THIS IS A PRELIMINARY PROSPECTUS RELATING TO THESE SECURITIES, A COPY OF WHICH HAS BEEN FILED WITH THE ALBERTA SECURITIES COMMISSION BUT THAT HAS NOT YET BECOME FINAL FOR THE PURPOSE OF A DISTRIBUTION. INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THAT A RECEIPT IS OBTAINED FROM THE ALBERTA SECURITIES COMMISSION FOR THE FINAL PROSPECTUS.

PRELIMINARY PROSPECTUS dated agosto 29, 1997

No securities commission or similar authority in Canada has in any way passed on the merits of the securities offered hereunder and any representation to the contrary is an offence. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale, and therein only by persons permitted to sell such securities.

New Issue August 21, 1997

Westview Lifecare Centres Inc.

Minimum Offering: 6,000,000 Units ($1,500,000) (the "Units"),
Maximum Offering: 8,000,000 Units ($2,000,000) Price $.25 per Unit
Each Unit consists of one Class "A" common share (the "Common Share")
and one Common Share purchase warrant (the "Warrant")
and 609,000 Common Shares and 609,000 Warrants issuable on
exercise of 609,000 Special Warrants, that
were previously issued at $0.25 per Special Warrant

Westview Lifecare Centres Inc. (the "**Corporation**" or "**Westview**") offers for sale a minimum of 6,000,000 Units, for gross proceeds of $1,500,000 (the "**Minimum Offering**"), and a maximum of 8,000,000 Units for gross proceeds of $2,000,000 (the "**Maximum Offering**"); and qualifies for distribution 609,000 Common Shares and 609,000 Warrants issuable on exercise of 609,000 Special Warrants. Each Warrant entitles the holder to purchase one Common Share for $0.30 until October 1, 1998.

Each Special Warrant may be exchanged without additional payment for one Common Share and one Warrant at any time on or before 5:00 pm (Calgary time) on the earlier of:

i) the fifth business day following the date upon which receipt for the final prospectus qualifying the Common Shares issuable on exercise of the Special Warrants for distribution is issued by the Alberta Securities Commission (the "**ASC**"); and

ii) December 31, 1997; (the "**Expiry Date**").

The price and terms of these securities were fixed by negotiation between the Corporation and Rogers & Partners Securities Inc. (the "**Agent**"). Westview will use the net proceeds of this Offering to repay debts that it incurred to acquire land in the Calmar area of Alberta and to the extent funds permit to fund the development and construction of a supportive housing complex for seniors on that land with provision for recreation, security, personal care and other amenities aimed at providing for the comfort and pleasure of the resident. (See **Use of Proceeds**)

	Price to Public	**Agent's Commission**(1)	**Net Proceeds to Corporation**(2)
Per Unit	$0.25	$0.025	$0.225
Minimum Offering(3)	$1,500,000	$150,000	$1,350,000
Maximum Offering(4)	$2,000,000	$200,000	$1,800,000

Notes:

(1) The Agent will be paid a commission of 10% of the gross proceeds of this Offering plus an agency fee of $15,000. In addition, the Corporation will grant the Agent an option to purchase the number of Common Shares equal to 10% of the Units sold under this Offering at $0.25 per Common Share (the "**Agent's Option**"). The Agent's Option is qualified for distribution under this Prospectus and is exercisable at any time prior to 18 months from the date of listing of the Common Shares on the Alberta Stock Exchange (the "**Exchange**"). (See Plan of Distribution)

(2) Before deducting expenses of this Offering, estimated to be approximately $60,000, which includes all legal fees and disbursements which together with the Agent's commission will be paid by the Corporation from the subscription proceeds.

(3) Assumes a Minimum Offering of 6,000,000 Units.

(4) Assumes a Maximum Offering of 8,000,000 Units.

These securities should be considered highly speculative due to the nature of the Corporation's business and its present stage of development. The Corporation has a very limited business history and has only acquired land in the Calmar area of Alberta, a description of which is included in this Prospectus. The success of the development, construction and leasing of the proposed premises cannot be assured. Subscribers must rely upon the ability, expertise, judgement, discretion, integrity and good faith of the management of the Corporation.

After giving effect to this Offering, the issue price of $0.25 for each Common Share exceeds the net tangible book value per Common Share as at March 31, 1997 by $0.1648, a dilution factor of 65.92% of the issue price in the case of the Minimum Offering and by $0.1495 or a dilution factor of 59.81% of the issue price in the case of the Maximum Offering.

The Agent, as sole and exclusive agent of the Corporation, conditionally offers the Units for sale in the Province of Alberta on a "best efforts" basis in accordance with the conditions contained in the Agency Agreement referred to under **Plan of Distribution** and subject to the approval of certain legal matters on behalf of the Corporation by Cook Duke Cox, and on behalf of the Agent by Burstall Ward. Subscriptions for Units will be received subject to rejection or allotment, in whole or in part, and the right is reserved to close the subscription book at any time without notice. All subscription funds received by the Agent will be forwarded by the Agent to the Custodian. The Custodian will hold the subscription funds in trust and will release them if subscriptions for the Minimum Offering have been received and accepted and certain closing conditions have been satisfied, at which time an initial closing (the "**Initial Closing**") may take place. If the Initial Closing takes place but the Maximum Offering has not been achieved the Corporation may, with the consent of the Agent, hold more than one Closing (each the "**Closing**"). It is expected that certificates for the Common Shares and for the Warrants will be available for delivery at the Initial Closing and any subsequent Closing. Certificates for Common Shares and Warrants issuable to holders of the Special Warrants will be available for delivery following the exercise of Special Warrants. All of the outstanding Special Warrants will be deemed to be exercised at 5:00 p.m. (Calgary Time) on the Expiry Date.

If the Minimum Offering is not completed within 90 days from the date the ASC issues a receipt for the Final Prospectus, the Offering will be cancelled and the Custodian will return subscription monies to the subscribers without interest or deduction.

Agent:

Rogers & Partners Securities Inc.
Suite 2300, 777 - 8th Avenue S.W.
Calgary, Alberta
T2P 3R5

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Prospectus Summary

The following is a summary of the more detailed information contained elsewhere in this Prospectus and is not intended to be exhaustive but should be read in conjunction with the information given elsewhere in this Prospectus.

The Corporation

Westview Lifecare Centres Inc. ("**Westview**" or the "**Corporation**"), a corporation organized under the laws of the Province of Alberta, is engaged in the development of supportive housing complexes for seniors with provision for recreation, security, personal care and other amenities aimed at providing for the comfort and pleasure of the resident. The initial project is planned for the Calmar area of Alberta (the "**Calmar Project**"). The Corporation intends to develop its existing properties and expand in new core areas, utilizing joint ventures as well as its own funds.

The Offering

The Offering consists of Units of the Corporation (the "**Units**") where each Unit consists of one Class "A" common share (the "**Common Shares**") and one Common Share purchase warrant (the "**Warrants**") and qualifies for distribution 609,000 Common Shares and 609,000 Warrants issuable on the exercise of the Special Warrants. (See **Plan of Distribution**)

Minimum Offering	6,000,000 Units ($1,500,000) Special Warrants
Maximum Offering	8,000,000 Units ($2,000,000)
Price	$0.25 per Unit

Warrants

The Warrants will be issued under and governed by a Warrant Indenture to be entered into between the Corporation and CIBC Mellon Trust Company. Each Warrant entitles the holder to purchase one additional Common Share, for $0.30 until October 1, 1998. (See **Description of Share Capital: Warrants**)

Special Warrants

By way of private placement, the Corporation issued an aggregate of 609,000 Special Warrants at a price of $0.25 per Special Warrant for cash consideration and the conversion of outstanding debt. Of the Special Warrants issued, 304,000 Special Warrants were used for the conversion of outstanding debt due by the Corporation for the aggregate amount of $76,000. Since the date of issuance, no Special Warrants have been exercised. (See **Description of Share Capital: Special Warrants**)

Exercise of Special Warrants

Each Special Warrant may be exchanged without additional payment for one Common Share of the Corporation and one Warrant at any time on or before 5:00 p.m. (Calgary time) on the earlier of:

i) the fifth business day following the date upon which receipt for the final prospectus qualifying the Common Shares issuable on exercise of the Special Warrants for distribution is issued by the Alberta Securities Commission (the "**ASC**"); and

ii) December 31, 1997; (the "**Expiry Date**").

If a receipt for a final prospectus relating to the distribution of Common Shares upon exercise of Special Warrants and the Warrants forming part of the Special Warrants has not been obtained from the ASC by October 1, 1997, the Special Warrants will be subject to a conversion rate increase of 25% such that 1.25 Common Shares and 1.25 Warrants will be issued upon the exercise of each Special Warrant. (See **Description of Share Capital: Class A Common Shares**)

Expiry Date

Any Special Warrants not exercised prior to 5:00 p.m. (Calgary time) on the Expiry Date will be deemed to have been exercised immediately prior to such time without any further action on the part of the holder.

Use of Proceeds

The net proceeds of this Offering will be used by the Corporation to repay debts that it incurred to acquire land in the Calmar area and to the extent funds permit, to fund the development and construction of the Calmar Project to include a supportive housing option that would provide food and shelter for the resident, along with numerous social, recreation and health care services. (See **Use of Proceeds**)

Promoters

Terry W. Smith, Lynda Doll, Eugene Sekora, Randy Clifford and Paul J. Verhesen may be considered to be the promoters of the Corporation in that they have taken the initiative in re-organization of the Corporation. (See **Promoters**)

Risk Factors

These securities are considered to be highly speculative due to the nature of Westview's business and its formative stage of development. Westview has no business history or earnings record. There are additional risks associated with the investment relating to prospects for success, availability of financing, market for the securities, costs to complete construction, acceptance by potential residents and leasing opportunities. In assessing the risks of an investment in the Units, potential investors should realize that they are relying on the experience, judgment, discretion, integrity and good faith of the management of the Corporation. Some of the directors and officers of the Corporation are currently engaged and will continue to be engaged in the other facilities providing for the care and well being of seniors and there may be situations in which the interests of the directors and officers will conflict with those of the Corporation. (See Risk Factors - Conflicts of Interest.)

