

This prospectus constitutes a public offering of the securities only in those jurisdictions where they may be lawfully offered for sale and, in such jurisdictions, only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

PROSPECTUS

Initial Public Offering

May 22, 2013

MERCURY CAPITAL II LIMITED (a Capital Pool Company)

Minimum Offering: \$300,000 or 1,000,000 Common Shares

Maximum Offering: \$510,000 or 1,700,000 Common Shares

Price: \$0.30 per Common Share

The purpose of this offering (the "Offering") is to provide Mercury Capital II Limited (the "Corporation") with a minimum of funds in order to identify and evaluate assets or businesses with a view to completing a Qualifying Transaction, as hereafter defined. Any proposed Qualifying Transaction must be approved by the Exchange, as hereafter defined, and in the case of a Non Arm's Length Qualifying Transaction must also receive Majority of the Minority Approval, as hereafter defined, in accordance with the TSX Venture Exchange Policy 2.4 (the "CPC Policy"). The Corporation is a Capital Pool Company ("CPC") as such term is hereafter defined. It has not commenced commercial operations and has no assets other than a minimum amount of cash and other assets disclosed in the financial statements provided for in this prospectus. Except as specifically contemplated in the CPC Policy, until the Completion of the Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a proposed Qualifying Transaction. See "Business of the Corporation" and "Use of Proceeds". The Corporation hereby offers through its agent, Hampton Securities Limited (the "Agent") a minimum of 1,000,000 common shares in the capital stock of the Corporation (the "Common Shares") at a price of \$0.30 per Common Share for minimum gross proceeds of \$300,000 and a maximum of 1,700,000 Common Shares for maximum gross proceeds of \$510,000.

This Offering is made on a commercially reasonable efforts basis only by the Agent and is subject to receipt by the Corporation of a minimum subscription of 1,000,000 Common Shares for total gross proceeds to the Corporation of \$300,000. This Offering is also subject to approval of certain legal matters by Garfinkle Biderman LLP on behalf of the Corporation and by Fogler, Rubinoff LLP on behalf of the Agent. The Offering price of the Common Shares was determined by negotiation between the Corporation and the Agent. All funds received from the sale of the Common Shares will be deposited and held by the Agent pursuant to the terms of the Agency Agreement as hereafter defined. If subscriptions for a minimum of 1,000,000 Common Shares have not been received within 90 days of the issuance of a receipt for the final prospectus or 180 days of the issuance of a receipt for the final prospectus if one or more amendments to such prospectus are subsequently filed or such other time as may be consented to by Persons who subscribed within that period and agreed to by the Agent, all subscription proceeds will be returned to subscribers without interest or deduction unless the subscribers have otherwise instructed the Agent. See "Plan of Distribution."

	Common Shares	Offering Price	Agent's Commission⁽¹⁾	Net Proceeds to the Corporation⁽²⁾
Per Common Share	1	\$0.30	\$0.03	\$0.27
Minimum Offering	1,000,000	\$300,000	\$30,000	\$270,000
Maximum Offering ⁽³⁾	1,700,000	\$510,000	\$51,000	\$459,000

Notes:

- (1) The Agent will receive a commission of 10% of the gross proceeds of this Offering representing an amount of \$30,000 if the minimum Offering is subscribed for and an amount of \$51,000 if the maximum Offering is subscribed for. In addition, the Agent and its designated sub-agents, if any, will be granted a non-transferable option (the "Agent's Option") to purchase that number of Common Shares that is equal to 10% of the total number of Common Shares sold under this Offering, at a price of \$0.30 per Common Share representing 100,000 Common Shares if the minimum Offering is subscribed for and 170,000 Common Shares if the maximum Offering is subscribed for, exercisable for a period of 24 months from the date of listing of the Common Shares on the Exchange. In addition, the Agent will receive a corporate finance fee pursuant to the Offering of \$10,000 plus taxes and the Agent will be reimbursed by the Corporation for its reasonable expenses and legal fees (which the parties agree shall not be more than \$15,000 plus taxes and disbursements). See "Plan of Distribution".
- (2) Before deducting the expenses of this Offering, not including the Agent's commission, estimated at \$85,000 for both the minimum Offering and the maximum Offering, including the listing fee payable to the Exchange. See "Use of Proceeds".
- (3) A maximum of 1,700,000 Common Shares are offered hereunder. In addition, this prospectus qualifies for distribution the Agent's Option, and options to purchase a minimum of 166,666 Common Shares and a maximum of 236,666 Common Shares which are to be granted to the directors and officers of the Corporation (the "Incentive Stock Options"). See "Options to Purchase Securities".

Market for Securities

There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See "Risk Factors".

As at the date of this prospectus, the Corporation does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

The Exchange has conditionally accepted the listing of the Common Shares. Listing will be subject to the Corporation fulfilling all the listing requirements of the Exchange.

Other than the initial distribution of the Common Shares pursuant to this prospectus, the grant of the Incentive Stock Options and the grant of the Agent's Option, trading in all securities of the Corporation is prohibited during the period between the date a receipt for the prospectus is issued by the securities regulatory authorities of the Provinces of British Columbia, Alberta and Ontario and the time the Common Shares are listed for trading on the Exchange, except, subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable securities regulatory authorities grant a discretionary order.

Risk Factors

Investment in the Common Shares offered hereunder should be regarded as highly speculative due to the proposed nature of the Corporation's business and its present stage of development. This Offering is suitable only to those investors who are prepared to risk the loss of their entire investment. See "Risk Factors".

Maximum Investment

Pursuant to the CPC Policy, the maximum number of Common Shares that may be directly or indirectly purchased by any one purchaser pursuant to this Offering is 2% or 20,000 of the total Common Shares offered under this prospectus if the minimum Offering is subscribed for and 34,000 of the total Common Shares offered under this prospectus if the maximum Offering is subscribed for. In addition, the maximum number of Common Shares that may directly or indirectly be purchased by that purchaser, together with any Associates or Affiliates of that purchaser, is 4% or 40,000 Common Shares if the minimum Offering is subscribed for and 68,000 Common Shares if the maximum Offering is subscribed for.

Receipt of Subscriptions

Subscriptions will be received subject to rejection or allotment in whole or in part and the Corporation reserves the right to close the subscription books at any time without notice. It is expected that share certificates evidencing the Common Shares in definitive form will be available for delivery at the Closing unless the Agent elects for delivery in electronic book entry form through CDS Clearing and Depository Services Inc. ("CDS") or its nominee. If delivered in book entry form, purchasers of Common Shares will receive only a customer confirmation from the registered dealer that is a CDS participant and from or through which the Common Shares were purchased.

**HAMPTON SECURITIES LIMITED
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GLOSSARY

"Affiliate" means a Company that is affiliated with another Company as described below.

A Company is an "Affiliate" of another Company if:

- (a) one of them is the subsidiary of the other, or
- (b) 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.

"Agency Agreement" means an agency agreement dated May 22, 2013, among the Corporation and the Agent.

"Agent" means Hampton Securities Limited.

"Agent's Option" means non-transferable options to be granted to the Agent upon completion of the Offering to purchase up to 170,000 Common Shares exercisable at a price of \$0.30 per Common Share for a period of 24 months from the date of listing the Common Shares on the Exchange.

"Aggregate Pro Group" has the meaning ascribed to such term in Policy 1.1 - *Interpretation* of the TSX Venture 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

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.

"Associate" when used to indicate a relationship with a Person, means

- (a) 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,
- (b) any partner of the Person,
- (c) 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,
- (d) in the case of a Person that is an individual, a relative of that Person, including

- (i) that Person's spouse or child, or
- (ii) any relative of the Person or of his or her spouse who has the same residence as that Person;

but

- (e) 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.

"Capital Pool Company" or "CPC" means a corporation:

- (a) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities regulatory authorities in compliance with the CPC Policy; and
- (b) in regard to which the Final Exchange Bulletin has not yet been issued.

"Common Shares" means the common shares in the capital stock of the Corporation.

"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.

"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.

"Corporation" means Mercury Capital II Limited.

"CPC Policy" means Policy 2.4 - *Capital Pool Companies* of the TSX Venture Exchange Inc.

"Discount Seed Shares" means all of the Common Shares issued at a price less than \$0.30 per Common Share.

"Escrow Agreement" means an escrow agreement dated May 22, 2013, among the Corporation, Computershare Investor Services Inc. and certain shareholders of the Corporation.

"Exchange" or "TSX Venture Exchange" means the TSX Venture Exchange Inc.

"Final Exchange Bulletin" means the Exchange Bulletin which is issued following closing of the Qualifying Transaction and the submission of all required documentation and that evidences the final Exchange acceptance of the Qualifying Transaction.

"Incentive Stock Options" means options to purchase up to 236,666 Common Shares which are to be granted to the directors and officers of the Corporation.

"Insider" if used in relation to an issuer, means:

- (a) a director or senior officer of the issuer;
- (b) a director or senior officer of the Company that is an Insider or subsidiary of the issuer;
- (c) 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
- (d) the issuer itself if it holds any of its own securities.

"Majority of the Minority Approval" means the approval of a Non-Arm's Length Qualifying Transaction by the majority of the votes cast by shareholders, other than:

- (a) Non Arm's Length Parties to the CPC;

- (b) Non Arm's Length Parties to the Qualifying Transaction; and
- (c) in the case of a Related Party Transaction (as defined in Exchange Policy 1.1):
 - (i) if the 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.

"Member" has the meaning ascribed to such term in Exchange Policy 1.1 - *Interpretation*.

"NEX" means the NEX trading board of the Exchange.

"Non Arm's Length Party" means in relation to a Company, a promoter, officer, director, other Insider or Control Person of that Company (including an issuer) and any Associates or Affiliates of any of such Persons. In relation to an individual, means any Associate of the individual or any Company of which the individual is a promoter, officer, director, Insider or Control Person.

"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 Qualifying Transaction" means a proposed Qualifying Transaction where the same party or parties or their respective Associates or Affiliates control the CPC and the Significant Assets which are the subject of the proposed Qualifying Transaction.

"Offering" means the offering of Common Shares pursuant to this prospectus.

"Person" means a Company or individual.

"Principal" means:

- (a) a Person who acted as a promoter of the issuer within two years or their respective Associates or Affiliates before the initial public Offering ("IPO") prospectus or Final Exchange Bulletin;
- (b) 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;
- (c) 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;
- (d) a 10% holder - a Person that
 - (i) holds securities carrying more than 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
 - (ii) 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.

"Qualifying Transaction" means a transaction where a CPC acquires Significant Assets, other than cash, by way of purchase, amalgamation, merger or arrangement with another Company or by other means.

"Resulting Issuer" means the issuer that was formerly a CPC that exists upon issuance of the Final Exchange Bulletin.

"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, would result in the CPC meeting the initial listing requirements of the Exchange.

"Sponsor" has the meaning specified in Exchange Policy 2.2 - *Sponsorship and Sponsorship Requirements*.

"Target Company" means a Company to be acquired by the CPC as its Significant Asset pursuant to a Qualifying Transaction.

"Vendors" means one or all of the beneficial owners of the Significant Assets (other than a Target Company).

