NO SECURITIES REGULATORY AUTHORITY HAS EXPRESSED AN OPINION ABOUT THESE SECURITIES AND IT IS AN OFFENCE TO CLAIM OTHERWISE.

PROSPECTUS

Initial Public Offering November 5, 2001

BLUELAND CAPITAL INC.

(a capital pool company offering)
$348,750
2,325,000 Common Shares
Price: $0.15 per Common Share

The purpose of this issue is to provide Blueland Capital Inc. (the "Corporation") with a minimum of funds with which to identify and evaluate companies, assets or businesses with a view to completing a qualifying transaction (a "Qualifying Transaction") approved by the Canadian Venture Exchange Inc. ("CDNX") and the majority of the minority security holders of the Corporation in accordance with Policy 2.4 of the CDNX Corporate Finance Manual (the "Policy"). See "Business of the Corporation" and "Use of Proceeds".

This issue is offered on a "best efforts" basis and is subject to the receipt by the Corporation of subscriptions totalling $348,750. The maximum purchase by any single subscriber to this offering (the "Offering") is 2% of the Offering, or 46,500 Common Shares ("Common Shares"), and the maximum purchase by any single subscriber to the Offering, together with that subscriber's associates and affiliates, is 4% of the Offering, or 93,000 Common Shares. See "Plan of Distribution".

	Common Shares	Price to the Public	Agent's Commission(1)	Proceeds to the Corporation(2)
Per Common Share	1	$ 0.15	$ 0.015	$0.135
Total Offering(3)	2,325,000	$348,750	$34,875	$ 313,875

Notes:

(1) Raymond James Ltd. (the "Agent") has agreed to act as sponsor of the Corporation to CDNX and the agent in connection with the Offering and will receive a commission of $34,875 if the total Offering is contemplated. In addition, the Agent will be paid a corporate finance fee in the amount of $8,000 and will be reimbursed for its legal fees incurred pursuant to this Offering, estimated to be $7,000. The Corporation will also grant to the Agent, if the total Offering is contemplated, an option to purchase 232,500 Common Shares of the Corporation at a price of $0.15 per Common Share (the "Agent's Option"), which option is qualified for distribution under this prospectus. See "Plan of Distribution".

(2) Before deducting expenses of this Offering estimated at $30,000, and the Agent's fees and expenses estimated at $49,875 (excluding GST).

(3) A total of 2,325,000 Common Shares are offered hereunder, not including the Agent's Option, or the incentive stock options to be granted to the directors and officers of the Corporation to purchase 407,500 Common Shares at a price of $0.15 per Common Share (the "Incentive Stock Options"), which Incentive Stock Options are qualified for distribution under this prospectus. See "Incentive Stock Options". The Incentive Stock Options are expected to be granted within 90 days of the issuance of a receipt for this prospectus and prior to the closing of this Offering.

The CDNX has conditionally approved the listing of the Common Shares. Listing is subject to the Corporation fulfilling all requirements of CDNX on or before the expiration of 90 days from the date of this prospectus, including distribution of the Common Shares to a minimum number of public shareholders. Other than the initial distribution pursuant to this prospectus, the grant of stock options to the directors of the Corporation and the grant of the Agent's Option, trading of the securities of the Corporation is not permitted between the date of the receipt for the Corporation's preliminary prospectus and the time the Common Shares are listed for trading on CDNX without the prior consent of CDNX and the Alberta Securities Commission.

Investment in the Common Shares offered by this prospectus is highly speculative due to the proposed nature of the Corporation's business. The Corporation was only recently incorporated, owns no business operations or asset, other than cash, has not identified a potential company, asset or business for acquisition or participation and has not entered into an Agreement in Principle as defined in the Policy. 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 proposed business of the Corporation involves a high degree of risk and there is no assurance that the Corporation will identify a company, assets or business prospect which warrants acquisition or participation. Moreover, if a potential company, asset or business prospect is identified and acquisition or participation is warranted, additional funds may be required to complete the acquisition or participation and the Corporation may not be able to obtain financing. Where the acquisition or participation is financed by the issuance of shares from the Corporation's treasury, control of the Corporation may change and shareholders may suffer further dilution to their investment. The directors and officers of the Corporation will only be devoting a portion of their time on the affairs to the Corporation. Potential conflicts of interest may result between the ordinary course of business of the Corporation and the business activities of the directors and officers of the Corporation. The directors and officers currently own 100% of the issued and outstanding Common Shares and will own 42.94% of the issued and outstanding Common Shares after the Offering. As a result of these factors, this Offering is suitable only to those investors who are willing to rely solely on the management of the Corporation and who can afford to lose their entire investment. See "Business of the Corporation", "Management and Key Personnel", "Directors and Officers", "Use of Proceeds", "Conflicts of Interest" and "Risk Factors".

CDNX may suspend from trading or delist the Common Shares of the Corporation where the Corporation has failed to complete a Qualifying Transaction within 18 months of the date of listing of the Common Shares on CDNX. The Executive Director of the Alberta Securities Commission may issue an interim cease trade order against the Corporation's securities if the Common Shares are suspended from trading on CDNX, and will issue such an interim cease trade order if the Corporation is delisted from CDNX. The Corporation may pursue potential Qualifying Transactions involving companies, assets, businesses or management located outside of Canada. In such event, it may be difficult or impossible to effect service or notice to commence legal proceedings upon any directors, officers or experts located outside of Canada. It may not be possible to enforce judgements obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada against such persons or the Corporation. See "Risk Factors".

Investors acquiring the Common Shares offered by this prospectus will suffer an immediate dilution of 21.47% or $0.0322 per Common Share based on the gross proceeds of this and prior issues by the Corporation, before deduction of selling commissions and related expenses incurred by the Corporation.

There is currently no market through which these securities may be sold, and purchasers may not be able to sell their Common Shares. The price of this Offering has been determined by negotiation between the Corporation and the Agent.

This Offering is being made on a "best efforts" basis in the Province of Alberta and is subject to a minimum subscription which must be raised within 90 days of the issuance of a receipt for the prospectus, or such other time as may be authorized by the executive director (the "Executive Director") of the Alberta Securities Commission and agreed to by the Agent. The funds received from the sale of the Common Shares offered hereunder will be deposited with Olympia Trust Company (the "Trustee"), and will not be released until a minimum of $348,750 has been deposited and the Agent has consented to such release. If the minimum subscription is not raised, subscription monies will be returned to subscribers without interest or deduction. See "Plan of Distribution".

