	Director
Stephen Zastrow	Senior Vice President of Sales
David Dauwalter	Director of Product Management

Skyline has not set a term of office for its directors and each director will serve until their successors are elected and have duly qualified.

There are no family relationships among Skyline's directors and executive officers. Skyline's executive officers are appointed by Skyline's board of directors and serve at the board's discretion. Mr. Kornberg was appointed to the board of directors in March 2012 at the direction of Dr. Samuel Herschkowitz, pursuant to the terms of the note purchase agreement executed with Dr. Herschkowitz in December 2011. As long as any amount payable under the note remains outstanding, Dr. Herschkowitz or his designee is entitled to appoint a special advisor to Skyline's board of directors, who will be appointed as a member of the board of directors upon request. Pursuant to this authority, Josh Kornberg was appointed to the board of directors on March 9, 2012.

Business Experience

Joshua Kornberg is the Interim Chairman of the Board of Skyline. Effective July 22, 2012, Joshua Kornberg was appointed by the board of directors of Skyline as the CEO and President of Skyline. Mr. Kornberg was elected Interim President, CEO and CFO by the directors of Skyline on April 23, 2012. Mr. Kornberg was appointed to the board of directors in March 2012 at the direction of Dr. Samuel Herschkowitz, pursuant to the terms of the note purchase agreement executed with Dr. Herschkowitz in December 2011. As long as any amount payable under the note remains outstanding, Dr. Herschkowitz or his designee is entitled to appoint a special advisor to Skyline's board of directors, who will be appointed as a member of the board of directors upon request. Pursuant to this authority, Josh Kornberg was appointed to the board of directors on March 9, 2012. Mr. Kornberg is President and founding partner of Atlantic Partners Alliance, LLC, a private equity fund based in New York. Prior to founding Atlantic Partners Alliance, LLC, Mr. Kornberg served as Chief Investment Officer of The Lightstone Group, a national private equity firm and Director of the Lightstone Value Plus REIT, a public company focused on commercial real estate. Mr. Kornberg worked in the capital markets group at Morgan Stanley Canada Limited and also served as Vice President at The RREEF Funds, a global pension fund advisor.

David O. Johnson is the Chief Operating Officer of BioDrain Medical, Inc. Mr. Johnson, age 60, was previously the Acting Chief Operating Officer for Skyline since December 2011 and had been a consultant to medical device companies since October 2010. Mr. Johnson has over 30 years' experience in executive, operations and management positions in rapid growth medical device organizations, directing growth domestically and internationally with products ranging from consumer based disposable commodity items to Class III implantable devices. His experience includes executive management, training, product development, business development, regulatory and quality assurance, operations, supplier development and technology acquisitions. From August 2007 to September 2010 Mr. Johnson was President and CEO of Spring Forest Qigong Company, Inc., an alternative healthcare organization. Prior to August 2007 he had been a co-founder and Vice President of Operations at Epitek, Inc. since January 2005, and prior to that time he was a co-founder and President of Timm Medical Technologies. He also held positions including Vice President-Operations/Technology at UroHealth Systems, Inc./Imagyn Medical, Inc., Vice-President Operations at Dacomed Corporation and various technical, operations and training positions at American Medical Systems, Inc. and Pfizer Corporation. He also holds a number of patents in the medical device field and the exercise fitness industry.

Bob Myers is the CFO of Skyline. Mr. Myers, age 58, was the Acting CFO and Corporate Secretary for Skyline since December 2011. He has over 30 years' experience in multiple industries focusing on medical device, service and manufacturing and for the ten years prior to being appointed as Skyline's CFO, he was a financial contractor represented by various contracting firms in the Minneapolis area. He has spent much of his career as a CFO and/or Controller. Mr. Myers was a contract CFO at Disetronic Medical Systems, Inc., contract Corporate Controller for Diametric Medical Devices, Inc. and contract CFO for Cannon Equipment. Previously he held executive positions with American Express Company - Direct Marketing Division, Capitol Distributors, Inc., and International Creative Management, Inc. and was a public accountant with the international firm of Laventhol & Horwath. Mr. Myers has a

Master of Business Administration in Finance from Adelphi University and a Bachelor of Business Administration in Public Accounting from Hofstra University.

Mr. McGoldrick has served as a director of Skyline since 2005. Prior to that, he served as CEO of Monteris Medical, Inc. from November 2002 to November 2005. He has been in the medical device industry for over 30 years and was co-founder and CEO of Fastitch Surgical, Inc. in 2000. Fastitch Surgical Inc. is a start-up medical device company with unique technology in surgical wound closure. Prior to Fastitch Surgical Inc., Mr. McGoldrick was President and CEO of Minntech Corporation from 1997 to 2000. Minntech was a publicly traded (Nasdaq) medical device company offering services for the dialysis, filtration, and separation markets. Prior to employment at Minntech from 1970 to 1997, he held senior marketing, business development and international positions at Medtronic, Inc., Cardiac Pacemakers, Inc. and Johnson & Johnson, Inc. Mr. McGoldrick is on the board of directors of two other start-up medical device companies.

Mr. Reding is an executive with experience in sales and marketing of capital equipment for the acute care markets. He has served as a director of Skyline since 2006 and he is currently the President and CEO of TRUMPF Medical Systems, Inc., a position he has held since April 2007. Prior to that, he was Director of Sales at Smith & Nephew, Inc. and prior to that, he served as Vice President of Sales and Director of Marketing with Berchtold Corporation from 1994 to 2006. His experience is in the marketing and sales of architecturally significant products for the operating room, emergency department and the intensive care unit. Mr. Reding holds a bachelor's degree from Marquette University and a Master of Business Administration from The University of South Carolina.

Mr. Koenigsberger is currently a managing partner of ROCA Management, a private investment fund focused on the real estate investment trust industry. In addition, he also serves as CEO of Realty Finance Corporation, a publicly held company. Previously, Mr. Koenigsberger was a partner of Apollo Commercial Real Estate Finance, Inc., a large private equity firm, where he was responsible for new investments and investment management. Mr. Koenigsberger graduated summa cum laude from the Wharton School of the University of Pennsylvania.

Mr. Mancuso is currently the President of Boss Media, LLC, which he co-founded in 2010. Prior to joining Boss Media, Mr. Mancuso was the President of 360 Pictures, LLC and FGM Entertainment Inc. Mr. Mancuso also has an extensive background in healthcare and has served on the boards of multiple public companies. Mr. Mancuso is a director of Prospect Park, he was previously a director at Delcath Systems, Inc. (NASDAQ: DCTH), a healthcare device company dedicated to the infusion of high dose chemotherapy to targeted areas of the body for the treatment of cancer. Mr. Mancuso obtained a Bachelor of Arts degree in business and graduated with honors from Upsala College in 1980.

Dr. Arnon Dreyfuss is a director of Skyline. Dr. Dreyfuss has decades of experience in healthcare and entrepreneurship. As an oncologist, he spent his career at Harvard Medical School's Beth Israel Hospital and the Dana Farber Cancer Institute caring for patients while conducting and leading clinical trials. His scientific work appeared in major medical journals as well as in books and medical conferences. From 1987 to 1998, Dr. Dreyfuss also served as the founder, publisher, editor and CEO of Dreyfuss Hunt, Inc. (formerly The Health Source Corporation), a health and financial information provider and an "Inc. 500" company. He also co-founded epodia.com, a teaching material network, now owned and operated by the University of Pennsylvania. During the past decade, Dr. Dreyfuss has been consulting, advising and investing in start-up companies, particularly in the healthcare space. Dr. Dreyfuss obtained his undergraduate degree from the Sackler School of Medicine at Tel Aviv University and his Doctorate in Medicine from Hadassah Medical School at the Hebrew University in Jerusalem. He completed his residency training in Internal Medicine in 1984 at Tufts-New England Medical Center in Boston, which included a three-months rotation at the Clinical Research Institute in Nairobi, Kenya. In 1987 he completed a three-year combined Hematology and Oncology Fellowship at Harvard Medical School. In 1986, Dr. Dreyfuss received a Postdoctoral Fellowship Award from the American Cancer Society. He has been a member of the American Medical Association since 1987 and the American Society of Clinical Oncology since 1989.

Stephen Zastrow is the Senior Vice President of Sales of Skyline. Mr. Zastrow has 32 years of experience in the medical device industry with the last 13 years in executive sales management role. Prior to Skyline, Steve served as Vice-President of Sales for Scanlan International overseeing all North American sales activities. Steve has also

served as Vice-President for The Vasclip Company and Acist Medical Systems which was acquired by Bracco Diagnostics in 2001.

David Dauwalter is the Director of Product Management of Skyline. Mr. Dauwalter joined the company in 2008 and has served as the Director of Product Management since 2009. He brings several years of entrepreneurial and sales experience to Skyline. Prior to joining Skyline, he was a founder and owner of a company focusing on infection control with applications in the medical sector. His sales, operational, and marketing experiences are very well suited for the diverse activities for which he is responsible at Skyline.

Rodney Schmidt is the Senior Design Engineer of Skyline. Mr. Schmidt has over 25 years' experience in the design and development of medical devices. He brings solid expertise in bringing products from concept to manufacturing in this field and also has a strong background in pneumatic and pressure design.

Legal Proceedings of Skyline

Skyline is not involved in any legal proceedings and no such proceedings are known to Skyline to be contemplated.

IOI Transaction

Prospect Park entered into the IOI Agreement with IOI, pursuant to which Prospect Park will acquire from IOI approximately 5.0% to 7.5% of IOI Membership Interest for the purchase price of USD\$150,000 (the "**IOI Purchase Price**"). In addition, IOI is granting Prospect Park a right to appoint a manager of IOI pursuant to the IOI LLC Agreement.

Dr. Samuel Herschkowitz is the manager of IOI. Dr. Samuel Herschkowitz owns or controls less than 1% of the IOI Membership Interest, with the remaining 99% of the IOI Membership Interest held by other members of IOI. Dr. Samuel Herschkowitz, is also the CEO of Serenity.

Prospect Park and IOI are Non-Arm's Length Parties. The consideration payable for the IOI Membership Interest was negotiated by the parties. Upon completion of the IOI Investment, if the Minimum Term Loan is extended to Serenity, Prospect Park would beneficially hold 7.5% of the IOI Membership Interest and if the Maximum Term Loan is extended to Serenity, Prospect Park would hold 5.0% of the IOI Membership Interest.

IOI Credit Agreement

IOI, as co-lender, and various Lenders have entered into the IOI Credit Agreement with Serenity as borrower and Firefly Agent, LLC as administrative agent. Pursuant to the IOI Credit Agreement, IOI (as to 20%) and the Lenders (as to 80%) have agreed to extend a USD\$15,000,000 senior secured first lien multi-draw term loan (the Minimum Term Loan), subject to an increase of up to USD\$5,000,000 to USD\$20,000,000 (the Maximum Term Loan) at Serenity's option subject to certain qualifications as outlined in the IOI Credit Agreement. References to "**Term Loan**" shall mean the amount of senior secured first lien multi-draw term loan actually extended to Serenity, which will either be an amount equal to the Minimum Term Loan or, at the option of Serenity, an amount up to the Maximum Term Loan.

Under the IOI Credit Agreement (and subject to an assignment as permitted in the IOI Credit Agreement), IOI is obligated to lend a minimum of USD\$3,000,000 under the Minimum Term Loan and up to USD\$4,000,000 under the Maximum Term Loan, at the discretion of Serenity. On July 12, 2013, an eligible assignee (as such term is defined in the IOI Credit Agreement) of IOI extended an initial loan of USD\$1,000,000 to Serenity under the IOI Credit Agreement, and IOI will extend the remaining loan amount of USD\$2,000,000 under the Minimum Term Loan or up to USD\$3,000,000 under the Maximum Term Loan.

Upon completion of the IOI Investment, if the Minimum Term Loan is extended to Serenity, Prospect Park would beneficially hold 7.5% of the IOI Membership Interest and if the Maximum Term Loan is extended to Serenity, Prospect Park would beneficially hold 5.0% of the IOI Membership Interest.

IOI Corporate Structure

IOI is a limited liability company established and existing under the laws of the State of Delaware. Its current registered address is 1209 Orange Street, Wilmington, County of New Castle, Delaware 19801. IOI was created pursuant to the IOI LLC Agreement, an amended and restated limited liability company agreement among the members of IOI dated as of September 18, 2013.

General Description of the Business of IOI

IOI is a limited liability company duly organized under the laws of the State of Delaware. The principal business activity and purpose of IOI shall be as a Lender (as defined in the IOI Credit Agreement) to Serenity, a Delaware limited liability company, pursuant to the terms of the IOI Credit Agreement and to engage in any lawful act or activity under the Delaware Act in connection therewith. IOI shall possess and may exercise all the powers and privileges granted by the Delaware Act, any other law or the IOI LLC Agreement, together with any powers incidental thereto, and may take any other action not prohibited under the Delaware Act or other applicable law, so far as such powers and actions are necessary or convenient to the conduct, promotion or attainment of the business activity and purpose of IOI.

Selected Financial Information and Managements' Discussion and Analysis of IOI

IOI is not a reporting issuer in any jurisdiction and as such is not required to prepare annual and interim managements' discussion and analysis. In addition, IOI is not required to, and does not, prepare interim financial statements.

Description of Securities of IOI

The outstanding IOI Membership Interests are created, subject to the approval of the manager of IOI, through the exchange of capital contribution provided by a new member of IOI.

The percentage of IOI Membership Interest of each IOI member will be based on the amount of capital commitment contributed by such member, as reflected in the Schedule A of the IOI LLC Agreement, and such IOI Membership Interest may be increased or decreased by agreement of the manager(s) of IOI.

Should IOI and the Lenders extend a loan amount to Serenity equal to the Minimum Term Loan, the amount of IOI Membership Interest outstanding would be equal to USD\$2,000,000. Should IOI and the Lenders extend a loan amount to Serenity equal to the Minimum Term Loan, the amount of IOI Membership Interest outstanding would be equal to USD\$3,000,000.

The holders of IOI Membership Interest are entitled to rights to distributions (liquidating or otherwise), allocations, information, and the right to participate in the management of the business and affairs of IOI, including the right to vote on, consent to or otherwise participate in certain decisions or actions of or by the members of IOI granted by the IOI LLC Agreement or the Delaware Act.

The initial IOI Membership Interest of each member of IOI is specified on Schedule A of the IOI LLC Agreement.

The IOI Membership Interests are not listed or quoted on any stock exchange.

Management of IOI

The manager of IOI is Dr. Samuel Herschkowitz. Dr. Samuel Herschkowitz owns or controls less than 1% of the IOI Membership Interest, with the remaining 99% of the IOI Membership Interest held by other members of IOI.

Legal Proceedings of IOI

IOI is not involved in any legal proceedings and no such proceedings are known to IOI to be contemplated.

Serenity

Founded in 2006 and headquartered in Milford, Pennsylvania, Serenity is a development company that develops patented pharmaceuticals using unique delivery mechanisms combined with low threshold efficacious formulations. The CEO of Serenity is Dr. Samuel Herschkowitz.

Serenity is presently completing its FDA phase III trials. The proceeds of the Term Loan will be used by Serenity to fund the phase III “DB4” clinical trial of desmopressin (the Compound) for treatment of certain urologic diseases and conditions, continuing operations related to the phase III “DB3” clinical trial of the Compound, the NDA filing with respect to the Compound, commercialization thereof and transaction expenses relating thereto and any associated legal expense and general and administrative expenses.

Serenity has entered into the License Agreement with Allergan Sales, LLC, Allergan USA, Inc. and Allergan, Inc. (collectively, “**Allergan**”) that provides for certain payments to be made by Allergan to Serenity upon the completion of certain milestones by Serenity. Under the License Agreement: (i) a USD\$22,000,000 milestone payment will be made from Allergan to Serenity for the first receipt by Serenity of written notice from the FDA that such NDA for a product that contains the Compound has been deemed acceptable for filing, and (ii) a USD\$45,000,000 milestone payment will be made from Allergan to Serenity for the first regulatory approval by the FDA of an NDA for a product that contains the Compound and satisfaction of related applicable FDA registration and notification requirements, subject to certain qualifications in the License Agreement.

All amounts owed by Serenity to IOI and the Lenders under the IOI Credit Agreement with respect to the Term Loan shall be paid in full no later than the earliest of three business days after the Approval Milestone payment is made or July 11, 2016 in an amount equal to the “**Maturity Amount**”, which shall be equal to the greater of (i) 1.40 times the full amount of the Term Loan funded by Lenders under the IOI Credit Agreement less any loan repayments made by Serenity pursuant to the IOI Credit Agreement, and (ii) the outstanding principal amount of the Term Loan as of such date plus interest accruing at the rate of 20% per annum on the full amount of the Term Loan funded by Lenders under the IOI Credit Agreement (plus any interest related to defaults under the IOI Credit Agreement).

The interest of IOI under the IOI Credit Agreement is subordinate to the interests of the other Lenders. In addition, the IOI Credit Agreement does not provide IOI with a right to vote at a securityholder meeting of Serenity or any other rights (e.g. the right to attend board meetings of Serenity). In addition, certain Lenders will receive certain additional origination fees that will not be shared with or paid to IOI. IOI will only have a right to its portion of the loan repayment and interest payments discussed above (which are subordinated to the other Lenders). The founders of Serenity have personally guaranteed a portion of such loan repayment and interest payments and also are participants in the IOI Credit Agreement along with IOI.

General Description of the Business of Serenity

Serenity entered into the License Agreement with Allergan and are working together are in the final stages of developing a drug (the Compound) for the treatment of nocturia. Nocturia is a medical syndrome that affects over 40,000,000 people in the U.S. It is described as the propensity to wake up in the middle of the night due to the need to void. Multiple nocturic episodes are frequent for adults over the age of 50 and create erratic sleep patterns, extreme daytime fatigue and absenteeism at work due to sleep disturbances. This drug (Compound) would be a “first to market drug” approved by the FDA for nocturia. Pursuant to the License Agreement, Allergan will pay to Serenity certain specified payments upon the reaching of certain milestones by Serenity (as further discussed above). These payments would be used by Serenity to repay the Maturity Amount and any outstanding interest under the loan extended by IOI. See “*Qualifying Transaction – Information Concerning the Target Companies – IOI Transaction – The IOI Credit Agreement*”.

Selected Financial Information and Managements' Discussion and Analysis of Serenity

Serenity is not a reporting issuer in any jurisdiction and as such is not required to prepare annual and interim managements' discussion and analysis. In addition, Serenity is not required to, and does not, prepare interim financial statements.

Description of Securities of Serenity

The securities of Serenity are not listed or quoted on any stock exchange.

Management of Serenity

Dr. Samuel Herschkowitz, is also the CEO of Serenity.

Legal Proceedings of Serenity

Serenity is not involved in any legal proceedings and no such proceedings are known to Serenity to be contemplated.

INFORMATION CONCERNING THE RESULTING ISSUER

If the requisite shareholder approval is obtained at the Meeting, and all of the conditions precedent to the completion of the Transactions contained in each of the Agreements have been satisfied or waived, the Board intend to complete the Transactions in accordance with the terms of each of the Agreements, copies of each are attached as Schedule "G" and Schedule "H" to this Circular. Following the effective date of the Transactions, the Resulting Issuer will continue under the name "Prospect Park Capital Corp.".

Corporate Structure

Name and Incorporation

The Resulting Issuer will be named "Prospect Park Capital Corp." and will be governed by the OBCA. The Resulting Issuer's head office and registered office will be located at 181 Bay Street, Suite 4400, Toronto, Ontario, M5J 2T3. The Resulting Issuer will have no subsidiaries.

Immediately following the completion of the Qualifying Transaction, the Resulting Issuer Shares will be listed on the Exchange and will trade under the symbol "PPK". See "*Information Concerning the Resulting Issuer – Directors, Officers and Promoters*" and "*Information Concerning the Resulting Issuer – Directors, Officers and Promoters*" for details regarding the Resulting Issuer's board of directors and management team.

The Manager

The manager of the Resulting Issuer will be the Manager, Prospect Park Management Inc., pursuant to the Management Agreement, a copy of which has been attached as Schedule "I" of this Circular. See "*Information Concerning Prospect Park – The Management Agreement*".

Narrative Description of the Business

Stated Business Objectives

The Resulting Issuer's business objective is to give its shareholders the opportunity to indirectly participate in investments in early stages of a Target Company's development or in technologies that are developed and validated but may be in the early stage of commercialization or in Target Company's that require strategic guidance and thus are undervalued, which investments would commonly not be otherwise available to such shareholders.

The Resulting Issuer will provide a solution to pervasive problems associated with angel and/or minority investor investments through its structure as an accessible vehicle for investors that provides liquidity and diversification.

The Resulting Issuer will seek high return investment opportunities by investing in enterprises that have the potential to be commercially viable and have visibility toward high growth. The Resulting Issuer will allow for diversification and will enter investments at an early or strategic stage in the Target Company's growth to maximize returns. Risk will be managed by applying the considerable business expertise of its directors and officers to the investments undertaken.

Milestones

To reach the foregoing objectives, the Resulting Issuer will target the following milestones. Certain timeframes to reach the different business objectives and milestones may be adjusted depending on the availability of funds.

The following table summarizes each significant event that must occur for the business objectives described above to be accomplished, the time period in which each event is expected to occur and the costs related to each event:

Proposed Use	Expected Completion Date	Funds⁽¹⁾ or Issuances
To fund remaining costs to complete the Skyline Investment	At Closing	\$400,000 + \$25,000 (costs of Transactions)
To fund remaining costs to complete the Skyline Investment	At Closing	\$300,000 by the issuance of 1,304,347 Shares at a deemed price of \$0.23 per Share
To fund remaining costs to complete the Skyline Investment	Within 6 months of Closing	\$300,000 by the issuance of 1,714,285 Shares at a deemed price of \$0.175 per Share
To fund remaining costs to complete the IOI Investment ⁽²⁾	At Closing	\$165,795 + \$25,000 (costs of Transactions)

(1) See "Information Concerning the Resulting Issuer – Available Funds and Principal Purposes".

(2) The IOI Investment is US\$150,000 or \$165,795 based on the Bank of Canada daily noon exchange rate as at March 31, 2014.

In addition, the Resulting Issuer expects to continue to seek opportunities to invest in enterprises that have the potential to be commercially viable and have visibility toward high growth both in new and existing markets, in particular, investments at an early or strategic stage in the Target Company's growth to maximize returns. The Resulting Issuer plans to fund these growth initiatives with a combination of cash flow from operations, incremental debt, and the issuance of Common Shares.

Investment Objectives, Strategies and Restrictions

The Resulting Issuer's investment objectives, investment strategy and investment restrictions may be amended from time to time on the recommendation of management and approval by the Resulting Board. The Resulting Issuer does

not anticipate the declaration of dividends to shareholders during its initial stages and plans to re-invest the profits of its investments to further the growth and development of the Resulting Issuer's investment portfolio.

The investment objectives, strategies and restrictions of the Resulting Issuer are further detailed in its Statement of Investment Policies and Procedures, a copy of which is attached as Schedule "J" to this Circular and as Appendix "A" of the Management Agreement.

Composition of Investment Portfolio

Subject to availability of capital, the Resulting Issuer intends to create a diversified portfolio of investments consisting of equity and/or debt investments. The composition of the investment portfolio will depend, in part, on available capital and investment opportunities available to the Resulting Issuer and will vary over time depending on an array of factors, including the state of financial markets.

Description of Securities

The material attributes and features of each Resulting Issuer Share will be the same as the material attributes and features associated with each Share. See "*Information Concerning the Resulting Issuer – Description of Securities*".

Resulting Issuer Capitalization

Except for the issuance of 1,304,347 Shares to SOK upon Closing and the issuance of 1,714,285 Shares within 6 (six) months of Closing as partial payment of the consideration for the Skyline Investment as discussed elsewhere in this Circular (see "Qualifying Transaction – Information Concerning the Target Companies - Skyline Transaction"), there is no current intention to issue Shares or Incentive Stock Options in connection with the Qualifying Transaction.

After completion of the Qualifying Transaction, 8,676,260 Resulting Issuer Shares will be issued and outstanding on a non-diluted basis, and 9,776,951 Resulting Issuer Shares will be issued and outstanding on a fully diluted basis (assuming the exercise of all outstanding convertible securities). The number of Resulting Issuer Options issued and outstanding should remain the same as prior to Completion of the Qualifying Transaction. See "*Information Concerning the Resulting Issuer – Diluted Share Capital*".

Pro Forma Consolidated Capitalization

The following table sets out the expected pro forma share capitalization of the Resulting Issuer on completion of the Qualifying Transaction:

Designation of Security	Authorized	Amount Outstanding After Giving Effect to the Qualifying Transaction
Resulting Issuer Shares	Unlimited	8,676,260
Resulting Issuer Options	N/A	737,191
Resulting Issuer Agent Options	N/A	363,500

Available Funds and Principal Purposes

Based on information available as at March 31, 2014, upon Closing of the Qualifying Transaction, the Resulting Issuer expects to have estimated working capital of \$1,030,256. The estimated consolidated working capital as at the most recent month end of July, 2014 is \$987,915.

Based on information available as at July 31, 2014, upon Closing of the Qualifying Transaction, the Resulting Issuer expects to have approximately \$987,915 in available funds (\$424,565 after completion of the Transactions). The Resulting Issuer is expected to use the funds available to it in furtherance of its stated business objectives. See “*Information Concerning the Resulting Issuer – Narrative Description of the Business*”. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary in order for the Resulting Issuer to achieve such objectives. It is anticipated that the Resulting Issuer will use such funds as follows:

Description	Amount
Accounts Payable and Accrued Liabilities ⁽¹⁾	\$90,158
IOI Investment ⁽²⁾	\$163,350
Skyline Investment (at Closing) ⁽³⁾	\$400,000
Costs of the Transactions not already accrued	\$50,000
Estimated general and administrative expenses over the 12 months following the Closing Date ⁽³⁾	\$60,613
External Management Fee	\$42,689
Unallocated Working Capital	\$181,105
Total	\$987,915

Notes:

- (1) Includes approximately \$50,000 of accrued costs of the Transactions.
- (2) The IOI Investment is US\$150,000 or \$163,350 based on the Bank of Canada daily noon exchange rate as at July 31, 2014.
- (3) The full purchase price payable with respect to the Skyline Investment is CDN\$1,000,000, and such purchase price shall be payable as follows: (i) CDN\$400,000 payable in cash, certified cheque or electronic transfer at Closing; (ii) CDN\$300,000 payable at Closing by the issuance of 1,304,347 Shares at a deemed price of \$0.23 per Share; and (iii) CDN\$300,000 payable within six (6) months of Closing by the issuance of 1,714,285 Shares at a deemed price of \$0.175 per Share.
- (4) Professional fees (\$32,500), transfer agent, regulatory and stock exchange fees (\$16,113), and CFO fee (\$12,000).

Dividends

There will be no restrictions in the Resulting Issuer’s articles or elsewhere which would prevent the Resulting Issuer from paying dividends subsequent to the completion of the Qualifying Transaction. However, it is not contemplated that any dividends will be paid on the Resulting Issuer Shares in the immediate future following the completion of the Qualifying Transaction. The holders of Resulting Issuer Shares will be entitled to receive dividends as and when declared by the Resulting Issuer’s board of directors on the Resulting Issuer Shares as a class, subject to prior satisfaction of all preferential rights to dividends attached to all shares of other classes of shares of the Resulting Issuer ranking in priority to the Resulting Issuer Shares in respect of dividends.

