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

FINAL PROSPECTUS

Initial Public Offering September 26, 2002

RITA CAPITAL CORP.

(a capital pool company)

$300,000
1,500,000 Common Shares

Price: $0.20 per Common Share

Rita Capital Corp. (the "Company") hereby offers through its agent, Yorkton Securities Inc. (the "Agent"), 1,500,000 common shares in the capital of the Company (the "Common Shares") for sale to the public at a price of $0.20 per share. The purpose of this offering (the "Offering") is to provide the Company with a minimum of funds with which to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction, as hereafter defined. Any proposed Qualifying Transaction must be approved by the TSX Venture Exchange (the "TSX" or the "Exchange") and receive Majority of the Minority Approval, as hereafter defined, in accordance with TSX Policy 2.4 ("CPC Policy"). The Company is a Capital Pool Company ("CPC"). It has not commenced commercial operations and has no assets other than a minimum amount of cash. Except as specifically contemplated in the CPC Policy, until the Completion of the Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a proposed Qualifying Transaction. See "Business of the Company" and "Use of Proceeds".

This Offering is made on a best efforts basis by the Agent and is subject to a minimum subscription of 1,500,000 Common Shares for total gross proceeds to the Company of $300,000. The offering price of the Common Shares was determined by negotiation between the Company and the Agent. All funds received from subscriptions for Common Shares will be held by Computershare Trust Company of Canada (the "Trustee") pursuant to the terms of the Agency Agreement among the Company, the Agent and the Trustee. If the minimum subscription is not raised within 90 days of the issuance of a receipt for the final prospectus or such other time as may be consented to by persons or companies who subscribed within that period, all subscription monies will be returned to subscribers without interest or deduction, unless the subscribers have otherwise instructed the Trustee.

Pursuant to the Agency Agreement, the Agent will be granted a non-transferable option (the "Agent's Option") to purchase 150,000 Common Shares of the Company at a price of $0.20 per share expiring 18 months from the date the Company's shares are listed on the Exchange (the "Agent's Option"). The Agent's Option is qualified under this prospectus for distribution. In addition, and subject to regulatory approval, the Company intends to grant options to purchase 215,000 Common Shares under a directors', officers', employees' and key consultants' stock option program. See "Stock Options".

Other than the initial distribution of the Common Shares pursuant to this prospectus, the grant of the Agent's Option and the grant of options to the directors and officers of the Company, trading in all securities of the Company is prohibited during the period between the date a receipt for this preliminary prospectus is issued by the Alberta Securities Commission and the time the Common Shares are listed for trading except, subject to prior acceptance of the TSX, where appropriate registration and prospectus exemptions are available under securities legislation or where the Alberta Securities Commission grants a discretionary order.

The TSX has conditionally approved the listing of the Common Shares on the TSX, subject to the Company fulfilling all required listing requirements.

	Common Shares	Price to Public	Agent's Commission[1]	Proceeds to the Company[2]
Per Common Share	1	$0.20	$0.02	$0.18
Total Offering	1,500,000	$300,000	$30,000	$270,000

Notes:

(1) In addition, the Company will pay the Agent's expenses, including legal fees and has paid a deposit of $9,000 for the Agent's expenses and legal fees and will issue the Agent's Option referred to above. See "Plan of Distribution".

(2) Before deducting the costs of this issue (and certain pre-offering costs), estimated at approximately $30,000, exclusive of the Agent's commission.

Investment in the Common Shares offered by this Prospectus is highly speculative due to the nature of the Company's business and its present stage of development. This offering is suitable only to those investors who are prepared to risk the loss of their entire investment.

There is no market through which the Common Shares offered by this Prospectus may be sold and purchasers may not be able to dispose of them on a timely basis. Upon completion of this offering, purchasers will suffer an immediate dilution (based on the gross proceeds from this and prior issues without deduction of selling and related expenses) per Common Share of $0.06 or 30%. The Company was only recently incorporated and does not currently own any assets other than cash. The business objective of the Company is to identify and evaluate assets or businesses with a view to completing a Qualifying Transaction approved by the Exchange and the majority of the minority of the Company's shareholders; however, there can be no assurance that the Company will successfully complete a Qualifying Transaction. Although the Company has commenced the process of identifying potential acquisitions, the Company has yet to enter into any negotiations with respect to such potential acquisitions and may determine that current markets, terms of acquisition, or pricing conditions make such potential acquisitions uneconomic. The Company has not entered into an Agreement in Principle, as hereafter defined. The Company may find that even if the terms of a potential acquisition are economic, the Company may not be able to finance such acquisition and additional funds may be required to meet such obligations. Since the Company has not placed any geographical restrictions on the location of a Qualifying Transaction (other than the requirement under the CPC policy that the Significant Assets must be located in Canada or the United States, unless the Resulting Issuer is an oil and gas issuer or a mining issuer), such Qualifying Transaction may involve the acquisition of a business located outside of Canada and, as such, investors should be aware that it may be difficult or may not be possible to effect service or notice to commence legal proceedings upon any directors, officers and experts outside of Canada and that it may not be possible to enforce against such persons or the Company, judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada. Where the investment or acquisition is financed by the issuance of shares from the Company's treasury, control of the Company may change and shareholders may suffer further dilution of their investment. The Company will be in competition with other corporations with greater resources. The Company 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. The Exchange may suspend from trading or delist the Common Shares where the Company has failed to complete a Qualifying Transaction within 18 months of the date of listing. The Executive Director of the Alberta Securities Commission may issue an interim cease trade order against the Company's securities if the Common Shares of the Company are suspended from trading on the Exchange and will issue an interim cease trade order if the Company is delisted from the Exchange. In addition, delisting of the Common Shares will result in the cancellation of all of the Common Shares of the Company owned by insiders issued prior to this offering. Investors must rely solely on the expertise of the Company's promoters, directors and officers for any possible return on their investment. The Company's promoters, directors, officers and control persons, and their associates and affiliates, as a group, beneficially own or control, directly or indirectly, 2,000,000 Common Shares, which represents 100% of the issued and outstanding Common Shares before giving effect to this offering and approximately 57% of the issued and outstanding Common Shares after giving effect to this offering. The directors and officers of the Company will only devote part of their time to the affairs of the Company and there are potential conflicts of interest to which some of the directors and officers of the Company will be subject in connection with the operations of the Company. See "Dilution", "Business of the Company", "Directors, Officers and Promoters", "Use of Proceeds", "Conflicts of Interest", and "Risk Factors".

Yorkton Securities Inc., as agent, conditionally offers these Common Shares, on a "best efforts" basis, if, as and when subscriptions are accepted by the Company, subject to prior sale, in accordance with the terms and conditions of the Agency Agreement referred to under "Plan of Distribution" and subject to the approval of certain legal matters by Burnet, Duckworth & Palmer LLP, Barristers & Solicitors, Calgary, Alberta, on behalf of the Company and by Borden Ladner Gervais LLP, Barristers & Solicitors, Calgary, Alberta, on behalf of the Agent. Pursuant to the CPC Policy, no purchaser of the Common Shares is permitted to directly or indirectly purchase more than 2% or 30,000 ($6,000) of the total Common Shares offered under this prospectus. In addition, the maximum number of Common Shares that may directly or indirectly be purchased by that purchaser, together with any Associates or Affiliates of that purchaser, is 4% or 60,000 ($12,000) of the total number of Common Shares offered under this prospectus. 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 share certificates for the Common Shares evidencing the Common Shares in definitive form will be available for delivery on the closing date.

YORKTON SECURITIES INC.
2200, 440 - 2nd Avenue S.W.
Calgary, Alberta T2P 5E9
Telephone: (403) 260-8400

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GLOSSARY

The following are definitions of certain terms used throughout this document.

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

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

(a) one of them is the subsidiary of the other, or
(b) each of them is controlled by the same Person.

A company is "controlled" by a Person if:

(a) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person, and
(b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the company.

A Person beneficially owns securities that are beneficially owned by:

(a) a company controlled by that Person, or
(b) an Affiliate of that Person or an Affiliate of any company controlled by that Person.

"**Agency Agreement**" means the agency agreement dated September 10, 2002 among the Company, the Agent and the Trustee;

"**Agent**" means Yorkton Securities Inc.;

"**Agreement in Principle**" means any enforceable agreement or any other agreement or similar commitment which identifies the fundamental terms upon which the parties agree or intend to agree which:

(a) identifies assets or a business to be acquired which would reasonably appear to constitute Significant Assets and the acquisition of which would reasonably appear to constitute a Qualifying Transaction;
(b) identifies the parties to the Qualifying Transaction;
(c) identifies the consideration to be paid for the Significant Assets or otherwise identifies the means by which the consideration will be determined; and
(d) identifies the conditions to any further formal agreements to complete the transaction, and

in respect of which there are no material conditions to closing (other than receipt of shareholder approval and Exchange acceptance), the satisfaction of which is dependent upon third parties and beyond the reasonable control of the Non Arm’s Length Parties to the CPC or the Non Arm’s Length Parties to the Qualifying Transaction.