The Agent hereby offers for sale, on a best efforts basis and as agent on behalf of the Corporation, 2,325,000 Common Shares without nominal or par value at a price of $0.15 per Common Share. The Common Shares are conditionally offered, subject to prior sale, if, as and when issued by the Corporation, and in accordance with the conditions contained in the agency agreement referred to under "Plan of Distribution" and subject to the approval by Drummond Phillips & Sevalrud LLP, Calgary, Alberta, on behalf of the Corporation and by Burstall Winger LLP, Calgary, Alberta on behalf of the Agent of such legal matters for which approval is specifically sought by the Corporation or the Agent.

Subscriptions will be received subject to rejection or allotment in whole or in part and the Corporation reserves the right to close the subscription books at any time without notice. It is expected that share certificates for the Common Shares will be available for delivery on or about two weeks after the closing of the Offering.

RAYMOND JAMES LTD.
Suite2300, 707 – 8th Avenue SW
Calgary, Alberta T2P 1H5

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PROSPECTUS SUMMARY

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

OFFERING:	2,325,000 Common Shares at a price of $0.15 per Common Share. In addition, the Corporation will also grant the Agent an option to purchase 232,500 Common Shares at a price of $0.15 per Common Share for a period of 18 months from the date of listing of the Common Shares on CDNX, which option is qualified under and distributed pursuant to this prospectus. The stock options to be granted to the directors and officers of the Corporation to purchase an aggregate of 407,500 Common Shares at a price of $0.15 for a period of five years are also to be qualified under and distributed pursuant to this prospectus. See "Plan of Distribution" and "Incentive Stock Options".
CORPORATION:	The principal business of the Corporation will be the identification and evaluation of companies, assets or businesses with a view to completing a Qualifying Transaction approved by CDNX and the majority of the minority shareholders of the Corporation in accordance with the Policy. The Corporation has not yet carried on any business and has not identified a potential acquisition. See "Business of the Corporation".
USE OF PROCEEDS:	The net proceeds will be used to provide the Corporation with a minimum of funds with which to identify and evaluate companies, assets and businesses with a view to acquisition or participation, and to a certain extent to pay the expenses incurred pursuant to this Offering. The Corporation may not have sufficient funds to commit to such acquisitions or participations once identified and evaluated and additional funds may be required. See "Use of Proceeds", "Business of the Corporation", "Method of Financing Acquisitions or Participations" and "Risk Factors".
DIRECTORS, MANAGEMENT AND ESCROWED SHARES:	The directors and officers of the Corporation are as follows:

Louis W. MacEachern	President, Chief Executive Officer and Director
P. Michael Maher	Chief Financial Officer, Secretary and Director
Thomas A. Cumming	Director
Andrea A. Cherkas	Director
Timothy D. Larkin	Director
Brent J. Walter	Director

See "Directors and Officers". A total of 1,750,000 Common Shares have been issued as Discount Seed Shares to the directors and officers of the Corporation and are subject to a Discount Seed Share Escrow Agreement (as such terms are defined in the Policy). See "Escrowed Securities".

DIVIDEND POLICY:	It is not contemplated that any dividends will be paid on the Common Shares in the immediate or foreseeable future. See "Dividend Policy".
RISK FACTORS:	Investment in these Common Shares must be regarded as highly speculative due to the proposed nature of the Corporation's business and its present stage of development. The Corporation was recently incorporated, owns no business operations or assets, other than cash, has not identified a potential company, asset or business for acquisition or participation, has not entered into an Agreement in Principle (as defined in the Policy) and does not have a history of earnings. This Offering is suitable only to those investors who are willing to rely solely on the management of the Corporation and who can afford to lose their entire investment. See "Business of the Corporation", "Management and Key Personnel", "Directors and Officers", "Use of Proceeds", "Risk Factors" and "Conflicts of Interest".

GLOSSARY OF ABBREVIATIONS AND TERMS

In this Prospectus, unless the context otherwise requires, the following words and phrases shall have the indicated meanings:

"ABCA" means the *Business Corporations Act* (Alberta), as amended, including all regulations promulgated thereunder;

"**Agency Agreement**" means the agency agreement, dated as of October 29, 2001, among the Corporation, the Agent and the Trustee;

"**Agent**" means Raymond James Ltd., Calgary, Alberta;

"Agent's Option" means the option to acquire a number of Common Shares equal to 10% of the Common Shares issued under this Offering to be issued to the Agent at Closing in accordance with the provisions of the Agency Agreement;

"**Board of Directors**" means the board of directors of Blueland;

"CDNX" or **"the Exchange"** means the Canadian Venture Exchange Inc.;

"Canadian GAAP" means Canadian generally accepted accounting principles;

"**Capital Pool Company"** means a Capital Pool Company as contemplated by the Policy;

"**Closing**" means the completion of the Offering and related matters as contemplated herein;

"Commission" means the Alberta Securities Commission;

"Common Shares" means common shares in the capital of the Corporation;

"**Corporation**" or "**Blueland**" means Blueland Capital Inc., a corporation incorporated under the *Business Corporations Act* (Alberta);

"**Executive Director**" means the Executive Director of the Alberta Securities Commission;

"**Offering**" means the offering of 2,325,000 Common Shares pursuant to this Prospectus;

"Policy" or "Policy 2.4" means CDNX Policy 2.4, entitled "Capital Pool Companies";

"Prospectus" means this final prospectus, together with any amendments hereto;

"Shareholder" or "Shareholders" means the holder or holders of Common Shares in the capital of Blueland;

"Stock Option Plan" means the stock option plan of the Corporation; and

"Trustee" means Olympia Trust Company.

THE CORPORATION

The Corporation was incorporated as Blueland Capital Inc. by a Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (Alberta) January 4, 2000.

The head office of the Corporation is located at Suite 900, 521 - 3rd Avenue SW, Calgary, Alberta T2P 3T3, and the registered office of the Corporation is located at Suite 900, 521 - 3rd Avenue SW, Calgary, Alberta T2P 3T3.

BUSINESS OF THE CORPORATION

History and Operations of the Corporation

The Corporation has not conducted operations of any kind and does not own any assets, other than cash, and has not entered into an Agreement in Principle (as defined in the Policy).

The Corporation proposes initially to identify and evaluate companies, assets or businesses with a view to completing a Qualifying Transaction approved by CDNX and the majority of the minority of the shareholders of the Corporation in accordance with the Policy. Once a suitable company, asset or business is identified and evaluated, the Corporation will negotiate the terms under which such company, asset or business may be acquired or participated in by itself or jointly with others. Until the completion of a Qualifying Transaction, the Corporation shall not make any payment of any kind in the target company or carry on any business, other than the identification and evaluation of assets or businesses in connection with a potential Qualifying Transaction.

