This is a preliminary prospectus relating to these securities, a copy of which has been filed with the securities commissions or other regulatory authorities in the Provinces of Alberta, British Columbia, Ontario and Quebec and with the TSX Venture Exchange Inc. (the "Exchange") but which has not yet become final for the purpose of a distribution to the public. Information contained herein is subject to completion or amendment. These securities may not be sold to, nor may offers to buy be accepted from, residents of such jurisdictions prior to the time a receipt is obtained for the final prospectus from the appropriate securities commission or other regulatory authority in such Provinces.

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

PRELIMINARY PROSPECTUS

Initial Public Offering **April 30, 2004**

QUINSAM CAPITAL CORPORATION

(a Capital Pool Company)

Minimum Offering: $1,000,000 or 10,000,000 Common Shares
Maximum Offering: $1,750,000 or 17,500,000 Common Shares

Price: $0.10 per share

Quinsam Capital Corporation (the "Corporation") hereby offers through its agent, Desjardins Securities Inc. (the "Agent") common shares in the capital of the Corporation (the "Common Shares") at a price of $0.10 per Common Share in the minimum amount of 10,000,000 Common Shares for minimum gross proceeds of $1,000,000 and in the maximum amount of 17,500,000 Common Shares for maximum gross proceeds of $1,750,000. The purpose of this offering (the "Offering") is to provide the Corporation with a minimum of funds in order to identify and evaluate assets or businesses with a view to completing a Qualifying Transaction as such term is hereinafter 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 such term is hereinafter defined, in accordance with Exchange Policy 2.4 (the "CPC Policy"). The Corporation is a capital pool company ("CPC") as such term is hereinafter defined. It has not commenced commercial operations and has no assets other than a minimum of cash. Except as specifically contemplated in the CPC Policy, until the Completion of a Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a proposed Qualifying Transaction. See "Business of the Corporation" and "Use of Proceeds".

This Offering is made on a best efforts basis only by the Agent and is subject to the receipt by the Corporation of a minimum subscription of 10,000,000 Common Shares for total gross proceeds to the Corporation of $1,000,000. This Offering is also subject to approval of certain legal matters by Sangra, Moller, Vancouver, British Columbia, on behalf of the Corporation and by Charette Nantel Attorneys GP, Montreal, Quebec, on behalf of the Agent. The offering price of the Common Shares was determined by negotiation between the Corporation and the Agent. All funds received from the sale of the Common Shares will be deposited and held by the Agent and will not be released until a minimum of $1,000,000 has been deposited and the Agent has consented to such release pursuant to the terms of an agency agreement between the Corporation and the Agent. If subscriptions for a minimum of 10,000,000 Common Shares have not been received within 90 days of the issuance of a receipt for the final prospectus or such other time as may be consented to by persons or companies who subscribed within that period and agreed to by the Agent, all subscription proceeds will be returned to subscribers without interest or deduction unless the subscribers have otherwise instructed the Agent. See "Plan of Distribution".

	Common Shares	Price to Public	Agent's Commission(1)	Net Proceeds to the Corporation(2)
Per Common Share	1	$ 0.10	$ 0.01	$ 0.09
Minimum Offering	10,000,000	$1,000,000	$ 100,000	$ 900,000
Maximum Offering(3)	17,500,000	$1,750,000	$ 175,000	$1,575,000

Notes:

(1) The Agent will receive a corporate finance fee in the amount of $15,000 plus applicable taxes as well as a commission of 10% of the gross proceeds of this Offering representing an amount of $100,000 if the minimum offering is subscribed and an amount of $175,000 if the maximum offering is subscribed. In addition, the Agent will be granted a non-transferable option (the "Agent's Option") to purchase that number of Common Shares that is equal to 10% of the total number of Common Shares sold in connection with this Offering, at a price of $0.10 per Common Share representing 1,000,000 Common Shares if the minimum offering is subscribed and 1,750,000 Common Shares if the maximum offering is subscribed, exercisable for a period of 18 months from the date of listing the Common Shares on the Exchange, which Agent's Option is qualified for distribution under this prospectus. The Agent will also be reimbursed by the Corporation for all its legal fees estimated at $12,000 plus applicable taxes. See "Plan of Distribution".

(2) Before deducting the costs and expenses of this issue estimated in the aggregate amount of $72,000 including the listing fee payable to the Exchange of $10,000 representing the maximum Exchange fee chargeable plus applicable taxes and the Agent's corporate finance fee. See "Use of Proceeds".

(3) A maximum of 17,500,000 Common Shares are offered under this Offering, which do not include the Agent's Option representing 1,000,000 Common Shares in the event where the minimum offering is subscribed and 1,750,000 Common Shares in the event where the maximum offering is subscribed nor does it include the 1,450,000 Common Shares in the case of the minimum offering and the 2,200,000 Common Shares in the case of the maximum offering issuable pursuant to the exercise of options to be granted to the directors and officers of the Corporation. All of the above options are exercisable at the price of $0.10 per Common Share and are qualified by this prospectus. See "Plan of Distribution" and "Options to Purchase Securities".

THERE IS CURRENTLY NO MARKET THROUGH WHICH THE SECURITIES OFFERED HEREUNDER MAY BE SOLD. The Corporation has applied to the Exchange for conditional approval of the listing of the Common Shares. Final acceptance will be subject to the Corporation fulfilling all the listing requirements of the Exchange.

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

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

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

The directors and officers of the Corporation will only be devoting a portion of their time and attention to the affairs of the Corporation. There are potential conflicts of interest to which some of the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. The directors and officers currently own 100% of the issued and outstanding Common Shares and will own 20.45% of the issued and outstanding Common Shares if the maximum offering is subscribed and 31.04% of the issued and outstanding Common Shares if the minimum offering is subscribed. See "Business of the Corporation", "Management of the Corporation", "Directors, Officers and Promoters", "Use of Proceeds" and "Risk Factors".

The Exchange may suspend trading of the Common Shares, delist the Corporation or transfer trading in the Common Shares to the NEX Board where the Corporation has failed to complete a Qualifying Transaction within 18 months of the date of listing. The Executive Directors of the securities commissions of Alberta, British Columbia, Ontario and Quebec (the "Commissions") may issue an interim cease trade order against the Corporation's securities if the Common Shares of the Corporation are suspended from trading on the Exchange, and will issue such an interim cease trade order if the Corporation is delisted from the Exchange. In addition, delisting of the Corporation or the listing of the Corporation on the NEX Board will result in the cancellation of all of the currently issued and outstanding Common Shares held by Non Arm's Length Parties that are Seed Shares within the meaning of the CPC Policy. See "Risk Factors".

Furthermore, it may be difficult or impossible to effect service or notice to commence legal proceedings upon any directors, officers or experts located in foreign countries. It may not be possible to enforce judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada against such persons or foreign businesses. See "Risk Factors".

Subscribers acquiring Common Shares under this Offering will suffer an immediate dilution of 15.5% or $0.016 per Common Share if the minimum offering is subscribed and 10.2% or $0.01 per Common Share if the maximum offering is subscribed, on the basis of there being 14,500,000 Common Shares of the Corporation issued and outstanding in the event the minimum offering is subscribed and 22,000,000 Common Shares of the Corporation issued and outstanding in the event the maximum offering is subscribed following completion of this Offering. Dilution has been computed on the basis of total gross proceeds to be raised under this prospectus and from sales of securities prior to filing this prospectus, without deduction of

commissions or related expenses incurred by the Corporation. See "Capitalization", "Dilution" and "Risk Factors".