"**Associate**" when used to indicate a relationship with a person or company, means

(a) an issuer of which the person or company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer,
(b) any partner of the person or company,
(c) any trust or estate in which the person or company has a substantial beneficial interest or in respect of which a person or company serves as trustee or in a similar capacity,
(d) in the case of a person, a relative of that person, including
    (i) that person’s spouse or child, or
    (ii) any relative of the person or of his or her spouse who has the same residence as that person;

but
(e) where the Exchange determines that two persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D with respect to that Member firm, Member corporation or holding company.

"**CPC**" means a corporation:

(a) that has been incorporated or organized in a jurisdiction in Canada,

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

"**company**" unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

"**Company**" means Rita Capital Corp., a corporation incorporated under the laws of the Province of Alberta.

"**Completion of the Qualifying Transaction**" means the date of the shareholders' meeting at which the proposed Qualifying Transaction was approved by shareholders provided that:

(a) all post-meeting documentation is subsequently filed with the Exchange; and
(b) the Final Exchange Bulletin is issued by the Exchange.

"**Control Person**" means any person or company that holds or is one of a combination of persons or companies that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

"**CPC Policy**" means Policy 2.4 of the Exchange.

"**Eligible Charitable Organization**" means:

(a) any "Charitable Organization" or "Public Foundation" which is a "Registered Charity", but is not a "Private Foundation" (as such terms are defined in the *Income Tax Act* (Canada)), or
(b) a "Registered National Arts Service Organization" (as such term is defined in the *Income Tax Act* (Canada).

"**Escrow Agreement**" means the escrow agreement to be entered into on closing among the Company, the Trustee and the founding shareholders of the Company.

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

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

"**Insider**" if used in relation to an Issuer, means:

(a) a director or senior officer of the Issuer;
(b) a director or senior officer of the Company that is an Insider or subsidiary of the Issuer;
(c) a Person that beneficially owns or controls, directly or indirectly, Voting Shares carrying more than 10% of the voting rights attached to all outstanding Voting Shares of the Issuer; or
(d) the Issuer itself if it holds any of its own securities.

"**Issuer**" means a person or company that:

(a) has outstanding securities;
(b) is issuing securities; or
(c) proposes to issue securities.

"**Majority of the Minority Approval**" means the approval of the Qualifying Transaction by the majority of the votes cast by shareholders, other than:

(a) Non Arm's Length Parties to the CPC;
(b) Non Arm's Length Parties to the Qualifying Transaction; and
(c) in the case of a Related Party Transaction:
    (i) if the CPC holds its own shares, the CPC, and

(ii) a Person acting jointly or in concert with a Person referred to in paragraph (a) or (b) in respect of the transaction

at a properly constituted meeting of the common shareholders of the CPC.

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

"**Non Arm's Length Parties to the Qualifying Transaction**" means the Vendor(s), any Target Company(ies) and includes, in relation to Significant Assets or Target Company(ies), the Non Arm's Length Parties of the Vendor(s), the Non Arm's Length Parties of any Target Company(ies) and all other parties to or associated with the Qualifying Transaction and Associates or Affiliates of all such other parties.

"**Offering**" means the offering of Common Shares in accordance with the terms of this prospectus.

"**Person**" means a company or individual.

"**Principal**" means:

(a) a person or company who acted as a promoter of the issuer within two years before the initial public offering ("**IPO**") prospectus or Exchange Bulletin confirming final acceptance of a transaction ("**Final Exchange Bulletin**");

(b) a director or senior officer of the issuer or any of its material operating subsidiaries at the time of the IPO prospectus or Final Exchange Bulletin;

(c) a 20% holder – a person or company that holds securities carrying more than 20% of the voting rights attached to the issuer's outstanding securities immediately before and immediately after the issuer's IPO or immediately after the Final Exchange Bulletin for non IPO transactions;

(d) a 10% holder – a person or company that

 (i) holds securities carrying more than 10% of the voting rights attached to the issuer's outstanding securities immediately before and immediately after the issuer's IPO or immediately after the Final Exchange Bulletin for non IPO transactions; and

 (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the issuer or any of its material operating subsidiaries.

In calculating these percentages, include securities that may be issued to the holder under outstanding convertible securities in both the holder's securities and the total securities outstanding.

A company, trust, partnership or other entity more than 50% held by one or more principals will be treated as a principal. (In calculating this percentage, include securities of the entity that may be issued to the principals under outstanding convertible securities in both the principals' securities of the entity and the total securities of the entity outstanding). Any securities of the issuer that this entity holds will be subject to escrow requirements.

A principal's spouse and their relatives that live at the same address as the principal will also be treated as principals and any securities of the issuer they hold will be subject to escrow requirements.

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

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

"**SEDAR**" means System for Electronic Document Analysis and Retrieval.

"**Significant Assets**" means one or more assets or businesses which, when purchased, optioned or otherwise acquired by the CPC, together with any other concurrent transactions, would result in the CPC meeting the minimum listing requirements of the Exchange.

"**Sponsor**" has the meaning specified in the TSX Policy 2.2 – Sponsorship and Sponsorship Requirements.

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

"**Trustee**" means Computershare Trust Company of Canada.

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

PROSPECTUS SUMMARY

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

Company: The principal business of the Company will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Company has not commenced commercial operations and has no assets other than a minimum amount of cash. See "Business of the Company".

Offering: A total of 1,500,000 Common Shares are being offered under this prospectus at a price of $0.20 per Common Share. In addition, the Company will grant an option to the Agent to purchase up to 150,000 Common Shares at a price of $0.20 per share which will be exercisable for a period of 18 months from the date of listing of the Common Shares on the Exchange, which option is qualified under this prospectus. The Company also intends to grant options to purchase an aggregate of 215,000 Common Shares to directors and officers under a directors', officers', employees' and key consultants' stock option program. See "Plan of Distribution".

Use of Proceeds: The total net proceeds to the Company, accounting for total cash proceeds raised prior to this Offering and total proceeds of this Offering, net of all Offering expenses, will be approximately $440,000. In addition, the Company estimates incurring general and administrative costs until the Completion of the Qualifying Transaction of approximately $15,000, which will reduce the total net proceeds available for pursuing a Qualifying Transaction to $425,000. The net proceeds of this Offering will be used to provide the Company with a minimum of funds with which to identify and evaluate assets or businesses, for acquisition, with a view to completing a Qualifying Transaction. The Company may not have sufficient funds to secure such businesses or assets once identified and evaluated and additional funds may be required. Until Completion of the Qualifying Transaction and except as otherwise provided in the CPC Policy, a maximum of 30% of the gross proceeds realized may be used for purposes other than evaluating businesses or assets. See "Use of Proceeds", "Business of the Company" and "Risk Factors".

Directors and Officers:

John F. Driscoll	- President, Chief Executive Officer and Director
John Nestor	- Director
Richard J. Zarzeczny	- Director
P. Jill Frick	- Secretary
J.G. (Jeff) Lawson	- Assistant Secretary

See "Directors and Officers".

Escrowed Securities: All of the currently issued and outstanding Common Shares, being 2,000,000 Common Shares, will be deposited in escrow pursuant to the terms of an Escrow Agreement, as defined herein, and will be released from escrow in stages over a period of three years after the date of the Final Exchange Bulletin. See "Escrowed Securities".

Risk Factors: Investment in the Common Shares must be regarded as highly speculative due to the proposed nature of the Company's business and its present stage of development. The Company was only recently incorporated and has no active business or assets other than cash. It does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the Completion of the Qualifying Transaction. The Offering is only suitable to investors who are prepared to rely entirely on the directors and management of the Company and can afford to risk the loss of their entire investment. The directors and officers of the Company will only devote part of their time and attention to the affairs of the Company and there are potential conflicts of interests to which some of the directors and officers of the Company will be subject in connection with the operations of the Company. Assuming completion of the Offering, an investor will suffer an immediate dilution of investment of 30% or $0.06 per Common Share. There can be no assurance that an active and liquid market for the Company's Common Shares will develop and an investor may find it difficult to resell the Common Shares. Until Completion of the Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Company has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the CPC will be able to identify or complete a suitable Qualifying Transaction.

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

THE COMPANY

Rita Capital Corp. (the "Company") was incorporated pursuant to the provisions of the *Business Corporations Act* (Alberta) on November 12, 2001 as 959881 Alberta Ltd. On August 7, 2002, the Company filed Articles of Amendment changing its name to "Rita Capital Corp." and removing its private company restrictions.

