No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

Initial Public Offering **Final Prospectus dated May 23rd, 2001**

THE ULYSSES GROUP LTD.
(a capital pool company offering)

2,500,000 COMMON SHARES (the "Shares")
PRICE: $0.20 per Share
$500,000.00

The purpose of this issue is to provide The Ulysses Group Ltd. (the "*Corporation*") with a minimum of funds with which to identify and evaluate assets or businesses in the real estate development industry with a view to completing a Qualifying Transaction approved by the Canadian Venture Exchange Inc. (the "*Exchange*") and the majority of the Corporation's minority security holders in accordance with the Exchange's Policy 2.4 (the "*Policy*"). See "*The Corporation*" and "*Use of Proceeds*".

This issue is not underwritten and is subject to receipt by the Corporation of subscriptions totalling $500,000.00 within 90 days of the issuance of a receipt for a final prospectus. See "*Plan of Distribution*".

	Shares	**Price to the Public**	**Agent's Commission** (1)	**Proceeds to the Corporation** (2)
Per Share:	1	$0.20	$0.020	$0.180
Total Offering:	2,500,000	$500,000.00	$50,000.00	$450,000.00

Notes:

(1) Canaccord Capital Corporation (the "*Agent*") has agreed to act both as the Corporation's sponsor to the Exchange and its agent in connection with this offering. The Agent will receive from the Corporation all of:

(a) reimbursement for its expenses incurred in connection with this offering , including its legal fees (estimated to be $7,000.00) plus GST and disbursements; and

(b) an agency and sponsorship fee of $10,000.00 (plus GST); and

(c) a 10% commission (a maximum of $50,000.00 if the total offering is raised); and

(d) a non-transferable option (the "*Agent's Option*") to purchase 250,000 common shares at a price of $0.20 per share which expires 18 months from the date the Corporation's shares are listed on the Exchange. The Agent's option and its resulting shares are qualified under and distributed pursuant to this prospectus.

See "*Plan of Distribution*".

(2) Before deducting the costs of this issue (including the Corporation's and Agent's expenses and legal fees, as well as listing and regulatory fees) estimated to total $54,000.00.

(3) In addition, if the total offering is raised, the Corporation will grant to management non-transferable options to purchase an aggregate of 450,000 common shares at a price of $0.20 per share pursuant to an existing Management Stock Option Plan. These options and their resulting shares are qualified under and distributed pursuant to this prospectus. See "*Remuneration of Directors and Management - Stock Options*".

INVESTMENT IN THESE SHARES IS HIGHLY SPECULATIVE.

Investment in the Shares offered by this prospectus is highly speculative due to the proposed nature of the Corporation's business and its current stage of development. The Corporation was only recently incorporated, owns no business operations or assets other than cash and has not entered into an Agreement in Principle. The Corporation has neither a history of earnings nor has it paid any dividends and it is unlikely to generate earnings or pay dividends in the immediate or foreseeable future. There is no established market through which the Shares may be sold and purchasers may not be able to dispose of them on a timely basis. Purchasers of the Shares will suffer an immediate dilution of $0.044 per Share or 22% if this offering is completed, based on gross proceeds raised hereunder without deduction of related expenses of this issue. See "*Dilution*".

Other than the initial distribution of the Shares pursuant to this prospectus, and the granting of the Agent's Option and of options to the Corporation's directors, no trading in any of the Corporation's securities is permitted between the date the Alberta Securities Commission issues a receipt for the preliminary prospectus, and the time the Shares are listed for trading on the Exchange.

The Exchange has conditionally approved the listing of the Shares. Listing is subject to the Corporation fulfilling all the requirements of the Exchange on or before 90 days from the date of this Prospectus, including distribution to a minimum number of public shareholders. The Exchange may suspend from trading or delist the Shares if the Corporation fails to complete a Qualifying Transaction within 18 months of the listing date. The Executive Director of the Alberta Securities Commission may issue an interim cease trade order against the Corporation's securities if the Corporation's common shares are suspended from trading on the Exchange, and will issue such an order if the Corporation's common shares are delisted from the Exchange.

The Corporation's proposed business involves a high degree of risk and there is no assurance that the Corporation will identify businesses or assets which warrant investment or acquisition and, if any are identified and the acquisition of an interest is warranted, the Corporation may not be able to finance the acquisition and additional funds may be required to meet such obligations. Where the acquisition is financed by the issuance of shares from treasury, control of the Corporation may change and shareholders will suffer further dilution. The Corporation will be in competition with others with greater resources. The Corporation will not acquire businesses or assets located outside Canada before completion of its Qualifying Transaction. See " *Criteria for Acquisitions*".

There is currently no market through which these securities may be sold. The price of this offering has been determined arbitrarily by the Corporation's directors in consultation with the Agent.

Although the Corporation presently has no non-resident Canadian directors, as a result of a Qualifying Transaction, it may have such directors in the future. It may be difficult or impossible to effect service or notice to commence legal proceedings on directors, officers or experts located outside Canada, and it may be impossible to enforce judgements obtained in Canadian courts for civil liability under securities legislation against any such persons or the Corporation.

As a result of these factors, this offering is suitable only to those investors who are willing to rely solely on the Corporation's management and who can afford to lose all of their investment. See "*The Corporation*", "*Directors and Officers*", "*Use of Proceeds*", "*Conflicts of Interest*", and "*Risk Factors*".

This offering is being made on a "best efforts" basis and is subject to being fully subscribed within 90 days of the issuance of a receipt for a final prospectus or such other time as may be authorized by the Executive Director of the Alberta Securities Commission and agreed to by the Agent. Funds received from the sale of the Shares will be deposited with Valiant Corporate Trust Company, and will not be released until a minimum of $500,000.00 has been deposited and the Agent has consented to the release. If the minimum subscription is not raised, subscription funds will be returned to subscribers without interest or deduction. See "*Plan of Distribution*".

Canaccord Capital Corporation hereby offers, as agent on the Corporation's behalf, 2,500,000 Shares without nominal or par value at $0.20 per share on a best efforts basis. These are conditionally offered, subject to prior sale, if, as and when issued, and in accordance with the conditions contained in the Agency Agreement referred to under

"*Plan of Distribution*" and subject to the approval of Fletcher & Kasper, Barristers and Solicitors, of Calgary, Alberta on the Corporation's behalf, and Burnet, Duckworth & Palmer LLP, Barristers & Solicitors, of Calgary, Alberta on the Agent's behalf on legal matters for which approval has been specifically sought. The maximum purchase by any single shareholder purchasing under this offering is two percent (2%) of the total offering (i.e.: 50,000 Shares), and the maximum purchase by any single subscriber, directly or indirectly, together with that subscriber's associates and affiliates, is four percent (4%) of the total offering (i.e.: 100,000 Shares). Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that certificates in definitive form evidencing the Shares will be available for delivery two weeks after the closing of this issue.

Canaccord Capital Corporation
400, 409-8th Avenue SW.
Calgary, Alberta, T2P 1E3
(403) 508-3800

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SUMMARY OF PROSPECTUS

The information in this summary is qualified in its entirety by the more detailed information appearing elsewhere in this prospectus.

