

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Prospect Park Capital Corp. (the "Issuer")
181 Bay Street, Suite 4400
Toronto, Ontario
M5J 2T3

Item 2 Date of Material Change

August 28, 2014

Item 3 News Release

A news release with respect to the material change referred to in this report was disseminated on September 3, 2014 through Marketwired and filed on the system for electronic analysis and retrieval (SEDAR).

Item 4 Summary of Material Change

The Issuer announced the entering into of definitive agreements and proposed qualifying transaction.

Item 5 Full Description of Material Change

The material change is fully described in the news release attached hereto.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

The senior officer who can answer questions regarding this report is Dr. Samuel Herschkowitz, Chief Executive Officer. Dr. Herschkowitz can be reached at (416) 865-7209.

Item 9 Date of Report

September 4, 2014

Schedule "A"

PROSPECT PARK CAPITAL CORP. ENTERS INTO DEFINITIVE AGREEMENTS AND FILES MANAGEMENT INFORMATION CIRCULAR ON SEDAR IN CONNECTION WITH PROPOSED QUALIFYING TRANSACTION

Toronto, Ontario (September 3, 2014) Prospect Park Capital Corp. ("**Prospect Park**") (TSXV:PPK.P), a capital pool company as defined under Policy 2.4 of the TSX Venture Exchange (the "**Exchange**"), is pleased to provide this update on the proposed respective transactions with SOK Partners LLC ("**SOK**") and IOI, LLC ("**IOI**") that were previously announced on October 7, 2013. Pursuant to the terms of a share purchase agreement dated August 28, 2014 between Prospect Park and SOK (the "**SOK Agreement**") for the acquisition of common shares ("**Skyline Shares**") of Skyline Medical Inc. ("**Skyline**") (such acquisition, the "**Skyline Investment**") and pursuant to the terms of a subscription agreement between Prospect Park and IOI (the "**IOI Agreement**") for the subscription of units of IOI (the "**IOI Investment**"), subject to completion of certain conditions precedent, including, receipt of all necessary regulatory and Exchange approvals, the Skyline Investment and the IOI Investment (together, the "**Transactions**") will collectively constitute Prospect Park's "Qualifying Transaction" as defined by Policy 2.4 of the Exchange.

About Skyline Medical Inc.

Skyline Medical Inc. is 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 is a medical device company. Skyline has a fully automated, patented, and U.S. Food and Drug Administration ("**FDA**") cleared surgical fluid disposal device - the STREAMWAY System - that virtually eliminates operating room workers' exposure to blood, irrigation fluid and other potentially infectious fluids found in the surgical environment. Skyline is trading on the OTCBB under the symbol SKLN.

About IOI, LLC

IOI, LLC is a limited liability partnership duly organized under the laws of the State of Delaware. The aim of IOI is to invest in Serenity Pharmaceuticals, LLC ("**Serenity**") for the completion of its final phase III clinical trials for approval by the FDA. Serenity (and its affiliate partner Allergan, Inc. ("**Allergan**"), a NYSE listed Fortune 500 company) are in the final stages of developing a drug for the treatment of nocturia. Nocturia is a medical syndrome that affects over 40,000,000 people in the United States. 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 would be a "first to market drug" approved by the FDA for nocturia. Allergan will pay Serenity US\$22 million upon FDA acceptance for its application for the commercialization of the nocturia product ("**NDA**") and, upon approval of the NDA and launch of the product will additionally receive two milestones amounting to US\$75 million. These payments would be used by Serenity to repay the loan by IOI as further described below.

About the Proposed Skyline Investment

Pursuant to the SOK Agreement entered into with SOK, Prospect Park has agreed to acquire from SOK CDN\$1,700,000 of Skyline Shares for the purchase price of CDN\$1,000,000. The purchase price is payable in cash and shares as detailed in the Circular (defined below).

The Skyline Investment will result in Prospect Park issuing an aggregate of 3,018,632 Shares to SOK. Upon the Skyline Closing, SOK will own approximately 15.0% of the outstanding Shares as of the date of the Skyline Closing (and approximately 29.1% upon issuance of the 1,714,285 Shares issuable within 6 (six) months of the Skyline Closing).

Completion of the Skyline Investment is conditional upon all necessary regulatory and shareholder approvals, including final approval of the Exchange, and other conditions which are typical for a share purchase transaction of this type.

About the Proposed IOI Investment

Pursuant to the IOI Agreement entered into with IOI, Prospect Park 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.

The consideration payable for the IOI Membership Interest was negotiated by the parties. Upon completion of the IOI Investment, if the Minimum Term Loan (as defined below) is extended to Serenity, Prospect Park would beneficially hold 7.5% of the IOI Membership Interest and if the Maximum Term Loan (as defined) is extended to Serenity, Prospect Park 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.

Completion of the IOI Investment is conditional upon all necessary regulatory and shareholder approvals, including final approval of the Exchange, and other conditions which are typical for transactions of this type.

Shareholder Approval and Meeting

The Skyline Investment may be considered a “Related Party Transaction” (as such term is defined in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”)) 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 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. Dr. Samuel Herschkowitz, is also the CEO of Serenity.

As the Transactions may each be considered a Related Party Transaction, accordingly, the Transactions require (among other things) Majority of the Minority Shareholder Approval (as such term is defined in MI 61-101) at the Meeting (as defined below). As a result, the Transactions are conditional upon (among other things) being approved at the Meeting by a Majority of the Minority Shareholder Approval. MI 61-101 further 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.

