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

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

June 28, 2004

YORK CAPITAL CORP.
(a Capital Pool Company)

OFFERING: $300,000 or 1,500,000 Common Shares

PRICE: $0.20 per Common Share

The purpose of this offering (the "Offering") is to provide York Capital Corp. (the "Corporation") with a minimum of funds in order to identify and evaluate assets or businesses with a view to completing a Qualifying Transaction as hereafter defined. Any potential Qualifying Transaction must be approved by the Exchange, and in the case of a Non Arm's Length Qualifying Transaction must also receive Majority of the Minority Approval, as hereafter defined, in accordance with the Exchange Policy 2.4 entitled "Capital Pool Companies" (the "CPC Policy"). The Corporation is a Capital Pool Company ("CPC") as such term is hereafter defined. It has not commenced commercial operations and has no assets other than a minimum 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 or businesses with a view to completing a proposed Qualifying Transaction. See "Business of the Corporation", "Potential Qualifying Transaction" and "Use of Proceeds". The Corporation hereby offers through its agent, Raymond James Ltd. (the "Agent"), 1,500,000 common shares (the "Common Shares") at a price of $0.20 per Common Share for gross proceeds of $300,000 (the "Offering").

This Offering is made on a commercially reasonable efforts basis only by the Agent and is subject to the receipt by the Corporation of a minimum subscription of 1,500,000 Common Shares for total gross proceeds to the Corporation of $300,000 and subject to approval of certain legal matters by Cassels Brock & Blackwell LLP, Toronto, Ontario, on behalf of the Corporation, and by Burstall Winger LLP, Calgary, Alberta 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 in trust by the Agent pursuant to the terms of the Agency Agreement and will not be released until a minimum of $300,000 has been deposited and the Agent has consented to such release. If subscriptions for 1,500,000 Common Shares have not been subscribed within 90 days of the issuance of a final receipt for this prospectus or such other time as may be authorized by the Executive Directors of the Ontario Securities Commission and the Alberta Securities Commission (the "Commissions") and consented to by Persons or Companies who subscribed within that period and 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".

Distribution

	Common Shares	Price to the Public	Agent's Commission[1]	Net Proceeds to the Corporation[2]
Per Common Share	1	$0.20	$.02	$0.18
Offering [3]	1,500,000	$300,000	$30,000	$270,000

Notes:

(1) The Agent will receive a commission of 10% of the gross proceeds. In addition, the Agent will be granted 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 this Offering at a price of $0.20 per Common Share (the "Agent's Option") exercisable for a period of 18 months from the date of listing the Common Shares on the Exchange, which Agent's Option is qualified for distribution under this prospectus. The Agent will receive a corporate finance fee of $8,000 plus taxes pursuant to this Offering and the Agent will be reimbursed by the Corporation for its legal fees estimated at $8,500 plus taxes and disbursements. See "Plan of Distribution".

(2) Before deducting the costs and expenses of this issue (and certain pre-offering costs) estimated in the aggregate amount of $77,000 and the listing fee payable to the Exchange of $7,500 plus applicable taxes. See "Use of Proceeds".

(3) 1,500,000 Common Shares are offered hereunder, not including the Agent's Option. See "Plan of Distribution".

Market for Securities

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

Other than the initial distribution of the Common Shares pursuant to this prospectus, trading in all securities of the Corporation, including the grant of the Agent's Option shall not be permitted during the period between the date receipts for the preliminary prospectus are 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 Commissions grant a discretionary order.

Risk Factors

THERE IS CURRENTLY NO MARKET THROUGH WHICH THESE SECURITIES MAY BE SOLD AND PURCHASERS MAY NOT BE ABLE TO RESELL THE SECURITIES PURCHASED HEREUNDER. This Offering is subject to the CPC Policy.

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. 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 and does not own any ongoing business operations, has no assets other than cash. The Corporation has not identified a potential Qualifying Transaction and 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 corporations, properties, assets or businesses, or any interests therein, nor that any such opportunities or businesses acquired will be profitable. Moreover, additional funds may be required to successfully complete an acquisition, and the Corporation may not be able to obtain such financing or may not be able to raise sufficient funds to take a meaningful position in a potential target. If the acquisition is financed by the issuance of shares from the Corporation's treasury, control of the Corporation may change and shareholders may suffer additional dilution. The directors and officers of the Corporation will only be devoting a portion of their time to the affairs of the Corporation. Potential conflicts of interest may result from the ordinary course of business of the Corporation and of the directors and officers of the Corporation. The directors and officers of the Corporation currently own 100% of the issued and outstanding Common Shares, will own 40% of the issued and outstanding Common Shares following completion of the Offering. See "Business of the Corporation", "Management of the Corporation", "Potential Qualifying Transaction", "Directors and Officers", "Use of Proceeds", "Conflicts of Interest" and "Risk Factors".

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

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 the Corporation. See "Risk Factors".

Subscribers acquiring Common Shares under this Offering will suffer an immediate dilution of 20% or $0.04 per Common Share, based on the gross proceeds of this issue, before the deduction of selling commissions or related expenses of the issue. See "Capitalization", "Dilution" and "Risk Factors".

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

Pursuant to the CPC Policy, the maximum number of Common Shares which may be directly or indirectly purchased by any one purchaser to this Offering is 2% of the Common Shares offered hereunder or 30,000 of the total Common Shares offered under this prospectus. In addition, the maximum number of Common Shares that may directly or indirectly be purchased by that purchaser, together with any Associates or Affiliates of that purchaser, is 4% or 60,000 Common Shares.

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

RAYMOND JAMES LTD.
53rd Floor
40 King Street West
Toronto, Ontario M5H 3Y2

Telephone: (416) 777-7000

TABLE OF CONTENTS

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.