Principal Securityholders

To the knowledge of the directors and officers of Prospect Park, as at the date hereof, the following Persons are anticipated to own, as of record or beneficially, directly or indirectly, or exercise control or direction over more than 10% of the voting securities of the Resulting Issuer after giving effect to the Qualifying Transaction:

Name and Municipality of Residence	Number of Resulting Issuer Shares	Percentage of Total
SOK Partners LLC ⁽¹⁾ <i>New Jersey, United States</i>	1,304,347 ⁽²⁾⁽³⁾	15.0% ⁽²⁾⁽³⁾

Notes:

- (1) Dr. Samuel Herschkowitz, one of the directors and officers of Prospect Park, and Joshua Kornberg, one of the directors of Prospect Park, are the co-managing members and 50% owners of a private company that is the managing member and sole beneficial owner of SOK.
- (2) Pursuant to the SOK Agreement, CDN\$300,000 of the CDN\$1,000,000 purchase price for the Skyline Shares shall be payable at Closing by the issuance of 1,304,347 Shares at a deemed price of \$0.23 per Share.
- (3) Pursuant to the SOK Agreement, CDN\$300,000 of the CDN\$1,000,000 purchase price for the Skyline Shares shall be payable within six (6) months of Closing by the issuance of 1,714,285 Shares at a deemed price of \$0.175 per Share. After the issuance of such 1,714,285 Shares, SOK will own approximately 29.1% of the outstanding Shares (assuming no other Shares are issued post-Closing other than the 3,018,632 Shares issued to SOK).

Directors, Officers and Promoters

The following table and the notes thereto set out the name, age and municipality of residence of each proposed director and officer of the Resulting Issuer, their proposed position or office with the Resulting Issuer, their respective principal occupations, the period during which each proposed director has served as a director of Prospect Park, the approximate number and percentage of Resulting Issuer Shares proposed to be beneficially owned, directly or indirectly, or over which control or direction is proposed to be exercised by each such Person and as a group, assuming completion of the Qualifying Transaction. Each director will hold office until the next annual meeting of the Resulting Issuer unless his or her office is earlier vacated.

Name, Residence and Position with Prospect Park	Principal Occupation or Employment during the last five years	Served as Director Since	Number (and Percentage) of Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed ⁽¹⁾
Samuel Herschkowitz <i>(64)</i> <i>Brooklyn, New York</i> CEO ⁽²⁾ and Director	Medical doctor since 1976. CEO of Serenity Pharmaceutical Corporation since 2006. Director, Chief Operating Officer and Chief Technical Officer of Delcath Systems, Inc. from 1994 to June 2007.	September 7, 2012	1,512,922.5 (17.44%) ⁽³⁾
Frank Mancuso Jr. <i>(55)</i> <i>Beverly Hills, California</i> Director ⁽⁴⁾	Director of Skyline since August 2013. President of Boss Media, LLC since April 2011. President of 360 Pictures, LLC from March 2006 to March 2011.	September 7, 2012	666,566 (7.68%)

Name, Residence and Position with Prospect Park	Principal Occupation or Employment during the last five years	Served as Director Since	Number (and Percentage) of Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed ⁽¹⁾
Jeffrey Barnes (59) <i>Dover, Massachusetts</i> Director ⁽⁴⁾	Managing Director of BioVentures Investors Management, LLC since January 2010. General Partner at Oxford Bioscience Partners Management Corp. from September 1999 to August 2009.	September 7, 2012	333,333 (3.48%)
Robbie Grossman (40) <i>Toronto, Ontario</i> Corporate Secretary and Director ⁽⁴⁾	Corporate finance and securities partner at McMillan LLP since September 2013. Corporate finance and securities lawyer at Garfinkle Biderman LLP from February 2004 to September 2013.	September 7, 2012	100,000 (1.15%)
Joshua Kornberg (41) <i>Toronto, Ontario</i> Director ⁽⁴⁾	Interim Chairman of the Board of Skyline since August 2013. CEO and President of Skyline since July 2012 and director since March 2012. President and founding partner of Atlantic Partners Alliance, LLC, a private equity fund based in New York since May 2008. Chief Investment Officer of The Lightstone Group and Director of the Lightstone Value Plus REIT from February 2006 to April 2008.	December 17, 2013	702,173.5 (8.09%) ⁽³⁾

Name, Residence and Position with Prospect Park	Principal Occupation or Employment during the last five years	Served as Director Since	Number (and Percentage) of Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed ⁽¹⁾
Kyle Appleby (39) <i>Toronto, Ontario</i> CFO ⁽⁵⁾	Chief Financial Officer of Epcylon Technologies Inc. since February 2014. Chief Financial Officer of Mercom Oil Sands PLC since April 2012. Chief Financial Officer of Xylitol Canada Inc. from April 2010 to May 2014. Chief Financial Officer of Renforth Resources Inc. since February 2007. Chief Financial Officer of Legend Gold Corp. from January 2011 to October 2013. Chief Financial Officer of Mukuba Resources Limited from November 2011 to September 2012. Chief Financial Officer of Takara Resources Inc. from June 2010 to April 2011.	Will be appointed CFO upon Completion of the Qualifying Transaction	Nil

Notes:

- (1) The information as to principal occupation, business or employment and shares beneficially owned or controlled is not within the knowledge of management of Prospect Park and has been furnished by the respective individuals.
- (2) As CEO of the Resulting Issuer, Dr. Samuel Herschkowitz will be responsible for leading the development and execution of the Resulting Issuer's long term strategy. As CEO, he will be ultimately responsible for all day-to-day management decisions and for implementing Prospect Park's long and short term plans. Dr. Samuel Herschkowitz will also act as a liaison between the Board and management and communicate with the Board on behalf of management of the Resulting Issuer. Dr. Samuel Herschkowitz will devote 45% of his time to the Resulting Issuer.
- (3) The number and percentage of Shares beneficially owned, directly or indirectly, or controlled or directed by Dr. Samuel Herschkowitz and Joshua Kornberg includes 50% of the 1,304,347 Shares (15.0% of issued and outstanding Shares) issued to SOK upon Closing of the Skyline Investment in partial consideration for the Skyline Shares acquired pursuant to the SOK Agreement. Dr. Samuel Herschkowitz and Joshua Kornberg are each 50% owners of a private company that is the managing member and sole beneficial owner of SOK.
- (4) As a director of the Resulting Issuer, each of Frank Mancuso Jr., Jeffrey Barnes, Robbie Grossman and Joshua Kornberg will devote his time to the Resulting Issuer on an as needed basis.
- (5) As CFO of the Resulting Issuer, Kyle Appleby will report to the CEO and have primary day-to-day responsibility for the planning, implementing, managing and controlling of financial-related activities of the Resulting Issuer. Kyle Appleby will devote his time to the Resulting Issuer on an as needed basis.

The directors and officers of the Resulting Issuer will, as a group, beneficially own, directly or indirectly, or exercise control or direction over, approximately 3,314,995 Resulting Issuer Shares, representing approximately 37.80%.

Promoter Consideration

Nothing of value, including money, property, contracts, options or rights of any kind is presently contemplated to be received by any Person directly or indirectly from Prospect Park or the Resulting Issuer in connection with the Qualifying Transaction.

Corporate Cease Trade Orders or Bankruptcies

See “*Business of the Meeting – Election of Directors*”.

Penalties or Sanctions

See “*Business of the Meeting – Election of Directors*”.

Personal Bankruptcies

See “*Business of the Meeting – Election of Directors*”.

Other Reporting Issuer Experience

The following table sets out the directors and officers of Prospect Park 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	Position	Term
Frank Mancuso Jr.	Skyline Medical Inc.	OTCUS	Director	Aug 2013 to current
Robbie Grossman	Mooncor Oil & Gas Corp.	TSXV	Assistant Secretary	Oct 2007 to Jun 2011
			Secretary	Jun 2011 to current
	Solid Gold Resources Corp.	TSXV	Director	Mar 2009 to Oct 2013
			Corporate Secretary	May 2013 to Oct 2013
			Assistant Secretary	Dec 2008 to May 2013
	Canada Coal Inc. (formerly Mercury Capital Limited)	TSXV	Director	Jul 2010 to Feb 2012
	RedWater Energy Corp.	TSXV	Assistant Secretary	Mar 2011 to current
	Patient Home Monitoring Corp.	TSXV	Assistant Secretary	Jan 2012 to current
	Revive Therapeutics Ltd. (formerly Mercury Capital II Limited)	TSXV	Corporate Secretary	Mar 2012 to current
			Director	Mar 2012 to Dec 2013
MCW Energy Group Limited	TSXV	Corporate Secretary	Oct 2012 to current	
Focused Capital Corp.	TSXV	Director	May 2014 to current	
Joshua Kornberg	Skyline Medical Inc.	OTCUS	Interim Chairman of the Board	Aug 2013 to current
			CEO and President	Jul 2012 to current

Name	Name of Reporting Issuer	Name of Exchange or Market	Position	Term
			Interim President, CEO and CFO	Apr 2012 to Jul 2012
			Director	Mar 2012 to current
Kyle Appleby	Epcylon Technologies Inc.	OTCUS	CFO	current
	Mercom Oil Sands PLC	AIM	CFO	Apr 2012 to current
	Xylitol Canada Inc.	TSX-V	CFO	Apr 2010 to current
	Renforth Resources Inc.	CSE	CFO	Feb 2007 to current
	Legend Gold Corp	TSX-V	CFO	Jan 2011 to Oct 2013
	Mukuba Resources Limited	TSX-V	CFO	Nov 2011 to Sept 2012
	Takara Resources Inc	TSX-V	CFO	Jun 2010 to Apr 2011
	NWT Uranium Corp.	TSX-V	Director	Jul 2014 to current

Conflicts of Interest

The Resulting Issuer will adopt a system for identifying conflicts of interest and maintaining the independence of the Resulting Board in the presence of a potential conflict. The proposed system for identifying conflicts of interests will involve the mandatory self-reporting of interests and conflicts by all members of the Resulting Board, as further described in the Statement of Investment Policies and Procedures, a copy of which is attached as Schedule “J” to this Circular, such conflict of interest to be reviewed by the management of the Resulting Issuer. A conflict of interest is deemed to include any direct, indirect, actual or perceived material pecuniary interest of an officer, employee, actuary, adviser, auditor, expert, lawyer, portfolio manager or other person appointed or accepted by the Resulting Issuer to carry out duties and responsibilities on behalf of the Resulting Issuer, in any arrangement, contract, investment, transaction or other matter in which the assets of the Resulting Issuer participate or plan to participate.

Prior to making any investment commitment, all members of the Resulting Board shall disclose their interest in the potential investment. Where a conflict is determined to exist within the Resulting Board, the director having a conflict of interest shall abstain from making further decisions or recommendation concerning the potential investment and from voting on all matters related to the potential investment. Where a conflict exists within the Resulting Board, the member having a conflict of interest shall be temporarily replaced for the purpose of, and abstain from making recommendation with respect to, the proposed investment.

There are potential conflicts of interest to which the directors, officers, insiders and promoters of the Resulting Issuer will be subject in connection with the operations of the Resulting Issuer. The Resulting Issuer and its directors, officers and affiliates (collectively the “Parties”) are or may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with their duties to the Resulting Issuer. These include serving as directors, officers, promoters, advisers or agents of other public and private companies, including companies in which the Resulting Issuer may invest. The Parties may also engage in transactions with the Resulting Issuer where any one or more of the Parties is acting in their capacity as financial

advisor, broker, intermediary, principal, or counterparty, provided that such transactions are carried out on terms similar to those which would apply in alike transaction between parties not connected with the Parties or any one of them and such transactions are carried out on normal commercial terms as if negotiated at arm's length. Some of the directors, officers and insiders have been and will continue to be engaged in the identification and evaluation, with a view to potential acquisition of interests in businesses and corporations on their own behalf and on behalf of other corporations, and situations may arise where some or all of the directors, officers, insiders and promoters will be in direct competition with the Resulting Issuer.

The Resulting Issuer will be governed by the OBCA. The Resulting Issuer Shares will be listed on the Exchange under the symbol "PPK". See "*Information Concerning the Resulting Issuer – Corporate Structure – Name and Incorporation*".

Executive Compensation

Following Completion of Qualifying Transaction

The following summary compensation table sets forth information concerning the anticipated compensation paid to the Named Executive Officers of Prospect Park for the 12 month period after giving effect to the Qualifying Transaction:

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based Awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long term incentive plans			
Samuel Herschkowitz CEO	2014	Nil	N/A	N/A	N/A	N/A	N/A	Nil ⁽¹⁾	Nil
Kyle Appleby CFO	2014	\$12,000	N/A	N/A	N/A	N/A	N/A	Nil	\$12,000

Note:

- (1) Although no fees or compensation is paid directly to Dr. Samuel Herschkowitz as a result of his role as CEO of Prospect Park, he will indirectly receive the Management Fees and, if applicable, the Performance Fees payable to the Manager by Prospect Park. The Manager, Prospect Park Management Limited Partnership, is a limited partnership formed under the laws of the Province of Ontario pursuant to a limited partnership agreement dated March 19, 2014 between the General Partner and Joshua Kornberg and Dr. Samuel Herschkowitz as limited partners.

Director Compensation

Following Completion of the Qualifying Transaction, it is not initially anticipated that compensation will be paid to the directors of the Resulting Issuer.

Options to Purchase Securities

Currently, there is no intention to issue further Incentive Stock Options in connection with the Qualifying Transaction. While there are no current plans to grant options, management of the Resulting Issuer cannot predict the number of options that may be granted in the following year.

Investor Relations Arrangements

No written or oral agreement or understanding has been reached or is contemplated with any Person to provide any promotional or investor relations services for the Resulting Issuer.

Stock Option Plan

Subsequent to approval by Shareholders at the Meeting, the 2014 Option Plan will be the incentive stock option plan of the Resulting Issuer.

The following table sets out information, as of the date hereof, relating to the stock incentive options of the Resulting Issuer (“**Resulting Issuer Option**”), other than Agent Options, that will be held upon completion of the Qualifying Transaction:

Name of Optionee	Number of Resulting Issuer Options ⁽¹⁾	Exercise Price	Expiry Date
Samuel Herschkowitz	368,595	\$0.20	March 28, 2023
Frank Mancuso Jr.	138,967	\$0.20	March 28, 2023
Jeffrey Barnes	71,149	\$0.20	March 28, 2023
Robbie Grossman	158,480	\$0.20	March 28, 2023
Total	737,191		

Notes:

(1) Each Resulting Issuer Option will entitle the holder thereof to acquire one (1) Resulting Issuer Share.

The Sponsor acted as agent for the IPO. In connection with the IPO, Prospect Park granted the Sponsor the Agent Options to acquire 363,500 Shares at a price of \$0.20 per Share. The Agent Options may be exercised until March 28, 2015 (24 months from the date of listing of the Shares on the Exchange). Other than the Resulting Issuer Options and Agent Options, no other securities will be outstanding which are convertible into, or exchangeable for, Resulting Issuer Shares immediately following the completion of the Qualifying Transaction.

For a summary of the material terms of the 2014 Option Plan see “*Business of the Meeting – Stock Option Plan*”.

Escrowed Securities

To the knowledge of Prospect Park as of the date of this Circular, the following table sets out the name and municipality of residence of each securityholder whose securities are held or are anticipated to be held in escrow, the number of securities of each class of securities of Prospect Park held in escrow and, in the case of the Resulting Issuer, anticipated to be held in escrow after giving effect to the Qualifying Transaction, and the percentage that number represents of the outstanding securities of that class:

Name and Municipality of Residence of Securityholder	Prior to Giving Effect to the Qualifying Transaction		After Giving Effect to the Qualifying Transaction	
	Number of Shares held in escrow	Percentage of class	Number of Resulting Issuer Shares to be held in escrow	Percentage of Resulting Issuer Shares
Samuel Herschkowitz <i>Brooklyn, New York</i>	860,749	11.68%	860,749	9.92%

Name and Municipality of Residence of Securityholder	Prior to Giving Effect to the Qualifying Transaction		After Giving Effect to the Qualifying Transaction	
	Number of Shares held in escrow	Percentage of class	Number of Resulting Issuer Shares to be held in escrow	Percentage of Resulting Issuer Shares
Frank Mancuso Jr. <i>Beverly Hills, California</i>	666,566	9.04%	666,566	7.68%
Jeffrey Barnes <i>Dover, Massachusetts</i>	333,333	4.52%	333,333	3.48%
Robbie Grossman <i>Toronto, Ontario</i>	100,000	1.36%	100,000	1.15%
Joshua Kornberg <i>Toronto, Ontario</i>	50,000	0.68%	50,000	0.57%
Michael Bird <i>Katonah, New York</i>	366,666	4.97%	366,666	4.23%
Anthony G. Caserta <i>White Plains, New York</i>	33,333	0.45%	33,333	0.38%
Richard Taney <i>Great Neck, New York</i>	333,333	4.52%	333,333	3.84%
Carla Bauer Rentrop <i>New York, New York</i>	167,903	2.28%	167,903	1.94%
Thomas J. Barbarie <i>Danbury, Connecticut</i>	163,268	2.21%	163,268	1.88%
Gregory J. Spanos <i>Marblehead, Massachusetts</i>	661,762	8.98%	661,762	7.63%
SOK Partners LLC ⁽¹⁾ <i>New Jersey, United States</i>	0	0%	1,304,347 ⁽²⁾⁽³⁾	15.0% ⁽²⁾⁽³⁾

Notes:

- (1) Dr. Samuel Herschkowitz, one of the directors and officers of Prospect Park, and Joshua Kornberg, one of the directors of Prospect Park, are the co-managing members and 50% owners of a private company that is the managing member and sole beneficial owner of SOK.
- (2) Pursuant to the SOK Agreement, CDN\$300,000 of the CDN\$1,000,000 purchase price for the Skyline Shares shall be payable at Closing by the issuance of 1,304,347 Shares at a deemed price of \$0.23 per Share.
- (3) Pursuant to the SOK Agreement, CDN\$300,000 of the CDN\$1,000,000 purchase price for the Skyline Shares shall be payable within six (6) months of Closing by the issuance of 1,714,285 Shares at a deemed price of \$0.175 per Share. The 1,714,285 Shares issued pursuant to such payment of the purchase price for Skyline Shares shall be escrowed and released in accordance with the schedule provided below. After the issuance of such 1,714,285 Shares, SOK will own approximately 29.1% of the outstanding Shares (assuming no other Shares are issued post-Closing other than the 3,018,632 Shares issued to SOK).

The Escrowed Shares shall not be released until the Exchange issues the Final Exchange Bulletin. Upon the issuance of the Final Exchange Bulletin, the original number of all Escrowed Shares will be released as to 10% on the date of the Final Exchange Bulletin an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the issuance of the Final Exchange Bulletin so that all Escrowed Shares will have been released three years after the date of the Final Exchange Bulletin. The Exchange may approve an accelerated release schedule if the Resulting Issuer, after completion of a Qualifying Transaction, establishes itself as a Tier 1 Exchange issuer.

Risk Factors

As of the date of this Circular, Prospect Park has no businesses or assets, other than cash. Prospect Park has no history of earnings; it has not paid any dividends. Following Completion of the Qualifying Transaction, the Resulting Issuer will focus on making investments in early stage private companies and it is unlikely to pay any dividends in the immediate or foreseeable future.

An investment in the shares of the Resulting Issuer will involve a high degree of risk. Investors should carefully consider each of the risks described below and all of the information in this Circular before investing in shares in the Resulting Issuer. The success of the Resulting Issuer will depend entirely on the expertise, ability, judgment, discretion, integrity and good faith of its management.

The value of the shares of the Resulting Issuer will fluctuate based on the value of the Resulting Issuer's investment portfolio and general market conditions. There can be no assurance that shareholders will realize any gains from their investment in the Resulting Issuer and may lose their entire investment.

There is no assurance that the investment objectives of the Resulting Issuer will actually be achieved. The value of the shares of the Resulting Issuer will increase or decrease with the value of its investment portfolio and general economic conditions beyond the control of the Resulting Issuer's management, including the level of interest rates, corporate earnings, economic activity, the value of the Canadian dollar and other factors.

Investments made by the Resulting Issuer may lack liquidity.

Due to market conditions beyond its control, including investor demand, resale restrictions, general market trends and regulatory restrictions, the Resulting Issuer may not be able to liquidate investments, including its investments in the Target Companies and any other target companies without a listed market for their securities, when it would otherwise desire to do so in order to operate in accordance with its investment policy and strategy. Such lack of liquidity could have a material adverse effect on the value of the Resulting Issuer's investments and, consequently, the value of the shares of the Resulting Issuer.

There is no guarantee that the Resulting Issuer will be able to reduce its investment risk by diversifying its investment portfolio. Expenses incurred by the Resulting Issuer may exceed any gains realized by the Resulting Issuer on its investments.

The Resulting Issuer intends to participate in a limited number of investments and, as a consequence, the aggregate returns realized by the Resulting Issuer may be substantially and adversely affected by the unfavourable performance of even a single investment. Accordingly, there can be no assurance that the Resulting Issuer will be able to reduce its investment risk by diversifying its portfolio. The resulting lack of diversification may adversely impact the ability of the Resulting Issuer to achieve its desired investment returns.

Investment in Target Companies Securities is denominated in U.S. dollars and carries currency risks.

An investment in the Skyline Shares and the IOI Membership Interest is denominated in U.S. dollars and entails risks that are not associated with a similar investment in a security denominated in Canadian dollars. Such risks include, without limitation, the possibility of significant changes in rates of exchange between the Canadian dollar and the U.S. dollar.

The long-term viability for the Resulting Issuer will depend, in part, on its ability to raise additional investment capital.

If the Resulting Issuer is unable to raise additional investment capital either through investment returns or new financing through securities offerings, then it will be limited in its ability to fulfill its investment objectives. This may adversely affect its long-term viability. To raise additional capital, the Resulting Issuer may have to issue additional shares which may dilute the interests of existing shareholders.

The Resulting Issuer faces competition from other capital providers and there can be no assurance that suitable investments will be found.

The Resulting Issuer faces competition from other capital providers, all of which compete for investment opportunities. These competitors may limit the Resulting Issuer's opportunities to acquire interests in investments that are attractive to the Resulting Issuer. The Resulting Issuer may be required to invest otherwise than in accordance with its investment policy and strategy in order to meet its investment objectives. If the Resulting Issuer is required to invest other than in accordance with its investment policy and strategy, its ability to achieve its desired rates of return on its investments may be adversely affected.

The Resulting Issuer will be Dependent on Attracting Key Personnel.

The Resulting Issuer's success will depend on its ability to attract and retain its key personnel. Prospect Park has not entered into any agreements with its proposed directors or officers regarding their continued involvement with the Resulting Issuer. The inability of the Resulting Issuer to retain its directors or officers, as a result of volatility or lack of positive performance in the Resulting Issuer's stock price, may adversely affect the Resulting Issuer's ability to carry out its business.

Shareholders will be required to rely on the Resulting Board to conduct the business of the Resulting Issuer. The services provided by the Directors will not be exclusive to the Resulting Issuer and conflicts of interest may arise in the ordinary course of business.

Shareholders will be required to rely on the business judgment, expertise and integrity of the directors and officers of the Resulting Issuer. The Resulting Issuer must rely substantially upon the knowledge and expertise of its directors and officers in entering into any investment agreement or investment arrangements, in determining the composition of the Resulting Issuer's investment portfolio, and in determining when and whether to dispose of securities owned by the Resulting Issuer. The death or disability of any of the Resulting Issuer's directors and officers could adversely affect the ability of the Resulting Issuer to achieve its objectives.

The directors and officers of the Resulting Issuer will not be devoting all of their time to the affairs of the Resulting Issuer, but will be devoting such time as may be required to effectively manage the Resulting Issuer. Certain of the directors and officers of the Resulting Issuer are engaged and will continue to be engaged in the search for investments for themselves and on behalf of others, including other private and public corporations. Accordingly, conflicts of interest may arise from time to time. Any conflicts will be subject to the procedures and remedies under the OBCA. See "*Information Concerning the Resulting Issuer – Conflicts of Interest*".

Shareholders may face dilution in the event of the issuance of additional securities.

The Resulting Issuer will be authorized to issue an unlimited number of Shares. In order to fund further investments, the Resulting Issuer may have to issue additional securities including, but not limited to common shares, or some form of convertible security, the effect of which will result in a dilution of the equity interest of any existing shareholders.

The Resulting Issuer is not required to pay dividends.

To date, Prospect Park has not paid dividends on any of its Shares and the Resulting Issuer does not intend, and is not required, to pay any dividends on its Shares in the foreseeable future. Any decision to pay dividends will be made on the basis of the Resulting Issuer's earnings, financial requirements and other conditions.

The market price of securities of the Resulting Issuer may be volatile.

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market price of securities of many junior companies have experienced wide fluctuations in price. The market price of the Shares may be volatile and could be subject to wide fluctuations due to a number of factors. Broad

market fluctuations, as well as economic conditions generally and in the healthcare industry specifically, may adversely affect the market price of the Shares.

The Transactions are subject to a number of conditions precedent.

The Transactions remain subject to a number of conditions precedent, including approval of the Exchange. There is no assurance that the Qualifying Transaction will receive Exchange approval, that all other conditions precedent will be satisfied or waived, or that the Qualifying Transaction will be completed.

Target Companies are early stage companies.

The investments by the Resulting Issuer in the Target Companies will, and the investments by the Resulting Issuer in any other Target Company in the future may, expose the Resulting Issuer to the risks inherent with an investment in early stage companies. Each of the Target Companies is, and any other Target Company that the Resulting Issuer may invest in may be, an early stage company whose products and technologies: are under development; will require further investment; are without a substantial market; are dependent on acceptance by the marketplace of new technologies and products; and face competition from other companies, many of which have greater financial, marketing, technological and personnel resources.

Prior Ranking Indebtedness.

Investments by the Resulting Issuer in the indebtedness of Target Companies, including Target Companies that the Resulting Issuer may invest in in the future, may be subordinated to permitted senior indebtedness of such Target Company. In the event of such Target Company's insolvency, bankruptcy, liquidation, reorganization, dissolution or winding up, its assets would be made available to satisfy the obligations of the creditors of such senior indebtedness before being available to pay such obligations to the Resulting Issuer. Accordingly, all or a substantial portion of such Target Company's assets could be made unavailable to satisfy the claims of the Resulting Issuer.

Minority interest in Target Companies.

The Resulting Issuer will hold a minority interest in each of the Target Companies and may hold minority interests in any future Target Company and will have a limited ability to influence management of such Target Companies with respect to: business and financial decisions; the issuance of additional securities; and the issue price for additional securities.

CORPORATE GOVERNANCE DISCLOSURE

Set forth below is a description of Prospect Park's current corporate governance practices, as prescribed by Form 58-101F2, which is attached to National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”). Following Completion of the Qualifying Transaction, it is anticipated that the corporation's corporate governance practices will remain unchanged.

Board of Directors

The directors have determined that Frank Mancuso Jr., Jeffrey Barnes and Joshua Kornberg, current members of the Board, are independent as such term is defined in NI 58-101, and that Samuel Herschkowitz (CEO) and Robbie Grossman (Corporate Secretary), current members of the Board, are not independent as such term is defined in NI 58-101, as they are executive officers (as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”)) of Prospect Park.