The head office of the Company is located at Suite 600, 444 – 7th Avenue S.W., Calgary, Alberta, T2P 0X8 and the registered office of the Company is located at 1400, 350 - 7th Avenue S.W., Calgary, Alberta, T2P 3N9.

BUSINESS OF THE COMPANY

Preliminary Expenses

Other than a $9,000 deposit paid to the Agent in respect of the Agent's fees and expenses, $5,035 paid to the Exchange as a filing fee, the Company has not incurred any expenses to date. However, certain of the offering proceeds will be utilized to satisfy the obligations of the Company related to the present offering, including the expenses of its auditors, and the fees of the Exchange and the Alberta Securities Commission and legal expenses. See "Use of Proceeds".

Proposed Operations Until Completion of a Qualifying Transaction

The Company proposes to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the TSX and is subject to Majority of the Minority Approval in accordance with the CPC Policy. The Company has not conducted commercial operations. The Company currently intends to pursue a Qualifying Transaction in the finance sector, but there is no assurance that this will, in fact, be the business sector of a proposed Qualifying Transaction or of the Company following Completion of the Qualifying Transaction.

Until Completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction. With the consent of the TSX, this may include the raising of additional funds in order to finance an acquisition. Except as described under the headings "Private Placement for Cash", and "Restrictions on Use of Proceeds", the funds raised pursuant to this Offering and any subsequent financing will be utilized only for the identification and evaluation of potential Qualifying Transactions and not for any deposit, loan or direct investment in a potential acquisition.

Although the Company has commenced the process of identifying potential acquisitions with a view to completing the Qualifying Transaction, the Company has not yet entered into an Agreement in Principle.

Geographical Restrictions of Operations

In accordance with the CPC Policy, except where the Resulting Issuer will be an oil and gas issuer or a mining issuer, the Significant Assets must be located in Canada or the United States.

Method of Financing

The Company may use either cash, bank financing, the issuance of treasury shares or public financing of debt or equity, or a combination of the foregoing, for the purpose of financing its proposed Qualifying Transaction. **A Qualifying Transaction financed by the issue of treasury shares could result in a change in the control of the Company and may cause the shareholders' interest in the Company to be further diluted.**

Criteria for a Qualifying Transaction

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

Shareholder Approval of a Qualifying Transaction

Upon the Company reaching an Agreement in Principle, the Company must issue a comprehensive news release, at which time the TSX generally will halt trading in the Company's Common Shares until the filing requirements of the TSX have been satisfied as set forth under the heading "Trading Halts, Suspensions and Delisting". Within 75 days after issuance of such news release, the Company is required to submit for review to the TSX an information circular that complies with applicable corporate and securities laws. In addition, the information circular must contain prospectus level disclosure of the Target Company and the Company, assuming Completion of the Qualifying Transaction, and be prepared in accordance with the CPC Policy and Form 3B of the TSX. Upon acceptance by the TSX, the Company must then mail the information circular and related proxy material to its shareholders in order to obtain the Majority of the Minority Approval of the Qualifying Transaction at a meeting of shareholders.

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

(i) confirmation of Majority of Minority Approval of the Qualifying Transaction;

(ii) confirmation of closing of the Qualifying Transaction; and

(iii) all post-meeting documentation otherwise required to be filed with the TSX pursuant to the CPC Policy.

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

Minimum Listing Requirements

The Resulting Issuer must satisfy the TSX's minimum listing requirements (other than public distribution requirements) for the particular industry sector in either Tier 1 or Tier 2 as prescribed under the applicable Policies of the TSX. The Resulting Issuer must meet the tier maintenance public distribution requirements for an issuer in its first year of listing under the applicable Tier.

Trading Halts, Suspension and Delisting

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

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

(a) the unacceptable nature of the business of the Resulting Issuer, or

(b) the number of conditions precedent to, or the nature and number of deficiencies required to be resolved prior to, completion of the Qualifying Transaction, are so significant or numerous as to make it appear to the TSX that the halt should be reinstated or continued.

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

The TSX may suspend from trading or delist the Common Shares of the Company where the Exchange has not issued a Final Exchange Bulletin to the CPC within 18 months of the date of listing.

Refusal of Qualifying Transaction

The TSX, in its sole discretion, may not accept a Qualifying Transaction where:

(a) the Resulting Issuer fails to satisfy the applicable minimum listing requirements of the TSX;

(b) the aggregate number of securities of the Resulting Issuer owned, directly or indirectly, by:

(i) a member firm of the TSX;

(ii) registrants, unregistered corporate finance professionals, employee shareholders and partners of such member firm; and

(iii) associates of any such person,

collectively, would exceed 20% of the issued and outstanding securities of the Resulting Issuer;

(c) the Resulting Issuer will be a financial institution, finance company, finance issuer or mutual fund, as defined in the securities legislation;

(d) the majority of the directors and senior officers of the Resulting Issuer are not residents of Canada or the United States or are individuals who have not demonstrated positive association as directors or officers with public companies that are subject to a regulatory regime comparable to the companies listed on a Canadian exchange;

(e) in the case of a Resulting Issuer, other than an oil and gas or mining issuer, the Qualifying Transaction involves the acquisition of Significant Assets, outside of Canada or the United States; or

(f) notwithstanding the definition of a Qualifying Transaction, there is any other reason for denying acceptance of the Qualifying Transaction.

USE OF PROCEEDS

Net Proceeds

The gross proceeds to be received by the Company from the sale of the Common Shares offered by this prospectus will be $300,000. The gross proceeds received by the Company from the sale of Common Shares prior to the date of this prospectus was $200,000. From these aggregate gross proceeds of $500,000 will be deducted the expenses and costs of this issue estimated in the aggregate, including legal, accounting, printing, regulatory fees and the Agent's commission to be approximately $60,000.

The following indicates the principle uses to which the Company proposes to use the total funds available to it upon the completion of the this Offering:

Cash proceeds raised prior to this Offering[(1)]	$200,000
Expenses and costs relating to raising the cash proceeds	$2,000
Cash proceeds to be raised pursuant to this Offering[(2)]	$300,000
Expenses and costs relating to the Offering (including listing fees, Agent's commission, legal fees, audit fees and expenses)	$58,000
Estimated funds available (on completion of the Offering)	$440,000
Funds available for identifying and evaluating assets or business prospects[(3)]	$440,000
Estimated general and administrative expenses until Completion of a Qualifying Transaction	$15,000
Total net proceeds	$425,000

Notes:

(1) See "Prior Sales".

(2) In the event the Agent exercises the Agent's Option, or the directors or officers exercise their options there will be available to the Company a maximum of an additional $73,000 which will be added to the working capital of the Company. There is no assurance that any of these options will be exercised.

(3) In the event that the Company enters into an Agreement in Principle prior to spending the entire $425,000 on identifying and evaluating assets or businesses, the remaining funds may be used to finance or partially finance the acquisition of Significant Assets or for working capital after Completion of the Qualifying Transaction.

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

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

Permitted Use of Funds

Until the Completion of the Qualifying Transaction and except as otherwise specifically provided by the CPC Policy and described in "Restrictions on Use of Proceeds", "Private Placements for Cash," and "Prohibited Payments to Related Parties", the gross proceeds realized from the sale of all securities issued by the Company will be used by the Company only to identify and evaluate businesses or assets and obtain shareholder approval for a proposed Qualifying Transaction.

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

(i) valuations or appraisals;

(ii) business plans;

(iii) feasibility studies and technical assessments;

(iv) sponsorship reports;

(v) engineering or geological reports;

(vi) financial statements, including audited financial statements; and

(vii) fees for legal and accounting services,

relating to the identification and evaluation of assets or businesses and the obtaining of shareholder approval for the Company's proposed Qualifying Transaction.

In addition, with the prior acceptance of the TSX, up to an aggregate of $100,000 may be advanced as a refundable deposit or secured loan by the Company to a Vendor or Target Company, as the case may be, for a proposed arm's length Qualifying Transaction that has been publicly announced at least 15 days prior to the date of such advance, due diligence with respect to the Qualifying Transaction is well underway and either a Sponsor has been engaged or sponsorship has been waived. A maximum aggregate amount of $25,000 may also be advanced as a non-refundable deposit, unsecured deposit or advance to a Vendor or Target Company, as the case may be, to preserve assets without the prior acceptance of the TSX.