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

Pursuant to the CPC Policy, the maximum number of Common Shares that may be directly or indirectly purchased by any one purchaser to this Offering is 2% or 200,000 of the total Common Shares offered under this prospectus if the minimum offering is subscribed and 350,000 of the total Common Shares offered under this prospectus if 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% or 400,000 Common Shares if the minimum offering is subscribed and 700,000 Common Shares if the maximum offering is subscribed.

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

DESJARDINS SECURITIES INC.
1 Place Ville Marie
Suite 2707
Montréal, Québec
H3B 4G4

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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:

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

(b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the Company.

A Person beneficially owns securities that are beneficially owned by:

(a) a Company controlled by that Person; or

(b) an Affiliate of that Person or an Affiliate of any Company controlled by that Person.

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

(a) identifies assets or a business to be acquired which would reasonably appear to constitute Significant Assets and the acquisition of which would reasonably appear to constitute a Qualifying Transaction;

(b) identifies the parties to the Qualifying Transaction;

(c) identifies the consideration to be paid for the Significant Assets or otherwise identifies the means by which the consideration will be determined; 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.

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

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

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

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

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

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

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

"CPC Policy" means Exchange Policy 2.4.

"Escrow Agent" means Pacific Corporate Trust Company, the escrow agent of the Corporation, with an office at 625 Howe Street, 10th Floor, Vancouver, British Columbia, V6C 3B8.

"Exchange" means the TSX Venture Exchange Inc.

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

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

(a) a director or senior officer of the 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.

"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

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

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

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

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

"Non Arm's Length Qualifying Transaction" means a proposed Qualifying Transaction where the same party or partied 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 Exchange Bulletin confirming final acceptance of a transaction ("Final Exchange Bulletin");

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

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

(d) a 10% holder - a person or company that:

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

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

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

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

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

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

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

"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.

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

PROSPECTUS SUMMARY

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

ISSUER: Quinsam Capital Corporation.

OFFERING: A minimum of 10,000,000 Common Shares in the capital of the Corporation are being offered under this prospectus at a price of $0.10 per Common Share for minimum gross proceeds of $1,000,000 and a maximum of 17,500,000 Common Shares for maximum gross proceeds of $1,750,000 (the "Offering"). This Offering is being made on a best efforts basis by the Agent. In addition, the Corporation will grant to the Agent an option to purchase that number of Common Shares that is equal to 10% of the total number of Common Shares sold in connection with this Offering at a price of $0.10 per Common Share representing 1,000,000 Common Shares if the minimum offering is subscribed and 1,750,000 Common Shares if the maximum offering is subscribed, exercisable for a period of 18 months from the date of listing of the Common Shares on the Exchange, which option is qualified under this prospectus (the "Agent's Option"). The Corporation also intends to grant options to directors and officers of the Corporation to purchase up to 1,450,000 Common Shares if the minimum offering is subscribed and 2,200,000 Common Shares if the maximum offering is subscribed at a price of $0.10 per Common Share, which options are qualified for distribution under this prospectus. A total of up to 3,950,000 options are qualified for distribution under this prospectus.

PRICE: $0.10 per Common Share.

BUSINESS OF THE CORPORATION: The Corporation is a Capital Pool Company created pursuant to the CPC Policy. The principal business of the Corporation will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. 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 hereinafter defined, in accordance with the CPC Policy. The Corporation has not commenced commercial operations and has no assets other than a minimum of cash. Except as specifically contemplated in the CPC Policy, until Completion of the Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of assets and businesses with a view to completing a Qualifying Transaction. See "Business of the Corporation" and "Use of Proceeds".

USE OF PROCEEDS: Assuming completion of this Offering, the net proceeds thereof to the Corporation will be $900,000 if the minimum offering is subscribed and $1,575,000 if the maximum offering is subscribed (after deduction of the Agent's Commission but before deduction of the issue costs including the Agent's corporate finance fee of $15,000 plus applicable taxes). The net proceeds of this Offering will be used to provide the Corporation with a minimum of funds with which to identify and evaluate assets or businesses for acquisition with a view to completing a Qualifying Transaction. The Corporation may not have sufficient funds to secure such businesses or assets once identified and evaluated and additional funds may be required. Until Completion of the Qualifying Transaction, and except as otherwise provided in the CPC Policy, a maximum of the lesser of 30% of the gross proceeds realized or $300,000 may be used for purposes other than evaluating businesses or assets. See "Use of Proceeds", "Risk Factors" and "Business of the Corporation".

DIRECTORS AND MANAGEMENT:

Roy Zanatta .... Chief Executive Officer, President, Chief Financial Officer and Director
Bryan Beer .... Vice-President, Secretary and Director
Robert Demers .... Director

Jimmy S.H. Lee .... Director
Mark Steinley .... Director

ESCROWED SHARES: All of the 4,500,000 Common Shares issued by the Corporation prior to the closing of this Offering and which were issued at a price of less than $0.10 per Common Share ("Seed Shares") will be deposited in escrow pursuant to an Escrow Agreement, as hereinafter defined, and will be released from escrow in stages over a period of up to three years from the date of the Final Exchange Bulletin. The total number of Seed Shares to be held in escrow subject to the Escrow Agreement is 4,500,000 Common Shares. See "Escrowed Securities".

RISK FACTORS: **There is currently no established market for the Common Shares. An investment in the Common Shares must be regarded as highly speculative due to the proposed nature of the Corporation's business and its present stage of development.**

The Corporation was recently incorporated and does not have any business operations or assets other than cash. It has not entered into an Agreement in Principle as defined in the CPC Policy and does not have a history of earnings nor has it paid any dividends, and will not generate any earnings or pay any dividends before Completion of the Qualifying Transaction.

If the Corporation identifies a suitable business or asset, the Exchange may not approve the transaction as a Qualifying Transaction or management may determine that market conditions make the terms of the acquisition uneconomic. Furthermore, the Corporation may require additional financing to both secure and exploit the business or asset and there is no guarantee that such financing will be available.

The Exchange will generally suspend trading in the Corporation's Common Shares, delist the Corporation or transfer trading in the Common Shares to the NEX Board in the event that the Exchange has not issued a Final Exchange Bulletin within 18 months of the date of listing. The Executive Directors of the Commissions may issue an interim cease trade order against the Corporation's securities if the Common Shares of the Corporation are suspended from trading on the Exchange, and will issue such an interim cease trade order if the Corporation is delisted from the Exchange. In addition, delisting of the Corporation or the listing of the Corporation on the NEX Board will result in the cancellation of all of the currently issued and outstanding Common Shares held by Non Arm's Length Parties that are Seed Shares within the meaning of the CPC Policy.

An acquisition financed by the issuance of treasury shares could result in a change in the control of the Corporation and may cause the shareholders' interest in the Corporation to be further diluted.

Without limiting the generality of the foregoing, this Offering is only suitable for those investors who are willing to rely solely on the directors and management of the Corporation and who are prepared to risk a loss of their entire investment. The directors and officers of the Corporation will only devote part of their time and attention to the affairs of the Corporation and there are potential conflicts of interest to which some of the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. Assuming completion of the Offering, an investor will suffer an immediate dilution on investment of 15.5% or $0.016 per Common Share if the minimum offering is subscribed and 10.2% or $0.01 per Common Share if the maximum offering is subscribed, on the basis of there being 14,500,000 Common Shares of the Corporation issued and outstanding in the event the minimum offering is subscribed and 22,000,000 Common Shares of the Corporation issued and outstanding in the event the maximum offering is subscribed following completion of this Offering. Dilution has been computed on the basis of total gross proceeds to be raised under this prospectus and from sales of securities prior to filing this prospectus, without deduction of commissions or related expenses incurred by the

Corporation.

