A copy of this preliminary prospectus has been filed with the securities regulatory authorities in the Provinces of British Columbia and Alberta and with the TSX Venture Exchange Inc. (the "Exchange") but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authorities.

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.

Preliminary Prospectus

Initial Public Offering **March 23, 2004**

HATTON CAPITAL CORP.

(a Capital Pool Company)

$200,000

800,000 Common Shares

Price: $0.25 per common share

The purpose of this offering (the "Offering") is to provide Hatton Capital Corp. (the "Corporation") with a minimum of funds in order to identify and evaluate assets or businesses with a view to completing a Qualifying Transaction as hereafter defined. Any proposed Qualifying Transaction must be approved by the Exchange as hereafter defined and in the case of a Non Arm's Length Qualifying Transaction must also receive Majority of the Minority Approval, as hereafter defined, in accordance with the TSX Venture Exchange Policy 2.4 (the "CPC Policy"). The Corporation is a Capital Pool Company ("CPC") as such term is hereafter defined. It has not commenced commercial operations and has no assets other than a minimum amount of cash. Except as specifically contemplated in the CPC Policy, until the Completion of a Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a proposed Qualifying Transaction. See *"Business of the Corporation"* and *"Use of Proceeds"*. The Corporation hereby offers through its agent, Leede Financial Markets Inc. (the "Agent") 800,000 common shares at a price of $0.25 per Common Share (the "Common Shares") for gross proceeds of $200,000.

This Offering is made on a best efforts basis only by the Agent pursuant to an agreement ("Agency Agreement") between the Corporation and the Agent dated March 22, 2004, and is subject to the receipt by the Corporation of a minimum subscription of 800,000 Common Shares for total gross proceeds to the Corporation of $200,000. This Offering is also subject to approval of certain legal matters by Davis & Company, Vancouver, British Columbia, on behalf of the Corporation and by Maynard E. Brown, Barrister and Solicitor, on behalf of the Agent. The offering price of the Common Shares was determined by negotiation between the Corporation and the Agent. All funds received from the sale of the Common Shares will be deposited and held by the Agent pursuant to the terms of the Agency Agreement. If subscriptions for

800,000 Common Shares have not been received 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 and agreed to by the Agent, all subscription proceeds will be returned to subscribers without interest or deduction unless the subscribers have otherwise instructed the Agent. See "*Plan of Distribution*."

	Common Shares	**Offering Price**	**Agent's Commission**(1)	**Net Proceeds to the Corporation**(2)(3)
Per Common Share	1	$0.25	$0.025	$0.225
Total Offering	800,000	$0.25	$20,000	$180,000

Notes:

(1) The Agent will receive a commission of 10% of the gross proceeds of this Offering representing an amount of $20,000. In addition, the Agent will be granted a non-transferable option (the "Agent's Option") to purchase up to 80,000 Common Shares at a price of $0.25 per Common Share, exercisable for a period of 18 months from the date of listing the Common Shares on the Exchange. The Agent will receive a corporate finance fee of $7,500 (plus GST) and will be reimbursed by the Corporation for its legal fees estimated at $4,000 plus disbursements and taxes. As of the date of this prospectus, $3,750 (plus GST) has been paid to the Agent as part of the corporate finance fee. See "*Plan of Distribution*".

(2) Before deducting the costs and expenses of this issue estimated at $26,500 and the listing fee payable to the Exchange of $13,000 plus applicable taxes. See "*Use of Proceeds*".

(3) 800,000 Common Shares are offered hereunder. In addition, this prospectus qualifies for distribution the Agent's Option, and options to purchase 175,000 Common Shares which are to be granted to the directors and officers of the Corporation (the "Incentive Stock Options"). See "*Plan of Distribution*" and "*Options to Purchase Securities*".

This prospectus qualifies the issuance and distribution to the public of the Common Shares and the Agent's Option. See *"Plan of Distribution"*.

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

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

THERE IS CURRENTLY NO MARKET THROUGH WHICH THESE SECURITIES MAY BE SOLD AND PURCHASERS MAY NOT BE ABLE TO RESELL THE SECURITIES PURCHASED HEREUNDER

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

The Corporation has neither a history of earnings nor has it paid any dividends and it is unlikely to generate earnings or pay dividends in the immediate or foreseeable future. **The Corporation was incorporated on February 9, 2004, does not own any ongoing business operations and has no assets other than cash.** The Corporation has not entered into an Agreement in Principle. There is no assurance that the Corporation will identify and successfully negotiate the acquisition of any potential assets or businesses, or that any such assets or businesses acquired will be profitable. Moreover, additional funds may be required to successfully complete an acquisition, and the Corporation may not be able to obtain such financing or may not be able to raise sufficient funds to take a meaningful position in a potential target. If the acquisition is financed by the issuance of shares from the Corporation's treasury, control of the Corporation may change and shareholders may suffer additional dilution.

The directors and officers of the Corporation will only be devoting a portion of their time to the affairs of the Corporation. Potential conflicts of interest may result from the ordinary course of business of the Corporation and of the directors and officers of the Corporation. The directors and officers currently own 36.36% of the issued and outstanding Common Shares, will own 26.67% of the issued and outstanding Common Shares if the offering is fully subscribed. See *"Business of the Corporation"*, *"Management of the Corporation"*, *"Directors and Officers"*, *"Use of Proceeds"*, *"Conflicts of Interest"* and *"Risk Factors"*.

The Exchange may suspend from trading or delist the Common Shares of the Corporation where the Corporation has failed to complete a Qualifying Transaction within 18 months of the date of listing. The Executive Directors of the Commissions may issue an interim cease trade order against the Corporation's securities if the Common Shares of the Corporation are suspended from trading on the Exchange, and will issue such an interim cease trade order if the Corporation is delisted from the Exchange. In addition, delisting of the Common Shares will result in the cancellation of all of the currently issued and outstanding Common Shares held by Insiders that are Discount Seed Shares within the meaning of the CPC Policy. See *"Risk Factors"*.

Since the Corporation 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 or experts located in foreign countries. It may not be possible to enforce judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada against such persons or the Corporation. See *"Risk Factors"*.

Subscribers acquiring Common Shares under this Offering will suffer an immediate dilution of 23.28% or $0.0582 per Common Share, based on the net proceeds of this issue. See *"Capitalization"*, *"Dilution"* and *"Risk Factors"*.

AS A RESULT OF THE AFOREMENTIONED RISK FACTORS WHICH ARE ONLY A SUMMARY THEREOF, THIS OFFERING IS SUITABLE ONLY TO THOSE INVESTORS WHO ARE WILLING TO RELY SOLELY ON THE MANAGEMENT OF THE CORPORATION AND WHO CAN AFFORD TO RISK A LOSS OF THEIR ENTIRE INVESTMENT. SEE "*RISK FACTORS*".

Pursuant to the CPC policy, the maximum number of Common Shares that may be directly or indirectly purchased by any one purchaser to this Offering is 2% or 16,000 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 32,000 Common Shares under this Offering.

Subscriptions will be received subject to rejection or allotment in whole or in part and the Corporation reserves the right to close the subscription books at any time without notice. It is expected that share certificates evidencing the Common Shares in definitive form will be available for delivery on the date of the closing of this issue.

LEEDE FINANCIAL MARKETS INC.

Suite 1800, 1140 West Pender Street
Vancouver, British Columbia
V6E 4G1

DEFINITIONS

"**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.

"**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;

(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 spouse who has the same residence as that person;

but

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

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

(a) that has 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.

"**CPC Filing Statement**" means the Filing Statement of the CPC prepared in accordance with the Exchange Form of Filing Statement (Form 3B2) which provides full, true and plain disclosure of all material facts relating to the CPC and the Target Company.

"**CPC Information Circular**" means the Information Circular of the CPC prepared in accordance with applicable Securities Laws and the Exchange Form of Information Circular (Form 3B1) which provides full, true and plain disclosure of all material facts relating to the CPC and the Target Company.

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

"**Completion of the Qualifying Transaction**" means the date the Final Exchange Bulletin is issued by the Exchange.

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

"**Corporation**" means Hatton Capital Corp.

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

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

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

(a) a director or senior officer of the Corporation;

(b) a director or senior officer of the Company that is an Insider or subsidiary of the Corporation;

(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 Corporation itself if it holds any of its own securities.