"CPC" means a corporation:

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

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

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

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

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

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

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

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

"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 parties or their respective Associates or Affiliates control the CPC and the Significant Assets which are the subject of the proposed Qualifying Transaction.

"Person" means a Company or individual.

"Principal" means:

(a) a Person or Company who acted as a promoter of the issuer within two years or their respective Associates or Affiliates before the initial public offering ("IPO") prospectus or Exchange Bulletin confirming final acceptance of a transaction ("Final Exchange Bulletin");

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

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

(d) a 10% holder - a Person or Company that

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

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

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

A Company, trust, partnership or other entity more than 50% held by one or more Principals will be treated as a Principal. (In calculating this percentage, include securities of the entity that may be issued to the

Principals under outstanding convertible securities in both the principal's securities of the entity and the total securities of the entity outstanding). Any securities of the issuer that this entity holds will be subject to escrow requirements.

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

"Professional Person" means a Person whose profession gives authority to a statement made by the Person in the Person's professional capacity and includes a barrister and solicitor, a public accountant, an appraiser, an auditor, an engineer and a geologist.

"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.

"Responsible Solicitor" means the solicitor who is primarily responsible for the preparation of or for advice to the Corporation or Agent with respect to the contents of the Prospectus.

"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 a Target Company).

PROSPECTUS SUMMARY

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

ISSUER: York Capital Corp.

OFFERING: 1,500,000 Common Shares in the capital of the Corporation are being offered under this prospectus at a price of $0.20 per Common Share for gross proceeds of $300,000 (the "Offering"). This Offering is being made on a commercially reasonable efforts basis by the Agent. In addition, the Corporation will grant an option to the Agent 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 $0.20 per Common Share exercisable for a period of 18 months from the date of listing of the Common Shares on the Exchange, which option is qualified under this prospectus (the "Agent's Option"). See "Plan of Distribution".

PRICE: $0.20 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 potential 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, in accordance with the CPC Policy. The Corporation has not commenced commercial operations and has no assets other than a minimum amount of cash. Except as specifically contemplated in the CPC Policy, until 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. See "Business of the Corporation", "Potential Qualifying Transaction" and "Use of Proceeds".

USE OF PROCEEDS: The net proceeds to the Corporation from the Offering will be approximately $262,000 (after deduction of the Agent's Commission and the Corporate Finance Fee but before taxes and deduction of the issue costs). The net proceeds of this Offering will be used to provide the Corporation with a minimum of funds with which to identify and evaluate assets or businesses for acquisition with a view to completing a Qualifying Transaction. The Corporation may not have sufficient funds to secure such businesses or assets once identified and evaluated and additional funds may be required. Until Completion of the Qualifying Transaction, and except as otherwise provided in the CPC Policy, a maximum of the lesser of 30% of the gross proceeds realized or $210,000 may be used for purposes other than evaluating businesses or assets. See "Use of Proceeds", "Business of the Corporation", "Potential Qualifying Transaction", "Method of Financing" and "Risk Factors".

DIRECTORS AND MANAGEMENT:

Charles Berger	- Director
Brian Courtney	- President, CEO and Director
Timothy Gallagher	- Chief Financial Officer, Secretary and Director
David Woolford	- Director

See "Directors and Officers", "Promoter" and "Management of the Corporation".

DIVIDEND POLICY: It is not contemplated that any dividends will be paid on the Common Shares in the immediate or foreseeable future. See "Dividend Policy".

ESCROWED SHARES: All of the currently issued and outstanding Common Shares of the Corporation, being 1,000,000 Common Shares, will be deposited in escrow pursuant to an escrow agreement, as hereinafter defined, and will be released in stages over a period of up to three years after the date of the Final Exchange Bulletin. See "Escrowed Securities".

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

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 only recently incorporated and has no active business or assets other than cash. It does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the Completion of the Qualifying Transaction. The Offering is only suitable to investors who are prepared to rely entirely on the directors and management of the Corporation and can afford to risk the 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 20% or $0.04 per Common Share. 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 Corporation will be able to identify or complete a suitable Qualifying Transaction.

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

THE CORPORATION

Name and incorporation

York Capital Corp. (the "Corporation") was incorporated on January 16, 2004 under the *Business Corporations Act* (Ontario). The Corporation's articles of incorporation were amended on June 28*,* 2004 to remove the restrictions on the transfer of the Common Shares and to set the minimum number of directors of the Corporation at three. The principal and registered office of the Corporation is located at 40 King Street West, Suite 2100, Toronto, Ontario, M5H 3C2.

The Corporation has no subsidiaries.

BUSINESS OF THE CORPORATION

Preliminary Expenses

Since its inception, the Corporation has incurred expenses of approximately $31,000 for incorporation costs, professional fees and disbursements in proceeding with the Offering. Part of the net proceeds of the Offering may be utilized to satisfy the obligations of the Corporation related to this Offering, including the expenses of its auditors, legal counsel and the Agent's legal counsel. See "Use of Proceeds".

Proposed Operations until Completion of a Qualifying Transaction

The Corporation is a capital pool corporation ("CPC") created pursuant to the CPC Policy. The Corporation proposes 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 material operations of any kind other than to enter into discussions for the purpose of identifying potential acquisitions of interests in commercially viable businesses or assets. The Corporation does not own any assets, other than cash. The Corporation currently intends to pursue a Qualifying Transaction in the recycling industry, but there is no assurance that this will, in fact, be the business sector of the proposed Qualifying Transaction of the Corporation following Completion of the Qualifying Transaction. See "Potential Qualifying Transaction".

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

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

Geographical Restrictions

In accordance with 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. See "Proposed Operations until Completion of a Qualifying Transaction" and "Potential Qualifying Transaction".

