PROSPECT PARK CAPITAL CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED

JUNE 30, 2014

Introduction

This Management's Discussion and Analysis ("**MD&A**") is dated August 29, 2014, unless otherwise indicated and should be read in conjunction with the unaudited condensed interim financial statements of Prospect Park Capital Corp. (the "**Corporation**") for the three and nine months ended June 30, 2014 and the related notes thereto, in addition to the audited financial statements for 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 three and nine months ended June 30, 2014 are not necessarily indicative of the results that may be expected for any future period.

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**"). The unaudited condensed interim financial statements for the three and nine months ended June 30, 2014 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB and interpretations issued by the IFRIC.

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.

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 June 30, 2015	The operating activities of the Corporation for the twelve-month period ending June 30, 2015, 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 "Risk 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; if applicable, 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, 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.

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 the 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.

Discussion of Operations

<u>Nine months ended June 30, 2014 compared with nine months ended June 30, 2013</u>

The Corporation's net loss totaled $147,616 for the nine months ended June 30, 2014, with basic and diluted loss per share of $0.04. This compares with net loss of $160,726 with basic and diluted loss per share of $0.13 for the nine months ended June 30, 2013. The decrease of $13,110 in net loss was principally because there was (i) a decrease in share-based compensation of $131,957 for the nine months ended June 30, 2014 compared to the nine months ended June 30, 2013; (ii) an increase in professional fees and disbursements of $113,036 for the nine months ended June 30, 2014, compared to the nine months ended June 30, 2013; (iii) an increase in transfer agent, listing and filing fees of $15,091 for the nine months ended June 30, 2014 compared to the nine months ended June 30, 2013; and (iv) an increase of $9,695 in interest income. The decrease in net loss resulted principally from the decrease in the share-based compensation which was offset by the increase in professional expenses (including disbursements).

Three months ended June 30, 2014, compared with three months ended June 30, 2013

The Corporation's net loss totaled $22,040 for the three months ended June 30, 2014, with basic and diluted loss per share of $0.01. This compares with net loss of $7,698 with basic and diluted loss per share of $0.00 for the three months ended June 30, 2013. The increase of $14,342 in net loss was principally because there was (i) an increase in professional fees and disbursements of $6,778 for the three months ended June 30, 2014, compared to the three months ended June 30, 2013; (ii) an increase in transfer agent, listing and filing fees of $10,394 for the three months ended June 30, 2014 compared to the three months ended June 30, 2013 which was offset by (iii) an increase of $3,155 in interest income. The increase in net loss resulted principally from the increase in transfer agent, listing and filing fees and professional expenses (including disbursements).

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 ($)
June 30, 2014	-	(22,040)	(0.01)
March 31, 2014	-	(72,519)	(0.02)
December 31, 2013	-	(53,057)	(0.01)
September 30, 2013	-	(22,001)	(0.01)
June 30, 2013	-	(7,698)	(0.00)
March 31, 2013	-	(141,878)	(1.17)
December 31, 2012	-	(11,150)	(0.00)

Liquidity

At June 30, 2014, the Corporation had working capital of $880,344. 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. As of June 30, 2014, these restrictions have been met.

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, 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 $nil and $131,957, respectively was recognized as share-based compensation during the three and nine months ended June 30, 2013 for the incentive stock options that were granted to the Corporation's then existing four directors that hold stock options.

(ii) During the three and nine months ended June 30, 2014, the Corporation also incurred expenditures of $13,246 and $121,020, respectively (three and nine months ended June 30, 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 June 30, 2014 accounts payable and accrued liabilities is $119,811 (September 30, 2013 - $4,863) due to McMillan LLP.

(iii) During the three and nine months ended June 30, 2014, the Corporation also incurred expenditures of $nil (three and nine months ended June 30, 2013 - $18,670 and $39,448, 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 June 30, 2014 accounts payable and accrued liabilities is $5,126 (September 30, 2013 - $5,126) due to Garfinkle Biderman LLP.

(iv) As at June 30, 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.

(v) On September 19, 2013, the Corporation entered into an agreement with SOK (defined below) to purchase shares of Skyline (defined below). The Corporation is related to SOK due to Dr. Samuel Herschkowitz, one of the directors and officers of the Corporation, and Joshua Kornberg, one of the directors of the Corporation, being the co-managing members and each 50% owners of a private company that is the managing member and sole beneficial owner of SOK. In addition, Joshua Kornberg is a director and officer of Skyline and Frank Mancuso Jr., one of the directors of the Corporation, is an independent director of Skyline. Refer to "Subsequent Event" for further details.

The Corporation is not aware of any arrangements, except for the one disclosed in "Subsequent Event" below, 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.