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

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

THE CORPORATION

Name and Incorporation

Quinsam Capital Corporation (the "Corporation") was incorporated on March 18, 2004, under the *Canada Business Corporations Act*. The share capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of Class A Preferred Shares. As at April 30, 2004, the Corporation had 4,500,000 Common Shares issued and outstanding and no Class A Preferred Shares issued and outstanding.

Place of Business

The executive office of the Corporation is located at 4434 West 1st Avenue, Vancouver, British Columbia, V6R 4J4 and the registered office of the Corporation is located at Suite 1000, 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2.

BUSINESS OF THE CORPORATION

Preliminary Expenses

Since its inception, the Corporation has not incurred administrative or development expenses except for approximately $3,000 representing the costs of incorporation, the costs of issuances of share capital and professional fees for the audit of the Corporation's financial statement as at March 31, 2004. Excluding the costs of this issue (including listing, legal and audit expenses), it is estimated that during the twelve month period from the date of this prospectus, general and administrative expenses of approximately $40,000 will be incurred. These expenses may change if the directors and officers of the Corporation consider a change to be in the best interests of the Corporation or if a Qualifying Transaction is completed during this period. See "Use of Proceeds".

Proposed Operations until Completion of a Qualifying Transaction

The Corporation is a Capital Pool Company created pursuant to the CPC Policy. The principal business of the Corporation is to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. Any potential Qualifying Transaction must be accepted by the Exchange and in the case of a Non Arm's Length Qualifying Transaction is also subject to Majority of the Minority Approval in accordance with the CPC Policy. To date, the Corporation has not conducted commercial operations of any kind. The Corporation does not own any assets, other than cash, nor does it have a potential Qualifying Transaction.

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

Geographical Restrictions

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

Method of Financing

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

Criteria for a Qualifying Transaction

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

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

Upon the Corporation reaching an Agreement in Principle, the Corporation must issue a comprehensive news release, at which time the Exchange generally will halt trading in the Corporation's Common Shares until the filing requirements of the Exchange have been satisfied as set forth under "Trading Halts, Suspension and Delisting". Within 75 days after the issuance of such news release, the Corporation shall be required to submit for review to the Exchange either an information circular that complies with applicable corporate and securities laws or a filing statement that complies with the Exchange requirements. 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 a 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 Corporation, assuming Completion of the Qualifying Transaction, and be prepared in accordance with the CPC Policy and Form 3B1/Form 3B2. Upon acceptance by the Exchange, the Corporation must then either:

(a) 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

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

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

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

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

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

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

Minimum Listing Requirements

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

Trading Halts, Suspension and Delisting

The Exchange will generally halt trading in the Common Shares from the date of the public announcement of an Agreement in Principle until all filing requirements of the Exchange have been satisfied, which includes the submission of a Sponsorship Acknowledgement Form, where the Qualifying Transaction is subject to sponsorship.

In addition, personal information forms for all individuals who may be directors, senior officers, promoters, or Insiders of the Resulting Issuer must be filed with the Exchange and any preliminary background searches that the Exchange considers necessary or advisable, must also be completed, before the trading halt will be lifted by the Exchange.

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

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

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

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

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

Refusal of a Qualifying Transaction

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

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

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

  (i) a member firm of the Exchange;

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

  (iii) Associates of any such person,

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

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

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

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

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

USE OF PROCEEDS

Proceeds and Principal Purposes

(a) The gross proceeds received by the Corporation from the sale of 4,500,000 Common Shares prior to the date of this prospectus amounted to $225,000;

(b) The expenses and costs related to incorporation, the issuance of the above-mentioned shares and the audit of the Corporation's financial statement dated March 31, 2004 amounted to approximately $3,000;

(c) The gross proceeds to be received by the Corporation from the sale of the Common Shares offered by this prospectus will be $1,000,000 if the minimum offering is subscribed and $1,750,000 if the maximum offering is subscribed;

(d) The expenses and costs of the issuance referred to in (c) incurred to date and expected to be incurred in the future, including the Agent's fee and commission related to the Offering, will total approximately $172,000 if the minimum offering is subscribed and approximately $247,000 if the maximum offering is subscribed; and

(e) The Corporation expects the funds available to it from: (i) the sale of Common Shares distributed under the prospectus; and (ii) the prior sale of Common Shares, will be $1,050,000 if the minimum offering is subscribed and $1,725,000 if the maximum offering is subscribed.

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

Proceeds to the Corporation	Minimum Offering	Maximum Offering
Cash proceeds raised from the sale of Common Shares prior to this Offering(1)	$ 225,000	$ 225,000
Expenses and costs relating to raising the cash proceeds above	$ (3,000)	$ (3,000)
Cash proceeds to be raised pursuant to this Offering(2)	$ 1,000,000	$ 1,750,000
Costs and expenses associated with this Offering (including listing fees, Agent's fee and commission, legal fees, audit fees and expenses)	$ (172,000)	$ (247,000)
Estimated funds available (on completion of the Offering)	**$ 1,050,000**	**$ 1,725,000**
Funds available for identifying and evaluating assets or business prospects(3)	$ 1,010,000	$ 1,685,000
Estimated general and administrative expenses until Completion of a Qualifying Transaction	$ 40,000	$ 40,000
TOTAL NET PROCEEDS	**$ 1,050,000**	**$ 1,725,000**

Notes:

(1) See "Prior Sales".

(2) In the event the Agent exercises the Agent's Option and the directors and officers exercise the Incentive Stock Options (as such term is hereinafter defined), there will be available to the Corporation a maximum of an additional $245,000 in the event the minimum offering is subscribed and $395,000 in the event the maximum offering is subscribed, which will be added to the working capital of the Corporation. There is no assurance that any of these options will be exercised.

(3) In the event that the Corporation enters into an Agreement in Principle prior to spending the entire proceeds of $1,725,000 in the event the maximum offering is subscribed and $1,050,000 in the event the minimum 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 Corporation's purposes, the proceeds will only be invested in securities of, or those guaranteed by, the Government of Canada or any Province or territory of Canada or the Government of the United States of America, in certificates of deposit or interest-bearing accounts of Canadian chartered banks, trust companies or credit unions.

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

Permitted Use of Funds

Until the Completion of the Qualifying Transaction and except as otherwise specifically provided by the CPC Policy and described in "Restrictions on Use of Proceeds", "Private Placements for Cash" and "Prohibited Payments to Related Parties", the gross proceeds realized from the sale of all securities issued by the Corporation will only be used by the Corporation to identify and evaluate assets or businesses and, if required, 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 and geological reports;

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

(vii) fees for legal and accounting services,

relating to the identification and evaluation of assets or businesses and in the case of a Non Arm's Length Qualifying Transaction, the obtaining of shareholder approval for the Corporation's proposed Qualifying Transaction.

