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.

PROSPECTUS

INITIAL PUBLIC OFFERING **June 23, 2004**

RIBBON CAPITAL CORP.
(a Capital Pool Company)

Minimum Offering: $600,000 or 4,000,000 Common Shares
Maximum Offering: $750,000 or 5,000,000 Common Shares
Price: $0.15 per Common Share

The purpose of this offering (the "Offering") is to provide Ribbon Capital Corp. (the "Company") with a minimum of funds with which to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction, as hereafter defined. Any proposed Qualifying Transaction must be approved by the 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 Exchange Policy 2.4 (the "CPC Policy"). The Company is a Capital Pool Company ("CPC"). It has not commenced commercial operations and has no assets other than a minimum amount of cash. Except as specifically contemplated in the CPC Policy, until the Completion of the Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a proposed Qualifying Transaction. The Company hereby offers through its agent, First Associates Investments Inc. (the "Agent"), a minimum of 4,000,000 common shares at a price of $0.15 per common share (the "Common Shares") for minimum gross proceeds of $600,000 and a maximum of 5,000,000 Common Shares for maximum gross proceeds of $750,000.

Distribution

	Common Shares	Price to public	Agent's commission[1]	Proceeds to the Company[2]
Per Common Share	1	$0.15	$0.012	$0.138
Minimum Offering	4,000,000	$600,000	$48,000	$552,000
Maximum Offering	5,000,000	$750,000	$60,000	$690,000

1 The Agent will receive a commission of 8% of the gross proceeds of this Offering representing an amount of $48,000 if the minimum offering is subscribed and an amount of $60,000 if the maximum offering is subscribed. In addition, the Company will pay the Agent a sponsorship fee of $10,000 plus GST and the Agent will be granted a non-transferable option (the "Agent's Option") to purchase such number of Common Shares as is equal

to 10% of the aggregate number of common shares sold pursuant to the Offering, at a price of $0.15 per common share, for a period of 12 months from the date of listing the Common Shares on the Exchange, which Agent's Option is qualified for distribution under this prospectus. See "Name of Agent and Agent's Compensation".

[2] Before deducting the costs and expenses of this issue estimated to be approximately $65,000 including the Agent's sponsorship fee and costs and expenses of approximately $20,000, auditor's fees and expenses and legal fees and expenses of approximately $35,000, and the listing fee payable to the Exchange of $10,000 representing the maximum Exchange fee chargeable plus applicable taxes and the expenses of the Offering. See "Use of Proceeds".

[3] The Company also proposes to grant options to purchase the equivalent of 10% of the outstanding Common Shares of the Company upon the closing of the Offering being 533,333 in the event the minimum offering is subscribed and 633,333 in the event the maximum offering is subscribed at a price of $0.15 per Common Share to the Company's directors and officers in accordance with the policies of the Exchange, which options are qualified for distribution under this prospectus. See "Options to Purchase Securities".

This Offering is made on a best efforts basis by the Agent and is subject to receipt by the Company of a minimum subscription of 4,000,000 Common Shares for total gross proceeds to the Company of $600,000. The offering price of the Common Shares was determined by negotiation between the Company and the Agent. All funds received from subscriptions for Common Shares will be held by the Agent and will not be released until a minimum of $600,000 has been deposited and the Agent has consented to such release pursuant to the terms of the Agency Agreement. If the minimum subscription is not raised within 90 days of the issuance of a receipt for the final prospectus or such other time as may be consented to by persons or companies who subscribed within that period, all subscription monies will be returned to subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent. See "Plan of Distribution".

This prospectus is also intended to qualify for distribution options to purchase Common Shares at a price of $0.15 per Common Share to the Agent in an amount equal to 10% of the aggregate number of Common Shares sold pursuant to the Offering and to the Company's directors and officers in an amount equal to 10% of the total outstanding Common Shares upon closing of the Offering. See "Plan of Distribution".

Market for Securities

The TSX Venture Exchange has conditionally approved the listing of these Common Shares. Listing will be subject to the Company 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 Agent's Option and the grant of options to the directors and officers of the Company, trading in all securities of the Company is prohibited during the period between the date a receipt for the preliminary prospectus is issued by the securities commissions and the time the Common Shares are listed for trading except, subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable securities commissions grant a discretionary order.

Risk Factors

Investment in the Common Shares offered by this prospectus is highly speculative due to the nature of the Company's business and its present stage of development. This Offering

is suitable only to those investors who are prepared to risk the loss of their entire investment. **See "Risk Factors".**

The Company has not commenced commercial operations and has no assets other than cash. It has no history of earnings and will not generate earnings or pay dividends until at least after the Completion of the Qualifying Transaction. Until Completion of the Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions. See "Corporate Structure", "Business of the Company" and "Use of Proceeds".

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

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

Investors acquiring the Common Shares offered by this prospectus will suffer an immediate dilution on investment of 12.5% or $0.01875 per Common Share if the minimum offering is subscribed and 10.5% or $0.01579 per Common Share if the maximum offering is subscribed based on the gross proceeds of this issue, before deduction of selling commissions or related expenses of the issue.   See "Dilution".

The Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify a suitable Qualifying Transaction. Further, even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to complete the transaction. The Qualifying Transaction may be financed in whole, or in part, by the issuance of additional securities by the Company and this may result in further dilution to investors. See "Use of Proceeds".

The Exchange will generally suspend trading in the Common Shares or delist the Company in the event that the Exchange has not issued a Final Exchange Bulletin (as hereafter defined) within 18 months from the date of listing. Neither the Exchange, nor any securities regulatory authority, passes upon the merits of the proposed Qualifying Transaction.

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

As a result of these factors, the Offering is suitable only to investors who are willing to rely solely on the management of the Company 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. See "Business of the Company", "Directors and Officers", "Use of Proceeds" and "Risk Factors".

Maximum Investment

Pursuant to the CPC Policy, no purchaser of the Common Shares is permitted to directly or indirectly purchase more than 2% of the total Common Shares offered under this prospectus, or 80,000 Common Shares in the event the minimum offering is subscribed and 100,000 Common Shares in the event the maximum offering is subscribed. 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% of the total Common Shares offered under this prospectus, or 160,000 Common Shares in the event the minimum offering is subscribed and 200,000 Common Shares in the event the maximum offering is subscribed.

Receipt of Subscriptions

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that share certificates evidencing the Common Shares in definitive form will be available for delivery within 15 days of the closing of this Offering.

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GLOSSARY

"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:

(c) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person, and

(d) 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; and

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

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

(a) an issuer of which the person or company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer,

(b) any partner of the person or company,

(c) any trust or estate in which the person or company has a substantial beneficial interest or in respect of which a person or company serves as trustee or in a similar capacity,

(d) in the case of a person, a relative of that person, including

(i) that person's spouse or child, or

(ii) any relative of the person or of his 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.