PROSPECTUS SUMMARY

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus.

ISSUER: The Corporation was incorporated on March 27, 2012 under the name Mercury Capital II Limited, pursuant to the *Business Corporations Act* (Ontario). See "The Corporation".

OFFERING: A minimum of 1,000,000 Common Shares in the capital of the Corporation are being offered under this prospectus at a price of \$0.30 per Common Share for minimum gross proceeds of \$300,000 and a maximum of 1,700,000 Common Shares for maximum gross proceeds of \$510,000. This Offering is being made on a commercially reasonable efforts basis by the Agent. In addition, the Corporation will grant to the Agent the Agent's Option to purchase that number of Common Shares that is equal to 10% of the total number of Common Shares sold pursuant to this Offering at a price of \$0.30 per Common Share representing 100,000 Common Shares if the minimum Offering is subscribed for and 170,000 Common Shares if the maximum Offering is subscribed for, exercisable for a period of 24 months from the date of listing of the Common Shares on the Exchange, which option is qualified for distribution under this prospectus. The Corporation also intends to grant the Incentive Stock Options to directors and officers of the Corporation to purchase up to 166,666 Common Shares if the minimum Offering is subscribed for and 236,666 Common Shares if the maximum Offering is subscribed for at a price of \$0.30 per Common Share, which Incentive Stock Options are qualified for distribution under this prospectus. A total of 406,666 options, comprising the Agent's Option and the Incentive Stock Options, are qualified for distribution under this prospectus. See "Plan of Distribution".

PRICE: \$0.30 per Common Share.

BUSINESS OF THE CORPORATION: The Corporation is a Capital Pool Company created pursuant to the CPC Policy. The principal business of the Corporation will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be approved by the Exchange and in the case of a Non Arm's Length Qualifying Transaction must also receive Majority of the Minority Approval, in accordance with the CPC Policy. The Corporation has not commenced commercial operations and has no assets other than a minimum amount of cash and other assets disclosed in the financial statements included in this prospectus. Except as specifically contemplated in the CPC Policy, until Completion of the Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of assets and businesses with a view to completing a Qualifying Transaction. To date, the Corporation has not yet identified a company or assets for a Qualifying Transaction. Furthermore, the Corporation has not entered into an Agreement in Principle. See "Business of the Corporation" and "Use of Proceeds".

USE OF PROCEEDS: Assuming completion of this Offering, the net proceeds thereof to the Corporation will be \$270,000 if the minimum Offering is subscribed for and \$459,000 if the maximum Offering is subscribed for (after deduction of the Agent's commission but before deduction of the issue costs). The net proceeds of this Offering will be used to provide the Corporation with a minimum of funds with which to identify and evaluate assets or businesses for acquisition with a view to completing a Qualifying Transaction. The Corporation may not have sufficient funds to secure such businesses or assets once identified and evaluated and additional funds may be required. Until Completion of the Qualifying Transaction, and except as otherwise provided in the CPC Policy, a maximum of the lesser of 30% of the gross proceeds from the sale of all securities issued by the Corporation and \$210,000 may be used for purposes other than evaluating businesses or assets, subject to the obtaining of a waiver of the Exchange. See "Use of Proceeds", "Risk Factors" and "Business of the Corporation".

DIRECTORS & MANAGEMENT:

Thomas Sears	- Chief Executive Officer, Chief Financial Officer, Director and Promoter
Robbie Grossman	- Secretary and Director
Anton Konovalov	- Director

Carlo Sansalone - Director
Dr. Reiza Rayman - Director
Scott Johnson - Director

See "Directors, Officers and Promoters".

ESCROWED SHARES:

All of the Common Shares of the Corporation issued at a price less than \$0.30 per Common Share ("Discount Seed Shares") will be deposited in escrow pursuant to an escrow agreement (the "Escrow Agreement") and will be released from escrow in stages over a period of up to three years from the date of the Final Exchange Bulletin. The total number of Discount Seed Shares to be held in escrow subject to the Escrow Agreement is 666,665 Common Shares. See "Escrowed Securities".

RISK FACTORS:

There is currently no established market for the Common Shares. An investment in the Common Shares offered by this prospectus is highly speculative due to the nature of the Corporation's business and its present stage of development. This Offering is suitable only to those investors who are prepared to risk the loss of their entire investment.

The Corporation was incorporated on March 27, 2012 and does not have any business operations or assets other than cash and other assets disclosed in the financial statements included in this prospectus. It has not entered into an Agreement in Principle as defined in the CPC Policy and does not have a history of earnings nor has it paid any dividends, and will not generate any earnings or pay any dividends before Completion of the Qualifying Transaction.

If the Corporation identifies a suitable business or asset, the Exchange may not approve the transaction as a Qualifying Transaction or management may determine that market conditions make the terms of the acquisition uneconomic. Furthermore, the Corporation may require additional financing to both secure and exploit the business or asset and there is no guarantee that such financing will be available.

If the Corporation fails to complete a Qualifying Transaction acceptable to the Exchange within 24 months of the date of listing on the Exchange, or if the Corporation fails to comply with the Exchange's listing maintenance requirements, the Common Shares may be suspended from trading or delisted.

An acquisition financed by the issuance of treasury shares could result in a change in the control of the Corporation and may cause the shareholders' interest in the Corporation to be further diluted.

Without limiting the generality of the foregoing, this Offering is only suitable for those investors who are willing to rely solely on the directors and management of the Corporation and who are prepared to risk a loss of their entire investment. The directors and officers of the Corporation will only devote part of their time and attention to the affairs of the Corporation and there are potential conflicts of interest to which some of the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. Assuming completion of the Offering, an investor will suffer an immediate dilution on investment of 20.00% or \$0.06 per Common Share if the minimum Offering is subscribed for and 14.08% or \$0.042 per Common Share if the maximum Offering is subscribed for based on the gross proceeds of this issue, before the deduction of selling commissions or related expenses of the issue.

There can be no assurance that an active and liquid market for the Corporation's Common Shares will develop and an investor may find it difficult to resell the Common Shares.

Until Completion of the Qualifying Transaction, 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. The Corporation has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Corporation will be able to identify or complete a suitable Qualifying

Transaction.

The Qualifying Transaction may involve the acquisition of businesses or assets located outside of Canada. It may therefore be difficult or impossible to effect service or notice to commence legal proceedings upon any directors, officers and experts outside of Canada and it may not be possible to enforce against such Persons judgments obtained in Canadian courts predicated upon the civil liability provisions applicable to securities laws in Canada. See "Business of the Corporation", "Risk Factors" and "Conflicts of Interest".

THE CORPORATION

Name and Incorporation

The Corporation was incorporated on March 27, 2012, under the *Business Corporations Act* (Ontario) under the name Mercury Capital II Limited. The authorized share capital of the Corporation consists of an unlimited number of common shares, without nominal or par value. At the date hereof, the Corporation had 666,665 common shares issued and outstanding.

Place of Business

The principal and registered office of the Corporation is located at Garfinkle Biderman LLP, 1 Adelaide Street East, Suite 801, Toronto, Ontario, M5C 2V9.

BUSINESS OF THE CORPORATION

Preliminary Expenses

The Corporation has incurred expenses to March 31, 2013 in the aggregate amount of \$21,468 in respect of a \$10,000 (plus taxes) work fee to the Agent, and legal fees and expenses related to the incorporation of the Corporation, the preparation of the prospectus and the Corporation's listing application. Since March 31, 2013, the Corporation has incurred expenses in the aggregate amount of approximately \$24,500 related to the fees of securities regulatory authorities and CDS Inc. for the filing of the Corporation's preliminary prospectus, legal fees and expenses and Exchange fees related to the Corporation's listing application, audited financial statements and administrative expenses. Part of the net proceeds of the Offering will be utilized to satisfy additional obligations of the Corporation related to this Offering, including the expenses of its auditor, legal fees, fees of the Agent and its legal counsel, and fees of the Exchange and securities regulatory authorities. See "Use of Proceeds".

Proposed Operations until Completion of a Qualifying Transaction

The Corporation is a CPC created pursuant to the CPC Policy. The Corporation proposes to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the Exchange and in the case of a Non Arm's Length Qualifying Transaction is also subject to Majority of the Minority Approval in accordance with the CPC Policy. To date, the Corporation has not conducted commercial operations. The Corporation currently intends to pursue a Qualifying Transaction in the health care industry but there is no assurance that this will, in fact, be the business sector of a proposed Qualifying Transaction or of the Corporation following Completion of the Qualifying Transaction.

Until Completion of the Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a potential Qualifying Transaction. With the consent of the Exchange and of the securities regulatory authorities if required, this may include the raising of additional funds in order to finance an acquisition. Except as described under "Private Placement for Cash", "Permitted Use of Funds" and "Restrictions on Use of Proceeds", the funds raised pursuant to this Offering and any subsequent financing will be utilized only for the identification and evaluation of potential Qualifying Transactions and not for any deposit, loan or direct investment in a potential acquisition. The Corporation has not yet entered into an Agreement in Principle.

Method of Financing

The Corporation may use cash, bank financing and the issuance of treasury shares either by way of private placement or public offering or some combination thereof for the purpose of financing its proposed Qualifying Transaction. **A Qualifying Transaction financed by the issue of treasury shares could result in a change in control of the Corporation and may cause the shareholders' interest in the Corporation to be further diluted.**

Criteria for a Qualifying Transaction

The board of directors of the Corporation must approve any proposed Qualifying Transaction. In exercising their powers and discharging their duties in relation to a proposed Qualifying Transaction, the directors will act honestly and in good faith with a view to the best interests of the Corporation and will exercise the care, diligence and skill that a reasonably prudent Person would exercise in comparable circumstances.

Filings and Shareholder Approval of a Non Arm's Length Qualifying Transaction

Upon the Corporation reaching an Agreement in Principle, the Corporation must issue a comprehensive news release, at which time the Exchange generally will halt trading in the Corporation's Common Shares until the filing requirements of the Exchange have been satisfied as set forth under "Trading Halts, Suspension and Delisting". Within 75 days after the issuance of such press

release, the Corporation shall be required to submit for review to the Exchange either an information circular that complies with applicable corporate and securities laws or a filing statement that complies with the Exchange requirements. The information circular must be submitted where there is a Non Arm's Length Qualifying Transaction or where shareholders approval is otherwise required. A filing statement must be submitted where a Qualifying Transaction is not a Non Arm's Length Qualifying Transaction or where shareholders approval is not otherwise required. The information circular or filing statement, as applicable, must contain prospectus level disclosure of the Target Company and the Corporation, assuming Completion of the Qualifying Transaction, and be prepared in accordance with the CPC Policy and Form 3B1 or Form 3B2. Upon acceptance by the Exchange, the Corporation must then either:

- (a) file the filing statement on SEDAR at least seven (7) business days prior to closing of the Qualifying Transaction, and issue a press release which discloses the scheduled closing date for the Qualifying Transaction as well as the fact that the filing statement is available on SEDAR; or
- (b) mail the information circular and related proxy material to its shareholders in order to obtain the Majority of the Minority Approval of the Qualifying Transaction or other requisite approval at a meeting of the shareholders.