Directorships

The following directors of Prospect Park are presently directors of other issuers that are reporting issuers (or the equivalent):

Name of Director	Name of Other Reporting Issuers
Joshua Kornberg	Skyline Medical Inc.
Frank Mancuso Jr.	Skyline Medical Inc.
Robbie Grossman	Focused Capital Corp.
Kyle Appleby	NWT Uranium Corp.

Orientation and Continuing Education

While Prospect Park does not have formal orientation and training programs, new members of the board of directors are provided with (a) information respecting the functioning of the board of the directors, committees, and copies of Prospect Park’s corporate governance policies, if applicable, (b) access to recent, publicly filed documents of Prospect Park, and (c) access to management.

Directors are encouraged to communicate with management, auditors and technical consultants; and to keep themselves current with industry trends and developments and changes in legislation with management’s assistance. Directors have full access to Prospect Park’s records.

Ethical Business Conduct

The directors’ maintain that Prospect Park must conduct and be seen to conduct its business dealings in accordance with all applicable laws and the highest ethical standards. Prospect Park’s reputation for honesty and integrity amongst its shareholders and other stakeholders is key to the success of its business. No employee or director will be permitted to achieve results through violation of laws or regulations, or through unscrupulous dealings.

Any director with a conflict of interest or who is capable of being perceived as being in conflict of interest with respect to Prospect Park must abstain from discussion and voting by the board of directors or any committee of the board of directors on any motion to recommend or approve the relevant agreement or transaction. The board of directors must comply with conflict of interest provisions of the OBCA.

The board of directors views good corporate governance and ethical business conduct as an integral component to the success of Prospect Park and to meet responsibilities to its shareholders. Due to the size of Prospect Park and its present level of activity, Prospect Park has not adopted a Code of Conduct or taken formal steps to encourage or promote a culture of ethical business conduct.

Nomination of Directors

Both the directors and management are responsible for selecting nominees for election to the board of directors. At present, there is no formal process established to identify new candidates for nomination. The board of directors and management determine the requirements for skills and experience needed on the board of directors from time to time. The present board of directors and management expect that new nominees have a track record in general business management, special expertise in an area of strategic interest to Prospect Park, the ability to devote the time required, support for Prospect Park’s business objectives and a willingness to serve.

Compensation

At present, no compensation (other than the grant of Incentive Stock Options) is paid to the directors of Prospect Park in their capacity as directors. The directors do not currently have a compensation committee. As a CPC pursuant to Policy 2.4, Prospect Park is not permitted to compensate officers, including the CEO, for their services. See “*Information Concerning the Resulting Issuer – Executive Compensation*” for more information.

Assessments

The directors' believe that nomination to Prospect Park's board of directors is not open ended and that directorships should be reviewed carefully for alignment with the strategic needs of Prospect Park. To this extent, the directors constantly review (i) individual director performance and the performance of the board of directors as a whole, including processes and effectiveness; and (ii) the performance of the Chairman, if any, of the board of directors.

AUDIT COMMITTEE

National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) requires Prospect Park, as a venture issuer, to disclose annually in its Circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor. Following Completion of the Qualifying Transaction, it is anticipated that the Audit Committee Charter and the composition of the Audit Committee will remain unchanged.

Audit Committee Charter

Prospect Park's Audit Committee is governed by an audit committee charter that was established by the directors of Prospect Park on March 6, 2013, a copy of which is attached hereto as Schedule “E”.

Composition of Audit Committee

Prospect Park's Audit Committee is currently comprised of three directors, namely, Samuel Herschkowitz, Frank Mancuso Jr. and Jeffrey Barnes. Each member of the Audit Committee is financially literate, as such term is defined in NI 52-110, and two of the members, namely, Frank Mancuso Jr. and Jeffrey Barnes, are independent, as such term is defined in NI 52-110 and in the OBCA.

Relevant Education and Experience

In addition to each member's general business experience, the education and experience of each Audit Committee member relevant to the performance of his responsibilities as an Audit Committee member is as follows:

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. Mr. Herschkowitz has been the CEO of Serenity Pharmaceutical Corporation since 2006, and was a director and the Chief Operating Officer and Chief Technical Officer of Delcath Systems, Inc. from 1994 to June 2007.

Frank Mancuso Jr.

Mr. Mancuso obtained a Bachelor of Arts (Business) degree from Upsala College, a private college in East Orange, New Jersey, in 1980. Mr. Mancuso is the President of Boss Media, LLC since April 2011 and was the President of 360 Pictures, LLC from March 2006 to March 2011.

Jeffrey Barnes

Mr. Barnes obtained his Bachelor of Science from Duke University in 1978 and his Masters of Science from Stanford University in 1984. Mr. Barnes is the Managing Director of BioVentures Investors Management, LLC since January 2010 and was the General Partner at Oxford Bioscience Partners Management Corp.

External Auditor Matters

Since the commencement of Prospect Park's most recently completed financial year, Prospect Park's directors have not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor and Prospect Park has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the financial year in which the non-audit services were provided. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by Prospect Park's directors and, where applicable, the Audit Committee, on a case-by-case basis.

In the following table, "Audit fees" are fees billed by Prospect Park's external auditor for services provided in auditing Prospect Park's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of Prospect Park's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The fees paid by Prospect Park by its auditor in its only financial year, by category, are as follows:

Financial Year Ending	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
September 30, 2013	\$10,000	Nil	Nil	Nil

Exemptions:

Prospect Park is a "venture issuer" as defined in NI 52-110 and is relying on the exemption contained in Section 6.1 of NI 52-110, which exempts Prospect Park from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

EXECUTIVE COMPENSATION

Except as set out below and in this Circular or otherwise permitted by Policy 2.4, until completion of the Qualifying Transaction, no payment of any kind has been or will be made, directly or indirectly, by Prospect Park to a Non-Arm's Length Party to Prospect Park 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 Prospect Park 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; and (v) loans, advances, bonuses; and (B) deposits and similar payments.

However, Prospect Park may reimburse Non-Arm's Length Parties for Prospect Park'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.

No payment other than the Permitted Reimbursements, will be made by the Resulting Issuer or by any party on behalf of the Resulting Issuer, after completion of the Qualifying Transaction, if the payment relates to services rendered or obligations incurred or in connection with the Qualifying Transaction.

Compensation Discussion and Analysis

As at the date hereof, Prospect Park had not yet completed a Qualifying Transaction. Accordingly, the executive officers of Prospect Park (Samuel Herschkowitz (CEO and CFO) and Robbie Grossman (Corporate Secretary)) (the “**Named Executive Officers**”), were not paid any compensation during the financial year ended September 30, 2013, as the Policy 2.4 prohibits directors and officers from receiving remuneration (other than Incentive Stock Options) while Prospect Park is a CPC.

Option-Based Awards

On March 27, 2013, the date Prospect Park closed its IPO, Prospect Park granted a total of 527,075 stock options to its Named Executive Officers, exercisable for a period of ten years from the date of grant. Each option entitles its holder to purchase one common share of Prospect Park at an exercise price of \$0.20 per Share. The allocation and number of options granted was determined by the board of directors and the exercise price was established by the directors in accordance with the policies of the Exchange and was based on the IPO price of the Shares. The purpose of granting such options is to assist Prospect Park in compensating, attracting, retaining and motivating its Named Executive Officers and to closely align the personal interests of such persons to that of the shareholders.

Option-based awards are designed to reward individual performance and contribution to Prospect Park’s objectives. Previous grants of option-based awards are taken into account when considering new grants.

Summary Compensation Table for Named Executive Officers

The following table sets forth information concerning the total compensation paid to the Named Executive Officers of Prospect Park during its only completed financial year (September 30, 2013):

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long term incentive plans			
Samuel Herschkowitz <i>CEO and CFO</i>	2013	Nil	N/A	\$65,978	N/A	N/A	N/A	Nil	\$65,978
Robbie Grossman <i>Corporate Secretary</i>	2013	Nil	N/A	\$28,368	N/A	N/A	N/A	Nil	\$28,368

Notes:

- (1) Calculated at the date of the grant using the Black-Scholes options pricing model with the following assumptions: Risk free interest rate of 1.55%; Dividend yield of NIL; Expected stock price volatility of 100%; Option life of 10 years.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth all awards outstanding for the Named Executive Officers as of September 30, 2013:

Name	Option-Based Awards				Share-Based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share based awards that have not vested (\$)
Samuel Herschkowitz	368,595	\$0.20	March 28, 2023	\$11,058	N/A	N/A
Robbie Grossman <i>Corporate Secretary</i>	158,480	\$0.20	March 28, 2023	\$4,754	N/A	N/A

Notes:

- (1) Aggregate value is calculated based on the difference between the exercise price of the options and the closing price of the Shares on the Exchange on September 12, 2013 (the last day the Shares traded during the financial year ended September 30, 2013) of \$0.23.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the value of all incentive plan awards vested or earned for the Named Executive Officer during the year ended September 30, 2013:

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Samuel Herschkowitz	Nil	N/A	N/A
Robbie Grossman	Nil	N/A	N/A

Notes:

- (1) Options were issued to the Named Executive Officers upon closing of its IPO on March 28, 2013, 100% of which vested immediately.

Pension Plan Benefits

Prospect Park has not implemented a pension plan.

Termination and Change of Control Benefits

As at the end of Prospect Park's most recently completed financial year (September 30, 2013) Prospect Park had not entered into any contract, agreement, plan or arrangement that provides for payments to an Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of Prospect Park or a change in an Named Executive Officer's responsibilities.

Director Compensation

No cash compensation was paid to the directors of Prospect Park in their capacity as directors during the financial year ended September 30, 2013. The directors of Prospect Park are eligible to receive Incentive Stock Options to purchase Shares pursuant to the terms of the 2013 Option Plan.

Director Compensation Table for Directors (other than the Named Executive Officers)

The following table sets forth all compensation provided to each of the directors of Prospect Park (other than the Named Executive Officers, whose disclosure with respect to compensation is set out above) during the financial year ended September 30, 2013:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Frank Mancuso Jr.	Nil	N/A	\$24,875	N/A	N/A	Nil	\$24,875
Jeffrey Barnes	Nil	N/A	\$12,735	N/A	N/A	Nil	\$12,735

Notes:

- (1) Calculated at the date of the grant using the Black-Scholes options pricing model with the following assumptions: Risk free interest rate of 1.55%; Dividend yield of NIL; Expected stock price volatility of 100%; Option life of 10 years.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth all awards outstanding for each of the directors of Prospect Park (other than the Named Executive Officers, whose disclosure with respect to incentive plan awards is set out above) as of September 30, 2013:

Name	Option-Based Awards				Share-Based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share based awards that have not vested (\$)
Frank Mancuso Jr.	138,967	\$0.20	March 28, 2023	\$4,169	N/A	N/A
Jeffrey Barnes	71,149	\$0.20	March 28, 2023	\$2,134	N/A	N/A

Notes:

- (1) Aggregate value is calculated based on the difference between the exercise price of the options and the closing price of the Shares on the Exchange on September 12, 2013 (the last day the Shares traded during the financial year ended September 30, 2013) of \$0.23.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the value of all incentive plan awards vested or earned for each director of Prospect Park (other than the Named Executive Officer, whose disclosure with respect to incentive plan awards is set out above) during the year ended September 30, 2013:

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Frank Mancuso Jr.	Nil	N/A	N/A

Samuel Herschkowitz	Nil	N/A	N/A
---------------------	-----	-----	-----

Notes:

- (1) Options were issued to the Named Executive Officers upon closing of its IPO on March 28, 2013, 100% of which vested immediately.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information as of the date hereof regarding the number of Shares to be issued upon the exercise of outstanding options and the weighted-average exercise price of the outstanding options in connection with the 2013 Option Plan:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	-	-	-
Equity compensation plans not approved by securityholders	737,191	\$0.20	-
Total	737,191	\$0.20	-

The securities referred to in the table above were granted under the 2013 Option Plan or its predecessors plans.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who: (a) is a director or officer of Prospect Park or is proposed to be a director or officer of the Resulting Issuer; (b) at any time during the most recently completed financial year of Prospect Park, was a director or officer of Prospect Park; or (c) is an Associate or affiliate of any of the foregoing, is either: (i) indebted to Prospect Park; or (ii) indebted to another entity with such indebtedness being the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Prospect Park.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Circular, none of the informed persons (as such term is defined in NI 51-102) of Prospect Park, any proposed director of Prospect Park, or any associate or affiliate of any informed person or proposed director, has had any material interest, direct or indirect, in any transaction of Prospect Park since the commencement of Prospect Park's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect Prospect Park or any of its subsidiaries.

AUDITORS, REGISTRAR AND TRANSFER AGENT

Should the resolution relating to the appointment of the auditor be approved, KPMG LLP, the current auditor for Prospect Park, shall be the auditor for the Resulting Issuer. KPMG LLP's offices are located at 333 Bay Street, Suite 4600, Toronto, Ontario, M5H 2S5. See "Business of the Meeting – Appointment of Auditors".

It is expected that Computershare Investor Services Inc., the current registrar and transfer agent for Prospect Park, will serve as the Resulting Issuer's registrar and transfer agent. It is expected that transfers of the securities of the Resulting Issuer may be recorded at registers maintained by Computershare Investor Services Inc. in Toronto, Ontario.

SPONSORSHIP AND AGENT RELATIONSHIP

Pursuant to the Policy 2.2, sponsorship is required in conjunction with a Qualifying Transaction. Canaccord Genuity Corp., located at 609 Granville St #2200, Vancouver, BC V7Y 1H2, has agreed to act as Sponsor pursuant to the Sponsorship Engagement Agreement entered into December 2, 2013, as supplemented by a Sponsorship Agreement between the Sponsor and Prospect Park dated on or about the Closing Date. The Sponsor will receive a fee of \$35,000 (plus GST) for providing sponsorship services, including conducting appropriate due diligence on the Transactions and this Circular in compliance with the relevant standards and guidelines applicable in Policy 2.2. Prospect Park will also reimburse the Sponsor for reasonable expenses incurred. The Sponsor owns no securities of Prospect Park other than warrants to acquire 363,500 Shares of Prospect Park pursuant to the Agent Options.

The Sponsor acted as agent for the IPO. In connection with the IPO, Prospect Park granted the Sponsor the Agent Options to acquire 363,500 Shares at a price of \$0.20 per Share. The Agent Options may be exercised until March 28, 2015 (24 months from the date of listing of the Shares on the Exchange).

EXPERTS AND INTERESTS OF EXPERTS

The audited annual financial statements and notes thereto of Prospect Park for the period from the date of incorporation (September 7, 2012) to December 7, 2012 and the period from December 8, 2012 to September 30, 2013, incorporated by reference in this Circular, have been audited by KPMG LLP, Chartered Professional Accountants.

KPMG LLP are the auditors of Prospect Park and have confirmed that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Other than the foregoing, management of Prospect Park knows of no other matter to come before the Meeting other than those referred to in the Notice of Meeting. However, if any other matters which are not known to the management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

ADDITIONAL INFORMATION

Additional information relating to Prospect Park, including copies of Prospect Park's financial statements and Management's Discussion and Analysis is available on SEDAR at www.sedar.com, copies of which may be obtained from Prospect Park upon request. Prospect Park may require the payment of a reasonable charge if the request is made by a person who is not a shareholder of Prospect Park.

OTHER MATERIAL FACTS

To the knowledge of Prospect Park and its officers and directors, there are no other material facts about Prospect Park or the Transaction that are not disclosed elsewhere in this Circular.

APPROVAL OF THE BOARD

The contents and delivery to securityholders of this Circular have been approved by the Board. Where information contained in this Circular rests particularly within the knowledge of a Person other than Prospect Park, Prospect Park has relied upon information furnished by such Person.

DATED this 28th day of August, 2014.

BY ORDER OF THE BOARD

(signed) "Samuel Herschkowitz"
Chief Executive Officer and Chief Financial Officer

SCHEDULE "A"
AUDITED ANNUAL FINANCIAL STATEMENTS AND NOTES THERETO
FOR THE PERIOD FROM THE DATE OF INCORPORATION (SEPTEMBER 7, 2012) TO
DECEMBER 7, 2012 AND THE PERIOD FROM DECEMBER 8, 2012 TO SEPTEMBER 30, 2013

(see attached)

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)



KPMG LLP
Chartered Accountants
Bay Adelaide Centre
333 Bay Street Suite 4600
Toronto ON M5H 2S5

Telephone (416) 777-8500
Fax (416) 777-8818
Internet www.kpmg.ca

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.

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

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)

	Number of Shares	Share Capital	Reserves			Deficit	Total
			Warrant Reserve	Equity Settled Share-based Payments Reserve			
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.

PROSPECT PARK CAPITAL CORP.

Notes to Financial Statements

Period from December 8, 2012 to September 30, 2013 and period from September 7, 2012 (date of incorporation) to December 7, 2012

(Expressed in Canadian Dollars)

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.

PROSPECT PARK CAPITAL CORP.

Notes to Financial Statements

Period from December 8, 2012 to September 30, 2013 and period from September 7, 2012 (date of incorporation) to December 7, 2012

(Expressed in Canadian Dollars)

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.

PROSPECT PARK CAPITAL CORP.

Notes to Financial Statements

Period from December 8, 2012 to September 30, 2013 and period from September 7, 2012 (date of incorporation) to December 7, 2012

(Expressed in Canadian Dollars)

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.

PROSPECT PARK CAPITAL CORP.

Notes to Financial Statements

Period from December 8, 2012 to September 30, 2013 and period from September 7, 2012 (date of incorporation) to December 7, 2012

(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.

PROSPECT PARK CAPITAL CORP.**Notes to Financial Statements**

Period from December 8, 2012 to September 30, 2013 and period from September 7, 2012 (date of incorporation) to December 7, 2012

(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	-

PROSPECT PARK CAPITAL CORP.

Notes to Financial Statements

Period from December 8, 2012 to September 30, 2013 and period from September 7, 2012 (date of incorporation) to December 7, 2012

(Expressed in Canadian Dollars)

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.

SCHEDULE "B"
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD FROM DECEMBER 8, 2012 TO SEPTEMBER 30, 2013

(see attached)

PROSPECT PARK CAPITAL CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD FROM DECEMBER 8, 2013
TO SEPTEMBER 30, 2013

Introduction

This Management's Discussion and Analysis ("**MD&A**") is dated January 28, 2014, unless otherwise indicated and should be read in conjunction with the audited financial statements of Prospect Park Capital Corp. (the "**Corporation**") for the period from September 7, 2012 (date of incorporation) to December 7, 2012, and for the period from December 8, 2012 to September 30, 2013 and the related notes thereto. This MD&A was written to comply with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations*. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results presented for the period from December 8, 2012 to September 30, 2013 are not necessarily indicative of the results that may be expected for any future period.

The Corporation's financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**").

Further information about the Corporation and its operations can be obtained from the offices of the Corporation or from www.sedar.com.

Cautionary Note Regarding Forward-Looking Information

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "**forward-looking statements**"). These statements relate to future events or the Corporation's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Prospect Park Capital Corp.
Management's Discussion and Analysis
Period from December 8, 2013 to September 30, 2013
Discussion dated: January 28, 2014

Forward-looking statements	Assumptions	Risk factors
The Corporation expects to complete a Qualifying Transaction (defined below) within 24 months of being listed on the Exchange (March 28, 2015)	The Corporation expects to identify an asset or business to acquire and close a Qualifying Transaction, on terms favourable to the Corporation	The Corporation's inability to identify an asset or business to acquire, the Corporation's inability to satisfy all of the conditions precedent (due diligence, shareholder and regulatory approval, financing) to close a Qualifying Transaction, half the Corporation's seed common shares being cancelled and transferring to the NEX
The Corporation's ability to meet its working capital needs at the current level for the twelve-month period ending September 30, 2014	The operating activities of the Corporation for the twelve-month period ending September 30, 2014, and the costs associated therewith, will be consistent with the Corporation's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Corporation	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; regulatory compliance and changes in regulatory compliance and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Corporation's ability to predict or control. Please also make reference to those risk factors referenced in the "Risks and Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding: the potential of the Corporation to complete a Qualifying Transaction; the ability of the Corporation to successfully merge its business with a potential Qualifying Transaction target company or asset, the Corporation's ability to meet its working capital needs at the current level for the next twelve-month period; management's outlook regarding future trends; sensitivity analysis on financial instruments, which may vary from amounts disclosed; and general business and economic conditions.

All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Corporation undertakes no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law. If the Corporation does

update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

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 (the "**Offering**") pursuant to Policy 2.4 – *Capital Pool Companies* ("**Policy 2.4**") of the TSX Venture Exchange ("**Exchange**") and became classified as a Capital Pool Company (as such term is defined in Policy 2.4). The Corporation's common shares were listed on the Exchange on March 27, 2013 and commenced trading under the symbol "PPK.P" on March 28, 2013. 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 Policy 2.4).

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.

The Corporation has not conducted commercial operations and it is focused on the identification and evaluation of businesses or assets to acquire. Until Completion of the Qualifying Transaction (as such term is defined in Policy 2.4), the Corporation will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a Qualifying Transaction. Except as described in the Corporation's prospectus dated March 6, 2013 in connection with its Offering, funds raised pursuant to the issuance of shares by the Corporation will be utilized only for the identification and evaluation of potential Qualifying Transactions and, to the extent permitted by Policy 2.4, for general and administrative expenses.

Selected Annual Financial Information

The following is selected financial data derived from the audited financial statements of the Corporation as at September 30, 2013 and December 7, 2012 and for the periods then ended.

Prospect Park Capital Corp.
Management's Discussion and Analysis
Period from December 8, 2013 to September 30, 2013
Discussion dated: January 28, 2014

	Period ended September 30, 2013 (\$)	Period ended December 7, 2012 (\$)
Total revenues	nil	nil
Total loss ⁽¹⁾⁽²⁾	(182,727)	nil
Net loss per share – basic ⁽³⁾⁽⁴⁾	(0.03)	nil
Net loss per share – diluted ⁽³⁾⁽⁴⁾	(0.03)	nil
	As at September 30, 2013 (\$)	As at December 7, 2012 (\$)
Total assets	1,056,150	491,591
Total non-current financial liabilities	nil	nil
Distribution or cash dividends ⁽⁵⁾	nil	nil

⁽¹⁾ Loss from continuing operations attributable to owners of the parent, in total;

⁽²⁾ Loss attributable to owners of the parent, in total;

⁽³⁾ Loss from continuing operations attributable to owners of the parent, on a per-share and diluted per share basis;

⁽⁴⁾ Loss attributable to owners of the parent, on a per-share and diluted per-share basis; and

⁽⁵⁾ Declared per-share for each class of share.

- The net loss for the period from December 8, 2012 to September 30, 2013, consisted primarily of share-based compensation of \$131,957 and professional fees of \$51,485.
- There was no loss for the period from September 7, 2012 to December 7, 2012.

As the Corporation has no revenue, its ability to fund its operations is dependent upon its securing financing through the sale of equity or assets. See "Risk Factors" below.

Discussion of Operations

Period from December 8, 2012 to September 30, 2013

The Corporation's net loss totaled \$182,727 for the period from December 8, 2012 to September 30, 2013, with basic and diluted loss per share of \$0.03. The net loss consists of professional fees of \$51,485 and share-based compensation of \$131,957.

Prospect Park Capital Corp.
Management's Discussion and Analysis
Period from December 8, 2013 to September 30, 2013
Discussion dated: January 28, 2014

Period from September 7, 2012 to December 7, 2012

There was no loss for the period from September 7, 2012 to December 7, 2012.

Selected Quarterly Information

A summary of selected information for the quarter presented below is as follows:

Three Months Ended	Net Revenues (\$)	Net Loss	
		Total (\$)	Basic and Diluted Loss Per Share (\$)
September 30, 2013	-	(22,001)	(0.00)
June 30, 2013	-	(7,698)	(0.00)
March 31, 2013	-	(141,878)	(0.04)
December 31, 2012	-	(11,150)	(0.00)

Liquidity

At September 30, 2013, the Corporation had working capital of \$1,027,960. The Corporation manages its capital structure and makes adjustments to it, based on available funds to the Corporation. Capital levels for Capital Pool Companies are regulated pursuant to guidelines issued by the Exchange. These guidelines state that proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not 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 of the Corporation not related to the identification and evaluation of a Qualifying Transaction. These restrictions apply until Completion of the Qualifying Transaction by the Corporation. Management believes the Corporation's working capital is sufficient for the Corporation to meet its ongoing obligations and meet its objective of completing a Qualifying Transaction.

Capital Resources

The following financings have been completed by the Corporation:

Date	Gross Proceeds	Type of Transaction
October 18, 2012 to November 1, 2012 ⁽¹⁾	\$500,000	Seed Financing
March 28, 2013 ⁽²⁾	\$727,000	Initial Public Offering

⁽¹⁾ 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 Offering, these shares are being held in escrow and will be released in future periods in accordance with the policies of the Exchange.

⁽²⁾ On March 28, 2013, the Corporation completed the Offering 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 Offering. 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.

In addition, at the closing of the Offering 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.

Off-Balance Sheet Arrangements

As of the date of this filing, the Corporation does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Corporation including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

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.

(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.

Risk Factors

An investment in the Corporation and the common shares should be considered highly speculative and investors should carefully consider all of the information disclosed in this MD&A prior to making an investment. In addition to the other information presented in this MD&A, the following risk factors should be given special consideration when evaluating an investment in the Corporation or the common shares.

No Operating History

An investment in the Corporation and the common shares 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.

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 (as such term is defined by the Exchange) has been retained and certain preliminary reviews have been conducted by the Exchange. 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.

Potential Dilution

The issue of shares upon the exercise of stock options and warrants will dilute the ownership interest of the Corporation's current shareholders. The Corporation may also issue additional options and warrants or additional shares from time to time in the future. If it does so, the ownership interest of the Corporation's then current shareholders could also be diluted.

Exchange May Not Approve a Qualifying Transaction

Completion of a 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 (as such terms are defined by the Exchange).

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

- (a) the Corporation fails to meet the initial listing requirements prescribed by Policy 2.1 of the Exchange upon Completion of the Qualifying Transaction;

- (b) 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.

Directors and Officers

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. From time to time one or more of the directors and officers of the Corporation may 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.

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.

Recent Accounting Pronouncements

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or International Financial Reporting Interpretations Committee that are mandatory for accounting periods beginning after December 31, 2012, or later periods. Many are not applicable to or do not have a significant impact on the Corporation and have been excluded from the table below. 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 - Financial Instruments: Recognition and Measurement (“**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.

Financial Instruments

Fair Values

At September 30, 2013, the Corporation's financial instruments consist of cash and cash equivalents 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, and its 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. Cash and cash equivalents are held with a major Canadian chartered bank, from which management believes the risk of loss to be 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.

Critical Accounting 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.

Outlook

For the immediate future, the Corporation intends to evaluate direct or indirect acquisitions of assets to complete a Qualifying Transaction. The Corporation continues to monitor its spending and will amend its plans based on business opportunities that may arise in the future.

Share Capital

As of the date of this MD&A, the Corporation had 7,371,913 issued and outstanding common shares. In addition, the Corporation had warrants outstanding exercisable for 363,500 common shares and stock options outstanding exercisable for 737,191 common shares. Therefore, the Corporation had 8,472,604 common shares on a fully diluted basis. The diluted loss per share did not include the effect of the warrants and the options outstanding as they are anti-dilutive.

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.