Offering: 2,500,000 common shares offered at $0.20 per share on a best efforts basis. The Corporation will also grant an option to the Agent to purchase up to 250,000 common shares at $0.20 per share, which option and its resulting shares are qualified under this prospectus for distribution. The Corporation will also grant stock options to its directors and officers to purchase up to an aggregate of 450,000 common shares at $0.20 per share, which options and their resulting shares are qualified under this prospectus for distribution. See "*Plan of Distribution*" and "*Remuneration of Directors and Management*".

Corporation: This issue's purpose is to give the Corporation a minimum of funds to identify and evaluate opportunities, interests or prospects in the real estate development industry with a view to completing a Qualifying Transaction approved by the Exchange and a majority of the Corporation's minority shareholders. To date, the Corporation has not carried on any business nor does it have a record of earnings. See "*The Corporation*".

Use Of Proceeds: At least 70% of the net proceeds of this offering and all previous ones will be used to provide the Corporation with a minimum of funds with which to identify and evaluate Canadian businesses or assets to be acquired or developed. The Corporation may not have sufficient funds to secure such acquisitions once identified and evaluated and additional funds may be required. See "*Use of Proceeds*", "*The Corporation*" "*Method of Financing Acquisitions*" and "*Risk Factors*".

Directors and Management:
Gordon Douglas Anderson, President and Director
Lynda Jean Taylor, Chief Financial Officer, Secretary-treasurer and Director
Wayne Edward Berg, Director
Ken Dale Blatz, Director
Alex Karmis, Director
Clive Owen Llewellyn, Director

Dividend Policy: It is not contemplated that any dividends will be paid on the Shares in the immediate or foreseeable future. See "*Dividend Policy*".

Dilution: A purchaser of Shares will incur an immediate dilution of his investment of $0.044 or 22%. See "*Dilution*".

Risk Factors: **Investment in these shares must be regarded as highly speculative due to the nature of the Corporation's business and its present stage of development. The Corporation was only recently incorporated owns no business operations or assets other than cash, and has not entered into any Agreement in Principle (as defined in the Policy) and has no history of earnings. This offering is suitable only to those investors who are willing to rely solely on the Corporation's management and who can afford to lose all their investment.** See "*The Corporation*", "*Risk Factors*", "*Dilution*" and "*Conflicts of Interest*".

Escrowed Shares: A total of 2,000,000 common shares have been issued as Discount Seed Shares to the Corporation's directors and officers and are subject to the Discount Seed Share Escrow Agreement dated May 9th, 2001. See "*Escrowed Securities*".

THE CORPORATION

Name and Incorporation

The Ulysses Group Ltd. was incorporated by Certificate of Incorporation under the *Business Corporations Act* (Alberta) on February 5th, 2001. Both its head office and its registered office are located at 1133-17th Avenue NW., Calgary, Alberta, T2M 0P7.

History and Operations

To date, the Corporation has conducted no material operations of any kind, owns no assets, other than cash, and has not entered into an Agreement in Principle (as defined in the Policy).

Business of the Corporation

The Corporation proposes to identify and evaluate opportunities for the acquisition of an interest in corporations, properties, assets or businesses in the real estate development industry in Western Canada and once identified and evaluated, to negotiate an acquisition thereof or participation therein in order to complete a Qualifying Transaction approved by the Exchange and a majority of the minority holders of common shares in accordance with the Exchange's Policy 2.4 (the "*Policy*"). Until the completion of a Qualifying Transaction, the Corporation shall not carry on any business other than the identification and evaluation of assets or businesses in connection with a potential Qualifying Transaction.

Process of Identification of Acquisition or Participation Opportunities

The Corporation proposes to identify acquisitions of interests in corporations, properties, assets or businesses in the real estate development industry in Western Canada through discussions with various contacts. Once a prospective acquisition target has been identified and evaluated, the Corporation will proceed to negotiate the terms upon which the Corporation may acquire an interest in the corporation, property, asset or business.

Method of Financing Acquisitions or Participation Opportunities

The Corporation proposes to use cash, bank financing, issuance of treasury shares, private or public financing, or some combination thereof to finance acquisitions. If treasury shares are issued, that could result in a change in control of the Corporation and may cause the shareholders' interest to be further diluted.

Criteria for Acquisitions

All potential acquisitions will initially be screened by the Corporation's management so as to evaluate the business plan of each corporation or business, which evaluation will include an analysis of the assets, the line of services or products offered, the extent of competition in the marketplace, the market potential of the product lines or services, the market plan, existing and remaining management, production plans, financial plans and cash-flow projections and capital requirements. Similar criteria will be employed in the evaluation of other assets.

On completion of management's analysis, management will proceed to negotiate appropriate acquisition terms with those prospective corporations, businesses or the owners of other assets and thereafter will present the proposal to the board of directors for its consideration and approval.

The board of directors, in considering whether to approve the proposed acquisition, will be guided by the following criteria:

(a) the projected rate of return on the proposed investment having regard to the risk of loss;
(b) the prospects for growth, having regard to existing or potential market share;
(c) the skill of management, either as it exists or as it may be modified by the acquisition; and

(d) basic financial considerations such as the target business' debt to equity ratio, the acquisition's overall cost, and the prospects of obtaining the debt or equity financing necessary to effect the acquisition.

Any Qualifying Transaction that the Corporation enters into shall be submitted to its shareholders for their approval. The Policy requires the Qualifying Transaction to be approved by a majority vote of the Corporation's shareholders, other than promoters, officers, directors, other insiders, Control Persons (as defined herein) of the Corporation or of the Qualifying Transaction and associates or affiliates of any such person. Under the Policy, "Qualifying Transaction" includes a transaction whereby:

(a) the Corporation issues or proposes to issue, in consideration for the acquisition of Significant Assets (as hereafter defined) common shares or securities convertible, exchangeable or exercisable into common shares which, if fully converted, exchanged or exercised would represent more than 25 percent of its common shares issued and outstanding immediately prior to the issuance;

(b) the Corporation enters into an arrangement, amalgamation, merger or reorganization with another company with Significant Assets, whereby the ratio of securities which are distributed to the shareholders of the Corporation and the other company results in the other company's shareholders acquiring control of the resulting issuer; or

(c) the Corporation otherwise acquires Significant Assets (other than cash), but excludes a transaction which consists solely of the issuance for cash by the Corporation of common shares or securities convertible, exchangeable or exercisable into common shares, representing more than 25 percent of the Corporation's common shares issued and outstanding immediately prior to the issuance.

"Significant Assets" means one or more assets or businesses which, when acquired by the Corporation, together with any other concurrent transactions, results in the Corporation meeting the Minimum Listing Requirements under the Exchange's Policy 2.1: Minimum Listing Requirements.

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

(a) if the Corporation fails to meet the minimum listing requirements prescribed by the Exchange's Policy 2.1 upon completion of the Qualifying Transaction;

(b) if, following completion of the Qualifying Transaction, the Corporation will be a finance company or a mutual fund as defined under the securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time in Alberta; or

(c) for any other reason at the Exchange's sole discretion.