"Common Shares" means the common shares of the Company.

"CPC" means a corporation:

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

(b) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities regulatory authorities in compliance with the CPC Policy; and

(c) in regard to which the Final Exchange Bulletin has not yet been issued.

"Company" means Ribbon Capital Corp.

"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.

"**Eligible Charitable Organization**" means:

(a) any Charitable Organization[*] or Public Foundation* which is a Registered Charity*, but is not a Private Foundation*, or

(b) a Registered National Arts Service Organization*.

"Exchange" means the TSX Venture Exchange Inc.

"Exchange Requirements" means and includes the articles, by-laws, policies, circulars, rules, guidelines, orders, notices, rulings, forms, decisions and regulations of the Exchange as from time to time enacted, any instructions, decisions and directions of the Exchange (including those of any committee of the Exchange as appointed from time to time), and all applicable provisions of the securities laws of any other jurisdiction.

"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 Issuer;

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

(c) a Person that beneficially owns or controls, directly or indirectly, Voting Shares carrying more than 10% of the voting rights attached to all outstanding Voting Shares of the Issuer; or

(d) the Issuer itself if it holds any of its own securities.

"Issuer" means a company and its subsidiaries which have any of its securities listed for trading on the Exchange and, as the context requires, any applicant company seeking a listing of its securities on the Exchange.

"Majority of the Minority Approval" means the approval of a Non Arm's Length 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

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[*] These terms are defined in the *Income Tax Act* (Canada), as amended from time to time

(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.

"Member" means a Person who has executed the Members' Agreement, as amended from time to time, and is accepted as and becomes a member of the Exchange under the Exchange Requirements and, for the purposes of this prospectus, being First Associates Investments Inc.

"Members' Agreement" means the members' agreement among the Exchange and each Person who, from time to time, is accepted as and becomes a member of the Exchange.

"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.

"**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 the Final Exchange Bulletin;

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

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

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

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

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

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

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

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

“Pro Group”

(a) Subject to subparagraphs (b), (c) and (d) and (e) “Pro Group” shall include, either individually or as a group:

(i) the Member;

(ii) employees of the Member;

(iii) partners, officers and directors of the Member;

(iv) Affiliates of the Member; and

(v) Associates of any parties referred to in subparagraphs (i) through (iv);

(b) The Exchange may, in its discretion, include a Person or party in the Pro Group for the purposes of a particular calculation where the Exchange determines that the Person is not acting at arm’s length to the Member;

(c) The Exchange may, in its discretion, exclude a Person from the Pro Group for the purposes of a particular calculation where the Exchange determines that the Person is acting at arm’s length of the Member;

(d) The Member may deem a Person who would otherwise be included in the Pro Group pursuant to subparagraph (a) to be excluded from the Pro Group where the Member determines that:

(i) the Person is an affiliate or associate of the member acting at arm's length of the Member;

(ii) the associate or affiliate has a separate corporate and reporting structure;

(iii) there are sufficient controls on information flowing between the Member and the associate or affiliate; and

(iv) the Member maintains a list of such excluded Persons.

"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.

"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 Exchange 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.

"Transfer Agent" means Equity Transfer Services Inc.

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

PROSPECTUS SUMMARY

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

The Company:	Ribbon Capital Corp.
Business of the Company	The principal business of the Company will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Company has not commenced commercial operations and has no assets other than a minimum amount of cash. See "Business of the Company".
The Offering:	A minimum of 4,000,000 Common Shares are being offered under this prospectus at a price of $0.15 per Common Share for minimum gross proceeds of $600,000 and a maximum of 5,000,000 Common Shares for maximum gross proceeds of $750,000. This Offering is made on a best efforts basis by the Agent. In addition, the Company will grant an option to the Agent to purchase such number of Common Shares as is equal to 10% of the aggregate number of Common Shares sold pursuant to the Offering at a price of $0.15 per share which will be exercisable for a period of 12 months from the date of listing of the Common Shares on the Exchange which option is qualified under this prospectus. The Company also intends to grant options to purchase the equivalent of 10% of the outstanding Common Shares of the Company upon completion of the Offering to the Company's directors and officers, which options are qualified for distribution under this prospectus. A total of up to 1,133,333 options are qualified for distribution under this prospectus. See "Plan of Distribution".
Use of Proceeds:	Assuming completion of this Offering, the net proceeds thereof to the Company after deduction of the Agent's Commission, will be $552,000 if the minimum offering is subscribed and $690,000 if the maximum offering is subscribed. The net proceeds of this Offering will be used to provide the Company with a minimum of funds with which to identify and evaluate assets or businesses for acquisition with a view to completing a Qualifying Transaction. The Company may not have sufficient funds to secure such businesses or assets once identified and evaluated and additional funds may be required. Until Completion of the Qualifying Transaction and except as otherwise provided in the CPC Policy, a maximum of the lesser of 30% of the gross proceeds realized or $210,000 may be used for purposes other than evaluating business or assets. See "Use of Proceeds".

Directors and Management:	G. Michael Newman	President, Chief Executive Officer and Director
	Yoel Altman	Chief Financial Officer, Secretary and Director
	Peter Wanner	Director
	Myra Bongard	Director

Escrow: All of the currently issued and outstanding Common Shares of the Company, being 1,333,332 Common Shares will be deposited in escrow pursuant to the terms of an Escrow Agreement, as hereafter defined, and will be released from escrow in stages over a period of up to three years after the date of the Final Exchange Bulletin. See "Escrowed Securities".

Risk Factors: **There is currently no established market for the Common Shares. Investment in the Common Shares must be regarded as highly speculative due to the proposed nature of the Company's business and its present stage of development.**

The Company was only recently incorporated and has no active business or assets other than cash. It does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the Completion of the Qualifying Transaction.

The Offering is only suitable to investors who are prepared to rely entirely on the directors and management of the Company and can afford to risk the loss of their entire investment.

The directors and officers of the Company will only devote part of their time and attention to the affairs of the Company and there are potential conflicts of interest to which some of the directors and officers of the Company will be subject in connection with the operations of the Company.

Assuming completion of the Offering, an investor will suffer an immediate dilution on investment of 12.5% or $0.01875 per Common Share if the minimum offering is subscribed and 10.5% or $0.01579 per Common Share if the maximum offering is subscribed based on the gross proceeds of this issue, before deduction of selling commissions or related expenses of the issue. An acquisition financed by the issuance of treasury shares could result in a change in the control of the Company and may cause the shareholders' interest in the Company to be further diluted. There can be no assurance that an active and liquid market for the Company's Common Shares will develop and an investor may find it difficult to resell the Common Shares.

Until Completion of the Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Company has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Company will be able to identify or complete a suitable Qualifying Transaction.