Prospect Park has called an annual and special meeting of shareholders of Prospect Park (“**Meeting**”) to consider (among other matters) the Majority of the Minority Shareholder Approval of the Skyline Investment pursuant to the SOK Agreement and the IOI Transaction pursuant to the IOI Agreement. The Meeting has been set for September 25, 2014 at 10:00 a.m. (EST) at McMillan LLP, Brookfield Place, Suite 4400, 181 Bay Street, Toronto, Ontario, M5J 2T3.

Management Information Circular filed on SEDAR

A management information circular dated August 28, 2014 setting out the purposes of and the required approvals to be passed at the Meeting (the “**Circular**”) has been filed on SEDAR (www.sedar.com) pursuant to Exchange requirements in connection with the Skyline Investment and the IOI Investment. The Circular is the disclosure

document that outlines, among other items, the details of the Skyline Investment and IOI Investment, information about Prospect Park, Skyline and IOI and their respective business, including financial statements of Prospect Park and other financial information relating to Prospect Park, Skyline and IOI. Readers of this release are encouraged to review the information in the Circular.

About the Directors and Officers of Prospect Park

Following the completion of the Qualifying Transaction, all of the current directors and officers of Prospect Park will remain as directors and officers of Prospect Park and Kyle Appleby will be appointed the new Chief Financial Officer in place of Samuel Herschkowitz who will relinquish that role and remain as Chief Executive Officer.

Kyle Appleby holds a Bachelor of Law (Economics) from York University and is a member in good standing of the Canadian Institute of Chartered Accountants and the Institute of Chartered Accountants of Ontario. Mr. Appleby obtained his Chartered Accountant designation in 2001. Mr. Appleby has experience in finance, accounting, tax, administrative experience in diverse industries including junior mining, investment funds, manufacturing and distribution. Mr. Appleby is currently an officer and director of several publicly-listed issuers.

Management Agreement

Pursuant to a management agreement to be entered into on the date of closing of the Transactions (the “**Management Agreement**”), Prospect Park Management Limited Partnership will be appointed as the manager of Prospect Park (the “**Manager**”) 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.

The Manager and its general partner, Prospect Park Management Inc. (the “**General Partner**”), are non-arm’s length parties to Prospect Park 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 limited partners of the Manager and the sole officers, directors and shareholders of the General Partner of the Manager. The management fees and performance fees payable pursuant to the Management Agreement was negotiated by Prospect Park and the Manager.

Sponsorship

Pursuant to the Policy 2.2 of the Exchange, sponsorship is required in conjunction with a Qualifying Transaction of a capital pool company. Canaccord Genuity Corp. of Vancouver, British Columbia (“**Sponsor**”) has agreed to act as sponsor pursuant to a sponsorship engagement letter between the Sponsor and Prospect Park entered into on December 2, 2013. The Sponsor will receive a fee of \$35,000 (plus GST) for providing sponsorship services, including conducting appropriate due diligence on the Transactions and the Circular in compliance with the relevant standards and guidelines applicable in Policy 2.2 of the Exchange. Prospect Park will also reimburse the Sponsor for reasonable expenses incurred. The Sponsor acted as agent for the initial public offering of Prospect Park and in connection with such offering, Prospect Park granted the Sponsor agent options (exercisable until March 28, 2015) to acquire 363,500 Shares at a price of \$0.20 per Share. The Sponsor owns no other securities of Prospect Park.

About Prospect Park

Prospect Park, a capital pool company within the meaning of the policies of the Exchange, was incorporated in 2012 and was listed on the Exchange on March 27, 2013. Prospect Park does not have any operations and has no assets other than cash. Prospect Park’s business is to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction under the policies of the Exchange.

Trading of the common shares of Prospect Park remains halted in connection with the dissemination of this press release, and will recommence at such time as the Exchange may determine, having regard to the completion of certain requirements pursuant to Policy 2.4 of the Exchange. Further details of the proposed transaction will follow in future press releases.

For more information please contact: Dr. Samuel Herschkowitz
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Email: docsam122@gmail.com

Certain information provided in this press release regarding SOK Partners LLC, Skyline Medical, Inc., IOI, LLC and Serenity Pharmaceuticals, LLC has been provided to Prospect Park by the respective parties and has not been independently verified by Prospect Park.

Completion of the Transactions is subject to a number of conditions, including but not limited to, Exchange acceptance and pursuant to Exchange Requirements, majority of the minority shareholder approval. The Transactions cannot close until the required shareholder approval is obtained. There can be no assurance that the Transactions will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the Circular prepared in connection with the Transactions, any information released or received with respect to the Transactions may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed Transactions and has neither approved nor disapproved the contents of this press release.

The information in this news release includes certain information and statements about management's view of future events, expectations, plans and prospects that constitute forward looking statements. These statements are based upon assumptions that are subject to significant risks and uncertainties. Because of these risks and uncertainties and as a result of a variety of factors, the actual results, expectations, achievements or performance may differ materially from those anticipated and indicated by these forward looking statements. Although Prospect Park believes that the expectations reflected in forward looking statements are reasonable, it can give no assurances that the expectations of any forward looking statements will prove to be correct. Except as required by law, Prospect Park disclaims any intention and assumes no obligation to update or revise any forward looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward looking statements or otherwise.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.