Before completing a Qualifying Transaction or the issuance of any securities of the Corporation pursuant to the Qualifying Transaction, the Corporation shall be required to comply with the Exchange's by-laws and policies, the *Securities Act* (Alberta) and the regulations and rules thereunder and submit for review to the Exchange an information circular that complies with the *Securities Act* and the Policy and contain a certificate to the effect that it constitutes full, true and plain disclosure of all material facts relating to particular matters to be acted upon by security holders (the "*Information Circular*"). Upon approval by the Exchange of the information circular and its mailing, the Corporation must then submit the information circular to its security holders to approve the Qualifying Transaction, which must be approved by a majority of the votes cast by security holders who vote at the security holders' meeting, other than its promoters, officers, directors, other insiders and associates or affiliates of the same ("*Related Parties*") to the Corporation and Related Parties to the other parties to the Qualifying Transaction.

If the Qualifying Transaction involves the acquisition of an asset or assets, the Corporation will submit an information circular to the Exchange for review, as well as a current independent engineering report, geological report, business plan or valuation relating to the asset or assets in circumstances where such a report, study or valuation would be required on the filing of a prospectus. The Corporation will also be required to retain a sponsor, who will be required to submit a Sponsor Report to the Exchange in accordance with the Policy.

The Corporation will be considered to have completed its Qualifying Transaction on the date of the Corporation's shareholders' meeting at which the Qualifying Transaction was approved, provided that all post-meeting documentation is subsequently filed with the Exchange and the Exchange has issued a bulletin confirming that the Qualifying Transaction has been completed and that the Corporation is no longer considered a capital pool company. The Policy shall cease to apply after the Corporation has completed its Qualifying Transaction and the Exchange has issued its bulletin, with the exception of Section 14.10 of the Policy and the Escrow Agreement, which will both continue in full force and effect.

Potential Investment

The Corporation has tentatively identified Ulysses Development Corp. ("*UDC*") as a potential candidate, the acquisition of which the Corporation believes would constitute a Qualifying Transaction. UDC was incorporated on December 30th, 1998 and is currently headquartered in Calgary, Alberta, and conducts active operations in purchasing, developing and reselling real estate in Alberta. The Corporation's management anticipates that the asset value (subject to completion of the Corporation's due diligence review) would be in the range of $2,000,000.00 to $5,000,000.00. The Corporation is currently evaluating and performing its due diligence on UDC, and a final decision is not expected to be made until after this offering closes. On completing its due diligence, if considered appropriate based upon the results of that due diligence, the Corporation's management will negotiate the acquisition's terms and conditions. Any acquisition is expected to occur at a price based upon the fair market value of the underlying assets, and the Corporation's management presently expects any acquisition to be undertaken by way of a share issuance and perhaps a cash payment. The Corporation would therefore issue common shares from treasury, although the transaction's structure will be subject to many future considerations including the advice of professional advisors. The Corporation's management presently believes that there is a reasonably high probability that negotiations will be successfully completed after this offering closes.

Management will then present a proposal for this acquisition to an independent committee of the board (the "*Independent Committee*"). The Independent Committee is comprised of Gordon D. Anderson and Lynda J. Taylor and has been struck for the purposes of considering and, if thought fit, approving any proposed acquisition. There is no Agreement in Principle (as defined in the Policy) because, even though the Corporation's management has identified a potential acquisition that is not entirely at arm's length, that acquisition will be subject to material conditions (including the Independent Committee's approval), satisfaction of which is beyond the reasonable control of the Corporation, Related Parties to the Corporation or Related Parties to the Qualifying Transaction. See "*Criteria for Acquisitions*".

Following the Independent Committee's approval, the proposed acquisition will be submitted to the Corporation's shareholders for approval - see "*Criteria for Acquisitions*". As part of a long term strategy to expand its real estate development business, the Corporation will continue to identify additional prospective assets or corporations for acquisition.

The acquisition of UDC would, in part, be a non-arm's length transaction, as Alex Karmis is a director and shareholder of both the Corporation and UDC - he presently owns and controls, beneficially and of record 100% of the common voting shares of UDC. Conflicts, if any, arising from the non-arm's length nature of this transaction will be subject to the procedures and remedies provided for in the *Business Corporations Act* (Alberta). See "*Conflicts of Interest*".

PLAN OF DISTRIBUTION

Pursuant to an agency agreement (the "*Agency Agreement*") dated as of May 9th, 2001 among the Corporation, the Agent and Valiant Corporate Trust Company (the "*Trustee*") the Corporation appointed the Agent as its agent to offer for sale to the public a total of 2,500,000 Shares of the Corporation at $0.20 per Share. The Agent will receive a 10% commission (i.e.: $50,000.00), an agency and sponsorship fee of $10,000.00 (plus GST) and its expenses, including legal fees incurred pursuant to this offering estimated to be $7,000.00, plus GST and disbursements. The Corporation will grant to the Agent at the Closing a non-transferable option to acquire 250,000 Shares at $0.20 per share for an 18-month period from the date of listing on the Exchange. Pursuant to the Policy, no more than 50% of the options exercised or 50% of the shares held pursuant to that option may be sold before completion of the Qualifying Transaction. The remaining 50% may only be sold after completion of the Qualifying Transaction.

This prospectus qualifies the distribution of 2,500,000 Shares, the issuance of 450,000 options to purchase Shares to be granted to the Corporation's officers and directors at the closing of this offering, and the issuance of an option to purchase 250,000 Shares to be granted to the Agent at the closing of this offering.

The Agent has agreed to use its best efforts to secure subscriptions for all the Shares offered hereunder on the Corporation's behalf and may make co-brokerage arrangements with other investment dealers at no additional cost to the Corporation. The Agent's obligations under the Agency Agreement may be terminated at its discretion on the basis of its assessment of the state of financial markets or upon the occurrence of certain stated events.

The total subscription is 2,500,000 Shares. The funds received from the sale of the Shares offered hereunder will be deposited with the Trustee and will not be released until a total of $500,000.00 has been deposited. The total subscription must be raised within 90 days of the date of the receipt for the final version of this Prospectus, or such other time as may be authorized by the Executive Director of the Alberta Securities Commission and agreed to by the Agent, failing which the Trustee will remit the funds collected to the original subscribers without interest or deduction. The total subscription must be subscribed for by at least 300 Alberta residents each holding a board lot (500 Shares) or more. The maximum purchase by any single subscriber is 2% of the total offering.

The Corporation has not engaged any person to provide investor relations, promotional or market-making services and will not engage any person to do so until completion of the Qualifying Transaction. Neither the Corporation nor its management are aware of any arrangements or agreements for such services by or on behalf of any of its shareholders.

DILUTION

The following sets forth the dilution of the Shares:

Total gross proceeds of all share issues:	$700,000.00
Share purchase price:	$0.20
Total gross proceeds per common share:	$0.156
dilution per Share:	$0.044
%age of dilution in relation to the purchase price:	22.0%

Purchasers of Shares will thus experience a dilution of 22.0% or $0.044 based on the total gross proceeds to the Corporation of this and prior issues of shares without deduction of commissions to be paid or the Corporation's expenses.