"**IPO**" means Initial Public Offering.

"**Majority of the Minority Approval**" means the approval of a 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.

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

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

"**Offering**" means the offering of common shares of the Corporation under this prospectus

“**Principal**” means:

(a) a Person or Company who acted as a promoter of the issuer within two years or their respective Associates or Affiliates before the initial public offering (“IPO”) prospectus or Final Exchange Bulletin 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 that 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 Principal’s securities of the entity and the total securities of the entity outstanding). Any securities of the issuer that this entity holds will be subject to escrow requirements.

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

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

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

“**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 Policy 2.2 - *Sponsorship and Sponsorship Requirements*.

“**Target Company**” means a company to be acquired by the CPC as its Significant Asset pursuant to a Qualifying Transaction.

“**Vendors**” means one or all of the beneficial owners of the Significant Assets (other than the Target Company(ies)).

“**Voting Share**” means a security of the Corporation that (i) is not a debt security, and (ii) carries a voting right, either under all circumstances, or under some circumstances, that have occurred and are continuing.

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PROSPECTUS SUMMARY

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

ISSUER	Hatton Capital Corp.
OFFERING:	800,000 Common Shares in the capital of the Corporation are being offered under this prospectus at a price of $0.25 per Common Share for gross proceeds of $200,000 (the "Offering"). This Offering is being made on a best efforts basis by the Agent. In addition, the Corporation will grant to the Agent an option to purchase up to 80,000 Common Shares that is equal to 10% of the total number of Common Shares sold in connection with this Offering at a price of $0.25 per Common Share, 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 "Agent's Option"). The Corporation also intends to grant incentive stock options (the "Incentive Stock Options") to directors and officers of the Corporation to purchase up to 175,000 Common Shares, at a price of $0.25 per Common Share, which Incentive Stock Options are qualified for distribution under this prospectus. A total of 255,000 options, comprising the Agent's Option and the Incentive Stock Options, are qualified for distribution under this prospectus.
PRICE:	$0.25 per Common Share.
BUSINESS OF THE CORPORATION:	Hatton Capital Corp. (the "Corporation") is a capital pool company created pursuant to the Exchange Policy 2.4 (the "CPC Policy"). The principal business of the Corporation will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Corporation has not entered into an Agreement in Principle with any third party in connection with a proposed Qualifying Transaction. Any proposed Qualifying Transaction must be approved by the Exchange and in the case of a Non Arm's Length Qualifying Transaction must also receive Majority of the Minority Approval, as hereafter defined, in accordance with the CPC Policy. The Corporation has not commenced commercial operations and has no assets other than a minimum of cash. Except as specifically contemplated in the CPC Policy, until Completion of the Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of assets and businesses with a view to completing a Qualifying Transaction. See *"Business of the Corporation"* and *"Use of Proceeds"*.

USE OF PROCEEDS:	Assuming completion of this Offering, the net proceeds to the Corporation will be $180,000 if the offering is fully subscribed (after deduction of the Agent's Commission but before deduction of the issue costs). The net proceeds of this Offering will be used to provide the Corporation with a minimum of funds with which to identify and evaluate assets or businesses for acquisition with a view to completing a Qualifying Transaction. The Corporation may not have sufficient funds to secure such businesses or assets once identified and evaluated and additional funds may be required. Until Completion of the Qualifying Transaction, and except as otherwise provided in the CPC Policy, a maximum of the lesser of 30% of the sale of all securities issued by the Corporation, or $180,000 may be used for purposes other than evaluating businesses or assets. See *"Use of Proceeds"*, *"Risk Factors"* and *"Business of the Corporation"*.
DIRECTORS AND MANAGEMENT:	Gordon D. Harris — President, Chief Executive Officer and Director Brian E. Bayley — Director Donn Burchill — Director K. Peter Miller — Chief Financial Officer Sandra Lee — Secretary
ESCROWED SHARES	All of the Common Shares of the Corporation issued at a price less than $0.25 per Common Share ("Discount Seed Shares") will be deposited in escrow pursuant to an escrow agreement (the "Escrow Agreement") and will be released from escrow in stages over a period of up to three years from the date of the Final Exchange Bulletin. The total number of Discount Seed Shares to be held in escrow subject to the Escrow Agreement is 1,200,000 Common Shares. See *"Escrowed Securities"*.
RISK FACTORS	**There is currently no established market for the Common Shares. An investment in the Common Shares must be regarded as highly speculative due to the proposed nature of the Corporation's business and its present stage of development.** The Corporation was incorporated on February 9, 2004 and does not have any business operations or assets other than cash. It has not entered into an Agreement in Principle as defined in the CPC Policy and does not have a history of earnings nor has it not paid any dividends, and will not generate any earnings or pay any dividends before Completion of the Qualifying Transaction. If the Corporation identifies a suitable business or asset, the Exchange may not approve the transaction as a Qualifying Transaction or management may determine that market conditions make the terms of the acquisition uneconomic. Furthermore, the Corporation may require additional financing to both secure and exploit the business or asset and there is no guarantee that such financing will be available. If the Corporation fails to complete a Qualifying Transaction acceptable to the Exchange within 18 months of the date of listing on the Exchange, or if the Corporation fails to comply with the Exchange's listing maintenance requirements, the Common Shares may be suspended from trading or delisted. An acquisition financed by the issuance of treasury shares could result in a change in the control of the Corporation and may cause the shareholders' interest in the Corporation to be further diluted.

Without limiting the generality of the foregoing, this Offering is only suitable for those investors who are willing to rely solely on the directors and management of the Corporation and who are prepared to risk a loss of their entire investment. The directors and officers of the Corporation will only devote part of their time and attention to the affairs of the Corporation and there are potential conflicts of interest to which some of the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. Assuming completion of the Offering, an investor will suffer an immediate dilution on investment of 23.28% or $0.0582 per Common Share based on the net proceeds of this issue, before the deduction of selling commissions or related expenses of the issue.

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

Until Completion of the Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Corporation has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the CPC will be able to identify or complete a suitable Qualifying Transaction. The Qualifying Transaction may involve the acquisition of businesses or assets located outside of Canada. It may therefore be difficult or impossible to effect service or notice to commence legal proceedings upon any directors, officers and experts outside of Canada and it may not be possible to enforce against such persons or companies judgments obtained in Canadian courts predicated upon the civil liability provisions applicable to securities laws in Canada. See *"Business of the Corporation"*, *"Risk Factors"* and *"Conflicts of Interest"*.

THE CORPORATION

Name and Incorporation

Hatton Capital Corp. (the "Corporation") was incorporated on February 9, 2004, under the *Canada Business Corporations Act*. The share capital of the Corporation consists of an unlimited number of common shares. On the date of this prospectus, the Corporation had 2,200,000 common shares issued and outstanding,

Place of Business

The Corporation's head office is located at Suite 300, 570 Granville Street, Vancouver, British Columbia, Canada, V6C 3P1 and the registered office of the Corporation is located at 2800 Park Place, 666 Burrard Street, Vancouver, British Columbia, Canada, V6C 2Z7.

Subsidiaries

The Corporation has no subsidiaries.

BUSINESS OF THE CORPORATION

Preliminary Expenses

Since incorporation, the Corporation has incurred audit and legal expenses of $4,671. A further $5,000 has been incurred and recorded as initial public offering expenses and which are included in the estimated costs of this issue. Excluding the costs of this issue estimated at $67,000 (including listing, agent's fees, legal and audit expenses), it is estimated that during the twelve month period from the date of this prospectus, general and administrative expenses of approximately $500 per month, will be incurred. (see *"Payments to Insiders and Promoters – Related Party Transactions"*). These expenses may change if the directors and officers of the Corporation consider a change to be in the best interests of the Corporation or if a Qualifying Transaction is completed during this period. See *"Use of Proceeds"*.

Proposed Operations until Completion of a Qualifying Transaction

The Corporation is a capital pool corporation ("CPC") created pursuant to the CPC Policy. The principal business of the Corporation is to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. Any potential Qualifying Transaction must be accepted by the Exchange and in the case of a Non Arm's Length Qualifying Transaction is also subject to Majority of the Minority Approval in accordance with the CPC Policy. To date, the Corporation has not entered into an Agreement in Principle with any party in connection with a proposed Qualifying Transaction. The Corporation does not own any assets, other than cash. The Corporation currently intends to pursue a Qualifying Transaction in the technology industry, but there is no assurance that this will, in fact, be the business sector of the proposed Qualifying Transaction of the Corporation following Completion of the Qualifying Transaction.