Method of Financing Participations or Acquisitions

The Corporation will negotiate the terms upon which the prospect which has been identified and evaluated may be acquired or participated in, and will use cash, secured or unsecured debt, the issuance of treasury shares or a combination of the foregoing for the purpose of financing its acquisition of or participation in properties or businesses. **Where acquisitions or participations are financed by the issuance of shares from the treasury, control of the Corporation may change and shareholders may suffer further dilution to their investment.**

Criteria for Participations or Acquisitions and Type of Business Opportunity

The acquisition of, or participation in, companies, assets or businesses may arise in numerous ways and management has not placed geographical restrictions on such acquisitions or participations. The Corporation has not established pre-determined criteria for such participations or acquisitions, other than sound business fundamentals. Such fundamentals include, but are not limited to:

- (a) the ratio of risk to reward;
- (b) the cost effectiveness of the participation or acquisition;
- (c) the length of the payout period; and
- (d) the rate of return.

The Corporation is not specifically considering pursuing a company, asset or business in any specific business or industry sector or in any particular geographical area and the Corporation anticipates reviewing companies, assets and businesses in a broad range of business and industry sectors and geographical areas.

SHAREHOLDER APPROVAL OF QUALIFYING TRANSACTIONS

Any Qualifying Transaction that the Corporation enters into shall be submitted to its shareholders for their approval in accordance with the Policy. Pursuant to the Policy, a Qualifying Transaction must be approved by at least 50% plus one vote of the votes cast by the Corporation's shareholders, other than promoters, officers, directors, control persons or other insiders of the Corporation, as well as associates or affiliates of such persons or companies (the "Related Parties to the Corporation"), and the seller, any target company, related parties of the seller and any target company and all other parties to or associated with the Qualifying Transaction, as well as associates and affiliates of such parties ("Related Parties to the Qualifying Transaction") at a properly constituted meeting of the Corporation's shareholders. For the purposes of the Policy, the term "Qualifying Transaction" includes a transaction whereby the Corporation:

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

(b) enters into an arrangement, amalgamation, merger or reorganization (the "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 shareholders of the other company acquiring control of the entity resulting from the Reorganization; or

(c) otherwise acquires Significant Assets (as defined below) (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% of its issued and outstanding Common Shares immediately prior to such issuance. "Significant Assets" means one or more assets or businesses which, when acquired by the Corporation together with any other concurrent transactions, result in the Corporation meeting the minimum listing requirements of CDNX.

Notwithstanding the definition of a Qualifying Transaction, CDNX, in its discretion, may not approve a Qualifying Transaction where:

(a) the Corporation fails to satisfy the minimum listing requirements of CDNX upon completion of the proposed Qualifying Transaction;

(b) upon completion of the Qualifying Transaction the Corporation will be a finance company or a mutual fund as defined under the *Securities Act* (Alberta);

(c) the consideration paid either: (i) for the company or entity which is the subject of, or (ii) to the vendor of assets acquired in connection with or in contemplation of; the Corporation's Qualifying Transaction, is objectionable to CDNX; or

(d) in the sole discretion of the CDNX there is any other valid reason.

Prior to the completion of a Qualifying Transaction or the issuance of any securities of the Corporation pursuant to a Qualifying Transaction, the Corporation shall be required to comply with the

Policies and Rules of CDNX and provisions of the *Securities Act* (Alberta) and the regulations thereto, and submit for review to CDNX an information circular which must comply with the applicable corporate and securities laws, and must contain prospectus level disclosure of the Qualifying Transaction and the resulting issuer prepared in accordance with Form 3A of the CDNX Corporate Finance Manual. The information circular must also contain a certificate to the effect that the information circular constitutes full, true and plain disclosure of all material facts relating to particular matters to be acted upon by the shareholders of the Corporation. Upon the acceptance by CDNX, the Corporation must then mail the information circular and related proxy material to its shareholders and obtain the approval of the Qualifying Transaction by the shareholders of the Corporation on the basis of the application of the "majority of the minority" test, which requires that the resolution approving the Qualifying Transaction must be approved by at least 50% plus one vote of the votes cast by shareholders of the Corporation who vote at a properly constituted meeting, other than Related Parties to the Corporation and Related Parties to the Qualifying Transaction. The Corporation will submit with the information circular for review by CDNX or its experts, a current independent engineering report, geological report, business plan or valuation relating to target company, its assets or business as may be required by the Exchange. The Corporation will also be required to retain a sponsor, who will be required to submit to CDNX a Sponsor Report as defined by and in accordance with the Policy.

The Corporation will be considered to have completed its Qualifying Transaction on the date of the shareholders meeting of the Corporation at which the Qualifying Transaction was approved, provided that all post-meeting documentation is subsequently filed with CDNX and CDNX 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 such a bulletin has been issued by CDNX, with the exception of section 11 of the Policy relating to escrow and section 14.10 of the Policy with respect to reverse take-overs.

MANAGEMENT AND KEY PERSONNEL

The following is a brief description of the management and key personnel of the Corporation.

Louis W. MacEachern - President, Director. Mr. MacEachern has served continuously as the President and owner of Fortune Industries Ltd. for over 20 years, a private company which until June of 1999 was a major shareholder in the Servpro/Dalco group of companies. Servpro provides commercial and residential cleaning and janitorial services. The Dalco group is involved in construction, repairs and renovations. Mr. MacEachern has served as a director of Hurricane Hydrocarbons Ltd. ("Hurricane") continuously since 1989. Hurricane has been the subject of proceedings initiated under the *Companies Creditors' Arrangement Act* (Canada) (the "CCAA"). All creditors were satisfied in accordance with the procedures established under the CCAA, and Hurricane is now an active corporation carrying on business in the ordinary course. Mr. MacEachern has previously served on the Boards of Directors of a number of public and private companies, including companies listed on the Toronto, Alberta and Vancouver Stock Exchanges, including Energy North Inc. (ASE) (1994 to 1996), Ican Minerals Ltd. (TSE) (1987 to 1996), Raypath Resources Ltd. (VSE) (1984 to 1997), Ridgeway Resources (VSE) (1993 to 1996), Sparling Capital Corporation (ASE) (1997 to 1999), W.R. King Industrial Ltd. (ASE) (1993 to 1994), Eagle Plains Resources Ltd. (ASE) (1999 to present) and The Madison Companies Limited (CDNX) (1997 to March, 2000). In addition to Hurricane, Mr. MacEachern currently sits on the boards of directors of Hoodoo Hydrocarbons (CDNX) (1998 to present), Resolution Energy (CDNX) (1993 to present), Wellpoint Systems Inc. (CDNX) (formerly Blackwell Capital Inc. (CDNX) (1999 to present) and Acacia Capital Corporation (CDNX) (2000 to present).