USE OF PROCEEDS TO THE CORPORATION

The gross proceeds to be received by the Corporation from the sale of the Shares offered by this prospectus will be $500,000.00, from which will be deducted a sponsorship fee of $10,000.00 and a commission of $50,000.00 both payable to Canaccord Capital Corporation (the "*Agent*") and additional expenses and costs of this issue estimated to be $7,000.00. Pursuant to the Policy, at least 70% of all proceeds from all sales of Shares, including proceeds from sales of shares before this offering, shall be utilized by the Corporation in pursuit of its intended business purpose and objective and shall not be used for Agent's fees or commissions, officers' or directors' salaries or other forms of compensation, legal and audit expenses, listing fees and other costs of issuing securities, or general and administrative expenses. Before completion of the Qualifying Transaction, no proceeds shall be used to acquire or lease a vehicle.

The gross proceeds to be received by the Corporation from the combination of prior sales of common shares and the sale of all the Shares offered by this prospectus will be $700,000.00. The Policy requires that, until the Corporation completes a Qualifying Transaction and except as otherwise provided by the Policy, all proceeds from the sale of all securities, including proceeds from sales before the prospectus, shall be utilized by the Corporation to identify and evaluate assets or businesses for a prospective Qualifying Transaction such as:

(a) expenses incurred for the preparation of:

  (i) valuations or appraisals;
  (ii) business plans;
  (iii) feasibility studies and technical assessments;
  (iv) geological reports; and
  (v) financial statements, including audited financial statements;

relating to the identification and evaluation of assets or businesses and the obtaining of shareholder approval for the Qualifying Transaction;

(b) fees for legal and accounting services relating to the identification and evaluation of assets or businesses and the obtaining of shareholder approval for the Corporation's proposed Qualifying Transaction; and

(c) subject to prior acceptance of the Exchange, for deposits in the maximum aggregate amount of $100,000.00 (with a maximum of $25,000.00 to be non-refundable) to preserve assets, provided that no deposit or similar payment may be made to a Related Party.

In addition, until the Corporation completes a Qualifying Transaction, no more than 30% of the gross proceeds from the sale of all securities issued by the Corporation shall be used for purposes other than those described above, including the following expenditures which the Policy specifies as not being expenditures to identify and evaluate assets or businesses:

(a) listing and filing fees (including SEDAR fees);
(b) underwriters or agents fees, costs and commissions;
(c) other costs for the issuance of securities, including legal and audit expenses relating to the preparation and filing of this prospectus; and
(d) the Corporation’s administrative and general expenses, including office supplies, office rent and related utilities; printing costs (including the printing of this prospectus and share certificates), equipment leases (provided that no proceeds shall be used to acquire or lease a vehicle), and fees for legal advice and audit expenses, other than those described above with respect to the Qualifying Transaction.

Except as permitted by the Policy, until the Corporation completes a Qualifying Transaction, it may not make any payment of any kind, directly or indirectly, to the target company or business or to Related Parties to the Corporation or Related Parties to the Qualifying Transaction, or to a person engaged in investor relations activities, by any means, including:

(a) remuneration, which includes but is not limited to salaries, consulting fees, management contract fees, directors’ fees, finders’ fees, loans, vehicle acquisitions or leases, advances and bonuses (including bonuses relating to the Qualifying Transaction); and
(b) the deposits and similar payments described above.

Further, no such payments shall be made on or after the Corporation completes a Qualifying Transaction if such payments relate to services rendered or obligations incurred before or in connection with the Qualifying Transaction.

Notwithstanding the above, the Corporation may reimburse Related Parties to the Corporation for reasonable expenses for office supplies, office rent and related utilities, equipment leases (excluding vehicle leases), and legal services (provided that neither the lawyer providing the legal services nor any member of the law firm providing the services is a promoter of the Corporation), and may also reimburse Related Parties to the Corporation for reasonable out-of-pocket expenses incurred in pursuing the Corporation’s business.

The Policy’s restrictions on expenditures and the use of proceeds continue to apply until completion of the Qualifying Transaction. Due to the Policy’s definition of “Qualifying Transaction”, those restrictions can continue to apply following shareholder approval of the proposed Qualifying Transaction until the issuance of the Final Exchange Notice (as defined in the Policy). If the Qualifying Transaction does not close or if for any other reason the Exchange does not issue a Final Exchange Notice, any expenditures made other than as permitted by the Policy will be considered to be a breach of the Policy. The Policy no longer applies upon the issuance of the Exchange Bulletin confirming final acceptance of the Qualifying Transaction except for escrow provisions and the Corporation is generally prohibited from conducting a reverse take-over for a period of one year from the completion of the Qualifying Transaction.

It is expected that the gross proceeds from previous sales of the Corporation's securities ($200,000.00) together with the gross proceeds of this issue ($500,000.00) shall be applied as follows:

1.	Estimated costs of identifying and evaluating potential acquisitions [1]	$571,000.00
2.	Estimated administrative and general expenses	$25,000.00
3.	Costs of this issue including legal, audit and printing excluding listing fees and agent's expenses	$30,000.00
4.	Fee for Exchange listing, other regulatory filings and government registrations in Alberta	$7,000.00
5.	Agent's expenses (including legal fees), fee and commission (incl. GST)	$67,000.00
	TOTAL	$700,000.00

Notes:

(1) If the Corporation completes an approved Qualifying Transaction before spending this entire amount on identification and evaluation, the Corporation may use the remaining funds to finance or partially finance the acquisition of or participation in such corporations, properties, assets or businesses, or for other purposes.

(2) If the Agent exercises the Agent's Option, there will be available to the Corporation an additional maximum of $50,000.00 which will be added to the Corporation's working capital. See "*Plan of Distribution*".

(3) If the directors exercise all of their options, there will be available to the Corporation an additional maximum of $90,000 which will be added to the Corporation's working capital. See "*Remuneration of Directors and Management*".

Until completion of the Qualifying Transaction, no payment will be made, either directly or indirectly by the Corporation to a director, officer, promoter or to associates or affiliates of such individuals by any means, and no payment shall be made by the Corporation on or after the completion of the Qualifying Transaction if the payment relates to services rendered or obligations incurred before or in connection with the Qualifying Transaction.

Until required for the Corporation's purposes, all proceeds will only be invested in securities of, or those guaranteed by, the government of Canada, any province thereof or the government of the United States of America, in certificates of deposit or interest bearing accounts of Canadian chartered banks, trust companies or the Alberta Treasury Branches.

The proceeds of this offering, after deducting the costs of this issue, will only be sufficient to identify a limited number of opportunities. Additional funds may be required to finance any acquisition to which the Corporation may commit. See "*The Corporation*", "*Method of Financing Acquisition or Participation Opportunities*" and "*Risk Factors*".

SHARE AND LOAN CAPITAL STRUCTURE

The Corporation is authorized to issue an unlimited number of common shares without nominal or par value, of which 2,000,000 are presently issued and outstanding as fully paid and non-assessable. The Corporation has also reserved 250,000 and 450,000 common shares for issuance pursuant to the stock options granted to the Agent and Corporation's management respectively. The Corporation is also authorized to issue an unlimited number of preferred shares without nominal or par value. To date no shares other than common shares have been issued or reserved for issue.