Unless waived by the Exchange, the Corporation will also be required to retain a Sponsor, who must be a member of the Exchange, and who will be required to submit to the Exchange a sponsor report prepared in accordance with the policies of the Exchange. The Corporation will no longer be considered to be a CPC upon the Exchange having issued the Final Exchange Bulletin. The Exchange will generally not issue the Final Exchange Bulletin until the Exchange has received:

- (a) in the case of a Non Arm's Length Qualifying Transaction, confirmation of Majority of the Minority Approval of the Qualifying Transaction;
- (b) confirmation of closing of the Qualifying Transaction; and
- (c) all post-meeting or final documentation, as applicable or otherwise required to be filed with the Exchange pursuant to the CPC Policy.

Upon issuance of the Final Exchange Bulletin, the CPC Policy will generally cease to apply, with the exception of the escrow provisions of the CPC Policy and the restrictions in the CPC Policy precluding the Corporation from completing a reverse takeover for a period of one year from the Completion of the Qualifying Transaction.

Initial Listing Requirements

The Resulting Issuer must satisfy the Exchange's initial listing requirements for its particular industry sector in either Tier 1 or Tier 2 as prescribed under the applicable policies of the Exchange.

Trading Halts, Suspension and Delisting

The Exchange will generally halt trading in the Common Shares from the date of the public announcement of an Agreement in Principle until all filing requirements of the Exchange have been satisfied, which includes the submission of a sponsorship acknowledgement form, where the Qualifying Transaction is subject to sponsorship. In addition, personal information forms for all individuals who may be directors, senior officers, promoters, or Insiders of the Resulting Issuer must be filed with the Exchange and any preliminary background searches that the Exchange considers necessary or advisable, must also be completed, before the trading halt will be lifted by the Exchange.

Even if all filing requirements have been satisfied and preliminary background checks completed, the Exchange may continue or reinstate a halt in trading of the Common Shares for public policy reasons including:

- (a) the unacceptable nature of the business of the Resulting Issuer; or
- (b) the number of conditions precedent to, or the nature and number of deficiencies required to be resolved prior to, Completion of the Qualifying Transaction, are so significant or numerous as to make it appear to the Exchange that the halt should be reinstated or continued.

A trading halt may also be imposed by the Exchange where the Corporation fails to file the supporting documents relating to the Qualifying Transaction within a period of 75 days after public announcement of the Agreement in Principle or if the CPC fails to file post-meeting or final documents, as applicable, within the time required. A trading halt may also be imposed if a Sponsor terminates its sponsorship.

The Exchange may suspend from trading or delist the Common Shares of the Corporation where the Exchange has not issued a Final Exchange Bulletin to the CPC within 24 months of the date of listing. If the Common Shares of the Corporation are delisted by the Exchange, then within 90 days from the date of such delisting, the Corporation shall wind up and liquidate its assets pursuant to the *Business Corporation Act* (Ontario) and shall make a pro rata distribution of its remaining assets to its shareholders, unless, within that 90 day period and pursuant to a majority vote of shareholders, exclusive of the vote of Non Arm's Length Parties to the Corporation, the shareholders determine to deal with the remaining assets in some other manner. See "Filings and Shareholder Approval of Non Arm's Length Qualifying Transaction."

If the Corporation does not complete a Qualifying Transaction within 24 months of the date of listing, it may apply for listing on NEX rather than be delisted. In order to be eligible to list on the NEX, the Corporation must (a) either: (i) cancel all escrowed Common Shares purchased by Non Arm's Length Parties to the Corporation at a discount to the Offering price, in accordance with section 11.2(a) of the CPC Policy, as if the Corporation had delisted from the Exchange, or (ii) subject to majority shareholder approval, cancel the escrowed Common Shares purchased by Non Arm's Length Parties to the Corporation so that the average cost of the remaining Discount Seed Shares is at least equal to the Offering price; and (b) obtain majority shareholder approval for the transfer to NEX, exclusive of the votes of Non Arm's Length Parties of the Corporation. If the Corporation lists the Common Shares on NEX it must continue to comply with all requirements and restrictions of the CPC Policy.

Refusal of a Qualifying Transaction

The Exchange, in its sole discretion, may not accept a Qualifying Transaction if:

- (a) the Resulting Issuer fails to satisfy the applicable initial listing requirements of the Exchange;
- (b) the aggregate number of securities of the Resulting Issuer owned, directly or indirectly, by:
 - (i) a member firm of the Exchange;
 - (ii) registrants, unregistered corporate finance professionals, employee shareholders and partners of such member firm; and
 - (iii) Associates of any such Person,collectively, would exceed 20% of the issued and outstanding securities of the Resulting Issuer;
- (c) the Resulting Issuer will be a financial institution, finance company, finance issuer or mutual fund, as defined in the securities legislation;
- (d) the majority of the directors and senior officers of the Resulting Issuer are not residents of Canada or the United States or are individuals who have not demonstrated positive association as directors or officers with public companies that are subject to a regulatory regime comparable to the companies listed on a Canadian exchange; or
- (e) notwithstanding the definition of a Qualifying Transaction, there is any other reason for denying acceptance of the Qualifying Transaction.

USE OF PROCEEDS

Proceeds and Principal Purposes

- (a) The gross proceeds received by the Corporation from the sale of 666,665 Common Shares prior to the date of this prospectus amounted to \$100,000.
- (b) The Corporation has incurred \$2,505 in costs with respect to the issue of Common Shares referred in (a) above.
- (c) The gross proceeds to be received by the Corporation from the sale of the Common Shares offered by this prospectus will be \$300,000 if the minimum Offering is subscribed for and \$510,000 if the maximum Offering is subscribed for.
- (d) The expenses and costs, including the Agent's corporate finance fee and commission, related to the Offering referred to in (c) incurred to date and expected to be incurred in the future will total approximately \$115,000 if the minimum Offering is subscribed for and \$136,000 if the maximum Offering is subscribed for.

- (e) The Corporation expects the gross funds available to it from (i) the sale of Common Shares distributed under this prospectus, and (ii) the prior sale of Common Shares will be \$400,000 if the minimum Offering is subscribed for and \$610,000 if the maximum Offering is subscribed for.

The funds received from the Offering will be deposited with the Agent, and will not be released until subscriptions for a minimum of \$300,000 of Common Shares are received. Minimum subscriptions of 1,000,000 Common Shares for total gross proceeds of \$300,000 must be raised within 90 days of the issuance of a final receipt for this prospectus or 180 days of the issuance of a receipt for the final prospectus if one or more amendments to such prospectus are subsequently filed, or such other time as may be consented to by Persons who subscribed within that period, failing which the Agent will remit the funds collected to the original subscribers without interest or deduction.

The following table indicates the principal uses to which the Corporation proposes to apply the funds available to it upon the completion of this Offering:

Proceeds to the Corporation	Minimum Offering	Maximum Offering
Cash proceeds raised from the sale of Common Shares prior to this Offering ⁽¹⁾	\$100,000	\$100,000
Expenses and costs relating to raising the cash proceeds above	\$2,505	\$2,505
Cash proceeds to be raised pursuant to this Offering ⁽²⁾	\$300,000	\$510,000
Costs and expenses associated with this Offering (including listing fees, Agent's fee and commission, legal fees and audit fees)	\$115,000	\$136,000
Estimated funds available (on completion of the Offering)	\$282,495	\$471,495
Estimated funds available for identifying and evaluating assets or business ⁽³⁾	\$227,495	\$396,495
Estimated general and administrative expenses until Completion of the Qualifying Transaction ⁽⁴⁾	\$55,000	\$75,000
TOTAL NET PROCEEDS	\$282,495	\$471,495

Notes:

- (1) See "Prior Sales".
- (2) In the event the Agent exercises the Agent's Option and the Incentive Stock Options are exercised, there will be available to the Corporation an additional \$80,000 in the event the minimum Offering is subscribed for and \$122,000 in the event the maximum Offering is subscribed for, which will be added to the working capital of the Corporation. There is no assurance that any of these options will be exercised.
- (3) In the event that the Corporation enters into an Agreement in Principle prior to spending the estimated funds available of \$227,495 in the event the minimum Offering is subscribed for and \$396,495 in the event the maximum is subscribed for, on identifying and evaluating assets or businesses, the remaining funds may be used to finance or partially finance the acquisition of Significant Assets or for working capital after Completion of the Qualifying Transaction.
- (4) Estimated expenses based on Completion of the Qualifying Transaction within 24 months of the date the Common Shares are listed for trading on the Exchange.

Until required for the Corporation's purposes, the proceeds will only be invested in securities of, or those guaranteed by, the Government of Canada or any province or territory of Canada or the Government of the United States of America, in certificates of deposit or interest-bearing accounts of Canadian chartered banks, trust companies or credit unions.

The proceeds from this Offering and any prior sale of Common Shares, after deducting the expenses associated with this Offering, will only be sufficient to identify and evaluate a finite number of assets and businesses, and additional funds may be required to finance any acquisition to which the Corporation may commit.

Permitted Use of Funds

Until the Completion of the Qualifying Transaction and except as otherwise specifically provided by the CPC Policy and described in "Restrictions on Use of Proceeds", "Private Placements for Cash" and "Prohibited Payments to Non Arm's Length Parties", the gross proceeds realized from the sale of all securities issued by the Corporation may only be used by the Corporation

to identify and evaluate assets or businesses and in the event of a Non Arm's Length Qualifying Transaction, obtain shareholder approval for a proposed Qualifying Transaction.

The proceeds may be used for expenses incurred for the preparation of:

- (a) valuations or appraisals;
- (b) business plans;
- (c) feasibility studies and technical assessments;
- (d) sponsorship reports;
- (e) engineering and geological reports;
- (f) financial statements, including audited financial statements;
- (g) fees for legal and accounting services; and
- (h) Agents' fees, costs and commissions,

relating to the identification and evaluation of assets or businesses and in the case of a Non Arm's Length Qualifying Transaction, the obtaining of shareholder approval for the Corporation's proposed Qualifying Transaction.

In addition, with the prior acceptance of the Exchange, up to an aggregate of \$225,000 may be advanced as a refundable deposit or secured loan by the Corporation to a Vendor or Target Company, as the case may be, for a proposed arm's length Qualifying Transaction provided that the arm's length Qualifying Transaction has been publicly announced at least 15 days prior to the date of such advance, due diligence with respect to the Qualifying Transaction is well underway and either a Sponsor has been engaged or sponsorship has been waived. A maximum aggregate amount of \$25,000 may also be advanced as a non-refundable deposit, unsecured deposit or advance to a Vendor or Target Company, as the case may be, to preserve assets without the prior acceptance of the Exchange.

Restrictions on Use of Proceeds

Until Completion of the Qualifying Transaction, not more than the lesser of 30% of the gross proceeds from the sale of all securities issued by the Corporation or \$210,000, subject to receiving a waiver from the Exchange, will be used for purposes other than those described above. For greater certainty, expenditures not included as "Permitted Uses of Funds", listed above, include:

- (a) listing and filing fees (including SEDAR fees);
- (b) other costs for the issuance of securities (including legal, accounting and audit expenses) relating to the preparation and filing of this prospectus; and
- (c) administrative and general expenses of the Corporation, including office supplies, office rent and related utilities; printing costs (including the printing of this prospectus and share certificates); equipment leases (provided that no proceeds shall be used to acquire or lease a vehicle); and fees for legal advice and audit expenses, other than those described above under "Permitted Use of Funds".