Restrictions on Use of Proceeds

Until Completion of a Qualifying Transaction, not more than 30% of the gross proceeds from the sale of all securities issued by the Company will be used for purposes other than those described above. For greater certainty, expenditures which are not included as "Permitted Uses of Funds", listed above, include:

(a) listing and filing fees (including SEDAR fees);

(b) agents fees, costs and commissions;

(c) other costs for the issuance of securities, (including legal, accounting and audit expenses) relating to the preparation and filing of this prospectus; and

(d) administrative and general expenses of the Company, including:

  (i) office supplies, office rent and related utilities;

  (ii) printing costs (including the printing of this prospectus and share certificates);

  (iii) equipment leases; and

  (iv) fees for legal advice and audit expenses, other than those described above under "Permitted Use of Funds".

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

Private Placements for Cash

After the closing of the Offering and until the Completion of the Qualifying Transaction, the Company will not issue any securities unless written acceptance of the TSX is obtained before issuance. Prior to the public announcement of the proposed Qualifying Transaction, the TSX generally will not accept a private placement by the Company where the gross proceeds raised from the issuance of securities both prior to and pursuant to the Offering, together with any proceeds anticipated to be raised upon closing of the private placement, will exceed $700,000. However, where a proposed Qualifying Transaction has been publicly announced, and provided that the funds to be raised are to be used in connection with a proposed Qualifying Transaction, the TSX may permit a private placement to be made for gross proceeds of up to an additional $125,000 where:

(a) the proposed Qualifying Transaction is not a transaction with a Non Arm's Length Party;

(b) due diligence in relation to the Qualifying Transaction is well underway,

(c) a Sponsor has been engaged or sponsorship has been waived;

(d) the securities issued pursuant to the private placement are excluded from voting on the Qualifying Transaction and any other matter relating to the Qualifying Transaction; and

(e) adequate disclosure as to the use of proceeds for the private placement is provided to subscribers.

If the price of the securities proposed to be issued pursuant to the private placement is based on a price established prior to the public announcement of the proposed Qualifying Transaction, or the Common Shares of the Company have not yet commenced to trade, then any Common Shares issued pursuant to the private placement to Non Arm's Length Parties to the Company and to Principals of the Resulting Issuer will be subject to escrow.

Prohibited Payments to Non-Arm's Length Parties

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

(a) remuneration, which includes but is not limited to salaries, consulting fees, management contract fees or directors' fees, finders' fees, loans, advances and bonuses, and

(b) deposits and similar payments.

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

Notwithstanding the above, the Company may reimburse a Non Arm's Length Party to the Company 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 Company or in the case of a law firm, no member of the firm, owns greater than 10% of the outstanding Common Shares of the Company), and the Company may also reimburse a Non Arm's Length Party to the Company for reasonable out-of-pocket expenses incurred in pursuing the business of the Company described in "Permitted Use of Funds".

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

PLAN OF DISTRIBUTION

Agent and Agent's Compensation

Pursuant to an agency agreement (the "Agency Agreement") dated September 10, 2002 among the Company, the Agent and the Trustee, the Company has appointed the Agent as its agent to offer for sale on a best efforts basis to the public 1,500,000 Common Shares as provided in this prospectus, at a price of $0.20 per Common Share, for gross proceeds of $300,000, subject to the terms and conditions in the Agency Agreement. The Agent will receive a commission of 10% of the aggregate gross proceeds from the sale of the Common Shares. In addition, the Company will pay to the Agent a corporate finance fee of $5,000 plus GST and will pay the Agent's legal fees and expenses estimated at approximately $4,000.

The Company has also agreed to grant to the Agent(s) a non-transferable option (the "Agent's Option") to purchase 150,000 Common Shares at a price of $0.20 per share, which may be exercised for a period of 18 months from the date the Common Shares of the Company are listed on the TSX. The Agent's Option is qualified under this prospectus. The Agent intends to sell to the public any Common Shares received by it upon the exercise of its option. Not more than 50% of the Common Shares received on the exercise of the Agent's Option may be sold by the Agent prior to the Completion of the Qualifying Transaction. The remaining 50% may be sold after the Completion of the Qualifying Transaction. The Agent has agreed to use its best efforts to secure subscriptions for the Common Shares offered hereunder on behalf of the Company and may make co-brokerage arrangements with other investment dealers at no additional cost to the Company. 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 and may also be terminated on the occurrence of certain events as stated in the Agency Agreement.

Best Efforts Offering and Minimum Distribution

The total Offering is 1,500,000 Common Shares for total gross proceeds of $300,000. Under the CPC Policy, no purchaser of the Common Shares is permitted to purchase more than 2% or 30,000 ($6,000) of the total Common Shares in the Offering. In addition, the maximum number of Common Shares permitted to be purchased by that purchaser together with any Associates or Affiliates of that purchaser is 4% or 60,000 ($12,000) of the total number of Common Shares under the Offering. The funds received from the Offering will be deposited with the Trustee, and will not be released until a minimum of $300,000 has been deposited. The total subscription must be raised within 90 days of the date a receipt for the prospectus is issued, or such other time as may be consented to by persons or companies who subscribed within that period, failing which the Trustee will remit the funds collected to the original subscribers without interest or deduction, unless subscribers have otherwise instructed the Trustee.

Other Securities to be Distributed

The Company also proposes to grant options to purchase 215,000 Common Shares to directors and officers in accordance with the policies of the TSX.

Determination of Price

The offering price of the Common Shares hereunder was determined by negotiation between the Company and the Agent.

Listing Application

The Company has applied to list its Common Shares on the TSX. Listing will be subject to the Company fulfilling all the listing requirements of the TSX.

Restrictions on the Agent

The Agent has advised the Company that to the best of its knowledge and belief, neither it, nor any of its directors, officers, employees or contractors or any Associate or Affiliate of the foregoing:

(i) has subscribed for Common Shares of the Company, or

(ii) are permitted to subscribe for Common Shares of the Company pursuant to this distribution; and

until Completion of the Qualifying Transaction, the aggregate number of Common Shares permitted to be owned directly or indirectly by the Agent, or any of its directors, officers, employees or contractors or any Associate or Affiliate of the foregoing, is 20% of the issued and outstanding Common Shares exclusive of Common Shares reserved for issuance at a future date.

Restrictions on Trading

Other than the initial distribution of the Common Shares pursuant to this prospectus, the grant of the Agent's Option and the grant of options to the directors and officers of the Company, no securities of the Company will be permitted to be issued during the period between the date a receipt for the preliminary prospectus is issued by the Alberta Securities Commission and the time the Common Shares are listed for trading on the TSX, except subject to prior acceptance of the TSX, where appropriate registration and prospectus exemptions are available under securities legislation or where the Alberta Securities Commission grants a discretionary order.

DESCRIPTION OF SHARE CAPITAL

The Company is authorized to issue an unlimited number of Common Shares without nominal or par value, of which 2,000,000 Common Shares were issued and outstanding as fully paid and non-assessable as at the date of this prospectus, 1,500,000 Common Shares are reserved for issuance under this prospectus, 215,000 Common Shares will be reserved for issuance under a directors', officers', employees' and key consultants' stock option program, subject to regulatory approval, and

150,000 Common Shares will be reserved for issuance pursuant to the Agent's Option. The Company also has authorized for issuance an unlimited number of First Preferred Shares, none of which have been issued. See "Stock Options" and "Plan of Distribution".

Common Shares

The holders of the Common Shares are entitled to receive notice of and attend any meeting of the Company's shareholders and are entitled to one vote for each Common Share held (except at meetings where only the holders of another class of shares are entitled to vote). The holders of the Common Shares are entitled to receive dividends, if, as and when declared by the Board of Directors of the Company and, subject to the prior satisfaction of all preferential rights to dividends attaching to all shares of other classes of the Company ranking in priority to the Common Shares in respect of dividends.

First Preferred Shares

The First Preferred Shares may be issued from time to time in one or more series, each series consisting of a number of First Preferred Shares as determined by the Board of Directors of the Company, who may fix the designations, rights, privileges, restrictions and conditions attaching to the shares of each series of First Preferred Shares. As at the date hereof, there are no First Preferred Shares issued and outstanding. The First Preferred Shares of each series shall, with respect to dividends, liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs, rank on priority with the First Preferred Shares of every other series, and shall be entitled to preference over the Common Shares and the shares of any other class ranking junior to the First Preferred Shares.

CAPITALIZATION

	Authorized	Outstanding as at August 7, 2002(1)	Outstanding as at August 31, 2002 prior to Giving Effect to this Issue	Outstanding as at August 31, 2002 After Giving Effect to this Issue(1)(2)
First Preferred Shares	Unlimited	-	-	-
Common Shares	Unlimited	$200,000 (2,000,000 shs.)	$200,000 (2,000,000 shs.)	$500,000 (3,500,000 shs.)