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 risk factors disclosed in (i) the Corporation's MD&A for the period from December 8, 2012 to September 30, 2013 and (ii) the management information circular for the Meeting (defined below), both available on SEDAR at **www.sedar.com**, should be given special consideration when evaluating an investment in the Corporation or the common shares.

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.

(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.

Financial Instruments

Fair Values

At June 30, 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.

Outlook

For the immediate future, the Corporation intends to evaluate direct or indirect acquisitions of assets to complete a Qualifying Transaction (see "Subsequent Event" below). 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.

Additional Disclosure for Venture Issuers without Significant Revenue

General and Administrative

	Nine months ended June 30, 2014 ($)	Nine months ended June 30, 2013 ($)
Share-based compensation	nil	131,957
Professional fees (include disbursements)	141,805	28,769
Transfer agent, listing and filing fees	15,091	nil
Bank charges	415	nil
Total	**157,311**	**160,726**

	Three months ended June 30, 2014 ($)	Three months ended June 30, 2013 ($)
Share-based compensation	nil	nil
Professional fees (include disbursements)	14,476	7,698
Transfer agent, listing and filing fees	10,394	nil
Bank charges	325	nil
Total	**25,195**	**7,698**

Qualifying Transaction

On October 7, 2013, the Corporation announced that it had entered into three agreements for investments in Skyline Medical Inc. ("**Skyline**"), JB Therapeutics and IOI, LLC ("**IOI**"). 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 (see "Subsequent Event" below).

Subsequent Event

On August 28, 2014, the Corporation received conditional approval from the Exchange for its Qualifying Transaction. The Corporation has called an annual and special meeting of shareholders on September 25, 2014 (the "**Meeting**") to consider (among other matters) the Majority of the Minority Shareholder Approval (as such term is defined in Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("**MI 61-101**")) of the Skyline Investment (defined below) and the IOI Investment (defined below) (together, the "**Transactions**"). Subject to completion of certain conditions precedent, including, receipt of all necessary regulatory and Exchange approvals, the Transactions will collectively constitute the Corporation's "Qualifying Transaction".

Pursuant to a share purchase agreement dated August 28, 2014 between SOK Partners LLC ("**SOK**") and the Corporation (the "**SOK Agreement**"), the Corporation has agreed to acquire (such acquisition, the "**Skyline Investment**") $1,700,000 of common shares ("**Skyline Shares**") of Skyline from SOK for the purchase price of $1,000,000. The purchase price of $1,000,000 shall be payable as follows: (i) $400,000 payable at closing of the Skyline Investment ("**Skyline Closing**"); (ii) $300,000 payable at the Skyline Closing by the issuance of 1,304,347 common shares of the Corporation at a deemed price of $0.23 per share; and (iii) $300,000 payable within six (6) months of the Skyline Closing by the issuance of 1,714,285 common shares of the Corporation at a deemed price of $0.175 per share.

The Corporation is not proceeding with the previously announced proposed investment in JB Therapeutics.

Pursuant to a subscription agreement between IOI and the Corporation (the "**IOI Agreement**"), the Corporation has agreed to acquire from IOI approximately 5.0% to 7.5% of the outstanding interests of the members of IOI ("**IOI Membership Interest**") for the purchase price of USD$150,000. Upon completion of the IOI Investment, if the Minimum Term Loan (as defined below) is extended to Serenity Pharmaceuticals, LLC ("**Serenity**"), the Corporation would beneficially hold 7.5% of the IOI Membership Interest and if the Maximum Term Loan (as defined below) is extended to Serenity, the Corporation would hold 5.0% of the IOI Membership Interest. IOI, as co-lender, and various lenders have entered into a credit and guaranty agreement dated as of July 12, 2013 with Serenity as borrower and Firefly Agent, LLC as administrative agent ("IOI Credit Agreement"). Pursuant to the IOI Credit Agreement, IOI (as to 20%) and the Lenders (as to 80%) have agreed to extend to Serenity 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.

As SOK, Skyline and IOI may each be considered a "related party" to the Corporation, the Transactions may each be considered a "related party transaction" (as such term is defined in MI 61-101) 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) being approved at the Meeting by a Majority of the Minority Shareholder Approval. A management information circular dated August 28, 2014 setting out the purposes of and the required approvals to be passed at the Meeting has been filed on SEDAR (www.sedar.com) on August 29, 2014 pursuant to Exchange requirements in connection with the Skyline Investment and the IOI Investment. If the Qualifying Transaction is successfully completed the Corporation will commence trading on the Exchange as an "investment issuer".

Further details regarding SOK, Skyline, IOI, the Transactions, the Meeting, and the "related party's" can be found in the management information circular for the Meeting and the News Release issued by the Corporation on August 29, 2014.