No proceeds will be used to acquire or lease a vehicle.

Private Placements for Cash

After the closing of this Offering and until the Completion of the Qualifying Transaction, the Corporation will not issue any securities unless written acceptance of the Exchange is obtained before issuance. Prior to Completion of the Qualifying Transaction, the Exchange generally will not accept a private placement by the Corporation where the gross proceeds raised from the issuance of securities both prior to and pursuant to the Offering, together with any proceeds anticipated to be raised upon closing of the private placement, will exceed \$5,000,000. The only securities issuable pursuant to such private placement will be Common Shares. Subject to certain limited exceptions, any Common Shares issued pursuant to the private placement to Non Arm's Length Parties to the Corporation and to Principals of the Resulting Issuer will be subject to escrow.

Prohibited Payments to Non Arm's Length Parties

Except as described under "Options to Purchase Securities" and "Restrictions on Use of Proceeds", the Corporation has not made, and until Completion of the Qualifying Transaction will not make, any payment of any kind, directly or indirectly, to a Non Arm's Length Party to the Corporation or a Non Arm's Length Party to the Qualifying Transaction, or to a Person engaged in investor relations activities, by any means, including:

- (a) remuneration, which includes but is not limited to salaries, consulting fees, management contract fees, directors' fees, finders' fees, loans, advances and bonuses; and
- (b) deposits and similar payments.

Further, no such payments will be made on or after the Completion of the Qualifying Transaction if such payments relate to services rendered or obligations incurred prior to or in connection with the Qualifying Transaction.

Notwithstanding the above, the Corporation may reimburse a Non Arm's Length Party to the Corporation for reasonable expenses for office supplies, office rent and related utilities, equipment leases (excluding vehicle leases), and legal services (provided that neither the lawyer providing the legal services nor any member of the law firm providing the services is a promoter of the Corporation or in the case of a law firm, no member of the firm, owns greater than 10% of the outstanding Common Shares of the Corporation), and the Corporation may also reimburse a Non Arm's Length Party to the Corporation for reasonable out-of-pocket expenses incurred in pursuing the business of the Corporation described in "Permitted Use of Funds".

The foregoing restrictions on the use of proceeds and prohibitions on payments to Non Arm's Length Parties and Persons engaged in investor relations activities continue to apply until Completion of the Qualifying Transaction.

PLAN OF DISTRIBUTION

Name of Agent and Agent's Compensation

Pursuant to an agency agreement (the "Agency Agreement") dated May 22, 2013, among the Corporation and the Agent, the Corporation has appointed the Agent as its agent to offer for distribution to the public, on a commercially reasonable efforts basis, a minimum of 1,000,000 Common Shares and a maximum of 1,700,000 Common Shares, pursuant to this prospectus, at a price of \$0.30 per Common Share for minimum gross proceeds of \$300,000 and for maximum gross proceeds of \$510,000, subject to the terms and conditions of the Agency Agreement. The Agent will receive a commission of 10% of the aggregate gross proceeds from the sale of the Common Shares. In addition, the Agent will receive a corporate finance fee pursuant to the Offering of \$10,000 plus taxes and the Agent will be reimbursed by the Corporation for its reasonable expenses and legal fees (which the parties agree shall not be more than \$15,000 plus taxes and disbursements).

In addition, the Agent and its designated sub-agents, if any, will be granted the non-transferable Agent's Option to purchase 100,000 Common Shares in the case of the minimum Offering and 170,000 Common Shares in the case of the maximum Offering exercisable at a price of \$0.30 per Common Share for a period of 24 months from the date of listing the Common Shares on the Exchange, which Agent's Option is qualified for distribution under this prospectus. The Agent's Option may be exercised in whole or in part by the Agent before the Completion of the Qualifying Transaction, provided that no more than 50% of the Common Shares received by the Agent on exercise of the option may be sold prior to the Completion of the Qualifying Transaction. The remaining 50% may only be sold after Completion of the Qualifying Transaction. As at the date hereof, the Agent does not own any Common Shares of the Corporation.

Other than as described in this prospectus, there are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder or any other Person in connection with the Offering.

The Offering will be made in accordance with the rules and policies of the Exchange and with the consent of the Exchange. The closing of the Offering will take place at such time as the Corporation and the Agent may agree provided that the minimum subscriptions have been received and that the withdrawal rights of the purchaser of Common Shares which are available pursuant to securities laws have expired. See "Purchasers' Statutory Rights of Withdrawal and Rescission".

The Agent has agreed to use commercially reasonable efforts to secure subscriptions for all of the Common Shares offered hereunder on behalf of the Corporation and may make co-brokerage arrangements with other investment dealers at no additional cost to the Corporation. The obligations of the Agent under the Agency Agreement may be terminated at its discretion on the basis of its assessment of the state of financial markets or upon the occurrence of certain events as stated in the Agency Agreement, including the non-fulfillment of conditions of closing.

Pursuant to the Agency Agreement, the Corporation has granted the Agent a right of first refusal to participate as sole lead agent, underwriter or advisor in all debt and equity financings of the Corporation for a period of 24 months from the closing of the Offering.

Commercially Reasonable Efforts Offering and Minimum Distribution

The Offering consists of 1,700,000 Common Shares for total gross proceeds of \$510,000 if the maximum Offering is subscribed for and 1,000,000 Common Shares for total gross proceeds of \$300,000 if the minimum Offering is subscribed for. Pursuant to the CPC Policy, the maximum number of Common Shares which may be directly or indirectly purchased by any one purchaser pursuant to this Offering is 2% of the Common Shares offered hereunder or 34,000 Common Shares if the maximum Offering is subscribed for and 20,000 Common Shares if the minimum Offering is subscribed for. In addition, the maximum number of Common Shares that may directly or indirectly be purchased by that purchaser pursuant to this Offering, together with any Associates or Affiliates of that purchaser, is 4% or 68,000 Common Shares if the maximum Offering is subscribed for and 40,000 Common Shares if the minimum Offering is subscribed for. The funds received from the Offering will be deposited with the Agent, and will not be released until a minimum of \$300,000 has been deposited. Minimum subscriptions of 700,000 Common Shares for total gross proceeds of \$300,000 must be raised within 90 days of the issuance of a final receipt for this prospectus or 180 days of the issuance of a receipt for the final prospectus if one or more amendments to such prospectus are subsequently filed, or such other time as may be consented to by Persons who subscribed within that period, failing which the Agent will remit the funds collected to the original subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent.

Other Securities to be Distributed

The Corporation also proposes to grant Incentive Stock Options to directors and officers to purchase up to 166,666 Common Shares if the minimum Offering is subscribed for and up to 236,666 Common Shares if the maximum Offering is subscribed for, in accordance with the policies of the Exchange, which options are qualified for distribution under this prospectus. See "Options to Purchase Securities" and "Plan of Distribution".

Determination of Price

The price of this Offering has been determined by negotiation between the Corporation and the Agent.

Listing Application

The Exchange has conditionally accepted the listing of the Common Shares. Listing will be subject to the Corporation fulfilling all the listing requirements of the Exchange.

Restrictions on the Agent

The Agent has advised the Corporation that to the best of its knowledge and belief, neither it, nor any of its directors, officers, employees or contractors or any Associate or Affiliate thereof has subscribed for Common Shares of the Corporation prior to the date hereof.

The aggregate number of Common Shares permitted to be owned directly or indirectly by the participants referred to above, is 20% of the issued and outstanding Common Shares of the Corporation, exclusive of Common Shares reserved for issuance at a future date.

Restrictions on Trading

Other than the initial distribution of the Common Shares pursuant to this prospectus, the grant of the Agent's Option and the Incentive Stock Options, no securities of the Corporation will be permitted to be issued during the period between the date a receipt for the preliminary prospectus is issued by the British Columbia, Alberta and Ontario securities commissions and the time the Common Shares are listed for trading on the Exchange, except subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable securities regulatory authorities grant a discretionary order.

DESCRIPTION OF SECURITIES DISTRIBUTED

The Corporation is authorized to issue an unlimited number of Common Shares of which 666,665 Common Shares were issued and outstanding as fully paid and non-assessable as at the date hereof. In addition, a maximum of 2,106,666 Common Shares are reserved for issuance in the event the maximum Offering is subscribed for and 1,266,666 Common Shares are reserved for issuance in the event the minimum Offering is subscribed for, including the Common Shares reserved for issuance upon exercise

of the Agent's Option and the Incentive Stock Options. All of the Common Shares to be outstanding on completion of this Offering will be fully paid and non-assessable. See "Prior Sales", "Options to Purchase Securities" and "Plan of Distribution".

Common Shares

The holders of the Common Shares are entitled to vote at meetings of the shareholders of the Corporation, except meetings at which only holders of a specified class of shares other than the Common Shares are entitled to vote, to receive dividends, if, as and when declared by the board of directors of the Corporation on the Common Shares and subject to the rights, privileges and conditions attaching to any other class of shares of the Corporation, to receive the remaining property of the Corporation upon dissolution, liquidation or winding up of the Corporation.

CAPITALIZATION

The table below shows the capitalization of the Corporation before and after giving effect to this Offering but prior to taking into account the costs of issue:

Designation of Securities	Amount Authorized	Amount outstanding as at March 31, 2013 (audited) ⁽¹⁾	Amount outstanding as at the date hereof	Amount to be outstanding if the minimum Offering is sold ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	Amount to be outstanding if the maximum Offering is sold ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾
Common Shares	Unlimited	\$100,000 (666,665 Common Shares)	\$100,000 (666,665 Common Shares)	\$400,000 (1,666,665 Common Shares)	\$610,000 (2,366,665 Common Shares)

Notes:

- (1) As at the date of such balance sheet, the Corporation had not commenced commercial operations.
- (2) The Corporation has reserved an aggregate of up to 166,666 Common Shares in the event the minimum Offering is subscribed for and 236,666 Common Shares in the event the maximum Offering is subscribed for pursuant to Incentive Stock Options to be granted to directors and officers of the Corporation.
- (3) The Corporation has reserved a number of Common Shares equal to 10% of the number of Common Shares to be issued under the Offering for issuance pursuant to the Agent's Option representing 100,000 Common Shares if the minimum Offering is subscribed for and 170,000 Common Shares if the maximum Offering is subscribed for. The Agent's Option will have an exercise price of \$0.30 per Common Share. See "Plan of Distribution."
- (4) All 666,665 Common Shares outstanding as at the date hereof will be held in escrow in accordance with the CPC Policy. See "Escrowed Securities".
- (5) Before deducting the Agent's commission and legal fees and the Corporation's expenses of the issue estimated to be \$115,000 if the minimum Offering is subscribed for and \$136,000 if the maximum Offering is subscribed for.