After giving effect to this Offering, the issue price of $0.25 for each Common Share exceeds the net tangible book value per Common Share as at March 31, 1997 by $0.1648 or a dilution factor of 65.92% of the issue price in the case of the Minimum Offering and by $0.1495 or a dilution factor of 59.81% of the issue price in the case of the Maximum Offering. (See Dilution)

The Corporation

Westview Lifecare Centres Inc. ("**Westview**" or the "**Corporation**") was incorporated as 651138 Alberta Ltd., under the laws of Alberta on April 18, 1995. The Corporation changed its name to Westview Lifecare Centres Inc. and removed its private company restrictions on November 20, 1995 by Certificate of Amendment. The Corporation's head office is located at 102, 9333 - 47th Street, Edmonton, Alberta, T6B 2R7 and its registered office at 3000, 700 - 9th Avenue S.W., Calgary, Alberta, T2P 3V4.

The Corporation has one wholly-owned subsidiary, 600071 Alberta Ltd. ("**600071**") which it acquired on September 16, 1995. 600071 was incorporated under the laws of the Province of Alberta on February 17, 1994. The Directors of the Corporation approved the issuance of 8,400,000 Common Shares as partial consideration for the acquisition of all of the shares of 600071, which owned 14.08 acres of land in the Calmar area of Alberta and is the location for the initial project contemplated by the Corporation (the "**Calmar Project**"). The Directors of the Corporation also issued notes payable as part of the consideration for the acquisition of all of the shares of 600071. (See **Interests of Management and Others in Material Transactions**).

Subsequent to December 31, 1996, the Corporation received back for cancellation 2,080,000 Common Shares from one of the parties to whom Common Shares were issued for the acquisition of 600071. On February 6, 1997 the Directors of the Corporation accepted subscriptions under a private placement for 1,099,000 Common Shares for the aggregate cost of $114,900 and 609,000 Special Warrants for the aggregate amount of $152,250 at a price of $0.25 per Special Warrant, where each Special Warrant entitles the holder to one Common Share and one Warrant.

The Offering

The Corporation:

(i) offers for sale a minimum of 6,000,000 Units for gross proceeds of $1,500,000 (the "**Minimum Offering**") and a maximum of 8,000,000 Units for gross proceeds of $2,000,000 (the "**Maximum Offering**"); and

(ii) qualifies for distribution 609,000 Common Shares and 609,000 Warrants on exercise of the Special Warrants. (See **Description of Share Capital**)

Each Warrant entitles the holder to purchase one Common Share for $0.30 until October 1, 1998.

Business of the Corporation

The primary focus of the Corporation is to provide housing for seniors. The Calmar Project is proposed to be situated on 14.08 acres of land north of the intersection of Westview Drive and 52nd Street in Calmar, Alberta. The Calmar Project will be designed for the residents to age in place, with provision for recreation, security, personal care, a barrier free environment, and other amenities aimed at providing for the comfort and pleasure of the resident. Key components of this plan include a supportive housing option which will provide food and shelter, space to be leased in the building for private care professionals to provide services to residents, optional services to be provided on a fee for service basis, the ability to expand services as required on an individual client basis, a facility that can expand to house a larger number of clients within the same site, thereby reducing operational costs on a per unit basis and the ability to sub-contract management, care, medical support, food and other support services. The Corporation intends to focus on rural Alberta where the need for care complexes, and the likelihood for longterm residents, is the greatest.

The income stream generated from the basic operations will be similar to a conventional apartment complex, with the day to day operations having the ability to act as a hotel to earn additional income on a fee for service basis.

The Corporation intends to expand as quickly as prudently possible. Management's vision is to grow to 25 operating facilities in the next five to seven years. The Corporation has and will continue to develop the expertise to build and design these complexes as well as manage them. As each new project is developed, the Corporation will look to increase its revenues by expansion of the services provided at each site.

The equity needed to offset each additional capital project will be derived from retained earnings as well as from earnings derived from future construction activity and from future equity and debt financings. The funds required to build additional complexes are intended to be sought from conventional financing sources under conventional lending practices and mortgage ratios. The management's vision provides for more complexes to be built within the province as the needs are verified and become evident.

As a real estate only development, each facility is intended to generate pretax net income sufficient to support a standard mortgage and to offset operating expenses. With the provision of other services on a fee-for-service basis, each facility has the ability to earn higher pretax net income, based on the current pay for care models. This income will be generated from the residential leases within the complex. The ability to expand the cashflow menu is a major consideration.

The Corporation will be looking at other business opportunities to be developed during the normal course of operations. These may include, but will not be limited to, management contracts for the administration and development of other properties not owned by the Corporation, private care contracts, creation of sub acute beds within existing complexes, and development of projects for private concerns, charities, groups and other types of associations. The other business interests will not affect the operations of the Corporation adversely, but will promote and enhance the operations. The Corporation intends to maintain subsidiary corporations to isolate business opportunities as well as operations which involve risk from third parties.

Certain of the directors and officers of the Corporation are also associated with other facilities providing for the care and well-being of seniors. In these circumstances, and potentially in other cases, various conflicts of interest could arise from time to time. To address such conflicts, the Corporation will follow the provisions of the *Business Corporations Act* (Alberta) to deal with such conflicts. The *Business Corporations Act* (Alberta) provides that in the event that a director or officer has an interest in such contract or proposed contract or agreement, the director or officer shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the

Business Corporations Act (Alberta) (see also **The Corporation - Background** and **Interests of Management and Others in Material Transactions**).

Calmar Project Operations

The Corporation currently holds the lands, design and operational program for the Calmar Project along with the requisite development permits and zoning compliance. The goal of the Calmar Project will be to provide seniors and the physically challenged with a modern, comfortable environment and quality standard of living. The residents will live in an independent and secure environment with the option to receive various health, therapeutic, nursing and maintenance support in their own home. The complex will be located in the community and operated in partnership with family, friends, volunteers and medical personnel. The Calmar Project is designed to provide an alternative to long term care in seniors' lodges, nursing homes, group homes and chronic care hospitals.

It is intended that the atmosphere at the Calmar Project be non-institutional and offer seniors the freedom to make lifestyle choices. A move into the Calmar Project is intended to maintain previous lifestyles and provide independent living while eliminating home maintenance tasks. It is intended that medical services may be brought to the residents thereby eliminating moves, and associated stress, to alternate locations as the need for health care increases. The aim of the Calmar Project is to emphasize quality of life for the residents for the rest of their lives.

Development of the Calmar Project is expected to occur in three phases. The initial phase would be the construction of 60 residential units with basic amenities. The current plan calls for 8 studio units, 28 one-bedroom suites, and 24 two-bedroom suites. The complex would occupy approximately 4 acres of the 14.08 acre site, with phases 2 and 3 using another 6 acres, and allowing approximately 4 acres to be used for recreational and service amenities as well as garden, park and picnic areas.

Phase 2 would see the addition of another 37 residential units with 16 studio units, 18 one-bedroom suites, and 3 two-bedroom suites, bringing the total on site to 97 units. Phase 3 would add another 36 one-bedroom suites and 6 two-bedroom suites on site, making for 139 units on completion. These additional units will be developed when management believes they will be financially viable.

Dezman Cowan Real Property Appraisals Ltd. have appraised the value of the Calmar Project, effective upon completion of construction and occupancy at $4,120,000 while the estimated value for the vacant site was appraised at $210,000. The value of the completed Calmar Project was reviewed under three approaches to value including cost approach, income approach and direct comparison approach. The value estimated using the income approach including an adjustment for vacant site area relating to Phase 2 and 3 of development was deemed the key indicator of value. The direct comparison approach was highly supportive in concluding this estimate of value while the cost approach resulted in a higher value estimate.

The Calmar Project will have extra wide hallways, equipped with handrails and be completely wheel chair accessible. Additional features will include central bathing facilities, family dining room, laundry and parking facilities.

The Calmar Project will blend with the surrounding buildings and area. The decor in each suite is designed to be elegant and distinguished while providing a home setting that will allow for medical care. Each suite will have monitored electronic security, a voice to voice nurse call system in the bathroom and bedroom operating 24 hours a day, non-slip floors, low pile carpeting and will be wheel chair accessible. Bathing areas and shower stalls will be equipped with grab bars and non-slip flooring.

Home care provided by staff at the Calmar Project is intended to be prompt and cost efficient. As the resident will be seen on an ongoing basis the constant monitoring will allow for increased service as the need arises. The resident's health and well being will be reviewed with the resident , their family and the care team.

Management expects to charge a basic rate of between $975 and $1,295 per month for food, shelter and utilities. In addition to these charges itemized on the billing to the resident, residents will be billed for any additional services they may request during the month. The basic services included in the monthly fee will include a minimum of one full meal per day (with an option for the additional two meals), first aid, emergency health monitoring, health assessments, management of medical emergencies, recreational programs, snacks and beverages during the day. All shelter costs, such as utilities, taxes, mail delivery, security, cable television, general maintenance, housekeeping and laundry will be included in the monthly fee. As the Corporation's operations mature, the operations will be geared to provide long term support and care for residents. The residents will be provided with more services than are currently available in most other care facilities.

The Calmar Project may be changed by the Corporation in non-material ways from that described in this Prospectus.

Edmonton Metropolitan Area Map

Westview Lifecare Centres Site Plan

Westview Lifecare Centres Floor Plan[1]

[1] Architectural details, features and dimensions approximate and subject to change.

Westview Lifecare Centres Suite Plan[2]

[2] Architectural details, features and dimensions approximate and subject to change.

Feasibility Study of the Calmar Project

The Corporation retained MPM Project Management of Edmonton to prepare a feasibility study of the Calmar Project. The study dated June 29, 1997 was submitted to the Corporation and concluded as follows:

i) the average age of the Canadian population is increasing and will continue to do so for the foreseeable future. Statistics indicate that the ageing of the population will not decrease before the year 2040, making senior-related projects an attractive investment;

ii) the defined geographic area for the Calmar Project is the town of Calmar and the surrounding 30 kilometres of rural area. The target market area for the Calmar Project has 1,290 people over the age of 65 based on the 1993 municipal census data. Full occupancy for the Calmar Project would be 4.6% of the available market.

iii) there is a lack of adequate housing for seniors in this area evidenced by substantial waiting lists at seniors' residences, lodgings and nursing homes. This indicates an unsatisfied demand in the marketplace; and

iv) the Calmar Project is expected to provide a level of product and service that exceeds the present offering of competitive facilities. The Calmar Project as envisioned would be a premium product in the marketplace while providing competitive rates.

Copies of the Feasibility Study have been filed with the Exchange and the ASC and are available for inspection at their offices and at the Corporation's head office during the period of the distribution and for 30 days after the distribution.