The Qualifying Transaction may involve the acquisition of a business or assets located outside of Canada. It may therefore be difficult or impossible to effect service or notice to commence legal proceedings upon 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 "Risk Factors".

CORPORATE STRUCTURE

Name, Incorporation and Place of Business

The full corporate name of the Company is Ribbon Capital Corp. The Company was incorporated under the laws of the Province of Ontario on February 23, 2004. The registered office address of the Company is 42 Darby Way, Thornhill, Ontario L3T 5V1. Pursuant to articles of amendment of the Company filed on April 30, 2004, the Company removed the restriction on share transfers and changed the number of directors set forth in the articles from a minimum of 1 and maximum of 11 directors to a minimum of 3 and a maximum of 11 directors.

BUSINESS OF THE COMPANY

Preliminary Expenses

As of the date of the most recent balance sheet included with this prospectus, the Company has incurred $36,644 in preliminary expenses relating to professional and filing fees in proceeding with the prior sales and the Offering. Certain proceeds from the Offering may be used to satisfy the obligations of the Company related to this Offering, including the expenses of auditors, legal counsel and the Agent's legal counsel. For further information, please refer to the section entitled "Use of Proceeds."

Proposed Operations Until Completion of a Qualifying Transaction

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

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

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

Geographical Restrictions

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

Method of Financing Acquisitions

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

Criteria for a Qualifying Transaction

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

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

Upon the Company reaching an Agreement in Principle, the Company must issue a comprehensive news release, at which time the Exchange generally will halt trading in the Company'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 issuance of such news release, the Company 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 Exchange requirements. An information circular must be submitted where there is a Non Arm's Length Qualifying Transaction or where shareholder approval is otherwise required. A filing statement must be submitted where the Qualifying Transaction is not a Non Arm's Length Qualifying Transaction or where shareholder approval is not otherwise required. The information circular or filing statement, as applicable, must contain prospectus level disclosure of the Target Company and the Company, assuming Completion of the Qualifying Transaction, and be prepared in accordance with the CPC Policy and Form 3B1 or Form 3B2. Upon acceptance by the Exchange, the Company must then:

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

(f) 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 Company 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 Company 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, 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 Company from completing a reverse take-over for a period of one year from the Completion of the Qualifying Transaction.

Minimum Listing Requirements

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

Trading Halts, Suspensions 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 Acknowledgment Form, where the Qualifying Transaction is subject to sponsorship. In addition, personal information forms for all individuals who may be directors, senior officers, promoters, or insiders of the Resulting Issuer must be filed with the 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 Company fails to file the supporting documents relating to the Qualifying Transaction within a period of 75 days after public announcement of the Agreement in Principle or if the CPC fails to file post-meeting 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 Company where the Exchange has not issued a Final Exchange Bulletin to the CPC within 18 months of the date of listing. In the event that the Common Shares of the Company are delisted by the Exchange, within 90 days from the date of such delisting, the Company shall wind up and shall make a pro rata distribution of its remaining assets to its shareholders, unless shareholders, pursuant to a majority vote exclusive of the votes of Non Arm's Length Parties to the Company, determine to deal with the remaining assets in some other manner. See "Filings and Shareholders Approval of a Non Arm's Length Qualifying Transaction" above.

Refusal of Qualifying Transaction

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

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

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

Principal Purposes	**Minimum Offering**	**Maximum Offering**
Cash proceeds raised prior to this Offering (1)	$100,000	$100,000
Expenses and costs relating to raising the cash proceeds prior to this Offering	($3,000)	($3,000)
Cash proceeds to be raised pursuant to this Offering (2)	$600,000	$750,000
Expenses and costs relating to the Offering (including listing fees, Agent's commission, legal fees, audit fees and expenses)(3)	($113,000)	($125,000)
Estimated funds available (on completion of the Offering)	$584,000	$722,000
Funds available for identifying and evaluating assets or business prospects (4)	$584,000	$722,000
Estimated general and administrative expenses until Completion of a Qualifying Transaction	($50,000)	($50,000)
	$534,000	$672,000

Notes:

(1) See "Prior Sales".

(2) In the event the Agent exercises the Agent's Option and the directors and officers exercise their options, there will be available to the Company a minimum of $140,000 and a maximum of $170,000 in additional funds which will be added to the working capital of the Company. There is no assurance that any of these options will be exercised.

(3) Estimated costs and expenses include a $10,000 sponsorship fee, legal fees and expenses of the Agent of approximately $10,000 plus the Agent's commission, auditor's fees and expenses and legal fees and expenses of approximately $35,000 and the listing fee payable to the Exchange of $10,000 representing the maximum Exchange fee chargeable plus applicable taxes and the expenses of the Offering.

(4) In the event that the Company enters into an Agreement in Principle prior to spending the entire $722,000 in the event the maximum offering is subscribed and $584,000 in the event the minimum offering is subscribed on identifying and evaluating assets or businesses, the remaining funds may be used to finance or partially finance the acquisition of Significant Assets or for working capital after Completion of the Qualifying Transaction.

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

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

Permitted Use of Funds

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

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

(i) valuations or appraisals;

(ii) business plans;

(iii) feasibility studies and technical assessments;

(iv) sponsorship reports;

(v) engineering or geological reports;

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

(vii) fees for legal and accounting services,

relating to the identification and evaluation of assets or businesses and, in the case of a Non Arm's Length Qualifying Transaction, the obtaining of shareholder approval for the Company'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 Company to a Vendor or Target Company, as the case may be, for a proposed arm's length Qualifying Transaction that has been publicly announced at least 15 days prior to the date of such advance, due diligence with respect to the Qualifying Transaction is well underway and either a Sponsor has been engaged or sponsorship has been waived. A maximum aggregate amount of $25,000 may also be advanced as a non-refundable deposit, unsecured deposit or advance to a Vendor or Target Company, as the case may be, to preserve assets without the prior acceptance of the Exchange.

Restrictions on Use of Proceeds

Until Completion of a Qualifying Transaction, not more than the lesser of 30% of the gross proceeds from the sale of all securities issued by the Company or $210,000, will be used for purposes other than those described above. For greater certainty, expenditures which are not included as “Permitted Uses of Funds”, listed above, include:

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

(b) agents fees, costs and commissions;

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

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

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

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

  (iii) equipment leases; and

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

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

Private Placements for Cash

After the closing of the Offering and until the Completion of the Qualifying Transaction, the Company will not issue any securities unless written acceptance of the Exchange is obtained before issuance. Prior to the Completion of the Qualifying Transaction, the Exchange generally will not accept a private placement by the Company where the gross proceeds raised from the issuance of securities both prior to and pursuant to the Offering, together with any proceeds anticipated to be raised upon closing of the private placement, will exceed $2,000,000. The only securities issuable pursuant to such a private placement will be Common Shares.