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

Geographical Restrictions

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

Method of Financing

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

Criteria for a Qualifying Transaction

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

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

Upon the Corporation reaching an Agreement in Principle, the Corporation must issue a comprehensive press release, at which time the Exchange generally will halt trading in the Corporation's Common Shares until the filing requirements of the Exchange have been satisfied as set forth under "*Trading Halts, Suspensions and Delisting*". Within 75 days after the issuance of such press release, the Corporation shall be required to submit for review to the Exchange either an information circular that complies with applicable corporate and securities laws or a filing statement that complies with the Exchange requirements. The information circular must be submitted where there is a Non Arm's Length Qualifying Transaction or where shareholders approval is otherwise required. A filing statement must be submitted where a Qualifying Transaction is not a Non Arm's Length Qualifying Transaction or where shareholders approval is not otherwise required. The information circular or filing statement, as applicable, must contain prospectus level disclosure of the Target Company and the Corporation, assuming Completion of the Qualifying Transaction, and be prepared in accordance with the CPC Policy and Form 3B1 or Form 3B2. Upon acceptance by the Exchange, the Corporation must then either:

(i) file the filing statement on SEDAR at least seven (7) business days prior to closing of the Qualifying Transaction, and issue a press release which discloses the scheduled closing date for the Qualifying Transaction as well as the fact that the filing statement is available on SEDAR;

(ii) mail the information circular and related proxy material to its shareholders in order to obtain the Majority of the Minority Approval of the Qualifying Transaction or other requisite approval at a meeting of the shareholders.

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

(i) in the case of a Non Arm's Length Qualifying Transaction, confirmation of Majority of Minority Approval of the Qualifying Transaction;

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

(iii) all post-meeting or final documentation, as applicable or otherwise required to be filed with the Exchange pursuant to the CPC Policy.

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

Minimum Listing Requirements

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

Trading Halts, Suspension and Delisting

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

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

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

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

The Exchange may suspend from trading or delist the Common Shares of the Corporation where the Exchange has not issued a Final Exchange Bulletin to the CPC within 18 months of the date of listing. If the Common Shares of the Corporation are delisted by the Exchange, then within 90 days from the date of such delisting, the Corporation shall wind up and liquidate its assets pursuant to the *Canada Business Corporations Act* and shall make a pro rata distribution of its remaining assets to its shareholders, unless, within that 90 day period and pursuant to a majority vote of shareholders, exclusive of the vote of Non-Arm's Length Parties to the Corporation, the shareholders determine to deal with the remaining assets in some other manner. See *"Filing and Shareholder Approval of Non Arm's Length Qualifying Transaction."*

Refusal of a Qualifying Transaction

The Exchange, in its sole discretion, may refuse a Qualifying Transaction if:

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

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

(i) a member firm of the Exchange;

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

(iii) Associates of any such person,

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

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

Proceeds and Principal Purposes

(a) The gross proceeds received by the Corporation from the sale of 2,200,000 Common Shares prior to the date of this prospectus amount to $400,000;

(b) There were no expenses and costs related to the issuance of 400,000 Common Shares;

(c) The gross proceeds to be received by the Corporation from the combination of prior sales of Common Shares and the sale of the Common Shares offered by this prospectus will be $600,000;

(d) The expenses and costs, including the Agent's fee related to the Offering incurred to date and expected to be incurred in the future will total approximately $67,000. See *"Business of the Corporation – Preliminary Expenses"*;

(e) The Corporation expects the funds available to it on completion of the Offering from (i) the sale of Common Shares distributed under the prospectus and (ii) the prior sale of Common Shares will be $533,000.

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

Proceeds to the Corporation	**Total Funds Available**
Cash proceeds raised from the sale of Common Shares prior to this Offering[1]	$400,000
Expenses and costs relating to raising the cash proceeds above	Nil
Cash proceeds to be raised pursuant to this Offering[2]	$200,000
Costs and expenses associated with this Offering (including listing fees, Agent's fees, legal fees and audit fees)	($67,000)
Estimated funds available on completion of the Offering	**$533,000**
Estimated costs of identifying and evaluating assets or businesses[3]	$521,750
General and administrative expenses until Completion of a Qualifying Transaction	$11,250
Total Net Proceeds	**$533,000**

Notes:

(1) See "Prior Sales".

(2) In the event the Agent exercises the Agent's Option and the directors and officers exercise the Incentive Stock Options, there will be available to the Corporation an additional $63,750, which will be added to the working capital of the Corporation. There is no assurance that any of these options will be exercised.

(3) In the event that the Corporation enters into an Agreement in Principle prior to spending the maximum amount permissible 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 Corporation's purposes, the proceeds will only be invested in securities of, or those guaranteed by, the Government of Canada or any Province or Territory of Canada or the Government of the United States of America, in certificates of deposit or interest-bearing accounts of Canadian chartered banks, trust companies or credit unions.

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

Permitted Use of Funds

Until the Completion of the Qualifying Transaction and except as otherwise specifically provided by the CPC Policy and described in *"Restrictions on Use of Proceeds"*, *"Private Placements for Cash"* and *"Prohibited Payments to Related Parties"*, the net proceeds realized from the sale of all securities issued by the Corporation may only be used by the Corporation to identify and evaluate assets or businesses and in the case of Non Arm's Length Transaction, obtain shareholder approval for a Non Arm's Length 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 and 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 in the case of Non Arm's Length Qualifying Transaction, the obtaining of shareholder approval for the Corporation's proposed Qualifying Transaction.

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

Restrictions on Use of Proceeds

Until Completion of a Qualifying Transaction, not more than the lesser of 30% of the gross proceeds of the sale of all securities issued by the Corporation, or $180,000, will be used for purposes other than those described above. For greater certainty, expenditures which do not constitute *"Permitted Uses of Funds"*, include:

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

(b) agent's fee, 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 Corporation, including office supplies, office rent and related utilities; printing costs (including the printing of this prospectus and share certificates);equipment leases (provided that no proceeds shall be used to acquire or lease a vehicle); and fees for legal advice and audit expenses, other than those described above under *"Permitted Use of Funds"*.

Private Placements for Cash

After the closing of this Offering and until the Completion of the Qualifying Transaction, the Corporation will not issue any securities unless written acceptance of the Exchange is obtained before issuance. Prior to completion of the Qualifying Transaction, the Exchange generally will not accept a private placement by the Corporation where the gross proceeds raised from the issuance of securities both prior to and pursuant to the

Offering, together with any proceeds anticipated to be raised upon closing of the private placement, will exceed $2,000,000. The only securities issuable pursuant to such private placement will be Common Shares.

Subject to restrictions pursuant to the CPC Policy, Common Shares issued pursuant to the private placements to Non Arm's Length Parties to the Corporation and to Principals of the Resulting Issuer will be subject to escrow.

Prohibited Payments to Non Arm's Length Parties

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

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

(b) deposits and similar payments.

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

Notwithstanding the above, the Corporation may reimburse a Non Arm's Length Party to the Corporation for reasonable expenses for office supplies, office rent and related utilities, equipment leases (excluding vehicle leases), and legal services (provided that neither the lawyer providing the legal services nor any member of the law firm providing the services is a promoter of the Corporation or in the case of a law firm, no member of the firm, owns greater than 10% of the outstanding Common Shares of the Corporation), and the Corporation may also reimburse a Non Arm's Length Party to the Corporation for reasonable out-of-pocket expenses incurred in pursuing the business of the Corporation described in *"Permitted Use of Funds"*. The Corporation has entered into an Administrative Services Agreement with Quest Management Corp. to provide certain administrative and supply services to it. See *"Payments to Insiders and Promoters – Related Party Transactions"*.