Common Shares: Holders of common shares are entitled to receive notice of and to vote at every meeting of the Corporation's shareholders, to receive such dividends as the directors may, from time to time, by resolution declare for the benefit of the common shares, and to share equally in the assets of the Corporation remaining upon the liquidation or winding-up of the Corporation with the holders of the preferred shares on a share for share basis, after the Corporation's creditors have been satisfied. All common shares on issue must be fully paid and non-assessable.

Preferred Shares: The preferred shares may be issued in one or more series, and the directors are authorized to fix the number of shares in each series, and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series. The preferred shares are entitled to a priority over the common shares with respect to the payment of dividends. The preferred shares shall share equally in the assets of the Corporation remaining upon the liquidation or winding-up of the Corporation with the common shares on a share for share basis, after the Corporation's creditors have been satisfied. All preferred shares on issue must be fully paid and non-assessable.

Capitalization:

Authorized Capital	Outstanding as at February 21st, 2001 (3)	Outstanding After Giving Effect to this Offering (1)(2)(3)
unlimited common shares	2,000,000 ($200,000.00)	4,500,000 ($700,000.00)
unlimited preferred shares	Nil	Nil

Notes: (1) The Corporation has reserved an aggregate of 450,000 common shares for a directors and management stock option plan, and the Corporation intends to grant options on them all to its directors and officers. See "*Remuneration of Directors and Management*".

(2) The Corporation will grant the Agent an option to purchase 250,000 common shares at a price of $0.20. See "*Plan of Distribution*".

(3) Before deducting any expenses, fees or commissions for this offering. See "*Use of Proceeds to the Corporation*".

Loans: As at the date of this prospectus the Corporation has no deficit, no debt and no contributed surplus or retained earnings.

Prior Sales: Since incorporation, the Corporation has issued shares as follows:

Date of Issuance	Number of Shares Issued	Issue Price Per Share	Total Consideration Realized	Nature of Consideration
Feb. 5th, 2001	2,000,000	$0.10	$200,000.00	Cash

DIVIDEND RECORD

No dividends have ever been paid by the Corporation and it is not contemplated that any will be paid in the immediate or foreseeable future.

DIRECTORS AND OFFICERS

The following individuals are the Corporation's directors and officers:

Name and Municipality of Residence	Office	Principal Occupation for the Past 5 Years
Gordon D. Anderson (2) Calgary, Alberta	President, and Director	From May, 1975 until the present Mr. Anderson has been employed with London Life in a variety of management positions, and presently owns a "private issuer" estate

		planning firm associated with London Life. From December, 1995 until December, 1997 he was a founder and director of Western Canadian Entertainment Corp. and from June, 1997 until June, 1998 he was a founder and director of Potential Technologies Inc. (both ASE listed junior capital pool companies), and from June, 1998 until December, 2000 he was a director of Cybersurf Corp. (a CDNX listed company). From December, 1997 until December, 1998 he was also a director of Equess Communications Ltd. (a CDNX listed company). A private company, of which Mr. Anderson is a shareholder and director, purchased shares of Powertel Communications Inc. and neither filed Insider Reports within the prescribed time nor submitted the shares to escrow as required by the rules pertaining to junior capital pool companies. On his discovery of the private company's infractions, he caused the Insider Reports to be filed, notified the Alberta Securities Commission and voluntarily entered into a settlement agreement with the ASC dated May 8th, 1996 undertaking to be more diligent in compliance matters, to cause the private company to place the shares in escrow and to pay to the ASC the costs of its investigation in the amount of $750.00.
Lynda J. Taylor (1) Calgary, Alberta	Chief Financial Officer, Secretary-Treasurer, and Director	From June, 1993 until the present Ms. Taylor has been the senior partner and manager of Taylor & Associates, Chartered Accountants, a public accounting firm. From November, 1997 until December, 1998 she was a founder, director and the president of Potential Technologies Inc. (an ASE listed junior capital pool company). She also sits on the boards and on subcommittees of several charitable foundations.
Wayne E. Berg (1)	Director	From November, 1983 until the present Mr. Berg has been a shareholder and vice-president of Kellam Berg Engineering and Surveys Ltd. a "private issuer" company that carries out land survey and engineering work throughout Southern Alberta.
Ken D. Blatz	Director	From November, 1994 until October, 1999 Mr. Blatz was employed as a site foreman for Concept Electric in the construction industry in Calgary. From October, 1999 until the present he has been self-employed as a construction general contractor through his "private issuer" company 809174 Alberta Ltd.
Alex Karmis	Director	From 1987 until the present Mr. Karmis has been self-employed as a real estate developer in Alberta through several "private issuer" companies including Ulysses Development Corp.
Clive O. Llewellyn (1)(2)	Director	From 1991 until the present Mr. Llewellyn, MA. (Economics) and LL.B. has been a partner at Fleming Kambeitz, Barristers and Solicitors, where he practices civil and commercial litigation. From June, 1995 until December, 1996 he was a founder and director of Western Canadian Entertainment

Corp., from 1997 until 1998 he was a director of Rapidfire Resources Ltd. and from November, 1997 until December, 1998 he was a founder and director of Potential Technologies Inc. (all ASE listed junior capital pool companies). A private company, of which Mr. Llewellyn is a shareholder and director, purchased shares of Powertel Communications Inc. and neither filed Insider Reports within the prescribed time nor submitted the shares to escrow as required by the rules pertaining to junior capital pool companies. On his discovery of the private company's infractions, he caused the Insider Reports to be filed, notified the Alberta Securities Commission and voluntarily entered into a settlement agreement dated May 8th , 1996 undertaking to be more diligent in compliance matters, to cause the private company to place the shares in escrow and to pay to the ASC the costs of its investigation in the amount of $750.00.

Notes: (1) Audit Committee members.
(2) Independent Committee members.

Until the Qualifying Transaction is completed, it is estimated that Mr. Anderson, Ms. Taylor and Mr. Karmis will each devote approximately 25% of their time and efforts to the Corporation's affairs. The remainder of the directors will each devote approximately 10% of their time and efforts to the Corporation's affairs.

No director, officer, or associate or affiliate of any director or officer has been indebted at any time to the Corporation since its incorporation.

EXECUTIVE COMPENSATION

Cash Payment: Other than options, until completion of the Qualifying Transaction, no payment shall be made, directly or indirectly, by the Corporation to a Related Party (as defined under "*Escrowed Securities*"), or to any individual or entity providing investor or public relations type services, by any means including remuneration (including salaries, consulting, management or finder's fees, loans, advances, bonuses), refundable or non-refundable, secured or unsecured, or trust deposits, lock-up fees or advances to preserve assets. No such payment shall be made by the Corporation on or after completion of the Qualifying Transaction if the payment relates to services rendered or obligations incurred before or in connection with the Qualifying Transaction. However, the Corporation may compensate Related Parties for the Corporation's reasonable expenses for office supplies, office rent, related utilities, equipment and vehicle leases, legal services (provided these are not paid to a promoter of the Corporation), or reimburse Related Parties for reasonable out-of-pocket expenses incurred in pursuit of the Corporation's business.