Subject to certain limited exceptions, any Common Shares issued pursuant to the private placement to Non Arm’s Length Parties by the Company and to Principals of the Resulting Issuer will be subject to escrow.

Prohibited Payments to Non Arms’ Length Parties

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

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

(b) deposits and similar payments.

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

Notwithstanding the above, the Company may reimburse a Non Arm's Length Party to the Company for reasonable expenses for office supplies, office rent and related utilities, equipment leases (excluding vehicle leases), and legal services (provided that neither the lawyer providing the legal services nor any member of the law firm providing the services is a promoter of the Company or in the case of a law firm, no member of the firm, owns greater than 10% of the outstanding Common Shares of the Company), and the Company may also reimburse a Non Arm's Length Party to the Company for reasonable out-of-pocket expenses incurred in pursuing the business of the Company described in "Permitted Use of Funds".

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

PLAN OF DISTRIBUTION

Name of Agent and Agent's Compensation

Pursuant to an agency agreement (the "Agency Agreement") dated as of April 6, 2004 between the Company and the Agent, the Company has appointed the Agent as its agent to offer for sale on a best efforts basis to the public a minimum of 4,000,000 Common Shares and a maximum of 5,000,000 Common Shares as provided in this prospectus, at a price of $0.15 per Common Share, for minimum gross proceeds of $600,000 and for maximum gross proceeds of $750,000, subject to the terms and conditions of the Agency Agreement. The Agent will receive a commission of 8% of the aggregate gross proceeds from the sale of the Common Shares. In addition, the Company will pay to the Agent a sponsorship fee of $10,000 plus GST and will pay the Agent's legal fees and other expenses, estimated at $10,000.

The Company has also agreed to grant to the Agent a non-transferable option (the "Agent's Option") to purchase such number of Common Shares as is equal to 10% of the aggregate number of Common Shares sold pursuant to the Offering, being 400,000 Common Shares in the case of a minimum offering and 500,000 Common Shares in the case of a maximum offering at a price of $0.15 per Common Share, which may be exercised for a period of 12 months from the date the Common Shares of the Company are listed on the Exchange, which Agent's Option is qualified for distribution under this prospectus. The Agent intends to sell to the public any Common Shares received by it upon the exercise of the Agent's Option. Not more than 50% of the Common Shares received on the exercise of the Agent's Option may be sold by the Agent prior to the Completion of the Qualifying Transaction. The remaining 50% may be sold after the Completion of the Qualifying Transaction. The Agent has agreed to use its best efforts to secure subscriptions for the Common Shares offered hereunder on behalf of the Company and may make co-brokerage arrangements with other investment dealers at no additional cost to the Company. The obligations of the Agent under the Agency Agreement may be terminated at its discretion on the basis of its assessment of the financial markets and whether the Offering may be profitably marketed, and on the occurrence of certain events as stated in the Agency Agreement.

Best Efforts Offering and Minimum Distribution

The total Offering consists of 4,000,000 Common Shares for total gross proceeds of $600,000 if the minimum offering is subscribed and 5,000,000 Common Shares for total gross proceeds of $750,000 if the maximum offering is subscribed. Pursuant to the CPC Policy, no purchaser of the Common Shares is permitted to directly or indirectly purchase more than 2% of the total Common Shares offered under this prospectus, or 80,000 Common Shares in the event the minimum offering is subscribed and 100,000 Common Shares in the event the maximum offering is subscribed. 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% of the total Common Shares offered under this prospectus, or 160,000 Common Shares in the event the minimum offering is subscribed and 200,000 Common Shares in the event the maximum offering is subscribed. The funds received from the Offering will be deposited with the Agent, and will not be released until a minimum of $600,000 has been deposited and the Agent consents to the release thereof. Minimum subscriptions of 4,000,000 Common Shares for total gross proceeds of $600,000 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 Company also proposes to grant stock options to purchase up to 533,333 Common Shares if the minimum offering is subscribed and up to 633,333 Common Shares if the maximum offering is subscribed to the Company's directors and officers in accordance with the policies of the Exchange, which options are qualified for distribution under this prospectus.

Determination of Price

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

Listing Application

The Exchange has conditionally accepted the listing of these Common Shares. Listing is subject to the Company fulfilling all of the requirements of the Exchange.

Restrictions on the Agent

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

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

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

until Completion of the Qualifying Transaction, the aggregate number of Common Shares permitted to be owned directly or indirectly by the participants in the Pro Group, is no more than 20% of the issued and outstanding Common Shares of the Company exclusive of Common Shares reserved for issuance at a future date.

Restrictions on Trading

Other than the initial distribution of the Common Shares pursuant to this prospectus, the grant of the Agent's Option and the grant of options to the directors and officers of the Company no securities of the Company will be permitted to be issued during the period between the date a receipt for the preliminary prospectus is issued by the securities commissions 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

Each Common Share carries one vote at all meetings of shareholders and carries the right to receive a proportionate share, on a per share basis, of the assets of the Company available for distribution in the event of a liquidation, dissolution or winding-up of the Company.

CAPITALIZATION

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

Designation of Securities	Amount Authorized	Amount Outstanding as of the date of the most recent balance sheet dated as of June 8, 2004 (1) (2)	Amount Outstanding as of the date hereof, before giving effect to the Offering (1)	Amount to be outstanding if the Minimum Offering is sold (1) (3)	Amount to be outstandin g if the Maximum Offering is sold (1) (3)
Common Shares	Unlimited	1,333,332 $100,000	1,333,332 $100,000	5,333,332 $700,000	6,333,332 $850,000

Notes:

(1) The Company has reserved an aggregate of up to 533,333 Common Shares in the event the minimum offering is subscribed and 633,333 Common Shares in the event the maximum offering is subscribed at an exercise price of $0.15 per Common Shares pursuant to stock options to be granted to directors and officers of the Company expiring 5 years from the date of grant. The Company has also reserved 10% of the number of Common Shares to be issued under the Offering pursuant to the Agent's Option representing 400,000 Common Shares if the minimum offering is subscribed and 500,000 Common Shares if the maximum offering is subscribed at an exercise price of $0.15 per Common Shares pursuant to the Agent's Option expiring 12 months from the date of listing of the Common Shares on the Exchange. See "Plan of Distribution".

(2) As of the date of the most recent balance sheet the Company has not commenced commercial operations.

(3) Before deducting the Agent's commission and expenses, and other costs and expenses of the Offering.