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

PLAN OF DISTRIBUTION

Name of Agent and Agent's Compensation

Pursuant to an agency agreement (the "Agency Agreement") dated March 22, 2004 between the Corporation and Leede Financial Markets Inc. (the "Agent"), the Corporation has appointed the Agent as its agent to offer for distribution to the public, on a best efforts basis, a minimum of 800,000 Common Shares, pursuant to this prospectus, at a price of $0.25 per Common Share for minimum gross proceeds of $200,000, subject to the terms and conditions of the Agency Agreement. The Agent will receive a commission of 10% of the aggregate gross proceeds from the sale of the Common Shares. The Agent will also be reimbursed by the Corporation for its legal fees estimated at $4,000 plus disbursements and taxes.

In addition, the Agent will be granted a non-transferable option to purchase up to 80,000 Common Shares at a price of $0.25 per Common Share (the "Agent's Option") exercisable for a period of 18 months from the date of listing the Common Shares on the Exchange, which Agent's Option is qualified for distribution under this prospectus. The Agent expects to sell to the public any of the Common Shares received from the exercise of the Agent's Option. The Agent's Option may be exercised in whole or in part by the Agent before the Completion of the Qualifying Transaction, provided that no more than 50% of the Common Shares received by the Agent on exercise of the option may be sold prior to the Completion of the Qualifying Transaction. The remaining 50% may only be sold after Completion of the Qualifying Transaction. As at the date hereof, the Agent does not own any Common Shares of the Corporation.

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

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

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

Best Efforts Offering and Minimum Distribution

The Offering consists of 800,000 Common Shares for total gross proceeds of $200,000. Pursuant to the CPC Policy, the maximum number of Common Shares which may be directly or indirectly purchased by any one purchaser to this Offering is 2% of the Common Shares offered hereunder or 16,000 Common Shares. 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 32,000 Common Shares under the Offering. The funds received from the Offering will be deposited with the Agent, and will not be released until a minimum of $200,000 has been deposited and the Agent consents to the release thereof. Minimum subscriptions of 800,000 Common Shares for total gross proceeds of $200,000 must be raised within 90 days of the issuance of a final receipt for this prospectus, or such other time as may be consented to by persons or companies who subscribed within that period, failing which the Agent will remit the funds collected to the original subscribers without interest or deduction, unless subscribers have otherwise instructed the Agent.

Other Securities to be Distributed

The Corporation also proposes to grant Incentive Stock Options to directors and officers to purchase up to 175,000 Common Shares in accordance with the policies of the Exchange, which options are qualified under this prospectus. See *"Options to Purchase Securities"* and *"Plan of Distribution"*.

In addition, the Agent will receive the Agent's Options, which entitles the Agent to purchase up to 80,000 Common Shares at a price of $0.25 per Common Share exercisable for a period of 18 months from the date of listing the Common Shares on the Exchange, which Agent's Option is qualified for distribution under this prospectus.

Determination of Price

The pricing of this Offering has been determined by negotiation between the Corporation and the Agent in accordance with the CPC Policy.

Listing Application

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

Restrictions on the Agent

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

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

(ii) are permitted to subscribe for Common Shares of the Corporation 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 persons referred to above, is 20% of the issued and outstanding Common Shares of the Corporation, exclusive of Common Shares reserved for issuance at a future date.

Restriction on Trading

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

DESCRIPTION OF SECURITIES DISTRIBUTED

The Corporation is authorized to issue an unlimited number of Common Shares of which 2,200,000 Common Shares were issued and outstanding as fully paid and non-assessable as at the date hereof. In addition, 800,000 Common Shares are reserved for issuance pursuant to this Offering, 80,000 Common Shares are reserved for issuance upon exercise of the Agent's Option. Furthermore, 175,000 Common Shares are reserved for issuance upon exercise of Incentive Stock Options by directors and officers of the Corporation. All of the Common shares to be outstanding on completion of this Offering will be fully paid and non-assessable. See *"Prior Sales"*, *"Options to Purchase Securities"* and *"Plan of Distribution"*.

Common Shares

The holders of the Common Shares are entitled to vote at meetings of the shareholders of the Corporation, to receive dividends, if, as and when declared by the board of directors of the Corporation and to receive such assets of the Corporation as are distributable to the holders of the Common Shares.

CAPITALIZATION

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

Designation of Securities	Amount authorized	Amount outstanding as at March 5, 2004 (audited)	Amount outstanding as of the date of this prospectus (audited)(1)	Amount to be outstanding if the Offering is fully subscribed (2)(3)(4)(5)
Common Shares	Unlimited	2,200,000	2,200,000	**3,000,000**

Notes:

(1) The deficit of the Corporation as at March 5, 2004 was $4,671 and as at the date of the balance sheet of the Corporation dated March 5, 2004 the Corporation had not commenced commercial operations other than as otherwise disclosed under this prospectus.

(2) The Corporation has reserved an aggregate of up to 175,000 Common Shares pursuant to Incentive Stock Options to be granted to directors and officers of the Corporation. All of the Incentive Stock Options have an exercise price of $0.25 per Common Share. See *"Options to Purchase Securities"*.

(3) The Corporation has reserved 10% of the number of Common Shares to be issued under the Offering pursuant to the Agent's Option representing 80,000 Common Shares. The Agent's Option will have an exercise price of $0.25 per Common Share. See *"Plan of Distribution"*.

(4) Of the 2,200,000 Common Shares outstanding as at March 5, 2004, 1,200,000 will be held in escrow in accordance with the CPC Policy. See *"Escrowed Securities"*.

(5) Before deducting the Agent's commission and legal fees and the Corporation's expenses of the issue.

OPTIONS TO PURCHASE SECURITIES

The Incentive Stock Options to purchase up to 175,000 Common Shares, which Incentive Stock Options are to be granted after closing of this Offering to directors and officers of the Corporation, at an exercise price of $0.25 per share, are subject to regulatory approval and are qualified for distribution pursuant to this prospectus. The Stock Options will expire five years from the date of listing of the Common Shares on the Exchange. The granting of the Incentive Stock Options described in the table below, are qualified under this prospectus.

Name of Optionee	No. of Common Shares reserved under Option
Gordon D. Harris	50,000
Brian E. Bayley	50,000
Donn Burchill	50,000
K. Peter Miller	12,500
Sandra Lee	12,500
Total	**175,000**

Stock Option Terms

The policies of the Exchange provide that the board of directors of the Corporation may from time to time, in its discretion and in accordance with the Exchange requirements, grant to directors, officers and technical consultants of the Corporation, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the total issued and outstanding

Common Shares of the Corporation, for a period of up to 5 years from the date of the grant. No options will be exercisable prior to the date of listing of the Common Shares on the Exchange. The number of Common Shares reserved for issuance to any individual director or officer of the Corporation will not exceed 5% of the issued and outstanding Common Shares and the number of Common shares reserved for issuance to all technical consultants, if any, will not exceed 2% of the issued and outstanding Common Shares.

The options may be exercised no later than 90 days following the date the optionee ceases to be a director, officer or consultant of the Corporation, 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*".

Agent's Option

The Agent will receive the Agent's Options, which entitles the Agent to purchase up to 80,000 Common Shares at a price of $0.25 per Common Share exercisable for a period of 18 months from the date of listing the Common Shares on the Exchange, which Agent's Option is qualified for distribution under this prospectus.

PRIOR SALES

Since the date of incorporation of the Corporation, 2,200,000 Common Shares have been issued as follows:

Date Issued	Number of Common Shares	Issue Price Per Common Share	Aggregate Issue Price	Nature of Consideration
February 9, 2004	1,200,000	$0.125	$150,000	Cash
February 9, 2004	1,000,000	$0.25	$250,000	Cash
TOTAL:	**2,200,000**		**$400,000**	

Notes:

(1) Of the 2,200,000 Common Shares indicated above, 1,200,000 are subject to escrow. See *"Escrowed Securities"*.

ESCROWED SECURITIES

All of the 1,200,000 Common Shares issued prior to this Offering at a price below $0.25 per Common Share and all Common Shares that may be acquired by Non Arm's Length Parties of the Corporation either under this Offering or otherwise prior to Completion of the Qualifying Transaction will be deposited with Equity Transfer Services Inc. (the "Depositary") under an escrow agreement dated March 9, 2004 (the "Escrow Agreement").