Acquisition of the Calmar Project

Pursuant to a Master Agreement for Sale dated September 16, 1995, the Corporation acquired all of the shares of 600071. The major asset of 600071 was the 14.08 acres of land on which the Calmar Project is to be built. The shares of 600071 were owned collectively by founding shareholders of the Corporation, either directly or by companies controlled by them.

Title to the Calmar Project Property

The Corporation has good and marketable title to the land on which the Calmar Project will be built subject only to:

i) two Utility Right-of-Ways granted to the Town of Calmar;

ii) a mortgage granted by the Royal Bank of Canada in the principal amount of $80,000. The mortgage incurs interest at the rate of 7 percent per annum. It is anticipated that this mortgage will be paid out from the proceeds of this Offering (See **Use of Proceeds** and **Share and Loan Capital**)

iii) a mortgage granted by Parkland Funding Ltd. an arm's length corporation, in the principal amount of $325,000. The mortgage was granted at 16.5 percent per annum for a one year renewable term. It is anticipated that this mortgage will be paid out from the proceeds of the Offering (See **Use of Proceeds** and **Share and Loan Capital**);

iv) a caveat regarding assignment of rents and leases held by Parkland Funding Ltd.;

v) a builders lien issued by Kon Construction Ltd. It is anticipated that his lien will be paid out from the proceeds of this Offering. (See **Use of Proceeds** and **Legal Proceedings**); and

vi) a certificate of *lis pendens*, affecting the builders lien described in (v).

The Construction Agreement

The Corporation signed a June 11, 1997 stipulated price contract (the "**Construction Agreement**") with Graham Construction and Engineering (1985) Ltd. (the "**Builder**") to construct the Calmar Project. The Construction Agreement calls for work to commence by September 1, 1997 and to attain substantial performance of the work by August 31, 1998. The costs under the Construction Agreement are allocated as follows:

Construction Management / Contract Fee	$ 115,000
Contingency	100,000
Sitework, Excavation and Backfill	108,000
Landscaping	77,000
Building	3,000,000
GST	238,000
Total	$3,638,000

The Builder would perform the actual construction work on the Calmar Project.

As an alternative to the stipulated price contract, the Builder has given the Corporation the option to choose a construction management contract using the fixed price as a guaranteed maximum upset price whereby the Corporation and the Builder would share savings on the basis of 60% and 40% respectively. Fees involved using the construction management contract are as follows:

Guaranteed Upset Price	$ 3,400,000
Budget / Design Phase Fee	15,000
Construction Phase Fee	100,000
Total	$3,515,000

Credit Facilities

The Credit Facilities discussed below have not been finalized. The following is a summary of the terms, actual and anticipated, of these facilities based upon the discussions that have been carried out between the Corporation and potential lenders.

In a June 6, 1997 letter, it was indicated that the Builder, or one of its associated or affiliated companies is prepared to provide interim construction financing to a value of $3,000,000 subject to the following conditions:

i) that the Builder will be the contractor for the Calmar Project;

ii) that the terms and conditions of the take out mortgage are acceptable to the Builder;

iii) that the proceeds from the equity contribution and the take out mortgage are sufficient to pay out the construction financing; and

iv) that the cost of construction financing will include both interest and fees and will be paid on an agreed schedule.

Interim construction financing during the construction period will bear interest at a rate to be negotiated by the Corporation, have a term of 18 months and be payable interest only. On the completion of construction the interim construction financing will be repaid out the proceeds of the permanent mortgage loan.

The Corporation has accepted a July 29, 1997 credit proposal letter from the Canadian Western Bank (the "Bank") to provide take out mortgage financing for the Calmar Project up to the amount of $3,000,000.00 (the "Mortgage"). The credit proposal letter is not an approval of the financing but only outlines the terms and conditions upon which the Corporations application will be considered and which would be confirmed in the final commitment. The term of the Mortgage would be 3,4,or 5 years, at the option of the Corporation, and would be amortized over 20 years. The Mortgage will bear interest at a rate dependent upon the length of the term chosen by the Corporation. Although exact rates cannot be quoted until the date of fixing the rate of interest of the Mortgage of the following fixed rates have been provided by the Bank for reference purposes:

Term	Loan Rate
3 Years	7.49%
4 Years	8.01%
5 Years	8.01%

The Mortgage will be repayable in blended monthly payments of principal and interest.

As security for the loan, in addition to any other reasonable documents, assurances, information and covenants as the solicitors for the Bank may reasonably require, the Corporation will provide the following security documents (collectively, the "Security"):

i) Commercial First Mortgage for $3,000,000 on real property of the Calmar Project and owned by the Corporation. The mortgage is to contain a "due on sale" clause as well as a clause addressing the appointment of a Receiver/Manager of the project in the threat of default;

ii) A General Security Agreement securing a first charge on personal property including machinery, equipment, goods, chattels, and vehicles used in the operations of the Calmar Project and any after acquired property; and

iii) General Assignment of Rents and/or Leases Receivable by the Corporation.

In addition, the Corporation will be required to produce such of the following supporting documents as may be required by the Bank's solicitors:

i) satisfactory Real Property Report of the Calmar Project;

ii) satisfactory Zoning or Building memorandum, or Letter from applicable Zoning official, from the applicable municipal authority;

iii) a Tax Certificate showing all property taxes and charges paid or a holdback sufficient to pay taxes when due;

iv) standard form documents relating to authorization of the borrowing and operation of the loan account;

v) statutory Declaration from the Corporation or an officer of the Corporation as to residency, title, use of premises, actions or claims and such other matters as the Bank's counsel may advise;

vi) construction Loan Agreement/Commitment letter; and

vii) an Opinion of the Corporation's counsel as to Corporations's existence, power and actions taken and other matters in form and content acceptable to the Bank's counsel.

The Bank will require 2 full business days prior written notice for disbursement of funds.

Prior to initial advance of funds the Bank must be provided with an appraisal of the project confirming a final value of not less that $4,120,000.00. The Bank has received a copy of the Desman Cowan appraisal of June, 1997, and has deemed it acceptable subject to the Bank receiving a transmittal letter from Dezman & Cowan confirming the Bank may rely on the appraisal for lending purposes.

In addition to such other terms and conditions the Corporation and the Bank may agree on, prior to any initial advance of funds the following conditions must be satisfied:

i) the Calmar Project will have achieved stabilized occupancy defined as an occupancy of a minimum of 90% for 6 consecutive months with rental rates being achieved as outlined in the Corporations Business Plan. In addition, interim accountant prepared project income and expense statements will confirm net operating income sufficient to provide debt service coverage of no less that 1.25:1;

ii) the initial public offering for the Corporation shall have been completed, and confirmation shall be provided that a minimum of $1,500,000 in equity was raised via the offering;

iii) the Certificate of Substantial Completion shall have been posted and the builder's lien period shall have expired;

iv) delivery of the Security in form and terms acceptable to the Bank and its solicitors; and

v) the Borrower shall establish with the Bank an operating account for the project, through with all cashflows in relation to the project shall be processed.

Conditions Precedent to the Initial Closing

This Offering will only be completed if:

i) subscription funds have been received and accepted by the Agent for at least the Minimum Offering on or before the Initial Closing; and

ii) all of the agreements listed under Material Contracts are in full force and effect.

Variations in Operating Results

The Corporation has not conducted any active business in the last three years and accordingly there is no variation in operating results.

Use of Proceeds

The net proceeds of the Offering, after deducting the Agent's commission is estimated to be $1,800,000 ("**Maximum Offering**") or $1,350,000 ("**Minimum Offering**"). The following sets out the expected use of proceeds by the Corporation. These are approximate and may differ slightly depending on actual costs.

Description	Minimum Offering(1)	Maximum Offering(2)
Accounts Payable(3)	$170,000	$183,000
Land Payables(4)	$400,000	$400,000
Notes Payable(5)	$100,000	$200,000
Costs of Offering(6)	$ 60,000	$ 60,000

Description	Minimum Offering[1]	Maximum Offering[2]
Construction of Calmar Project[7]	$200,000	$537,000
Working Capital	$420,000	$420,000
Total	**$1,350,000**	**$1,800,000**

Notes:

(1) Assumes that 6,000,000 Units are sold and does not include the exercise of the Agent's Option or Warrants that would increase the proceeds to the Corporation.

(2) Assumes that 8,000,000 Units are sold and does not include the exercise of Agents' Options or Warrants that would increase the proceeds to the Corporation.

(3) These amounts were incurred in the preparation and development of the Calmar Project and includes amounts to pay out the builders' lien issued by Kon Construction Ltd. (See **Title to the Calmar Project Property and Legal Proceedings**)

(4) This debt was incurred in connection with the acquisition of the Calmar Project and consists of a mortgage in the amount of $325,000 in favour of Parkland Funding Ltd. and a loan in the principal amount of $75,000 payable to The Royal Bank of Canada.

(5) These notes were granted as partial consideration for the acquisition of 600071.

(6) This amount includes legal, accounting and printing fees.

(7) This amount is in excess of the mortgage financing being negotiated and includes amounts itemized as a contingent liability in Note 7 of the Financial Statements being a sum that the Corporation may have to pay to Forest Construction Limited. (See **Legal Proceedings**)

Share and Loan Capital Structure

The following table sets forth the capitalization of the Corporation as at March 31, 1997 audited financial statements, June 30, 1997 and after giving effect to this Offering:

Authorized Security	Amount Authorized	Amount Outstanding as of March 31, 1997[1][2] (audited)	Amount Outstanding as of June 30, 1997[1][2] (unaudited)	Amount Outstanding as at June 30, 1997 After Giving Effect to Maximum Offering[1]
Common Shares	unlimited	9,711,100[3] ($461,301)[5]	9,711,100[3] ($461,301)[5]	17,711,100[4] ($2,261,301)[5][6]
Special Warrants	2,000,000	609,000 ($152,250)[7]	609,000 ($152,250)[7]	609,000 (152,250)[7]
Debt	not applicable	$782,610	$790,294	$0[8]

Notes:

(1) Subsequent to December 31, 1996, the Corporation received back for cancellation 2,080,000 Common Shares.

(2) The deficit of the Corporation as of March 31, 1997 was $314,113.

(3) The Corporation has also reserved for issuance 800,000 Common Shares for issuance pursuant to the exercise of the Agent's Options, 200,000 Common Shares under option to Mr. R. Clifford and 2,000,000 Common Shares under option to Mr. T. Smith. (See **Plan of Distribution**.)