OPTIONS TO PURCHASE SECURITIES

Options To Be Granted

Name	No. of Common Shares Reserved Under Option if Minimum Offering	No. of Common Shares Reserved Under Option if Maximum Offering	Exercise Price	Expiration Date
Peter Wanner	133,333	158,333	$0.15	5 years from the date of grant
Yoel Altman	133,334	158,334	$0.15	5 years from the date of grant
G. Michael Newman	133,333	158,333	$0.15	5 years from the date of grant
Myra Bongard	133,333	158,333	$0.15	5 years from the date of grant
Total Number of Shares Reserved for Issuance	**533,333**	**633,333**	**$0.15**	**5 years from the date of grant**

Notes:

(1) The stock options to purchase 533,333 Common Shares in the event the minimum offering is subscribed and 633,333 Common Shares in the event the maximum offering is subscribed to be granted to directors and officers of the Company after the closing of the Offering (subject to regulatory approval) are qualified for distribution pursuant to this prospectus.

Stock Option Terms

The Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, and technical consultants of the Company, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares exercisable for a period of up to 5 years from the date of grant. The number of Common Shares reserved for issuance to any individual director or officer will not exceed five percent (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 two percent (2%) of the issued and outstanding Common Shares. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. Any Common Shares acquired pursuant to the exercise of options prior to the Completion of the Qualifying Transaction, must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued. See "Escrowed Securities".

PRIOR SALES

Since the date of incorporation of the Company, 1,333,332 Common Shares have been issued as follows:

Date of Issue	Number of Common Shares (1)	Per Share Consideration	Aggregate Value of Consideration	Nature of Consideration
March 1, 2004	1,333,332	$0.075	$100,000	Cash

Note:

(1) All Common Shares indicated above are subject to escrow. See "Escrowed Securities".

On March 1, 2004 the Company issued 333,333 Common Shares to John Simmonds. On June 1, 2004 John Simmonds transferred all of the Common Shares held by him to Inca Gold Corp., the wholly-owned holding company of Peter Wanner, for an aggregate purchase price of $25,000. See "Directors, Officers and Promoters".

ESCROWED SECURITIES

Securities Escrowed Prior to the Completion of the Qualifying Transaction

All of the 1,333,332 Common Shares issued prior to this Offering at a price below $0.15 per Common Share and all Common Shares that may be acquired by Non Arm's Length Parties of the Company either under the Offering or otherwise prior to Completion of the Qualifying Transaction will be deposited with the Transfer Agent under an escrow agreement dated April 1, 2004 (the "Escrow Agreement").

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

In addition, all Common Shares of the Company acquired in the secondary market prior to the Completion of a Qualifying Transaction by any person or company who becomes a Control

Person are required to be deposited in escrow. Subject to certain exemptions permitted by the Exchange, all securities of the Company held by Principals of the Resulting Issuer, will also be escrowed.

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

Name and Municipality of Residence of Shareholder	Common Shares	Number of Common Shares held in Escrow	Percentage of Common Shares prior to giving effect to the Offering (1)	Percentage of Common Shares after giving effect to Minimum Offering (1)	Percentage of Common Shares after giving effect to Maximum Offering (1)
Peter Wanner(2) Georgetown, Ontario	333,333	333,333	25%	6.25%	5.26%
Yoel Altman Toronto, Ontario	333,333	333,333	25%	6.25%	5.26%
G. Michael Newman Richmond Hill, Ontario	333,333	333,333	25%	6.25%	5.26%
Myra Bongard Thornhill, Ontario	333,333	333,333	25%	6.25%	5.26%
TOTAL	**1,333,332**	**1,333,332**	**100%**	**25.00%**	**21.05%**

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 options issued to the directors and officers.

(2) Peter Wanner's shares are held through his wholly-owned holding company, Inca Gold Corp.

Where the Common Shares of the Company which are required to be held in escrow are held by a non-individual (a "holding company"), each holding company pursuant to the Escrow Agreement, has agreed, or will agree, not to carry out any transactions during the currency of the Escrow Agreement which would result in a change of control of the holding company, without the consent of the 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 of 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 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 a Final Exchange Bulletin is not issued, the escrowed Common Shares will not be released. Under the Escrow Agreement each Non Arm's Length Party to the Company who holds escrowed Common Shares acquired at a price below the Offering price under this prospectus has irrevocably authorized and directed the Transfer Agent to immediately cancel all of those escrowed Common Shares upon the issuance by the Exchange of a bulletin delisting the Common Shares of the Company.

Escrowed Securities on Qualifying Transaction

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

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

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

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

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

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

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

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

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

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

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

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

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

PRINCIPAL SHAREHOLDERS

Principal Shareholders

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

Name and Municipality of Residence	Type of Ownership	Number of Common Shares [(1)]	Percentage of Common Shares Prior to Offering	Percentage of Common Shares After Minimum Offering [(2)(3)]	Percentage of Common Shares After Maximum Offering [(2)(3)]
Peter Wanner Georgetown, Ontario	Indirect[(4)]	333,333	25%	6.25%	5.26%
Yoel Altman Toronto, Ontario	Direct	333,333	25%	6.25%	5.26%
G. Michael Newman Richmond Hill, Ontario	Direct	333,333	25%	6.25%	5.26%
Myra Bongard Thornhill, Ontario	Direct	333,333	25%	6.25%	5.26%

Notes:

(1) These securities are subject to escrow pursuant to the policies of the Exchange. See “Escrowed Securities”.

(2) Before giving effect to the exercise of the Agent’s Option or the exercise of stock options granted to directors and officers. On a fully diluted basis, reflecting the assumption that all options are exercised, the percentage of Common Shares owned after a minimum offering and maximum offering respectively would be as follows: Peter Wanner 7.45%/6.58%, Yoel Altman 7.45%/6.58%, G. Michael Newman 7.45%/6.58%, Myra Bongard 7.45%/6.58%.

(3) Assuming that no Common Shares are purchased by any of the above shareholders under this Offering.

(4) Peter Wanner’s shares are held through his wholly-owned holding company, Inca Gold Corp.

DIRECTORS, OFFICERS AND PROMOTERS

Name, Address, Occupation, Security Holdings and Involvement with Other Reporting Issuers

The board of directors of the Company consists of 4 persons. Each director will hold office until the next annual meeting of shareholders or until his or her successor is elected or appointed. The Company has established an audit committee and appointed Yoel Altman, Myra Bongard and Peter Wanner as its members. On March 1, 2004 John Simmonds was elected as a director and appointed as president and chief executive officer of the Company. On June 1, 2004 John Simmonds resigned as director, president and chief executive officer of the Company, Peter

Wanner was elected a director of the company, and G. Michael Newman was appointed the Company's president and chief executive officer. The following are the names and municipalities of residence of the directors and officers of the Company, their current positions with the Company, and their current principal occupation:

Name, Municipality of Residence and Position with the Company	**Director or Officer Since**	**Number of Common Shares owned**	**Principal Occupation**
Peter Wanner, Director Georgetown, Ontario	June 1, 2004	333,333[(1)]	Self-employed as a Certified General Accountant and business consultant
Yoel Altman, Chief Financial Officer, Secretary and Director Toronto, Ontario	March 1, 2004	333,333	Vice-President of PCI Financial Group Inc.
G. Michael Newman, President, CEO and Director Richmond Hill, Ontario	March 1, 2004	333,333	President and CEO of InterRent International Properties Inc.
Myra Bongard, Director Thornhill, Ontario	February 23, 2004	333,333	Sales Representative, Century 21 Heritage

(1) Peter Wanner's shares are held through his wholly-owned holding company, Inca Gold Corp.