Notes:

(1) The Company will reserve an aggregate of 215,000 Common Shares for issuance under a directors', officers', employees' and key consultants' stock option program, subject to regulatory approval. All such options will expire 5 years from the date of grant. See "Options to Purchase Securities". The Company will also grant to the Agent an option to purchase 150,000 Common Shares at a price of $0.20 per share expiring 18 months from the date the Company's shares are listed on the Exchange.

(2) Before deducting the expenses of the issuance of the shares of the Company, and expenses of the offering, estimated to aggregate $60,000.

(3) As at August 7, 2002, the Company had not commenced operations and had retained earnings of $Nil.

OPTIONS TO PURCHASE SECURITIES

The options to purchase 215,000 Common Shares to be granted after closing this Offering to directors and officers are not qualified for distribution pursuant to this prospectus.

The Company has adopted an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance, together with any options issued to Eligible Charitable Organizations, will not exceed 10% of the issued and outstanding Common Shares. Such options will be exercisable for a period of up to 5 years from the date of grant. In connection with the foregoing, the number of Common Shares reserved for issuance:

(a) to any individual director or officer will not exceed five percent (5%) of the issued and outstanding Common Shares;
(b) to all key consultants will not exceed two percent (2%) of the issued and outstanding Common Shares; and
(c) to all Eligible Charitable Organizations will not exceed one percent (1%) of the issued and outstanding Common Shares.

Options may be exercised no later than 90 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. Any Common Shares acquired pursuant to the exercise of options prior to the Completion of the Qualifying Transaction, must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued. See "Escrowed Securities".

Subject to regulatory approval, the Company intends to enter into stock option agreements with its directors and officers, once a receipt is issued for the (final) prospectus, as follows:

	Number of Common Shares Under Option	Exercise Price Per Common Share	Expiry Date
John F. Driscoll	175,000	$0.20	5 years[1]
John Nestor	20,000	$0.20	5 years[1]
Richard J. Zarzeczny	20,000	$0.20	5 years[1]
Total	215,000		

Note:

(2) The options will all vest immediately on the date of grant, namely the date on which a receipt is issued for the (final) prospectus, and will expire five years from the date of grant.

All shares acquired pursuant to the exercise of stock options prior to the completion of a Qualifying Transaction must be deposited in escrow and shall be subject to escrow until the issuance of the Final Exchange Notice. See "Escrowed Securities".

PRIOR SALES

Since the date of incorporation of the Company, 2,000,000 Common Shares have been issued as follows:

Date	Number of Shares	Issue Price per Share	Aggregate Issue Price	Consideration Received
May 22, 2002	2,000,000[1]	$0.10	$200,000	Cash

Note:

(1) These Common Shares will be held in escrow. See "Escrowed Securities".

ESCROWED SECURITIES

Securities Escrowed Prior to the Completion of the Qualifying Transaction

All of the currently issued and outstanding Common Shares of the Company, being 2,000,000 Common Shares will be deposited in escrow pursuant to the terms of the Escrow Agreement and will be released from escrow in stages over a period of up to three years after the date of the Final Exchange Bulletin.

All of the 2,000,000 Common Shares issued prior to this Offering at a price below $0.20 per Common Share and all Common Shares that may be acquired by Non Arm's Length Parties of the Company either under the Offering or otherwise prior to Completion of the Qualifying Transaction will be deposited with the Trustee under the Escrow Agreement.

All Common Shares acquired on exercise of stock options prior to the Completion of a Qualifying Transaction, must also be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued.

In addition, all Common Shares of the Company acquired in the secondary market prior to the Completion of a Qualifying Transaction by any person or company who becomes a Control Person are required to be deposited in escrow. Subject to certain exemptions permitted by the TSX, all securities of the Company held by Principals of the Resulting Issuer, will also be escrowed.

The following table sets out, as at the date hereof, the number of Common Shares of the Company, which are held in escrow.

Name and Municipality of Residence of Shareholder	Common Shares	Number of Shares held in escrow	Percentage of Shares prior to giving effect to the Offering	Percentage of Shares after giving effect to the Offering
John F. Driscoll Toronto, Ontario	1,900,000	1,900,000	95%	54.3%
Richard Zarzeczny Stouffville, Ontario	50,000	50,000	2.5%	1.4%
John Nestor Mississauga, Ontario	50,000	50,000	2.5%	1.4%
	2,000,000			

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

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

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

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

If a Final Exchange Bulletin is not issued, the escrowed Common Shares will not be released. Under the Escrow Agreement each Non Arm’s Length Party to the Company who holds escrowed Common Shares acquired at a price below the Offering price under this prospectus has irrevocably authorized and directed the Trustee to immediately cancel all of those escrowed Common Shares upon the issuance by the TSX of a bulletin delisting the Common Shares of the Company.

Escrowed Securities on Qualifying Transaction

Generally, if at least 75% of the securities issued pursuant to the Qualifying Transaction are "Value Securities", then all the securities issued to Principals of the Resulting Issuer pursuant to the Qualifying Transaction will be deposited into escrow pursuant to a value security agreement (the "Value Security Escrow Agreement"). "Value Securities" are securities issued pursuant to a transaction, for which the deemed value of the securities at least equals the value ascribed to the asset, using a valuation method acceptable to the TSX, or securities that are otherwise determined by the TSX to be Value Securities and required to be placed in escrow under a Value Security Escrow Agreement. However, if at least 75% of the securities issued pursuant to the Qualifying Transaction are not Value Securities, then all securities issued pursuant to the Qualifying Transaction will be deposited into a surplus security escrow agreement (a "Surplus Security Escrow Agreement").

The principal distinction between a Value Security Escrow Agreement and a Surplus Security Escrow Agreement is the time period for release of securities from escrow. In the case of a Resulting Issuer that will be a Tier 2 issuer when the Final Exchange Bulletin is issued, the Value Security Escrow Agreement provides for a three year escrow release mechanism with 10% of the escrowed securities being releasable at the time of the Final Exchange Bulletin, and 15% of the escrowed securities being releasable every 6 months thereafter, on each of the 6, 12, 18, 24, 30 and 36 month anniversaries of the Final Exchange Bulletin. In the case of a Resulting Issuer that will be a Tier 2 issuer, when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement provides for a six year escrow release mechanism with:

(a) 5% of the escrowed securities being releasable in 6 month intervals on each of the 6, 12, 18 and 24 month anniversaries of the Final Exchange Bulletin; and

(b) 10% of the escrowed securities being releasable in 6 month intervals on each of the 30, 36, 42, 48, 54, 60, 66 and 72 months after the Final Exchange Bulletin.

In the case of a Resulting Issuer that will be a Tier 1 issuer when the Final Exchange Bulletin is issued, the Value Security Escrow Agreement provides for an 18 month escrow release mechanism with 25% of the escrowed securities being releasable at the time of the Final Exchange Bulletin, with 25% of the escrowed securities being releasable every 6 months thereafter. In the case of a Resulting Issuer that will be a Tier 1 issuer when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement provides for a three year escrow release mechanism with:

(a) 10% of the escrowed securities being releasable upon the issuance of the Final Exchange Bulletin, and

(b) 15% of the escrowed securities being releasable in 6 month intervals on each of the 6, 12, 18, 24, 30 and 36 months after the Final Exchange Bulletin.

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

(a) the private placement is announced at least five trading days after the news release announcing the Agreement in Principle and the pricing for the financing is at not less than the discounted market price, as determined in accordance with the Policies of the Exchange; or

(b) the private placement is announced concurrently with the Agreement in Principle and

    (i) at least 75% of the proceeds from the private placement are not from Principals of the Company or the proposed Resulting Issuer,

    (ii) if subscribers, other than Principals of the Company or the proposed Resulting Issuer, will obtain securities subject to hold periods, then in addition to any resale restrictions under applicable securities legislation, any securities issued to such Principals will be subject to a four month hold period, and

    (iii) none of the proceeds of the private placement are allocated to pay compensation or to settle indebtedness owing to Principals of the Resulting Issuer.

PRINCIPAL SHAREHOLDERS

The following table lists the holdings of the Company's directors and officers and those persons who own 10% or more of the issued and outstanding Common Shares of the Company 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 Offering	Percentage of Common Shares Owned After Offering
John F. Driscoll Toronto, Ontario	registered and beneficial	1,900,000	95%	54%

Notes:

(1) In addition, Messrs. Driscoll, Nestor, Zarzeczny, all directors of the Company, will be granted an aggregate of 215,000 stock options to purchase Common Shares upon the issue by the Alberta Securities Commission of a receipt for the final prospectus. See "Options to Purchase Securities".
(2) These Common Shares are all to be held in escrow. See "Escrowed Securities".