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

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

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

Name and Municipality of Residence of Shareholder	**Common Shares**	**Number of Escrowed Shares**	**Percentage of Shares Issued Before Offering**	**Percentage of Shares Issued After the Offering(1)**
Gordon D. Harris Calgary, AB	40,000	40,000	1.8%	1.33%
Brian E. Bayley North Vancouver, BC	720,000	720,000	32.7%	24%
Donn Burchill Victoria, BC	40,000	40,000	1.8%	1.33%
William Gumma Santa Barbara, CA	80,000	80,000	3.6%	2.66%
Clarence Cottman Ventura, CA	80,000	80,000	3.6%	2.66%
Rick A. McGee Katy, TX	80,000	80,000	3.6%	2.66%
Earl Sven Hagen Montecito, CA	80,000	80,000	3.6%	2.66%
Andrei Popov Santa Barbara, CA	80,000	80,000	3.6%	2.66%

Note:

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

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

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

If the Resulting Issuer meets the Exchange’s Tier 1 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 an application to the Exchange for listing as a Tier 1 issuer and the Exchange has issued a bulletin that announces the acceptance for listing of the Resulting Issuer on Tier 1 of the Exchange.

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

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

Escrowed Securities on Qualifying Transaction

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

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

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

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

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

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

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

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

PRINCIPAL SHAREHOLDERS

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

Name and Municipality of Residence	**Type of Ownership**	**Number of Common Shares**	**Percentage of Common Shares Owned Before Offering**	**Percentage of Common Shares Owned After Offering**
Brian E. Bayley[(1)]	Direct	720,000	32.7%	24%

(1) In the event that the Agent's option and the options to directors and officers are exercised, Mr. Bayley's interest will be reduced to 22.1% assuming the Offering is fully subscribed.

DIRECTORS, OFFICERS AND PROMOTERS

The following are the names and municipalities of residence of the directors and officers of the Corporation, their positions and offices with the Corporation, their present principal occupation, the number of Common Shares beneficially owned or over which they directly or indirectly exercise control or direction, and the percentage of Common Shares to be held by each of them prior to the Offering.

Name and Municipality of Residence	**Position and Office**	**Present Principal Occupation**	**Common Shares/Percentage owned prior to the Offering**
Gordon D. Harris[(1)] Calgary, AB	President, CEO and Director	President of Choice Resources Corp., a TSX-V listed company. Former President of Roseland Resources Ltd. Former Chief Operating Officer and VP Production & Engineering of Vermilion Resources Ltd.	40,000/(1.8%)

Name and Municipality of Residence	Position and Office	Present Principal Occupation	Common Shares/Percentage owned prior to the Offering
Brian E. Bayley[(1)] North Vancouver, BC	Director	President and CEO of Quest Capital Corp., a merchant bank, listed on the TSX Exchange. President and Director of Quest Management Corp., a management company wholly-owned by Quest Capital Corp. See *"Experience with Other Reporting Issuers"*	720,000/(32.7%)
Donn Burchill[(1)] Victoria, BC	Director	Certified Management Accountant.	40,000/(1.8%)
K. Peter Miller West Vancouver, BC	Chief Financial Officer	Chief Financial Officer of Quest Management Corp. a management company wholly-owned by Quest Capital Corp., a merchant bank, listed on the TSX Exchange. Former Chief Financial Officer of Quest Investment Corporation. See *"Experience with Other Reporting Issuers"*	nil
Sandra Lee Vancouver, BC	Secretary	Corporate Secretary of Quest Capital Corp., a merchant bank, listed on the TSX Exchange. Corporate Secretary of Quest Management Corp., a management company wholly-owned by Quest Capital Corp. See *"Experience with Other Reporting Issuers"*	nil
TOTAL			**800,000/36.36%**

(1) Member of the Audit Committee.

No member of management has entered into a non-competition or non-disclosure agreement with the Corporation. The directors will devote their time and expertise as required by the Corporation. It is anticipated that Mr. Gordon Harris will devote 5% of his time to the Corporation and the other directors will devote less than 5% of their time to the Corporation. See *"Management of the Corporation"*.

MANAGEMENT OF THE CORPORATION

The following is a brief description of the key management of the Corporation:

Gordon D. Harris – President, Chief Executive Officer and Director (49)

Gordon Harris holds an M.B.A. from Queen's University, Kingston, Ontario. He is also the President and Director of Choice Resources Corp., a public company listed on the TSX-V. Mr. Harris has 25 years of experience with oil and gas companies. He held various management and senior management positions at Canadian Occidental Petroleum in Canada, Europe and the Middle East. He is a member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta since 1981.

Brian E. Bayley – Director (51)

Brian E. Bayley holds an M.B.A. from Queen's University, Kingston, Ontario. He is President and Chief Executive Officer of Quest Capital Corp., a merchant bank and TSX Exchange listed company. Quest Capital Corp. provides financial services to small and mid-cap companies operating primarily in North America. Quest Capital Corp.'s principal business is to provide asset backed bridge loans to companies generally operating in industries such as mining, oil and gas, real estate and manufacturing. He is currently President and a Director of Quest Management Corp., a private management company wholly-owned by Quest Capital Corp. Quest Management Corp. provides various consulting, administrative, management and related services to publicly traded companies. Mr. Bayley is also a director and/or officer of various other reporting companies.

Donn Burchill – Director (52)

Donn Burchill is a self employed certified management accountant. He is a director of GTO Resources Inc. Former Chief Financial Officer of Kirkland Lake Gold Inc.

Kenneth Peter Miller – Chief Financial Officer (57)

K. Peter Miller is a chartered accountant graduated from the Ontario Institute of Charter Accountant and a member of the Canadian and Ontario Institutes of Chartered Accountants and has a B.A.Sc. (Mechanical Engineering). He is the Chief Financial Officer of Quest Management Corp., a management company wholly-owned by Quest Capital Corp. Former Chief Financial Officer of Quest Investment Corporation, a merchant banking company. Former Controller, Treasurer and Chief Financial Officer of Quest Oil & Gas Inc. a publicly traded oil and gas company whose shares traded on the Toronto Stock Exchange (predecessor to the TSX Exchange).

Sandra Lee – Corporate Secretary (40)

Sandra Lee is a certified legal assistant. She is the Corporate Secretary of Quest Capital Corp., a merchant bank and TSX Exchange listed company. She is also Corporate Secretary of Quest Management Corp., a management company wholly-owned by Quest Capital Corp. Previously, she was Assistant Corporate Secretary and Secretary of Quest Oil & Gas Inc., a publicly traded oil and gas company who shares traded on the Toronto Stock Exchange. Prior to that, she worked as a legal assistant for a number of large law firms in the areas of corporate and securities laws. She is also an officer of several other public companies.

In addition to any other requirements of the Exchange, the Exchange expects management of the Corporation to meet a high management standard. The directors and officers of the Corporation, on a collective basis, possess the appropriate experience, qualifications and history to be capable of identifying, investigating and acquiring a Significant Asset. As consideration for their services, the officers and directors of the Corporation will receive Incentive Stock Options. See *"Options to Purchase Securities"*.

Experience with Other Reporting Issuers

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

All companies are listed on the TSX Venture Exchange unless otherwise indicated

Gordon D. Harris current associations:

Name of Reporting Issuer	Position	From M/Y	To
Choice Resources Corp.	President, CEO	2/04	present
Roseland Resources Ltd.	President, CEO	9/99	6/03