The total aggregate number of Common Shares beneficially owned, directly or indirectly, by all directors and officers of the Company is 1,333,332 which is equal to 25.00% of the issued and outstanding Common Shares if a minimum offering is subscribed and 21.05% of the issued and outstanding Common Shares if a maximum offering is subscribed.

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

Management of the Company

Peter Wanner, Director, 50 years of age-- Mr. Wanner is a self-employed Certified General Accountant and business consultant since 1990. During this time period he has undertaken several interim-Chief Financial Officer assignments and served as a consultant for clients in the airline, software, wholesale distribution, manufacturing, and tour operation industries. In these capacities, he assisted in the going public transactions of several companies in the United States, including Aviation Distributors, Inc., Integrated Data Systems Inc., D'Angelo Brands, Inc., Southborough Ventures, Inc., as well as several private placements for various companies in Canada. From 1983 to 1990 Mr. Wanner was the Vice-President Controller for Worldways Canada Ltd., which was then Canada's third largest airline. Most recently, Mr. Wanner acted as Secretary, Chief Financial Officer and Director of Trophy Capital Inc., a capital pool company that was listed on the TSX Venture Exchange and recently completed a Qualifying Transaction with LMS Medical Systems Inc. LMS Medical Systems Inc. recently graduated from the TSX Venture Exchange to the Toronto Stock Exchange. Mr. Wanner currently serves as a director of First National Power Corp. (OTCBB).

Yoel Altman, Chief Financial Officer, Secretary and Director, 30 years of age – Since January 2002, Mr. Altman has been Vice-President of PCI Financial Group Inc., a Toronto based corporate advisory firm. PCI Financial Group Inc. assists companies with all facets of commercializing new technology products and services with an explicit focus in three primary sectors: biotechnology, health care services and information technology. As Vice President of PCI Financial Group Inc., Mr. Altman has assisted in raising over US$25 million for Saflink Corporation from institutional and strategic investors in four investment rounds in 2002 and 2003 which included three private placements and a rights offering. Prior to working with PCI Financial Group Inc., Mr. Altman served as a Partner with Pinetree Capital Corp. from February 2000 to December 2001, a Canadian venture capital company. As Vice President of Pinetree Capital Corp., Mr. Altman assisted in raising in excess of US$170 million. Mr. Altman also managed M&A and strategic partnership activities for Pinetree Capital Corp.'s portfolio of companies, including assisting with the acquisition of Softquad by Corel Corporation for US$35 million, sale of Pixstream by Cisco for US$400 million and the acquisition of Vistar (a Bell Canada subsidiary) by NSI Communication for $50.7 million. Prior to that he served as an assistant vice president with Manulife Financial from April 1997 to January 2000. Mr. Altman has considerable sophisticated business experience which is expected to prove valuable to the Resulting Issuer. Mr. Altman received an MBA from York University in 1998 and received his CFA in 1999.

G. Michael Newman, President, CEO and Director, 59 years of age-- Mr. Newman's primary occupation is to serve as President and CEO and director of InterRent International Properties Inc., a public company listed on the TSX Venture Exchange. Mr. Newman has held the position of President and CEO since September 1997. He is also Managing Director of Adevam Investments Inc., a Toronto based investment banking firm, a position he has held since October 1989. Adevam Investments Inc. is a business intermediary assisting small to medium sized firms with the raising of private equity or senior and subordinated debt capital, mergers, acquisitions and divestitures. On occasion Adevam may invest its own capital in a private placement type of transaction. Some of the most significant transactions that Adevam has been involved in since incorporation include: (i) acted on behalf of Afton Food Group Inc. in the $11.5 million dollar acquisition of 241 Pizza Inc. and the raising of $11.5 million in equity and debt for the acquisition from RBC and McCarvill Corporation, (ii) acted on behalf of Golf North Properties Inc. in securing $2.5 million in royalty financing from McCarvill Corporation, (iii) acted on behalf of New Wave Beverage Alimpo Packaging in securing $15 million from GE Capital for the acquisition of Premium Brands Distributing and FBI Beverages Inc., (iv) acted for Zenith Electronics Corporation on the U.S. $10 million divestiture of their electronics manufacturing operations in Chiuaua, Mexico, (v) Adevam invested in 30,000 shares of Maverix Fund Management Inc. via private placement of $45,000, (vi) Adevam invested in 185,185 shares of Interrent International Properties Inc. via a private placement of $100,000, and (vi) Adevam invested in 40,000 shares of MPR Health Systems via private placement of $150,000. Mr Newman has considerable sophisticated business experience which is expected to prove valuable to the Resulting Issuer. Mr. Newman currently serves as a director for a number of public companies including Inspiration Mining Corporation (TSX.V), Lombardi Media Corporation (TSX.V) and The Skor Food Group Inc. (TSX.V).

Myra Bongard, Director, 56 years of age – Ms. Bongard has over 18 years of experience in real estate sales. Ms. Bongard is currently a sales representative with Century 21 Heritage. Ms. Bongard received her real estate license from Seneca College in 1985.

Other Reporting Issuer Experience

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

Name	Name of Reporting Issuer	Name of Exchange or Market (if applicable)	Position	From	To
Peter Wanner	Trophy Capital Inc.	TSX Venture Exchange	Secretary, CFO and Director	August 2003	March 2004
	First National Power Corp.	NASD OTC Bulletin Board	Director	May 2004	Present
G. Michael Newman	Lombardi Media Corp.	TSX Venture Exchange	Director	July 2002	Present
	The Skor Food Group Inc.	TSX Venture Exchange	Director	August 1997	Present
	InterRent International Properties Inc.	TSX Venture Exchange	Director, President and CEO	September 1997	Present
	Inspiration Mining Corporation	TSX Venture Exchange	Director	February 2004	Present
	InfoLink Technologies Inc.	TSX Venture Exchange	Director	July 1999	March 2001
	Racad Technologies Ltd.	Canadian Dealing Network	Director	June 1996	September 1997

Aggregate Ownership of Securities

It is expected that, initially, Mr. Altman will devote approximately 15% of his time to the affairs of the Company and Mr. Newman will devote approximately 10% of his time to the affairs of the Company. The remaining directors will devote approximately 5% of their time to the affairs of the Company. Time actually spent may vary according to the needs of the Company.