Method of Financing

The Corporation may use cash, bank financing, issuance of treasury shares either by way of private placement or public offering or some combination thereof for the purpose of financing its proposed Qualifying Transaction. A

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

Criteria for a **Qualifying Transaction**

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

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

Upon the Corporation reaching an Agreement in Principle, the Corporation must issue a comprehensive press release, at which time the Exchange generally will halt trading in the Corporation's Common Shares until the filing requirements of the Exchange have been satisfied as set forth under "Trading Halts, Suspensions and Delisting". Within 75 days after the issuance of such press release, the Corporation shall be required to submit for review to the Exchange either an information circular that complies with applicable corporate and securities laws or a filing statement that complies with the Exchange requirements. The information circular must be submitted where there is a Non Arm's Length Qualifying Transaction or where 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 or Form 3B2. Upon acceptance by the Exchange, the Corporation must then either:

(i) 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;

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

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

(i) in the case of a Non Arm's Length Qualifying Transaction, confirmation of the 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, 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.

Potential Qualifying Transaction

The Corporation has not, as of the date hereof, entered into negotiations respecting a potential 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 halt should be reinstated or continued.

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

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

Refusal of a Qualifying Transaction

The Exchange, in its sole discretion, may not approve 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

The gross proceeds to be received by the Corporation from the sale of the Common Shares offered by this prospectus will be $300,000. The gross proceeds received by the Corporation from the sale of 1,000,000 Common Shares prior to the date of this prospectus total $100,000 (the "Private Placement"). From these aggregate gross proceeds of $400,000 will be deducted the expenses and costs of the Offering and the Private Placement estimated in the aggregate to be approximately $84,500. The following table indicates the principal uses to which the Corporation proposes to use the total funds available to it upon the completion of this Offering:

Proceeds to the Corporation	**Offering[3]**
Cash proceeds raised from the sale of Common Shares prior to this Offering[1]	$100,000
Expenses and costs relating to raising the cash proceeds above (Cost of incorporation)	($2,500)
Cash proceeds to be raised pursuant to this Offering[2]	$300,000
Expenses and costs relating to the Offering (including listing fees, Agent's commission, Agent's corporate finance fee, legal fees, audit fees and expenses)	($84,500)
Estimated funds available (on completion of the Offering)	$313,000
Use of Proceeds	
Funds available for identifying and evaluating assets or businesses[3]	$280,000
General and administrative expenses until Completion of a Qualifying Transaction	$33,000
TOTAL NET PROCEEDS	**$313,000**

Notes:
(1) See "Prior Sales"
(2) In the event the Agent exercises the Agent's Option, there will be available to the Corporation a maximum of an additional $30,000, 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 $280,000 on identifying and evaluating assets or businesses, the remaining funds may be used to finance or partially finance the acquisition of Significant Assets or for working capital after Completion of the Qualifying Transaction.

Until required for the 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 may only be used by the Corporation to identify and evaluate assets or businesses and in the case of a Non Arm's Length Transaction, obtain shareholder approval for a Non Arm's Length Qualifying Transaction.

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

(a) valuations or appraisals;

(b) business plans;

(c) feasibility studies and technical assessments;

(d) sponsorship reports;

(e) engineering and geological reports;

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

(g) 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 that has been publicly announced at least 15 days prior to the date of such advance, due diligence with respect to the Qualifying Transaction is well underway and either a Sponsor has been engaged or sponsorship has been waived. A maximum aggregate amount of $25,000 may also be advanced as a non-refundable deposit, unsecured deposit or advance to a Vendor or Target Company, as the case may be, to preserve assets without the prior acceptance of the Exchange.

Restrictions on Use of Proceeds

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

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

(b) agents' fees, costs and commissions;

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

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

No proceeds from the sale of securities of the Corporation may be used to acquire or lease a vehicle until the completion of a Qualifying Transaction.

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 the public announcement of the proposed 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 a private placement will be Common Shares. Units and/or share purchase warrants may not be issued pursuant to a private placement undertaken prior to closing of the Qualifying Transaction. Subject to restrictions pursuant to the CPC Policy, Common Shares issued pursuant to the 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, directors' fees, finders' fees, loans, advances and bonuses; and
(b) deposits and similar payments.

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

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

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

PLAN OF DISTRIBUTION

Name of Agent and Agent's Compensation

Pursuant to an agency agreement (the "Agency Agreement") dated ●, 2004 between the Corporation and Raymond James Ltd. (the "Agent"), the Corporation has appointed the Agent as its agent to offer for distribution to the public, on commercially reasonable efforts basis, 1,500,000 Common Shares in the share capital of the Corporation at a price of $0.20 per Common Share for gross proceeds of $300,000, subject to the terms and conditions of the Agency Agreement.

If the Offering is subscribed for, the Agent will receive a commission of $30,000 of the aggregate gross proceeds from the sale of the Common Shares. The Agent will also receive a corporate finance fee of $8,000 plus taxes pursuant to this Offering, and the Agent will be reimbursed by the Corporation for its legal fees and expenses, estimated in the amount of $8,500 plus taxes and disbursements. In addition, the Agent will be granted 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 $0.20 per Common Share (the "Agent's Option") exercisable for a period of 18 months from the date of listing the Common Shares on the Exchange which Agent's Option is qualified for distribution under this prospectus.

All of the Agent's Options are qualified under this prospectus. The Agent intends to sell to the public all the Common Shares to be received by it upon the exercise of its option. Not more than 50% of the Common Shares received on the exercise of the Agent's Option may be sold by the Agent prior to the Completion of the Qualifying Transaction. The remaining 50% may be sold after the Completion of the Qualifying Transaction.