Stock Options: The Corporation has granted no stock options to date. However, 10% of the Corporation's common shares outstanding from time to time are reserved for the issuance of stock options pursuant to a Management Stock Option Plan approved by a resolution of the Corporation's board of directors, and subsequently approved by the Corporation's shareholders - upon the closing of this offering that will be 450,000 common shares. The Stock Option Plan provides that the terms of any options (including price) shall be fixed by the directors subject to the Exchange's restrictions, that no option may be granted to any person except upon recommendation by the Corporation's directors, that only the Corporation's directors, officers, employees and other key personnel may receive stock options, and that no person may receive options for more than 5% of the issued and outstanding shares at any time. Options under the Stock Option Plan are non-transferable, may not be for longer than 5 years from the date of their grant, expire within 90 days of the holder ceasing to be a director of the Corporation or within 1 year of the death of the holder, and the exercise price must be paid in full upon exercise. The Corporation intends to grant the following individuals the following stock options upon closing of this offering:

Name	Number of Common Shares under Option	Exercise Price per Common Share	Term
Gordon D. Anderson	100,000	$0.20	5 years from issue date
Lynda J. Taylor	70,000	$0.20	“
Wayne E. Berg	70,000	$0.20	“
Ken D. Blatz	70,000	$0.20	“
Alex Karmis	70,000	$0.20	“
Clive O. Llewellyn	70,000	$0.20	“
Total:	450,000		

All these stock options and their resultant common shares are qualified under and distributed pursuant to this prospectus. All shares acquired pursuant to the exercise of these stock options before completion of a Qualifying Transaction must be deposited in escrow and may be released only in accordance with the Policy. See “*Escrowed Securities*”.

MANAGEMENT

The Corporation’s key management consists of:

(a) **Gordon D. Anderson**, who is the President, a director and a founder of the Corporation. He owns an estate planning firm still associated with London Life with whom he was employed since 1975. From June, 1995 until December, 1996 he was a founder and director of Western Canadian Entertainment Corp. and from November, 1997 until December, 1998 he was a founder and director of Potential Technologies Inc. (both ASE listed junior capital pool companies), and since December, 1998 he has been a director of Cybersurf Corp. (a CDNX listed company). From May, 1997 until June 1998 he has also been a director of Equess Communications Ltd. (a CDNX listed company).

(b) **Lynda J. Taylor**, who is the Chief Financial Officer, Secretary-Treasurer, a director and a founder of the Corporation. She is a chartered accountant with over twenty years experience as a business accountant and auditor. From June, 1993 until the present Ms. Taylor has been the senior partner and manager of Taylor & Associates, Chartered Accountants, a public accounting firm. From November, 1997 until December, 1998 she was a founder, director and the president of Potential Technologies Inc. (an ASE listed junior capital pool company). She also sits on the boards and on subcommittees of several charitable foundations.

(c) **Alex Karmis**, who is a director and a founder of the Corporation. He is a self-employed real estate developer, and over the past ten years has successfully purchased, developed and re-marketed over 200 residential dwelling units in Calgary.

PRINCIPAL HOLDERS OF SECURITIES

The following are those persons who own of record or who are known by the Corporation to own beneficially, directly or indirectly, or who exercise control or direction over more than 10% of the Corporation’s issued and outstanding shares:

Name and Municipality of Residence	Type of Ownership	Number of Shares (1)	Percentage of Shares Owned Before Offering	Percentage Owned After Offering (2)
Gordon D. Anderson Calgary, Alberta	of record and beneficial	333,340	16.6%	7.4%
Lynda J. Taylor	of record and beneficial	333,340	16.6%	7.4%

Calgary, Alberta				
Wayne E. Berg Calgary, Alberta	of record and beneficial	333,330	16.6%	7.4%
Ken D. Blatz Calgary, Alberta	of record and beneficial	333,330	16.6%	7.4%
Alex Karmis Calgary, Alberta	of record and beneficial	333,330	16.6%	7.4%
Clive O. Llewellyn Calgary, Alberta	of record and beneficial	333,330	16.6%	7.4%
	Total:	2,000,000	100%	44.4%

Notes: (1) Subject to an escrow agreement. See "*Escrowed Securities*".
(2) Without taking into account any Shares the principal holders of securities may acquire.

The directors, officers and promoters as a group beneficially own or control, directly or indirectly, all common shares outstanding before this offering. Upon completion of this offering they will own or control 44.4% of the outstanding common shares (before either issue or exercise of any stock options).

PROMOTERS

Gordon D. Anderson and Alex Karmis may be considered to be the Corporation's promoters in that they took the initiative in founding and organizing the Corporation. They have both received common shares and will receive directors' stock options. See "*Principal Holders of Securities*", and "*Remuneration of Directors and Management*".

ESCROWED SECURITIES

The following securities of the Corporation will be held in escrow:

Designation of Class	Number in Escrow	Percentage of Class Outstanding	Percentage after this Offering
common shares	2,000,000	100%	44.4%

The following securities of the Corporation are required to be held in escrow pursuant to an escrow agreement and in compliance with the Policy:

(a) if directly or indirectly, beneficially owned or controlled by the promoters, officers, directors, insiders or control persons of the Corporation, including associates or affiliates of any of these individuals, or any other corporation of which any of these individuals is also a promoter, officer, director or control person of the Corporation ("*Related Parties*");
   (i) all shares issued before the closing of the offering;
   (ii) all Shares issued pursuant to this offering;
   (iii) all securities acquired from treasury after this offering but before completion of the Qualifying Transaction, other than shares acquired upon the exercise of stock options which are to be escrowed pursuant to paragraph 7.5 of the Policy;

(b) all shares of the Corporation acquired in the secondary market before completion of the Qualifying Transaction by any person who holds or is one of a combination of persons who holds a sufficient number of the Corporation's securities so as to materially affect control of the Corporation, or who holds more than 20% of the Corporation's outstanding shares;

(c) securities issued other than in conjunction with a Qualifying Transaction, that are acquired pursuant to a private placement or in any other manner by a control person of the Corporation (determined after giving effect to the issuance) or by Related Parties to the Corporation before completion of the Qualifying Transaction.

Upon the Corporation completing a Qualifying Transaction, the escrowed securities shall be released as to 10% immediately following issuance of the Exchange Notice and the submission of all post-meeting documentation which evidences the Exchange's final acceptance of the Qualifying Transaction (the "Final Exchange Notice"), and a further 15% every successive six months thereafter.

Notwithstanding the schedule outlined above regarding the release of escrowed securities, where the Corporation reasonably believes that, upon completion of the Qualifying Transaction, it will meet the minimum listing requirements of a Tier I issuer described in Policy 2.1 - Minimum Listing Requirements, the Corporation may make an application to the Exchange to be listed as a Tier I issuer and shall concurrently provide notice to the Trustee of that application. If the Exchange issues a notice (the "Acceptance Notice") confirming final acceptance for graduating the Corporation to Tier I, the Corporation shall forthwith issue a news release disclosing that it has been accepted for Tier I, the number of securities to be released and the dates of release and shall promptly provide that news release, together with a copy of the Acceptance Notice to the Trustee and the escrowed securities shall be released as to 25% immediately following issuance of the Exchange Notice and the submission of all post-meeting documentation which evidences the Exchange's final acceptance of the Qualifying Transaction (the "Final Exchange Notice"), and a further 25% every successive six months thereafter. If early release becomes effective, the Trustee, within 10 days of the Exchange's issuance of the Acceptance Notice, shall release from escrow any securities which, pursuant to the early release schedule, would have been releasable at a date before issuance of the Acceptance Notice.