Corporate Cease Trade Orders or Bankruptcies

No director, officer or promoter of the Company is, or within the ten (10) years prior to the date of this prospectus has been, a director, officer or promoter of any other issuer that, while that person was acting in that capacity:

(a) was the subject of a cease trade or similar order, or an order denied the other issuer access to any exemptions under applicable securities legislation for a period of more than thirty (30) consecutive days; or

(b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

No director, officer, insider or promoter of the Company or a shareholder holding sufficient securities of the Company to affect materially the control of the Company, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or has been subject to any other 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.

Personal Bankruptcies

No director, officer, insider or promoter of the Company or a shareholder holding sufficient securities of the Company to affect materially the control of the Company or a personal holding company of any such persons has, within the ten (10) years before the date of this prospectus, as applicable, become 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 or receiver manager appointed to hold the assets of that individual.

Conflict of Interests

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

EXECUTIVE COMPENSATION

Remuneration

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

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

 (i) salaries;

 (ii) consulting fees;

 (iii) management contract fees or directors' fees;

 (iv) finders fees;

 (v) loans, advances, bonuses; and

(b) deposits and similar payments.

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

The Company has reserved 533,333 Common Shares if the minimum offering is subscribed and up to 633,333 Common Shares if the maximum offering is subscribed for stock options issued to its directors and officers. See "Options to Purchase Securities".

However, no payment other than the Permitted Reimbursements, will be made by the Company or by any party on behalf of the Company, after Completion of the Qualifying Transaction, if the payment relates to services rendered or obligations incurred or in connection with the Qualifying Transaction.

DILUTION

Dilution

Purchasers of Common Shares under this prospectus will suffer an immediate dilution of 12.5% or $0.01875 per Common Share on the basis of there being 5,333,333 Common Shares issued and outstanding following completion of the minimum offering and an immediate dilution of 10.5% or $0.01579 per Common Share on the basis of there being 6,333,333 Common Shares issued and outstanding following completion of the maximum offering. Dilution has been computed on the basis of total gross proceeds to be raised by this prospectus and from sales of securities prior to filing this prospectus, without deduction of commissions or related expenses incurred by the Company.

RISK FACTORS

Risk Factors

There are a number of risks inherent in making an investment in the Common Shares. The list below outlines some risk factors that should be considered by persons considering purchasing the Common Shares. The list is not intended to be all-inclusive.

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

(b) Investment in the Common Shares offered by the prospectus is highly speculative given the proposed nature of the Company’s business and its present stage of development.

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

(d) Assuming completion of the Offering, an investor will suffer an immediate dilution to its investment of 12.5% or $0.01875 per Common Share if a minimum offering is subscribed and an immediate dilution of 10.5% or $0.01579 per Common Share if a maximum offering is subscribed. (See “Dilution”)

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

(f) Until Completion of a Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions. (See “Business of the Company”)

(g) The Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify a suitable Qualifying Transaction. (See “Business of the Company”)

(h) Even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to successfully complete the transaction. (See “Business of the Company”)

(i) Completion of a Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and in the case of a Non Arm's Length Qualifying Transaction, Majority of the Minority Approval. (See "Business of the Company")

(j) Unless the shareholder has the right to dissent and be paid fair value in accordance with applicable corporate or other law, a shareholder who votes against a proposed 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 Company of fair value for the Common Shares.

(k) Upon public announcement of a proposed Qualifying Transaction, trading in the Common Shares of the Company will be halted and will remain halted for an indefinite period of time, typically until a Sponsor has been retained and certain preliminary reviews have been conducted. The Common Shares of the Company may 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 assurance with respect to the merits of the transaction or the likelihood of the Company completing the proposed Qualifying Transaction. (See "Business of the Company")

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

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

(n) Neither the Exchange nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction.

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

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

(q) Subject to prior Exchange acceptance, the Company may be permitted to loan or advance up to an aggregate of $250,000 of its proceeds to a target business without requiring shareholder approval and there can be no assurance that the Company will be able to recover that loan. (See "Use of Proceeds")

As a result of these factors, this Offering is suitable only to investors who are willing to rely solely on management of the Company 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

There are no legal proceedings to which the Company is or is likely to be a party.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

Auditors

The Company's auditor is Schwartz Levitsky Feldman LLP, 1167 Caledonia Road, Toronto, Ontario M6A 2X1.

Transfer Agent and Registrar

The Company's transfer agent and registrar is Equity Transfer Services Inc. at its principal office in Toronto, Ontario.

MATERIAL CONTRACTS

The Company has not entered into any contracts material to investors in the Common Shares hereunder, other than:

1. The Transfer Agency and Registrarship Agreement dated as of April 1, 2004 between the Company and the Transfer Agent.

2. The Escrow Agreement dated as of April 1, 2004 among the Company, the Transfer Agent and those shareholders that executed such Escrow Agreement referred to under "Escrowed Securities".

3. The Agency Agreement dated as of April 6, 2004 among the Company and the Agent referred to under "Plan of Distribution".

PURCHASER'S STATUTORY RIGHTS OF WITHDRAWAL AND RECISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the 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 province for the particulars of these rights or consult with a legal adviser.

Schwartz Levitsky Feldman llp
CHARTERED ACCOUNTANTS
TORONTO, MONTREAL, OTTAWA

SLF

AUDITORS' CONSENT

We have read the prospectus of Ribbon Capital Corp. dated June 23, 2004 relating to the issue and sale of a minimum of 4,000,000 Common shares and a maximum of 5,000,000 Common shares of Ribbon Capital Corp. at a price of $0.15 per Common share. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above-mentioned prospectus of our report to the directors of the company on the interim balance sheet of the company as at June 8, 2004 and the interim statements of operations, deficit and cash flows for the period from incorporation on February 23, 2004 to June 8, 2004. Our report is dated June 9, 2004 except for note 4, which is as of June 23, 2004.

Schwartz Levitsky Feldman llp

Toronto, Ontario
June 23, 2004

Chartered Accountants

1167 Caledonia Road
Toronto, Ontario M6A 2X1
Tel: 416 785 5353
Fax: 416 785 5663

RIBBON CAPITAL CORP.

INTERIM FINANCIAL STATEMENTS

JUNE 8, 2004

SLF

RIBBON CAPITAL CORP.

INTERIM FINANCIAL STATEMENTS

JUNE 8, 2004

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Schwartz Levitsky Feldman llp
CHARTERED ACCOUNTANTS
TORONTO, MONTREAL, OTTAWA

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AUDITORS' REPORT

To the Directors of
Ribbon Capital Corp.