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

The Offering will be made in accordance with the rules and policies of the Exchange and with the consent of the Exchange. The closing of the Offering will take place at such time as the Corporation and the Agent may agree, provided that the minimum subscriptions have been received.

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

Offering and Minimum Distribution

The total Offering of 1,500,000 Common Shares for total gross proceeds of $300,000. Under 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 30,000 Common Shares. In addition, the maximum number of Common Shares that may directly or indirectly be purchased by that purchaser, together with any Associates or Affiliates of that purchaser is 4% or 60,000 Common Shares. The funds received from the Offering will be deposited with the Agent, and will not be released until $300,000 has been deposited and the Agent consents to the release thereof. Subscriptions of 1,500,000 Common Shares for total gross proceeds of $300,000 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.

Determination of Price

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

Listing Application

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

Restrictions on the Agent

The Agent nor any of its directors, officers, employees or contractors or any Associate or Affiliate thereof:

(i) may subscribe for Common Shares of the Corporation issued prior to the date of this prospectus, or

(ii) are permitted to subscribe for Common Shares of the Corporation pursuant to this Offering, 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 hereabove, 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 and the grant of the Agent's Option, no securities of the Corporation will be permitted to be issued during the period between the date a receipt for the preliminary prospectus is issued by the 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 1,000,000 Common Shares were issued and outstanding as fully paid and non-assessable as at the date hereof. In addition, a maximum of 1,500,000 Common Shares are reserved for issuance pursuant to this Offering and a maximum of 150,000 Common Shares are reserved for issuance upon exercise of the Agent's Option. A maximum of 250,000 Common Shares are also reserved for issuance upon exercise of the Incentive Stock Options (as defined below). All of the Common Shares to be outstanding on completion of this Offering will be fully paid and non-assessable. See "Prior Sales", "Options to Purchase Securities" and "Plan of Distribution".

Common Shares

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

CAPITALIZATION

	Amount authorized or to be authorized	**Amount outstanding as of May 7, 2004** (1)	**Amount outstanding as at June 28, 2004**	**Amount to be outstanding if the Offering is sold**(2)(3)(4)
Common Shares	Unlimited	\$100,000 (1,000,000 Common Shares)	\$100,000 (1,000,000 Common Shares)	\$400,000 (2,500,000 Common Shares)

Notes:

(1) The Corporation had not commenced commercial operations other than as otherwise disclosed under this prospectus and the Corporation has no retained earnings or deficit as at June 28, 2004 and as at the date of the balance sheet of the Corporation namely May 7, 2004.

(2) The Corporation has reserved 10% of the number of Common Shares to be issued under the Offering pursuant to the Agent's Option. The Agent's Option will have an exercise price of \$0.20 per Common Share. See "Plan of Distribution."

(3) The Common Shares outstanding as at June 28, 2004 will be held in escrow in accordance with the CPC Policy. See "Escrowed Securities".

(4) Before deducting the Agent's commission, Agent’s corporate finance fee and legal fees and the Corporation's expenses of the issue.

OPTIONS TO PURCHASE SECURITIES

Options

The Corporation has not granted any Incentive Stock Options (as defined below) as of the date hereof and the Company does not intend to grant any Incentive Stock Options prior to the completion of the Offering.

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 employees of the

Corporation and its affiliates and to consultants and management company employees, non-transferable options to purchase Common Shares for a period of up to five years from the date of the grant ("Incentive Stock Options"), provided that the number of Common Shares reserved for issuance may not exceed 10% of the total issued and outstanding Common Shares of the Corporation at the date of the grant. The purpose of the stock option plan (the "Stock Option Plan") established by the Corporation, pursuant to which it may grant Incentive Stock Options, is to promote the profitability and growth of the Corporation by facilitating the efforts of the Corporation to obtain and retain key individuals. The Stock Option Plan provides an incentive for and encourages ownership of the Corporation's Common Shares by its key individuals so that they may increase their stake in the Corporation and benefit from increases in the value of the Corporation's Common Shares.

Pursuant to the Stock Option Plan, the maximum number of Common Shares reserved for issuance in any 12 month period to any one optionee other than a consultant may not exceed 5% of the issued and outstanding Common Shares at the date of the grant. The maximum number of Common Shares reserved for issuance in any 12 month period to any consultant may not exceed 2% of the issued and outstanding Common Shares at the date of the grant while the maximum number of Common Shares reserved for issuance in any 12 month period to all persons engaged in investor relations activities may not exceed 2% of the issued and outstanding number of Common Shares at the date of the grant. Disinterested shareholder approval must be obtained for any grant of Incentive Stock Options to "Insiders" (as such term is defined in the policies of the Exchange) of the Corporation, within a 12 month period, of a number of Incentive Stock Options exceeding 10% of the issued and outstanding Common Shares of the Corporation.

Incentive Stock Options may not be exercised later than 90 days following the date the optionee ceases to be a to a director, officer or employee of the Corporation or its affiliates or a consultant or a management company employee, provided that if the cessation of such position or 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.