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

Restrictions on Use of Proceeds

Until Completion of a Qualifying Transaction, not more than the lesser of 30% of the gross proceeds from the sale of all securities issued by the Corporation or $300,000 will be used for purposes other than those described above. For greater certainty, expenditures not included as "Permitted Use 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 Corporation, 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 this Offering and until the Completion of the Qualifying Transaction, the Corporation will not issue any securities unless written acceptance of the Exchange is obtained before issuance. Prior to Completion of the Qualifying Transaction, the Exchange generally will not accept a private placement by the Corporation where the gross proceeds raised from the issuance of securities both prior to and pursuant to the Offering, together with any proceeds anticipated to be raised upon closing of the private placement, will exceed $2,000,000. The only securities issuable pursuant to such private placement will be Common Shares.

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

Prohibited Payments to Non Arm's Length Parties

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

(a) remuneration, which includes but is not limited to salaries, consulting fees, management contract fees 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 Corporation may reimburse a Non Arm's Length Party to the Corporation for reasonable expenses for office supplies, office rent and related utilities, equipment leases (excluding vehicle leases), and legal services (provided that neither the lawyer providing the legal services nor any member of the law firm providing the services is a promoter of the Corporation or in the case of a law firm, no member of the firm, owns greater than 10% of the outstanding Common Shares of the Corporation), and the Corporation may also reimburse a Non Arm's Length Party to the Corporation for reasonable out-of-pocket expenses incurred in pursuing the business of the Corporation described in "Permitted Use of Funds".

The 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 •, 2004 among the Corporation and Desjardins Securities Inc. (the "Agent"), the Corporation has appointed the Agent as its agent to offer for distribution to the public, on a best efforts basis, a minimum of 10,000,000 Common Shares and a maximum of 17,500,000 Common Shares, pursuant to this prospectus, at a price of $0.10 per Common Share for minimum gross proceeds of $1,000,000 and for maximum gross proceeds of $1,750,000, subject to the terms and conditions of the Agency Agreement. The Agent will receive a commission of 10% of the aggregate gross proceeds from the sale of the Common Shares as well as a corporate finance fee in the amount of $15,000 plus applicable taxes. The Agent will also be reimbursed by the Corporation for its legal fees estimated in the amount of $12,000 plus applicable taxes.

In addition, the Agent will be granted a non-transferable option to purchase 1,000,000 Common Shares in the case of the minimum offering and 1,750,000 Common Shares in the case of the maximum offering at a price of $0.10 per Common Share (the "Agent's Option") which may be exercised for a period of 18 months from the date the Common Shares are listed on the Exchange. The Agent's Option is qualified under this prospectus. The Agent intends to sell to the public any of the Common Shares received by it upon the exercise of the Agent's Option. No more than 50% of the Common Shares received by the Agent on exercise of the Agent's Option may be sold prior to the Completion of the Qualifying Transaction. The remaining 50% may only be sold after Completion of the Qualifying Transaction. As at the date hereof, the Agent does not own any Common Shares of the Corporation.

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

Best Efforts Offering and Minimum Distribution

The total Offering consists of 17,500,000 Common Shares for total gross proceeds of $1,750,000 if the maximum offering is subscribed and 10,000,000 Common Shares for total gross proceeds of $1,000,000 if the minimum offering is subscribed. Pursuant to the CPC Policy, the maximum number of Common Shares which may be directly or indirectly purchased by any one purchaser to this Offering is 2% of the Common Shares offered hereunder or 350,000 Common Shares if the maximum offering is subscribed and 200,000 Common Shares if the minimum offering is subscribed. In addition, the maximum number of Common Shares that may be directly or indirectly purchased by that purchaser, together with any Associates or Affiliates of that purchaser, is 4% or 700,000 Common Shares if the maximum offering is subscribed and 400,000 Common Shares if the minimum offering is subscribed. The funds received from the Offering will be deposited with the Agent, and will not be released until a minimum of $1,000,000 has been deposited and the Agent consents to the release thereof. Minimum subscriptions of 10,000,000 Common Shares for total gross proceeds of $1,000,000 must be raised within 90 days of the issuance of a final receipt for this prospectus, or such other time as may be consented to by persons or companies who subscribed within that period, failing which the Agent will remit the funds collected to the original subscribers without interest or deduction, unless subscribers have otherwise instructed the Agent.

Other Securities to be Distributed

The Corporation also proposes to grant options to directors and officers of the Corporation to purchase up to 1,450,000 Common Shares if the minimum offering is subscribed and up to 2,200,000 Common Shares if the maximum offering is subscribed, in accordance with the Policies of the Exchange, which options are qualified for distribution under this prospectus. See "Options to Purchase Securities" and "Plan of Distribution".

Determination of Price

The price of this Offering has been determined by negotiation between the Corporation and the Agent.

Listing Application

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

Restrictions on the Agent

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

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

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

until Completion of the Qualifying Transaction, the aggregate number of Common Shares permitted to be owned directly or indirectly by the participants referred to above, is 20% of the issued and outstanding Common Shares of the Corporation, exclusive of Common Shares reserved for issuance at a future date.

Restriction on Trading

Other than the initial distribution of the Common Shares pursuant to this prospectus, the grant of the Agent's Option and the Incentive Stock Options (as such term is hereinafter defined) granted to directors and officers of the Corporation, no securities of the Corporation will be permitted to be issued during the period between the date a receipt for the prospectus is issued by the 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

The Corporation is authorized to issue an unlimited number of Common Shares of which 4,500,000 Common Shares are issued and outstanding as fully paid and non-assessable as at the date hereof.

The holders of the Common Shares are entitled to receive notice of, attend at and vote at all meetings of the shareholders of the Corporation (except at which only holders of a specified class or series of shares are entitled to vote), to receive dividends, if, as and when declared by the board of directors of the Corporation and to receive such assets of the Corporation as are distributable to the holders of the Common Shares.

CAPITALIZATION

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

Designation of Securities	Amount authorized	Amount outstanding as at March 31, 2004(1)(4)	Amount to be outstanding if the minimum Offering is sold(2) (3) (5)	Amount to be outstanding if the maximum Offering is sold(2)(3)(5)
Common Shares	Unlimited	$225,000 (4,500,000 Common Shares)	$1,225,000 (14,500,000 Common Shares)	$1,975,000 (22,000,000 Common Shares)
Class A Preferred Shares	Unlimited	Nil	Nil	Nil

Note:

(1) At that date of the most recent balance sheet contained in the prospectus, the Corporation had not commenced commercial operations other than as otherwise disclosed under this prospectus.

(2) Does not include the 1,450,000 Common Shares issuable in the event the minimum offering is subscribed and the 2,220,000 Common Shares issuable in the event the maximum offering is subscribed pursuant to the exercise of options to be granted to directors and officers of the Corporation. All of the options have an exercise price of $0.10 per Common Share. See "Options to Purchase Securities".

(3) Does not include 1,000,000 Common Shares issuable in the event the minimum offering is subscribed and the 1,750,000 Common Shares issuable in the event the maximum offering is subscribed pursuant to the exercise of the Agent's Option. The Agent's Option will have an exercise price of $0.10 per Common Share. See "Plan of Distribution."

(4) The Common Shares shown as outstanding as at March 31, 2004 will be held in escrow in accordance with the CPC Policy. See "Escrowed Securities".

(5) Before deducting the Agent's commission in the amount of $100,000 if the minimum offering is subscribed and an amount of $175,000 if the maximum offering is subscribed, the Agent's corporate finance fee in the amount of $15,000 plus applicable taxes and the Agent's legal fees estimated at $12,000 plus applicable taxes and the Corporation's expenses of the issue.