Additional Disclosure for Venture Issuers without Significant Revenue

General and Administrative

	Period from September 7, 2012 to December 7, 2012 (\$)	Period from December 8, 2012 to September 30, 2013 (\$)
Share-based compensation	nil	131,957
Professional fees	nil	51,485
Total	nil	183,442

SCHEDULE "C"
UNAUDITED INTERIM FINANCIAL STATEMENTS AND NOTES THERETO
FOR THE THREE MONTHS AND SIX MONTHS ENDED MARCH 31, 2014

(see attached)

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)



KPMG LLP
Chartered Accountants
Bay Adelaide Centre
333 Bay Street Suite 4600
Toronto ON M5H 2S5
Canada

Telephone (416) 777-8500
Fax (416) 777-8818
Internet www.kpmg.ca

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.



Page 2

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		Six Months Ended	
	March 31,		March 31,	
	2014	2013	2014	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			Deficit	Total
			Warrant Reserve	Equity Settled Share-based Payments Reserve			
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.
Notes to Condensed Interim Financial Statements
Three and Six Months Ended March 31, 2014
(Expressed in Canadian Dollars)
(Unaudited)

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.

PROSPECT PARK CAPITAL CORP.
Notes to Condensed Interim Financial Statements
Three and Six Months Ended March 31, 2014
(Expressed in Canadian Dollars)
(Unaudited)

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.

PROSPECT PARK CAPITAL CORP.
Notes to Condensed Interim Financial Statements
Three and Six Months Ended March 31, 2014
(Expressed in Canadian Dollars)
(Unaudited)

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.

PROSPECT PARK CAPITAL CORP.
Notes to Condensed Interim Financial Statements
Three and Six Months Ended March 31, 2014
(Expressed in Canadian Dollars)
(Unaudited)

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.

PROSPECT PARK CAPITAL CORP.
Notes to Condensed Interim Financial Statements
Three and Six Months Ended March 31, 2014
(Expressed in Canadian Dollars)
(Unaudited)

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.

PROSPECT PARK CAPITAL CORP.
Notes to Condensed Interim Financial Statements
Three and Six Months Ended March 31, 2014
(Expressed in Canadian Dollars)
(Unaudited)

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.

SCHEDULE "D"
UNAUDITED CONSOLIDATED PRO FORMA BALANCE SHEET FOR THE RESULTING ISSUER

(see attached)

Prospect Park Capital Corp.
Pro Forma Statement of Financial Position
As at March 31, 2014
(Expressed in Canadian Dollars, unless otherwise stated)
(Unaudited)

	Prospect Park Capital Corp. as at March 31, 2014	Note Ref.	Pro Forma Adjustments	Pro Forma Consolidated
Assets				
Current assets				
Cash and cash equivalents	\$ 1,030,256	2(a) 2(b) 2(c)	\$ (400,000) (165,795) (100,000)	\$ - 364,461
Amount receivable	723		-	723
Prepaid expenses	15,000		-	15,000
Skyline investment	-	2(a)	1,700,000	1,700,000
IOI investment	-	2(b)	165,795	165,795
	<u>\$ 1,045,979</u>		<u>\$ 1,200,000</u>	<u>\$ 2,245,979</u>
Liabilities				
Current liabilities				
Accounts payable	\$ 4,590		\$ -	\$ 4,590
Accrued liabilities	139,005	2(c)	(100,000)	39,005
	<u>143,595</u>		<u>(100,000)</u>	<u>43,595</u>
Long-term liabilities	-		-	-
Shareholders' equity				
Share capital	1,040,562	2(a)	600,000	1,640,562
Reserves	170,125		-	170,125
Deficit	(308,303)	2(a)	700,000	391,697
	<u>902,384</u>		<u>1,300,000</u>	<u>2,202,384</u>
	<u>\$ 1,045,979</u>		<u>\$ 1,200,000</u>	<u>\$ 2,245,979</u>

Prospect Park Capital Corp.
Notes to Pro Forma Statement of Financial Position as at March 31, 2014
(Expressed in Canadian Dollars, unless otherwise stated)
(Unaudited)

1. Basis of Presentation

The accompanying unaudited pro forma statement of financial position of the Prospect Park Capital Corp. (the “**Company**”) has been prepared by management to reflect the proposed transactions (“**Transactions**”) as described in Note 2.

The pro forma financial statements have been prepared from information derived from and should be read in conjunction with the unaudited condensed interim financial statements of the Company as at and for the three and six months ended March 31, 2014.

The unaudited pro forma statement of financial position of the Company as at March 31, 2014 has been presented assuming the Transactions had been completed on March 31, 2014.

The unaudited pro forma financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”), and, in the opinion of management, include all adjustments necessary for fair presentation.

The attached unaudited pro forma financial statements have been prepared in accordance with TSX Venture Exchange (“**TSXV**”) requirements for inclusion in an Information Circular for a Qualifying Transaction relating to the completion of the Transactions and accordingly, do not provide all disclosures required by IFRS for complete financial statements. Readers, therefore, should refer to the unaudited condensed interim financial statements for the three and six months ended March 31, 2014.

The unaudited pro forma statements have been prepared for illustration purposes only and may not be indicative of the combined financial position had the Transactions been in effect at the date indicated.

Completion of the Transactions is subject to a number of conditions including, but not limited to, receipt of all applicable consents to and approvals of the Transactions including approval of the TSXV, approval of the board of directors of the Company, and any applicable shareholders’ approval necessary to complete the proposed transaction.

2. Pro Forma Assumptions and Adjustments

- a) Skyline Medical Inc. (“**Skyline**”) is a public corporation incorporated pursuant to the laws of the State of Delaware and is a medical device company.

The Company entered into a share purchase agreement (the “**Skyline Agreement**”) with SOK Partners LLC (“**SOK**”), pursuant to which the Company will acquire from SOK that number of shares of Skyline (the “**Skyline Shares**”) equal to \$1,700,000 divided by the last closing price of the Skyline Shares (on the stock exchange that the Skyline Shares are then trading) prior to the closing of the Skyline Agreement in exchange for (i) \$400,000 in cash, (ii) \$300,000 payable in shares (1,304,347 shares) issued on closing at a deemed price of \$0.23 per share, and (iii) a further \$300,000 payable in shares (1,714,285 shares) issued within 6 months of closing at a deemed price of \$0.175 per share.

Prospect Park Capital Corp.
Notes to Pro Forma Statement of Financial Position as at March 31, 2014
(Expressed in Canadian Dollars, unless otherwise stated)
(Unaudited)

SOK and Skyline are Non-Arm's Length Parties (as such term is defined by the TSXV) to the Company but is not a Non-Arm's Length Qualifying Transaction (as such term is defined by the TSXV). The transaction contemplated in the Skyline Agreement is a Related Party Transaction (as such term is defined by the TSXV). The consideration payable for the Skyline Shares was negotiated by the Company and SOK. Upon completion of the transaction contemplated in the Skyline Agreement, the Company would beneficially hold approximately 3.74% of the issued and outstanding Skyline Shares (based on the Bank of Canada daily noon exchange rate, closing price of the Skyline Shares and total number of issued and outstanding Skyline Shares on March 31, 2014).

- b) IOI, LLC ("**IOI**") is a limited liability partnership duly organized under the laws of the State of Delaware and is a company that invests in pharmaceutical companies.

The Company entered into a subscription agreement (the "**IOI Agreement**") with IOI pursuant to which the Company agrees to a capital commitment of \$165,825 (USD\$150,000) in exchange for an IOI Membership Interest. The Company and IOI are Non-Arm's Length Parties. The consideration payable for the IOI Membership Interest was negotiated by the parties.

Upon completion of the IOI Investment, if the Minimum Term Loan is extended to Serenity, Prospect Park would beneficially hold 7.5% of the IOI Membership Interest and if the Maximum Term Loan is extended to Serenity, Prospect Park would hold 5.0% of the IOI Membership Interest.

IOI and various lenders (the "**Lenders**") have entered into the IOI Credit Agreement with Serenity Pharmaceuticals Corporation ("**Serenity**") as borrower, pursuant to which IOI (as to 20%) and the Lenders (as to 80%) have agreed to extend a loan amount equal to the Minimum Term Loan of USD\$15,000,000 or, at the option of Serenity, up to the Maximum Term Loan of USD\$20,000,000, subject to certain qualifications as outlined in the IOI Credit Agreement. On July 12, 2013, an eligible assignee (as such term is defined in the IOI Credit Agreement) of IOI extended an initial loan of USD\$1,000,000 to Serenity under the IOI Credit Agreement, and IOI will extend the remaining loan amount of USD\$2,000,000 under the Minimum Term Loan or up to USD\$3,000,000 under the Maximum Term Loan.

- c) Costs directly related to the Transactions are estimated at \$100,000.
- d) As of March 31, 2014, the Bank of Canada daily noon exchange rate for the purchase of one United States dollar using Canadian dollars was \$1.1053.
- e) The pro forma effective income tax rate applicable to the operations will be approximately 26.5%.

SCHEDULE "E"
AUDIT COMMITTEE CHARTER

(see attached)

PROSPECT PARK CAPITAL CORP.
(the “Company”)

**CHARTER OF THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS**

I. PURPOSE

The Audit Committee is a committee of the board of directors (the “**Board**”) of the Company. The function of the Audit Committee is to assist the Board in fulfilling its responsibilities to the shareholders of the Company, the securities regulatory authorities and stock exchanges, the investment community and others by:

- (a) reviewing the annual and interim (quarterly) financial statements, related management discussion and analysis (“**MD&A**”) and, where applicable, other financial information disclosed by the Company to any governmental body or the public, prior to its approval by the Board;
- (b) overseeing the review of interim (quarterly) financial statements and/or MD&A by the Company’s external auditor;
- (c) recommending the appointment and compensation of the Company’s external auditor, overseeing the external auditor’s qualifications and independence and providing an open avenue of communication among the external auditor, financial and senior management and the Board;
- (d) directly overseeing the work of the external auditor on the audit of annual financial statements; and
- (e) monitoring the Company’s financial reporting process and internal controls and compliance with legal and regulatory requirements related thereto.

The Audit Committee should primarily fulfill these responsibilities by carrying out the activities enumerated in Section III of this Charter. However, it is not the duty of the Audit Committee to prepare financial statements, to plan or conduct audits, to determine that the financial statements are complete and accurate and are in accordance with generally accepted accounting principles (“**GAAP**”), to conduct investigations, or to assure compliance with laws and regulations or the Company’s internal policies, procedures and controls, as these are the responsibility of management and in certain cases the external auditor.

II. COMPOSITION

1. The Audit Committee shall have a minimum of three members.
2. Every Audit Committee member must be a director of the Company. The Audit Committee shall be comprised of such directors as are determined by the Board, each of whom shall be independent within the meaning of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) of the Canadian Securities Administrators (or exempt therefrom), and free of any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Audit Committee. Pursuant to the *Business Corporations Act* (Ontario) (the “**OBCA**”) the majority of the Audit Committee members must not be officers, nor employees of the Company or any of its affiliates.
3. All members of the Audit Committee must have (or should gain within a reasonable period of time after appointment) a working familiarity with basic finance and accounting practices and otherwise be financially literate within the meaning of NI 52-110 (or exempt therefrom). Audit Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Company or an outside consultant.

4. The members of the Audit Committee shall be elected by the Board on an annual basis or until their successors shall be duly appointed. Audit Committee members shall hold office until the next annual meeting of shareholders subsequent to their appointment.
5. Unless a Chair is elected by the full Board, the members of the Audit Committee may designate a Chair by majority vote of the full Audit Committee membership.
6. The Secretary of the Audit Committee will be appointed by the Chair.
7. Any member of the Audit Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Audit Committee on ceasing to be a Director. The Board may fill vacancies on the Audit Committee by election from among the directors on the Board. If and whenever a vacancy shall exist on the Audit Committee, the remaining members may exercise all its powers so long as a quorum remains.

III. DUTIES AND RESPONSIBILITIES

1. The Audit Committee shall review and recommend to the Board for approval:
 - (a) the Company's annual and interim financial statements, including any certification, report, opinion or review rendered by the external auditor, and review related MD&A;
 - (b) press releases of the Company that contain financial information;
 - (c) other financial information provided to any governmental body, stock exchange or the public as they see fit
 - (d) documents referencing, containing or incorporating by reference the annual audited consolidated financial statements or interim financial results (e.g., prospectuses, press releases with financial results and Annual Information Form – when applicable) prior to their release; and
 - (e) any other matter not mentioned herein but otherwise required pursuant to applicable laws, including, without limitation, NI 52-110 and the OBCA.
2. The Audit Committee, in fulfilling its mandate, will:
 - (a) satisfy itself that adequate internal controls and procedures are in place to allow the Chief Executive Officer and the Chief Financial Officer to certify financial statements and other disclosure documents as required under securities laws;
 - (b) review with management relationships with regulators, and the accuracy and timeliness of filing with regulatory authorities (when and if applicable);
 - (c) ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assess the adequacy of those procedures;
 - (d) recommend to the Board the selection of the external auditor, consider the independence and effectiveness and approve the fees and other compensation to be paid to the external auditor;
 - (e) review the performance of the external auditor and approve any proposed discharge and replacement of the external auditor when circumstances warrant;
 - (f) review the annual audit plans of the internal and external auditors of the Company;
 - (g) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;

- (h) monitor the relationship between management and the external auditor including reviewing any management letters or other reports of the external auditor and discussing any material differences of opinion or disagreements between management and the external auditor;
 - (i) periodically consult with the external auditor out of the presence of management about significant risks or exposures, internal controls and other steps that management has taken to control such risks, and the fullness and accuracy of the organization's financial statements. Particular emphasis should be given to the adequacy of internal controls to expose any payments, transactions, or procedures that might be deemed illegal or otherwise improper;
 - (j) arrange for the external auditor to be available to the Audit Committee and the full Board as needed. Ensure that the auditors communicate directly with the Audit Committee and are made accountable to the Board and the Audit Committee, as representatives of the shareholders to whom the auditors are ultimately responsible;
 - (k) ensure that the external auditors are prohibited from providing non-audit services and approve any permissible non-audit engagements of the external auditors, in accordance with applicable legislation;
 - (l) review with management and the external auditor the Company's major accounting policies, including the impact of alternative accounting policies and key management estimates and judgments that can materially affect the financial results;
 - (m) review with management their approach to controlling and securing corporate assets (including intellectual property) and information systems, the adequacy of staffing of key functions and their plans for improvements;
 - (n) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company;
 - (o) review the expenses of the Chairman and President of the Company annually;
 - (p) establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls, or auditing matters and the confidential, anonymous submission by the Company's employees of concerns regarding questionable accounting or auditing matters; and
 - (q) perform such other duties as required by the Company's incorporating statute and applicable securities legislation and policies, including, without limitation, NI 52-110 and the OBCA.
3. The Audit Committee may engage independent counsel and other advisors as it determines necessary to carry out its duties, and may set and pay the compensation of such counsel and advisors. The Audit Committee may communicate directly with the Company's internal and external counsel and advisors.

IV. MEETING PROCEDURES

1. The Audit Committee shall meet at such times and places as the Audit Committee may determine, but no less than four times per year. The Audit Committee should meet within forty-five (45) days (sixty (60) days in the event the Company is a "venture issuer" (as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations*)) following the end of the first three financial quarters to review and discuss the unaudited financial results for the preceding quarter and the related MD&A, and shall meet within ninety (90) days (one hundred and twenty (120) days in the event the Company is a "venture issuer") following the end of the financial year end to review and discuss the audited financial results for the preceding year and the related MD&A as well as any accompanying press release, or in both cases, by

such earlier times as may be required in order to comply with applicable law or any stock exchange regulation.

2. Members of the Audit Committee shall be provided with reasonable notice of the time and place of meetings, which shall be not less than twenty-four (24) hours. The notice period may be waived by all members of the Audit Committee. Each of the Chairman of the Board, the external auditor, the Chief Executive Officer or the Chief Financial Officer shall be entitled to request that any member of the Audit Committee call a meeting.
3. The Audit Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. For purposes of performing their duties, members of the Audit Committee shall have full access to all corporate information and any other information deemed appropriate by them, and shall be permitted to discuss such information and any other matters relating to the financial position of the Company with senior employees, officers and the external auditor of the Company, and others as they consider appropriate. The external auditor may, at its option, attend meetings of the Audit Committee.
4. In order to foster open communication, the Audit Committee or its Chair should meet at least annually with management and the external auditor in separate sessions to discuss any matters that the Audit Committee or each of these groups believes should be discussed privately. In addition, the Audit Committee or its Chair should meet with management quarterly in connection with the Company's interim financial statements.
5. Meetings of the Audit Committee may be conducted with members in attendance in person, by telephone or by video conference facilities.
6. Quorum for the transaction of business at any meeting of the Audit Committee shall be a majority of the number of members of the Audit Committee or such greater number as the Audit Committee shall by resolution determine.
7. A resolution in writing signed by all the members of the Audit Committee is valid as if it had been passed at a meeting of the Audit Committee.
8. The Audit Committee shall ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the Company.

SCHEDULE "F"
2014 OPTION PLAN
(including blackline to the 2013 Option Plan)

(see attached)

**STOCK OPTION PLAN OF
PROSPECT PARK CAPITAL CORP.**
(approved by shareholders on September 25, 2014)

PART 1 - INTRODUCTION

1.01 Purpose

The purpose of the Plan is to secure for the Corporation and its shareholders the benefits of incentive inherent in share ownership by the directors, officers, key employees and, subject to the terms and conditions herein, consultants of the Corporation and its Affiliates who, in the judgment of the Board, will be largely responsible for its future growth and success.

1.02 Definitions

- (a) "Affiliate" has the meaning ascribed thereto in the *Business Corporations Act* (Ontario) as amended from time to time.
- (b) "Blackout Period" means a period during which the Corporation prohibits Optionees from exercising their Options.
- (c) "Board" means the board of directors of the Corporation.
- (d) "Consultant" has the meaning ascribed to such term in Policy 4.4.
- (e) "Corporation" means Prospect Park Capital Corp., a corporation duly incorporated under the laws of the Province of Ontario, and its Affiliates, if any.
- (f) "Discounted Market Price" has the meaning ascribed to such term in Policy 1.1.
- (g) "Eligible Person" shall mean an officer or director of the Corporation ("**Executive**") or an employee of the Corporation ("**Employee**") or a Management Company Employee or a Consultant.
- (h) "Exchange" means the TSX Venture Exchange.
- (i) "Exercise Notice" means the notice respecting the exercise of an Option, substantially in the form attached to the Option Certificate, duly executed by the Optionee.
- (j) "Exercise Price" means the price at which an Option may be exercised as determined in accordance with section 2.03.
- (k) "Insider" means (i) an insider as defined in the *Securities Act* (Ontario), other than a person who falls within the definition solely by virtue of being a director or senior officer of a subsidiary of the Corporation, and (ii) an associate of any person who is an insider by virtue of the preceding sub-clause (i).
- (l) "Investor Relations Activities" has the meaning ascribed to such term in Policy 1.1.
- (m) "Management Company Employee" has the meaning ascribed to such term in Policy 4.4.
- (n) "Material Information" has the meaning ascribed to such term in Policy 1.1.
- (o) "Option" shall mean an option granted under the terms of the Plan.

- (p) "Option Certificate" means the certificate, substantially in the form set out as Schedule "A" hereto, evidencing an Option.
- (q) "Option Period" shall mean the period during which an option may be exercised.
- (r) "Optionee" shall mean an Eligible Person to whom an Option has been granted under the terms of the Plan.
- (s) "Outstanding Issue" means the number of Shares outstanding on a non-diluted basis.
- (t) "Plan" means the stock option plan established and operated pursuant to Part 2 hereof.
- (u) "Policy 1.1" means the Exchange's Policy 1.1 entitled "Interpretation" as amended from time to time.
- (v) "Policy 4.4" means the Exchange's Policy 4.4 entitled "Incentive Stock Options" as amended from time to time.
- (w) "Shares" shall mean the common shares of the Corporation.

PART 2 - SHARE OPTION PLAN

2.01 Participation

Options shall be granted only to Eligible Persons.

2.02 Determination of Option Recipients

The Board shall make all necessary or desirable determinations regarding the granting of Options to Eligible Persons and may take into consideration the present and potential contributions of a particular Eligible Person to the success of the Corporation and any other factors which it may deem proper and relevant.

2.03 Price

The price at which an Optionee may purchase a Share upon the exercise of an Option shall be determined from time to time by the Board and shall be as set forth in the Option Certificate issued in respect of such Option but, in any event, shall not be less than the Discounted Market Price.

2.04 Grant of Options

The Board may at any time authorize the granting of Options to such Eligible Persons as it may select for the number of Shares that it shall designate, subject to the provisions of the Plan. The date of each grant of Options shall be determined by the Board when the grant is authorized.

In the event that Options are granted to Employees, Management Company Employees or Consultants, the Corporation represents that such Optionees shall be bona fide Employees, Management Company Employees or Consultants, as the case may be.

The Corporation may at the time of granting options hereunder provide for additional terms and conditions which are not inconsistent with Part 2 hereof including, without limitation, terms and conditions deferring or delaying the date at which an Option may be exercised in whole or in part. Such additional terms and conditions shall be as set forth in the Option Certificate issued in respect of such Option

2.05 Term of Options

Unless otherwise expired pursuant to the terms of the Plan, all Options granted to an Optionee pursuant to this Plan shall expire at the close of business ten (10) years from the date of grant, or such earlier date as the Board shall decide when the Option is granted.

Upon the expiration of the Option Period the Options granted shall forthwith expire and terminate and be of no further force or effect whatsoever as to such of the Shares in respect of which the Option hereby granted has not then been exercised.

Notwithstanding the foregoing, if the expiration of the Option Period falls within a Blackout Period the expiration of the Option Period shall be automatically extended for ten (10) business days after the expiry of the Blackout Period on the condition that (i) the Blackout Period was formally imposed by the Corporation pursuant to its internal trading policies as a result of the bona fide existence of undisclosed Material Information, (ii) the Blackout Period must be deemed to have expired upon the general disclosure of the undisclosed Material Information, and (iii) the automatic extension of an Optionee's options will not be permitted where the Optionee or the Corporation is subject to a cease trade order (or similar order under applicable securities laws) in respect of the Corporation's securities.

No Optionee or his or her legal representative, legatees or distributees will be, or will be deemed to be, a holder of any Shares subject to an Option, unless and until certificates for such Shares are issued to him, her or them or a securities intermediary with whom the Optionee (or his or her legal representative, legatees or distributees) has an account, is recorded as the owner of such Shares in a book-entry system under the terms of the Plan.

2.06 Exercise of Options

Except as set forth in section 2.10, no Option may be exercised unless the Optionee is at the time of such exercise;

- (a) in the case of an Employee, in the employ of the Corporation or any Affiliate and shall have been continuously so employed since the grant of his or her Option, or have been a Consultant of the Corporation during such time thereafter, but absence on leave, having the approval of the Corporation or such Affiliate, shall not be considered an interruption of employment for any purpose of the Plan;
- (b) in the case of a Consultant, under contract with the Corporation or any Affiliate and shall have been continuously so contracted since the grant of the Option; or
- (c) in the case of an Executive, a director or officer of the Corporation or any Affiliate and shall have been such a director or officer continuously since the grant of his or her Option.

No Option may be exercised by an Optionee until the Plan has been approved by the shareholders of the Corporation.

The exercise of any Option will be contingent upon receipt by the Corporation of cash payment of the full Exercise Price of the Shares being purchased by 5:00 p.m. (EST) on the last day of the Option Period by delivering to the Corporation an Exercise Notice, the applicable Option Certificate and a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Option.

2.07 Vesting of Options

Executives, Employees, Management Company Employees and Consultants

All Options granted to an Executive, Employee or Management Company Employee pursuant to this Plan

shall vest and become fully exercisable as determined by the Board when the Option is granted.

Optionees performing Investor Relations Activities

All Options granted to Optionees performing Investor Relations Activities pursuant to this Plan shall vest and become full exercisable as follows or as determined by the Board when the Option is granted, but in any event such Options shall not vest any sooner:

- (a) one quarter (1/4) of the Options on the date which is three (3) months from the date said Options are granted;
- (b) one quarter (1/4) of the Options on the date which is six (6) months from the date said Options are granted;
- (c) one quarter (1/4) of the Options on the date which is nine (9) months from the date said Options are granted; and
- (d) the final one quarter (1/4) of the Options on the date which is twelve (12) months from the date said Options are granted.

2.08 Restrictions on Grant of Options

The granting of Options shall be subject to the following conditions:

- (a) not more than two (2%) percent of the Outstanding Issue may be granted to any one Consultant in any 12 month period;
- (b) not more than an aggregate of two (2%) percent of the Outstanding Issue may be granted in aggregate to Eligible Persons conducting Investor Relations Activities in any 12 month period;
- (c) unless the Corporation has obtained disinterested shareholder approval, not more than five (5%) percent of the Outstanding Issue may be issued to any one individual in any 12 month period;
- (d) unless the Corporation has obtained disinterested shareholder approval, not more than an aggregate of ten (10%) percent of the Outstanding Issue may be issued to Insiders in any 12 month period; and
- (e) unless the Corporation has obtained disinterested shareholder approval, the Corporation shall not decrease the Exercise Price of Options previously granted to Insiders.

If disinterested shareholder approval is required, the proposed grant(s) or plan must be approved by a majority of the votes cast by all shareholders at the shareholders' meeting excluding votes attaching to shares beneficially owned by (i) Insiders to whom options may be granted under the stock option plan; and (ii) Associates of such Insiders. Holders of non-voting and subordinate voting shares must be given full voting rights on a resolution that requires disinterested shareholder approval.

2.09 Lapsed Options

If Options are surrendered, terminated or expire without being exercised in whole or in part, new Options may be granted covering the Shares not purchased under such lapsed Options.

2.10 Effect of Termination of Employment, Death or Disability

- (a) If an Optionee shall die while employed by the Corporation or its Affiliate, or while an Executive,

any Options held by the Optionee at the date of death, which have vested pursuant to section 2.07, shall become exercisable, in whole or in part, but only by the persons or persons to whom the Optionee's rights under the Option shall pass by the Optionee's will or the laws of descent and distribution (the "**Successor Optionee**"). Notwithstanding the foregoing, the Board, in its discretion, may resolve that all of the Options held by an Optionee at the date of death which have not yet vested shall vest immediately upon death. All such Options shall be exercisable only to the extent that the Optionee was entitled to exercise the Option at the date of his or her death and only for one (1) year after the date of death or prior to the expiration of the Option Period in respect thereof, whichever is sooner, except that in the event the expiration of the Option Period is earlier than one (1) year after the date of death, with the consent of the Exchange, the Options shall be exercisable for up to one (1) year after the date of death of the Optionee.

- (b) If the employment of an Optionee shall terminate due to disability while the Optionee is employed by the Corporation or its Affiliate, any Option held by the Optionee on the date the employment of the Optionee is terminated due to disability, which have vested pursuant to section 2.07, shall become exercisable, in whole or in part. Notwithstanding the foregoing, the Board, in its discretion, may resolve that all of the Options held by an Optionee on the date the employment of the Optionee is terminated due to disability which have not yet vested shall vest immediately upon such date. All such Options shall be exercisable only to the extent that the Optionee was entitled to exercise the Option at the date of his or her termination due to disability and only for one (1) year after the date of termination or prior to the expiration of the Option Period in respect thereof, whichever is sooner, provided that Options that become exercisable due to disability shall only be exercisable by the person or persons who have the legal authority to act on behalf of the Optionee in connection with the rights of the Optionee to the Option.
- (c) Subject to section 2.10(d), Options granted to any Optionee must expire not later than one (1) year following the date the Optionee ceases to be an Executive, Employee, Consultant or Management Company Employee, which shall be determined by the Board at the time of each grant. Notwithstanding the foregoing, the Board, in its discretion, may resolve that all of the Options held by an Optionee on the date the Optionee ceases to be an Executive, Employee, Consultant or Management Company Employee which have not yet vested shall vest immediately upon such date.
- (d) If the employment of an Employee or Consultant is terminated for cause no Option held by such Optionee may be exercised following the date upon which Termination occurred.