Notwithstanding the terms of the Stock Option Plan described above, the CPC Policy imposes certain restrictions on Incentive Stock Options during the period that the Corporation remains a CPC. Such restrictions shall remain in place until the Exchange issues the Final Exchange Bulletin (such bulletin indicating that the Resulting Issuer will not be considered a CPC.) Under the CPC Policy, the Corporation, while it remains a CPC, is limited to granting Incentive Stock Options to only directors, officers and technical consultants of the Corporation. In addition, the total number of Common Shares reserved under option for issuance pursuant to the Stock Option Plan may not exceed 10% of the Common Shares to be outstanding at the closing of the Offering. The maximum number of Common Shares reserved under option for issuance to any individual officer or director may not exceed 5% of the issued and outstanding Common Shares to be outstanding at the closing of the Offering. The maximum number of Common Shares reserved under option for issuance to all technical consultants may not exceed 2% of the issued and outstanding Common Shares to be outstanding after the closing of the Offering. In addition, while the Corporation is a CPC, it is prohibited from granting Incentive Stock Options to any person providing investor relations activities, promotional or market making services. The exercise price per Common Share under any Incentive Stock Option granted by the Corporation while it is a CPC may not be less than the greater of $0.20 and the Discounted Market Price. Any Common Shares acquired pursuant to the exercise of Incentive Stock 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, 1,000,000 Common Shares have been issued as follows:

Date issued	Number of Shares	Issue Price per Share	Aggregate Issue Price	Nature of Consideration
March 9, 2004	250,000	$0.10	$25,000	Cash
March 9, 2004	250,000	$0.10	$25,000	Cash
March 9, 2004	250,000	$0.10	$25,000	Cash
March 9, 2004	250,000	$0.10	$25,000	Cash

ESCROWED SECURITIES

Securities Escrowed Prior to the Completion of the Qualifying Transaction

All of the 1,000,000 Common Shares issued prior to this Offering at a price below $0.20 per Common Share and all Common Shares that may be acquired by Non Arm's Length Parties of the Corporation either under this Offering or otherwise prior to Completion of the Qualifying Transaction will be deposited with Equity Transfer Services Inc. (the "Escrow Agent") under a discount seed share escrow agreement to be dated as of the date of closing of the Offering (the "Discount Seed Share 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 and immediately after completion of this Offering, the number of Common Shares of the Corporation held in escrow:

			Escrowed Shares	
Name and Municipality of Residence of Shareholder	**Common Shares**	**Number of Escrowed Shares**	**Percentage of Shares Issued Before Closing of Offering**	**Percentage of Shares Issued Upon Completion of Offering**
Charles Berger (Thornhill, Ontario)	250,000	All	25%	10%
Brian Courtney (Oakville, Ontario)	250,000	All	25%	10%
Timothy Gallagher (Toronto, Ontario)	250,000	All	25%	10%
David Woolford (Rockwood, Ontario)	250,000	All	25%	10%

Note:
(1) For a detailed breakdown of this amount, see "Prior Sales", "Principal Shareholders" and "Directors and Officers".

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

Under the Discount Seed 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 six 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 which 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 the Value Security Escrow Agreement. However, if at least 75% of the securities issued pursuant to the Qualifying Transaction are not Value Securities, all securities issued pursuant to the Qualifying Transaction will be deposited into a surplus security escrow agreement (a "Surplus Security Escrow Agreement").

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

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

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

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

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

(b) 15% of the escrowed securities being releasable in six month intervals on each of the six, 12, 18, 24, 30 and 36 month 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

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

Name and Municipality of Residence	Type of Ownership	Number of Common Shares	Percentage of Shares Issued Before Closing of Offering	Percentage of Shares Owned Upon Completion of Offering(2)
Charles Berger (Thornhill, Ontario)	Of Record and Beneficial	250,000 (1)	25%	10%
Brian Courtney (Oakville, Ontario)	Of Record and Beneficial	250,000 (1)	25%	10%
Timothy Gallagher (Toronto, Ontario)	Of Record and Beneficial	250,000 (1)	25%	10%
David Woolford (Rockwood, Ontario)	Of Record and Beneficial	250,000 (1)	25%	10%

Notes:
(1) Subject to the Discount Seed Share Escrow Agreement. See "Escrowed Securities".
(2) Assuming that no Common Shares are purchased by these shareholders under this Offering and before the exercise of the Agent's Option. See "Plan of Distribution".

The directors and officers, or Associates or Affiliates of the directors and officers, and other Insiders, as a group, beneficially own and control 1,000,000 Common Shares, which represents 100% of the issued and outstanding Common Shares of the Corporation before giving effect to this Offering. They will represent 40% of the issued and outstanding Common Shares of the Corporation upon completion of the Offering.

DIRECTORS AND OFFICERS

The following are the names and municipalities of residence of the directors and officers of the Corporation, their positions and offices with the Corporation, their present principal occupation, the number of Common Shares beneficially owned or over which they directly or indirectly exercise control or direction, and the percentage of Common Shares to be held by each of them prior to 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)[2]	Percentage and Number of Common Shares Upon Completion of Offering[2]
Charles Berger [1] (Thornhill, Ontario)	Director	President, Berger Financial Inc. (life insurance brokerage)	25% 250,000 Common Shares	10% 250,000 Common Shares
Brian Courtney (Oakville, Ontario)	President, Chief Executive Officer & Director	President, 3866980 Canada Inc. (private hedge fund)	25% 250,000 Common Shares	10% 250,000 Common Shares
Timothy Gallagher [1] (Toronto, Ontario)	Chief Financial Officer, Secretary & Director	Managing Partner, Intellectual Investments (investment company)	25% 250,000 Common Shares	10% 250,000 Common Shares
David Woolford [1] (Rockwood, Ontario)	Director	Partner, Cassels Brock & Blackwell LLP (law firm)	25% 250,000 Common Shares	10% 250,000 Common Shares

Notes:
(1) Member of the Audit Committee.
(2) Assuming that no Common Shares are purchased by these shareholders under this Offering and before the exercise of the Agent's Option. See "Plan of Distribution".

The directors will devote their time and expertise as required by the Corporation however it is not anticipated that any director will devote 100% of his time See also "Management of the Corporation".