(4) This assumes that the Common Shares under the Agents Option, the 200,000 Common Shares under the option to Mr. R. Clifford, the 2,000,000 Common Shares under option to Mr. T. Smith, the Warrants and Special Warrants have not been exercised.

(5) Of this amount 191,000 Common Shares were issued for the conversion of $21,600 of outstanding debt due by the Corporation.

(6) This amount reflects net proceeds of the Offering after deducting the Agent's commission and does not include the exercise of the Agent's Option or the costs of the Offering and assumes that no Warrants or Special Warrants have been exercised.

(7) Of this amount 304,000 Special Warrants were issued for the conversion of $76,000 of outstanding debt due by the Corporation.

(8) This reflects the amounts set out in Amounts Outstanding as of 1997 to be retired out of the proceeds of this Offering.

Description of Share Capital

Authorized and Issued Capital

The Corporation is authorized to issue an unlimited number of Common Shares, an unlimited number of Class "B" common non-voting shares and an unlimited number of Class "C" preferred shares, all without nominal or par value. The Corporation has issued and outstanding as fully paid and non-assessable as at the date of this Prospectus 9,711,100 Common Shares, 609,000 Special Warrants, no Class "B" common shares or Class "C" preferred shares.

Common Shares

The holders of the Common Shares are entitled to dividends as and when declared by the Board of Directors, and are entitled to one vote per share at meetings of shareholders. Upon liquidation of the Corporation, the holders of the Common and Class "B" common shares are entitled to participate equally in the distribution of assets of the Corporation after the Class "C" preferred shares have been paid in full.

Class "B" Common Shares

The holders of Class "B" common shares are entitled to dividends as and when declared by the Board of Directors, and are not entitled to vote at meetings of shareholders subject only to the requirements of the *Business Corporations Act* (Alberta). Upon liquidation, holders of Class "B" common shares are entitled to participate equally with the holders of Common Shares to distribution of the assets of the Corporation after payment of the sum due to Class "C" shareholders.

Class "C" Preferred Shares

The holders of Class "C" preferred shares are not entitled to vote at any meeting of shareholders, subject only to the requirements of the *Business Corporations Act* (Alberta). The holders of Class "C" shares are entitled to non-cumulative dividends at the rate of 8% per annum only if declared by the directors, without priority over the payment of dividends to holders of Special Warrants, Common Shares and Class "B" common shares.

Warrants

The Warrants will be issued under and governed by a Warrant Indenture to be entered into between the Corporation and CIBC Mellon Trust Company, as Trustee. Each Warrant will entitle the holder to purchase one Common Share for $0.30 until October 1, 1998. Warrants will be transferable and will be separable from the Common Shares upon issue.

In the event of any subdivision, consolidation or reclassification of the Common Shares or in the event of the amalgamation or merger of the Corporation with any other company or companies, or in the event of the distribution of shares of any class of the Corporation or other distribution of assets of the Corporation among the holders of Common Shares, other than by way of stock dividend in lieu of a cash dividend paid in the ordinary course, the class, number and price of Common Shares issued or entitled to be acquired pursuant to any exercise of Warrants will be adjusted, if required, so that holders of Warrants will be in no less favourable a position, to the extent reasonably possible, as a result of such event.

In addition, the Corporation will be required to give public notice before taking certain actions while any Warrants are outstanding, including the payment of stock dividends on any of its Common Shares (other than an issue of shares as a dividend paid in the ordinary course) or the issue of rights to holders of its Common Shares. Such notice is to be given at least 21 days prior to the record date for the determination of the shareholders entitled to such dividend, distribution or rights. Such notice need only set forth the particulars of such dividend, distribution or right as shall have been delivered at the date of the notices given.

Reference is made to the Warrant Indenture for the full extent of the attributes of the Warrants. A copy of the Warrant Indenture will be filed with the ASC and will be available for examination at the offices of the ASC and of the Corporation during the period of the distribution and for 30 days after distribution.

Special Warrants

By way of private placement, the Corporation issued 609,000 Special Warrants at $0.25 per Special Warrant for cash consideration and the conversion of outstanding debt, at $0.25 per Special Warrant. Of the Special Warrants issued, 304,000 Special Warrants were issued for the conversion of outstanding debt due by the Corporation for the aggregate amount of $76,000. Since the date of issuance, no Special Warrants have been exercised. Each Special Warrant may be exchanged without additional payment for one Common Share and one Warrant of the Corporation at any time on or before 5:00 p.m. (Calgary Time) on the Expiry Date.

Any Special Warrants not exercised prior to 5:00 p.m. (Calgary time) on the Expiry Date shall be deemed to have been exercised immediately prior to such time without any further action on the part of the holder. The Warrants issued upon the exercise of the Special Warrant entitle the holder to purchase an additional Common Share on the same terms and conditions applicable for subscribers under this Prospectus, being at $0.30 per Common Share, until October 1, 1998. This Prospectus qualifies the distribution of the 609,000 Common Shares issued upon the exercise of the Special Warrants and the 609,000 Warrants upon the exercise of the Special Warrants. If a receipt for a final prospectus relating to the distribution of the Common Shares upon exercise of Special Warrants and Warrants forming part of the Special Warrants is not issued by the ASC on or before October 1, 1997, the Special Warrants will be subject to a conversion rate increase of 25%, such that 1.25 Common Shares and 1.25 Warrants will be issued upon the exercise of each Special Warrant.

Dividend Record and Policy

The Corporation has not paid any dividends on its Common Shares to date and the Corporation does not intend to pay dividends on its Common Shares in the foreseeable future. The future payment of dividends will be dependent upon the financial requirements of the Corporation to fund future growth, the financial condition of the Corporation and other factors the board of directors of the Corporation may consider appropriate in the circumstances.

Directors and Officers

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

Name and Municipality of Residence	Positions Held	Principal Occupation	Common Shares Held Directly and Indirectly
Terry W. Smith Edmonton, Alberta	Chief Executive Officer, President and Director	President and Chief Executive Officer of TWS Engineering Ltd.	2,110,000(2)
Lynda Doll St. Albert, Alberta	Vice-President and Director	Administrator of Long Term Care Facilities	530,000(3)
Eugene Sekora(1) Edmonton, Alberta	Chief Financial Officer and Director	Chartered Accountant through J. Eugene Sekora, Professional Corporation	40,000
Randy Clifford(1) Edmonton, Alberta	Director	Small business owner and operator	340,000(4)
Paul J. Verhesen(1) Edmonton, Alberta	Director	Construction and development business owner and operator	10,000
Andrew R. Gromnicki Calgary, Alberta	Secretary	Lawyer	Nil

Notes:

(1) Messrs. E. Sekora, R. Clifford and P. Verhesen are members of the Corporation's Audit Committee. The Corporation does not have an Executive Committee.

(2) Of this amount 100,000 Common Shares are held jointly in the names of Terry and Lynne Smith. Mr. T. Smith also has an option to purchase an additional 2,000,000 Common Shares.

(3) These Common Shares are held in a corporation controlled by Ms. Doll, being L. Doll & Associates Ltd. a division of Wesen Management Inc.

(4) Mr. Clifford also holds 50,000 Special Warrants of the Corporation and an option to purchase an additional 200,000 Common Shares of the Corporation.

Background of Directors and Officers

Terry W. Smith, Chief Executive Officer, President and Director, has been the President and CEO of TWS Engineering Ltd. since 1977 and a partner in Alberta Senior Housing Development Inc. since 1996. Mr. T. Smith is also an Executive Director and partner in WesCorp Magna, a Canadian based marketing company that delivers Canadian engineering services and products to Asia. Mr. Smith graduated from the University of Alberta with a B.Sc. in Engineering in 1972.

Lynda Doll, Vice-President Operations and Director, has spent 25 years in health administration, encompassing all aspects of facility management, including patient care, quality assurance, family relations, financial operations, human resource development and management and asset management. She has considerable background in policy and program development and implementation. Ms. L. Doll has been the administrator of two long-term care facilities, with responsibility for the effective management of up to 100 staff members and operating budgets of up to $2.9 million. As well, she has been the Director of Nursing of two long-term care facilities and a community health care centre, which ranged from 25 to 158 beds, with operating budgets of up to $2.2 million. Ms. L. Doll graduated as a registered nurse, has taken various upgrading courses in nursing and administration and more recently has become a licensed real estate agent.

J. Eugene Sekora, Chief Financial Officer and Director, has been a chartered accountant since 1971. Mr. E. Sekora currently operates an accounting practice through J. Eugene Sekora Professional Corporation. Mr. E. Sekora is also on the board of directors of Loma Petroleum Resources Ltd., a public corporation engaged in the oil and gas business.

Randy Clifford, Director, has been a small business owner operator in the Edmonton area for the last 12 years, and was an owner and President of The Premium Tool & Abrasives Co. Ltd., which interest he sold in September, 1995. Mr. R. Clifford has been a director of Cash Canada Group Limited since September, 1996, a public company engaged in the pawn business.

Paul J. Verhesen, Director, is currently a partner in Synergy Developments Ltd., a construction and development business. He has spent over 15 years in construction and development with experience as a Manager of Commercial Construction, Chief Financial Officer and also Chief Estimator/Project Manager.

Andrew R. Gromnicki, Secretary, is an associate of the law firm Cook Duke Cox. He received his Bachelor of Science (Physiology) in 1983 from the University of Manitoba and a Masters of Science (Biochemical Genetics) in 1987 from the University of Calgary. He obtained his Bachelor of Laws in 1990 from the University of Calgary. Mr. A.R. Gromnicki was in-house counsel with one of the major North American natural gas aggregators and marketers until December 1994. Subsequently, he entered private practice focusing on corporate commercial and securities matters and joined Cook Duke Cox in May of 1996.

Advisors

The directors of the Corporation have approved the appointment of Dr. David Skelton and Louis Hyndman, Q.C. as advisors of the Corporation on various matters that may come before the Corporation. Neither Dr. D. Skelton nor Mr. L. Hyndman are officers or directors of the Corporation.

Dr. David Skelton, Advisor, is a specialist in Geriatric Medicine and has been a consultant to a large number of hospitals in Alberta. Dr. D. Skelton was the Chairman and Professor of Geriatric Medicine, University of Alberta; Clinical Head, Edmonton General Hospital; Youville Wing, Edmonton, Alberta and is an ordained Deacon & Priest in the Anglican Church of Canada. Currently, Dr. D. Skelton is a reviewer for the Canadian Medical Journal and for the

Family Practitioner, Canadian College of Family Practice, as well as an assistant Priest at St. John's Anglican Church, Edmonton. Dr. D. Skelton has been a major presenter at most conferences on aging or care for the elderly since 1974. He has written a number of books on matters of the elderly and has been a major contributor to various other magazines and publications all over Canada. He is currently involved with various studies on long term care of the elderly as well as writing educational material for professional nurses. Dr. Skelton currently lives in Edmonton, Alberta.