OPTIONS TO PURCHASE SECURITIES

The options to purchase up to 1,450,000 Common Shares in the event the minimum offering is subscribed and up to 2,200,000 Common Shares if the maximum offering is subscribed, which options are to be granted after closing of this Offering to directors and officers of the Corporation, are qualified for distribution pursuant to this prospectus. The table below outlines the options to be granted to directors and officers of the Corporation.

Name of Optionee	No. of Common Shares Reserved Under Option if Minimum Offering is Subscribed	No. of Common Shares Reserved Under Option if Maximum Offering is Subscribed	Exercise Price	Expiration Date
Roy Zanatta	725,000	1,100,000	$ 0.10	5 years from the date of grant
Bryan Beer	175,000	275,000	$ 0.10	5 years from the date of grant
Robert Demers	200,000	300,000	$ 0.10	5 years from the date of grant
Jimmy S.H. Lee	200,000	300,000	$ 0.10	5 years from the date of grant
Mark Steinley	150,000	225,000	$ 0.10	5 years from the date of grant
Total:	**1,450,000**	**2,200,000**		

Stock Option Terms

The policies of the Exchange provide that the board of directors of the Corporation may from time to time, in its discretion and in accordance with the Exchange requirements, grant to directors, officers and technical consultants of the Corporation, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the total issued and outstanding Common Shares of the Corporation exercisable for a period of up to five years from the date of the grant (the "Incentive Stock Options"). The number of Common Shares reserved for issuance to any individual director or officer of the Corporation 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.

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

PRIOR SALES

Since the date of incorporation of the Corporation, 4,500,000 Common Shares have been issued as follows:

Date Issued	Number of Common Shares(1)	Issue Price Per Common Share	Aggregate Issue Price	Nature of Consideration
March 23, 2004	4,500,000	$0.05	$225,000	Cash

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

ESCROWED SECURITIES

All of the 4,500,000 Common Shares issued prior to this Offering at a price below $0.10 per Common Share and all Common Shares that may be acquired by Non Arm's Length Parties of the Corporation either under this Offering or otherwise prior to Completion of the Qualifying Transaction will be deposited with Pacific Corporate Trust Company under an escrow agreement to be dated •, 2004 (the "Escrow Agreement").

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

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

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

Name and Municipality of Residence of Shareholder	Common Shares	Number of Escrowed Shares	Percentage of Shares Issued Before Offering	Percentage of Shares Issued Minimum Offering(1)	Percentage of Shares Issued Maximum Offering(1)
Roy Zanatta Vancouver, British Columbia	3,000,000	3,000,000	66.67%	20.69%	13.64%
Bryan Beer Toronto, Ontario	300,000	300,000	6.67%	2.07%	1.36%
Robert Demers Montreal, Quebec	500,000	500,000	11.11%	3.45%	2.27%
Jimmy S.H. Lee Zurich, Switzerland	500,000	500,000	11.11%	3.45%	2.27%
Mark Steinley Las Vegas, Nevada	200,000	200,000	4.44%	1.38%	0.91%
TOTAL	**4,500,000**	**4,500,000**	**100%**	**31.04%**	**20.45%**

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 to directors and officers of the Corporation.

Where the Common Shares 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 which could reasonably result in a change of control of the holding company. In addition, the Exchange may require an undertaking from any Control Person of the holding company not to transfer the shares of that company.

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

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

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

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

Escrowed Securities on Qualifying Transaction

Generally, if at least 75% of the securities issued pursuant to a Qualifying Transaction are "Value Securities", then all of the securities issued to Principals of the Resulting Issuer pursuant to the Qualifying Transaction will be deposited into escrow pursuant to a value security agreement (the "Value Security Escrow Agreement"). "Value Securities" are securities issued pursuant to a transaction, for which the deemed value of the securities at least equals the value ascribed to the assets, using a valuation method acceptable to the Exchange, or securities that are otherwise determined by the Exchange to be Value Securities and required to be placed in escrow under 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 months after 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 months after 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 and 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 Corporation and the proposed Resulting Issuer will generally be exempt from escrow requirements where:

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

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

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

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

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

PRINCIPAL SHAREHOLDERS

As at the date of this prospectus, the only shareholders of the Corporation holding at least 10% of the issued and outstanding Common Shares were Mr. Roy Zanatta, the Chief Executive Officer, President, Chief Financial Officer and a director of the Corporation, who holds 66.67% of the issued and outstanding Common Shares and Messrs. Robert Demers and Jimmy S.H. Lee who each hold 11.11% of the issued and outstanding Common Shares of the Corporation. Robert Demers and Jimmy S.H. Lee are directors of the Corporation.

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

Name and Municipality of Residence of Shareholder	Common Shares	Number of Escrowed Shares	Percentage of Shares Issued Before Offering	Percentage of Shares Issued if Minimum Offering	Percentage of Shares Issued if Maximum Offering
Roy Zanatta Vancouver, British Columbia	3,000,000	3,000,000	66.67%	20.69%	13.64%
Robert Demers Montreal, Quebec	500,000	500,000	11.11%	3.45%	2.27%
Jimmy S.H. Lee Zurich, Switzerland	500,000	500,000	11.11%	3.45%	2.27%
TOTAL	**4,000,000**	**4,000,000**	**88.89%**	**27.59%**	**18.18%**

DIRECTORS, OFFICERS AND PROMOTERS

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

Name and Municipality of Residence	Position and Office	Present Principal Occupation	Common Shares Held (percentage and number of Common Shares prior to the Offering)	Percentage and Number of Common Shares if Minimum Offering	Percentage and Number of Common Shares if Maximum Offering
Roy Zanatta Vancouver, British Columbia	CEO, President, CFO and Director	President, Norwest Capital Corporation	66.67%	20.69%	13.64%
Bryan Beer Toronto, Ontario	Vice-President, Secretary and Director	CEO, Roselawn Holdings Ltd.	6.67%	2.07%	1.36%
Robert Demers Montreal, Quebec	Director	President, Wiseman Private Partner Inc.	11.11%	3.45%	2.27%
Jimmy S.H. Lee Zurich Switzerland	Director	President, CEO, Mercer International Inc.	11.11%	3.45%	2.27%
Mark Steinley Las Vegas, Nevada	Director	Independent Consultant	4.44%	1.38%	0.91%
Total			100%	31.04%	20.45%

The members of the Corporation's audit committee are Messrs. Robert Demers, Jimmy S.H. Lee and Roy Zanatta.

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

The directors will devote their time and expertise as required by the Corporation. It is anticipated that Mr. Roy Zanatta will devote 50% of his time to the Corporation, Mr. Bryan Beer 10% and Messrs. Robert Demers, Jimmy S.H. Lee and Mark Steinley will each devote 5% of their time to the Corporation. See "Management of the Corporation".

MANAGEMENT OF THE CORPORATION

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

Roy Zanatta, age 39, is the Chief Executive Officer, President, Chief Financial Officer and a director of the Corporation. Since December 2003, he has also been President of Norwest Capital Corporation, a private investment company. From 1996-2003, Mr. Zanatta was Secretary, Vice-President and a director of MFC Bancorp Ltd. ("MFC", NASDAQ: MXBIF). MFC is a Canadian company active in merchant banking internationally. Formerly, Mr. Zanatta consulted for and held positions with the British Columbia Hydro and Power Authority, the

Canadian Standards Association and Atomic Energy of Canada Ltd. Mr. Zanatta holds a B.A.Sc. in Engineering Physics and an M.B.A.