DIRECTORS, OFFICERS AND PROMOTERS

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

Name and Municipality of Residence	Position Held	Age	Principal Occupation
John F. Driscoll(1) Toronto, Ontario	President, Chief Executive Officer, Director and Promoter	60	President of J.F. Driscoll Investment Corp. since 1981; President of NCE Resources Group Inc.
John Nestor(1) Mississauga, Ontario	Director	64	President of John Nestor & Associates Ltd. since 1972.
Richard J. Zarzeczny(1) Stouffville, Ontario	Director	54	President of Canadian Enerdata Limited since 1984.
P. Jill Frick Toronto, Ontario	Secretary	32	Corporate Secretary of Sentry Select Capital Corp. and NCE Resources Group Inc. since January 1, 2001; prior thereto, Assistant Secretary and Compliance Officer with both Sentry Select Capital Corp. and NCE Resources Group Inc.
J.G. (Jeff) Lawson Calgary, Alberta	Assistant Secretary	33	Partner, Burnet, Duckworth & Palmer LLP, Barristers and Solicitors since January 1, 1999; prior thereto, associate, Burnet, Duckworth & Palmer LLP.

Notes:

(1) Member of the Audit Committee.
(2) The Company does not have an executive committee.

All of the directors currently have employment outside of the Company. Each of the directors of the Company has agreed to devote as much of his time to the business and affairs of the Company as necessary to complete the Company's Qualifying Transaction. The directors and officers are engaged and will continue to be engaged in the search for property or business prospects on behalf of themselves and others.

The directors and officers of the Company, and their associates and affiliates, as a group, beneficially own or control, directly or indirectly, 2,000,000 Common Shares or 100% of the issued and outstanding Common Shares before the offering. After giving effect to this offering, such holdings will represent approximately 57% of the outstanding Common Shares. In addition to the foregoing, if the directors and officers of the Company were to exercise the options to purchase 215,000 Common Shares proposed to be issued to them under the Company's stock option program, subject to regulatory approval, such individuals, as a group, would beneficially own or control, directly or indirectly, 2,215,000 Common Shares, representing approximately 60% of the outstanding Common Shares after giving effect to the offering.

The following is a brief description of the background of the key management, directors and the promoter of the Company:

John F. Driscoll, President, Chief Executive Officer, Director and Promoter

John F. Driscoll founded and has been President of J.F. Driscoll Investment Corp. since 1981. He is also President of NCE Resources Group. He specializes in oil and natural gas investments, as well as related advisory, management and consulting services. Mr. Driscoll received his Bachelor of Science Degree from the Boston College Business School in 1964 and in 1967 attended the New York Institute of Finance. During the last 16 years, resource issuers of which Mr. Driscoll was an officer and/or director, or in respect of which he was an officer and/or director of the manager or general partner, have invested or managed the investment of more than $1.3 billion in the acquisition, development and exploration of resource properties and securities of resource issuers.

John Nestor, Director

John Nestor has been President of John Nestor & Associates Ltd., a firm of management consultants, since 1972 and is a director of a number of publicly-listed corporations. He also serves as a director of a number of corporations in the NCE Resources Group. Mr. Nestor received a Bachelor of Applied Science degree in Engineering Physics, specializing in geophysics, in 1959 from the University of Toronto. He received his Master of Business Administration degree with honours in 1961 from the University of Toronto, majoring in marketing and finance.

Richard J. Zarzeczny, Director

Richard J. Zarzeczny is principal and founder of Canadian Enerdata Limited (established in 1984), an energy and economic consulting firm specializing in oil and gas industry analysis and forecasting. He publishes The Natural Gas Market Report, the leading Canadian newsletter covering natural gas markets, including regular price and market activity surveys. He also serves as a director of a number of corporations in the NCE Resources Group. Mr. Zarzeczny graduated from Simon Fraser University in 1980 with a Master of Arts degree in Economics specializing in econometrics and in 1975 received a Master of Arts degree in Mathematics from the University of Regina.

P. Jill Frick, Secretary

P. Jill Frick received her Bachelor of Laws Degree from the University of Toronto in 1996 and was designated an Associate of The Institute of Chartered Secretaries and Administrators in 1999. Ms. Frick is the Corporate Secretary of both the NCE Resources Group and Sentry Select Capital Corp., providing various legal and administrative services to each of these entities.

J.G. (Jeff) Lawson, Assistant Secretary

Jeff Lawson is a Partner at the law firm of Burnet, Duckworth & Palmer LLP, located in Calgary, Alberta. Mr. Lawson specializes in securities law and has extensive experience in both private and public offerings and merger and acquisitions activities. He acts as counsel to a number of industrial and resources companies, as a director or officer of a number of publicly listed entities and serves as a director of certain non-profit and charitable organizations. Mr. Lawson received an LLB from the University of Alberta in 1993.

Qualification Requirements of the CPC Policy

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

Other Reporting Issuer Experience

The following table sets out the directors, officers and promoter(s) of the Company that are, or have been within the last five years, directors, officers or promoters of other issuers that are or were reporting issuers in any Canadian jurisdiction:

Name	Name of Reporting Issuer	Position	From	To
John F. Driscoll	1992 Master/NCE Oil and Gas Development Partnership	Director and Officer	1992	August 1999
	Allied Oil & Gas Corp. (TSE)	Director and Officer	February 1998	November 2001
	Endev Energy Inc. (TSX)	Director and Officer	April 2002	Present
	Interfirst Resources Inc.	Director	1996	1998
	NCE Diversified Management Inc.	Director and Officer	2000	Present
	NCE Energy Assets (1992) Partnership	Director and Officer	1992	August 1999
	NCE Energy Assets (1993) Fund	Director and Officer	1993	Present
	NCE Energy Assets (1994) Fund	Director and Officer	1994	Present
	NCE Energy Assets (1995) Fund	Director and Officer	1995	Present
	NCE Energy Assets (1996) Fund	Director and Officer	1996	Present
	NCE Energy Corp.	Director and Officer	1996	Present
	NCE Energy Trust (TSE)	Director and Officer	1996	Present
	NCE Flow-Through (2000-1) Limited Partnership	Director and Officer	2000	Present
	NCE Flow-Through (2000-2) Limited Partnership	Director and Officer	2000	Present
	NCE Flow-Through (2001-1) Limited Partnership	Director and Officer	2001	Present
	NCE Flow-Through (2001-2) Limited Partnership	Director and Officer	2001	Present
	NCE Flow-Through (97) Limited Partnership	Director and Officer	1997	August 1999
	NCE Flow-Through (98) Limited Partnership	Director and Officer	1998	August 1999
	NCE Flow-Through (99) Limited Partnership	Director and Officer	1999	August 1999
	NCE Oil and Gas (1993) Fund	Director and Officer	1993	Present
	NCE Oil and Gas (1994) Fund	Director and Officer	1994	Present
	NCE Oil and Gas (1995) Fund	Director and Officer	1995	Present
	NCE Oil and Gas (1996) Fund	Director and Officer	1996	Present
	NCE Oil and Gas (1997) Fund	Director and Officer	1997	Present
	NCE Petrofund (TSE)	Director and Officer	1988	Present
	NCE Strategic Energy Management Corp.	Director and Officer	2001	Present
	Sentry Select Blue-Chip Income Trust	Director and Officer	May 2001	Present
	Sentry Select Capital Corp.	Director and Officer	1998	Present
	Sentry Select Diversified Income Trust	Director and Officer	May 2001	Present
	Sentry Select Focused Growth & Income Trust	Director and Officer	September 2001	Present
	Sentry Select Global Index Income Trust	Director and Officer	August 2001	Present
	Tap Capital Corp.	Director	June, 1998	May 1993
Richard Zarzecny	NCE Diversified Management Inc. (TSE)	Director	2000	Present
	NCE Energy Corp. (TSE)	Director	1996	Present
	NCE Energy Trust (TSE)	Director	July 1996	June 2002
	NCE Petrofund (TSE)	Director	October 1995	Present
	NCE Strategic Energy Management Corp. (TSE)	Director	2001	Present
	Sentry Select Diversified Income Trust (TSE)	Director	November 1996	Present
	Sentry Select Management Inc. (TSE)	Director	1996	Present
John Nestor	1992 Master/NCE Oil & Gas Development Partnership	Director	1992	August 1999
	Franchise Bancorp Inc. (TSX)	Director	1997	Present
	Interfirst Resources Inc.	Director	1996	1998
	NCE diversified Management Inc.	Director	2000	Present
	NCE Energy Assets (1992) Partnership	Director	1992	August 1999
	NCE Energy Assets (1993) Fund	Director	1993	Present
	NCE Energy Assets (1994) Fund	Director	1994	Present
	NCE Energy Assets (1995) Fund	Director	1995	Present
	NCE Energy Assets (1996) Fund	Director	1996	Present
	NCE Energy Corp. (TSE)	Director	1996	Present
	NCE Energy Trust (TSE)	Director	July 1996	June 2002
	NCE Flow-Through (2000-1) Limited Partnership	Director	2000	Present
	NCE Flow-Through (2000-2) Limited Partnership	Director	2000	Present