OPTIONS TO PURCHASE SECURITIES

The Incentive Stock Options to purchase up to 166,666 Common Shares in the event the minimum Offering is subscribed for and up to 236,666 Common Shares if the maximum Offering is subscribed for, which Incentive Stock Options are to be granted immediately after closing of this Offering to directors and officers of the Corporation, are subject to regulatory approval and are qualified for distribution pursuant to this prospectus. The granting of the Incentive Stock Options described in the table below are qualified under this prospectus:

Name of Optionee ⁽¹⁾	No. of Common Shares reserved under Option if minimum Offering is subscribed for	No. of Common Shares reserved under Option if maximum Offering is subscribed for	Exercise Price	Expiration Date
Thomas Sears	23,000	32,660	\$0.30	10 years from the date of grant
Robbie Grossman	23,000	32,660	\$0.30	10 years from the date of grant
Dr. Reiza Rayman	23,000	32,660	\$0.30	10 years from the date of grant
Anton Konovalov	25,000	35,500	\$0.30	10 years from the date of grant
Carlo Sansalone	36,333	51,593	\$0.30	10 years from the date of grant
Scott Johnson	36,333	51,593	\$0.30	10 years from the date of grant
Total	166,666	236,666		

Note:

- (1) All of the Incentive Stock Options are to be granted to directors of the Corporation.

Stock Option Terms

The policies of the Exchange and the stock option plan of the Corporation established by the directors of the Corporation on May 22, 2013 (the "Stock Option Plan"), provide that the board of directors of the Corporation may from time to time, in its discretion and in accordance with the Exchange requirements, grant to directors, officers and employees of the Corporation as well as Management Company Employees and Consultants (as such terms are defined in the Exchange's Corporate Finance Manual Policy 4.4 as amended from time to time), non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the total issued and outstanding Common Shares of the Corporation, exercisable for a period of up to ten (10) years from the date of the grant. The number of Common Shares reserved for issuance to any individual director or officer of the Corporation will not exceed 5% of the issued and outstanding Common Shares (2% in the case of all optionees providing investor relations services to the Corporation and 2% in the case of all technical consultants of the Corporation in any 12 month period). The exercise price of any option granted pursuant to the Stock 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 \$0.30 and the Discounted Market Price. The options granted pursuant to the Stock 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 the Corporation 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 who is granted Incentive Stock Options upon completion of this Offering ends prior to the Completion of the Qualifying Transaction such Incentive Stock Options shall only be exercisable for 90 days.

Any Common 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 "Escrowed Securities".

PRIOR SALES

Since the date of incorporation of the Corporation, 666,665 Common Shares have been issued as follows:

Date Issued	Number of Common Shares ⁽¹⁾	Issue Price Per Common Share	Aggregate Issue Price	Nature of Consideration
March 19, 2013	666,665	\$0.15	\$100,000	Cash

Note:

(1) Subject to escrow. See "Escrowed Securities".

ESCROWED SECURITIES

Escrowed Securities Prior to the Completion of the Qualifying Transaction

All of the 666,665 Common Shares issued prior to this Offering at a price below \$0.30 per Common Share and all Common Shares that may be acquired by Non Arm's Length Parties of the Corporation either under this Offering or otherwise prior to Completion of the Qualifying Transaction, and all Common Shares acquired by members of the Aggregate Pro Group prior to this Offering, will be deposited with Computershare Investor Services Inc. under an escrow agreement dated the 22nd day of May, 2013 (the "Escrow Agreement").

All Common 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 Common Shares of the Corporation 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 the Corporation held by Principals of the Resulting Issuer, will also be escrowed.

The following table sets out, as of the date of this prospectus, the number of Common Shares of the Corporation held in escrow:

Name and Municipality of Residence of Shareholder	Common Shares	Number of Escrowed Shares	Percentage of Shares Issued Before Offering	Percentage of Shares Issued if Minimum Offering⁽¹⁾	Percentage of Shares Issued if Maximum Offering⁽¹⁾
Thomas Sears <i>Toronto, Ontario</i>	33,333	33,333	5.00%	2.00%	1.41%
Robbie Grossman <i>Toronto, Ontario</i>	33,333	33,333	5.00%	2.00%	1.41%
Dr. Reiza Rayman <i>London, Ontario</i>	33,333	33,333	5.00%	2.00%	1.41%
Anton Konovalov <i>Toronto, Ontario</i>	100,000	100,000	15.00%	6.00%	4.23%
Carlo Sansalone <i>Vaughan, Ontario</i>	233,333	233,333	35.00%	14.00%	9.86%
Scott Johnson <i>Aurora, Ontario</i>	233,333	233,333	35.00%	14.00%	9.86%
Total	666,665	666,665	100%	40.00%	28.17%

Notes:

- (1) Assuming that no Common Shares are purchased by these shareholders under this Offering and before the exercise of the Agent's Option, and the Incentive Stock Options issued under the Stock Option Plan.

Where the Common Shares of the Corporation which are required to be held in escrow are held by a non-individual (a "holding company"), each holding company pursuant to the Escrow Agreement, has agreed, or will agree, not to carry out any transactions during the currency of the Escrow Agreement which would result in a change in the beneficial ownership of the holding company without the consent of the Exchange. Any holding company must sign an undertaking to the Exchange that, to the extent reasonably possible, it will not permit or authorize any issuance of securities or transfer of securities that could reasonably result in a change of control of the holding company. In addition, the Exchange may require an undertaking from any Control Person of the holding company not to transfer the shares of that company.

Under the Escrow Agreement 10% of the escrowed Common Shares will be released from escrow on the issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release.

If the Resulting Issuer meets the Exchange's Tier 1 initial listing requirements either at the time the Final Exchange Bulletin is issued or subsequently, the release of the escrowed Common Shares will be accelerated. An accelerated escrow release will not commence until the Resulting Issuer has made an application to the Exchange for listing as a Tier 1 issuer and the Exchange has issued a bulletin that announces the acceptance for listing of the Resulting Issuer on Tier 1 of the Exchange.

The Exchange's prior consent must be obtained before a transfer within escrow of escrowed Common Shares. Generally, the Exchange will only permit a transfer within escrow to be made to incoming Principals in connection with a proposed Qualifying Transaction.

If the Final Exchange Bulletin is not issued, the escrowed Common Shares will not be released. Under the Escrow Agreement each Non Arm's Length Party to the Corporation who holds escrowed Common Shares acquired at a price below the Offering price under this prospectus has irrevocably authorized and directed the Escrow Agent to immediately (a) cancel all of the escrowed Common Shares upon issuance by the Exchange of a bulletin delisting the Common Shares of the Corporation, or (b) if the Corporation lists on NEX, either (i) cancel all Discount Seed Shares purchased by Non-Arm's Length Parties to the Corporation at a discount from the Offering price, in accordance with section 11.2(a) of the CPC Policy, or (ii) subject to majority shareholder approval, cancel an amount of Discount Seed Shares purchased by Non Arm's Length Parties to the Corporation so that the average cost of the remaining Discount Seed Shares is at least equal to the Offering price.

Escrowed Securities on Qualifying Transaction

Generally, if at least 75% of the securities issued pursuant to a Qualifying Transaction are "Value Securities", then all of the securities issued to Principals of the Resulting Issuer pursuant to the Qualifying Transaction will be deposited into escrow pursuant to a value security agreement (the "Value Security Escrow Agreement"). "Value Securities" are securities issued pursuant to a transaction, for which the deemed value of the securities at least equals the value ascribed to the assets, using a valuation method acceptable to the Exchange, or securities that are otherwise determined by the Exchange to be Value Securities and required to be placed in escrow under the Value Security Escrow Agreement. However, if at least 75% of the securities

issued pursuant to the Qualifying Transaction are not Value Securities, all securities issued pursuant to the Qualifying Transaction will be deposited into a surplus security escrow agreement (a "Surplus Security Escrow Agreement").

The principal distinction between a Value Security Escrow Agreement and a Surplus Security Escrow Agreement is the time period for release of securities from escrow. In the case of a Resulting Issuer that will be a Tier 2 issuer when the Final Exchange Bulletin is issued, the Value Security Escrow Agreement provides for a three year escrow release mechanism with 10% of the escrowed securities being releasable at the time of the Final Exchange Bulletin, and 15% of the escrowed securities being releasable every 6 months thereafter until the date which is 36 months after the Final Exchange Bulletin. In the case of a Resulting Issuer that will be a Tier 2 issuer subject to a Surplus Security Escrow Agreement, when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement provides for a 3 year escrow release mechanism with 5% of the escrowed securities releasable at the time of the Final Exchange bulletin, 5% on the date which is 6 months after the Final Exchange Bulletin, 10% on each of the dates which are 12 and 18 months after the Final Exchange Bulletin, 15% on each of the dates which are 24 and 30 months after the Final Exchange Bulletin and 40% on the date which is 36 months after the Final Exchange Bulletin.

In the case of a Resulting Issuer that will be a Tier 1 issuer when the Final Exchange Bulletin is issued, the Value Security Escrow Agreement provides for an 18 month escrow release mechanism with 25% of the escrowed securities being releasable at the time of the Final Exchange Bulletin, and 25% of the escrowed securities being releasable every 6 months thereafter. In the case of a Resulting Issuer that will be a Tier 1 issuer when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement provides for a 18 month escrow release mechanism with 10% of the escrowed securities being releasable upon the issuance of the Final Exchange Bulletin, 20% on the date which is 6 months after the Final Exchange Bulletin, 30% on the date which is 12 months after the Final Exchange Bulletin and 40% on the date which is 18 months after the Final Exchange Bulletin.

Securities issued pursuant to a private placement to Principals of the Corporation and the proposed Resulting Issuer will generally be exempt from escrow requirements where:

- (a) the private placement is announced at least five trading days after the news release announcing the Agreement in Principle and the pricing for the financing is at not less than the discounted market price, as determined in accordance with the policies of the Exchange; or
- (b) the private placement is announced concurrently with the Agreement in Principle and:
 - (i) at least 75% of the proceeds from the private placement are not from Principals of the Corporation or the proposed Resulting Issuer,
 - (ii) if subscribers, other than Principals of the Corporation or the proposed Resulting Issuer, will obtain securities subject to hold periods, then in addition to any resale restrictions under applicable securities legislation, any securities issued to such Principals will be subject to a four month hold period. and
 - (iii) none of the proceeds of the private placement are allocated to pay compensation or to settle indebtedness owing to Principals of the Resulting Issuer.

PRINCIPAL SHAREHOLDERS

The following table lists those Persons who beneficially own 10% or more of the issued and outstanding Common Shares of the Corporation as at the date hereof:

Name and Municipality of Residence of the Shareholder	Type of Ownership	Number of Common Shares	Percentage of Common Shares Owned				
			Before Offering	After Minimum Offering ⁽¹⁾	After Minimum Offering (fully diluted) ⁽²⁾	After Maximum Offering ⁽¹⁾	After Maximum Offering (fully diluted) ⁽²⁾
Carlo Sansalone <i>Vaughan, Ontario</i>	Registered and Beneficial	233,333	35.00%	14.00%	13.95%	9.86%	10.27%
Scott Johnson <i>Aurora, Ontario</i>	Registered and Beneficial	233,333	35.00%	14.00%	13.95%	9.86%	10.27%
Anton Konovalov <i>Toronto, Ontario</i>	Beneficial	100,000	15.00%	6.00%	6.47%	4.23%	4.89%
TOTAL		566,666	85.00%	34.00%	34.37%	23.95%	25.43%

Notes:

- (1) Assuming that no Common Shares are purchased by such shareholders under this Offering and before the exercise of the Agent's Option and the Incentive Stock Options.
- (2) Assuming that no Common Shares are purchased by such shareholders under this Offering and in the event that the Agent's Option and the Incentive Stock Options are exercised. See "Options to Purchase Securities".