Bryan Beer, age 40, is the Vice-President, Secretary and a director of the Corporation. Mr. Beer is President and CEO of Roselawn Holdings Ltd., a private investment company with interests in healthcare and technology licensing. Mr. Beer was the co-founder and Executive Director of one of the leading private rehabilitation companies in Ontario and has over 10 years experience with starting and managing high-growth businesses. Prior to becoming an entrepreneur, Mr. Beer worked as a management consultant to medium and large companies throughout North America in the area of change management and productivity improvement. Mr. Beer holds a B.E.Sc. in Electrical Engineering and an M.B.A.

Robert Demers, age 65, is a director of the Corporation. Since 2002, Mr. Demers has been President of Wiseman Private Partner Inc., a company which advises its clients on issues of corporate governance. Mr. Demers is Chairman of the board of directors of Demers Counseil Inc., an investment dealer he founded in 1992. Formerly, Mr. Demers was the President of the Montreal Stock Exchange and a director of the Investment Dealers Association of Canada, the Securities Institute of Canada and the Canadian Investors Protection Fund. Mr. Demers is or has been on the board of directors of Quebec Hydro, Nouveler Inc., Klöckner Stadler Hunter, the James Bay Corporation, Capital Trust and Sanivan Group Inc. Mr. Demers is also a board member of FAHR Beteiligungen AG, a German public company. Mr. Demers is a lawyer and holds a B.A. and a B.C.L.

Jimmy S.H. Lee, age 47, is a director of the Corporation. Mr. Lee has been the President and Chief Executive Officer of Mercer International Inc. (TSX: MRI.U; NASDAQ: MERCS) since 1992 and a trustee since 1985. As of September 30, 2003 Mercer had total assets of over Euro 800 million and is the largest market pulp producer in Germany. Prior to 1996, Mercer was active in merchant banking in Canada and the United States. Mr. Lee holds a B.A.Sc. degree in Chemical Engineering.

Mark Steinley, age 41, is a director of the Corporation. Mr. Steinley is an independent consultant specializing in private equity and both the traditional and alternative energy generation industries. Previously, Mr. Steinley was President and Chief Executive Officer of Angstrom Power Inc., Entrepreneur-in-Residence at Chrysalix Energy L.P. and responsible for equity investments in Canada and the western United States for ABB Equity Ventures. Mr. Steinley holds a B.Sc. in Electrical Engineering and an M.B.A.

Experience with Other Reporting Issuers

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

Name	Name of Reporting Issuer	Position	From	To	Exchange
Roy Zanatta	MFC Bancorp Ltd.	Vice-President, Secretary and Director	1996	2003	NASDAQ/TSX-V
	Sasamat Capital Corporation	Secretary and Director	2001	2003	OTC
	Trimble Resources Corporation	Director	2001	2002	TSX-V
	Banff Resources Ltd.	Secretary and Director	2002	2003	TSX-V
	Cade Struktur Corporation	Secretary and Director	2000	2001	OTC
	Med Net International Ltd.	Secretary	2003	2003	TSX
Robert Demers	Sasamat Capital Corporation	Director	2001	Present	OTC
Jimmy S.H. Lee	Mercer International Inc.	President, CEO and Trustee	1986	Present	TSX/NASDAQ
	Med Net International Ltd.	Chairman and Director	1997	2003	TSX
	Sasamat Capital Corporation	Director	2001	2003	OTC
	Cade Struktur Corporation	President and Director	2001	2002	OTC
	Trimble Resources Corporation	President and Director	1999	2000	TSX-V
Mark Steinley	Cade Struktur Corporation	Director	2000	2001	OTC

Corporate Cease Trade Orders or Bankruptcies

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

Messrs. Zanatta, Demers and Lee were elected as directors of Sasamat Capital Corporation ("Sasamat") on February 9, 2001. Four years earlier, in 1997, Sasamat had been placed in receivership and became subject to cease trade orders from the British Columbia and Quebec Securities Commissions. Messrs. Zanatta, Demers and Lee had no involvement with Sasamat prior to 2001 and as such had no involvement in the circumstances which led to the receivership or cease trade orders. The receivership order and cease trade orders were subsequently terminated in 2002.

Messrs. Zanatta and Steinley were elected directors of Cade Struktur Corporation ("Cade") on February 25, 2000. Over 6 months earlier, Cade had become subject to a receivership order. Messrs. Zanatta and Steinley had no involvement with Cade prior to being elected as directors and, as such, had no involvement in the circumstances which led to the receivership order. Cade subsequently successfully filed a proposal under the *Bankruptcy and Insolvency Act* (Canada).

Penalties or Sanctions

None of the directors, officers and promoters of the Corporation have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority, or have entered into a settlement agreement with a securities regulatory authority.

None of the directors, officers and promoters of the Corporation have 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

None of the directors, officers and promoters of the Corporation have, within the 10 years before the date of this prospectus, been declared bankrupt, made a voluntary assignment in bankruptcy, made a proposal under bankruptcy or insolvency legislation or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold their assets.

Conflicts of Interest

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

EXECUTIVE COMPENSATION

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

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

   (i) salaries;

   (ii) consulting fees;

   (iii) management contract fees or directors' fees;

   (iv) finders' fees; and

   (v) loans, advances, bonuses; and

(b) deposits and similar payments.

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

The Corporation has reserved 1,450,000 Common Shares in the event of the minimum Offering is subscribed and 2,200,000 in the event the maximum Offering is subscribed for Incentive Stock Options to its directors and officers. See "Options to Purchase Securities".

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

DIVIDEND POLICY

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

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

DILUTION

Purchasers of the Common Shares offered hereunder will suffer an immediate dilution of 15.5% or $0.016 per Common Share if the minimum offering is subscribed and a dilution of 10.2% or $0.01 per Common Share if the maximum offering is subscribed, on the basis of there being 14,500,000 Common Shares of the Corporation issued and outstanding in the event the minimum offering is subscribed and 22,000,000 Common Shares of the Corporation issued and outstanding in the event the maximum offering is subscribed following completion of this Offering. Dilution has been computed on the basis of total gross proceeds to be raised under this prospectus and from sales of securities prior to filing this prospectus, without deduction of commissions or related expenses incurred by the Corporation.

RISK FACTORS

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

No Operating History

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

No Market

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

No Agreement in Principle

The Corporation has not concluded any Agreement in Principle. Pursuant to the CPC Policy, an "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 in respect of which there are no substantial conditions to the closing (other than the approval of the shareholders and the consent of the Exchange) attributed to 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.

Possible Trading Suspension or Delisting

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

Halt of Trading

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

Exchange May Not Approve a Qualifying Transaction

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, the acceptance of the Majority of the Minority Approval.

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

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

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

(c) the consideration proposed to be paid by the Corporation in connection with the Qualifying Transaction is not acceptable to the Exchange; or

(d) for any other reason at the sole discretion of the Exchange.

The Exchange will generally suspend trading in the Corporation's Common Shares, delist the Corporation or transfer trading in the Common Shares to the NEX Board in the event that the Exchange has not issued a Final Exchange Bulletin within 18 months from the date of listing.