2.11 Effect of Amalgamation, Consolidation or Merger

If the Corporation amalgamates, consolidates with or merges with or into another corporation any Shares receivable on the exercise of an Option shall be converted into the securities, property or cash which the Optionee would have received upon such amalgamation, consolidation or merger if the Optionee had exercised his or her option immediately prior to the record date applicable to such amalgamation, consolidation or merger, and the Exercise Price shall be adjusted appropriately by the Board and such adjustment shall be binding for all purposes of the Plan.

2.12 Adjustment in Shares Subject to the Plan

If there is any change in the Shares through or by means of a declaration of stock dividends of Shares or consolidations, subdivisions or reclassification of Shares, or otherwise, the number of Shares available under the Plan, the Shares subject to any Option, and the Exercise Price thereof shall be adjusted appropriately by the Board and such adjustment shall be effective and binding for all purposes of the Plan.

2.13 Hold Period

All Options and any Shares issued on the exercise of Options may be subject to and legended with a four

month hold period commencing on the date the Options were granted pursuant to the rules of the Exchange and applicable securities laws. Any Shares issued on the exercise of Options may be subject resale restrictions contained in National Instrument 45-102 – *Resale of Securities* which would apply to the first trade of the Shares.

2.14 Notification of Grant of Option

Following the granting of an Option by the Board, the Corporation shall notify the Optionee in writing of the Option and shall enclose with such notice the Option Certificate representing the Option so granted. Each Optionee, concurrently with the notice of the grant of an Option, shall be provided with a copy of the Plan.

2.15 Options Granted To Corporations

Except in relation to a Consultant that is a corporation, Options may only be granted to an individual or a corporation that is wholly-owned by an Eligible Person. If a corporation is an Optionee, it must provide the Exchange with a completed Form 4F – *Certification and Undertaking Required from a Corporation Granted an Incentive Stock Option*. The corporation must agree not to effect or permit any transfer of ownership or option of shares of the corporation nor to issue further shares of any class in the corporation to any other individual or entity as long as the Option remains outstanding, except with the written consent of the Exchange.

PART 3 - GENERAL

3.01 Number of Shares

The aggregate number of Shares that may be reserved for issuance, from time to time, under the Plan shall not exceed ten (10%) percent of the total Outstanding Issue. Notwithstanding the foregoing, from the Listing Date and until Completion of the Qualifying Transaction the aggregate number of Shares that may be reserved for issuance, from time to time, under the Plan shall not exceed ten (10%) percent of the total Outstanding Issue upon completion of the Corporation's initial public offering.

3.02 Transferability

All benefits, rights and options accruing to any Optionee in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein. During the lifetime of an Optionee, all benefits, rights and options may only be exercised by the Optionee.

3.03 Employment

Nothing contained in any Plan shall confer upon any Optionee any right with respect to employment or continuance of employment with the Corporation or any Affiliate, or interfere in any way with the right of the Corporation or any Affiliate to terminate the Optionee's employment at any time. Participation in any Plan by an Optionee is voluntary.

3.04 Approval of Plan

Options issued under the Plan shall only become exercisable after the Plan has been approved by the shareholders of the Corporation; provided, however:

- (a) unless consistent with the terms contained herein and approved by the Board, nothing contained herein shall in any way affect Options previously granted by the Corporation and currently outstanding;
- (b) the Plan must receive shareholder approval yearly, at the Corporation's annual general meeting.

The obligation of the Corporation to sell and deliver Shares in accordance with the Plan is subject to the

approval of any governmental authority having jurisdiction or any stock exchanges on which the Shares are listed for trading which may be required in connection with the authorization, issuance or sale of such Shares by the Corporation. If any Shares cannot be issued to any Optionee for any reason including, without limitation, the failure to obtain such approval, then the obligation of the Corporation to issue such Shares shall terminate and any Optionee's option price paid to the Corporation shall be returned to the Optionee.

3.05 Administration of the Plan

The Board is authorized to interpret the Plan from time to time and to adopt, amend and rescind rules and regulations for carrying out the Plan. The interpretation and construction of any provision of the Plan by the Board shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate officers of the Corporation and all costs in respect thereof shall be paid by the Corporation.

3.06 Income Taxes

As a condition of and prior to participation in the Plan, if requested by the Board, a Optionee shall authorize the Corporation in written form to withhold from any remuneration otherwise payable to such Optionee any amounts required by any taxing authority to be withheld for taxes of any kind as a consequence of such participation in the Plan.

In addition, if the Corporation is required under the *Income Tax Act* (Canada) or any other applicable law to make source deductions in respect of employee stock option benefits to the Optionee and to remit to the applicable governmental authority an amount on account of tax on the value of the taxable benefit associated with the issuance of Shares on exercise of Options, then the Optionee shall (i) pay to the Corporation, in addition to the Exercise Price for the Options, sufficient cash as is reasonably determined by the Corporation to be the amount necessary to permit the required tax remittance, (ii) authorize the Corporation, on behalf of the Optionee, to sell in the market on such terms and at such time or times as the Corporation determines a portion of the Shares being issued upon exercise of the Options to realize cash proceeds to be used to satisfy the required tax remittance, or (iii) make other arrangements acceptable to the Corporation to fund the required tax remittance.

3.07 Amendments to the Plan

The Board reserves the right to amend, modify or terminate the Plan at any time if and when it is advisable in the absolute discretion of the Board. However, any amendments of the Plan which could result, at any time, in:

- (a) a material increase in the benefits under the Plan; or
- (b) an increase in the number of Shares which would be issued under the Plan (except any increase resulting automatically from an increase in the total Outstanding Issue); or
- (c) a material modification in the requirement as to eligibility for participation in the Plan;

shall be effective only upon the approval of the shareholders of the Corporation. Any amendment to any provision of the Plan shall be subject to approval, if required, by any regulatory body having jurisdiction over the securities of the Corporation.

3.08 No Representation or Warranty

The Corporation makes no representation or warranty as the future market value of any Shares issued in accordance with the provisions of the Plan.

3.09 Interpretation

The Plan will be governed by and construed in accordance with the laws of the Province of Ontario and the

laws of Canada applicable therein.

3.10 Compliance with Applicable Law, etc.

If any provision of the Plan or of any Option Certificate delivered pursuant to the Plan contravenes any law or any order, policy, by-law or regulation of any regulatory body or stock exchange having authority over the Corporation or the Plan then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

SCHEDULE "A"
PROSPECT PARK CAPITAL CORP.

STOCK OPTION PLAN
OPTION CERTIFICATE

This Certificate is issued pursuant to the provisions of the Prospect Park Capital Corp. (the "**Corporation**") stock option plan (the "**Plan**") and evidences that ● is the holder (the "**Optionee**") of an option (the "**Option**") to purchase up to ● common shares (the "**Shares**") in the capital stock of the Corporation at a purchase price of \$ ● per Share (the "**Exercise Price**").

Subject to the provisions of the Plan:

- (a) the effective date of the grant of the Option is ● ;
- (b) the Option Period expires at 5:00 p.m. (EST) on ● ; and
- (c) the Options shall vest as follows ● ;

The vested portion or portions of the Option may be exercised at any time and from time to time from and including the date of the grant of the Option through to 5:00 p.m. (EST) on the expiration date of the Option Period by delivering to the Corporation an Exercise Notice, in the form attached, together with this Certificate and a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which the Option is being exercised.

This Certificate and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan, the terms and conditions of which the Optionee hereby expressly agrees with the Corporation to be bound by. This Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Corporation shall prevail.

All terms not otherwise defined in this Certificate shall have the meanings given to them under the Plan.

Dated this ● day of ●, ●.

PROSPECT PARK CAPITAL CORP.

Per:

Authorized Signatory

PROSPECT PARK CAPITAL CORP.

STOCK OPTION PLAN
EXERCISE NOTICE

TO: Prospect Park Capital Corp. (the "Corporation")

The undersigned, being the holder of options to purchase _____ common shares of Prospect Park Capital Corp. at the exercise price of _____ per share, hereby irrevocably gives notice, pursuant to the stock option plan of the Corporation (the "**Plan**"), of the exercise of the Option to acquire and hereby subscribes for _____ of such common shares of the Corporation.

The undersigned tenders herewith a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate Exercise Price of the aforesaid common shares exercised and directs the Corporation to issue a share certificate evidencing said common shares in the name of the undersigned to be mailed to the undersigned at the following address:

By executing this Exercise Notice, the undersigned hereby confirms that the undersigned has read the Plan and agrees to be bound by the provisions of the Plan. All terms not otherwise defined in this Exercise Notice shall have the meanings given to them under the Plan or the attached Option Certificate.

DATED the _____ day of _____, _____.

Signature of Option Holder

**STOCK OPTION PLAN OF
PROSPECT PARK CAPITAL CORP.**

(approved by ~~directors on March 6, 2013~~shareholders on September 25, 2014)

PART 1 - INTRODUCTION

1.01 Purpose

The purpose of the Plan is to secure for the Corporation and its shareholders the benefits of incentive inherent in share ownership by the directors, officers, key employees and, subject to the terms and conditions herein, consultants of the Corporation and its Affiliates who, in the judgment of the Board, will be largely responsible for its future growth and success.

1.02 ~~1.02~~ Definitions

- (a) "Affiliate" has the meaning ascribed thereto in the *Business Corporations Act* (Ontario) as amended from time to time.
- (b) "Blackout Period" means a period during which the Corporation prohibits Optionees from exercising their Options.
- (c) ~~(b)~~ "Board" means the board of directors of the Corporation.
- ~~(e)~~ ~~"Completion of the Qualifying Transaction" has the meaning ascribed to such term in Policy 2.4.~~
- (d) "Consultant" has the meaning ascribed to such term in Policy 4.4.
- (e) "Corporation" means Prospect Park Capital Corp., a corporation duly incorporated under the laws of the Province of Ontario, and its Affiliates, if any.
- (f) "Discounted Market Price" has the meaning ascribed to such term in Policy 1.1.
- (g) "Eligible Person" shall mean an officer or director of the Corporation ("**Executive**") or an employee of the Corporation ("**Employee**") or a Management Company Employee or a Consultant.
- (h) "Exchange" means the TSX Venture Exchange.
- (i) "Exercise Notice" means the notice respecting the exercise of an Option, substantially in the form attached to the Option Certificate, duly executed by the Optionee.
- (j) "Exercise Price" means the price at which an Option may be exercised as determined in accordance with section 2.03.
- ~~(k)~~ ~~"Final Exchange Bulletin" has the meaning ascribed thereto in the Policy 2.4.~~
- (k) ~~(j)~~ "Insider" means (i) an insider as defined in the *Securities Act* (Ontario), other than a person who falls within the definition solely by virtue of being a director or senior officer of a subsidiary of the Corporation, and (ii) an associate of any person who is an insider by virtue of the preceding sub-clause (i).
- (l) ~~(m)~~ "Investor Relations Activities" has the meaning ascribed to such term in Policy 1.1.
- ~~(n)~~ ~~"Listing Date" means the date the Shares are listed and posted for trading on the Exchange.~~

- (m) ~~(+)~~ "Management Company Employee" has the meaning ascribed to such term in Policy 4.4.
- (n) "Material Information" has the meaning ascribed to such term in Policy 1.1.
- (o) ~~(+)~~ "Option" shall mean an option granted under the terms of the Plan.
- (p) ~~(+)~~ "Option Certificate" means the certificate, substantially in the form set out as Schedule "A" hereto, evidencing an Option.
- (q) ~~(+)~~ "Option Period" shall mean the period during which an option may be exercised.
- (r) ~~(+)~~ "Optionee" shall mean an Eligible Person to whom an Option has been granted under the terms of the Plan.
- (s) ~~(+)~~ "Outstanding Issue" means the number of Shares outstanding on a non-diluted basis.
- (t) ~~(+)~~ "Plan" means the stock option plan established and operated pursuant to Part 2 hereof.
- (u) ~~(+)~~ "Policy 1.1" means the Exchange's Policy 1.1 entitled "Interpretation" as amended from time to time.
- (w) ~~"Policy 2.4" means the Exchange's Policy 2.4 entitled "Capital Pool Companies" as amended from time to time.~~
- (v) ~~(+)~~ "Policy 4.4" means the Exchange's Policy 4.4 entitled "Incentive Stock Options" as amended from time to time.
- (w) ~~(+)~~ "Shares" shall mean the common shares of the Corporation.

PART 2 - SHARE OPTION PLAN

2.01 Participation

Options shall be granted only to Eligible Persons.

2.02 Determination of Option Recipients

The Board shall make all necessary or desirable determinations regarding the granting of Options to Eligible Persons and may take into consideration the present and potential contributions of a particular Eligible Person to the success of the Corporation and any other factors which it may deem proper and relevant.

2.03 Price

The price at which an Optionee may purchase a Share upon the exercise of an Option shall be determined from time to time by the Board and shall be as set forth in the Option Certificate issued in respect of such Option but, in any event, shall not be less than ~~the Discounted Market Price. Notwithstanding the foregoing, from the Listing Date and until Completion of the Qualifying Transaction the Exercise Price per Share when Options are granted shall not be less than the greater of \$0.10 and~~ the Discounted Market Price.

2.04 Grant of Options

The Board may at any time authorize the granting of Options to such Eligible Persons as it may select for the number of Shares that it shall designate, subject to the provisions of the Plan. The date of each grant of Options shall be determined by the Board when the grant is authorized.

~~From the Listing Date and until Completion of the Qualifying Transaction the Board shall not grant Options to an Eligible Person providing Investor Relations Activities.~~

In the event that Options are granted to Employees, Management Company Employees or Consultants, the Corporation represents that such Optionees shall be bona fide Employees, Management Company Employees or Consultants, as the case may be.

The Corporation may at the time of granting options hereunder provide for additional terms and conditions which are not inconsistent with Part 2 hereof including, without limitation, terms and conditions deferring or delaying the date at which an Option may be exercised in whole or in part. Such additional terms and conditions shall be as set forth in the Option Certificate issued in respect of such Option

2.05 Term of Options

Unless otherwise expired pursuant to the terms of the Plan, all Options granted to an Optionee pursuant to this Plan shall expire at the close of business ten (10) years from the date of grant, or ~~in the case of a Consultant or Employee~~, such earlier date as the Board shall decide when the Option is granted.

Upon the expiration of the Option Period the Options granted shall forthwith expire and terminate and be of no further force or effect whatsoever as to such of the Shares in respect of which the Option hereby granted has not then been exercised.

Notwithstanding the foregoing, if the expiration of the Option Period falls within a Blackout Period the expiration of the Option Period shall be automatically extended for ten (10) business days after the expiry of the Blackout Period on the condition that (i) the Blackout Period was formally imposed by the Corporation pursuant to its internal trading policies as a result of the bona fide existence of undisclosed Material Information, (ii) the Blackout Period must be deemed to have expired upon the general disclosure of the undisclosed Material Information, and (iii) the automatic extension of an Optionee's options will not be permitted where the Optionee or the Corporation is subject to a cease trade order (or similar order under applicable securities laws) in respect of the Corporation's securities.

No Optionee or his or her legal representative, legatees or distributees will be, or will be deemed to be, a holder of any Shares subject to an Option, unless and until certificates for such Shares are issued to him, her or them or a securities intermediary with whom the Optionee (or his or her legal representative, legatees or distributees) has an account, is recorded as the owner of such Shares in a book-entry system under the terms of the Plan.

2.06 Exercise of Options

Except as set forth in section 2.10, no Option may be exercised unless the Optionee is at the time of such exercise;

- (a) in the case of an Employee, in the employ of the Corporation or any Affiliate and shall have been continuously so employed since the grant of his or her Option, or have been a Consultant of the Corporation during such time thereafter, but absence on leave, having the approval of the Corporation or such Affiliate, shall not be considered an interruption of employment for any purpose of the Plan;
- (b) in the case of a Consultant, under contract with the Corporation or any Affiliate and shall have been continuously so contracted since the grant of the Option; or
- (c) in the case of an Executive, a director or officer of the Corporation or any Affiliate and shall have been such a director or officer continuously since the grant of his or her Option.

No Option may be exercised by an Optionee until the Plan has been approved by the shareholders of the Corporation.

The exercise of any Option will be contingent upon receipt by the Corporation of cash payment of the full Exercise Price of the Shares being purchased by 5:00 p.m. (EST) on the last day of the Option Period by delivering to the Corporation an Exercise Notice, the applicable Option Certificate and a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Option.

~~Notwithstanding anything to the contrary herein, Options granted prior to the issuance of the Final Exchange Bulletin may not be exercised before the Completion of the Qualifying Transaction unless the Optionee agrees in writing to deposit the shares acquired into escrow until the issuance of the Final Exchange Bulletin.~~

2.07 Vesting of Options

Executives, Employees ~~and~~ Management Company Employees ~~and~~ Consultants

All Options granted to an Executive, Employee or Management Company Employee pursuant to this Plan shall vest and become fully exercisable ~~as follows or~~ as determined by the Board when the Option is granted:

- ~~(a) one half (1/2) of the Options on the date of grant; and~~
- ~~(b) the final one half (1/2) of the Options on the date which is one (1) year from the date said Options are granted.~~

Consultants

~~All Options granted to Consultants pursuant to this Plan shall vest and become full exercisable as follows or as determined by the Board when the Option is granted:~~

- ~~(a) one third (1/3) of the Options on the date of grant;~~
- ~~(b) one third (1/3) of the Options on the date which is one (1) year from the date said Options are granted; and~~
- ~~(c) the final one third (1/3) of the Options on the date which is two (2) years from the date said Options are granted.~~ Optionees performing Investor Relations Activities

All Options granted to Optionees performing Investor Relations Activities; pursuant to this Plan shall vest and become full exercisable as follows or as determined by the Board when the Option is granted, but in any event such Options shall not vest any sooner:

- (a) one quarter (1/4) of the Options on the date which is three (3) months from the date said Options are granted;
- (b) one quarter (1/4) of the Options on the date which is six (6) months from the date said Options are granted;
- (c) one quarter (1/4) of the Options on the date which is nine (9) months from the date said Options are granted; and
- (d) the final one quarter (1/4) of the Options on the date which is twelve (12) months from the date said Options are granted.

2.08 Restrictions on Grant of Options

The granting of Options shall be subject to the following conditions:

- (a) not more than two (2%) percent of the Outstanding Issue may be granted to any one Consultant in any 12 month period;
- (b) not more than an aggregate of two (2%) percent of the Outstanding Issue may be granted in aggregate to Eligible Persons conducting Investor Relations Activities in any 12 month period;
- (c) unless the Corporation has obtained disinterested shareholder approval, not more than five (5%) percent of the Outstanding Issue may be issued to any one individual in any 12 month period;
- (d) unless the Corporation has obtained disinterested shareholder approval, not more than an aggregate of ten (10%) percent of the Outstanding Issue may be issued to Insiders in any 12 month period; and
- (e) unless the Corporation has obtained disinterested shareholder approval, the Corporation shall not decrease the Exercise Price of Options previously granted to Insiders.

If disinterested shareholder approval is required, the proposed grant(s) or plan must be approved by a majority of the votes cast by all shareholders at the shareholders' meeting excluding votes attaching to shares beneficially owned by (i) Insiders to whom options may be granted under the stock option plan; and (ii) Associates of such Insiders. Holders of non-voting and subordinate voting shares must be given full voting rights on a resolution that requires disinterested shareholder approval.

2.09 Lapsed Options

If Options are surrendered, terminated or expire without being exercised in whole or in part, new Options may be granted covering the Shares not purchased under such lapsed Options.

2.10 Effect of Termination of Employment, Death or Disability

- (a) If an Optionee shall die while employed by the Corporation or its Affiliate, or while an Executive, any Options held by the Optionee at the date of death, which have vested pursuant to section 2.07, shall become exercisable, in whole or in part, but only by the persons or persons to whom the Optionee's rights under the Option shall pass by the Optionee's will or the laws of descent and distribution (the "**Successor Optionee**"). Notwithstanding the foregoing, the Board, in its discretion, may resolve that all of the Options held by an Optionee at the date of death which have not yet vested shall vest immediately upon death. All such Options shall be exercisable only to the extent that the Optionee was entitled to exercise the Option at the date of his or her death and only for one (1) year after the date of death or prior to the expiration of the Option Period in respect thereof, whichever is sooner, except that in the event the expiration of the Option Period is earlier than one (1) year after the date of death, with the consent of the Exchange, the Options shall be exercisable for up to one (1) year after the date of death of the Optionee.
- (b) If the employment of an Optionee shall terminate due to disability while the Optionee is employed by the Corporation or its Affiliate, any Option held by the Optionee on the date the employment of the Optionee is terminated due to disability, which have vested pursuant to section 2.07, shall become exercisable, in whole or in part. Notwithstanding the foregoing, the Board, in its discretion, may resolve that all of the Options held by an Optionee on the date the employment of the Optionee is terminated due to disability which have not yet vested shall vest immediately upon such date. All such Options shall be exercisable only to the extent that the Optionee was entitled to exercise the Option at the date of his or her termination due to disability and only for one (1) year after the date of termination or prior to the expiration of the Option Period in respect thereof, whichever is sooner, provided that Options that become exercisable due to disability shall only be exercisable by the person or persons who have the legal authority to act on behalf of the Optionee in connection with the rights of the Optionee to the Option.

- (c) Subject to section 2.10(d), Options granted to any Optionee must expire not later than one (1) year following the date the Optionee ceases to be an Executive, Employee, Consultant or Management Company Employee, which shall be determined by the Board at the time of each grant. Notwithstanding the foregoing, the Board, in its discretion, may resolve that all of the Options held by an Optionee on the date the Optionee ceases to be an Executive, Employee, Consultant or Management Company Employee which have not yet vested shall vest immediately upon such date.
- (d) If the employment of an Employee or Consultant is terminated for cause no Option held by such Optionee may be exercised following the date upon which Termination occurred.

2.11 Effect of Amalgamation, Consolidation or Merger

If the Corporation amalgamates, consolidates with or merges with or into another corporation any Shares receivable on the exercise of an Option shall be converted into the securities, property or cash which the Optionee would have received upon such amalgamation, consolidation or merger if the Optionee had exercised his or her option immediately prior to the record date applicable to such amalgamation, consolidation or merger, and the Exercise Price shall be adjusted appropriately by the Board and such adjustment shall be binding for all purposes of the Plan.

2.12 Adjustment in Shares Subject to the Plan

If there is any change in the Shares through or by means of a declaration of stock dividends of Shares or consolidations, subdivisions or reclassification of Shares, or otherwise, the number of Shares available under the Plan, the Shares subject to any Option, and the Exercise Price thereof shall be adjusted appropriately by the Board and such adjustment shall be effective and binding for all purposes of the Plan.

2.13 Hold Period

All Options and any Shares issued on the exercise of Options may be subject to and legended with a four month hold period commencing on the date the Options were granted pursuant to the rules of the Exchange and applicable securities laws. Any Shares issued on the exercise of Options may be subject resale restrictions contained in National Instrument 45-102 – *Resale of Securities* which would apply to the first trade of the Shares.

2.14 Notification of Grant of Option

Following the granting of an Option by the Board, the Corporation shall notify the Optionee in writing of the Option and shall enclose with such notice the Option Certificate representing the Option so granted. Each Optionee, concurrently with the notice of the grant of an Option, shall be provided with a copy of the Plan.

~~2.13~~2.15 Options Granted To Corporations

Except in relation to a Consultant that is a corporation, Options may only be granted to an individual or a corporation that is wholly-owned by an Eligible Person. If a corporation is an Optionee, it must provide the Exchange with a completed Form 4F – *Certification and Undertaking Required from a Corporation Granted an Incentive Stock Option*. The corporation must agree not to effect or permit any transfer of ownership or option of shares of the corporation nor to issue further shares of any class in the corporation to any other individual or entity as long as the Option remains outstanding, except with the written consent of the Exchange.

PART 3 - GENERAL

3.01 Number of Shares

The aggregate number of Shares that may be reserved for issuance, from time to time, under the Plan shall not exceed ten (10%) percent of the total Outstanding Issue. Notwithstanding the foregoing, from the Listing Date and until Completion of the Qualifying Transaction the aggregate number of Shares that may be reserved for

issuance, from time to time, under the Plan shall not exceed ten (10%) percent of the total Outstanding Issue upon completion of the Corporation's initial public offering.

3.02 Transferability

All benefits, rights and options accruing to any Optionee in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein. During the lifetime of an Optionee, all benefits, rights and options may only be exercised by the Optionee.

3.03 Employment

Nothing contained in any Plan shall confer upon any Optionee any right with respect to employment or continuance of employment with the Corporation or any Affiliate, or interfere in any way with the right of the Corporation or any Affiliate to terminate the Optionee's employment at any time. Participation in any Plan by an Optionee is voluntary.

3.04 Approval of Plan

The Options issued under the Plan shall only become effective exercisable after the Plan has been approved by the shareholders of the Corporation; provided, however:

- (a) Unless unless consistent with the terms contained herein and approved by the board Board, nothing contained herein shall in any way affect Options previously granted by the Corporation and currently outstanding;
- (b) the Plan must receive shareholder approval yearly, at the Corporation's annual general meeting.

The obligation of the Corporation to sell and deliver Shares in accordance with the Plan is subject to the approval of any governmental authority having jurisdiction or any stock exchanges on which the Shares are listed for trading which may be required in connection with the authorization, issuance or sale of such Shares by the Corporation. If any Shares cannot be issued to any Optionee for any reason including, without limitation, the failure to obtain such approval, then the obligation of the Corporation to issue such Shares shall terminate and any Optionee's option price paid to the Corporation shall be returned to the Optionee.

3.05 Administration of the Plan

The Board is authorized to interpret the Plan from time to time and to adopt, amend and rescind rules and regulations for carrying out the Plan. The interpretation and construction of any provision of the Plan by the Board shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate officers of the Corporation and all costs in respect thereof shall be paid by the Corporation.

3.06 Income Taxes

As a condition of and prior to participation in the Plan, if requested by the Board, a Optionee shall authorize the Corporation in written form to withhold from any remuneration otherwise payable to such Optionee any amounts required by any taxing authority to be withheld for taxes of any kind as a consequence of such participation in the Plan.

In addition, if the Corporation is required under the *Income Tax Act* (Canada) or any other applicable law to make source deductions in respect of employee stock option benefits to the Optionee and to remit to the applicable governmental authority an amount on account of tax on the value of the taxable benefit associated with the issuance of Shares on exercise of Options, then the Optionee shall (i) pay to the Corporation, in addition to the Exercise Price for the Options, sufficient cash as is reasonably determined by the Corporation to be the amount necessary to permit the required tax remittance, (ii) authorize the Corporation, on behalf of the Optionee, to sell in the market on such terms and at such time or times as the Corporation determines a portion of the Shares being

issued upon exercise of the Options to realize cash proceeds to be used to satisfy the required tax remittance, or (iii) make other arrangements acceptable to the Corporation to fund the required tax remittance.