DIRECTORS, OFFICERS AND PROMOTERS**Name, Address, Occupation and Security Holding**

The following are the names and municipalities of residence of the directors and officers of the Corporation, their positions and offices with the Corporation and their principal occupations during the last five years:

Name, Age and Municipality of Residence	Office Held with the Corporation ⁽²⁾	Principal Occupation	Number of Common Shares Held Before Offering	Percentage of Common Shares Owned Before Offering
Thomas Sears (34) ⁽¹⁾ <i>Toronto, Ontario</i>	Chief Executive Officer, Chief Financial Officer, Director and Promoter	Institutional Sales at Dominick & Dominick Securities Inc.	33,333	5.00%
Robbie Grossman (39) <i>Toronto, Ontario</i>	Secretary and Director	Corporate finance and securities lawyer at Garfinkle Biderman LLP	33,333	5.00%
Dr. Reiza Rayman (49) ⁽¹⁾ <i>London, Ontario</i>	Director	President of Titan Medical Inc. and practicing physician	33,333	5.00%
Anton Konovalov (26) <i>Toronto, Ontario</i>	Director	President of Amber Capital Corp.	100,000	15.00%
Carlo Sansalone (35) <i>Vaughan, Ontario</i>	Director	President of Sanscon Construction Ltd.	233,333	35.00%
Scott Johnson (36) ⁽¹⁾ <i>Aurora, Ontario</i>	Director	General Manager of Beacon Utility Contractors Limited	233,333	35.00%

Notes:

- (1) Member of Audit Committee.
- (2) The term of office of each of the directors of the Corporation will expire at the next annual meeting of shareholders of the Corporation.

The following are brief resumes of the six foregoing individuals:

Thomas Sears

Mr. Sears obtained his Bachelor of Commerce from the University of Windsor in 2002. Since October 2010, Mr. Sears has been in Institutional Sales at Dominick & Dominick Securities Inc. From February 2010 to August 2010 he was a Sales Consultant for PasWord Protection Inc. From 2009 to 2010 he was an Investment Advisor at Canaccord Capital Corporation (now known as Canaccord Genuity Corp.) and from 2002 to 2007 he was an Investment Advisor at Research Capital Corporation (now known as Mackie Research Capital Corporation).

Robbie Grossman

Mr. Grossman holds a LL.B. from the University of Windsor and a B.A. (Political Science) from Concordia University, and he was called to the Ontario bar in 2002. Mr. Grossman, an experienced corporate finance and securities lawyer, has been with Garfinkle Biderman LLP since 2004 and became a partner in 2008. He is a corporate finance and securities lawyer acting for public and private companies and securities dealers. Prior to joining Garfinkle Biderman LLP, Mr. Grossman was the President of a publishing company. He was a director of Mercury Capital Limited which completed its Qualifying Transaction in February 2012. He is currently an officer and director of Solid Gold Resources Corp. (TSXV:SLD), and Prospect Park Capital Corp. (TSXV:PPK.P), the Corporate Secretary of Mooncor Oil & Gas Corp. (TSXV:MOO) and MCW Energy Group Limited (TSXV:MCW), and the Assistant Secretary of RedWater Energy Corp. (TSXV:RED).

Dr. Reiza Rayman

Dr. Rayman holds a M.Sc. (Medical Biophysics) in Fluid Dynamics from the University of Western Ontario, an M.D. from the University of Toronto, and a Ph.D. in Telesurgery from the University of Western Ontario. Dr. Rayman has been the President and a director of Titan Medical Inc. (TSXV:TMD) and its predecessor, Synergist Medical Inc., since May 2006, and has been a practicing physician since 1991. Dr. Rayman is the former Assistant Professor, Department of Surgery, at the University of Western Ontario.

Anton Konovalov

Mr. Konovalov holds a Bachelor of Economics from the University of Economics and Finance in Russia and he earned a Postgraduate Diploma from George Brown College in 2011. He has been the President of Amber Capital Corp. since December 2011.

Carlo Sansalone

Mr. Sansalone holds a B.Comm from Ryerson University and he has been the President of Sanscon Construction Ltd. since 1999.

Scott Johnson

Mr. Johnson holds an Industrial Electrician Diploma from Humber College. He has been the General Manager of Beacon Utility Contractors Limited since 2007. From 1997 to 2007 he was the Superintendent at Stacey Electrical Contractors Ltd.

The directors and officers of the Corporation will devote the time required to achieve the goals of the Corporation, being the identification and completion of a Qualifying Transaction. Time actually spent may vary according to the needs of the Corporation.

In addition to any other requirements of the Exchange, the Exchange expects management of the Corporation to meet a high management standard. The directors and officers of the Corporation believe that, on a collective basis, management possesses the appropriate experience, qualifications and history to be capable of identifying, investigating and acquiring a Significant Asset.

As a group, the directors and officers of the Corporation beneficially own, directly or indirectly, or exercise control or direction over 666,665 Common Shares, representing 100% of the issued and outstanding Common Shares of the Corporation before the Offering, 40.00% after giving effect to the minimum Offering or 28.17% after giving effect to the maximum Offering, assuming that no Common Shares are purchased by such shareholders under this Offering or pursuant to Incentive Stock Options and no Common Shares are purchased pursuant to the Agent's Option.

The directors, as a group, shall receive a total of 166,666 Common Share purchase options in the case of the minimum Offering and 236,666 in the case of the maximum Offering. See "Options to Purchase Securities".

Experience with Other Reporting Issuers

The following table sets out the directors, officers and promoters of the Corporation 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 (if applicable)	Position	From	To
Thomas Sears	Mercury Capital Limited ⁽¹⁾	TSXV	Director	Jul 2010	Feb 2012
Dr. Reiza Rayman	Titan Medical Inc.	TSXV	Director	Jul 2008	Current
			President	Jul 2008	Current
	Intelgenx Technologies Corp.	TSXV; OTC-BB	Director	Jun 2006	May 2008
Robbie Grossman	Mooncor Oil & Gas Corp.	TSXV	Secretary	Jun 2011	Current
			Assistant Secretary	Oct 2007	Jun 2011
	Mercury Capital Limited ⁽¹⁾	TSXV	Director	Jul 2010	Feb 2012
	Solid Gold Resources Corp.	TSXV	Director	Mar 2009	Current
			Secretary	May 2013	Current
			Assistant Secretary	Dec 2008	May 2013
	RedWater Energy Corp.	TSXV	Assistant Secretary	Mar 2011	Current
	MCW Energy Group Limited	TSXV	Secretary	Oct 2012	Current
Prospect Park Capital Corp.	TSXV	Director	Sep 2012	Current	
		Secretary	Oct 2012	Current	

Notes:

(1) Changed its name to Canada Coal Inc. in February 2012 in connection with the completion of its Qualifying Transaction.

Corporate Cease Trade Orders or Bankruptcies

None of the directors, officers, Insiders and promoters of the Corporation, or a shareholder holding sufficient securities of the Corporation to affect materially the control of the Corporation, is, or within 10 years before the date hereof has been, a director, officer, Insider or promoter of any other issuer that during his or her tenure, was the subject of a cease trade order or similar order or an order that denied that issuer access to any exemptions under applicable securities legislation for a period of more than 30 consecutive days, or became bankrupt or 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 the assets of that issuer.

Penalties or Sanctions

Except for Mr. Sears, who had his securities license suspended for two months in 2007 for failing to complete a Canadian Institute Course by a certain date, none of the directors, officers, Insiders and promoters of the Corporation or a shareholder holding sufficient securities of the Corporation to affect materially the control of the Corporation has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority.

None of the directors, officers, Insiders and promoters of the Corporation or a shareholder holding sufficient securities of the Corporation to affect materially the control of the Corporation has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

None of the directors, officers, Insiders and promoters of the Corporation, or a shareholder holding sufficient securities of the Corporation to affect materially the control of the Corporation, has, during the past ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold their assets.

Conflicts of Interest

There are potential conflicts of interest to which some or all of the directors, officers, Insiders and promoters of the Corporation will be subject in connection with the operations of the Corporation. Some or all of the directors, officers, Insiders and promoters have been and will continue to be engaged in activities on their own behalf and on behalf of other corporations, and situations may arise where the directors and officers will be in direct competition with the Corporation's efforts to identify and evaluate assets or businesses for acquisition with a view to completing a Qualifying Transaction. Conflicts, if any, will be subject to the procedures and remedies prescribed by the *Business Corporations Act* (Ontario), the Exchange, and applicable securities laws, regulations and policies.

Promoter

Thomas Sears may be considered to be the promoter of the Corporation in that he took the initiative in founding and organizing the Corporation. Mr. Sears will not receive any compensation in his capacity as the promoter of the Corporation. See also "Prior Sales", "Principal Shareholders" and "Directors, Officers and Promoters".

EXECUTIVE COMPENSATION

Remuneration

Except as set out below or otherwise permitted by the CPC Policy and disclosed in this prospectus, prior to Completion of the Qualifying Transaction, no payment of any kind has been made, or will be made, directly or indirectly, by the Corporation to a Non Arm's Length Party 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 the Corporation or any Resulting Issuer 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;
 - (v) loans, advances, bonuses; and
- (b) deposits and similar payments.

However, the Corporation may reimburse Non Arm's Length Parties for the Corporation'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.

The Corporation has reserved an aggregate of up to 166,666 Common Shares in the event the minimum Offering is subscribed for and 236,666 Common Shares in the event the maximum Offering is subscribed for pursuant to Incentive Stock Options to be granted to directors and officers of the Corporation. All of the Incentive Stock Options have an exercise price of \$0.30 per Common Share. See "Options to Purchase Securities".

Following Completion of the Qualifying Transaction, it is anticipated that the Corporation shall pay compensation to its directors and officers. However, no payment other than the Permitted Reimbursements will be made by the Corporation or by any party on behalf of the Corporation after Completion of the Qualifying Transaction if the payment relates to services rendered or obligations incurred or in connection with the Qualifying Transaction.

DILUTION

Purchasers of the Common Shares offered hereunder will suffer an immediate dilution of 20.00% or \$0.06 per Common Share if the minimum Offering is subscribed for and a dilution of 14.08% or \$0.042 per Common Share if the maximum Offering is subscribed for, on the basis of there being 1,666,665 Common Shares of the Corporation issued and outstanding in the event the minimum Offering is subscribed for and 2,366,665 Common Shares of the Corporation issued and outstanding in the event the maximum Offering is subscribed for following completion of this Offering. Dilution has been computed on the basis of total gross proceeds to be raised under this prospectus and from sales of securities prior to filing this prospectus, without deduction of commissions or related expenses incurred by the Corporation.