Where escrowed securities of the Corporation are held by a holding company during the currency of the escrow agreement, the holding company may not carry out any transactions which would result in a change of its control without the Exchange's consent. The securities of the company resulting from the Corporation's Qualifying Transaction held by Principals (as defined in Exchange Policy 5.4) will generally be escrowed in accordance with the terms of an escrow agreement in accordance with Policy 5.4. The terms of each Principal's escrow agreement will depend on the application of Policy 5.4 to the Corporation's Qualifying Transaction. Other securities issued in connection with a Qualifying Transaction may also be escrowed in accordance with Policy 5.4. Percentages are calculated based on the total number of shares escrowed pursuant to each escrow agreement. If a Qualifying Transaction does not take place, there will be no release from escrow.

All the Corporation's shares issued as of the date of this prospectus will be deposited with Valiant Corporate Trust Company pursuant to a Discount Seed Share Escrow Agreement dated May 9th, 2001 which provides, in addition to the provisions set forth above, that all voting rights attached to escrowed securities shall be exercised by the registered holder of the shares. If the Exchange delists the Corporation, the Trustee will immediately cancel all of shares issued at less than the price of this offering held in escrow pursuant to the escrow agreement. See "*Material Contracts*".

MATERIAL CONTRACTS

The Corporation has not entered into any contracts material to subscribers for the Shares since incorporation except:

1. A Transfer Agency and Registrarship Agreement dated February 5th, 2001 between the Corporation and Valiant Corporate Trust Company;
2. An Agency Agreement dated May 9th, 2001, among the Corporation, Canaccord Capital Corporation and Valiant Corporate Trust Company. See "*Plan of Distribution*"; and
3. A Discount Seed Share Escrow Agreement dated May 9th, 2001, among the Corporation, Valiant Corporate Trust Company, and Security Holders of the Corporation. See "*Escrowed Securities*";

Copies of these agreements are available for inspection at the Corporation's registered office, or at the Alberta Securities Commission, 2100, 10025 Jasper Avenue, Edmonton, Alberta, or 410, 300-5th Avenue S.W., Calgary, Alberta, during ordinary business hours while the Shares are in the course of distribution and for 30 days thereafter.

CONFLICTS OF INTEREST

There are potential conflicts of interest to which some of the Corporation's directors and officers may be subject in connection with the Corporation's operations. Some of the directors and officers are engaged in and will continue to be engaged in the search for corporations, businesses or assets which may be in competition with the search by the Corporation for such corporations, businesses or assets and accordingly situations may arise where some of the directors and officers will be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies under the *Business Corporations Act* (Alberta).

All directors and officers are officers, directors or employees of other corporations or entities which will make varying demands on their time and efforts from time to time. Gordon Anderson anticipates dedicating 25% of his time to the Corporation and its affairs. Lynda Taylor anticipates dedicating 25% of her time to the Corporation and its affairs. The remainder of the directors anticipate dedicating 10% of their time to the Corporation and its affairs. See "*Directors and Officers*" and "*Management*".

RISK FACTORS

There is no established market for the Corporation's common shares. This offering should be considered highly speculative due to the proposed nature of the Corporation's business and the fact that the Corporation was only recently incorporated, has no business operations, has no assets other than cash, and has identified only one business for acquisition or participation. The Corporation has neither a history of earnings nor has it paid any dividends and it is unlikely to enjoy earnings or pay dividends in the immediate or foreseeable future. The Corporation has not entered into any Agreement in Principle. Under the Policy, an Agreement in Principle is any enforceable agreement or any other agreement or similar commitment in relation to a Qualifying Transaction which identifies the fundamental terms upon which the parties agree or intend to agree and in respect of which there are no material conditions to closing (other than receipt of shareholder approval and Exchange acceptance), the satisfaction of which is dependent upon third parties and beyond the reasonable control of the Related Parties to the Corporation or the Related Parties to the Qualifying Transaction.

There is no assurance that the Corporation will be able to identify acquisition or participation opportunities which will be profitable. Moreover, should the Corporation identify any corporation, properties, assets or businesses and determine that an acquisition is warranted, the Corporation may not be able to finance the acquisition and additional funds may be required to meet such obligations. As a result of these factors, this offering is only suitable to those investors who are prepared to risk a total loss of their investment and who are willing to rely solely on the Corporation's management. See "*The Corporation*", "*Method of Financing Acquisition or Participation Opportunities*" and "*Management and Key Personnel*".

The Corporation's business objective is to identify and evaluate assets or businesses with a view to completing a Qualifying Transaction approved by the Exchange and a majority of the minority of the Corporation's shareholders; however, there can be no assurance that the Corporation will successfully complete a Qualifying Transaction.

The Corporation's proposed business involves a high degree of risk and there is no assurance that the Corporation will identify potential businesses or other assets which warrant acquisition, in whole or in part and, if one is identified and the acquisition of an interest therein is warranted, the Corporation may not be able to finance the acquisition and additional funds will be required to meet such obligations. Further, in cases where the Corporation does not acquire control of a corporation or business it will have to rely on existing management and on the minority shareholder remedies of the jurisdiction governing that corporation or business. Also the Corporation will be in competition with others with greater financial and technical resources.

The Exchange may suspend from trading or delist the Corporation's common shares if it fails to complete a Qualifying Transaction within 18 months of the date of listing on the Exchange. Suspension of the common shares from trading may, and delisting of the common shares will, result in the Commission issuing an interim cease trade order against the Corporation. In addition, delisting of the common shares will result in the cancellation of all the Corporation's currently issued and outstanding common shares.

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

(a) if the Corporation fails to meet the minimum listing requirements prescribed by the Exchange's Policy 2.1 upon completion of the Qualifying Transaction;

(b) if, following completion of the Qualifying Transaction, the Corporation will be a finance company or a mutual fund as defined under applicable securities laws; or

(c) for any other reason at the Exchange's sole discretion.

Shareholders acquiring Shares under this offering will experience an immediate dilution of 22% or $0.044 per Share based on gross proceeds of this and prior issues by the Corporation. If the Corporation issues treasury shares to finance its acquisition or participation opportunities, control of the Corporation may change and subscribers may suffer additional dilution of their investment.

The Corporation's directors and officers will not be devoting all their time to the Corporation's affairs, but will be devoting such time as required to effectively manage the Corporation. Some of the Corporation's directors and officers are engaged and will continue to be engaged in the search for property or business prospects on their own behalf or on behalf of others. See "*Conflicts of Interest*".

As a result of these factors, this offering is suitable only to those investors who are willing to rely solely on the Corporation's management and who can afford to lose all of their investment. See "*The Corporation*", "*Management*", "*Directors and Officers*", "*Use of Proceeds*" and "*Conflicts of Interest*".