3.07 Amendments to the Plan

The Board reserves the right to amend, modify or terminate the Plan at any time if and when it is advisable in the absolute discretion of the Board. However, any amendments of the Plan which could result, at any time, in:

- (a) ~~materially~~ a material increase in the benefits under the Plan; or
- (b) an increase in the number of Shares which would be issued under the Plan (except any increase resulting automatically from an increase in the total Outstanding Issue); or
- (c) ~~materially modify~~ a material modification in the requirement as to eligibility for participation in the Plan;

shall be effective only upon the approval of the shareholders of the Corporation. Any amendment to any provision of the Plan shall be subject to approval, if required, by any regulatory body having jurisdiction over the securities of the Corporation.

3.08 No Representation or Warranty

The Corporation makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

3.09 Interpretation

The Plan will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

3.10 Compliance with Applicable Law, etc.

If any provision of the Plan or of any Option Certificate delivered pursuant to the Plan contravenes any law or any order, policy, by-law or regulation of any regulatory body or stock exchange having authority over the Corporation or the Plan then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

~~3.11 Policy 2.4~~

~~Notwithstanding anything to the contrary herein, any Options granted prior to the issuance of the Final Exchange Bulletin must comply with Policy 2.4.~~

SCHEDULE "A"
PROSPECT PARK CAPITAL CORP.

STOCK OPTION PLAN
OPTION CERTIFICATE

This Certificate is issued pursuant to the provisions of the Prospect Park Capital Corp. (the "**Corporation**") stock option plan (the "**Plan**") and evidences that is the holder (the "**Optionee**") of an option (the "**Option**") to purchase up to common shares (the "**Shares**") in the capital stock of the Corporation at a purchase price of \$ per Share (the "**Exercise Price**").

Subject to the provisions of the Plan:

- (a) the effective date of the grant of the Option is ;
- (b) the Option Period expires at 5:00 p.m. (EST) on ; and
- (c) the Options shall vest as follows ;

The vested portion or portions of the Option may be exercised at any time and from time to time from and including the date of the grant of the Option through to 5:00 p.m. (EST) on the expiration date of the Option Period by delivering to the Corporation an Exercise Notice, in the form attached, together with this Certificate and a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which the Option is being exercised.

This Certificate and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan, the terms and conditions of which the Optionee hereby expressly agrees with the Corporation to be bound by. This Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Corporation shall prevail.

All terms not otherwise defined in this Certificate shall have the meanings given to them under the Plan.

Dated this day of , .

PROSPECT PARK CAPITAL CORP.

Per:

Authorized Signatory

PROSPECT PARK CAPITAL CORP.

STOCK OPTION PLAN
EXERCISE NOTICE

TO: Prospect Park Capital Corp. (the “Corporation”)

The undersigned, being the holder of options to purchase _____ common shares of Prospect Park Capital Corp. at the exercise price of _____ per share, hereby irrevocably gives notice, pursuant to the stock option plan of the Corporation (the “**Plan**”), of the exercise of the Option to acquire and hereby subscribes for _____ of such common shares of the Corporation.

The undersigned tenders herewith a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate Exercise Price of the aforesaid common shares exercised and directs the Corporation to issue a share certificate evidencing said common shares in the name of the undersigned to be mailed to the undersigned at the following address:

By executing this Exercise Notice, the undersigned hereby confirms that the undersigned has read the Plan and agrees to be bound by the provisions of the Plan. All terms not otherwise defined in this Exercise Notice shall have the meanings given to them under the Plan or the attached Option Certificate.

DATED the _____ day of _____, _____.

Signature of Option Holder

SCHEDULE "G"
SOK AGREEMENT

(see attached)

SHARE PURCHASE AGREEMENT

THIS AGREEMENT made the 28th day of August, 2014.

A M O N G:

SOK PARTNERS LLC, a limited liability corporation incorporated under the laws of the State of New York; (hereinafter called the “**Vendor**”)

- and -

PROSPECT PARK CAPITAL CORP., a corporation incorporated under the laws of the Province of Ontario; (hereinafter called the “**Purchaser**”)

- and -

SKYLINE MEDICAL INC., a corporation incorporated under the laws of the State of Minnesota; (hereinafter called the “**Corporation**”)

WHEREAS the Vendor is the registered and beneficial owner of 71,083,929 issued and outstanding fully paid and non-accessible common shares in the capital of the Corporation (the “**Skyline Shares**”);

AND WHEREAS the Vendor has agreed to sell and the Purchaser has agreed to purchase that number of Skyline Shares equal to the U.S. equivalent of \$1,700,000 Canadian dollars based on the Bank of Canada daily noon exchange rate on the business day prior to the Closing Date (as defined below) (the “**U.S. Amount**”) divided by the last closing price of the Skyline Shares on the OTC Markets as of the Closing Date (the “**Purchased Shares**”) for a purchase price of \$1,000,000 Canadian dollars on the terms and conditions hereinafter set out;

AND WHEREAS the transfer of the Purchased Shares to the Purchaser is conditional on the approval of the directors of the Corporation and the TSX Venture Exchange (the “**Exchange**”), Majority of the Minority Approval (as defined by the Exchange) and “minority approval” (as defined in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”)) of the shareholders of the Purchaser.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants and agreements hereinafter set forth, the sum of two (\$2.00) dollars now paid by each party to every other party (the receipt and sufficiency whereof is hereby acknowledged), and other good and valuable consideration, the parties agree as follows.

**ARTICLE 1
RECITALS**

1.1 The recitals to this Agreement are true and correct in substance and in fact and are incorporated into this Agreement and form an integral part hereof.

**ARTICLE 2
PURCHASE AND SALE**

2.1 The Vendor covenants and agrees to sell and the Purchaser covenants and agrees to purchase the Purchased Shares.

2.2 The purchase price (the “**Purchase Price**”) for the Purchased Shares shall be the sum of \$1,000,000 Canadian dollars payable as follows:

- (i) \$400,000 payable in cash, certified cheque or electronic money transfer on Closing (as hereinafter defined);
- (ii) \$300,000 payable on Closing by the issuance of 1,304,347 common shares in the capital of the Purchaser at a deemed price of \$0.23 per share; and
- (iii) \$300,000 payable within six (6) months of Closing by the issuance of 1,714,285 common shares in the capital of the Purchaser at a deemed price of \$0.175 per share.

2.3 The Purchaser and the Vendor agree that the purchase of the Purchased Shares pursuant to this Agreement is based on a rate of exchange equal to the daily noon exchange rate of the bank of Canada on the business day prior to the Closing Date.

2.4 The Vendor covenants and agrees to assign to the Purchaser its contractual right to select a member of the board of directors of the Corporation.

**ARTICLE 3
PURCHASER’S DOWNSIDE PROTECTION**

3.1 Subject to Section 3.3 herein, the Vendor covenants and agrees to provide downside protection to the Purchaser for the Purchased Shares pursuant to the following formula on the 90th calendar day after the Closing Date:

$$B - C - D = A$$

A = number of Skyline Shares SOK must issue to the Purchaser within ten (10) business days after the 90th calendar day after the Closing Date

B = the Purchased Shares

C = the U.S. Amount divided by the ten (10) day VWAP of the Skyline Shares on the OTC Markets on the 90th calendar day after the Closing Date

D = number of Purchased Shares sold by the Purchaser on or after the Closing Date and prior to the 90th calendar day after the Closing Date

3.2 Subject to Section 3.3 herein, the Vendor covenants and agrees to provide downside protection to the Purchaser for the Purchased Shares pursuant to the following formula on the twelve (12) month anniversary of the Closing Date:

$$B - C - D - E = A$$

A = number of Skyline Shares SOK must issue to the Purchaser within 10 business days after the date that is 12 months after the Closing Date

B = the Purchased Shares

C = the U.S. Amount divided by the ten (10) day VWAP of the Skyline Shares on the OTC Markets on the date that is 12 months after the Closing Date

D = number of Purchased Shares sold by the Purchaser on or after the Closing Date and prior to the date that is 12 months after the Closing Date

E = number of Skyline Shares issued by SOK to the Purchaser pursuant to Section 3.1 herein

3.3 The parties acknowledge and agree that the following applies to the downside protection provided in this Article 3:

- (a) in the event the value of A in Section 3.1 or 3.2 herein is less than zero no additional Skyline Shares will be transferred by SOK to the Purchaser pursuant to the downside protection provided therein;
- (b) in the event the Skyline Shares commence trading on The NASDAQ Stock Market or The New York Stock Exchange the downside protection provided in this Article 3 will be terminated;
- (c) in the event the closing price of the Skyline Shares on the OTC Markets on the date that is 12 months after the Closing Date is equal to or greater than 80% of the lesser of the (i) closing price of the Skyline Shares on the OTC Markets as of the Closing Date, and (ii) the value of C in Section 3.1 herein, no additional Skyline Shares will be transferred by SOK to the Purchaser pursuant to Section 3.2 herein; and
- (d) the value of A and D in Section 3.1 or 3.2 herein are subject to adjustment from time to time in the event (i) Skyline (A) subdivides, redivides or changes its outstanding common shares into a greater number of shares; (B) consolidates, reduces or combines its outstanding common shares into a smaller number of shares; or (C) issues common shares or securities exchangeable for or convertible into common shares (collectively, "convertible securities") to the holders of all or substantially all of the outstanding Skyline Shares by way of a stock distribution, stock dividend or otherwise, (ii) Skyline shall fix a record date for the issue of rights, options or warrants to all or substantially all of the holders of Skyline

Shares under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issue, to subscribe for or acquire Skyline Shares at a price per share to the holder of less than 95% of the current market price for the Skyline Shares on such record date, (iii) Skyline shall issue or distribute to all or to substantially all the holders of the Skyline Shares (A) securities of the Skyline of any class other than Skyline Shares or convertible securities, or rights, options or warrants other than rights, options or warrants exercisable within 45 days from the date of issue thereof at a price, or at a conversion price, of at least 95% of the current market price at the record date for such distribution; (B) evidences of indebtedness of the Skyline; or (C) any cash, property or other assets, (iv) there is a reclassification of the Skyline Shares or a capital reorganization of the Skyline other than as described in this Section 3.3(d) or a consolidation, amalgamation, arrangement or merger of Skyline with or into any other body corporate, trust, partnership or other entity, or a sale or conveyance of the property and assets of the Skyline as an entirety or substantially as an entirety. However, no adjustment shall be required unless such adjustment would result in a change of at least 0.01% in the value of D; provided, however, that any adjustments which, except for this provision would otherwise have been required to be made, shall be carried forward and taken into account in any subsequent adjustment.

ARTICLE 4

COVENANTS, REPRESENTATIONS, WARRANTIES AND ACKNOWLEDGEMENTS

4.1 The Vendor covenants, represents and warrants as follows to the Purchaser and acknowledges that the Purchaser is relying on such covenants, representations and warranties in connection with the purchase by the Purchaser of the Purchased Shares:

- (a) the Vendor is the registered, legal and beneficial owner of the Purchased Shares with a good title thereto free and clear of all liens, pledges, charges, mortgages or security interests;
- (b) except as disclosed in this Agreement, no person, firm or corporation has any right or option to purchase any of the Purchased Shares from the Vendor;
- (c) neither the Purchaser nor the Corporation is indebted to the Vendor; and
- (d) the Vendor is the legal and beneficial owner of a contractual right to select members of the board of directors of the Corporation and pursuant to this Agreement, the Vendor is assigning to the Purchaser its contractual right to select a member of the board of directors of the Corporation.

4.2 The Purchaser covenants, represents and warrants as follows to the Vendor and the Corporation and acknowledges that the Vendor and the Corporation are relying on such covenants, representations and warranties in connection with the purchase by the Purchaser of the Purchased Shares:

- (a) the Purchaser's purchase of the Purchased Shares is being made voluntarily.

ARTICLE 5
SURVIVAL OF COVENANTS, REPRESENTATIONS AND WARRANTIES

5.1 The covenants, representations and warranties of the Vendor and Purchaser shall survive Closing and remain in full force and effect for the benefit of the Purchaser or the Vendor, as the case may be.

ARTICLE 6
CONDITIONS ON CLOSING

6.1 The purchase and sale of the Purchased Shares contemplated herein is subject to the following conditions for the benefit of the Purchaser or the Vendor, as the case may be. Any party shall be entitled to waive a condition in its favour by notice in writing to the other parties:

- (a) the Vendor and Purchaser shall execute such documents and share transfers as the Corporation's solicitors shall require;
- (b) the approval of the board of directors of the Corporation;
- (c) the approval of the Exchange;
- (d) Majority of the Minority Approval of the shareholders of the Purchaser; and
- (e) "minority approval" of the shareholders of the Purchaser.

6.2 In case any condition has not been fulfilled on or before closing or has not been waived in writing, the party who is entitled to the benefit of such condition shall be entitled to terminate this Agreement by notice in writing to the other party.

ARTICLE 7
CLOSING

7.1 The Closing (the "**Closing**") of the transaction contemplated herein will be effected on the date (the "**Closing Date**") all of the conditions of transfer pursuant to Section 5.1 herein have been met.

7.2 This Agreement shall be null and void if the transaction is not complete pursuant to the terms hereof by December 31, 2014.

ARTICLE 8
TIME OF THE ESSENCE

8.1 Time shall be of the essence of this Agreement, and of every part hereof.

**ARTICLE 9
NO WAIVER**

9.1 The waiver by a party of a breach or default by any of the other of them shall not be deemed to constitute a waiver of any preceding or subsequent breach or default of the same or any other provision of this Agreement.

**ARTICLE 10
ENTIRE AGREEMENT**

10.1 This Agreement contains the entire understanding of the parties hereto with respect to the matters herein contained. There are no representations, warranties, promises, covenants, or undertakings, other than those expressly stated herein.

**ARTICLE 11
NO MODIFICATION**

11.1 No waiver or modification of any of the terms of this Agreement shall be valid unless the same is reduced to writing and signed by the parties hereto.

**ARTICLE 12
HEADINGS**

12.1 The headings contained in this Agreement are for convenience or reference only and do not form any part hereof and in no manner modify, interpret, or construe the Agreement between the parties hereto.

**ARTICLE 13
ENUREMENT**

13.1 This Agreement shall enure to the benefit of and be binding on the parties hereto and their respective heirs, executors, administrators, legal personal representatives and successors and may not be assigned by any of the parties hereto.

**ARTICLE 14
CONSTRUCTION**

14.1 This Agreement shall be governed, construed, and enforced exclusively in accordance with the laws of the Province of Ontario. The parties hereto irrevocably attorn to the jurisdiction of the Courts of the said province.

ARTICLE 15
EXECUTION IN COUNTERPARTS

15.1 This Agreement may be executed in one or more counterparts, each of which will constitute an original and all of which together will constitute one and the same agreement. A facsimile or portable document format (PDF) counterpart of this Agreement shall be fully effective for all purposes.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day first written above.

SOK PARTNERS LLC

Per: _____
Name:
Title:
I have authority to bind the Corporation.

PROSPECT PARK CAPITAL CORP.

Per: _____
Name:
Title:
I have authority to bind the Corporation.

SECTION 2.4 AND 4.1(D) OF THE FOREGOING AGREEMENT ACKNOWLEDGED AND AGREED TO:

SKYLINE MEDICAL INC.

Per: _____
Name:
Title:
I have authority to bind the Corporation.

SCHEDULE "H"
IOI AGREEMENT

(see attached)

IOI, LLC --SUBSCRIPTION AGREEMENT

Name of Purchaser: Prospect Park Capital Corporation

Total Investment Amt \$150,000 _____

Closing Date: December 31, 2013 (with time extensions possible)

IOI, LLC, a Delaware limited liability Partnership (together with its successors and assigns, the "**Partnership**"), hereby sells and issues to the person named above (the "**Purchaser**"), effective as of the Closing Date, (i) the number of IOI, LLC units, in consideration for the aggregate purchase price of \$150,000 (the TOTAL "**Purchase Price**"). The Purchase Price shall be payable in cash, subject to the terms and conditions set forth herein. The Purchaser agrees to the provisions set forth herein and acknowledges that each such provision is a material condition of the Partnership's agreement to issue and sell the Units to the Purchaser. It is understood that 100% of the investment will be sent by December 31, 2013 but this agreement allows for possible time extensions (see below) for this transaction. IOI, LLC will be providing loan monies to Serenity Pharmaceuticals Pari Parsu with certain provisions of the senior lender, TPG or its affiliates. An extension of TWO 30 day increments will be granted if the TSX venture exchange requires more time to opine upon the investment.

The Partnership and the Purchaser acknowledge and agree that the Purchase Price for the Units shall be paid by the Purchaser: (i) by wire transfer to the Partnership to a bank account specified by the Partnership, or (ii) by delivering to the Partnership a wire transaction in U.S. funds sent to "IOI, LLC" and sent to:

Funds (U.S. currency) will be sent by Wire to:

Signature Bank Att: Clark Shockley
26 Court Street
Brooklyn, NY 11242

ACCOUNT NAME: IOI, LLC

ACCOUNT NUMBER: 1501992204

ROUTING NUMBER: 026013576

Section 1. Purchase and Sale of Units Representations.

1.1. Purchase and Sale. Effective as of the Closing Date, the Partnership hereby sells to the Purchaser, and the Purchaser hereby purchases from the Partnership which will then direct funds into the loan agreement between TPG (Texas Pacific Group—a \$54.5 Billion investment fund) and its affiliates (senior lender) and Serenity Pharmaceuticals under the same financial terms with the exception of associated finders fees and origination fees and **not** associated with provisions concerning the first right of refusal of any Serenity Pharmaceuticals royalty (which is separate but associated with the overall TPG transaction) and junior to the TPG in all legal

aspects but not in aspects relating to financial returns. The transaction herein only refers to the debt transaction component alongside of TPG. The Units for the Purchase Price, subject to the satisfaction or waiver of all of the conditions set forth herein.

1.2 Partnership Representations. In connection with the purchase and sale of the Units contemplated by Section 1.1 above, the Partnership hereby represents and warrants to the Purchaser as follows:

(a) The Partnership is a limited liability Partnership duly organized, validly existing and in good standing under the laws of the State of Delaware.

(b) The execution, delivery and performance of this Agreement by the Partnership has been duly authorized by all necessary limited liability Partnership action and the Partnership has full power and authority to enter into this Agreement and to perform its obligations hereunder. This Agreement constitutes the valid and legally binding obligation of the Partnership, enforceable in accordance with its terms, except to the extent limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally or by general equitable principles.

(c) The Units, when issued in accordance with the terms of this Agreement, will be validly issued paid upon closing dependent upon the call in requirements but not to exceed 100% of the cash equivalents of the units subscribed for in this document and not subject to any adverse claim and (assuming the accuracy of the Purchaser's representations herein) will be issued in compliance with all applicable state and federal securities laws.

(d) The aim of the Partnership is to invest alongside of the Senior lender, TPG or its affiliates, in loan terms pari passu with the Senior lender with the exception of origination fees and subordinated to that Senior lender with regard to legal standing but not economic benefit.

(e) Neither the execution and delivery by the Partnership of this Agreement nor the consummation by the Partnership of the transactions contemplated hereby, will require on the part of the Partnership any filing with, or permit, authorization, consent or approval of, any government or governmental agency or instrumentality, whether federal, state or local, domestic or foreign.

(f) This is a private transaction whose investors shall not exceed 20 private investors. The securities issued are not intended for public trading nor will they ever be publically traded. Moreover, these securities cannot be privately traded. Changes in name or ownership are subject to Board approval.

(g) The partnership grants Prospect Park Capital Corp. the right to appoint one representative to the Board of Managers with a term not to exceed the life of the investment and its liquidation.

1.3 Investment Representations. In connection with the purchase and sale of the Units contemplated by Section 1.1 above, the Purchaser hereby represents and warrants to the Partnership as follows:

(a) The Purchaser is purchasing the Units for his, her or its own account for investment only, and not with a view to the resale or distribution thereof.

(b) The Purchaser has had such opportunity as he, she or it has deemed adequate to obtain from the Partnership such information as is necessary to permit he, she or it to evaluate the merits and risks of the foregoing investment in the Partnership and has consulted with his, her or its own advisers with respect to such investment in the Partnership.

(c) The Purchaser is an "accredited investor" as that term is defined in Rule 501 promulgated under the Securities Act of 1933, as amended (the "Act") or may also be a corporation (foreign or based in the United States) or a limited partnership duly authorized by its trustees or Board to make the investment described in the partnership agreement of IOI, LLC.

(d) The Purchaser can afford a complete loss of the value of the Units and is able to bear the economic risk of holding such Units for an indefinite period of time.

(e) The Purchaser understands that the Units are not registered under the Act or any applicable state securities or "blue sky" laws and may not be sold or otherwise transferred or disposed of in the absence of an effective registration statement under the Act and under any applicable state securities or "blue sky" laws (or exemptions from the registration requirements thereof). The Purchaser further acknowledges that any certificates (if issued) representing the Units will bear restrictive legends reflecting the foregoing.

Section 2. Legend. Any certificate(s) (if issued) representing the Units shall carry substantially the following legend:

"The membership units represented by this certificate have not been registered under the Securities Act of 1933, as amended, and may not be offered, sold or otherwise transferred unless and until such membership units are registered under such Act or an opinion of counsel satisfactory to the corporation is obtained to the effect that such registration is not required."

Section 3. Acknowledgement. The Purchaser hereby acknowledges and agrees that he, she or it, as applicable, has received (i) the Partnership's Summary of Terms describing the nature of the Partnership and associated transactions and loan obligations on both the part of the lender and Serenity Pharmaceuticals.

Section 3. Miscellaneous Provisions.

3.1. Change and Modifications. This Agreement may not be orally changed, modified or terminated, nor shall any oral waiver of any of its terms be effective. This Agreement may be

changed, modified or terminated only by an agreement in writing signed by the Partnership and the Purchaser.

3.2. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware in the United States.

3.3. Headings. The headings are intended only for convenience in finding the subject matter and do not constitute part of the text of this Agreement and shall not be considered in the interpretation of this Agreement.

3.4. Notices. All notices, requests, consents and other communications shall be in writing and be deemed given when delivered personally, by telex or facsimile transmission or when received if mailed by a nationally recognized overnight carrier or by first class registered or certified mail, postage prepaid. Notices to the Partnership shall be addressed to its principal office and to the Purchaser as set forth underneath his, her or its signature below, or to such other address or addresses as may have been furnished by such party in writing to the other. Notices to any holder of the Units other than the Purchaser shall be addressed to the address furnished by such holder to the Partnership.

3.5. Benefit and Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors, assigns, legal representatives, estates, executors, administrators and heirs.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Partnership and the Purchaser have executed this Agreement as of the date first above written.

PARTNERSHIP

IOI, LLC

By: 

Name: Jon Scott Geddes, acting as Trustee (not in any individual capacity) of Dream Trust, Created under the laws of NYS and dated Dated December 5, 2007.
Title: General Partner

PURCHASER

By: 

Name: Samuel Herschkowitz MD
Title: Chief Executive Officer
Prospect Park Capital Corp

SCHEDULE "I"
MANAGEMENT AGREEMENT

(see attached)

MANAGEMENT AGREEMENT

Made as of ●, 2014

Between

PROSPECT PARK CAPITAL CORP.

and

PROSPECT PARK MANAGEMENT LIMITED PARTNERSHIP

MANAGEMENT AGREEMENT

This Agreement is made as of ● , 2014 between:

PROSPECT PARK CAPITAL CORP. (the “**Corporation**”), a corporation existing under the laws of the Province of Ontario;

and

PROSPECT PARK MANAGEMENT LIMITED PARTNERSHIP, a limited partnership formed under the laws of the Province of Ontario (the “**Manager**”).

RECITALS

WHEREAS Prospect Park Management Inc. (the “**General Partner**”) is the general partner of the Manager pursuant to the terms and conditions of the limited partnership agreement dated as of March 19, 2014 (the “**Partnership Agreement**”);

AND WHEREAS the Corporation’s investment objective is to provide its shareholders the opportunity to indirectly participate in investments in Target Company’s;

AND WHEREAS the Corporation seeks to invest (i) for the purpose of exercising or seeking to exercise control of a Target Company, or (ii) for the purpose of being actively involved in the management of any Target Company in which it invests;

AND WHEREAS the Corporation wishes to appoint the Manager as the manager of the Corporation;

AND WHEREAS the Manager has agreed to act as manager of the Corporation;

AND WHEREAS the Corporation and the Manager wish to more fully evidence and record the terms and conditions of the appointment of the Manager as the manager of the Corporation;

FOR VALUE RECEIVED, the parties agree as follows:

ARTICLE 1 - DEFINITIONS

Unless the context otherwise requires, where capitalized terms are used in this Agreement and in the Schedules and Appendices hereto without definition, such terms shall have the following meanings:

- (a) “**Additional Term**” has the meaning ascribed thereto in Section 9.1(b) of this Agreement.

- (b) **“Agreement”** means this management agreement including all appendices and schedules hereto.
- (c) **“Applicable Law”** means in respect of any Person, property, transaction or event, all present and future laws, statutes, regulations, policies, treaties, judgments and decrees applicable to that Person, property, transaction or event and, whether or not having the force of law, all applicable requirements, requests, official directives, rules, consents, approvals, authorizations, guidelines, orders and policies of any Governmental Authority having or purporting to have authority over that Person, property, transaction or event.
- (d) **“Applicable Securities Legislation”** means the laws, regulations, rules, requirements, instruments and policies of each of the provinces and territories of Canada in which the Corporation is a reporting issuer pursuant to the provisions of such laws.
- (e) **“Board”** means the board of directors of the Corporation as the same may be constituted from time to time.
- (f) **“Business Day”** means any day on which the TSXV is open for business.
- (g) **“Corporation Investment”** means an investment in a Target Company and any other investment acquired by the Corporation and **“Corporation Investments”** means more than one Corporation Investment taken collectively.
- (h) **“Corporation Property”** means the property and assets of the Corporation.
- (i) **“Effective Date”** means ● , 2014.
- (j) **“General Partner”** means Prospect Park Management Inc.
- (k) **“Governmental Authority”** means any domestic or foreign government, including, without limitation, any federal, provincial, state, territorial or municipal government, and any government agency, tribunal, commission or other authority exercising or pertaining to, government.
- (l) **“Initial Term”** has the meaning ascribed thereto in Section 9.1(a) of this Agreement.
- (m) **“Investment Committee”** means a committee of directors and/or executive officers of the Corporation that may be appointed by the Board on an annual basis to monitor and review the Corporation Investments in accordance with the Investment Policy.
- (n) **“Investment Policy”** means the investment policy of the Corporation as set forth in Appendix A hereto and includes any amendment thereto.