We have audited the interim balance sheet of Ribbon Capital Corp. as at June 8, 2004 and the interim statement of operations and deficit and cash flows for the period from February 23, 2004 (date of incorporation) to June 8, 2004. These interim financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these interim 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 interim financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the interim financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall interim financial statement presentation.

In our opinion, these interim financial statements present fairly, in all material respects, the financial position of the Company as at June 8, 2004 and the results of its operations and the changes in its financial position for the period from February 23, 2004 (date of incorporation) to June 8, 2004 in accordance Canadian generally accepted accounting principles.

Schwartz Levitsky Feldman llp

Toronto, Ontario
June 9, 2004, except for
note 4 which is as of June 23, 2004

Chartered Accountants

1167 Caledonia Road
Toronto, Ontario M6A 2X1
Tel: 416 785 5353
Fax: 416 785 5663

RIBBON CAPITAL CORP.
Interim Balance Sheet
As at June 8, 2004

SLF

ASSETS		
CURRENT ASSETS		
Cash	$	69,656
Prepaid expenses		15,700
	$	85,356
LIABILITIES		
CURRENT LIABILITIES		
Accrued liabilities	$	22,000
SHAREHOLDERS' EQUITY		
CAPITAL STOCK (note 3)		100,000
DEFICIT		(36,644)
		63,356
	$	85,356

The accompanying notes are an integral part of these interim financial statements.

APPROVED ON BEHALF OF THE BOARD

\s\ *G. Michael Newman* Director

\s\ *Yoel Altman* Director

RIBBON CAPITAL CORP.
Interim Statement of Operations and Deficit
For the period from February 23, 2004 (date of incorporation) to June 8, 2004

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REVENUE	$	-
EXPENSES		
Professional fees		31,010
Public company filing fees		5,634
NET LOSS AND DEFICIT, END OF PERIOD	$	(36,644)

The accompanying notes are an integral part of these interim financial statements.

RIBBON CAPITAL CORP.

Interim Statement of Cash Flows
For the period from February 23, 2004 (date of incorporation) to June 8, 2004

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CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$	(36,644)
Increase in prepaid expenses		(15,700)
Increase in accrued liabilities		22,000
		(30,344)
CASH FLOWS FROM FINANCING ACTIVITIES		
Share capital issued for cash		100,000
INCREASE IN CASH		69,656
Cash, beginning of period		-
CASH, END OF PERIOD	$	69,656

The accompanying notes are an integral part of these interim financial statements.

RIBBON CAPITAL CORP.

Notes to Interim Financial Statements
June 8, 2004

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1. NATURE OF OPERATIONS AND FUTURE OPERATIONS

Ribbon Capital Corp. (the "Company"), a Capital Pool Company ("CPC"), is an issuer that is currently proposing a listing on the TSX Venture Exchange as a capital pool company. The Exchange's CPC program was designed as a corporate finance vehicle to provide businesses with an opportunity to obtain financing earlier in their development than might be possible with a regular initial public offering ("IPO"). The CPC program permits an IPO to be conducted and an Exchange listing to be achieved by a newly created company which, other than cash, has no assets and has no business or operations. The Company then uses this pool of funds to identify and evaluate assets or businesses to be acquired which would reasonably appear to constitute significant assets and the acquisition of which would reasonably appear to constitute a "Qualifying Transaction" under the CPC Program of the TSX Venture Exchange (the "Exchange"). This will, ultimately, result in the Company obtaining a listing as a regular Tier 1 or Tier 2 Issuer on the Exchange. The Exchange may suspend from trading or delist the Common shares of the Company where the Exchange has not issued a Final Exchange Bulletin to the Company within 18 months of the date of listing. The operations of the Company were primarily funded by the issuance of seed shares. The continued operations of the Company are dependent on its ability to complete the Qualifying Transaction, complete sufficient public equity financing and generate profitable operations in the future. The gross proceeds raised from the IPO may only be used to identify a Qualifying Transaction, with the exception that the lesser of 30% of the gross proceeds and $210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of interim financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the interim financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

3. CAPITAL STOCK

a) Authorized

An unlimited number of Common shares without par value

b) Issued

1,333,332	Common shares	$ 100,000

3. CAPITAL STOCK (cont'd)

c) Escrowed Shares

All of the 1,333,332 common shares issued prior to the offering (note 4) and all common shares that may be acquired from the treasury of the Company by Non Arm's Length Parties, as defined in the policies of the Exchange either under the offering or otherwise prior to completion of the Qualifying Transaction will be deposited with the Trustee under the Escrow Agreement.

All common shares acquired on exercise of stock options prior to completion of the Qualifying Transaction, must also be deposited in escrow until the final exchange bulletin is issued.

All common shares of the Company acquired in the secondary market prior to the completion of a Qualifying Transaction by a Control Person, as defined in the policies of the Exchange, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the corporation held by the Principals of the resulting issuer will also be escrowed.

4. SUBSEQUENT EVENTS

a) On June 23, 2004, the Company filed a prospectus in connection with its proposed listing on the Exchange as a CPC.

b) Agent's Compensation

The Company intends to grant First Associates Investments Inc. ("First"), the lead agent of the proposed equity offering, the option to purchase that number of common shares equal to 10% of the aggregate number of common shares sold pursuant to this offering at a price of $0.15 per common share. This option will be available for exercise for a period of 12 months from the date of closing of the offering. In addition, the Company has agreed to pay a commission equal to 8% of the gross proceeds of the offering and other fees estimated to be $10,000 plus GST to First as compensation for acting as lead agent.

c) Options for Directors and Officers

The Company proposes to grant options to purchase the equivalent of 10% of the outstanding Common Shares of the Company upon the closing of the offering being 533,333 in the event the minimum offering is subscribed and 633,333 in the event the maximum offering is subscribed at a price of $0.15 per Common Share to the Company's directors and officers in accordance with the policies of the Exchange, which options are qualified for distribution under this prospectus.

CERTIFICATE OF THE COMPANY

Dated: June 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 XV of the *Securities Act* (Ontario), Part 9 of the *Securities Act* (Alberta) and Part 9 of the *Securities Act* (British Columbia), and the respective regulations thereunder.

"G. Michael Newman	*"Yoel Altman"*
(signed) G. Michael Newman President, Chief Executive Officer	(signed) Yoel Altman Chief Financial Officer

On behalf of the Board of Directors

"Peter Wanner"	*"Myra Bongard"*
(signed) Peter Wanner Director	(signed) Myra Bongard Director

CERTIFICATE OF THE AGENT

Dated: June 23, 2004

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part XV of the *Securities Act* (Ontario), Part 9 of the *Securities Act* (Alberta) and Part 9 of the *Securities Act* (British Columbia), and the respective regulations thereunder.

FIRST ASSOCIATES INVESTMENTS INC.
Per:
"Edward Reisner"

(signed) Edward Reisner
Vice President and Sales Manager