P. Michael Maher - Director. Mr. Maher is currently a Professor in, and from 1981 to June 30, 1999 served as the Dean of, the Faculty of Management of the University of Calgary. Mr. Maher holds a degree in engineering, as well as an MBA from the University of Western Ontario and a PhD from Northwestern University where he focussed on the management of research and development, innovations technology and general management. He has contributed to many public sector boards, including the Alberta Economic Development Authority, the Premier's Council on Science and Technology, the Calgary Economic Development Authority, the Calgary Chamber of Commerce and the Saskatoon Board of Trade. Mr. Maher has served as a director of a number of public and private companies, including Computalog Ltd. (TSE, NASDAQ) (1993 to 1999), Freehold Royalty Trust (TSE, MSE) (1996 to present), Wellpoint Systems Inc. (CDNX) (1999 to present) and Pelorus Navigation Systems Inc. (CDNX) (2000 to present).

Thomas A. Cumming - Director. Mr. Cumming received his engineering degree from the University of Toronto prior to embarking on a career with the Bank of Nova Scotia which spanned 25 years. He progressed through a number of management positions with the bank, including manager at the Dublin, Ireland and London, England main branches, assistant general manager, general manager and senior vice president in Calgary and ultimately senior vice president, corporate banking division in Toronto. In 1988, Mr. Cumming became the president and chief executive officer of The Alberta Stock Exchange, holding that position until his retirement in conjunction with the formation of CDNX. He presently acts as an independent business consultant. Mr. Cumming has served as past president and director, Calgary Chamber of Commerce, a director of the Calgary Research and Development Authority, director, Calgary YMCA, Foundation Council Member of the Power Pool of Alberta and director of the Alberta Capital Market Foundation. Mr. Cumming serves or has served as a director of Pengrowth Corporation (TSE) (2000 to present), E-Tronics Inc. (CDNX) (2000 to present) and NTG Clarity Networks Inc. (CDNX) (2000 to August, 2001).

Andrea A. Cherkas - Director. Ms. Cherkas has 16 years of experience in marketing, sales, business development and management in both the North American and international arenas. Ms. Cherkas graduated from the University of Saskatchewan with a degree in Chemical Engineering in 1983. The first 12 years of her career were spent with Dow Chemical in various positions of increasing responsibility from sales, marketing, business management and business development. In 1996, Ms. Cherkas joined Nova Chemicals managing all marketing for business development, globally. In 1998, Ms. Cherkas accepted the position Director, Marketing and Supply, with ICG Propane Inc. as senior officer responsible for marketing, sales and supply. Since leaving ICG Propane in December 1999, Ms. Cherkas worked as a management consultant to a wide range of small businesses. In June of 2000, Ms. Cherkas joined Lauchworks Inc. to head the development and management of a new venture project. After fulfilling a number of contract assignments, Ms. Cherkas joined Dynetek Industries Ltd. as Vice-President, Marketing and Sales. Ms. Cherkas serves as a director of Thermax International Corp. (CDNX) (1999 to present) and Escape.com Inc. (CDNX) (2000 to present).

Timothy D. Larkin - Director. Mr. Larkin is a barrister and solicitor whose practice as a sole practitioner focuses primarily on commercial transactions and general business matters. He was a founding partner of Larkin Walter, a law firm, and prior thereto was associated with Atkinson Milvain. Mr. Larkin has served as a director and officer of a number of private companies, and as a director of Blackwell Capital Inc. (CDNX) (1999 – 2001).

Brent J. Walter - Director. Mr. Walter is an associate with Drummond Phillips & Sevalrud LLP, Barristers and Solicitors, and practices in the areas of corporate, commercial and securities law. Prior to joining Drummond Phillips & Sevalrud, Mr. Walter was a founding partner of Larkin Walter, a law firm, and before that practiced law as an associate in the corporate/commercial department of a national law firm. Mr. Walter has served as a director and officer of a number of public and private corporations, including Sparling Capital Corporation (now Red-tail InfoTech Inc.) (CDNX) (1997 to 2001), Blackwell

Capital Inc. (now Wellpoint Systems Inc.) (CDNX) (1999 to 2001) and Modus Energy Industries Ltd. (now AgriTec Systems, Inc.) (CDNX) (1999 to present).

USE OF PROCEEDS

The gross proceeds to be received by the Corporation from the combination of prior sales of Common Shares and the sale of the Common Shares offered by this prospectus will be $480,000. The Policy requires that, until the completion by the Corporation of a Qualifying Transaction and except as otherwise provided by the Policy, at least 70% of all proceeds from the sale of all securities, including proceeds from sales prior to 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;

   (ii) 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 Corporation’s proposed 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 CDNX, for deposits in the maximum aggregate amount of $100,000 (with a maximum of $25,000 of such deposit to be non-refundable), provided that no deposit or similar payment may be made to a Related Party.

In addition, until completion by the Corporation of 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) administrative and general expenses of the Corporation, including office supplies, office rent and related utilities; printing costs (including the printing of this prospectus and share certificates), equipment leases (provided that no proceeds shall be used to acquire or lease a vehicle); and fees for legal advice and audit expenses, other than those described above with respect to the Qualifying Transaction.

Except as permitted by the Policy, until the completion by the Corporation of a Qualifying Transaction, the Corporation may not make a direct investment in the target company or business and may not make any payment of any kind, directly or indirectly, to the target company or target 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, finder's 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 completion by the Corporation of a Qualifying Transaction if such payments relate to services rendered or obligations incurred prior to or in connection with the Qualifying Transaction.

Notwithstanding the above, the Corporation may reimburse 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 business of the Corporation.

The restrictions in the Policy on expenditures and the use of proceeds continue to apply until completion of the Qualifying Transaction. As a result of the definition of "Qualifying Transaction" in the Policy, such restrictions can continue to apply following shareholder approval of the proposed Qualifying Transaction and 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 CDNX 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 following indicates the uses to which the Corporation proposes to put the funds which it received from prior sales of Common Shares together with the funds which it may receive from this Offering.

Proceeds to the Corporation from sales prior to this Offering[(1)]	$ 131,250
Proceeds from this Offering[(2)]	348,750
Total Proceeds	**$ 480,000**
Estimated Costs of Identifying and Evaluating Properties or Business Prospects[(3)]	385,125
Commission, Administration Fee and Legal Expenses of the Agent	49,875
Legal, Accounting and Other Expenses Associated with this Offering	30,000
General and Administrative Expenses until Completion of a Qualifying Transaction	15,000
Total Use of Proceeds	**$ 480,000**

Notes:

(1) See "Prior Sales".

(2) In the event the Agent exercises the Agent's Option, there will be available to the Corporation a maximum of an additional $34,875 which will be added to the working capital of the Corporation. See "Plan of Distribution".

(3) In the event that the Corporation completes an approved Qualifying Transaction prior to spending the entire $385,125 on identifying and evaluating properties or businesses, the Corporation may use the remaining funds to finance or partially finance the acquisition of, or participation in, such property or business or for other purposes.