Louis Hyndman, Q.C., Advisor, has been a senior partner in the law firm Field Atkinson Perraton, since 1986. He received his Bachelor of Arts degree in 1956 and his Bachelor of Laws in 1959, both from the University of Alberta. He had a general practice of law from 1960 to 1971 and was appointed Queen's Counsel in 1975. Mr. Hyndman was elected to the Alberta Legislative Assembly in 1967 and was re-elected for successive terms during which he held various positions, including Minister of Education (1971-1975), Minister of Federal and Intergovernmental Affairs (1975-1979), Government House Leader (1971-1979) and Provincial Treasurer (1979-1986). Mr. Hyndman is a member of the board of directors of several public corporations including Banister Foundation Inc., Canada Trust (CT Financial), IPL Energy Inc., Melcor Developments Ltd., Oxford Properties Group Inc. and TransAlta Corporation.

Executive Compensation

The Corporation has three executive officers, Mr. T. Smith, Ms. L. Doll and Mr. E. Sekora. The Corporation does not presently remunerate its executive officers. It is anticipated that Mr. T. Smith, President and Chief Executive Officer will devote 50% of his time to the business of the Corporation and will receive compensation of 250,000 Common Shares per year for a maximum of five years, at the discretion of the Board, in lieu of monetary compensation. Ms. L. Doll, Vice President of the Corporation, will be the sole executive of the Corporation, to receive monetary compensation. It is anticipated that Ms. Doll will devote 100% of her time to the business of the Corporation and will receive $5,000 per month upon completion of this Offering or at the beginning of operations of the Calmar Project, as determined by the Board of Directors. Mr. E. Sekora will provide services on an as needed basis and is not anticipated to receive any compensation for his duties as an executive officer of the Corporation.

The Corporation does not presently remunerate its directors, as such. The Corporation may utilize professional consultants on an "as required" basis.

Promoters

Terry W. Smith, Lynda Doll, Eugene Sekora, Randy Clifford, and Paul J. Verhesen may be considered to be the promoters of the Corporation in that they have taken the initiative in the reorganization of the Corporation. (See **Management, Directors and Key Employees**)

Options

The Corporation has entered into stock option agreements granting:

i) Mr. T. Smith, a director of the Corporation, an option to acquire 2,000,000 Common Shares at an exercise price of $0.05 per Common Share until January 31, 1999; and

ii) Mr. R. Clifford, a director of the Corporation, an option to acquire 200,000 Common Shares at an exercise price of $0.10 until March 1, 2002.

Subsequent to December 31, 1996 the Corporation accepted back for cancellation 2,080,000 Common Shares from one of the parties to whom Common Shares were issued for the acquisition of 600071. The option to Mr. T. Smith permits the reissuance of the majority of these shares and was part of the agreement for Mr. T. Smith to invest in the Corporation.

Escrowed Securities

Pursuant to ASC Policy 4.9, the number of Common Shares to be escrowed are as follows:

Number of New Shares Held in Escrow	Percentage as of the Date of this Prospectus	Percentage After Giving Effect to Maximum Subscription
5,804,560	59.77%	31.68%(1)

Note:

(1) Assuming no Warrants or Agent's Options are exercised and that no directors or officers subscribe for Common Shares under this Prospectus.

Mr. T. Smith, Ms. L. Doll and Messrs. E. Sekora, R. Clifford and P. Verhesen, 661949 Alberta Ltd. and 407601 Alberta Ltd. have entered into an agreement with CIBC Mellon Trust Company of Canada, as Custodian (the "**Escrow Agreement**") to hold 5,804,560 Common Shares in escrow. Under the terms of the Escrow Agreement, the Common Shares will be released as follows:

(a) 10 percent of the escrowed Common Shares, immediately after 9 months following the date the ASC issues a receipt for the Prospectus;

(b) 20 percent of the escrowed Common Shares after each of the first, second and third anniversaries of the initial release; and

(c) 30 percent immediately after the fourth anniversary of the initial release.

Principal Holders of Securities

To the knowledge of the Corporation as at the date of this Prospectus, no person owns of record or owns beneficially, directly or indirectly, more than 10% of the issued and outstanding Common Shares except for those parties set out below:

Name and Municipality of Residence	Type of Ownership	Number of Common Shares	Percentage of Shares Prior to Offering	Percentage of Shares after giving Effect to Maximum Offering
Terry W. Smith(1) Edmonton, Alberta	Direct	2,110,000	21.73%	11.52%
661949 Alberta Ltd.(2) Stony Plain, Alberta	Direct and Beneficial	2,250,000	23.17%	12.28%
407601 Alberta Ltd.(3) Edmonton, Alberta	Direct and Beneficial	991,000	10.20%	5.41%

Notes:

(1) Of this amount 100,000 Common Shares are held jointly in the names of Mr. T. Smith and Mrs. L. Smith.

(2) 661949 Alberta Ltd. is beneficially owned by Mrs. L. Stanier. Of this amount, 50,000 Common Shares are owned directly by Mr. Stanier, the spouse of Mrs. L. Stanier.

(3) 407601 Alberta Ltd. is beneficially owned by Mr. C. Flis. Of this amount, Mr. C. Flis holds 46,000 Common Shares directly and Ms. B. Flis holds 25,000 Common Shares directly. 407601 Alberta Ltd. also holds 120,000 Special Warrants.

The aggregate number of shares owned by the directors and officers of the Corporation as of the date of this Prospectus is 3,030,000 Common Shares or 31.20% of the issued and outstanding Common Shares of the Corporation. After completion of the Maximum Offering, assuming no Warrants or Agent's Warrants are exercised, that 609,000 Common Shares are issued upon exercise of the Special Warrants and that no directors or officers subscribe for Common Shares under this Prospectus, the directors and officers of the Corporation will hold 16.54% of the issued and outstanding Common Shares of the Corporation.

Prior Sales

Since its incorporation on April 18, 1995, the Corporation has issued 9,711,100 Common Shares at the prices and dates described in the table below:

Date of Issue	Number of Securities Issued	Issue Price Per Share	Proceeds to the Corporation
September 16, 1995	8,400,000 Common Shares(1)	Nil	
September 16, 1995	100 Common Shares	$0.10	$ 1.00
December 15, 1995	910,000 Common Shares	$0.10	$91,000.00
December 20, 1995	355,000 Common Shares	$0.20	$71,000.00
March 22, 1996	40,000 Common Shares	$0.10	$ 4,000.00
March 28, 1996	207,000 Common Shares	$0.20	$ 41,400.00
April 23, 1996	142,500 Common Shares	$0.20	$ 28,500.00
April 30, 1996	100,000 Common Shares	$0.20	$20,000.00
May 8, 1996	120,000 Common Shares	$0.10	$ 12,000.00
June 18, 1996	75,000 Common Shares	$0.20	$ 15,000.00
February 6, 1997	342,500 Common Shares(2)	$0.20	$ 68,500.00
February 6, 1997	1,099,000 Common Shares(3)	$0.10	$109,900.00
February 6, 1997	609,000 Special Warrants(4)(5)	$0.25	$152,250.00
Total	**11,791,100 Common Shares(6)** **609,000 Special Warrants**		$613,551.00

Notes:

(1) These shares were issued in exchange for the shares of 600071 Alberta Ltd. and notes payable in the amount of $550,000.

(2) Of this amount 25,000 Common Shares, for an aggregate amount of $5,000 were issued for the conversion of outstanding debt due to subscribers of the Corporation.

(3) Of this amount 166,000 Common Shares, for an aggregate amount of $16,600 were issued for the conversion of outstanding debt due to subscribers of the Corporation.

(4) The Special Warrants may be exercised to obtain Common Shares and Warrants. Warrants may be exercised to acquire additional Common Shares, at $0.30 per Common Share until October 1, 1998.

(5) Of this amount, 304,000 Special Warrants for the aggregate amount of $76,000 were issued for the conversion of outstanding debt due by the Corporation.

(6) Subsequent to December 31, 1996, the Corporation accepted back into Treasury 2,080,000 Common Shares resulting in 9,711,100 Common Shares being the issued and outstanding capital of the Corporation.

Interests of Management and Others In Material Transactions

Other than as described below, the management of the Corporation is not aware of any material interest, direct or indirect, of any insider of the Corporation, any nominee for election as a director of the Corporation or any associate or affiliate of any such person in any transaction since the date of incorporation, or in any proposed transaction, that has materially affected or would materially affect the Corporation or any of its subsidiaries.

The shares of 600071 were owned collectively by founding shareholders of the Corporation either directly or by corporations controlled by those individuals. In consideration for the acquisition of the shares of 600071, the Corporation issued 8,400,000 Common Shares and $550,000 in notes payable. The notes payable are due to founding shareholders, are non-interest bearing and have no set terms of repayment.

600071 acquired the 14.08 acres of land in the Calmar area of Alberta, which is to be the location of the Calmar Project, as of August 31, 1995 from R.Y.C. Developments Ltd. The purchase was at fair market value of $600,000 established by an appraisal from Bourgeois & Associates, independent appraisers. This was a non-arm's length transaction as R.Y.C. Developments Ltd. was controlled by a director of 600071.

Ms. L. Doll, a director of the Corporation held 6,000 shares of 600071. For 3,000 common shares of 600071, the Corporation issued 120,000 Common Shares in the name of L. Doll & Associates Ltd., a corporation wholly owned by Ms. L. Doll and a note payable in the amount of $15,000 for the remaining 3,000 shares. In addition, the Corporation was obligated to pay Ms. L. Doll for wages and consulting fees. In December 1995, Ms. L. Doll used $4,000 of the amounts owed to her to exercise an option to acquire 40,000 Common Shares at $0.10 per Common Share. In February 1997, Ms. Doll converted debt owed to her for Common Shares in the aggregate of $37,000 for 370,000 Common Shares at $0.10 per Common Share. Ms. L. Doll received cash payment in the aggregate amount of $11,000 and is still owed $12,550 by the Corporation.