- (o) **“Management”** means Persons who are employees, officers or directors of the Corporation and are also employed by or officers or directors of, the Manager or an affiliate thereof.
- (p) **“Management Fee”** shall have the meaning given to such term in Section 4.1 of this Agreement.
- (q) **“Net Asset Value”** or **“NAV”** means the net asset value of the Corporation, as determined by subtracting the aggregate fair value of the liabilities of the Corporation from the aggregate fair value of the assets of the Corporation on the date on which the calculation is being made, as more particularly determined in accordance with Appendix B. The monthly NAV shall be reviewed by the Board, or if an Investment Committee has been appointed by the Board, the Investment Committee. The fiscal year end NAV and the NAV for any other date on which a Performance Fee is to be calculated shall be approved by the Board.
- (r) **“Net Asset Value per Share”** means the Net Asset Value divided by the total number of Shares outstanding on the date in respect of which the calculation is being made.
- (s) **“Partnership Agreement”** means the limited partnership agreement dated March 19, 2014 between the General Partner and the limited partners, pursuant to the which, the General Partner is authorized to carry on the business of the Manager.
- (t) **“Performance Fee”** shall have the meaning given to such term in Section 4.2 of this Agreement.
- (u) **“Performance Fee NAV”** shall mean the Net Asset Value, as adjusted in accordance with the computational rules set forth in Appendix C;
- (v) **“Person”** includes an individual, a corporation, limited partnership, general partnership, joint stock company or association, joint venture, association, company, trust, bank, trust company, land trust, investment trust, society or other entity, organization and syndicate whether incorporated or not, a trustee, executor, or other legal personal representative, and any government or agency thereof.
- (w) **“Portfolio”** means the investment portfolio comprised of the Corporation Investments acquired and held by or on behalf of the Corporation from time to time.
- (x) **“Shares”** means the common shares of the Corporation.
- (y) **“Shareholders”** means the holders of Shares from time to time.

- (z) “**Target Company**” has the meaning ascribed to such term in the Investment Policy.
- (aa) “**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder, each as amended.
- (bb) “**TSXV**” means the TSX Venture Exchange.

ARTICLE 2 - APPOINTMENT OF MANAGER

Section 2.1

The Corporation hereby appoints the Manager as the manager of the Corporation and grants to the Manager, with effect from and after the Effective Date and continuing for the Term of this Agreement, the exclusive authority, subject to the supervision of the Board, to manage the undertaking, business and affairs of the Corporation and to provide all necessary or advisable administrative services and facilities as set forth herein and the Manager hereby accepts such appointment and agrees to act in such capacity and to provide such management and administrative services and facilities upon the terms set forth in this Agreement.

The Corporation hereby appoints the Manager as its true and lawful attorney in fact and grants to the Manager the full power and authority to bind the Corporation. Without limiting the generality of the foregoing, the Corporation appoints the Manager as its true and lawful attorney in fact to negotiate, settle the terms of, enter into and execute on behalf of the Corporation any agreements and certificates including, without limitation, portfolio management agreements, brokerage agreements, loan agreements and agreements relating to custodian and valuation services, together in each case with any amendments thereto and any agreement or arrangement entered into in replacement or substitution thereof.

Section 2.2

The Corporation hereby acknowledges and agrees that the Manager, upon notice to the Corporation, may delegate certain of its powers to third parties at no additional cost to the Corporation where, in the discretion of the Manager, it would be in the best interests of the Corporation and the Shareholders to do so, provided that such delegation shall not relieve the Manager of any of its obligations under this Agreement. Where possible, the Manager will structure any delegation in a manner that will permit the Manager on behalf of the Corporation to bring an action directly against the delegatee. Any delegation or arrangement between the Corporation and the Manager or any affiliate of the Manager shall be on terms no less favourable to the Corporation than those available from arm’s length parties (within the meaning of the *Tax Act*) for comparable services. The Manager will be responsible for monitoring and reviewing the services provided by such third parties on an ongoing basis.

Section 2.3

The Manager, on behalf of the Corporation, may engage a portfolio manager to manage any investment assets of the Corporation in accordance with the Investment Policy.

ARTICLE 3 - SERVICES OF MANAGER

Section 3.1

The Manager will administer, on behalf of and for the account of the Corporation, the activities of the Corporation in connection with the direct or indirect acquisition, administration and management by the Corporation of assets of the Corporation.

Section 3.2

The Manager shall analyze, originate and perform research and due diligence with respect to investment opportunities consistent with the purposes of the Corporation and analyze, originate and perform research and due diligence with respect to disposition opportunities for Corporation Investments and provide such other services related thereto as the Corporation may reasonably request. **The parties acknowledge that the Manager is not registered as a dealer or as an advisor under applicable Canadian securities legislation and that, subject to Section 2.3, it will not and will not be requested by the Corporation to, provide any services that would require any such registration.** The Manager shall have available to it personnel it deems sufficient in order to review the identification and structuring of transactions in connection with the Corporation's investment program. The Manager shall provide, or cause to be provided, management, investment, valuation and administrative services and facilities to the Corporation, including, without limitation:

- (a) analysis, research, due diligence and investigation of Corporation Investments, including their products, services, markets, management, financial situation, competitive position, market ranking, prospects for future performance and relevant industry sector;
- (b) analysis, research, due diligence and investigation of potential dispositions of Corporation Investments, including public listings and private sales and the identification of potential acquirors;
- (c) development of an outline of investment terms for potential Corporation Investments and the structuring of acquisitions of such potential Corporation Investments;
- (d) review of identified sources of financing, if required in connection with a Corporation Investment or any restructuring thereof;
- (e) obtaining any Canadian or U.S., and assisting with obtaining any non-Canadian, regulatory approvals that may be necessary in connection with each potential Corporation Investments;

- (f) monitoring the performance of Corporation Investments and, where appropriate and where the Corporation so requests, providing assistance to the management of the Corporation Investments at the policy level during the life of the Corporation Investment;
- (g) appointing and monitoring the performance of Persons, including any portfolio manager, appointed to acquire and maintain the investment assets of the Corporation in accordance with the Investment Policy, as well as appointing and managing relationships with the transfer agent for the Shares, auditors, legal counsel and other organizations or professionals serving the Corporation;
- (h) monitoring the suitability of the Investment Policy and preparing for approval by the Board, or if an Investment Committee has been appointed by the Board, the Investment Committee, of any amendments to the Investment Policy which the Manager believes are in the best interests of the Corporation;
- (i) the review, authorization and payment on behalf of the Corporation of expenses incurred on behalf of the Corporation and the negotiation of contracts with third party providers of services (including, but not limited to, transfer agents, legal counsel, auditors and printers);
- (j) the provision of office space, telephone and internet service, office equipment, facilities, supplies and executive, secretarial and clerical services;
- (k) the preparation of accounting, management and other reports, including such interim and annual reports to Shareholders, financial statements, tax reporting to Shareholders and income tax returns as may be required by Applicable Law;
- (l) keeping and maintaining the books and records of the Corporation and the supervision of compliance by the Corporation with record-keeping requirements under Applicable Laws;
- (m) provide nominees to serve as directors of the Corporation together with nominees for such other executive positions as may be required by the Corporation (collectively, the “**Nominees**”). The Corporation agrees to propose for election to its Shareholders no less than two (2) directors specified by the Manager.
- (n) subject to compliance with Applicable Securities Legislation, act as a dealer or make all required arrangements with appropriately registered dealers in connection with the distribution of any securities which the Corporation may decide to issue during the term of this Agreement and take or cause to be taken all such actions as the Manager reasonably considers necessary or desirable in connection with the distribution of securities of the Corporation whether by way of prospectus or private placement offering;

- (o) monitoring the ability of the Corporation to pay dividends or distributions if, as and when determined necessary or appropriate by the Manager;
- (p) communications and correspondence with Shareholders and the preparation of notices of distributions to Shareholders;
- (q) ensuring that the Net Asset Value and Net Asset Value per Share is calculated on a monthly basis;
- (r) attending to general investor relations and responding to investors' inquiries in respect of the Corporation;
- (s) dealing with banks, including the establishment and maintenance of bank accounts and bank records and the negotiation and securing any of bank financing or refinancing;
- (t) obtaining such insurance as the Manager considers appropriate for the Corporation;
- (u) ensuring:
 - (i) that the Corporation complies with all Applicable Securities Legislation and Applicable Law; and
 - (ii) the preparation and delivery of the Corporation's reports to, and dealing with, relevant securities regulatory authorities and any similar organization of any Governmental Authority or any stock exchange to which the Corporation is obligated to report;
- (v) assisting the Board, or if an Investment Committee has been appointed by the Board, the Investment Committee, as required from time to time in determining additional or amended policies and procedures for the valuation of the assets and liabilities of the Corporation;
- (w) making all necessary arrangements in relation to any meetings of Shareholders and preparing materials for Shareholder meetings as required;
- (x) providing such other managerial and administrative services as may be reasonably required for the ongoing business and administration of the Corporation; and
- (y) monitoring and reviewing the services provided by third parties where the Manager further delegated administration of the Corporation.

Section 3.3

The Manager shall provide the Board or its authorized representative with:

- (a) such information and periodic reports regarding the affairs of the Corporation as may be necessary to enable the Board to determine whether the Manager and others serving the Corporation are in compliance with their respective obligations;
- (b) such information with respect to Corporation Investments which the Corporation may hold or contemplate purchasing as the Corporation may reasonably request;
- (c) an annual report informing the Corporation of important developments affecting Corporation Investments; and
- (d) access at any time to all books, records and other documents in the possession of the Manager pertaining to the Corporation.

ARTICLE 4 - FEES PAYABLE TO THE MANAGER

Section 4.1 Management Fees

- (a) In consideration for the provision of the services set forth herein, the Manager shall receive a monthly management fee (a "**Management Fee**") equal to 1/12th of 2% of the Net Asset Value, inclusive of any taxes payable by the Corporation in respect of the Management Fee, calculated as of the last Business Day of each month.
- (b) The Management Fee shall be payable by the Corporation to the Manager in cash on or prior to the tenth (10th) day of the immediately following month.

Section 4.2 Performance Fees

- (a) In addition to the Management Fee, the Manager shall receive in respect of each fiscal year of the Corporation, a performance fee (the "**Performance Fee**") equal to 20% of the net appreciation in the Net Asset Value of the Corporation calculated as of the last day of such fiscal year in excess of the Net Asset Value of the Corporation calculated as of the last day of the previous fiscal year, less any taxes payable by the Corporation in respect of the Performance Fee. During the Corporation's 2014 fiscal year (the "**Initial Fiscal Year**") the Performance Fee shall be calculated, accrued and paid in respect of performance from the Effective Date to September 30, 2014 and pro-rated for such period.
- (b) The starting point for the calculation of the Performance Fee for each fiscal year subsequent to the Initial Fiscal Year shall be the Performance Fee NAV as of the last day (September 30 in the event the Corporation's fiscal year end remains September 30) of the prior fiscal year.
- (c) No adjustments shall be made to the amount of the Performance Fee calculated and payable to the Manager pursuant to Section 4.2(a) and (b)

above as a result of any decrease in the Performance Fee NAV resulting from any reduction or other diminution in the value of a Corporation Investment which occurs after the last day of the fiscal year for which such Performance Fee has been calculated.

- (d) Subject to **Error! Reference source not found.** and Section 4.2(f) below, Performance Fees are calculated and accrued monthly and shall be paid to the Manager in cash annually in arrears on or before the tenth (10th) day following the last Business Day of the Performance Year. Where the cash on hand is insufficient to satisfy the Performance Fee in full on the date on which such payment is required hereunder, the Performance Fee shall be paid as to the amount of such cash, net of the Corporation's working capital requirements as reasonably determined by the Manager available on the required date and the balance shall be accrued and paid as and when sales proceeds of Corporation Investments become available.
- (e) Notwithstanding anything to the contrary herein, in the event the payment of the Performance Fee will directly or indirectly result in the Corporation's cash and cash equivalents to go below \$100,000 during the twelve (12) month period following the Effective Date, the Performance Fee will be deferred or paid in Shares pursuant to Policy 4.3 of the TSXV.

Section 4.3 Applicable Taxes

For greater certainty, all fee amounts payable to the Manager pursuant to the terms of this Agreement shall be read to include all applicable taxes, including, without limitation, amounts in respect of any goods and services tax or harmonized sales tax exigible in respect thereof. The taxes exigible on all other amounts payable by the Corporation to the Manager shall be paid at the time of payment of such other amounts.

Section 4.4 Compensation for Additional Services

If and to the extent that the Manager renders services to the Corporation or directly to any Corporation Investments (subject to **Error! Reference source not found.**) other than those required to be rendered pursuant to the provisions of this Agreement, such additional services and activities will be compensated for separately and shall be on such terms that are generally no less favourable to the Corporation than those available from arm's length parties (within the meaning of the *Tax Act*) for comparable services.

ARTICLE 5 – EXPENSES

Section 5.1

The Corporation is responsible for all fees and expenses incurred in connection with the operation and administration of its business and shall reimburse the Manager (in addition to any Management Fees, Performance Fees or other compensation payable pursuant to Article 4 above) for all reasonable costs and expenses incurred in connection with the performance of its duties as Manager including, without limitation: (i) fees and

expenses payable to the Board; (ii) rental fees and associated expenses of the Manager's leased office premises which are utilized by the Corporation; (iii) legal, audit and valuation fees and expenses; (iv) shareholder reporting costs; (v) registrar, transfer and distribution agency costs; (vi) fees paid to consultants including, without limitation, third-party administrators; (vii) printing and mailing costs; (viii) insurance costs; (ix) fees and expenses payable for listing, filing and maintenance of the Shares or other requirements of the TSXV or any other stock exchange on which the securities of the Corporation may be listed or quoted; (x) other administrative expenses and costs incurred in connection with the Corporation's continuous public disclosure and filing requirements and investor relations; (xi) participation or other fees payable pursuant to Applicable Securities Legislation; (xii) all taxes (income, capital and sales taxes); (xiii) costs and expenses relating to the offering and issuance of the Corporation's securities (including, without limitation, the costs of preparing and printing any offering documents, legal expenses, auditor's fees and expenses, marketing expenses, commissions, referral fees or finders' fees payable to third parties and other reasonable expenses); (xiv) costs and expenses of preparing, printing, filing and mailing of financial statements, statements of Net Asset Value and other reports; (xv) costs and expenses arising as a result of complying with Applicable Securities Legislation and other Applicable Laws; and (xvi) all amounts paid by the Corporation on account of the indebtedness of the Corporation. Such expenses shall include expenses of any action, suit or other proceedings in which or in relation to which the Manager or any delegee of the Manager and/or any of their respective officers, directors, employees, consultants, or agent is entitled to indemnity by the Corporation.

Section 5.2

In addition to the fees paid to the Manager pursuant to Article 4 hereof, the Corporation shall reimburse the Manager for all costs and expenses reasonably incurred by the Manager in connection with the performance of its duties set out in Article 3 hereof (including payments to third parties in that regard) to the extent that such expenses were incurred for and on behalf of the Corporation and do not represent administrative costs of the Manager necessary for it to carry on its business. Such expenses shall be reimbursed by the Corporation to the Manager at each month end.

ARTICLE 6 – STANDARD OF CARE AND LIABILITY

Section 6.1

The Manager, the General Partner and any agent to whom the Manager or the General Partner has delegated any of its duties hereunder shall exercise its powers and perform its duties hereunder honestly and in good faith and shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Manager and the General Partner will not be liable in any way for any default, failure or defect of the assets of the Corporation or the Portfolio if the Manager has satisfied the duties and the standard of care, diligence and skill as set forth above. However, the Manager and the General Partner shall be liable to the Corporation for any loss, damage, claim, cost, charge, expense or liability resulting from the Manager's wilful misconduct, bad faith, negligence or breach by the Manager of its duties or the standard of care, diligence and skill prescribed by this Section.

ARTICLE 7 - APPOINTMENT OF AGENTS

Section 7.1

In performing its duties pursuant to the terms of this Agreement, the Manager may employ, engage or appoint as its agent and rely and act upon information or advice received from experts, investment dealers, auditors and accountants, valuation services, lawyers and others.

ARTICLE 8 - EXCLUSIVITY OF SERVICES

Section 8.1

Nothing in this Agreement shall limit or restrict the right of the Manager, the General Partner or any director, officer, employee, principal, shareholder, limited partner, affiliate or associate of the Manager or the General Partner, to engage in any other business or to devote his, her or its time and attention in part to the management, administration or other aspects of any business, whether of a similar or dissimilar nature to that of the Corporation provided that the General Partner will and will cause its agents and employees to devote adequate time and attention to performing its duties hereunder.

Section 8.2

The Manager will act on a basis that is fair and reasonable to the Corporation and its other clients in recommending investments to the Corporation from among the particular investment opportunities that come to the Manager.

Section 8.3

The Manager will not commingle the assets of the Corporation with those of the Manager or of any other Person.

Section 8.4

The Manager agrees to keep confidential, except to the extent such information is otherwise available to the public, disclosure is required by Applicable Law, or disclosure is reasonably required in order for the Manager to fulfil its duties under any agreement with the Corporation, information received by it with respect to the affairs of the Corporation.

ARTICLE 9 – TERM

Section 9.1 Initial Term and Automatic Renewal

- (a) This Agreement shall commence as of the Effective Date and shall continue for an initial term of five (5) years (the “**Initial Term**”).
- (b) The Corporation shall notify the Manager at least 180 days prior to the expiry of the Initial Term whether it intends to terminate this Agreement upon expiry of the Initial Term. If no such notice is received, this Agreement shall

be automatically renewed for successive one (1) year terms (each, an “**Additional Term**”) unless terminated pursuant to Article 10.

ARTICLE 10 – TERMINATION

Section 10.1 Termination of Agreement

This Agreement may be terminated by either party at the end of the Initial Term or any Additional Term provided the terminating party has given the other party 180 days prior written notice of its intention to do so.

Section 10.2 Termination by Special Resolution of Shareholders

If during any fiscal year of the Corporation the Net Asset Value drops 50% or more from the Net Asset Value on the last day of the previous fiscal year then the Corporation may convene a duly constituted special meeting of the Shareholders to seek approval by way of special resolution to terminate this Agreement effective as of the date set forth in such special resolution.

Section 10.3 Material Breach by Manager

The Corporation may terminate this Agreement in the event the Manager is in material breach of its obligations or default of the material provisions of this Agreement and such breach or default has not been cured within 30 days following notice of such breach or default to the Manager.

Section 10.4 Fraudulent Acts, Bankruptcy or Insolvency of Manager

This Agreement may be terminated by the Corporation immediately in the event of the commission by the Manager of any fraudulent act or if the Manager becomes bankrupt, insolvent or makes a general assignment for the benefit of its creditors.

Section 10.5 Material Breach by Corporation

The Manager may terminate this Agreement in the event that the Corporation is in breach of its material obligations or in default of the material provisions of this Agreement and such breach or default has not been cured within 30 days following notice of such breach or default to the Corporation.

Section 10.6 Change of Control

- (a) In the event that any Person or group of Persons, acting jointly or in concert, acquires control of at least 50% of the voting securities of the Corporation (a “**Change of Control**”), the Manager may elect, in its sole discretion, to terminate this Agreement by giving the Corporation written notice of such termination within 90 days after a Change of Control.

- (b) Any termination of this Agreement pursuant to Section 10.6 will be without prejudice to the rights and liabilities created under this Agreement prior to the effective date of the termination.

Section 10.7 No Other Termination Rights

Other than as stated above, this Agreement may not be terminated.

Section 10.8 Payment of Fees and Expenses Subsequent to Termination

Other than payment of the fees payable to the Manager and the reimbursement of the Manager's expenses pursuant to this Agreement up to and including the date of termination of this Agreement, no additional payments will be required to be made by the Corporation to the Manager as a result of the termination of this Agreement pursuant to Section 10.2, Section 10.3, Section 10.4 hereof. If, however, the Agreement is terminated pursuant to Section 10.5 or 10.6 hereof, the Corporation shall pay to the Manager a termination fee equal to the average annual compensation of the Manager during the three (3) previous completed fiscal years of the Corporation ended prior to the date of termination which fee shall be paid annually for a period of the earlier of (i) two years from the date of termination, and (ii) the unexpired remainder of the term. The payment of the termination fee to the Manager shall be in addition to any accrued compensation and reimbursement of expenses to which the Manager is then entitled.

Section 10.9 Delivery of Books and Records Upon Termination

Upon Termination of this Agreement, the Manager shall forthwith deliver to the Corporation, or such other Person as directed by the Board, all records, documents and books of account and all materials and supplies of the Corporation which are in the possession or control of the Manager or for which the Manager has been paid or reimbursed by the Corporation and which relate directly or indirectly to the Corporation or to the performance by the Manager of its obligations under this Agreement.

ARTICLE 11 – REPRESENTATIONS OF THE CORPORATION

Section 11.1

The Corporation represents and warrants to the Manager that:

- (a) the Corporation is a corporation existing under the laws of the Province of Ontario;
- (b) the Corporation has full capacity and authority to execute and deliver this Agreement and this Agreement has been duly and validly authorized, executed and delivered by the Corporation and is a valid and binding agreement of the Corporation enforceable in accordance with its terms; and
- (c) there are no current, pending, threatened or contemplated proceedings, investigations or enquiries before or by any court, governmental self-

regulatory body or exchange which might impair the Corporation's ability to discharge its obligations hereunder.

ARTICLE 12— REPRESENTATIONS AND COVENANTS OF THE MANAGER

Section 12.1

The Manager and the General Partner jointly and severally represent and warrant to the Corporation that:

- (a) the Manager is a limited partnership formed and validly existing under the laws of the Province of Ontario;
- (b) the General Partner is a corporation existing under the laws of the Province of Ontario;
- (c) the Manager has full capacity and authority to execute and deliver this Agreement and to act as described herein. This Agreement has been duly and validly authorized, executed and delivered on behalf of the Manager by the General Partner and is a valid and binding agreement of the Manager enforceable in accordance with its terms;
- (d) there are no current, pending, threatened or contemplated proceedings, investigations or enquiries before or by any court, governmental self-regulatory body or exchange which might impair the Manager or the General Partner's ability to discharge the obligations hereunder or that relate to any regulatory registrations or licenses of the Manager or the General Partner, and the Manager shall immediately notify the Board of any such proceedings, investigations or enquiries;
- (e) the directors, officers, employees and agents that the Manager or the General Partner utilizes or engages in the performance of its duties and obligations under this Agreement will have the qualifications, experience and capabilities necessary to perform such duties and obligations and have read the Investment Policy of the Corporation; and
- (f) the Manager and its directors, officers and employees are not required to be registered as a dealer or as an advisor under Applicable Securities Legislation to carry out their duties hereunder.

Section 12.2

The Manager and the General Partner jointly and severally covenant:

- (a) to comply with the policies of the Corporation as mutually developed with and accepted by the Manager, both parties acting reasonably, in writing from time to time including, without limitation, policies as to conflicts of interest;

- (b) to obtain and maintain such registrations in such jurisdictions as may be necessary or appropriate to enable the Manager and the General Partner to carry out its duties hereunder in compliance with all Applicable Law; and
- (c) to exercise its powers and perform its duties hereunder in material compliance with Applicable Law.

ARTICLE 13 – LIMITATION OF LIABILITY

Section 13.1

The Parties hereto acknowledge that the Manager shall ensure that to the extent practicable every agreement and undertaking entered into by the Manager on behalf of the Corporation shall contain a provision to the effect that no director, officer, employee, consultant or agent of the Corporation, the General Partner, any portfolio manager, or any Shareholder shall be personally liable for obligations thereunder and the sole recourse for liabilities is to the Corporation Property.

Section 13.2

The Manager, in incurring any debts, liabilities or obligations, or in taking or omitting to take any other actions for or in connection with the affairs of the Corporation pursuant to the terms of this Agreement, is, and shall be conclusively deemed to be, acting for and on behalf of the Corporation, and not in its own personal capacity.

Subject to Article 6 and Section 14.1 hereof, and except as provided in this Agreement, or for any material breach or default of the obligations hereunder by the Manager, neither the Manager, the General Partner nor any director, officer, employee, consultant or agent of the General Partner thereof (collectively the “**Responsible Parties**”) shall be subject to any liability whatsoever, in tort, contract or otherwise, in connection with the Corporation Property or the affairs of the Corporation, including, without limitation, in respect of any loss or diminution in value of the Corporation Property or the purchase, sale or retention of any Corporation Investment by the Manager on behalf of the Corporation, to the Corporation or to any Responsible Party or to Shareholders, or any of them, or to any other Person for anything done or permitted to be done by any of them. Except to the extent provided in this Section 13.2, no Responsible Party shall be subject to any personal liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses (including legal costs) against or with respect to the Corporation arising out of anything done or permitted by any of them to be done in respect of the execution of the duties of their office or for or in respect of the affairs of the Corporation. The Corporation shall be solely liable therefor and resort shall be had solely to the Corporation Property for the payment or performance thereof.

Section 13.3

If, notwithstanding the provisions of this Agreement, the Manager, the General Partner or any of the General Partner’s directors, officers, employees, consultants or agents shall be held personally liable as such to any other Person in respect of any debt, liability or

obligation incurred by or on behalf of the Corporation, or, subject to Article 6 and Section 14.1 hereof, any action taken or omitted to be taken for or in connection with the affairs of the Corporation, the Manager, the General Partner and the General Partner's directors, officers, employees, consultants and agents shall be entitled to indemnity and reimbursement out of the Corporation Property to the full extent of such liability and the costs of any litigation or other proceedings in which such liability shall have been determined including, without limitation, the fees and disbursements of counsel.

ARTICLE 14 – INDEMNIFICATION OF THE MANAGER

Section 14.1

The Manager, the General Partner and the General Partner's directors, officers, employees, consultants and agents (collectively, the "**Indemnified Parties**") shall be indemnified and reimbursed by the Corporation out of the Corporation Property to the fullest extent permitted by law against all liabilities and expenses (including judgments, fines, penalties, interest, amounts paid in settlement with the approval of the Corporation and counsel fees and disbursements on a solicitor and client basis) reasonably incurred in connection with such Indemnified Party being or having been the Manager, the General Partner or a director, officer, employee, consultant or agent of the General Partner, including in connection with any civil, criminal, administrative, investigative or other action, suit or proceeding to which any such Indemnified Party may hereafter be made a party by reason of being or having been the Manager, the General Partner or a director, officer, employee, consultant or agent of the General Partner, except for liabilities and expenses resulting from the Indemnified Party's wilful misconduct, bad faith, negligence, breach of its duties or the standard of care, diligence and skill prescribed by Article 6, or material breach or default of the Manager's obligations under this Agreement. An Indemnified Party shall not be entitled to satisfy any right of indemnity or reimbursement granted herein, or otherwise existing under law, except out of the Corporation Property, and no Shareholder or other Person shall be personally liable to any Person with respect to any claim for such indemnity or reimbursement as aforesaid.

Section 14.2

For purposes of the preceding paragraph: (i) the right of indemnification conferred thereby shall extend to any threatened action, suit or proceeding and the failure to institute it shall be deemed its final determination; and (ii) advances may be made by the Corporation against costs, expenses and fees incurred in respect of the matters as to which indemnification is claimed, provided that any advance shall be made only if the Corporation receives an opinion of counsel to the effect that, on the basis of the facts known to such counsel, such Indemnified Party is entitled to indemnification under this Article 15. If required by Applicable Law or by court order, the Indemnified Party will be required to repay any advances. The foregoing right of indemnification shall not be exclusive of any other rights to which such Indemnified Party may be entitled as a matter of law or which may be lawfully granted to such Person and the provisions of this Article 14 are severable, and if any provisions hereof shall for any reason be determined invalid or ineffective, the remaining provisions of this Agreement relating to indemnification and reimbursement shall not be affected thereby.