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

The proceeds from this Offering after deducting the expenses associated with this Offering, will only be sufficient to identify and evaluate a minimum number of companies, assets and businesses, and additional funds may be required to finance any acquisition or participation to which the Corporation may commit. The Corporation anticipates that it will be able to identify and evaluate approximately five (5) potential companies, assets or businesses utilizing the funds raised herein. See "Business of the Corporation" and "Risk Factors".

PLAN OF DISTRIBUTION

Pursuant to an agency agreement dated October 29, 2001 (the "Agency Agreement") among the Corporation, the Trustee and the Agent, the Corporation has appointed the Agent as its agent to offer for distribution, on a best efforts basis in the Province of Alberta, 2,325,000 Common Shares of the Corporation, at a price of $0.15 per Common Share, subject to the terms and conditions in the Agency Agreement. The Agent will receive a commission of $34,875 if the total subscription is raised. In addition, the Agent will be paid a corporate finance fee in the amount of $8,000 and will be reimbursed for its legal fees incurred pursuant to this Offering, estimated to be $7,000. The obligations of the Agent under the Agency Agreement may be terminated at its discretion on the basis of its assessment of the state of financial markets or upon the occurrence of certain stated events.

Agent's Option

The Corporation will grant to the Agent upon the completion of this Offering, a non-transferable option to purchase up to 232,500 Common Shares at a price of $0.15 per Common Share, which may be exercised for a period of 18 months following the date of listing of the Common Shares on CDNX (the "Agent's Option"). A total of 50% of the Common Shares held pursuant to the exercise of the Agent's Option may be sold by the Agent prior to the completion of a Qualifying Transaction by the Corporation. The remaining 50% may only be sold after the completion of a Qualifying Transaction. The Common Shares issued upon the exercise of the Agent's Option will be issued in addition to the 2,325,000 Common Shares being offered pursuant to this prospectus, and the Agent's Option is qualified for distribution under this prospectus.

Subscriptions

The Agent has agreed to use its best efforts to secure subscriptions for all Common Shares offered hereunder on behalf of the Corporation and, if necessary, to enter into co-brokerage arrangements with other investment dealers at no additional cost to the Corporation. The total Offering hereunder is 2,325,000 Common Shares for total gross proceeds of $348,750. The maximum purchase by any single subscriber to this Offering is 2% of the Offering, or 46,500 Common Shares, for a total price of $6,975,and the maximum purchase by any single subscriber to the Offering, together with that subscriber's associates and affiliates, is 4% of the Offering, or 93,000 Common Shares. The funds received from the sale of the Common Shares offered hereunder will be deposited with the Trustee, and will not be released until a minimum of $348,750 has been deposited and the Agent has consented to such release. The total subscription must be raised within 90 days of the date of issuance of a receipt for the 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.

DESCRIPTION OF SHARE CAPITAL

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares, issuable in series of which, as at the date hereof, 1,750,000 Common Shares and no preferred shares are issued and outstanding as fully paid and non-assessable. In addition, concurrent with the closing of the Offering, options to acquire 407,500 Common Shares will be granted to directors and officers and the Agent's Option will be granted to the Agent. See "Incentive Stock Options" and "Plan of Distribution".

The holders of Common Shares shall be entitled to dividends if, as and when declared by the directors, to one vote per share at meetings of the holders of Common Shares of the Corporation and upon liquidation, to receive such assets of the Corporation as are distributable to the holders of the Common Shares. All of the Common Shares to be issued and outstanding upon completion of this Offering will be issued as fully paid and non-assessable.

The Corporation is also authorized to issue an unlimited number of preferred shares without nominal or par value, of which, as at the date hereof, none have been issued. 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 prior to the issuance thereof.

CAPITALIZATION

CAPITAL	AUTHORIZED	OUTSTANDING AS AT AUGUST 31, 2001 (2)(3) (audited)	OUTSTANDING AS AT THE DATE HEREOF (2)(3) (unaudited)	OUTSTANDING AFTER GIVING EFFECT TO THIS OFFERING (2)(3)(4) (unaudited)
Common Shares	Unlimited	1,750,000 ($131,250)	1,750,000 ($131,250)	4,075,000 ($480,000)
Preferred Shares	Unlimited	Nil	Nil	Nil

Notes:

(1) The deficit of the Corporation as atAugust 31, 2001 was nil.

(2) The Corporation will reserve for issuance 407,500 Common Shares of the Corporation in connection with options to be granted to directors and officers. See "Incentive Stock Options".

(3) The Corporation will also reserve for issuance up to 232,500 Common Shares for the Agent's Option. See "Plan of Distribution".

(4) The $480,000 represents gross proceeds of this and prior issues of Common Shares of the Corporation, without the deduction of selling commissions and related expenses incurred by the Corporation.

PRIOR SALES

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

DATE	NUMBER OF SHARES	ISSUE PRICE PER COMMON SHARE	AGGREGATE ISSUE PRICE	NATURE OF CONSIDERATION RECEIVED
August 15, 2001	1,750,000	$0.075	$131,250	Cash

The Common Shares issued at a price of $0.075 per share will be held in escrow. See "Escrowed Securities".

PRINCIPAL SHAREHOLDERS

The following table lists those persons who own of record or who are known to the Corporation to own beneficially, directly or indirectly, more than 10% of the issued and outstanding Common Shares of the Corporation as at the date hereof:

NAME AND MUNICIPALITY OF RESIDENCE	TYPE OF OWNERSHIP	NUMBER OF COMMON SHARES (1)(2)	PERCENTAGE OF COMMON SHARES OWNED BEFORE GIVING EFFECT TO THIS OFFERING	PERCENTAGE OF COMMON SHARES OWNED AFTER GIVING EFFECT TO THIS OFFERING
Louis W. MacEachern Calgary, Alberta	Direct	1,100,000	62.86%	26.99%

Notes:
(1) These Common Shares are all to be held in escrow. See "Escrowed Securities".
(2) Assuming the shareholder does not acquire any Common Shares pursuant to the Offering.

As at the date hereof, the 1,750,000 Common Shares legally owned, directly or indirectly, by all directors and officers as a group, prior to giving effect to this Offering, represents 100% of the issued and outstanding Common Shares of the Corporation and will represent approximately 43% of the issued and outstanding Common Shares of the Corporation after giving effect to this Offering, assuming the directors and officers do not acquire any Common Shares pursuant to the Offering.

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. See also "Management and Key Personnel".