Brian E. Bayley current associations

Name of Reporting Issuer	Position	From M/Y	To
American Natural Energy Corp. (formerly Gothic Resources Inc.)	Director	6/01	present
Arapaho Capital Corp.	Director, President	6/98	present
Bannockburn Resources Inc. (not listed)	Director, President	11/02	present
Belvedere Resources Ltd. (formerly Network Telemetrics Ltd.)	Director	6/94	present
Cypress Hills Resource Corp. (formerly Arlington Oil & Gas Ltd.)	Director	3/96	present
Elgin Resources Inc.	Director, President	12/00	present
Esperanza Silver Corporation (formerly Reliant Ventures Ltd.)	Director	12/99	present
Eurasian Minerals Inc. (formerly Marchwell Capital Corp.	Director, President	5/96	present
Goodfellow Resources Ltd.	Director, President	2/97	present
Greystar Resources Ltd. (TSX)	Director	6/88	present
Groundstar Resources Limited	Director	1/03	present
Kirkland Lake Gold Inc. (formerly Foxpoint Resources Ltd.) (TSX)	Director	10/98	present
Lagasco Corp.	Director, President	3/01	present
Midway Gold Corp. (formerly Red Emerald Resource Corp.)	Director	5/96	present
Navan Capital Corp.	Director, President, CEO	2/00	present
Pan-Global Ventures Ltd.	Director	3/03	present
PetroFalcon Corporation (formerly Pretium Industries Inc.) (TSX)	Director	11/01	present
Quest Capital Corp. (TSX)	Director, President	6/03 7/03	present present
Sanu Resources Ltd. (formerly Coubran Resources Ltd.)	Director, President	1/00	present
Skye Resources Inc.	Director	1/02	present
Torque Energy Inc. (formerly Kinetic Energy Inc.)	Director President President, CEO	11/93 5/98 10/02	present 1/01 present
TransAtlantic Petroleum Corp. (TSX)	Director	10/01	present
Upland Resource Corp. (formerly Leigh Resource Corporation)	Director President	7/97 2/00	03/04 03/04

Brian E. Bayley past assciations within the last five years

Name of Reporting Issuer	Position	From M/Y	To
Berkley Resources Inc.	Director	6/02	11/02
ChondronGene Inc. (formerly Lewis Brooke Resources Ltd.)	Director, President	2/97	6/00
Fifty-Plus Net International Inc. (formerly Ventel, Inc.)	Director	2/87	6/99
Glenex Industries Inc.	Director	10/01	7/02
Gothic Energy Corp.	Director	2/96	1/01
Kast Telecom Inc. (formerly Villaret Resources Ltd./Resources Villaret Ltée.)	Director, President	12/96	4/00
Kinetic Energy Inc. (formerly Ella Resources Inc.)	President	5/98	1/01
Navan Capital Corp.	CFO	2/00	9/03
NeTrue Communications Inc. (formerly Pickle Crow Resources Inc.)	Director	8/97	4/00
Quest Investment Corporation	Director, CEO	7/02	6/03
Rodin Communications Corp. (formerly Cheni Resources Inc.)	Director	2/00	6/01
Roseland Resources Ltd.	President Director	10/97 10/97	10/99 2/00
Sherwood Petroleum Corp. (formerly New Candela Resources Ltd.)	Director	10/97	2/00

Donn Burchill current associations

Name of Reporting Issuer	Position	From M/Y	To
GTO Resources Inc.	Director	02/04	present

Donn Burchill past associations within the last five years

Name of Reporting Issuer	Position	From M/Y	To
Kirkland Lake Gold Inc. (TSX)	Officer	04/02	11/02
Upland Resource Corp.	Director, CFO	10/02	03/04

K. Peter Miller current associations:

Name of Reporting Issuer	Position	From M/Y	To
Arapaho Capital Corp.	CFO	8/00	present
Cypress Hills Resource Corp.	CFO	6/02	present
Eurasian Minerals Inc. (formerly Marchwell Capital Corp.)	Director	5/96	present
Goodfellow Resources Ltd.	CFO	12/97	present

Name of Reporting Issuer	Position	From M/Y	To
Greystar Resources Ltd. (TSX)	CFO	1/97	present
Lagasco Corp.	Director	3/01	present
Navan Capital Corp.	Director CFO	2/00 9/03	present present
Midway Gold Corp.	CFO	2/02	present
Sanu Resources Ltd. (formerly Coubran Resources Ltd.)	CFO	6/00	03/04

K. Peter Miller past associations within the last five years

Name of Reporting Issuer	Position	From M/Y	To
Araphaho Capital Corp.	Director	6/98	8/00
Glenex Industries Inc.	CFO	5/02	7/02
Greystar Resources Ltd.	Director	1/97	1/98
Pretium Industries Inc.	CFO	7/02	6/03
Quest Investment Corporation	CFO	7/02	6/03
Red Emerald Resource Corp. (formerly Neary Resource Corporation)	CFO	4/97	5/00
Roseland Resources Ltd.	Director	10/97	9/99
Fifty-Plus Net International Inc. (formerly Ventel, Inc.)	CFO	7/91	6/99

Sandra Lee current associations

Name of Reporting Issuer	Position	From M/Y	To
Arapaho Capital Corp.	Secretary	6/98	present
Bannockburn Resources Inc. (formerly “Tellis Gold Mining Company, Inc.”) (not listed)	Secretary	4/02	present
Cypress Hills Resource Corp. (formerly “Arlington Oil & Gas Ltd.”)	Secretary	3/96	present
Esperanza Silver Corporation (formerly “Reliant Ventures Ltd.”)	Secretary	12/99	present
Kirkland Lake Gold Inc. (formerly “Foxpoint Resources Ltd.”)	Secretary	2/95	present
Goodfellow Resources Ltd.	Secretary	2/97	present
Greystar Resources Ltd. (TSX)	Secretary	2/95	present
Groundstar Resources Limited	Secretary	1/03	present
Lagasco Corp.	Secretary	3/01	present
Navan Capital Corp.	Secretary	2/00	present
Quest Capital Corp. (TSX)	Secretary	7/03	present
Midway Gold Corp. (formerly Red Emerald Resources Corp.)	Secretary	5/96	present

Name of Reporting Issuer	Position	From M/Y	To
Sanu Resources Ltd. (formerly Coubran Resources Ltd.)	Secretary	1/00	present
Skye Resources Inc.	Secretary	1/02	present
Torque Energy Inc. (formerly Kinetic Energy Inc.)	Secretary	7/98	present
Upland Resource Corp. (formerly Leigh Resource Corporation)	Secretary	2/00	03/04

Sandra Lee past associations within the last five years

Name of Reporting Issuer	Position	From M/Y	To
American Natural Energy Corp. (formerly "Gothic Resources Inc.")	Secretary	10/01	2/02
Belvedere Resources Ltd. (formerly Network Telemetrics)	Secretary	5/95	6/99
ChondroGene Inc. (formerly Lewis Brook Resources Ltd.)	Secretary	2/97	6/00
Elgin Resources Inc.	Secretary	12/00	12/03
Eurasian Minerals Inc. (formerly Marchwell Capital Corp.)	Secretary	9/97	12/03
Fifty-Plus Net International Inc.	Secretary	2/95	6/99
Glenex Industries Inc.	Secretary	10/01	7/02
Habanero Resources Inc.	Secretary	2/95	1/99
Ionic Enery Inc. (formerly Ionic Ventures Inc.)	Secretary	1/95	12/97
Kast Telecom Inc. (formerly Villaret Resources Ltd./Resources Villaret Ltée.)	Secretary	6/99	4/00
Pickle Crow Resources Inc.	Secretary	8/97	12/99
PetroFalcon Corporation (formerly Pretium Industries Inc.)	Secretary	7/02	6/03
Quest Investment Corporation	Secretary	7/02	6/03
Rodin Communications Corporation (formerly Cheni Resources Inc.)	Secretary	2/00	10/00
Roseland Resources Ltd.	Secretary	10/97	10/99

Corporate Cease Trade Orders or Bankruptcies

Westate Energy Inc.

Brian E. Bayley was a director and officer of Westate Energy Inc., the shares of which were listed on the Vancouver Stock Exchange (a predecessor of the TSX Venture Exchange) until March 1994 when they were delisted due to non-payment of the Exchange's annual fee. Westate is the subject of a cease trading order issued by the British Columbia Securities Commission in January 1994 for failing to file its financial statements within the prescribed time periods.

Mr. Bayley was appointed director and the corporate secretary of Westate subsequent to its annual general meeting held in November 1995 to elect new directors. The meeting was ordered to be held by the Supreme Court of British Columbia upon receiving the petition of a shareholder. The new board of directors, including Mr. Bayley, successfully reconstructed Westate's financial records and received an unqualified audit of its financial statements, however, they subsequently resigned as directors due to other considerations.