AUDITORS, TRANSFER AGENTS AND REGISTRAR

The Corporation's auditor is Connor Hind & Lim, an association of Chartered Accountants, of 210, 701-14th Street NW., Calgary, Alberta, T2N 2A4. The Corporation's transfer agent and registrar is Valiant Corporate Trust Company, through its principal office in Calgary. The auditor has not received and does not expect to receive any interest, whether direct or indirect, in the Corporation's property or in any property of any associate or affiliate of the Corporation, and does not own, directly or indirectly, any securities of either the Corporation or any associate or affiliate of the Corporation. The auditor is not, nor expects within the year following the date of this prospectus to be elected, appointed or employed as, a director, officer or employee of either the Corporation or any associate or affiliate of the Corporation.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in the province of Alberta provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendments. The securities legislation further provides a purchaser with remedies for rescission or damages if the prospectus and any amendments contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor. Sections 106, 168 and 175 of the *Securities Act* (Alberta) specifically provide, in effect, that when a security is offered in the course of a distribution:

(a) a purchaser will not be bound by a contract for the purchase of that security if written notice of his intention not to be bound is received by the dealer from whom the purchaser purchased that security not later than midnight on the second business day after the latest prospectus and any amendment to it offering that security is received by the purchaser; and

(b) if a prospectus, together with any amendment to it, contains a misrepresentation, a purchaser who purchases a security offered thereby during the period of distribution shall be deemed to have relied on that misrepresentation and, subject to the limitations set forth in the Act,

(i) has a right for action for damages against

A. the issuer or a selling security holder on whose behalf the distribution is made,

B. each underwriter required to sign the certificate required by section 91 of the Act,

C. every director of the issuer at the time the prospectus or amendment was filed,

D. every person or company whose consent has been filed pursuant to a requirement of the regulations under the Act but only with respect to reports, opinions or statements made by them, and

E. every other person or company who signed the prospectus or the amendment,

but no action to enforce the right can be commenced by a purchaser more than the earlier of 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action or one year after the date of the transaction that gave rise to the cause of action, or

(ii) where the purchaser purchased the security from a person or company referred to in A or B above or from another underwriter of the securities, he may elect to exercise a right of rescission against that person, company or underwriter, in which case he shall have no right of action for damages against that person, company or underwriter, but no action to enforce this right can be commenced by a purchaser more than 180 days after the date of the transaction that gave rise to the cause of action.

Reference is made to the *Securities Act* for the complete text of the provisions under which these rights are conferred and this summary is subject to the express provisions of the *Securities Act*.

CONNOR HIND & LIM

An Association of Chartered Accountants

Gary E. Connor, C.A.
John D. Hind, C.A.
Lawrence A. Lim., C.A.

AUDITORS' REPORT

To the Directors of
The Ulysses Group Ltd.

We have audited the balance sheet of The Ulysses Group Ltd. as at February 5, 2001. This financial statement is the responsibility of the company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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, this financial statement presents fairly, in all material respects, the financial position of the company as at February 5, 2001 in accordance with Canadian generally accepted accounting principles.

Calgary, Alberta
February 6, 2001
Except Note 3, which is
dated May 9, 2001

(SIGNED) “CONNOR HIND & LIM”
CHARTERED ACCOUNTANTS

210, 701 - 14th Street N.W., Calgary, Alberta T2N 2A4 Tel:(403) 270-7550 Fax:(403) 670-7280

THE ULYSSES GROUP LTD.

BALANCE SHEET AS AT FEBRUARY 5, 2001

ASSETS

CURRENT	
Cash	$ 200,000

SHAREHOLDERS' EQUITY

SHARE CAPITAL - Note 2	$ 200,000

APPROVED ON BEHALF OF THE BOARD:

(SIGNED) “GORDON ANDERSON” Director

(SIGNED) “LYNDA TAYLOR” Director

NOTE 1 OPERATIONS

The Corporation was incorporated as The Ulysses Group Ltd. by a Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (Alberta) on February 5, 2001.

The Corporation is classified as a Capital Pool Company as defined in the Canadian Venture Exchange Policy 2.4. The Corporation is involved in securing equity financing with which it intends to identify and evaluate opportunities for the acquisition of an interest in properties, corporations, assets or businesses and once identified and evaluated, to negotiate an acquisition thereof or participation therein subject to receipt of shareholder and regulatory approval.

NOTE 2 SHARE CAPITAL

Authorized:
Unlimited number of voting common shares
Unlimited number of preferred shares, issuable in series

Issued:

2,000,000 common shares for cash	$ 200,000

The common shares outstanding are to be held in escrow under the requirements of the Alberta Securities Commission, the 2,000,000 common shares will be released as to the rules pertaining to the Capital Pool Companies pursuant to Policy 2.4.

The Corporation has adopted management stock option plan (the “Stock Option Plan”) whereby a maximum of 10% of the issued and outstanding common shares of the Corporation are reserved for issuance pursuant to the exercise of stock options to be granted to directors, officers, employees and other key personnel of the Corporation. The Stock Option Plan provides that the terms of the options and the option price shall be fixed by the directors subject to the price restrictions and other requirements imposed by The Alberta Stock Exchange. Stock options granted under the Stock Option Plan are not transferable and may not be for a period of longer than five (5) years from the dated of the grant and the exercise price must be paid in full upon exercise of the option.

NOTE 3 SUBSEQUENT EVENTS

(a) Pursuant to an Agency Agreement dated May 9, 2001, the Corporation is offering 2,500,000 Common Shares at $0.20 per Common Share to the public. The cost of the issue, including agent’s commission, expenses and other fees, is estimated to be $104,000. The Agent, Cannacord Capital Corporation, has agreed to use its best efforts to secure subscriptions for these shares. The Corporation will grant Cannacord Capital Corporation an option to purchase up to 250,000 Common Shares at $0.20 per Common Share. The option expires 18 months from the date of the listing of the shares on The Canadian Venture Exchange.

(b) Under the terms of the Stock Option Plan, the Corporation intends to enter into stock option agreements granting stock options to acquire 450,000 common shares to certain officers and directors at a price of $0.20 per share if the total offering is raised. These stock options will expire five years from the date of the grant.

CERTIFICATE OF THE CORPORATION

Dated: May 23rd, 2001.

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.

The Ulysses Group Ltd.

(signed) "Gordon D. Anderson"
Gordon D. Anderson
President

(signed) "Lynda J. Taylor"
Lynda J. Taylor
Chief Financial Officer

On behalf of the Board:

(signed) "Wayne E. Berg"
Wayne E. Berg
Director

(signed) "Alex Karmis"
Alex Karmis
Director

CERTIFICATE OF THE PROMOTER(S)

Dated: May 23rd, 2001.

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 regulations under it.

(signed) "Gordon D. Anderson"
Gordon D. Anderson

(signed) "Alex Karmis"
Alex Karmis

CERTIFICATE OF THE AGENT

Dated: May 23rd, 2001.

To the best of our knowledge, 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 by the regulations under it.

CANACCORD CAPITAL CORPORATION

(signed) "J. Roderick Matheson"
J. Roderick Matheson

The following includes the names of every person or company having an interest, either directly or indirectly, to the extent of not less than 5% in the capital of Canaccord Capital Corporation:

Peter M. Brown (through The MacLachlan Investments Corporation)
Bradley D. Griffiths (through 3759971 Canada Inc.)
Michael G. Greenwood (directly and through 728541 Alberta Ltd.)

Their interests are held indirectly through Canaccord Investment Ltd. and Canaccord Holdings Ltd.