NAME AND MUNICIPALITY OF RESIDENCE	OFFICE	PRESENT OCCUPATION AND POSITION DURING THE LAST FIVE YEARS
Louis W. MacEachern Calgary, Alberta	Chief Executive Officer and Director	President of Fortune Industries Ltd., a private holding corporation, since 1966.
P. Michael Maher Calgary, Alberta	Chief Financial Officer and Director	Professor with the Faculty of Management, University of Calgary, since July 1 of 1999. Prior thereto, Dean of the Faculty of Management, University of Calgary.
Thomas A. Cumming[1] Calgary, Alberta	Director	Independent business consultant. Prior thereto, President and Chief Executive Officer of The Alberta Stock Exchange.

NAME AND MUNICIPALITY OF RESIDENCE	OFFICE	PRESENT OCCUPATION AND POSITION DURING THE LAST FIVE YEARS
Andrea A. Cherkas[(1)] Calgary, Alberta	Director	Private business consultant since December of 1999. Prior thereto, from April of 1998 through December of 1999, Director of Marketing and Supply with ICG Propane Inc. Prior to April of 1998, Manager, Business Opportunities, for Nova Chemicals.
Timothy D. Larkin Calgary, Alberta	Director	Sole practitioner carrying on business as a barrister and solicitor. Previously a founding partner with Larkin Walter, Barristers and Solicitors, and prior thereto an associate with Atkinson Milvain, a law firm
Brent J. Walter[(1)] Calgary, Alberta	Director	Associate with Drummond Phillips & Sevalrud, Barristers and Solicitors. Prior thereto, a partner with Larkin Walter, Barristers and Solicitors, and prior thereto, an associate with a national law firm.

Note:
(1) Member of the audit committee of the Corporation.

All of the directors and officers currently have employment outside of the Corporation. It is anticipated Mr. MacEachern will devote approximately 10% of his time to the affairs of the Corporation and the balance of the directors and officers will devote such time to the affairs of the Corporation as is necessary to fulfil their duties from time to time. Upon completion of a Qualifying Transaction by the Corporation, the amount of time spent on the affairs of the Corporation will depend on the property or business acquired.

DIVIDEND POLICY

No dividends have been paid on any shares of the Corporation since the date of its incorporation and it is not contemplated that any dividends will be paid in the immediate or foreseeable future.

REMUNERATION OF DIRECTORS AND OFFICERS

No remuneration has been paid by the Corporation to any directors or officers since incorporation. No remuneration, consulting fees, directors fees, deposits or similar payments shall be paid to Related Parties to the Corporation or to Related Parties to the Qualifying Transaction, and no remuneration will be paid by the Corporation to any individual or entity providing investor or public relations type services, prior to completion of a Qualifying Transaction by the Corporation. However, 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), legal services (provided that neither the lawyer providing the 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 business of the Corporation. See "Use of Proceeds".

The directors and officers of the Corporation will be granted stock options. See "Incentive Stock Options."

ESCROWED SECURITIES

Pursuant to a Discount Seed Share Escrow Agreement (as defined in the Policy) dated as of October 29, 2001 (the "Escrow Agreement"), the directors and officers have agreed to deposit 1,750,000 Common Shares (the "Escrowed Shares") with the Trustee to be held in escrow pursuant to the terms and conditions of the Escrow Agreement. The Escrowed Shares are owned as follows:

NAME OF SHAREHOLDER	NUMBER OF ESCROWED SHARES
Louis W. MacEachern	1,100,000
P. Michael Maher	130,000
Thomas A. Cumming	130,000
Andrea A. Cherkas	130,000
Timothy D. Larkin	130,000
Brent J. Walter	130,000
TOTAL	**1,750,000**

The Escrow Agreement provides that the Escrowed Shares and the beneficial ownership of or interest in them may not be sold, assigned, hypothecated, transferred within escrow or dealt with in any manner without the written consent of CDNX.

The following table sets out as at the date hereof, the total number of securities of the Corporation, which to the knowledge of the Corporation, are to be held in escrow:

Designation of Class	Number of Securities Held in Escrow	Percentage of Class Outstanding	Percentage of Class After Giving Effect to this Offering(1)
Common Shares	1,750,000	100%	42.94%

Note:

(1) Assuming the shareholders who are a party to the Escrow Agreement do not acquire any Common Shares pursuant to the Offering.

CDNX has set out escrow requirements in the Policy, which requires that all securities beneficially owned, directly or indirectly, at the time of this Offering, acquired pursuant to this Offering or acquired from treasury after the Offering, but prior to the completion of a Qualifying Transaction, by Related Parties to the Corporation to be held in escrow. In addition, all securities of the Corporation of the class offered under this prospectus and issued prior to the prospectus Offering at a price per share less than the prospectus Offering price of $0.15 per share, and all securities acquired in the secondary market prior to the completion of a Qualifying Transaction by a person or company who owns more than 20% of the outstanding voting shares of the Corporation or a sufficient number of shares of the Corporation so as to materially affect its control (being a "Control Person"), shall also be held in escrow. Finally, all shares of the Corporation issued contemporaneously or in conjunction with the Qualifying Transaction to a "Principal of the Resulting Issuer" as defined in Policy 5.4 of the CDNX Corporate Finance Manual, will be escrowed pursuant to Policy 5.4 of the CDNX Corporate Finance Manual.

The Escrowed Shares shall be released as follows:

(a) 10% immediately following the issuance of the bulletin of CDNX announcing final acceptance of the Qualifying Transaction (the "Initial Release");

(b) 15% six months following the Initial Release;

(c) 15% twelve months following the Initial Release;

(d) 15% eighteen months following the Initial Release;

(e) 15% twenty-four months following the Initial Release;

(f) 15% thirty months following the Initial Release; and

(g) 15% thirty-six months following the Initial Release.

In the event the Corporation meets CDNX's Tier 1 minimum listing requirements upon or after completion of the Qualifying Transaction, the release of the Escrowed Shares may be accelerated as follows:

(a) 25% immediately following the issuance of the bulletin of CDNX announcing final acceptance of the Qualifying Transaction and confirmation the Corporation qualifies as a Tier 1 issuer on CDNX (the "Tier 1 Initial Release");

(b) 25% six months following the Tier 1 Initial Release;

(c) 25% twelve months following the Tier 1 Initial Release; and

(d) 25% eighteen months following the Tier 1 Initial Release.

As discussed above, any accelerated escrow release would not commence until CDNX has issued a bulletin that announces the acceptance for listing of the Corporation on Tier 1.

In the event a Qualifying Transaction is not completed, there will be no release from escrow of the Escrowed Shares. In addition, in the event CDNX issues a bulletin delisting the Corporation, any Discounted Seed Shares (as defined in the Policy) held by directors, officers, control persons and other insiders of the Corporation will be cancelled.