Mr. C. Flis, the beneficial owner of 407601 Alberta Ltd. ("**407601**") and a holder of Common Shares of the Corporation, held 34,000 shares of 600071. For 22,000 common shares of 600071, the Corporation issued 880,000 Common Shares in the name of 407601 and a note payable for the amount of $60,000 for the remaining shares. This amount was reduced by the conversion of $4,000 of debt into 40,000 Common Shares, at $0.10 per Common Share. The debt was further reduced in February 1997 by the issuance of 25,000 Common Shares at $0.20 per Common Share for the account of Ms. B. Flis, 46,000 Common Shares at $0.10 per Common Share for the account of Mr. C. Flis and the issuance of 120,000 Special Warrants at $0.25 per Special Warrant to 407601. There remains an outstanding balance of $16,400 due and payable to 407601.

Plan of Distribution

Units

Pursuant to an agency agreement (the "**Agency Agreement**") dated as of ■ between the Corporation and Roger & Partners Securities Inc. (the "**Agent**"), the Agent has been appointed as exclusive agent of the Corporation to offer for sale to the public the Units offered under this Prospectus on a best efforts basis at a price of $0.25 per Unit, where each Unit consists of a Common Share and a Warrant to purchase an additional Common Share, at $0.30 per Common Share for 12 months from the date of issue of the Warrant, and subject to the terms and conditions of the Agency Agreement, the approval of certain legal matters on behalf of the Corporation by Cook Duke Cox and on behalf of the Agent by Burstall Ward. The Agent will receive a commission equal to 10% of the gross proceeds of the Offering, an agency fee of $15,000, of which $5,000 has been paid, and will be reimbursed by the Corporation for its out of pocket costs, including the fees and disbursements of its legal counsel. In addition, upon completion of the Minimum Offering the Agent will be granted an option (the **Agent's Option**), exercisable for 18 months from the date of the Initial Closing, to purchase that number of Common Shares equal to 10% of the number of Units subscribed for under this Prospectus exercisable at the issue price of a Unit, being $0.25 per Unit.

The Agent may, if the Agent deems it appropriate, make syndication or other selling 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 any time at the Agent's discretion on the basis of its assessment of the financial markets and the occurrence of certain stated events.

All subscription funds received by the Agent will be delivered by the Agent, as soon as practicable, to The R.M. Trust Company of Canada (the "**Custodian**"). The Custodian shall not deliver any subscription funds received by the Agent to the Corporation until it has determined to its satisfaction that subscriptions for the Minimum Offering have been received and accepted by the Corporation, and it has received a written request from the Corporation and written instruction from the Agent for the delivery of the subscription funds to the Corporation at which time an initial closing may take place (the "**Initial Closing**"). If the Initial Closing takes place but the Maximum Offering has not then been achieved, the Corporation may, with the consent of the Agent, hold more than one closing of the Offering (each, the "**Closing**"). If the Minimum Offering is not completed within 90 days from the date the ASC issues a receipt for the Final Prospectus, the Offering will be cancelled and the subscription monies held by the Custodian will be returned to the subscribers without interest or deduction.

Subscriptions will be received subject to rejection or allotment in whole or in part and the Agent reserves the right to close the subscription books at any time without prior notice. It is expected that certificates for the Common Shares and Warrants will be available for delivery immediately following the Initial Closing of this Offering and as to any Units sold subsequent to the Initial Closing, within five days of Closing.

Securities Issuable Upon Exercise of Special Warrants

Under the terms of the Special Warrants, the Corporation has agreed to use its best efforts to obtain a receipt for this Prospectus that qualifies the distribution of Common Shares and Warrants on exercise of the Special Warrants. Certificates for Common Shares and Warrants issuable to holders of the Special Warrants will be available for delivery following the exercise of the Special Warrants. All of the outstanding Special Warrants will be deemed to be exercised at 5:00 pm (Calgary time) on the Expiry Date. Upon clearance of this Prospectus, the Common Shares issuable upon exercise of the Special Warrants and the Warrants issuable upon exercise of the Special Warrants will have their applicable hold periods ended and, once issued, the Common Shares will trade freely.

Legal Proceedings

At the time of this Offering, the Management of the Corporation is not aware of any legal proceedings, actual or contemplated, to which the Corporation or its subsidiary is a party or of which any of their property is the subject other than as described below.

The Corporation had entered into a contract with Forest Construction Limited that has lapsed. Management believes that the Corporation may be liable for costs incurred by Forest Construction Limited up to a maximum of $37,000. Part of the proceeds of this Offering may be used to pay out this contingent liability. (See **Use of Proceeds**)

The Corporation is named as a defendant in an action brought by Kon Construction Ltd. to enforce a builder's lien placed against the Calmar Project. Part of the proceeds of this Offering will be used to payout the builder's lien. (See **Title to Calmar Project Property** and **Use of Proceeds**)

Risk Factors

AN INVESTMENT IN THE SHARES OFFERED HEREBY IS HIGHLY SPECULATIVE. PROSPECTIVE INVESTORS SHOULD CONSIDER CAREFULLY THE FOLLOWING FACTORS:

1. The Corporation is not yet a going concern operation and has neither a history of earnings nor has it paid any dividends. The Corporation had a working deficit of $314,113 as at March 31, 1997.

2. The project has not yet been constructed. There may be delays in construction, only some of which may be within the control of the Corporation or the construction contractor. The costs to

complete the project may vary. The construction contractor may not have the financial resources to complete the project.

3. The Corporation has obtained a commitment for mortgage financing, subject to several conditions. There can be no assurance that any of the conditions will be met on time or at all.

4. The project is a new form of housing which may not be accepted by potential residents.

5. Investors will have to rely on the expertise and judgment of the management of the Corporation in carrying on the business of the Corporation. In addition, the success of the Corporation will depend in part on the performance of the Corporation's personnel. Failure to attract or retain key consultants or employees with necessary skills could have a material adverse impact on the Corporation's profitability.

6. The Corporation's progress to date has been dependent to a significant extent on the skills of key personnel, including Terry W. Smith and Lynda Doll. Several of the Corporation's personnel are also key to the project and the loss of any of these persons could adversely affect the Corporation's business.

7. There is no active public market for the Common Shares and there can be no assurance that an active trading market for the Common Shares will develop or be sustained. The price of the Common Shares offered under this Prospectus was determined by negotiation between the Agent and the Corporation.

8. Investors in Common Shares will incur dilution. (See **Dilution**)

9. The Corporation's directors may serve as directors or officers, may be associated with other companies or have significant shareholdings in other senior care companies.

10. Even if the initial phase is constructed, there is no assurance that the residential premises in that phase will be leased out on terms sufficient to provide the necessary cash flow to pay the costs of financing the Calmar Project.

11. All real property investments are subject to elements of risk. Such investments are affected by general economic conditions, local real estate markets, demand for leased premises, competition from other available premises and various other factors.

12. The value of real property and any improvements thereto may also depend on the credit and financial stability of the tenants. The Corporation's income would be adversely affected if a significant number of tenants were to become unable to meet their obligations under their leases or if a significant amount of available space in the properties in which the Corporation has or may have an interest is not able to be leased on economically favourable lease terms. In the event of default by a tenant, delays or limitations in enforcing rights as lessor may be experienced and substantial costs in protecting the Corporation's investment may be incurred. The ability to rent unleased space in the properties in which the Corporation will have an interest will be affected by many factors. Costs may be incurred in making improvements or repairs to property required by a new tenant. The failure to rent unleased space on a timely basis or at all would likely have an adverse effect on the Corporation's financial condition.

13. Certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges must be made throughout the period of ownership of real property regardless of whether the property is producing any income. If the Corporation is unable to meet mortgage payments on any property, loss could be sustained as a result of the mortgagee's exercise of its rights of foreclosure or sale.

14. The Corporation will be subject to the risks associated with debt financing.

Dilution

After giving effect to this Offering, the issue price of $0.25 for each Common Share exceeds the net tangible book value per Common Share as at March 31, 1997 by $0.1648, or a dilution factor of 65.92% of the issue price per Common Share in the case of the Minimum Offering and by $0.1495 or a dilution factor of 59.81% of the issue price in the case of the Maximum Offering. Dilution is calculated, as set out below, with reference to the net tangible assets of the Corporation as at March 31, 1997 after giving effect to this Offering.

Items	Minimum(1) Offering	Maximum(2) Offering
Net assets per financial statements	$40,650	$40,650
Net proceeds of Offering after expenses	$1,350,000	$1,800,000
Net assets after Offering	$1,390,650	$1,840,650
Shares outstanding prior to Offering	9,711,100	9,711,100
Shares Offered	6,000,000	8,000,000
Shares under Special Warrants Offering	609,000	609,000
Shares outstanding after Offering	16,320,100	18,320,100
Net assets per share after Offering	$0.0852	$0.1005
Dilution per Share	$0.1648	$0.1495
Percentage Dilution	65.92%	59.81%

Notes:

(1) Assumes 6,000,000 Common Shares are sold and does not include the exercise of Agent's Option or the conversion of Warrants.

(2) Assumes 8,000,000 Common Shares are sold and does not include the exercise of the Agent's Option or the conversion of Warrants issued under exercise of Special Warrants.

Material Contracts

Copies of the following documents have been filed with the Exchange and the ASC and are available for inspection at their offices and at the Corporation's head office during the period of the distribution and for 30 days after the distribution:

1. Master Agreement for Sale of 600071 Alberta Ltd. to the Corporation dated September 16, 1995.

2. Agency Agreement dated ■, 1997 between the Corporation and Rogers & Partners Securities Inc. (See **Plan of Distribution**)

3. Stipulated Price Contract dated June 11, 1997 between the Corporation and Graham Construction and Engineering (1985) Ltd.

4. Interim Construction Financing Letter dated June 6, 1997 from Graham Construction and Engineering (1985) Ltd. to the Corporation.

5. Mortgage financing proposal letter dated July 29, 1997 between the Corporation and the Canadian Western Bank to the Corporation.

6. Warrant Indenture dated ■, 1997 between the Corporation and CIBC Mellon Trust Company.

7. Registrar and Transfer Agency Agreement dated ■, 1997 between the Corporation and CIBC Mellon Trust Company. (See **Auditors, Transfer Agents and Registrar**)

8. Escrow Agreement dated June 30, 1997 among T. Smith, L. Doll, E. Sekora, R. Clifford, P. Verhesen, 661949 Alberta Ltd., 407601 Alberta Ltd. and The R-M Trust Company. (See **Escrowed Securities**)

9. Custodian Agreement dated ■, 1997 among the Corporation, CIBC Mellon Trust Company and Rogers & Partners Securities Inc.