MANAGEMENT OF THE CORPORATION

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

Charles Berger, 54, has been a director of the Corporation since March 9, 2004. He has served as president of Berger Financial Inc., an insurance brokerage, since 1988. He has also served as a salesperson with Fundtrade Financial Corp., a mutual fund dealer, since August 2002 and with Barakett & Associates, a mutual fund dealer, from December 1998 to August 2002. He obtained his Level 1 insurance license in 1988 and Level 2 in 1996 and is a member of Advocis, the licensing body for Life and Financial Advisors. He also holds his RHU (Registered Health Underwriters) designation in life insurance and has also been a shareholder in Creative Planning Financial Group since 1997. He will devote approximately 2-5% of his time to the affairs of the Corporation.

Brian Courtney, 62, has been president, chief executive officer and a director of the Corporation since January 16, 2004. He has served as president of 3866980 Canada Inc. a private hedge fund, since March 2001, prior to which he served as chief executive officer of Global Election Systems Inc., a manufacturer of automated voting equipment, from August 2001 to January 2002. From December 1998 to March 2001, he served as chief executive officer of Patent Enforcements and Royalties Ltd., a company that made investments in intellectual property with an emphasis on patents relating to computer applications, software and the Internet. He was chairman and chief executive officer of Visible Decisions Inc., a 3D computer graphics company, from August 1995 to July 1998 and president of Oracle Canada, a software company, from 1989 to 1991. He has previously served as an officer and director of companies listed on the TSX Venture Exchange, the Toronto Stock Exchange and the American Stock Exchange. He earned a bachelor of commerce degree from the University of Manitoba. He will devote approximately 25% of his time to the affairs of the Corporation.

Timothy Gallagher, 44, has been a director of the Corporation since March 9, 2004 and also serves as chief financial officer and secretary of the Corporation. He founded and has served as managing partner of Intellectual Investments, which invests in and assists entrepreneurial companies, since April 2002, prior to which he was executive vice-president of Kinghaven Securities Limited, from December 1996 to March 2002. He is also president, chief executive officer and a director of Ontario Capital Opportunities Inc., a recently formed capital pool company. Previously, Mr. Gallagher worked in corporate finance from 1989 to 1994 as an account officer for Union Bank of Switzerland and in institutional sales for Loewen Ondaatje McCutcheon from 1994 to 1996. He has experience in identifying, evaluating and working with local growth companies including participation in active management, business development, financial project work, investor relations and investment banking services. He has assisted a number of companies with raising funds to implement their growth plans. Currently, Mr. Gallagher is a director of Serengeti Resources Inc., a TSX Venture Exchange-listed company, and VFM Interactive Inc., a privately-held streaming media company. Mr. Gallagher is the Co-Chairman of the Toronto Chapter of MIT Cambridge network of hi-tech forums, which provide a case study match-making format for venture capitalists to critique business plans of entrepreneurs looking for funding. He has previously served as a director DiscFactories Corporation, a TSX Venture Exchange-listed company. Mr. Gallagher earned his bachelor of commerce degree from McMaster University, his MBA from York University and was granted his CFA designation by The Institute of Chartered Financial Analysts. He will devote approximately 2-5% of his time to the affairs of the Corporation.

David Woolford, 46, has been a director of the Corporation since March 9, 2004. He joined Cassels Brock & Blackwell LLP, a Toronto-based law firm, as a partner in its business law group in June 2003. He practices in the corporate, commercial and technology areas with special emphasis on corporate finance, mergers and acquisitions, divestitures and reorganizations. Mr. Woolford is also an active angel investor and serves on various private company boards and advisory boards. He was previously a partner with the law firm of Fraser Milner Casgrain LLP from July 2000 and May 2003 and before that a partner with the law firm of McMillan Binch LLP from 1988. He attended the University of Waterloo and earned his law degree from the University of Western Ontario and is a member of the Law Society of Upper Canada. He will devote approximately 2-5% of his time to the affairs of the Corporation.

In addition to any other requirements of the Exchange, the Exchange expects management of the Corporation to meet a high management standard.

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

Name	Name of Reporting Issuer	Name of Exchange or Market	Position	From	To
Brian Courtney	Patent Enforcement and Royalties Ltd.	TSXV	Chief Executive Officer & Director	1999 2000	2003 2002
	Global Election Systems Inc.	TSX, AMEX	Chief Executive Officer & Director		
Timothy Gallagher	Serengeti Resources Inc.	TSXV	Director	1996	Present
	DiscFactories Corporation	TSXV	Director	1999	2001
	Ontario Capital Opportunities Inc.	TSXV	Chief Executive Officer & Director	2003	Present
David Woolford	HEGCO Canada Inc.	CDNX	Chairman & Director	2000	Present
	International Bioanalogics Systems Inc.	TSXV	Director	2000	2002

Corporate Cease Trade Orders or Bankruptcies

During the past five years, none of the directors, officers and promoters of the Corporation was a director, officer or promoter of any other issuer that was, during his tenure, the subject of a cease trade order or similar order or an order that denied that issuer access to any statutory exemptions for a period of more than 30 consecutive days, or was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person other than David Woolford, who serves as chairman and a director of HEGCO Canada Inc. (“HEGCO”). On February 21, 2002, the Court of Queen’s Bench of Alberta appointed a receiver and manager for HEGCO, pursuant to a petition filed by the company. The Ontario, British Columbia and Alberta Securities Commissions issued cease trade orders in 2002 with respect to the securities of HEGCO for failure to file financial statements. Trading in the common shares of HEGCO was suspended on the former CDNX in April 2002. HEGCO’s restructuring efforts continue as of the date hereof.

Penalties or Sanctions

Except as otherwise disclosed, none of the directors, officers and promoters of the Corporation has, during the past ten years, been subject to any penalties or sanctions imposed by a court or securities regulatory authorities relating to trading in securities, promotion or management of a publicly traded issuer, or has entered into a settlement agreement with a securities regulatory authority.