In connection with any Qualifying Transaction, the securities of the Resulting Issuer (as defined in the Policy) owned by Related Parties shall generally be escrowed in accordance with the policies of CDNX and other securities issued in connection with any Qualifying Transaction may also be escrowed in accordance with the policies of CDNX.

INCENTIVE STOCK OPTIONS

The Corporation has adopted the incentive stock option program of CDNX (the "Stock Option Program") which provides that the Board of Directors of the Corporation may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation, or any subsidiary of the Corporation, an option to purchase Common Shares, provided that the number of Common Shares reserved for issuance under the Stock Option Program shall not exceed ten percent (10%) of the issued and outstanding Common Shares. In addition, the number of Common Shares reserved for issuance to any one person shall not exceed five percent (5%) of the issued and outstanding Common Shares. Upon closing hereof, ten percent (10%) of the issued and outstanding Common Shares totals 407,500 Common Shares. The Board of Directors determines the exercise price per Common Share and the number of Common Shares which may be allotted to each director, officer, employee and consultant and all other terms and conditions of the option, subject to the rules of CDNX. The exercise price per Common Share set by the Board of Directors shall not be less than the last price at which a full board lot of Common

Shares was, on the last business day prior to the date on which such option is granted, traded on CDNX or such other principal market on which the Common Shares are then traded, less the applicable discount permitted (if any) by such applicable exchange or market. Options under the Stock Option Program are non-assignable. If prior to the exercise of an option, the holder ceases to be a director, officer, employee or consultant of the Corporation, or its subsidiary, the option of the holder shall be limited to the number of shares purchasable by him/her immediately prior to the time of his/her cessation of office or employment and he/she will have no right to purchase any other shares. Options must be exercised within 90 days of termination of employment or cessation of position with the Corporation, provided that if the cessation of office, directorship, consulting arrangement or employment was by reason of death, the option must be exercised within 12 months after such death, subject to the expiry date of such option.

The Corporation intends to enter into stock option agreements granting the following options upon the issue of a receipt by the Alberta Securities Commission for this prospectus:

NAME	NUMBER OF COMMON SHARES UNDER OPTION	EXERCISE PRICE PER COMMON SHARE	EXPIRY DATE
Louis W. Maceachern	200,000	$0.15	August 15, 2006
P. Michael Maher	55,750	$0.15	August 15, 2006
Thomas a. Cumming	55,750	$0.15	August 15, 2006
Andrea A. Cherkas	32,000	$0.15	August 15, 2006
Timothy D. Larkin	32,000	$0.15	August 15, 2006
Brent J. Walter	32,000	$0.15	August 15, 2006
Total	407,500		

The stock options to be granted to the directors and officers to purchase an aggregate of 407,500 Common Shares of the Corporation at a price of $0.15 per Common Share are qualified under and distributed pursuant to this prospectus.

Stock options may not be exercised prior to the completion of the Qualifying Transaction unless the optionee agrees in writing to deposit into escrow the Common Shares acquired upon exercise of such stock options until the issuance of the bulletin of CDNX announcing final acceptance of the Qualifying Transaction.

PROMOTER

Louis W. MacEachern may be considered to be the promoter of the Corporation in that he took the initiative in founding and organizing the Corporation. The promoter has subscribed for and received Common Shares of the Corporation and will be granted stock options. See "Prior Sales", "Principal Shareholders" and "Incentive Stock Options".

INTEREST OF DIRECTORS, OFFICERS AND OTHERS IN MATERIAL TRANSACTIONS

There are no material interests, direct or indirect, of any directors, officers, or shareholder who beneficially owns, directly or indirectly, more than 10% of the outstanding Common Shares of the Corporation or any known associates or affiliates of such persons, in any transaction since incorporation of the Corporation, or in any proposed transaction which has materially affected or would materially affect the Corporation.

MATERIAL CONTRACTS

The Corporation has not entered and will not prior to the closing of the Offering enter into any contracts material to investors in the Common Shares, other than contracts in the ordinary course of business, except as follows:

1. An Escrow Agreement dated as of October 29, 2001 among the Corporation, the Trustee and certain shareholders of the Corporation. See "Escrowed Securities".
2. An Agency Agreement dated October 29, 2001 among the Corporation, the Agent and the Trustee. See "Plan of Distribution".
3. A Registrar and Transfer Agency Agreement dated as of October 29, 2001, between the Corporation and the Trustee. See "Auditors, Transfer Agent and Registrar".
4. Option Agreements to be entered into between the Corporation and its directors and officers concurrent with the closing of the Offering. See "Incentive Stock Options".
5. Agent's Option Agreement to be entered into between the Corporation and the Agent concurrent with the closing of the Offering. See "Plan of Distribution".

Copies of these agreements will be available for inspection at the offices of the Corporation's counsel, Drummond Phillips & Sevalrud LLP, 900, 521 - 3rd Avenue S.W., Calgary, Alberta T2P 3T3 at any time during ordinary business hours while the securities offered by this prospectus are in the course of distribution and for a period of 30 days thereafter.

CONFLICTS OF INTEREST

There are potential conflicts of interest to which the directors and officers of the Corporation may be subject in connection with the operations of the Corporation. Some of the directors and officers are engaged and will continue to be engaged, directly or indirectly, in the search for properties or businesses and 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).

RISK FACTORS

There is currently no market for the Common Shares of the Corporation. 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. 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 does not own any assets, other than cash, does not own any properties or businesses, has not identified a potential acquisitions or participations and has not yet entered into an Agreement in Principle (as defined under the Policy). Investors acquiring Common Shares offered by this prospectus will suffer an immediate dilution of 21.5% or $0.0322 per Common Share based on gross proceeds of this and prior issues by the Corporation, without deduction of selling commissions and related expenses incurred by the Corporation.

The proposed business of the Corporation involves a high degree of risk and there is no assurance that potential acquisitions or participations will be identified. Moreover, if potential acquisitions or participations are identified, the Corporation may determine that the current market, pricing conditions or terms of participation may make the acquisition or participation uneconomical. The Corporation may find that even if the terms of the acquisition or participation are economical, additional funds may be required to complete the acquisition or participation, and the Corporation may not be able to obtain financing. Where an acquisition or participation is financed by the issuance of shares from the treasury, control of the Corporation may change and shareholders may suffer further dilution to their investment. See "Business of the Corporation".

The Corporation may pursue potential Qualifying Transactions involving companies, assets, businesses or management located outside of Canada, and there would be additional risks associated with such a Qualifying Transaction. It may be difficult or impossible to pursue legal proceedings against directors, officers, experts or companies located outside of Canada, or to enforce against such persons civil judgements obtained in Canadian courts. See "Business of the Corporation".