Approval by the Majority of the Minority

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

Dilution

Shareholders acquiring Common Shares under this Offering will experience an immediate dilution of 15.5% or \$0.016 per Common Share if the minimum is subscribed and 10.2% or \$0.01 per Common Share if the maximum offering is subscribed, on the basis of there being 14,500,000 Common Shares of the Corporation issued and outstanding in the event the minimum offering is subscribed and 22,000,000 Common Shares of the Corporation issued and outstanding in the event the maximum offering is subscribed following completion of this Offering. Dilution has been computed on the basis of total gross proceeds to be raised under this prospectus and from sales of securities prior to filing this prospectus, without deduction of commissions or related expenses incurred by the Corporation.

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

Directors and Officers

The directors, officers and other Insiders of the Corporation currently own 100% of the issued and outstanding Common Shares and will own 31.04% of the issued and outstanding Common Shares if the minimum offering is subscribed and 20.45% of the issued and outstanding Common Shares if the maximum offering is subscribed.

The directors and officers of the Corporation will not be devoting all of their time to the affairs of the Corporation but will be devoting such time as required to effectively manage the Corporation. Some of the directors and officers of the Corporation are engaged in and will continue to be engaged in other projects or businesses such that conflicts of interest may arise from time to time. See "Management of the Corporation".

Reliance on Management

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

Foreign Management or Acquisition

Presently, two of the directors of the Corporation reside outside of Canada. Investors may find it difficult or impossible to effect service or notice to commence legal proceeding upon the current management resident outside of Canada and in the event that the Corporation identifies a foreign business as the proposed Qualifying Transaction, upon any further management of the Corporation resident outside of Canada or upon foreign businesses and may find it difficult or impossible to enforce against such persons, or foreign businesses, judgments obtained in Canadian courts.

Loans or Advances

Subject to prior acceptance from the Exchange, the Corporation 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 Corporation will be able to recover the loan or advance.

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

LEGAL PROCEEDINGS

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

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are Dale Matheson Carr-Hilton Labonte, Chartered Accountants, whose offices are located at Suite 1700 – 1140 West Pender Street, Vancouver, British Columbia, V6E 4G1 and Suite 610 – 938 Howe Street, Vancouver, British Columbia, V6Z 1N9.

The transfer agent and registrar of the Corporation is Pacific Corporate Trust Company, whose office is located at 625 Howe Street, 10th Floor, Vancouver, British Columbia, V6C 3B8.

MATERIAL CONTRACTS

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

(i) the Agency Agreement dated •, 2004 between the Corporation and Desjardins Securities Inc.;

(ii) the Escrow Agreement dated •, 2004 between the Corporation and Pacific Corporate Trust Company;

(iii) the Registrar and Transfer Agent Agreement dated •, 2004 between the Corporation and Pacific Corporate Trust Company; and

(iv) the Stock Option Plan of the Corporation dated •, 2004.

OTHER MATERIAL FACTS

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

PURCHASERS' STATUTORY RIGHTS 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 within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the Provinces, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's Province for the particulars of these rights or consult with a legal adviser.

QUINSAM CAPITAL CORPORATION

FINANCIAL STATEMENTS

MARCH 31, 2004

AUDITORS' REPORT

To the Directors of Quinsam Capital Corporation

We have audited the balance sheet of Quinsam Capital Corporation as at March 31, 2004 and the statements of loss and deficit, and cash flows for the initial period then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2004 and the results of its operations and its cash flows for the initial period then ended in accordance with Canadian generally accepted accounting principles.

CHARTERED ACCOUNTANTS

Vancouver, B.C.
April 10, 2004 (except as to Note 4 which is at _______, 2004)

QUINSAM CAPITAL CORPORATION

BALANCE SHEET

	March 31, 2004
ASSETS	
CURRENT	
Cash	$ 209,986
DEFERRED SHARE OFFERING COSTS	15,000
	$ 224,986
LIABILITIES	
CURRENT	
Accounts payable and accrued liabilities	$ 3,000
SHAREHOLDERS' EQUITY	
SHARE CAPITAL (Note 3)	225,000
DEFICIT	(3,014)
	221,986
	$ 224,986

Approved on behalf of the Board

"Roy Zanatta"	*"Mark Steinley"*
Roy Zanatta – Director	Mark Steinley – Director

The accompanying notes are an integral part of these financial statements

QUINSAM CAPITAL CORPORATION

STATEMENT OF LOSS AND DEFICIT

		March 18, 2004 (inception) to March 31, 2004
EXPENSES		
Office and general	$	14
Professional fees		3,000
NET LOSS FOR THE PERIOD		(3,014)
DEFICIT, BEGINNING OF PERIOD		-
DEFICIT, END OF PERIOD	$	(3,014)

The accompanying notes are an integral part of these financial statements

QUINSAM CAPITAL CORPORATION

STATEMENT OF CASH FLOWS

	March 18, 2004 (inception) to March 31, 2004
CASH FLOWS FROM OPERATING ACTIVITIES	
Net loss for the period	$ (3,014)
Adjustments to reconcile net loss to net cash flows from operating activities	
- accounts payable and accrued liabilities	3,000
Cash flows used in operating activities	(14)
CASH FLOWS FROM FINANCING ACTIVITIES	
Shares issued for cash	225,000
- deferred share offering costs	(15,000)
Cash flows from financing activities	210,000
INCREASE IN CASH	209,986
CASH, BEGINNING OF PERIOD	-
CASH, END OF PERIOD	$ 209,986

The accompanying notes are an integral part of these financial statements

NOTE 1- NATURE OF OPERATIONS

The Company was incorporated under the *Canada Business Corporations Act* on March 18, 2004. To date the Company has not commenced any business operations and is in the development stage.

The Company was incorporated for the purpose of obtaining a listing as a Capital Pool Company ("CPC") on the TSX Venture Exchange (the "TSX-V") as per the requirements of Policy 2.4 of the TSX-V. As a CPC, the Company proposes to identify and evaluate opportunities for the acquisition of assets or businesses and, once identified and evaluated, to negotiate an acquisition or participation subject to receipt of shareholder and regulatory approval.

The Company is planning a public offering of its securities and intends to list its common shares for trading on the TSX-V. Refer to Note 4.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates and Assumptions
Preparation of the Company's financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Financial Instruments
The fair value of the Company's current assets and current liabilities were estimated to approximate their carrying values due to the immediate or short-term maturity of these financial instruments.

Deferred Share Offering Costs
Deferred share offering costs consist of direct costs incurred with respect to the proposed public offering, including the corporate finance fee, described in Note 4. Deferred share offering costs related to the offering will be offset against the proceeds of the financing upon completion of the offering or expensed if the offering is not completed.

Loss per Share
Loss per share figures have not been calculated as they are not considered meaningful as the Company has not commenced any business operations.

Stock Based Compensation
The Company has adopted the new accounting recommendations of the CICA Handbook, *Stock-based compensation and other stock-based payments*, released in November 2003, whereby it will be expensing all stock-based compensation awards on a prospective basis commencing with its fiscal period ending December 31, 2004. During the initial period ended March 31, 2004, no stock options were granted and as a result, no compensation expense was recorded and no pro-forma disclosure is required.