Auditors, Transfer Agent and Registrar

The auditors of the Corporation are Doane Raymond, Chartered Accountants, 1301, 10205 101 Street, Edmonton, Alberta, T5J 2Z1.

CIBC Mellon Trust Company of Canada, 600, 333 - 7th Avenue S.W., Calgary, Alberta, T2P 2Z1, is the Custodian transfer agent and registrar for the Common Shares.

Purchaser's Statutory Rights

The *Securities Act* (Alberta) (the "**Act**") provides purchasers with the right to withdraw from an agreement to purchase securities within two business days after receipt of a prospectus and any amendment. The Act further provides the purchaser with remedies for rescission or damages if the prospectus and any amendment contains a misrepresentation, provided that such remedies for rescission or damages are exercised within the time limit prescribed by the Act. In the case of an action for rescission, such time limit is 180 days from the day of the transaction that gave rise to the cause of action. In the case of an action for damages, such time limit is the earlier of 180 days from the day that the plaintiff first had knowledge of the facts giving rise to the cause of action or one year from the date of the transactions that gave rise to the cause of action. Reference is made to the Act for a complete description of such rights.

Contractual Right of Action for Recision

If a holder of a Special Warrant, who acquires a Warrant Share upon the exercise of a Special Warrant as provided for in this Prospectus, is or becomes entitled under Alberta securities legislation to the remedy of recision by reason of this Prospectus or any amendment containing a misrepresentation, the holder will be entitled to recision not only of the holder's exercise of its Special Warrant but also of the private placement transaction under which the Special Warrant was initially acquired. The holder will be entitled, in connection with such recision, to a full refund from the Corporation of all consideration paid to the Corporation on the acquisition of the Special Warrant. If the holder is a permitted assignee of the interest of the original Special Warrant subscriber, that permitted assignee will be entitled to exercise the rights of recision and refund described as if the permitted assignee was the original subscriber. The foregoing is in addition to any other right or remedy available to a holder of the Special Warrant under s.168 of the *Securities Act* (Alberta) or otherwise at law.

Financial Statements

The Corporation's consolidated audited financial statements dated March 31, 1997 and unaudited interim financial statements dated June 30, 1997 are attached as Schedule "A" and form part of this Prospectus.

Schedule "A" - Financial Statements

Chartered Accountants
Canadian Member Firm of
Grant Thornton International

Doane Raymond

Westview Lifecare Centres Inc.
Consolidated Financial Statements
(unaudited)
June 30, 1997

File: 105989-CDCCGY/VOL1:\USERS\ARG\106716_9

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Chartered Accountants

Canadian Member Firm of
Grant Thornton International

Doane Raymond

Review Engagement Report

To the Shareholders of
Westview Lifecare Centres Inc.

We have reviewed the consolidated balance sheet of Westview Lifecare Centres Inc. as at June 30, 1997 and the consolidated statements of loss and deficit and changes in financial position for the period then ended. Our review was made in accordance with generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the company.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these consolidated financial statements are not, in all material respects, in accordance with generally accepted accounting principles.

Edmonton, Canada
August 13, 1997
Chartered Accountants

2400 Scotia Place 1
10060 - Jasper Avenue
Edmonton
Alberta
T5J 3R8
Tel: (403) 422-7114
Fax: (403) 426-3208
email- edmonton@drgt.ca

Westview Lifecare Centres Inc.
Consolidated Statement of Loss and Deficit

(Unaudited)

Period Ended June 30	1997	1996
	(3 months)	(3 months)
Expenses		
Automotive	$ -	$ 1,650
Bank charges	40	7,773
Management fees (Note 3)	-	21,000
Office (Note 3)	30	4,147
Professional fees	1,682	-
Telephone	184	-
Utilities	-	-
Net loss	$ (1,936)	$ (34,570)

Deficit, beginning of period	$ (314,113)	$ (233,617)
Net loss	(1,936)	(34,570)
Deficit, end of period	$ (316,049)	$ (268,187)

See accompanying notes to the consolidated financial statements.

Westview Lifecare Centres Inc.
Consolidated Balance Sheet

(Unaudited)

June 30	1997	1996
Assets		
Cash	$ 19,346	$ 771
Prepaids	21,608	93,429
Land	600,000	600,000
Project development costs (Note 2)	446,842	340,090
	$ 1,087,796	$ 1,034,290
Liabilities		
Payables and accruals	$ 178,563	$ 176,369
Note payable for land (Note 3)	75,000	75,000
Notes payable (Note 3)	115,300	206,500
Loan payable to R.Y.C. Developments Ltd. (Note 3)	96,431	129,557
Mortgage payable (Note 4)	325,000	325,000
	790,294	912,426
Shareholders' Equity		
Capital stock (Note 5)	613,551	390,051
Deficit	(316,049)	(268,187)
	297,502	121,864
	$ 1,087,796	$ 1,034,290

Contingent liability (Note 7)

On behalf of the Board

"J. Eugene Sekora" Director

"Randy Clifford" Director

See accompanying notes to the consolidated financial statements.

Westview Lifecare Centres Inc.
Consolidated Statement of Changes in Financial Position

(Unaudited)

Period Ended June 30	1997	1996
	(3 months)	(3 months)
Cash derived from (applied to)		
Operating		
Net loss	$ (1,936)	$ (34,570)
Change in non-cash operating working capital (Note 6)	17,567	5,593
	15,631	(28,977)
Financing		
Issue of common shares	-	154,150
Repayment (issuance) of notes payable	-	4,500
(Repayments) advances from R.Y.C. Developments Ltd.	(5,000)	(87,122)
	(5,000)	71,528
Investing		
Project development costs	(40,174)	(41,993)
Net (decrease) increase in cash	(29,543)	558
Cash		
Beginning of period	48,889	213
End of period	$ 19,346	$ 771

See accompanying notes to the consolidated financial statements.

Future operations

These financial statements have been prepared on a going concern basis which contemplates the realization of assets and the discharging of liabilities in the normal course of business. Due to deficient working capital, the future operations of the company are dependent upon continued financing by the company's lenders and investors. Management is continuing to address the issue of deficient working capital and financing. If the company was not able to continue as a going concern, the net realizable value of the company's assets may be substantially different than the recorded amounts.

1. Business operation and significant accounting policies

Westview Lifecare Centres Inc. ("Westview") is a privately owned company, incorporated under the Alberta Business Corporations Act on April 18, 1995, which acquired land and initial development costs for the construction of 60 units in an adult community complex ("the complex") in the town of Calmar, Alberta. Since the company is in the development stage, all assets and liabilities are considered current.

Consolidated financial statements

These financial statements include the company's wholly owned subsidiary 600071 Alberta Ltd. ("600071") which was acquired in the prior fiscal period.

Land

Land is recorded at cost.

2. Project development costs

Project development costs include all costs incurred to date in respect of the complex. These costs include:

	June 30 1997	June 30 1996
Direct construction costs	$ 151,180	$ 240,785
Advertising and promotion	82,020	-
Professional fees	97,534	63,555
Interest	116,108	36,750
	$ 446,842	$ 340,090

Upon completion of the complex, those costs which are determined to have a future benefit to the company, will be allocated to appropriate asset classifications and amortized over their useful lives.

3. Related parties' transactions

On September 16, 1995, the company acquired all the outstanding shares of 600071 Alberta Ltd. ("600071"). The shares of 600071 were owned collectively by founding shareholders of Westview Lifecare Centres Inc. either directly, or by corporations controlled by them. As consideration, Westview provided the following:

- 8,400,000 Class A common shares of Westview for all of the outstanding Class A and B shares of 600071.
- $550,000 notes payable for all of the outstanding Class E preferred shares. On December 15, 1995 $80,000 of these notes payable were exchanged for 800,000 common shares.
- At the time of the above transaction, 600071 owned the property on which the complex was to be built. This property was acquired from R.Y.C. Developments Ltd., a company controlled by a shareholder, which also owns lands adjacent to the property.

  As the transaction was undertaken between non-arm's length parties, the value of the consideration was determined by an appraisal and approved by the board of directors.

3. Related parties' transactions (continued)

Notes payable are due to founding shareholders. These notes are non-interest bearing and have no set terms of repayment.

Amounts due to R.Y.C. Developments Ltd. include a $96,431 unsecured, non-interest bearing loan with no set terms of repayment, as well as a $75,000 note payable bearing interest at 7% per annum. In this regard, R.Y.C. Developments Ltd. arranged for a $75,000 loan in its own right from the Royal Bank of Canada for which Westview provided its land as security.

The company purchased additional goods and services from shareholders and companies controlled by shareholders which were made in the normal course of the company's business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

4. Mortgage payable

The 16.5% first mortgage is due December 1, 1997 and is repayable as to interest only at $4,468 monthly, The Westview land has been pledged as collateral security for this mortgage. While the mortgagor has filed a statement of claim in respect of this mortgage, there is no current indication that the claim will proceed.

5. Capital stock

Authorized:
An unlimited number of:
Class “A” voting common shares
Class “B” non-voting common shares
Class “C” non-voting preferred shares

Issued:

10,320,100 Class “A” voting common shares (1996 - 10,054,600)		$ 613,551

Summary of common share transactions in the year:	Shares	$
Outstanding March 31, 1996	10,054,600	$ 235,901
Shares issued for cash, April 1996	100,000	20,000
Shares issued for cash, May 1996	120,000	12,000
Shares issued for cash, June 1996	75,000	15,000
Shares issued for cash, February 1997	1,441,500	178,400
Shares issued for cash and the conversion of debt with special warrants attached February, 1997	609,000	152,250
Shares returned to Treasury, January 1997	(2,080,000)	-
	10,320,100	$ 613,551

Each special warrant entitles the holder to exchange the special warrant for one common share and one additional warrant of the Corporation prior to December 31, 1997. The additional warrant entitles the owner to purchase one common share prior to October 1,1998.

Westview Lifecare Centres Inc.
Notes to the Consolidated Financial Statements
(Unaudited)
June 30, 1997

6. Change in non-cash operating working capital

	June 30 1997	June 30 1996
Prepaids	$ 4,883	$ (3,496)
Payables and accruals	12,684	9,089
	$ 17,567	$ 5,593

7. Contingent liability

The contract with Forest Construction Ltd. has lapsed. Management believes that if a new contract is not signed, the company may be liable for costs to date incurred by Forest Construction Ltd. to a maximum of $37,000. No amount has been accrued in these financial statements in respect of this matter.