RISK FACTORS

The following is a list of risk factors that a prospective investor should consider before subscribing for Common Shares, which list is not exhaustive:

Investing in the Common Shares involves a high degree of risk. Prospective investors should carefully consider the risks described below, together with all of the other information included in this prospectus before making an investment decision. If any of the following risks actually occurs, the business, financial condition or results of operations of the Corporation could be harmed. In such an event, the trading price of the Common Shares could decline and prospective investors may lose part or all of their investment.

No Operating History

This Offering 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 the 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. Investors may not be able to resell the Corporation's Common Shares acquired under this prospectus.

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 has been retained and certain preliminary reviews have been conducted. 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.

Exchange May Not Approve a Qualifying Transaction

Completion of the 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.

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

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

Dilution

Shareholders acquiring Common Shares under this Offering will experience an immediate dilution of 20.00% or \$0.06 per Common Share if the minimum Offering is subscribed for and 14.08% or \$0.042 per Common Share if the maximum Offering is subscribed for based on gross proceeds of this Offering and prior issue by the Corporation, without taking account of deductions such as selling commissions or related expenses of issue.

If the Corporation issues treasury shares to finance acquisition or participation opportunities, control of the Corporation may change and subscribers may suffer significant dilution of their investment.

Directors and Officers

The directors and officers of the Corporation currently own 100% of the issued and outstanding Common Shares and will own 40.00% of the issued and outstanding Common Shares if the minimum Offering is subscribed for and 28.17% of the issued and outstanding Common Shares if the maximum Offering is subscribed for.

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. Some of the directors and officers of the Corporation are engaged and will continue to 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. See "Conflicts of Interest".

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.

Tax-Free Savings Accounts

If the Corporation does not make an election to be a public corporation in the manner contemplated in this prospectus, the purchasers may be penalized by the Canada Revenue Agency with respect to any Common Shares held in TFSA's (as defined hereafter under the heading "Eligibility for Investment").

As a result of these factors which are not exhaustive, this Offering is only suitable for investors who are willing to rely solely on management of the Corporation and who can afford to lose their entire investment. Those investors who are not prepared to do so should not invest in the Common Shares.

LEGAL PROCEEDINGS

The Corporation is not aware of any legal proceedings in which it is involved and any such proceedings are not known by the Corporation to be contemplated.

RELATIONSHIP BETWEEN THE CORPORATION AND THE AGENT

The agent for the Offering is Hampton Securities Limited. The employees, officers and directors of the Agent do not own any Common Shares. Legal counsel to the Agent is Fogler, Rubinoff LLP.

The Offering price of the Common Shares was determined by negotiation between the Corporation and the Agent, however the Agent was not involved in the decision by the Corporation to offer the Common Shares pursuant to this prospectus. The Offering was not required or suggested by the Agent.

RELATIONSHIP BETWEEN THE CORPORATION AND PROFESSIONAL PERSONS

The Corporation's legal advisors are Garfinkle Biderman LLP. Except for Robbie Grossman, a partner of Garfinkle Biderman LLP, who owns 33,333 Common Shares, and will be granted on closing of this Offering 23,000 Incentive Stock Options if the minimum Offering is subscribed for and 32,660 Incentive Stock Options if the maximum Offering is subscribed for, none of the partners or associates of Garfinkle Biderman LLP, hold any beneficial interest, direct or indirect, in any securities or properties of the Corporation or of an Associate or Affiliate of the Corporation, but may subscribe for Common Shares pursuant to the Offering, and none are expected to be elected, appointed or employed as a director, senior officer or employee of the Corporation or of an Associate or Affiliate of the Corporation, or a promoter of the Corporation or of an Associate or Affiliate of the Corporation.

The Agent's legal advisors are Fogler, Rubinoff LLP. None of the partners or associates of Fogler, Rubinoff LLP, hold any

beneficial interest, direct or indirect, in any securities or properties of the Corporation or of an Associate or Affiliate of the Corporation, and none are expected to be elected, appointed or employed as a director, senior officer or employee of the Corporation or of an Associate or Affiliate of the Corporation, or a promoter of the Corporation or of an Associate or Affiliate of the Corporation.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are MSCM LLP, located at 8th Floor, 701 Evans Avenue, Toronto, Ontario, M9C 1A3.

The transfer agent and registrar of the Corporation is Computershare Investor Services Inc., at its principal offices in Vancouver, British Columbia.

MATERIAL CONTRACTS

The Corporation has not entered into any material contracts and will not enter into any material contracts prior to the closing of this Offering, other than:

- (a) Transfer Agent, Registrar and Disbursing Agent Agreement dated the 22nd day of May, 2013, between the Corporation and Computershare Investor Services Inc.;
- (b) Escrow Agreement dated the 22nd day of May, 2013, between the Corporation, Computershare Investor Services Inc. and those shareholders that executed such Escrow Agreement (see "Escrow Securities"); and
- (c) Agency Agreement dated the 22nd day of May, 2013, between the Corporation and the Agent.

Copies of the foregoing agreements will be available for inspection while the securities offered by this prospectus are in the course of distribution and for a period of 30 days thereafter at the offices of Garfinkle Biderman LLP, Dundee Place, 1 Adelaide Street East, Suite 801, Toronto, Ontario, M5C 2V9, counsel to the Corporation, during ordinary business hours, and may be viewed on SEDAR at www.sedar.com.

OTHER MATERIAL FACTS

There is no other material fact relating to this Offering which has not been otherwise disclosed hereunder. This prospectus contains full, true and plain disclosure of all material facts relating to the securities being distributed.

ELIGIBILITY FOR INVESTMENT

In the opinion of Garfinkle Biderman LLP, counsel for the Corporation, based on the provisions of the *Income Tax Act* (Canada) (the "ITA"), the regulations thereunder in force as of the date hereof and the proposals to amend the ITA and the regulations thereunder publicly announced by, or on behalf of, the Minister of Finance (Canada) prior to the date hereof, provided that the Common Shares are listed on the TSXV at the relevant time, the Common Shares, if issued on the date hereof, would be "qualified investments" under the ITA and the regulations thereunder for trusts governed by registered retirement savings plans ("RRSP"), registered retirement income funds ("RRIF"), registered education savings plan, deferred profit sharing plans, registered disability savings plans and tax free savings accounts ("TFSA"), subject to the specific provisions of any particular plan.

If the Common Shares are not listed on a prescribed stock exchange at the time of issue hereunder, the Company will file an election to be a public corporation with the Canada Revenue Agency in its tax return for its first taxation year such that the Common Shares will be qualified investments for such plans, notwithstanding that the Common Shares were not listed on a prescribed stock exchange at the time of issue hereunder.

Notwithstanding that the Common Shares may be qualified investments for a TFSA, RRSP or RRIF (each a "Registered Plan"), the holder of a TFSA or the annuitant under an RRSP or RRIF that holds the Common Shares will be subject to a penalty tax if such Common Shares are a "prohibited investment" for the purposes of the ITA. The Common Shares will generally be a "prohibited investment" if the holder or the annuitant, as the case may be, (i) does not deal at arm's length with the Corporation for the purposes of the ITA, (ii) has a "significant interest" (within the meaning of the ITA) in the Corporation, or (iii) has a "significant interest" (within the meaning of the ITA) in a corporation, partnership or trust with which the Corporation does not deal at arm's length for the purposes of the ITA. The Department of Finance (Canada) released proposed amendments to the ITA on December 21, 2012 (the "December 2012 Proposals"), under which the Common Shares would generally be a "prohibited investment" only where the first or second of these conditions is satisfied. In addition, under the December 2012 Proposals the Common Shares will not be a "prohibited investment" if the Common Shares are "excluded property" for a TFSA, RRSP or RRIF

as defined in the December 2012 Proposals. There can be no assurance that the December 2012 Proposals will be enacted in their current proposed form or at all.

Prospective purchasers who intend to hold Common Shares in a Registered Plan should consult their own tax advisors regarding their particular circumstances.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser of the Common Shares with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of such purchaser's province. Purchasers of Common Shares should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

**Mercury Capital II Limited
(A Capital Pool Company)**

Financial Statements

March 31, 2013 and 2012

Independent Auditor's Report

To the Directors of
Mercury Capital II Limited
(A Capital Pool Company)

Report on the Financial Statements

We have audited the accompanying financial statements of Mercury Capital II Limited, which comprise the statements of financial position as at March 31, 2013 and March 31, 2012, and the statements of comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the year ending March 31, 2013 and for the period from March 27, 2012 (date of incorporation) to March 31, 2012, and 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 ("IFRS"), 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits 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 the auditor's 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, the auditor considers 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 Mercury Capital II Limited as at March 31, 2013 and 2012, and its financial performance and its cash flows for the year ended March 31, 2013 and the period from March 27, 2012 (date of incorporation) to March 31, 2012 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 in the financial statements which describes uncertainty about whether the Company will complete a Qualifying Transaction within the time prescribed by the TSX Venture Exchange.

Signed: "*MSCM LLP*"

**Chartered Accountants
Licensed Public Accountants**

Toronto, Ontario
May 22, 2013



Mercury Capital II Limited
(A Capital Pool Company)

Statement of Financial Position

March 31, 2013 and 2012

	2013	2012
Assets		
Current assets		
Funds held in trust (note 3)	\$ 88,700	\$ -
Prepaid expenses (note 4)	11,300	-
	\$ 100,000	\$ -
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 8)	\$ 10,168	\$ 2,163
Shareholders' equity (deficiency)		
Share capital (note 5)	97,495	-
Deficit	(7,663)	(2,163)
	89,832	(2,163)
	\$ 100,000	\$ -

Nature of operations (note 1)

The accompanying notes are an integral part of these financial statements.

Approved by the Board

Signed: "Mr. Thomas Sears"

Director

Signed: "Mr. Robbie Grossman"

Director

Mercury Capital II Limited
(A Capital Pool Company)

Statement of Comprehensive Loss

for the year ended March 31, 2013 and

for the period from March 27, 2012 (date of incorporation) to March 31, 2012

Expenses

Professional fees	\$ 5,500	\$ 2,163
Net loss and comprehensive loss for the period	\$ (5,500)	\$ (2,163)
Loss per share - basic and diluted	\$ (0.25)	\$ -
Weighted average shares outstanding - basic and diluted	21,918	-

The accompanying notes are an integral part of these financial statements.

Mercury Capital II Limited
(A Capital Pool Company)

Statement of Changes in Shareholders' Equity (Deficiency)

for the year ended March 31, 2013 and

for the period from March 27, 2012 (date of incorporation) to March 31, 2012

	Share Capital			Deficit	Shareholders' Equity (Deficiency)
	Number of Shares	Amount			
Balance, March 27, 2012	-	\$ -	\$ -	-	\$ -
Net loss and comprehensive loss for the period	-	-		(2,163)	(2,163)
Balance, March 31, 2012	-	-		(2,163)	(2,163)
Issuance of common shares	666,665	100,000		-	100,000
Share issue costs	-	(2,505)		-	(2,505)
Net loss and comprehensive loss for the year	-	-		(5,500)	(5,500)
Balance, March 31, 2013	666,665	\$ 97,495	\$	(7,663)	\$ 89,832

The accompanying notes are an integral part of these financial statements.