Esperanza Silver Corporation

In early 2003 the directors and officers of Esperanza Silver Corporation, a reporting British Columbia issuer of which Mr. Bayley is a director and Ms. Lee is an officer, became aware that Esperanza was subject to outstanding cease trade orders in each of Alberta (issued on September 17, 1998) and Quebec (issued on August 12, 1997) arising from its failure (at a time when none of its current directors and officers were directors or officers of Esperanza) to file financial statements with, and pay filing fees to, the securities commissions in those provinces. Esperanza has since filed the financial statements and paid the filing fees as required by those securities commissions. The Quebec order was rescinded on May 16, 2003 and the Alberta order was rescinded on August 1, 2003.

American Natural Energy Corporation

On June 3, 2003 and June 5, 2003, American Natural Energy Corp. was issued cease trade orders from the Quebec Securities Commission, the British Columbia Securities Commission and the Manitoba Securities Commission for failure to file financial statements within the prescribed time and pay the filing fees. American Natural Energy Corp. has since filed the financial statements and paid the filing fees required by those securities commissions. Effective at the opening September 9, 2003, trading of the securities of American Natural Energy Corp. was reinstated on August 22, 2003 and the Manitoba order was rescinded on August 28, 2003.

Except as otherwise disclosed hereunder, during the past ten years, none of the directors, officers and promoters of the Corporation was a director, officer or promoter of any other issuer that was, during his tenure, the subject of a cease trade order or similar order or an order that denied that issuer access to any statutory exemptions for a period of more than 30 consecutive days, or was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Eurasian Minerals Inc. (formerly "Marchwell Capital Corp.")

On October 18, 2002, Eurasian Minerals Inc. was suspended from trading for failure to meet Exchange tier maintenance requirements and was reinstated for trading on March 5, 2003.

Upland Resources Corp.

On October 4, 2002, Upland Resources Corp. was suspended from trading for failure to meet Exchange tier maintenance requirements and was reinstated on February 28, 2003.

Navan Capital Corp.

On November 12, 2002, Navan Capital Corp. was suspended from trading for failure to complete a Qualifying Transaction within 18 months of the date of listing on the Exchange.

Penalties or Sanctions

None of the directors, officers and promoters of the Corporation has been subject to any penalties or sanctions imposed by a court or securities regulatory authorities relating to trading in securities, promotion or management of a publicly traded issuer, or has entered into a settlement agreement with a securities regulatory authority.

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

Individual Bankruptcies

None of the directors, officers and promoters of the Corporation has, during the past ten years, been declared bankrupt, made a voluntary assignment in bankruptcy, made a proposal under bankruptcy or insolvency legislation or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold their assets.

CONFLICTS OF INTEREST

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

EXECUTIVE COMPENSATION

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

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

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

(b) deposits and similar payments.

However, the Corporation may reimburse Non Arm's Length Parties for the Corporation's reasonable allocation of rent, secretarial services and other general administrative expenses, at fair market value ("Permitted Reimbursements"). No reimbursement may be made for any payment made to lease or buy a vehicle. As of March 5, 2004, no Permitted Reimbursement costs had yet been incurred. See *"Payments to Insiders and Promoters – Related Party Transactions"*.

The Corporation has reserved 175,000 Common Shares for Incentive Stock Options to its directors and officers. See "Options to Purchase Common Shares".

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

PAYMENTS TO INSIDERS AND PROMOTERS

Remuneration

No salary, fees, other compensation, or benefits have been paid to the Directors and Officers of the Corporation in those capacities. The Corporation does not intend to pay any compensation to the Directors prior to the completion of the Qualifying Transaction.

Related Party Transactions

The Corporation entered into an administrative services agreement with Quest Management Corp. ("Quest"), dated March 9, 2004 (the "Administrative Agreement"), whereby Quest agreed to provide the Corporation with offices, office supplies, equipment, administrative and accounting services for $500 per month commencing effective March 9, 2004. Quest is a wholly-owned subsidiary of Quest Capital Corp., the shares of which trade on the Toronto Stock Exchange.

Stock Options

The Corporation has granted incentive stock options to its Directors and Officers. See *"Options to Purchase Securities"*.

DIVIDEND POLICY

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

If the Corporation generates earnings in the foreseeable future, it expects that they will be retained to finance growth, if any, and, when appropriate, retire debt. The directors of the Corporation will determine if and when dividends should be declared and paid in the future based on the Corporation's financial position at the relevant time. All of the Common Shares are entitled to an equal share in any dividends declared and paid.

DILUTION

Purchasers of the Common Shares offered hereunder will suffer an immediate dilution of 23.38% or $0.0582 per Common Share, on the basis of there being 3,000,000 Common Shares of the Corporation issued and outstanding following completion of this Offering. Dilution has been computed on the basis of total net proceeds to be raised under this prospectus and from sales of securities prior to filing this prospectus, without deduction of commissions or related expenses incurred by the Corporation.

RISK FACTORS

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

No Operating History

This Offering should be considered highly speculative due to the proposed nature of the Corporation's business, its present stage of development and the fact that it has not carried out any activities since its incorporation. The Corporation does not own any assets, other than cash and does not own any property or businesses. The Corporation has neither a history of earnings nor has it paid any dividends and it is unlikely to produce earnings or pay dividends in the immediate or foreseeable future. Until completion of a Qualifying Transaction, the Corporation is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions. The Corporation has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Corporation will be able to identify a suitable Qualifying Transaction. Even if a proposed Qualifying Transaction is identified, there can be no assurance that the Corporation will be able to successfully complete the transaction.

No Market

There is currently no market through which the Common Shares of the Corporation will be sold and there is no assurance that an active and liquid market for the Corporation's Common Shares will develop. Investors may not be able to resell the Corporation's Common Shares under this prospectus.

Possible Trading Suspension or Delisting

The Exchange may suspend from trading or delist the securities of the Corporation where the Corporation has failed to complete a Qualifying Transaction within the 18 months of the date of listing or if the Corporation fails to meet minimum listing requirements of the Exchange upon completion of the Qualifying Transaction. Suspension from trading of the Common Shares may, and delisting of the Common Shares will, result in the regulatory securities authorities issuing an interim cease trade order against the Corporation. In addition, de-listing of the Common Shares will result in the cancellation of all of the currently issued and outstanding Common Shares of the Corporation held by Insiders. Trading in the Common Shares of the Corporation may be halted at other times for other reasons, including for failure by the Corporation to submit documents to the Exchange in the time periods required.

Halt of Trading

Upon public announcement of a Potential Qualifying Transaction, trading in the Common Shares of the Corporation will be halted and will remain halted for an indefinite period of time, typically until a Sponsor has been retained and certain preliminary reviews have been conducted. The Common Shares of the Corporation will be reinstated to trading before the Exchange has reviewed the transaction and before the Sponsor has completed its full review. Reinstatement to trading provides no assurances with respect to the merits of the transaction or the likelihood of the Corporation completing the potential Qualifying Transaction. Neither the Exchange nor any securities regulatory authority passes upon the merits of the potential Qualifying Transaction.

Approval by the Majority of the Minority

Where the Majority of the Minority Approval is required, unless the Shareholder has the right to dissent and be paid fair value in accordance with the applicable corporate or other law, a shareholder who votes against a proposed Non Arm's Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Corporation of fair value for the Common Shares.

Dilution

Shareholders acquiring Common Shares under this Offering will experience an immediate dilution of 23.28% or $0.0582 per Common Share based on net proceeds of this Offering and prior issue by the Corporation, without taking account of deductions such as selling commissions or related expenses of issue.

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

Director and Officer

The directors, officers and other insiders of the Corporation currently own 36.36% of the issued and outstanding Common Shares and will own 26.6% of the issued and outstanding Common Shares after completion of the Offering.

The directors and officers of the Corporation will not be devoting all of their time to the affairs of the Corporation but will be devoting such time as required to effectively manage the Corporation. Some of the directors and officers of the Corporation are engaged and will continue to be engaged in the search for assets or businesses on their own behalf or on behalf of others. As a consequence of such conflicts, the Corporation may be exposed to liability and its ability to achieve its business objectives may be impaired. See "*Conflicts of Interest*".

Reliance on Management

The Corporation is relying solely on the past business success of its directors and officers to identify a Qualifying Transaction of merit. The success of the Corporation is dependent upon the efforts and abilities of its directors and officers. The loss of any of its directors or officers could have a material business adverse effect upon the business and prospects of the Corporation.