Individual Bankruptcies

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

Indebtedness of Directors and Officers

None of the directors, officers and promoters of the Corporation or any of their respective Associates or Affiliates has been indebted to the Corporation since the date of the Corporation's incorporation.

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"). No reimbursement may be made for any payment made to lease or buy a vehicle.

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 immediate or foreseeable future.

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

PROMOTER

Brian Courtney may be considered to be the promoter of the Corporation in that he took the initiative in organizing the business of the Corporation. As of the date hereof, Mr. Courtney owns 250,000 Common Shares. See "Principal Shareholders", "Prior Sales" and "Directors and Officers".

CONFLICTS OF INTEREST

There are potential conflicts of interest to which the directors, officers, insiders and promoters of the Corporation will be subject in connection with the operations of the Corporation. Some of the directors, officers, insiders and promoters have been and will continue to be engaged in the identification and evaluation, with a view to potential acquisition of interests in businesses and corporations on their own behalf and on behalf of other corporations, and situations may arise where the directors and officers will be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies prescribed by the *Business Corporations Act* (Ontario), the Exchange and applicable securities law, regulations and policies.

RELATED PARTY TRANSACTIONS

Other than as disclosed, there are no material transactions with the directors, officers, promoters or principal holders of the Corporation's securities that have occurred since the date of incorporation of the Corporation. David Woolford, a director of the Corporation, is a partner of the law firm Cassels Brock & Blackwell LLP, which provides legal services to the Corporation on a commercial basis.

DILUTION

Purchasers of the Common Shares offered hereunder will suffer an immediate dilution of 20% or $0.04 per Common Share, on the basis of there being 2,500,000 Common Shares of the Corporation issued and outstanding 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:

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

(b) investment in the Common Shares offered by the prospectus is highly speculative given the proposed nature of the Corporation's business and its present stage of development;

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

(d) assuming completion of the Offering, an investor will suffer an immediate dilution to its investment of 20% or $0.04 per Common Share;

(e) 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 its Common Shares;

(f) 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;

(g) 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;

(h) even if a proposed Qualifying Transaction is identified, there can be no assurance that the Corporation will be able to successfully complete the transaction;

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

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

(k) 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 assurance with respect to the merits of the transaction or the likelihood of the Corporation completing the proposed Qualifying Transaction;

(l) 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;

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

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

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

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

(q) subject to prior Exchange acceptance, 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 that loan.

As a result of these factors which are not all-inclusive, this Offering is only suitable to investors who are wiling to rely solely on management of the Corporation and who can afford to lose their entire investment. Those investors who are not prepared to do so should not invest in the common shares.

LEGAL PROCEEDINGS

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

RELATIONSHIP BETWEEN THE CORPORATION AND PROFESSIONAL PERSONS

Other than as disclosed herein, as of the date hereof, no Professional Person, Responsible Solicitor or any partner of a Responsible Solicitor's Firm holds any beneficial interest, direct or indirect, in any securities or properties of the Corporation or of an associate or affiliate of the Corporation. Other than as disclosed herein, as of the date hereof, no Professional Person, Responsible Solicitor or any partner of the Responsible Solicitor's Firm is or is expected to be elected, appointed or employed as a director, senior officer or employee of the Corporation or of an associate or affiliate of the Corporation, or a promoter of the Corporation or an associate or affiliate of the Corporation. David Woolford, a partner with the Corporation's legal counsel, Cassels Brock & Blackwell LLP, owns, directly or indirectly, 250,000 Common Shares, representing approximately 25% of the isssued and outstanding Common Shares as of the date hereof. Assuming completion of the Offering, Mr. Woolford will hold approximately 10% of the issued and outstanding Common Shares. Mr. Woolford is a director of the Corporation and may be nominated for election as a director of the Corporation in the future.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are Silver Gold Glatt & Grosman llp, Chartered Accountants, 45 St. Clair Avenue West, Suite 200, Toronto, Ontario M4V IK6.

The transfer agent and registrar of the Corporation is Equity Transfer Services Inc., 120 Adelaide Street West, Suite 420, Toronto, Ontario M5H 4C3

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:

(a) Transfer Agency and Registrarship Agreement to be entered into between the Corporation and Equity Transfer Services Inc.;

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

(c) the Discount Seed Share Escrow Agreement referred to under "Escrow of Securities".

Copies of these agreements will be available for inspection at the registered office of the Corporation, 40 King Street West, Suite 2100, Toronto, Ontario, M5H 3C2 and at the offices of the Commissions during ordinary business hours while the securities offered by this prospectus are in the course of distribution and for a period of 30 days thereafter.

LEGAL MATTERS

The matters referred to under "Eligibility for Investment" and certain other legal matters relating to the Common Shares offered by this prospectus will be passed upon at the closing of the Offering on behalf of the Corporation by Cassels Brock & Blackwell LLP and on behalf of the Agent by Burstall Winger LLP. As of the date of this prospectus, the partners and associates of Cassels Brock & Blackwell LLP, as a group, own 25% of the issued and outstanding Common Shares, and the partners and associates of Burstall Winger LLP, as a group, do not own any Common Shares.

ELIGIBILITY FOR INVESTMENT

In the opinion of Cassels Brock & Blackwell LLP and Burstall Winger LLP, based on legislation in effect at the date hereof and if, as and when the Common Shares are listed on a prescribed stock exchange (as defined in the *Income Tax Act* (Canada) and the regulations thereunder (the "Act")), the Common Shares will be qualified investments under the Act for trusts governed by registered retirement savings plans.

OTHER MATERIAL FACTS

This prospectus contains full, true and plain disclosure of all material facts relating to the securities being distributed.

PURCHASERS' STATUTORY RIGHTS

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.