Mercury Capital II Limited
(A Capital Pool Company)

Statement of Cash Flows

*for the year ended March 31, 2013 and
for the period from March 27, 2012 (date of incorporation) to March 31, 2012*

	<u>2013</u>	<u>2012</u>
Cash flow from operating activities		
Net loss for the period	\$ (5,500)	\$ (2,163)
Net change in non-cash working capital		
Accounts payable and accrued liabilities	5,500	2,163
Prepaid share issue costs	(11,300)	-
	<u>(11,300)</u>	<u>-</u>
Cash flow from financing activities		
Proceeds from issuance of shares	100,000	-
Funds held in trust	(88,700)	-
	<u>11,300</u>	<u>-</u>
Net change in cash	-	-
Cash, beginning of period	-	-
Cash, end of period	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

Mercury Capital II Limited (A Capital Pool Company)

Notes to Financial Statements

for the year ended March 31, 2013 and
for the period from March 27, 2012 (date of incorporation) to March 31, 2012

1. Nature of Operations

Mercury Capital II Limited (the "Company") was incorporated under the *Business Corporations Act* (Ontario) on March 27, 2012. The Company intends to carry on business as a "Capital Pool Company" ("CPC"), as this term is defined in the policies of the TSX Venture Exchange (the "Exchange"). As of March 31, 2013, the Company has no business operations and had not entered into any agreements to acquire an interest in businesses or assets. The Company's principal purpose is the identification, evaluation and acquisition of assets, properties or businesses or participation therein subject, in certain cases, to shareholder approval and acceptance by the Exchange.

Where an acquisition (the "Qualifying Transaction") is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing. Under the policies of the Exchange, the Company must identify and complete a Qualifying Transaction within 24 months from the date the Company's shares are listed for trading on the Exchange subject to a 90 day extension which may be granted. There is no assurance that the Company will be able to complete a Qualifying Transaction within the prescribed time or that it will be able to secure the necessary financing to complete a Qualifying Transaction. The Exchange may suspend or de-list the Company's shares from trading should it not meet these requirements.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

The Company's head office and registered records office address is 1 Adelaide Street East, Suite 801, Toronto, Ontario, Canada, M5C 2V9.

These financial statements were authorized for issue by the Board of Directors on May 22, 2013.

2. Summary of Significant Accounting Policies

Statement of Compliance

These financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB").

Basis of Measurement

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency.

Notes to Financial Statements

*for the year ended March 31, 2013 and
for the period from March 27, 2012 (date of incorporation) to March 31, 2012*

2. Summary of Significant Accounting Policies - continued

Use of Estimates and Judgments

The preparation of these financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

Prepaid Expenses

Costs directly incurred in connection with the Company's proposed public share offering are recorded as prepaid expenses until the offering is completed, if the completion is considered likely; otherwise they are expensed as incurred. Prepaid expenses will be charged against share capital upon completion of the public share offering, or to the statement of comprehensive loss if the offering is abandoned.

Income Taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

Notes to Financial Statements

*for the year ended March 31, 2013 and
for the period from March 27, 2012 (date of incorporation) to March 31, 2012*

2. Summary of Significant Accounting Policies - continued

Basic and Diluted Loss per Share

Basic loss per share is computed by dividing the net loss applicable to common shares by the weighted average number of common shares outstanding for the relevant period.

Diluted loss per share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted.

Financial Instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - this category comprises derivatives, or assets acquired principally for the purpose of being resold in the near term. They are carried on the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive loss.

Loans and receivables - these assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - these assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of comprehensive loss.

Available-for-sale - non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of comprehensive loss.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

The Company has classified its cash held in trust as a financial asset at fair value through profit and loss.

Notes to Financial Statements

*for the year ended March 31, 2013 and
for the period from March 27, 2012 (date of incorporation) to March 31, 2012*

2. Summary of Significant Accounting Policies - continued

Financial Instruments - continued

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - this category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried on the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive loss.

Other financial liabilities - this category includes accounts payables and accrued liabilities, all of which are recognized at amortized cost.

The Company's accounts payable and accrued liabilities are classified as other financial liabilities.

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- 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); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of March 31, 2013, cash held in trust is measured at fair value and is classified within Level 1 of the fair value hierarchy on the statement of financial position.

2. Summary of Significant Accounting Policies - continued

Accounting standards issued but not yet applied

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning in later periods. These new standards, which have not been applied within these financial statements, are not expected to have a future impact on the financial statements.

IFRS 9, Financial Instruments: Classification and Measurement, issued in November 2009, effective for annual periods beginning on or after January 1, 2015, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments.

IFRS 10, 11, 12 and 13 were all issued in May 2011 and are effective for annual periods beginning January 1, 2013, with early adoption allowed.

Mercury Capital II Limited
(A Capital Pool Company)

Notes to Financial Statements

for the year ended March 31, 2013 and
for the period from March 27, 2012 (date of incorporation) to March 31, 2012

3. Funds Held in Trust

	2013	2012
Cash held in trust	\$ 88,700	\$ -

Once the Company has been successful in being classified as a Capital Pool Company, the proceeds raised from the issuance of capital stock may only be used to identify and evaluate assets or businesses for future investments, with the exception that not more than the lesser of 30% of the gross proceeds from the sale of all securities issued by the Company or \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenditures of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the policies of the TSX Venture Exchange. The cash is currently held in trust by the lawyer of the Company.

4. Prepaid Expenses

The Company incurred a work fee of \$11,300 related to its public share offering to March 31, 2013 (see note 10). This amount will be deducted from share capital when the public share offering is completed.

5. Share Capital

Authorized

Unlimited Common shares

Issued and Outstanding

	2013	2012
666,665 Common shares	\$ 97,495	\$ -

On March 19, 2013, the Company issued 666,665 common shares at a price of \$0.15 per share for gross proceeds of \$100,000. The Company incurred costs of \$2,505 related to the issuance of these common shares.

Escrow Shares

In the event the Company successfully becomes classified as a CPC, the 666,665 shares issued on March 19, 2013 will be held in escrow pursuant to the policies of the Exchange. Under the terms of the escrow agreement to be entered into, these shares will be released as to 10% thereof on the completion of the Company's Qualifying Transaction, as defined in the policies of the Exchange, and as to 15% thereof on each of the 6th, 12th, 18th, 24th, 30th and 36th months following the initial release, subject to acceleration in the event the Company becomes listed as a Tier I issuer.

Mercury Capital II Limited
(A Capital Pool Company)

Notes to Financial Statements

*for the year ended March 31, 2013 and
for the period from March 27, 2012 (date of incorporation) to March 31, 2012*

6. Financial Instruments

Fair Values

At March 31, 2013, the Company's financial instruments consist of funds held in trust 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.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The financial instrument that potentially subjects the Company to a concentration of credit risk is funds held in trust. To minimize the credit risk the \$88,700 is held within a law firm's trust account.

Interest Rate Risk

The Company is not exposed to any significant interest rate risk.

Liquidity Risk

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

7. Capital Management

The Company's capital currently consists of shareholders' equity. Its principal source of cash is from the issuance of common shares. The Company'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 Company does not have any externally imposed capital requirements to which it is subject. The Company 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 Company may attempt to issue new shares.

Mercury Capital II Limited
(A Capital Pool Company)

Notes to Financial Statements

*for the year ended March 31, 2013 and
for the period from March 27, 2012 (date of incorporation) to March 31, 2012*

8. Related Party Transactions

During the year ended March 31, 2013 the Company incurred \$2,505 in legal fees for services provided by a law firm whose partner is a director of the Company (period ended March 31, 2012 - \$663). Of the total amount incurred, \$2,505 (period ended March 31, 2012 - \$Nil) is in respect of the issuance of common shares which has been recorded in share capital as share issuance costs and the remainder relates to general legal work which has been recorded in professional fees. At March 31, 2013, \$3,168 (March 31, 2012 - \$663) is recorded in accounts payable and accrued liabilities.

There were no other transactions with related parties and no remuneration was paid to key management personnel during the period from March 27, 2012 to March 31, 2013.

9. Income Taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate to the net loss for the year ended March 31, 2013 and the period from March 27, 2012 to March 31, 2012 is as follows:

	2013	2012
Net loss for the period	\$ (5,500)	\$ (2,163)
Expected income tax recovery at 26.5% (2012 - 26.5%)	\$ (1,460)	\$ (573)
Share issue costs	(660)	-
Change in valuation allowance	2,120	573
Income taxes recovery	\$ -	\$ -

Unrecognized deferred tax assets

Deferred income taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	2013	2012
Non-capital losses carry forward	\$ 8,160	\$ 2,163
Share issuance costs	\$ 2,000	\$ -

Notes to Financial Statements

*for the year ended March 31, 2013 and
for the period from March 27, 2012 (date of incorporation) to March 31, 2012*

9. Income Taxes - continued

Unrecognized deferred tax assets - continued

Share issue costs expire from 2014 to 2016. At March 31, 2013, the Company had a non capital loss for income tax purposes of approximately \$8,200 which can be carried forward to be applied against future taxable income. The loss expires, to the extent unutilized against future taxable income as follows, \$2,200 in 2031 and \$6,000 in 2032.

The Corporation has not recorded deferred tax assets related to these unused carry forward losses as it is not probable that future taxable profits will be available against which these losses can be utilized.

10. Subsequent Event

Initial Public Offering

Pursuant to an agency agreement dated May 22, 2013 between the Company and Hampton Securities Limited (the "Agent"), the Company agreed to file a Prospectus with the Alberta Securities Commission, British Columbia Securities Commission and Ontario Securities Commission for the issuance of a minimum of 1,000,000 and a maximum of 1,700,000 common shares at a price of \$0.30 per share for gross proceeds of a minimum of \$300,000 and a maximum of \$510,000 (the "Offering").

The Company agreed to pay the Agent a commission of 10% of the gross proceeds of the Offering, a corporate finance fee of \$11,300 (including HST) and to reimburse the Agent for its legal fees and disbursements plus applicable taxes. Currently, the Company has paid the work fee of \$11,300. The Agent will also be granted Agent's warrants to purchase up to 10% of the common shares sold under the Offering at a price of \$0.30 per common share, which will expire 24 months from the date the common shares are listed for trading on the Exchange.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to the lesser of 30% of the gross proceeds or \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of the Qualifying Transaction.

CERTIFICATE OF THE CORPORATION

Date: May 22, 2013

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia, Alberta and Ontario.

(signed) Thomas Sears
Chief Executive Officer

(signed) Thomas Sears
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) Scott Johnson
Director

(signed) Carlo Sansalone
Director

CERTIFICATE OF THE PROMOTER

Date: May 22, 2013

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia, Alberta and Ontario.

(signed) Thomas Sears
Thomas Sears

CERTIFICATE OF THE AGENT

Date: May 22, 2013

To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia, Alberta and Ontario.

HAMPTON SECURITIES LIMITED

Per: (signed) Mark George
Executive Vice President and Chief Operating Officer