ARTICLE 15 – INDEMNIFICATION BY THE MANAGER

Section 15.1

The Manager and the General Partner agree to indemnify and save harmless the Corporation (and each of its directors, officers, employees, representatives, consultants and agents) from and against all liabilities, actions, causes of action, debts, damages, costs, expenses (including judgments, fines, penalties, interest amounts paid in settlement with the consent of the Manager and also including legal fees and disbursements on a solicitor and client basis) reasonably incurred in connection with the enforcement of this indemnity which may be imposed on, incurred by or assessed against the Corporation or any of its directors, officers, agents, representatives and employees as a result of the Manager's wilful misconduct, bad faith, negligence or breach of its duties or the standard of care, diligence and skill prescribed by Article 6 or a material breach or default of its obligations under this Agreement.

Section 15.2

It is the intention of the Manager to constitute the Corporation as trustee for the Corporation's directors, officers, employees, consultants and agents, of the covenants of the Manager under Section 15.1 with respect to the Corporation's directors, officers, employees, consultants and agents, and the Board agrees to accept such trust and to hold and enforce such covenants on behalf of such Persons.

ARTICLE 16 – MISCELLANEOUS

Section 16.1

The headings in this Agreement are included for convenience only and in no way define or limit any of the provisions hereof or otherwise affect their construction or interpretation. In this Agreement whenever the singular form is used, the same shall include the plural as and when required by the context. Words denoting one gender include the other or the neuter, and words denoting the neuter denote either gender, unless a contrary intention is to be inferred from or required by the subject matter or context. All references to currency in this Agreement are references to the lawful money of Canada.

Section 16.2

Nothing in this Agreement is intended to create or shall be construed as creating a partnership, agency, joint venture, association or trust between the parties.

Section 16.3

This Agreement shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein and the parties hereby agree to submit to the non-exclusive jurisdiction of the courts of the Province of Ontario.

Section 16.4

If any provision of this Agreement shall be held or made invalid or unenforceable, such invalidity or unenforceability shall attach only to such provision and shall not in any manner affect or render invalid or unenforceable any other provision of this Agreement.

Section 16.5

The provisions of Article 5, Section 8.4, Section 10.6, Section 10.8 and **Error! Reference source not found.**, Article 14 and Article 15 shall survive termination of this Agreement.

Section 16.6

Any amendment or modification to this Agreement, including any appendix hereto, shall require the written approval of each party hereto in order to be effective.

Section 16.7

The Manager may assign this Agreement to any party with the approval of the Corporation, provided that any assignment of this Agreement by the Manager to an affiliate shall not require the Corporation's approval.

Section 16.8

Any notice required or permitted to be given hereunder shall be in writing and shall be properly given, if delivered personally, or by mail or by electronic delivery or other similar form of communication addressed:

- (a) to the Corporation at:

Prospect Park Capital Corp.
c/o McMillan LLP
181 Bay Street, Suite 4400
Toronto, Ontario, M5J 2T3

Attention: Robbie Grossman
Email: robbie.grossman@mcmillan.ca

- (b) to the Manager at:

Prospect Park Management Limited Partnership
c/o McMillan LLP
181 Bay Street, Suite 4400
Toronto, Ontario, M5J 2T3

Attention: Robbie Grossman
Email: robbie.grossman@mcmillan.ca

Section 16.9

Any notice, direction or other instrument given as aforesaid shall be deemed to have been effectively given, if sent by electronic delivery or other similar form of delivery, on the next Business Day following such transmission or, if delivered, to have been received on the date of such delivery or, if mailed, to have been received seven days after the mailing thereof excluding each day during which there exists any general interruption in postal services due to strike, lockout or other cause. Either party may change its address for service from time to time by notice given in accordance with the foregoing, and any subsequent notice shall be sent to the party at its changed address.

Section 16.10

This Agreement may be executed in two or more counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same agreement.

The parties have executed this Agreement as of the date first written above with effect as of the Effective Date.

PROSPECT PARK CAPITAL CORP.

By:

Name:

Title:

**PROSPECT PARK MANAGEMENT
LIMITED PARTNERSHIP, BY ITS
GENERAL PARTNER, PROSPECT PARK
MANAGEMENT INC.**

By:

Name:

Title:

Appendix A

**PROSPECT PARK CAPITAL CORP.
STATEMENT OF INVESTMENT POLICIES AND PROCEDURES**

See Attached.

Appendix B

Net Asset Value

In determining Net Asset Value, the Corporation shall pursue a valuation policy that is consistently applied and is based on measures considered reasonable in the industry. Without limiting the generality of the foregoing, the Manager, in applying the Corporation's valuation policy, will take into account the following:

- (a) the valuation guidance set out in the applicable accounting standards;
- (b) the value of each of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash received (or declared to holders of record on a date before the date as of which the NAV is being determined and to be received) and interest accrued and not yet received, shall be deemed to be the full amount thereof, provided that: (i) the value of any security which is a debt obligation which, at the time of acquisition, had a remaining term to maturity of one year or less shall be the amount paid to acquire the obligation plus the amount of any interest accrued on such obligation since the time of acquisition (for the purposes of the foregoing, interest accrued will include amortization over the remaining term to maturity of any discount or premium from the face value of an obligation at the time of its acquisition); and (ii) if the Manager has determined that any such deposit, bill, demand note, or account receivable is not worth the full amount thereof, the value thereof shall be deemed to be such value as the Manager determines to be the fair value thereof;
- (c) the value of any security which is listed or traded upon a stock exchange will be the closing price of the security on such date or, if there is no sale reported to have taken place on that day, the simple average of the closing bid and ask prices (unless, in the opinion of the Manager, acting reasonably, such value does not reflect the value thereof, in which case the Manager will employ acceptable valuation techniques appropriate in the circumstances), as at the valuation date on which the Net Asset Value is being determined, all as reported by any means in common use;
- (d) the value of securities quoted in foreign currencies will be translated into Canadian currency at the exchange rate at noon on such date as announced by the Bank of Canada;
- (e) the value of any securities traded over-the-counter will be the simple average of the closing bid and ask prices on such date or, if there is no current bid price, the closing sale price on such date, all as reported by the financial press or an independent reporting organization, unless a different fair value is otherwise determined by the Manager employing acceptable valuation techniques appropriate in the circumstances;

- (f) the value of any security or other asset for which a market quotation is not readily available will be its cost, which shall approximate the fair value of the security or other asset, as applicable, upon acquisition, unless a different fair value is determined by the Manager employing acceptable valuation techniques appropriate in the circumstances;
- (g) the value of any security or property or other assets to which, in the Manager's opinion, the above principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided, or for any other reason) shall be valued at the fair value thereof determined in good faith in such manner as the Manager from time to time determines; and
- (h) all expenses or liabilities (including fees payable to the Manager) of the Corporation shall be calculated on an accrual basis.

The Manager may vary any of the foregoing provisions relating to the computation of Net Asset Value of the Corporation where such variation is required under applicable securities or tax laws or in order to conform with industry practices or generally accepted accounting principles.

Under certain circumstances, the Manager may, to the extent not already reserved for in the accounts of the Corporation, establish a reserve for contingent liabilities or uncollectible amounts which reduces the Net Asset Value.

Appendix C Performance Fee NAV

In determining Performance Fee NAV, the Net Asset Value as at the relevant determination time shall be increased in accordance with the following computational rules:

- (a) When computing Performance Fee NAV as at a particular time, an amount equal to the aggregate of all Additional Amounts in respect of the period from the beginning of the most recently commenced fiscal year of the Corporation to the particular time (the “**Subject Period**”) shall be added to the Net Asset Value.

For the purposes of the foregoing:

“**Additional Amounts**” in respect of the Subject Period means all amounts necessary to ensure that (i) the sum of the quantum of the Subject Earnings and all Additional Amounts, is equal to (ii) (A) a quantum of interest income that is equal to the quantum of the Subject Earnings, less all Canadian income taxes applicable to the Corporation that are attributable to the Subject Earnings (net of related credits, deductions, rebates, or other allowances) (the “**Interest Amount**”), divided by (B) one minus the aggregate of all rates of taxation that would apply to the Interest Amount if such interest were earned by the Corporation during the Subject Period.

“**Subject Earnings**” means the revenue, earnings, receipts or other amounts (other than taxable capital gains) required to be included in the computation of the income of the Corporation for tax purposes that are reasonably attributable to the Subject Period.

For the avoidance of doubt, any Additional Amount that would otherwise be less than zero shall be deemed to be equal to zero.

- (b) When computing Performance Fee NAV, all taxes (including interest and penalties in respect of taxes), and all other amounts in respect of, or akin, to taxes, paid, payable, accrued, or assessed in respect of the Corporation during or in respect of the relevant fiscal period shall be added to the Net Asset Value.

The Manager or its delegate shall be responsible for computing Performance Fee NAV and all such computations shall be final and binding on the parties to this Agreement, absent manifest error.

SCHEDULE "J"
STATEMENT OF INVESTMENT POLICIES AND PROCEDURES

(see attached)

PROSPECT PARK CAPITAL CORP.

STATEMENT OF INVESTMENT POLICIES AND PROCEDURES

[_____ 2014]

TABLE OF CONTENTS

SECTION 1 – PURPOSE1
SECTION 2 – BUSINESS OBJECTIVES AND INVESTMENT STRATEGY3
SECTION 3 – INVESTMENT CATEGORIES6
SECTION 4 – VOTING RIGHTS6
SECTION 5 – CONFLICTS OF INTEREST7
SECTION 6 – VALUATION OF INVESTMENT ASSETS8
SECTION 7 – AMENDMENTS8

SECTION 1 – PURPOSE

- 1.1 This Statement of Investment Policies and Procedures (the “**Statement**”) has been adopted to provide broad investment guidelines for the management of Prospect Park Capital Corp. (the “**Company**”) with respect to the assets of the Company (the “**Investments**”).
- 1.2 The Company is listed on the TSX Venture Exchange (the “**Exchange**”) under the symbol PPK.P and is an Investment Issuer (as such term is defined by the Exchange).
- 1.3 The purpose of this Statement is to outline the procedures and policies to effectively manage and monitor the Investments. The Investments will be managed in accordance with all applicable legal requirements.
- 1.4 This Statement has been adopted by the Company based on an evaluation of the financial needs of the Investments and the risks of alternative investment policies.
- 1.5 Responsibilities for the oversight and management of Investments are delineated as follows:

1.5.1 The Board of Directors

The board of directors of the Company (the “**Board**”) has ultimate responsibility and decision-making authority for the Investments. The Board has the responsibility to govern its Investments and may appoint an investment committee (“**Committee**”) in meeting that responsibility.

In connection with the Committee, the Board will:

- (a) appoint the Committee and delegate certain responsibilities to the Committee;
- (b) receive the Committee’s recommendations with respect to the Statement and approve or amend the Statement as appropriate;
- (c) review all other recommendations and reports of the Committee with respect to the Company and take appropriate action.

1.5.2 Responsibilities with respect to Investments

The Board, in carrying out its responsibilities to the Company, or if a Committee has been appointed by the Board, the Committee, in carrying out its responsibilities to the Board, will:

- (a) establish investment policies in addition to what is included in the Statement if deemed necessary by the Board or the Committee, if any,

- (b) determine prudent asset class strategies,
- (c) make prudent asset allocation decisions,
- (d) retain investment managers/advisors to implement asset allocation and asset class strategy decisions if deemed necessary by the Board or the Committee, if any,
- (e) control and account for all expenses associated with the Investments,
- (f) monitor and supervise all service vendors and investment options,
- (g) take corrective action by replacing a manager/advisor if they deem it appropriate at any time, and
- (h) ensure that proper internal controls are developed if required to safeguard the Investments.

The Board or the Committee, if a Committee has been appointed by the Board, may engage qualified third parties in carrying out its responsibilities.

1.5.3 Investment Manager

The Board or the Committee, if a Committee has been appointed by the Board, may appoint an investment manager (“**Investment Manager**”) to assist the Board or the Committee, if any, in such areas as asset allocation, investment policy, portfolio strategy implementation, performance monitoring and evaluation, implementation of rebalancing policy, and education for the members of the Board and the Committee, if any.

If appointed in this capacity, the Investment Manager is the fiduciary responsible for the investment of the assets of the Investments assigned to it, and has the responsibility to select, monitor, evaluate and make appropriate changes with respect to sub-advisors or other investment professionals that assist the Investment Manager with respect to the management of the Investments under the Investment Manager’s investment discretion.

The Investment Manager is responsible for investing the assets of the Investments in a manner consistent with this Statement and with its own investment guidelines which shall be communicated to the Board and/or the Committee, if any, as applicable from time to time.

The Investment Manager is responsible for frequent and open communications with the Board and/or the Committee, if any, on all significant matters pertaining to investment policies and the management of Investments. This includes regular reporting of investment results compared to appropriate benchmarks and of changes in investment sub-advisors. The Investment Manager is also responsible for reporting significant changes in investment outlook, investment strategy and risk levels.

If an Investment Manager is appointed by the Board or the Committee, if any, such Investment Manager is expected to comply, at all times and in all respects, with the code

of Ethics and Standards of Professional Conduct as promulgated by the CFA Institute. The Investment Manager, if any, will manage the Investments with the care, diligence and skill that an investment manager of ordinary prudence would use in dealing with all clients. The Investment Manager, if any, will also use all relevant knowledge and skill that it possesses or ought to possess as a prudent Investment Manager. Finally, the Investment Manager, if any, shall promptly disclose all direct and indirect conflicts-of-interest to the Board and/or the Committee, if any,.

1.5.4 Custodian

The Board or the Committee, if a Committee has been appointed by the Board, may appoint a custodian (the “**Custodian**”), which will be responsible for the safekeeping and reporting of the Investments.

SECTION 2 – BUSINESS OBJECTIVES AND INVESTMENT STRATEGY

2.1 The Company’s investment objectives, investment strategy and investment restrictions may be amended from time to time on the recommendation of the Board or the Committee, if a Committee has been appointed by the Board, and the management and approval by the Board.

2.2 Business Objectives

- (a) The Company’s business objective is to give its shareholders the opportunity to indirectly participate in investments in (i) early stages of a target company’s (“**Target Company**”) development, (ii) technologies that are developed and validated but may be in the early stage of commercialization, or (iii) Target Company’s that require strategic guidance and thus are undervalued, which investments would commonly not be otherwise available to such shareholders.
- (b) The Company will provide a solution to pervasive problems associated with angel and/or minority investor investments through its structure as an accessible vehicle for investors that provides liquidity and diversification.
- (c) The Company will seek high return investment opportunities by investing in enterprises that have the potential to be commercially viable and have visibility toward high growth. The Company will allow for diversification and will enter investments at an early or strategic stage in the Target Company’s growth to maximize returns. Risk will be managed by applying the considerable business expertise of its directors and officers to the investments undertaken.
- (d) The Corporation seeks to invest wherever practicable for the purpose of being actively involved in the management of any Target Company in which it invests, including seeking board representation or board observation rights.
- (e) Initially, the Company will typically make investments in the range of \$50,000 to \$500,000, subject to compliance with applicable Exchange policies. The

Company will consider Target Companies that are post revenue and/or offer medical, pharmaceutical or healthcare products, services or technologies that are highly scalable and/or hold protected intellectual property, where applicable, and Target Companies with strong intellectual property that are pre-revenue or require strategic guidance.

- (f) When equity investments will be made, they will often be accompanied by share purchase warrants to enhance the return on account of the increased risk. It is anticipated that debt investments will often include conversion rights and be accompanied by bonus shares or warrants, and will typically be secured by tangible assets of sufficient value to safeguard the investment.

2.3 Investment Strategies

- (a) The Company will seek to invest in early or strategic financing rounds of a Target Company to take advantage of favourable valuations and larger exit multiples. Early or strategic round financings will add considerably more value to invested funds through *risk management* rather than the *risk avoidance* that is characteristic of later-stage financings. Further, early or strategic stage financing will allow later rounds to provide liquidity if need be, thereby lowering risk.
- (b) The Company will seek investments that include as many of the of the following characteristics as possible: (i) a medical, pharmaceutical or health related product/service with national/international market potential will be a pre-requisite; (ii) gross margins that support a sustainable growth rate (SGR) in excess of 40% and at least 25%; (iii) asset intensity ratios (i.e. the ratio of the company's total assets to its total revenues) of less than 40%; (iv) protected intellectual property; (v) scalability; and (vi) post-revenue.
- (c) The Company will seek investments in various medical, pharmaceutical or health sectors and focus on investments with clear paths to liquidity in a three to five year period. Liquidity events will most likely be in form of acquisitions of the Target Companies or initial public offerings. As investment issuers need to be managed for cash flow in order to reduce financing risks associated with delayed liquidity events, certain sectors will not be considered by the Company.
- (d) Returns are expected to materialize through capital gains based on the growth of both tangible and intangible asset values. Value creation will be achieved through high-interest loans to Target Companies, acquisition of shares, warrants and other equity of Target Companies, leading Target Companies through later-round financings and realizing on significant liquidity events of Target Companies.
- (e) The Company will obtain detailed knowledge of the business of the Target Company.

- (f) The Company will utilize the services of independent technology organizations, advisors and consultants to gain additional information on Target Companies where appropriate.
- (g) The Company will obtain contractual rights of access to the books and records of the Target Companies.
- (h) The Company will invest at least 75% of its assets in Target Companies where one or more of the following factors are present:
 - (i) the Company holds securities representing more than 10% of the outstanding equity or voting securities of such Target Company;
 - (ii) the Company has the right to appoint a board or board observer seat on such Target Company;
 - (iii) the Company has the right to place restrictions on the management of the Target Company, or has approval or veto rights over decisions made by the management of the Target Company; or
 - (iv) the Company has the right to restrict the transfer of securities by other securityholders of the Target Company.

Notwithstanding the foregoing, from time to time, the Board may authorize such investments outside of these disciplines as it sees fit for the benefit of the Company.

2.4 Diversification

The Company will seek diversification by investing in: (i) various stages of the Target Companies' development; and (ii) diverse medical, pharmaceutical and healthcare businesses, in which the Target Companies conduct business. As noted, the Company's investment strategy will focus on investments in debt and equity financings by Target Company's in an early-stage or that require strategic guidance and thus are undervalued.

2.5 Composition of Investment Portfolio

Subject to availability of capital, the Company intends to create a diversified portfolio of investments consisting of equity and/or debt investments. The composition of the investment portfolio will depend, in part, on available capital and investment opportunities available to the Company and will vary over time depending on an array of factors, including the state of financial markets.

SECTION 3 – INVESTMENT CATEGORIES

- 3.1 Investments may be made in any of the following investment categories:
- (a) Canadian and non-Canadian common or preferred stocks, partnership units, warrants or rights, including but not limited to:
 - (i) those listed on a recognized stock exchange;
 - (ii) over the counter stocks; and
 - (iii) debt convertible into equity;
 - (b) debt securities of Canadian and non-Canadian issuers, including those denominated in non-Canadian currencies;
 - (c) real estate and real estate debentures;
 - (d) mortgages;
 - (e) deposits with banks or trust companies;
 - (f) contracts with life insurance companies;
 - (g) short-term money market investments;
 - (h) foreign country index futures contracts, on an unleveraged basis; and
 - (i) forward currency contracts, on an unleveraged basis, if used to hedge, not speculate.
- 3.2 Investments may be made in the above asset classes either directly or indirectly.

SECTION 4 – VOTING RIGHTS

- 4.1 Any voting rights associated with securities held by the Company through its Investments will be exercised at the discretion of the Board or the Committee, if a Committee has been appointed by the Board, using the Company and its shareholders' best interests as the sole voting criterion. The Company may delegate voting rights acquired through any investment to the Investment Manager, if any.
- 4.2 The Board or the Committee, if any, or the Investment Manager, if any, are required to vote in favour of any proposal which, in such party's opinion, will accrue and enhance the investment value of the relevant security, and against any proposals that will increase the risk level or reduce the investment value of the relevant security.

- 4.3 If the Investment Manager, if any, or any of its officers, has any direct or indirect material pecuniary interest in any matter on which the Investments has a right to vote, the firm has been instructed to advise the Company, and the Company will then:
- (a) instruct the firm to vote in accordance with the principle stated in Section 4.2, on the grounds that the pecuniary interest is not material; or
 - (b) instruct the firm how to vote after the Company evaluates the issue in accordance with the principle stated in Section 4.2.

SECTION 5 – CONFLICTS OF INTEREST

- 5.1 No Company officer, employee, actuary, adviser, auditor, expert, lawyer, portfolio manager or other person appointed or accepted by the Company to carry out duties and responsibilities on behalf of the Company (a “**Company Agent**”) shall knowingly permit his or her interest to conflict with his or her duties and powers in respect of the Investments.
- 5.2 A conflict of interest is deemed to include any direct, indirect, actual or perceived material pecuniary interest of a Company Agent in any arrangement, contract, investment, transaction or other matter in which the Investments participates or plans to participate.
- 5.3 Company Agents shall not:
- (a) make, influence or participate in the making of any decision, if the effect of such a decision has the potential of furthering the Company Agent’s interest; or,
 - (b) use material information derived from his or her status as Company Agent that has not been generally disclosed, to further the Company Agent’s interests.
- 5.4 At the earliest opportunity, each Company Agent shall disclose in writing, if practical, any conflict of interest or potential conflict of interest to the secretary of the Board or the Committee, if a Committee has been appointed by the Board. The secretary shall record such declarations of conflict or potential conflict and report them to the Company at the earliest opportunity.
- 5.5 In the case of Company Agents in attendance at a Company meeting at which Investments matters are being discussed or considered, they shall declare their conflict or potential conflict with respect to any matter to the chair of the meeting, and shall abstain from participating in the discussion or voting on such matter.
- 5.6 Where a conflict exists within the Board and/or the Committee, if any, the member having a conflict of interest shall be temporarily replaced for the purpose of, and abstain from making recommendation with respect to, the proposed investment. Any potential

investments where there is a material conflict of interest involving a member of the Board and/or the Committee, if any, may only proceed after receiving approval from disinterested directors of the Board and/or the Committee, if any.

- 5.7 If any Company Agent has doubt as to whether a particular situation represents a conflict of interest, he or she may provide the necessary information to the secretary of the Board and/or the Committee, if any, and request that the Company determine whether or not a conflict exists.
- 5.8 Declarations of conflict of interest will be recorded in the minutes of Company meetings which address Investments matters.
- 5.9 The failure of Company Agents to comply with the procedures described in this Section 5 shall not of itself invalidate any decision, contract or other matter.
- 5.10 The Company is also subject to the “related party” transaction policies of the TSX Venture Exchange, which mandates disinterested shareholder approval to certain transactions.

SECTION 6 – VALUATION OF ASSETS

- 6.1 Any Investments managed which has an active market and is capable of being traded frequently shall have its valuation determined based on their market values.
- 6.2 Any Investments managed which is not capable of being traded frequently shall have its market value appraised by the Board or the Committee, if a Committee has been appointed by the Board (or under the direction of the Board or the Committee, if any) or by the Investment Manager, if any, at least annually, providing that:
 - (a) the principles underlying such appraisals are consistent with the principles used by a qualified independent agent; and
 - (b) any such appraisal resulting in a value different by at least 25% from the last appraised value shall be confirmed by a qualified independent agent.

Notwithstanding the above, any such Investment shall have its market value appraised by a qualified independent agent at intervals not exceeding three years.

SECTION 7 – AMENDMENTS

- 7.1 It is the intention of the Company to ensure that this Statement is continually appropriate to their needs and responsive to changing economic and investment conditions.
- 7.2 The Statement shall be reviewed and approved annually by the Board or reviewed by the Committee, if a Committee has been appointed by the Board, and any proposed changes referred to the Board for approval.

- 7.3 In addition, the Board or the Committee, if any, may re-examine the Statement periodically, in light of significant changes in any of the following:
- (a) the ratio of the Investments to liabilities;
 - (b) long-term capital market prospects;
 - (c) the Company's risk tolerance; or
 - (d) any other factors considered relevant by the Company.
- 7.4 Amendments to the Statement may be made from time to time, outside of the annual update process, provided that such changes are approved by the Board.

**APPENDIX “I”
RESOLUTION APPOINTING AUDITORS**

“**BE IT RESOLVED** as an ordinary resolution of the shareholders of Prospect Park Capital Corp. (the “**Corporation**”) that:

1. KPMG LLP, Chartered Professional Accountants, is hereby appointed to serve as auditors of the Corporation until the next annual meeting or until their successors are appointed by shareholders of the Corporation;
2. the board of directors of the Corporation be and is hereby authorized to fix the remuneration of KPMG LLP as auditors of the Corporation; and
3. any one director or officer of the Corporation be and is hereby authorized to execute and deliver, under corporate seal or otherwise, all such deeds, documents, instruments and assurances and to do all such acts and things as such person may deem necessary or desirable to carry out the terms of this resolution.”

APPENDIX "II"
RESOLUTION APPROVING STOCK OPTION PLAN

"BE IT RESOLVED as an ordinary resolution of the shareholders of Prospect Park Capital Corp. (the **"Corporation"**) that:

1. the stock option plan of the Corporation, substantially in the form attached at Schedule "F" to the information circular of the Corporation dated August 28, 2014, be and the same is hereby ratified, confirmed and approved;
2. any one director or officer of the Corporation be and is hereby authorized to amend the stock option plan of the Corporation should such amendments be required by applicable regulatory authorities including, but not limited to, the TSX Venture Exchange; and
3. any one director or officer of the Corporation be and is hereby authorized and directed to do all such things and to execute and deliver, under corporate seal or otherwise, all such deeds, documents, instruments and assurances as may be necessary or desirable to carry out the terms of this resolution."

**APPENDIX “III”
NON-ARM’S LENGTH RESOLUTION**

“**BE IT RESOLVED** as an ordinary resolution of the shareholders of Prospect Park Capital Corp. (the “**Corporation**”) that:

1. the share purchase agreement (“**Skyline Share Purchase Agreement**”) between SOK Partners LLC (“**SOK**”), as vendor, and the Corporation, as purchaser, dated August 28, 2014, pursuant to which the Corporation agrees to acquire from SOK common shares of Skyline Medical Inc. (“**Skyline**”), be and the same is hereby ratified, confirmed, approved and adopted;
2. the acquisition of common shares of Skyline by the Corporation from SOK pursuant to, and in accordance with, the Skyline Share Purchase Agreement, be and the same is hereby authorized and approved;
3. the subscription agreement (“**IOI Subscription Agreement**”) between the Corporation and IOI, LLC (“**IOI**”), pursuant to which the Corporation agrees to subscribe for units of IOI, be and the same is hereby ratified, confirmed, approved and adopted;
4. the subscription of units of IOI by the Corporation pursuant to, and in accordance with, the IOI Subscription Agreement, be and the same is hereby authorized and approved;
5. any one director or officer of the Corporation, as applicable, be and is hereby authorized and directed to do all things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution; and
6. notwithstanding that this resolution has been passed by the shareholders of the Corporation, the directors of the Corporation are hereby authorized and empowered to not proceed with the matters contemplated by or in connection with the Skyline Share Purchase Agreement and/or the IOI Subscription Agreement without any further approval of the shareholders of the Corporation.”

CERTIFICATE OF PROSPECT PARK CAPITAL CORP.

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities of Prospect Park Capital Corp. assuming Completion of the Qualifying Transaction.

DATED: August 28, 2014

(Signed) SAMUEL HERSCHKOWITZ
Chief Executive Officer and Chief Financial Officer

On behalf of the Board of Directors of Prospect Park Capital Corp.

(Signed) JOSHUA KORNBERG
Director

(Signed) ROBBIE GROSSMAN
Director