CDNX may suspend from trading or delist the Common Shares of the Corporation where the Corporation has failed to complete a Qualifying Transaction within 18 months of the date of listing. CDNX may not approve a Qualifying Transaction where the Corporation fails to meet the minimum listing requirements of CDNX upon completion of the acquisition or participation. Suspension from trading of the Common Shares may, and delisting of the Common Shares will, result in the Commission issuing an interim cease trade order against the Corporation. In addition, the delisting of the Common Shares will result in the cancellation of all Discount Seed Shares held by Insiders (as such terms are defined in the Exchange Policy 1.1) of the Corporation. See "Escrowed Securities".

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

As a result of these factors, this Offering is only suitable to those investors who are willing to rely on the management of the Corporation and who can afford to lose their entire investment. See "Business of the Corporation", "Management and Key Personnel", "Directors and Officers", "Conflicts of Interest" and "Use of Proceeds".

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are MacKay LLP, Chartered Accountants, Centre 70, 520 - 7015 Macleod Trail SW, Calgary, Alberta, T2H 2K6.

The transfer agent and registrar for the Common Shares is Olympia Trust Company with its offices located at .

PURCHASERS' STATUTORY RIGHTS

Sections 106, 168 and 175 of the *Securities Act* (Alberta) (the "Act") 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 such security if written notice of his intention not to be bound is received by the dealer from whom the purchaser purchased the security not later than midnight on the second business day after the latest prospectus and any amendment to the prospectus Offering such security is received by the purchaser, and

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

(i) has a right of 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 such person, company or underwriter, in which case he shall have no right of action for damages against such 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 aforesaid Act for the complete text of the provision under which the foregoing rights are conferred and the foregoing summary is subject to the express provision thereof.

BLUELAND CAPITAL INC.

FINANCIAL STATEMENTS

AUGUST 31, 2001

AUDITORS' REPORT

To the Directors of Blueland Capital Inc.

We have audited the balance sheet of Blueland Capital Inc. as at August 31, 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 August 31, 2001 in accordance with Canadian generally accepted accounting principles.

MACKAY LLP
CHARTERED ACCOUNTANTS

Calgary, Canada
September 14, 2001
(except for Note 3, which is as of November 5, 2001)

BLUELAND CAPITAL INC.
BALANCE SHEET
AUGUST 31, 2001

	2001 $
ASSETS	
CASH	**124,250**
DEFERRED COSTS	**7,000**
	131,250

SHAREHOLDERS' EQUITY

SHARE CAPITAL (Note 2)

Authorized:

Unlimited number of voting common shares without norminal or par value

Unlimited number of preferred shares without nominal or par value

Issued:

1,750,000 common shares issued for cash	**131,250**

Subsequent Events (Note 3)

SIGNED ON BEHALF OF THE BOARD:

"***Louis W. MacEachern***"

(signed) Louis W. MacEachern - Director

"***Brent J. Walter***"

(signed) Brent J. Walter - Director

BLUELAND CAPITAL INC.
NOTES TO THE BALANCE SHEET
AUGUST 31, 2001

1. **INCORPORATION**

The Corporation was incorporated under the Business Corporations Act (Alberta) on January 4, 2000.

The Corporation is required to complete a Qualifying Transaction within 18 months of listing on the Canadian Venuture Exchange Inc. as defined in Policy 2.4 of the Canadian Venture Exchange Inc.

The Corporation proposes initially to identify and evaluate companies, assets or businesses with a view to completing a Qualifying Transaction approved by CDNX and the majority of the minority shareholders of the Corporation in accordance with the Policy.

2. **SHARE CAPITAL**

The Corporation has issued a total of 1,750,000 common shares for cash consideration of $ 131,250. All of these 1,750,000 common shares will be held in escrow and shall be released as follows: 10% immediately following the issuance of the bulletin of CDNX announcing final acceptance of the Qualifying Transaction; and 15% every six months following the Initial Release.

In the event the Corporation meets CDNX's Tier 1 minimum listing requirements upon or after completion of the Qualifying Transaction, the release of the Escrowed Shares may be accelerated as follows: 25% immediately following the issuance of the bulletin of CDNX announcing final acceptance of the Qualifying Transaction and confirmation the Corporation qualifies as a Tier 1 issuer on CDNX (the "Tier 1 Initial Release"); and 25% every six months following the Tier 1 Initial Release.

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.

3. **SUBSEQUENT EVENTS**

(a) The Corporation intends to file a prospectus with the Alberta Securities Commission to issue 2,325,000 Common Shares at a price of $0.15 per share. Pursuant to an Agency Agreement dated November 5, 2001 among the Corporation, the Agent and the Trustee, the Corporation agreed to issue the 2,325,000 Common Shares at a price of $0.15 per share and the Corporation appointed the Trustee as its agent. The Corporation has agreed to pay the Agent a commission of $34,875, to reimburse the Agent for its internal expenses set in the amount of $8,000 and legal fees, estimated to be $7,000. Raymond James Ltd. will also be granted an option to purchase 232,500 Common Shares at a price of $0.15 per share. The option will expire eighteen months from the date the Common Shares are listed for trading on CDNX.

(b) The Corporation has adopted the incentive stock option program of CDNX (the "Stock Option Program") for the benefit of directors, officers, employees and other key personnel of the Corporation whereby a maximum of 10% of the issued and outstanding Common Shares of the Corporation are reserved for issuance pursuant to the exercise of the stock options to be granted to directors, officers, employees and other key personnel of the Corporation. The Stock Option Program 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 CDNX. Stock options granted under the Stock Option Program may not be exercisable for a period longer than five (5) years and the exercise price must be paid in full upon exercise of the option.

3. <u>SUBSEQUENT EVENTS (Cont'd)</u>

(c) The Corporation intends to enter into stock option agreements granting stock options to acquire 407,500 Common Shares to certain officers and directors at a price of $0.15 per share upon the issue of a receipt for the prospectus of the Corporation by the Alberta Securities Commission, such options expiring on August 15, 2006.

CERTIFICATE OF THE CORPORATION

Dated: November 5, 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.

(signed) *"Louis W. MacEachern"*
Louis W. MacEachern
Chief Executive Officer and Director
Director

(signed) *"P. Michael Maher"*
P. Michael Maher
Chief Financial Officer and

ON BEHALF OF THE BOARD

(signed) *"Brent J. Walter"*
Brent J. Walter
Director

(signed) *"Timothy D. Larkin"*
Timothy D. Larkin
Director

CERTIFICATE OF THE PROMOTER

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.

Dated: November 5, 2001

(signed) *"Louis W. MacEachern"*
Louis W. MacEachern

CERTIFICATE OF THE AGENT

Dated: November 5, 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 the regulations under it.

RAYMOND JAMES LTD.

Per: (signed) *"Ian S. Brown"*
Ian S. Brown