Chartered Accountants
Canadian Member Firm of
Grant Thornton International

Doane Raymond

Westview Lifecare Centres Inc. Consolidated Financial Statements

(unaudited)
March 31, 1996 and 1997

Contents

Doane Raymond

Chartered Accountants
Canadian Member Firm of
Grant Thornton International

Auditors' Report

To the Directors of
Westview Lifecare Centres Inc.

We have audited the consolidated balance sheet of Westview Lifecare Centres Inc. as at March 31, 1996 and 1997 and the consolidated statements of loss and deficit and changes in financial position for each of the years then ended. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at March 31, 1996 and 1997 and the results of operations and changes in its financial positions for the years then ended in accordance with generally accepted accounting principles.

Edmonton, Canada

Chartered Accountants

Suite 1301 Toronto Dominion Tower
10205 - 101 Street
Edmonton
Alberta
T5J 2Z1
Tel: (403) 422-7114
Fax: (403) 426-3208

Westview Lifecare Centres Inc.
Consolidated Statement of Loss and Deficit

Year Ended March 31	1997	1996
Expenses		
Automotive	$ -	$ 6,900
Bank charges	875	466
Management fees (Note 3)	55,000	199,000
Office (Note 3)	4,971	13,415
Professional fees	14,400	12,000
Telephone	5,003	860
Utilities	247	976
Net loss	$ (80,496)	$ (233,617)

Deficit, beginning of year	$ (233,617)	$ -
Net loss	(80,496)	(233,617)
Deficit, end of year	$ (314,113)	$ (233,617)

See accompanying notes to the consolidated financial statements.

Westview Lifecare Centres Inc.
Consolidated Balance Sheet

March 31	1997	1996
Assets		
Cash	$ 48,889	$ 213
Prepaids	26,491	89,933
Land	600,000	600,000
Project development costs (Note 2)	406,668	298,097
	$ 1,082,048	$ 988,243

Liabilities		
Payables and accruals	$ 165,879	$ 167,280
Note payable for land (Note 3)	75,000	75,000
Notes payable (Note 3)	115,300	202,000
Loan payable to R.Y.C. Developments Ltd. (Note 3)	101,431	216,679
Mortgage payable (Note 4)	325,000	325,000
	782,610	985,959
Shareholders' Equity		
Capital stock (Note 5)	613,551	235,901
Deficit	(314,113)	(233,617)
	299,438	2,284
	$ 1,082,048	$ 988,243

Contingent liability (Note 7)

On behalf of the Board

"J. Eugene Sekora" Director

"Randy Clifford" Director

See accompanying notes to the consolidated financial statements.

Westview Lifecare Centres Inc.
Consolidated Statement of Changes in Financial Position

Year Ended March 31	1997	1996
Cash derived from (applied to)		
Operating		
Net loss	$ (80,496)	$ (233,617)
Change in non-cash operating working capital (Note 6)	62,041	77,347
	(18,455)	(156,270)
Financing		
Issue of common shares	377,650	235,901
Proceeds from issuance of mortgage	-	325,000
Repayment (issuance) of notes payable	(86,700)	277,000
(Repayments) advances from R.Y.C. Developments Ltd.	(115,248)	216,679
	175,702	1,054,580
Investing		
Purchase of land	-	(600,000)
Project development costs	(108,571)	(298,097)
	(108,571)	(898,097)
Net increase in cash	48,676	213
Cash		
Beginning of year	213	-
End of year	$ 48,889	$ 213

See accompanying notes to the consolidated financial statements.

Future operations

These financial statements have been prepared on a going concern basis which contemplates the realization of assets and the discharging of liabilities in the normal course of business. Due to deficient working capital, the future operations of the company are dependent upon continued financing by the company's lenders and investors. Management is continuing to address the issue of deficient working capital and financing. If the company was not able to continue as a going concern, the net realizable value of the company's assets may be substantially different than the recorded amounts.

1. Business operation and significant accounting policies

Westview Lifecare Centres Inc. ("Westview") is a privately owned company, incorporated under the Alberta Business Corporations Act on April 18, 1995, which acquired land and initial development costs for the construction of 60 units in an adult community complex ("the complex") in the town of Calmar, Alberta. Since the company is in the development stage, all assets and liabilities are considered current.

Consolidated financial statements

These financial statements include the company's wholly owned subsidiary 600071 Alberta Ltd. ("600071") which was acquired in the prior fiscal period.

Land

Land is recorded at cost.

2. Project development costs

Project development costs include all costs incurred to date in respect of the complex. These costs include:

	1997	1996
Direct construction costs	$ 147,880	$ 166,369
Advertising and promotion	80,857	65,697
Professional fees	76,532	46,156
Interest	101,399	19,875
	$ 406,668	$ 298,097

Upon completion of the complex, those costs which are determined to have a future benefit to the company, will be allocated to appropriate asset classifications and amortized over their useful lives.

3. Related parties' transactions

On September 16, 1995, the company acquired all the outstanding shares of 600071 Alberta Ltd. ("600071"). The shares of 600071 were owned collectively by founding shareholders of Westview Lifecare Centres Inc. either directly, or by corporations controlled by them. As consideration, Westview provided the following:

- 8,400,000 Class A common shares of Westview for all of the outstanding Class A and B shares of 600071.

- $550,000 notes payable for all of the outstanding Class E preferred shares. On December 15, 1995 $80,000 of these notes payable were exchanged for 800,000 common shares.

- At the time of the above transaction, 600071 owned the property on which the complex was to be built. This property was acquired from R.Y.C. Developments Ltd., a company controlled by a shareholder, which also owns lands adjacent to the property.

  As the transaction was undertaken between non-arm's length parties, the value of the consideration was determined by an appraisal and approved by the board of directors.

3. Related parties' transactions (Continued)

The following represents transactions related to the notes payable described above:

	R.Y.C. Developments Ltd.	Others	Total
Balance, March 31, 1996	$ 216,679	$ 202,000	$ 418,679
Exchanged for 191,000 common share subscriptions December 1996	-	(21,600)	(21,600)
Exchanged for 120,000 special warrant subscriptions December 1996	-	(30,000)	(30,000)
Issued as partial payment for accounts payable April 1996	-	10,900	10,900
Reclassified as "Loan Payable to R.Y.C. Developments Ltd."	(216,679)	-	(216,679)
Issued as partial payment for notes payable January 1997	-	(46,000)	(46,000)
Balance, March 31, 1997	$ -	$ 115,300	$ 115,300

Notes payable are due to founding shareholders. These notes are non-interest bearing and have no set terms of repayment.

The following represents significant transactions with related parties during the year:
.

	Management Fees	Office Supplies	Interest	Total
R.Y.C. Developments Ltd.	$ -	$ 4,571	$ 6,750	$ 11,321
Mytec Contracting and Consulting Ltd.	25,000	-	-	25,000
L. Doll & Associates Ltd.	30,000	-	-	30,000
	$ 55,000	$ 4,571	$ 6,750	$ 66,321

3. Related parties' transactions (continued)

Amounts due to R.Y.C. Developments Ltd. include a $101,431 unsecured, non-interest bearing loan with no set terms of repayment, as well as a $75,000 note payable bearing interest at 7% per annum. In this regard, R.Y.C. Developments Ltd. arranged for a $75,000 loan in its own right from the Royal Bank of Canada for which Westview provided its land as security.

The company purchased additional goods and services from shareholders and companies controlled by shareholders which were made in the normal course of the company's business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

4. Mortgage payable

The 16.5% first mortgage is due December 1, 1997 and is repayable as to interest only at $4,468 monthly, The Westview land has been pledged as collateral security for this mortgage. While the mortgagor has filed a statement of claim in respect of this mortgage, there is no current indication that the claim will proceed.

5. Capital stock

Authorized:
An unlimited number of:
Class "A" voting common shares
Class "B" non-voting common shares
Class "C" non-voting preferred shares

Issued:

10,320,100 Class "A" voting common shares (1996 - 10,054,600)	$ 613,551

5. Capital stock (continued)

Summary of common share transactions in the year:	Shares	$
Outstanding March 31, 1996	10,054,600	$ 235,901
Shares issued for cash, April 1996	100,000	20,000
Shares issued for cash, May 1996	120,000	12,000
Shares issued for cash, June 1996	75,000	15,000
Shares issued for cash, February 1997	1,441,500	178,400
Shares issued for cash and the conversion of debt with special warrants attached February, 1997	609,000	152,250
Shares returned to Treasury, January 1997	(2,080,000)	-
	10,320,100	$ 613,551

Each special warrant entitles the holder to exchange the special warrant for one common share and one additional warrant of the Corporation prior to December 31, 1997. The additional warrant entitles the owner to purchase one common share prior to October 1,1998.

6. Change in non-cash operating working capital

	1997	1996
Prepaids	$ 63,442	$ (89,933)
Payables and accruals	(1,401)	167,280
	$ 62,041	$ 77,347

7. Contingent liability

The contract with Forest Construction Ltd. has lapsed. Management believes that if a new contract is not signed, the company may be liable for costs to date incurred by Forest Construction Ltd. to a maximum of $37,000. No amount has been accrued in these financial statements in respect of this matter.

Certificate of Westview Lifecare Centres Inc.

DATED: August 21, 1997

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part 8 of the *Securities Act* (Alberta) and the regulations under it.

"Terry W. Smith"	"Eugene Sekora"
(signed)	(signed)
Terry W. Smith Chief Executive Officer	Eugene Sekora Chief Financial Officer

On behalf of the Board of Directors

"Lynda Doll"	"Randy Clifford"
(signed)	(signed)
Lynda Doll Director	Randy Clifford Director

Promoters

"Terry W. Smith"	"Lynda Doll"
TERRY W. SMITH	LYNDA DOLL
"Eugene Sekora"	"Randy Clifford"
EUGENE SEKORA	RANDY CLIFFORD
"Paul J. Verhesen"	
PAUL J. VERHESEN	

Certificate of Agent

DATED: August 21, 1997

To the best of our information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part 8 of the *Securities Act* (Alberta) and the regulations under it.

ROGERS & PARTNERS SECURITIES INC.

"J. David D. McKeown"

Per: (signed)
J. David D. McKeown

The following includes the name of every person having an interest directly or indirectly to the extent of not less than 5% of the capital of Rogers & Partners Securities Inc.:

J. Victor Rogers
J. David D. McKeown