Name	Name of Reporting Issuer	Position	From	To
	NCE Flow-Through (2001-1) Limited Partnership	Director	2001	Present
	NCE Flow-Through (2001-2) Limited Partnership	Director	2001	Present
	NCE Flow-Through (97) Limited Partnership	Director	1997	August 1999
	NCE Flow-Through (98) Limited Partnership	Director	1998	August 1999
	NCE Flow-Through (99) Limited Partnership	Director	1999	August 1999
	NCE Oil & Gas (1993) Fund	Director	1993	Present
	NCE Oil & Gas (1994) Fund	Director	1994	Present
	NCE Oil & Gas (1995) Fund	Director	1995	Present
	NCE Oil & Gas (1996) Fund	Director	1996	Present
	NCE Oil & Gas (1997) Fund	Director	1997	Present
	NCE Petrofund (TSE)	Director	October 1995	Present
	Plumbing Mart Corp.	Director	2000	Present
	Richtree Inc. (TSE)	Director	2000	Present
	Sentry Select Diversified Income Trust (TSE)	Director	May 2001	Present
	Sentry Select Diversified Management Inc. (TSE)	Director	2001	Present
	Strategic Energy Management Corp.	Director	2001	Present
P. Jill Frick	Allied Oil & Gas Cop. (TSE)	Secretary	February 2000	November 2001
	Endev Energy Inc. (TSX)	Secretary	April 2002	Present
	Sentry Select Blue Chip Income Trust (TSE)	Secretary	May 2001	Present
	Sentry Select Capital Corp. (TSX)	Secretary	May 2001	Present
	Sentry Select Diversified Income Trust (TSE)	Secretary	May 2001	Present
	Sentry Select Diversified Management Inc. (TSE)	Secretary	August 2001	Present
	Sentry Select Focussed Growth & Income Trust (TSE)	Secretary	December 2001	Present
	Sentry Select Global Income Trust (TSE)	Secretary	August 2001	Present
J.G. (Jeff) Lawson	Aventura Energy Inc. (TSX.V)	Corporate Secretary	January 2000	Present
	BakBone Software Incorporated (TSE)	Director	March 2000	Present
	Brigadier Energy Inc. (TSX.V)	Corporate Secretary	March 1998	February 1999
	Endev Energy Inc. (TSX.V)	Corporate Secretary	April 2002	Present
	HTN Inc. (TSX.V)	Director	January 1999	June 1999
	Maxim Power Corp. (TSX.V)	Corporate Secretary	September 2000	Present
	Mondev Senior Living Inc. (TSX.V)	Director	August 1999	December 1999
	NorthStar Drilling Systems Inc. (TSE)	Director	February 1998	May/2002
	Odyssey Energy Corporation (TSX.V)	Corporate Secretary	October 2000	December 2000
	Phoenix Technology Services Ltd.	Director	May 2001	Present
	Raider Resources Ltd. (TSE)	Corporate Secretary	February 1999	March 2000
	Reality Commerce Corporation	Director	February 2002	Present
	SouthPoint Resources Ltd. (TSX.V)	Corporate Secretary	August 2002	Present
	TGW Corp. Inc. (TSX.V)	Corporate Secretary	February 2002	Present
	Virtual China Travel Services Co., Ltd. (TSX.V)	Director	January 2001	Present

Corporate Cease Trade Orders or Bankruptcies

No director, officer or promoter of the Company has, within the last 10 years, been a director, officer or promoter of any reporting issuer that, while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the company access to any statutory exemption for a period of more than 30 consecutive days or was declared a bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold the assets of that person.

Penalties or Sanctions

No director, officer or promoter of the Company, within the last 10 years, has been subject to any penalties or sanctions imposed by a court or securities regulatory authority relating to trading in securities, promotion or management of a publicly traded issuer or theft or fraud.

Personal Bankruptcies

No director, officer or promoter of the Company, or a shareholder holding sufficient securities of the Company to affect materially the control of the Company, or a personal holding company of any such persons, has, within the 10 years preceding the date of this prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or being subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the individual.

Conflicts of Interest

There are potential conflicts of interest to which some of the directors, officers, insiders and promoters of the Company will be subject in connection with the operations of the Company. All of the directors, officers, insiders and promoters are engaged in and will continue to be engaged in corporations or businesses which may be in competition with the search by the Company for businesses or assets in order to close a Qualifying Transaction. Accordingly, situations may arise where some or all of the directors, officers, insiders and promoters will be in direct competition with the Company. Conflicts, if any, will be subject to the procedures and remedies as provided under the *Business Corporations Act* (Alberta).

EXECUTIVE COMPENSATION

Except as set out below or otherwise disclosed in this prospectus, prior to Completion of a Qualifying Transaction, no payment of any kind has been made, or will be made, directly to indirectly, by the Company to a Non Arm's Length Party to the Company or a Non Arm's Length Party to the Qualifying Transaction, or to any person engaged in investor relations activities in respect of the securities of the Company or any Resulting Issuer by any means, including:

(a) remuneration, which includes but is not limited to:

- (i) salaries;
- (ii) consulting fees;
- (iii) management contract fees or directors' fees;
- (iv) finders fees;
- (v) loans, advances, bonuses; and

(b) deposits and similar payments.

However, the Company may reimburse Non Arm's Length Parties for the Company's reasonable allocation of rent, secretarial services and other general administrative expenses, at fair market value ("Permitted Reimbursement"). However, there have been no such reimbursements since incorporation of the Company. No reimbursement may be made for any payment made to lease or buy a vehicle.

The directors and officers of the Company will also be granted stock options. See "Options to Purchase Securities".

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

DILUTION

Purchases of Common Shares under this prospectus will suffer an immediate dilution of 30% or $0.06 per Common Share on the basis of their being 3,500,000 Common Shares of the Company issued and outstanding following completion of this

Offering. Dilution has been computed on the basis of total gross proceeds to be raised by this prospectus and from sales of securities prior to the filing of this prospectus, without deduction of commissions or related expenses incurred by the Company, as set forth below:

Gross proceeds of prior share issues	$	200,000
Gross proceeds of this offering	$	300,000
Total gross proceeds after this offering	$	500,000
Offering price per share	$	0.20
Gross proceeds per share after this offering	$	0.14
Dilution per share to subscriber	$	0.06
Percentage of dilution in relation to offering price		30%

RISK FACTORS

An investment in the securities offered hereunder is speculative and involves a high degree of risk. In addition to the other information contained in this prospectus, prospectus investors should carefully consider the following risk factors which may have a material adverse effect on the Company's business, financial condition or results of operations.

The Company was only recently incorporated, has not commenced commercial operations and has no assets other than cash. It has no history of earnings, and shall not generate earnings or pay dividends until at least after Completion of the Qualifying Transaction.

Investment in the Common Shares offered by the prospectus is highly speculative given the proposed nature of the Company's business and its present stage of development

The directors and officers of the Company will only devote a portion of their time to the business and affairs of the Company and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time.

Assuming completion of the Offering, an investor will suffer an immediate dilution to its investment of 30% or $0.06 per Common Share.

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

Until Completion of a Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions.

The Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify a suitable Qualifying Transaction.

Even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to successfully complete the transaction.

Completion of a Qualifying Transaction is subject to a number of conditions including acceptance by the TSX and Majority of the Minority Approval.

Unless the shareholder has the right to dissent and be paid fair value in accordance with applicable corporate or other law, a shareholder who votes against a proposed Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Company of fair value for the Common Shares.

Upon public announcement of a proposed Qualifying Transaction, trading in the Common Shares of the Company will be halted and will remain halted for an indefinite period of time, typically until a Sponsor has been retained and certain preliminary reviews have been conducted. The Common Shares of the Company will be reinstated to trading before the TSX has reviewed the transaction and before the Sponsor has completed its full review. Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Company completing the proposed Qualifying Transaction.

Trading in the Common Shares of the Company may be halted at other times for other reasons, including for failure by the Company to submit documents to the TSX in the time periods required.

The TSX will generally suspend trading in the Company's Common Shares or delist the Company in the event that the TSX has not issued a Final Exchange Bulletin within 18 months from the date of listing.

Neither the TSX nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction.

In the event that management of the Company resides outside of Canada or the Company identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts.