Income taxes
Future income taxes are recognized for the future income tax consequences attributable to differences between financial statement carrying values and their corresponding tax values (temporary differences). Future income tax assets and liabilities are measured using enacted income tax rates expected to apply to taxable income in years in which temporary differences are expected to be recovered or settled. The effect on future income tax assets and liabilities of a change in tax rates is included in income in the period in which the change occurs. The amount of future income tax assets recognized is limited to the amount that, in the opinion of management, is more likely than not to be realized.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

RECENT ACCOUNTING PRONOUNCEMENTS

Disposal of long-lived assets and discontinued operations
The Company adopted the new recommendations in section 3475 of the CICA Handbook, *Disposal of long-lived assets and discontinued operations*. This section provides guidance on recognizing, measuring, presenting and disclosing long-lived assets to be disposed of. It replaces the disposal provisions in section 3061, Property, plant and equipment, and section 3475, Discontinued operations. The new section provides criteria for classifying assets as held for sale. It requires an asset classified as held for sale to be measured at the lower of its carrying value amount or fair value less disposal costs. It also provides criteria for classifying a disposal as a discontinued operation and specifies the presentation of and disclosures for discontinued operations and other disposals of long-lived assets. The adoption of this standard did not have an impact on the Company's financial position or results of operations.

Consolidation of variable interest entities
The Company has adopted Accounting Guideline 15, *Consolidation of variable interest entities*, on a prospective basis as permitted by the guideline. The effective date of the guideline is January 1, 2004. The guideline provides clarification on the consolidation of those entities defined as "Variable Interest Entities," when equity investors are not considered to have a controlling financial interest or they have not invested enough equity to allow the entity to finance its activities without additional subordinated financial support from other parties. The Company does not expect that adopting this standard will affect its financial position or results of operations.

Asset retirement obligations
The CICA recently issued a new section in the CICA Handbook, section 3110, *Asset retirement obligations*. This standard focuses on the recognition and measurement of liabilities related to legal obligations associated with the retirement of property, plant and equipment. Under this standard, these obligations are initially measured at fair value and subsequently adjusted for any changes resulting from the passage of time and revisions to either the timing or the amount of the original estimate of undiscounted cash flows. The asset retirement cost is to be capitalized to the related asset and amortized into earnings over time. This section comes into effect for fiscal years beginning on or after January 1, 2004. The Company does not expect that adopting this standard will affect its financial position or results of operations.

Disclosure of guarantees
Effective March 18, 2004, the Company adopted Accounting Guideline 14, *Disclosure of guarantees*. This guideline provides assistance regarding the identification of guarantees and requires a guarantor to disclose the significant details of guarantees that have been given regardless of whether it will have to make payments under the guarantees. The adoption of this guideline did not have an impact on the Company's financial position or results of operations.

NOTE 3 - SHARE CAPITAL

Authorized
Unlimited number of common shares without par value.
Unlimited number of preferred shares without par value.

	Shares	Value
Shares issued:		
Shares issued for cash at $0.05 per share	4,500,000	$ 225,000
Balance at March 31, 2004	4,500,000	$ 225,000

NOTE 3 - SHARE CAPITAL (continued)

Pursuant to the terms of an escrow agreement to be entered into on or before the closing of the initial public offering, the 4,500,000 shares issued will be held in escrow. The escrow agreement provides that the shares held in escrow may not be sold, assigned, hypothecated, transferred within escrow or otherwise dealt with in any manner without the prior written consent of the TSX-V. The escrowed shares will be released as to 10% immediately following the issuance of the bulletin by the TSX-V announcing final acceptance of a Qualifying Transaction and then 15% on each of the six, 12, 18, 24, 30 and 36 month anniversaries following the initial release.

The preferred shares may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions, and conditions attached to the shares of each series.

Stock Options
The Company has established an incentive stock option plan for its directors and officers. Pursuant to this plan, the Company has reserved a minimum of 1,450,000 common shares in the event the minimum offering is subscribed, and up to 2,200,000 common shares if the maximum offering is subscribed pursuant to a prospectus for an initial public offering (the "Offering") (see Note 4), for the granting of the incentive stock options. These options may be exercised within five years from the date of grant, at a price of $0.10 per common share. The incentive stock options are subject to regulatory approval and will be qualified for distribution pursuant to the prospectus.

NOTE 4 – SUBSEQUENT EVENT

Initial Public Offering
Pursuant to a final prospectus dated ●, filed with the applicable securities regulatory authorities and the Exchange, and pursuant to an Agency Agreement dated ●, between the Company and Desjardins Securities Inc. (the "Agent"), the Company agreed to issue a minimum of 10,000,000 common shares at a price of $0.10 per common share for minimum gross proceeds of $1,000,000 and a maximum of 17,500,000 common shares for maximum gross proceeds of $1,750,000.

The Company has agreed to pay the Agent a commission of 10% of the aggregate gross proceeds from the sale of the common shares, a corporate finance fee set at $15,000 plus applicable taxes and will reimburse the Agent for its legal fees estimated at $12,000 plus applicable taxes. The estimated costs and expenses associated with this issue, including the listing fees payable to the Exchange, but not including the Agent's commission, aggregate $72,000. All of these costs and expenses including the Agent's commission will be deducted from the gross proceeds of the issue.

The Agent has agreed to use its best efforts to secure subscriptions for these shares.

Agent's Option
Pursuant to the Agency Agreement and subject to the closing of the Offering, a non-transferable option to purchase that number of common shares that is equal to 10% of the total number of common shares sold in connection with the Offering, at a price of $0.10 per common share, representing 1,000,000 common shares if the minimum Offering is subscribed and 1,750,000 common shares if the maximum is subscribed, will be granted to the Agent. This option will be exercisable at any time for a period of 18 months from the date of listing of the Company's common shares on the Exchange.

CERTIFICATE OF THE CORPORATION

April 30, 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), by Part 9 of the *Securities Act* (British Columbia), and by Part 9 of the *Securities Act* (Alberta) and the respective regulations thereunder. This prospectus does not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed within the meaning of the *Securities Act* (Quebec) and the regulations thereunder.

By: *"Roy Zanatta"*
Roy Zanatta, President, Chief Executive Officer,
Chief Financial Officer and Director

ON BEHALF OF THE BOARD OF DIRECTORS

By: *"Robert Demers"*
Robert Demers
Director

By: *"Mark Steinley"*
Mark Steinley
Director

CERTIFICATE OF THE AGENT

Date: April 30, 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), by Part 9 of the *Securities Act* (British Columbia) and by Part 9 of the *Securities Act* (Alberta) and the respective regulations thereunder. To our knowledge, this prospectus does not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed within the meaning of the *Securities Act* (Quebec) and the regulations thereunder.

Desjardins Securities Inc.

(s) Richard Groome
Richard Groome, Senior Vice-President

AUDITORS' CONSENT

We have read the prospectus of Quinsam Capital Corporation (the "Corporation") dated April •, 2004 relating to the issue and sale of common shares in the capital of the Corporation (the "Common Shares") at a price of $0.10 per Common Share in the minimum amount of 10,000,000 Common Shares for minimum gross proceeds of $1,000,000 and in the maximum amount of 17,500,000 Common Shares for maximum gross proceeds of $1,750,000. We have compiled with Canadian generally accepted standards for auditors' involvement with offering documents.

We consent to the use in the above-mentioned prospectus of our report to the directors of the Corporation on the balance sheet of the Corporation as at March 31, 2004 and the statements of loss and deficit and cash flows for initial period then ended. Our report is dated April 10, 2004 (except as to Note 4 which is as of April •, 2004).

Dale Matheson Carr-Hilton Labonte
Chartered Accountants

Vancouver, British Columbia

April •, 2004