AUDITORS' CONSENT

We have read the preliminary prospectus of York Capital Corp. dated June 28, 2004 relating to the issue and sale of 1,500,000 common shares of York Capital Corp. at a price of $0.20 per common share. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above-mentioned preliminary prospectus of our auditor's report dated May 7, 2004 (except for note 6, which is as of ●, 2004) to the Directors of the Corporation on the balance sheet of the Corporation as at May 7, 2004 and the statement of cash flows for the period from the date of incorporation, January 16, 2004 to May 7, 2004.

Toronto, Ontario
● , 2004

Chartered Accountants

YORK CAPITAL CORP.

FINANCIAL STATEMENTS

MAY 7, 2004

AUDITORS' REPORT

To the Directors of
York Capital Corp.

We have audited the balance sheet of **York Capital Corp.** as at May 7, 2004 and the statement of cash flows for the period from the date of incorporation, January 16, 2004 to May 7, 2004. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at May 7, 2004 and the changes in its cash flows for the period from the date of incorporation, January 16, 2004 to May 7, 2004 in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario
May 7, 2004, except for note 6
which is as of ■, 2004

Chartered Accountants

York Capital Corp.

(Incorporated under the laws of the Province of Ontario)

Balance Sheet as at May 7, 2004

ASSETS

Current	
Cash held by solicitor, in trust (Note 3)	$ 82,805
Deferred Costs (Note 4)	28,500
Incorporation Cost	2,500
	$ 113,805

LIABILITIES

Current	
Accrued liabilities	$ 13,805

SHAREHOLDERS' EQUITY

Capital Stock (Note 5)	100,000
	$ 113,805

York Capital Corp.

Statement of Cash Flows

For the period from the date of incorporation, January 16, 2004 to May 7, 2004

FINANCING ACTIVITIES

Deferred expenses paid	$ (14,695)
Incorporation costs	(2,500)
Issuance of capital stock	100,000
Cash Provided By Financing Activities	82,805
CASH, End of period	$ 82,805

1. INCORPORATION, NATURE OF ACTIVITIES AND GOING CONCERN

The Company was incorporated under the Business Corporations Act (Ontario) on January 16, 2004. The Company is proposing to file its preliminary prospectus with one or more of the Securities Commissions in order to be classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange Inc. (the "Exchange"). The Company has no assets other than cash and deferred costs and proposes to identify and evaluate potential assets or businesses with a view to completing the Qualifying Transaction to acquire such assets or businesses, other than cash, by way of purchase, amalgamation, merger or an arrangement with another company subject to receipt of regulatory and, if required, shareholders' approval.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles applied on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company will require additional funding to meet its objectives. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing. There is no assurance that the Company will be able to complete the Qualifying Transaction within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or de-list the Company's shares from trading.

The Company has not commenced operations at the balance sheet date. Accordingly, a statement of income and retained earnings has not been prepared.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

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

Financial Instruments

It is the opinion of management that the Company is not exposed to significant interest, foreign exchange and credit risks arising from its financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

3. CASH HELD BY SOLICITOR, IN TRUST

Under the Exchange Policy, the proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses and obtain shareholders' approval for the proposed Qualifying Transaction. Until the completion of the Qualifying Transaction, no more than 30% of the gross proceeds from the issuance of share capital may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company.

4. DEFERRED COSTS

Costs incurred for the public offering consist of professional fees and have been deferred. Upon completion of the public offering, as discussed below in Note 6, the costs incurred will be charged against share capital.

5. CAPITAL STOCK

Authorized

Unlimited	Common shares	
Issued		
1,000,000	Common shares issued for cash	$ 100,000

Pursuant to the Discount Seed Share Escrow Agreement (the "Agreement"), to be dated as of the date of the closing of the Offering, among the Company, the Escrow Agent and certain shareholders of the Company, all of the issued and outstanding shares have been deposited in escrow. Upon the Company completing the Qualifying Transaction, these shares shall be released as follows under the agreement:

> 10% immediately following the issuance of the Final Exchange Bulletin and an additional 15% will be released every six months thereafter.

The Company will grant a non-transferable option to the agent to purchase up to 150,000 common shares priced at $0.20 to be exercised within 18 months of the date of listing on the Exchange. Pursuant to the Exchange rules, not more than 50% of the option can be exercised prior to the completion of the Qualifying Transaction.

6. SUBSEQUENT EVENT

Pursuant to its Preliminary Prospectus dated June 28, 2004, to be filed with each of the Ontario Securities Commission, the Alberta Securities Commission and the Exchange, the Company is offering 1,500,000 shares priced at $0.20 for total proceeds of $300,000. The additional cost of the issue, including the agent's commission of 10%, the agent's corporate finance fee, listing fee, and legal fees are estimated to be $47,000 plus any GST where applicable.

CERTIFICATE OF THE CORPORATION

Dated: June 28, 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) and Part 9 of the *Securities Act* (Alberta) and the regulations thereunder.

(signed) Brian W. Courtney	*(signed)* Timothy Gallagher
Brian W. Courtney President & Chief Executive Officer	Timothy Gallagher Chief Financial Officer & Secretary

ON BEHALF OF THE BOARD

(signed) Charles Berger	*(signed)* David Woolford
Charles Berger Director	David Woolford Director

CERTIFICATE OF THE PROMOTER

Dated: June 28, 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) and Part 9 of the *Securities Act* (Alberta) and the regulations thereunder.

(signed) Brian W. Courtney

Brian W. Courtney
Promoter

CERTIFICATE OF THE AGENT

Dated: June 28, 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) and Part 9 of the *Securities Act* (Alberta) and the regulations thereunder.

RAYMOND JAMES LTD.

(signed) Ian S. Brown

Ian S. Brown