The Qualifying Transaction may be financed in all or part by the issuance of additional securities by the Company and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Company.

Subject to prior TSX acceptance, the Company may be permitted to loan or advance up to an aggregate of $125,000 of its proceeds to a target business without requiring shareholder approval and there can be no assurance that the Company will be able to recover that loan.

After giving effect to the Offering, the directors and officers of the Company and their respective associates and affiliates will own or control, directly or indirectly, 57% of the outstanding Common Shares of the Company. In addition, it is anticipated that the directors and officers will be granted options to purchase up to 215,000 Common Shares and the Agent will be granted a non-transferable option to purchase 150,000 Common Shares. See "Escrowed Securities", "Options to Purchase Securities" and "Plan of Distribution".

As a result of these factors, this offering is only suitable to investors who are willing to rely solely on management of the Company and who can afford to lose their entire investment and those investors who are not prepared to do so should not invest in these securities. See "Business of the Company", "Management and Key Personnel", "Directors and Officers", "Conflicts of Interest" and "Use of Proceeds".

LEGAL PROCEEDINGS

To management's knowledge, there are no existing or contemplated legal proceedings against the Company or any of the directors or officers of the Company.

RELATIONSHIP BETWEEN THE COMPANY AND THE AGENT

The Company is not a related or connected party (as such terms are defined in National Instrument 33-105 Underwriter Conflicts) to the Agent.

RELATIONSHIP BETWEEN THE COMPANY AND PROFESSIONAL PERSONS

Certain legal matters relating to this Offering will be passed upon by Burnet, Duckworth & Palmer LLP, Calgary, Alberta, on behalf of the Company, and by Borden Ladner Gervais LLP, Calgary, Alberta, on behalf of the Agent. No person or company whose profession or business gives authority to a statement made by such person or company and who is named in this prospectus has received or shall receive a direct or indirect interest in the property of the Company or any associate or affiliate of the Company. As at the date hereof the aforementioned persons and companies beneficially own, directly or indirectly, less than 1% of the securities of the Company and its associates and affiliates. In addition, none of the aforementioned persons or companies, nor any director, officer or employee of any of the aforementioned persons or companies, is or expected to be elected, appointed or employed as a director, senior officer or employee of the Company or of an associate or affiliate of the Company, or a promoter of the Company or of an associate or affiliate of the Company, except for J.G. (Jeff) Lawson, the Assistant Corporate Secretary of the Company, who is a partner at Burnet, Duckworth & Palmer LLP, which law firm renders legal services to the Company and is remunerated for the same (subject to the restrictions set forth in the CPC Policy).

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are Deloitte & Touche LLP, Chartered Accountants, Calgary, Alberta.

Computershare Trust Company of Canada through its principal office in Calgary, Alberta at 600, 530 - 8th Avenue S.W., Calgary, Alberta T2P 3S8, is the transfer agent and registrar for the Common Shares.

MATERIAL CONTRACTS

The Company has not entered into any contracts, material to subscribers for Common Shares, within the two years prior to the date hereof except:

(a) the Agency Agreement referred to under "Plan of Distribution"; and

(b) the "Escrow Agreement referred to under "Escrowed Securities".

Copies of these agreements will be available for inspection at the registered office of the Company, 1400, 350 - 7th Avenue S.W., Calgary, Alberta, during ordinary business hours while the securities offered by this prospectus are in the course of distribution and for a period of thirty (30) days thereafter. Copies of these agreements are also available for inspection at the offices of the Alberta Securities Commission at any time during normal business hours and are available on SEDAR.

OTHER MATERIAL FACTS

To management's knowledge, there are no other material facts about the Common Shares being distributed that are not otherwise disclosed in this prospectus, or are necessary in order for the prospectus to contain full, true and plain disclosure of all material facts relating to the Common Shares being distributed.

DIVIDEND POLICY

To date, the Company has not paid any dividends on its outstanding Common Shares. The future payment of dividends will be dependent upon the financial requirements of the Company to fund further growth, financial condition of the Company and other factors which the board of directors of the Company may consider in the circumstances. It is not contemplated that any dividends will be paid in the immediate or foreseeable future.

PROMOTERS

Mr. John Driscoll may be considered to be the promoter of the Company in that he took the initiative in founding and organizing the Company. See also "Prior Sales", "Principal Shareholders" and "Stock Options".

PURCHASER'S 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 amendment. In the Province of Alberta, the securities legislation further provides a purchaser with remedies for rescission or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the Province of Alberta for the particulars of these rights or consult with a legal adviser.

AUDITORS' REPORT

To the Directors of
Rita Capital Corp.

We have audited the balance sheet of Rita Capital Corp. as at July 31, 2002. This balance sheet is the responsibility of the Company's management. Our responsibility is to express an opinion on this balance sheet 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 balance sheet presents fairly, in all material respects, the financial position of the Company as at July 31, 2002 in accordance with Canadian generally accepted accounting principles.

September 26, 2002

(signed) *"Deloitte & Touche LLP"*
Chartered Accountants
Calgary, Alberta

RITA CAPITAL CORP.
BALANCE SHEET

AS AT JULY 31, 2002

ASSETS	
Current:	
Cash	$ 200,000
SHAREHOLDERS' EQUITY	
Share Capital (notes 2 and 3)	$ 200,000

(signed) *"John F. Driscoll"*
John F. Driscoll
Director

(signed) *"John Nestor"*
John Nestor
Director

See accompanying notes.

RITA CAPITAL CORP.
NOTES TO FINANCIAL STATEMENTS

July 31, 2002

1. **INCORPORATION**

Rita Capital Corp. (the "Company") was incorporated pursuant to the provisions of the *Business Corporations Act* (Alberta) on November 12, 2001 and is classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange. The Company has no assets other than cash and proposes to identify and evaluate potential acquisitions or businesses in Canada, and once identified and evaluated, to negotiate an acquisition or participation subject to receipt of shareholder and regulatory approval.

The proposed business of the Company involves a high degree of risk and there is no assurance that the Company will identify appropriate business for acquisition or investment and even if so identified and warranted, it may not be able to finance such acquisition or investment. Additional funds may be required to enable the Company to pursue such an initiative and the Company may be unable to obtain such financing on terms which are satisfactory to it. Further, there is no assurance that businesses acquired will be profitable.

The Company has not commenced operations at the balance sheet date. Accordingly, statements of earnings, retained earnings and cash flows have not been prepared.

2. **SHARE CAPITAL**

Authorized:

The authorized share capital of the Company consists of an unlimited number of Common Shares and an unlimited number of First Preferred Shares without nominal or par value.

Issued and fully paid:

2,000,000 Common Shares	$ 200,000

All the currently issued and outstanding Common Shares are in escrow pursuant to the terms of an Escrow Agreement and will be released from escrow in stages over a period of three years from the date of acceptance by the TSX Venture Exchange of the Qualifying Transaction.

The Company has established a stock option plan for the benefit of directors, officers and employees of and consultants and service providers to the Company. The Company will grant an aggregate of 215,000 options to purchase Common Shares which may be exercised from issuance at a price of $0.20 per share for a period of five years from the date of grant. The stock option plan and the grant of options thereunder are subject to regulatory approval and the Escrow Agreement.

3. **SUBSEQUENT EVENT**

Pursuant to a prospectus filed with the Alberta Securities Commission dated September 26, 2002 and an Agency Agreement dated September 10, 2002, the Company is offering 1,500,000 Common Shares at $0.20 per share to the public. The cost of the issue, including the agent's commission of $30,000 and expenses, the listing fee and other related expenses of the offering are estimated to be approximately $60,000.

The agent will be granted a non-transferable option to purchase up to 150,000 Common Shares at $0.20 per share. The option will be exercisable at any time from issuance to 18 months from the date of listing of the Company's shares on the TSX Venture Exchange.

CERTIFICATES

Dated: September 26, 2002

CERTIFICATE OF THE COMPANY

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part 9 of the *Securities Act* (Alberta) and the regulations thereunder.

RITA CAPITAL CORP.

(Signed) "*John F. Driscoll*"
John F. Driscoll
President, Chief Executive Officer
and Director

ON BEHALF OF THE BOARD

(Signed) *"Richard Zarzeczny"*
Richard Zarzeczny
Director

(Signed) *"John Nestor"*
John Nestor
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 9 of the *Securities Act* (Alberta) and regulations thereunder.

(Signed) "*John F. Driscoll*"
John F. Driscoll

CERTIFICATE OF THE AGENT

Dated: September 26, 2002

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 9 of the *Securities Act* (Alberta) and the regulations thereunder.

YORKTON SECURITIES INC.

By: (Signed) *"S. S. (Ali) Rawji"*
S. S. (Ali) Rawji