

PROSPECT PARK CAPITAL ANNOUNCES INVESTEE NEWS

Toronto, Ontario (October 27, 2016) Prospect Park Capital Corp. ("**Prospect Park**") (TSXV:PPK), a public healthcare focused investment corporation, announces that one of its investees, IOI, LLC ("**IOI**"), has been advised by Serenity Pharmaceuticals, LLC ("**Serenity**") that the US Food and Drug Administration ("**FDA**") Bone, Reproductive and Urologic Drugs Advisory Committee (the "**Committee**") voted 14-4 in favour of the benefit risk profile of Serenity's New Drug Application ("**NDA**") for SER120 (desmopressin nasal spray). Additionally, the Committee voted 17-1 that there is substantial evidence to conclude that at least one of the SER120 doses is effective. The FDA is not bound by the Committee's recommendation, but takes its advice into consideration when reviewing investigational medicines. The FDA is expected to take action on the NDA for SER120 in the fourth quarter of 2016.

Prospect Park is entitled to a milestone payment equal to US\$48,000 (32% of its initial investment in IOI) should the NDA for SER120 successfully receive approval by the FDA.

Additional information about Prospect Park, Serenity and its investment in IOI is available in Prospect Park's management information circular filed on SEDAR (www.sedar.com) on August 29, 2014 and in Prospect Park's News Release dated November 16, 2015.

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Forward-Looking Statements

Certain statements contained in this press release constitute "forward-looking information" as such term is defined in applicable Canadian securities legislation. The words "may", "would", "could", "should", "potential", "will", "seek", "intend", "plan", "anticipate", "believe", "estimate", "expect" and similar expressions as they relate to Prospect Park and the likelihood the FDA accepts the NDA application for approval of the Serenity nocturia drug are intended to identify forward-looking information. All statements other than statements of historical fact may be forward-looking information. Such statements reflect Prospect Park's current views and intentions with respect to future events, and current information available to Prospect Park, and are subject to certain risks, uncertainties and assumptions. Material factors or assumptions were applied in providing forward-looking information. Many factors could cause the actual results, performance or achievements that may be expressed or implied by such forward-looking information to vary from those described herein should one or more of these risks or uncertainties materialize. These factors include changes in law, the ability to implement business strategies and pursue business opportunities, state of the capital markets, the availability of funds and resources to make investments and pursue operations, as well as general economic, market and business conditions, amongst others. Should any factor affect Prospect Park in an unexpected manner, or should assumptions underlying the forward-looking information prove incorrect, the actual results or events may differ materially from the results or events predicted. Any such forward-looking information is expressly qualified in its entirety by this cautionary statement. Moreover, Prospect Park does not assume responsibility for the accuracy or completeness of such forward-looking information. The forward-looking information included in this press release is made as of the date of this press release and Prospect Park undertakes no obligation to publicly update or revise any forward-looking information, other than as required by applicable law.

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