Foreign Acquisition

Since the Corporation 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 the foreign business, any directors, officers or experts located outside Canada. Even if service or notice is successfully effected, it may not be possible to enforce, against such persons or the Corporation, judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

Loans or Advances

Subject to prior acceptance from the Exchange, the Corporation may be permitted to loan or advance up to an aggregate of $225,000 of its proceeds to a target business without requiring shareholder approval and there can be no assurance that the Corporation will be able to recover the loan or advance.

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

LEGAL PROCEEDINGS

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

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are Morgan & Company, 1488, 700 West Georgia Street, Vancouver, British Columbia V7Y 1A1.

The transfer agent and registrar of the Corporation is Computershare Trust Company of Canada, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9.

MATERIAL CONTRACTS

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

(i) the Agency Agreement dated for reference March 22, 2004 between the Corporation and the Agent, referred to under *"Plan of Distribution"*;

(ii) the Escrow Agreement dated March 9, 2004 between the Corporation, Equity Transfer Services Inc. and the shareholders referred to under *"Escrowed Securities"*;

(iii) the Administrative Services Agreement dated March 9, 2004 between the Corporation and Quest Management Corp. referred to under "*Payments to Insiders and Promoters – Related Party Transactions"*;

(iv) the Transfer Agent and Registrar Agreement dated March 9, 2004 between the Corporation and Computershare Trust Company of Canada;

(v) Option Agreements dated March 12, 2004 between the Corporation and each of the directors and officers of the Corporation referred to under *"Options to Purchase Securities"*.

OTHER MATERIAL FACTS

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

PURCHASERS' STATUTORY RIGHTS

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

HATTON CAPITAL CORP.

FINANCIAL STATEMENTS

MARCH 5, 2004

MORGAN & COMPANY
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Directors
Hatton Capital Corp.

We have audited the balance sheet of Hatton Capital Corp. as at March 5, 2004 and the statements of operations and deficit, and cash flows for the period from incorporation, February 9, 2004, to March 5, 2004. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at March 5, 2004 and the results of its operations and cash flows for the period from incorporation, February 9, 2004, to March 5, 2004, in accordance with Canadian generally accepted accounting principles.

Vancouver, B.C.

March 10, 2004 Chartered Accountants

Tel: (604) 687-5841
Fax: (604) 687-0075
www.morgan-cas.com

MEMBER OF
ACPA
INTERNATIONAL

P.O. Box 10007 Pacific Centre
Suite 1488 - 700 West Georgia Street
Vancouver, B.C. V7Y 1A1

HATTON CAPITAL CORP.

BALANCE SHEET

MARCH 5, 2004

ASSETS	
Current	
Cash	$ 399,329
Deferred Share Issue Costs	5,000
	$ 404,329
LIABILITIES	
Accounts Payable And Accrued Liabilities	$ 9,000
SHAREHOLDERS' EQUITY	
Share Capital (Note 3)	
Authorized:	
Unlimited number of common shares of no par value	
Issued and fully paid:	
2,200,000 common shares	400,000
Deficit	(4,671)
	395,329
	$ 404,329

Approved by the Directors:

See the accompanying notes to the financial statements

HATTON CAPITAL CORP.

STATEMENT OF OPERATIONS AND DEFICIT

PERIOD FROM INCORPORATION, FEBRUARY 9, 2004, TO MARCH 5, 2004

Expenses		
Professional fees	$	4,000
Interest, bank charges and foreign exchange		671
Loss For The Period		(4,671)
Deficit, Beginning Of Period		-
Deficit, End Of Period	$	(4,671)
Basic And Diluted Loss Per Common Share	$	(0.01)
Weighted Average Number Of Common Shares Outstanding		2,200,000

See the accompanying notes to the financial statements

HATTON CAPITAL CORP.

STATEMENT OF CASH FLOWS

PERIOD FROM INCORPORATION, FEBRUARY 9, 2004, TO MARCH 5, 2004

Cash Flows From Operating Activities	
Loss for the period	$ (4,671)
Changes in non-cash working capital items:	
Accounts payable	9,000
	4,329
Cash Flows From Financing Activities	
Issue of shares	400,000
Deferred share issue costs	(5,000)
	395,000
Increase In Cash	399,329
Cash And Cash Equivalents, Beginning Of Period	-
Cash And Cash Equivalents, End Of Period	$ 399,329

See the accompanying notes to the financial statements

HATTON CAPITAL CORP.

NOTES TO FINANCIAL STATEMENTS

MARCH 5, 2004

1. INCORPORATION AND NATURE OF BUSINESS

The Company was incorporated under the Canada Business Corporations Act on February 9, 2004. The Company is a capital pool company. Under the rules of the TSX Venture Exchange (the "TSX Venture") and as of March 5, 2004, the Company had no business or assets, other than cash and deferred expenses, nor had it entered into any agreements to acquire any interest in any business or assets. As a capital pool company, the Company's principal business is the identification and evaluation of assets, properties or businesses with a view to participation therein.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

b) Financial Instruments

The carrying amounts of cash, and accounts payable and accrued liabilities approximate their fair values due to the short term nature of these instruments.

Unless otherwise noted, it is management's opinion that this Company is not exposed to significant interest or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

c) Deferred Share Issue Costs

The Company defers all costs incurred in connection with the issue of share capital to be offset against the consideration received as a result of the issue of shares from the treasury.

d) Stock Based Compensation

The Company has adopted the new CICA Handbook Section 3870 – "Stock Based Compensation and Other Stock Based Payments", which recommends the fair value based methodology for measuring compensation costs. The Company has adopted the use of the fair value based method by which all awards to employees and non-employees will be recorded at fair value on the date of grant.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Loss Per Common Share

Basic loss per share is calculated using the weighted average number of shares outstanding during the year.

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method, the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For the period ended March 5, 2004, this calculation was anti-dilutive.

f) Income Taxes

Future income taxes are recorded using the asset and liability method whereby future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities, and their respective tax bases. Future tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs. To the extent that the Company does not consider it more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

3. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value

b) Issued

	NUMBER OF SHARES	VALUE
Issued for cash at $0.125 per share	1,200,000	$ 150,000
Issued for cash at $0.25 per share	1,000,000	250,000
Balance, March 5, 2004	2,200,000	$ 400,000

3. SHARE CAPITAL (Continued)

c) Escrow Shares

At March 5, 2004, all 1,200,000 of the Company's issued common shares are held in escrow and will be released upon regulatory approval.

4. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

Loss for the year	$ (9,671)
Income taxes at statutory rates	(3,445)
Unrecognized benefit of non-capital losses	3,445
Total income taxes	$ -

The significant components of the Company's future income tax assets are as follows:

Future income tax assets	
Non-capital loss carryforwards	$ 3,445
Less: Valuation allowance	(3,445)
	$ -

The Company has available for deduction against future taxable income non-capital losses of approximately $9,700. These losses, if not utilized, will expire through 2011. Future tax benefits which may arise as a result of these non-capital losses have not been recognized in these financial statements and have been offset by a valuation allowance.

5. SUBSEQUENT EVENT

Pursuant to a prospectus to be filed with the British Columbia Securities Commission and the Alberta Securities Commission, the Company intends to offer the public 800,000 common shares at $0.25 per share for gross proceeds of $200,000. In connection with this offering, the agent will be granted an option to purchase up to 80,000 common shares at a price of $0.25 per share for a period of eighteen months from the date the Company's common shares are listed for trading on the TSX Venture Exchange.

CERTIFICATE OF THE CORPORATION

Date: March 23, 2004

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* (British Columbia) and by Part 9 of the *Securities Act* (Alberta) and the respective regulations thereunder.

HATTON CAPITAL CORP.

"Gordon D. Harris"	*"K. Peter Miller"*
Gordon D. Harris	K. Peter Miller
President and Chief Executive Officer	Chief Financial Officer

ON BEHALF OF THE BOARD

"Brian E. Bayley"	*"Donn Burchill"*
Brian E. Bayley	Donn Burchill
Director	Director

CERTIFICATE OF THE AGENT

Date: March 23, 2004

To the best of our knowledge, 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* (British Columbia) and by Part 9 of the *Securities Act* (Alberta) and the respective regulations thereunder.

LEEDE FINANCIAL MARKETS INC.

"Richard C. Carter"
Senior Vice-President, General Counsel and Secretary