

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

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered herein have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or any state securities laws and, subject to certain limited exemptions, may not be offered, sold or delivered directly or indirectly in the United States or to United States persons.

PRELIMINARY PROSPECTUS

Additional Issue

April 30, 2008



To be renamed as
KINGSMILL ASSET MANAGEMENT INC.

OFFERING: \$2,100,000 (7,000,000 COMMON SHARES)

Price: \$0.30 per Common Share

Pursuant to the terms and subject to the conditions precedent of an agreement entered into as of August 2, 2007 and amended on March 31, 2008 (the "Asset Purchase Agreement"), including the receipt of all requisite regulatory and shareholder approvals, Kingsmill Capital Ventures Inc. ("KCV" or the "Company"), a capital pool company pursuant to Policy 2.4 (the "CPC Policy") of the TSX Venture Inc. ("TSXV" or the "Exchange"), has agreed to purchase a portfolio of life settlements having a face value of US \$42,011,584, (the "Target Asset") from Universal Settlements International Inc. ("USI") (the "Qualifying Transaction").

As consideration, USI will receive 25,653,590 common shares of KCV (the "Payment Shares") representing C\$7,696,077 at a deemed price of C\$0.30 per KCV share. All of these common shares shall be subject to the terms of escrow described under *Information Concerning the Company – Qualifying Transaction*. Such acquisition will constitute the Qualifying Transaction (as defined herein) of the Company and will be subject to regulatory approval and approval of the TSX Venture Exchange Inc. (the "Exchange"). The closing of this Offering is conditional upon the closing of the Qualifying Transaction. Following the Qualifying Transaction, managing a portfolio of life settlements (including buying and selling life settlements in bulk), as described herein, will constitute the sole operations of the Company.

This prospectus qualifies the distribution of 7,000,000 common shares of KCV (the "Offered Shares") at a price of \$0.30 per Offered Share (the "Offering Price") for gross proceeds of \$2,100,000 (the "Offering"). The net proceeds from the Offering will be used in the operations of the Company following completion of the Qualifying Transaction.

Jones, Gable & Company Limited (the "Agent") has agreed to act as agent to offer the Offered Shares on a commercially reasonable efforts basis pursuant to the terms of an agency agreement (the "Agency Agreement") entered into on [REDACTED]. The Offering Price was determined by negotiation between KCV and the Agent. See "Description of the Securities Distributed" and "Plan of Distribution".

The KCV Shares have been listed on the TSXV since November 17, 2006 under the symbol "KCV.P".

On August 1, 2007, the closing price of the Common Shares was \$0.29. The Company has applied to the Exchange for the listing of the Common Shares to be issued pursuant to this Offering and pursuant to the Qualifying Transaction as well as the

Common Shares to be issued pursuant to the exercise of the Broker's Warrants (as that term is defined herein). Listing will be subject to the Company fulfilling all requirements of the Exchange.

The Company has applied to TSXV to list the Payment Shares, the Offered Shares (including any over-allotment shares) and the Common Shares issuable upon exercise of the Broker's Warrants and certain additional stock options (see "Options to Purchase Securities"). Listing is subject to the Company fulfilling the requirements of TSXV.

An investment in the Offered Shares should be considered as highly speculative and is suitable only for those persons who are able to sustain the risk of loss of their entire investment. See "Risk Factors".

	<u>Common Shares</u>	<u>Price to Public</u>	<u>Agent's Commission⁽¹⁾</u>	<u>Net Proceeds to the Company⁽²⁾</u>
Per Common Share	1	\$0.30	\$0.03	\$0.27
Total Offering	7,000,000	\$2,100,000	\$210,000	\$1,890,000

- (1) A cash commission in an amount equal to 10% of the gross proceeds of the Offering will be paid to the Agent on closing. As additional consideration for the Agent's services in connection with the Offering and pursuant to the terms of the Agency Agreement, the Agent will also receive:
 - (i) broker's warrants ("Broker's Warrants") to acquire that number of Offered Shares as is equal to 10% of the aggregate number of Offered Shares sold pursuant to the Offering at a price of \$0.30 for a period of 24 months from the Closing Date;
 - (ii) a corporate finance fee of \$20,000 plus applicable taxes; and
 - (iii) reimbursement of its reasonable expenses and legal fees and disbursements, estimated to be \$25,000.
- (2) The Agent has also been granted an option exercisable for a period of 60 days after the Closing Date to purchase up to an additional number of the Offered Shares equal to 15% of the number of the Offered Shares sold on the Closing Date, at the Offering Price per Offered Share, to cover over-allotments, if any (the "Over-Allotment Option"). The grant of the Over-Allotment Option and the distribution of all securities issuable upon the exercise thereof are qualified by this prospectus. If the Over-Allotment Option is exercised in full, the total Price to the Public will be \$2,415,000, the Agent's Fee will be \$241,500 and the Net Proceeds will be \$2,173,500.
- (3) Before deducting expenses of the Qualifying Transaction and the Offering estimated to be approximately \$160,000, including listing fees, fees of legal counsel to the Agent and KCV and other costs related thereto.

The Agent conditionally offers the Offered Shares, on a commercially reasonable efforts basis, subject to prior sale, if, as and when issued by KCV and accepted by the Agent, in accordance with the terms and conditions of the Agency Agreement referred to under "Plan of Distribution" and subject to the approval of certain legal matters by Sui & Company, Solicitors, Toronto, Ontario, on behalf of the Company, and by Thomas, Rondeau LLP, of Vancouver, British Columbia, on behalf of the Agent.

Subscriptions for the Offered Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The distribution of the Offered Shares will not continue for a period of more than 90 days after the date of issuance of a final receipt for this prospectus if subscriptions representing the Offering are not obtained. All funds received from the sale of the Offered Shares will be deposited and held in trust with the Agent pursuant to the terms of the Agency Agreement. None of the funds held in trust will be released until all closing conditions have been satisfied, including the issuance of a final receipt from the securities regulatory authorities for this prospectus, the issuance of the Final Exchange Bulletin (as hereinafter defined) and completion of the Qualifying Transaction, failing which all subscription proceeds from this Offering will be returned to subscribers without any interest or deduction. It is expected that definitive certificates evidencing the Offered Shares will be available for delivery at the closing of the Offering.

Subject to receipt of all necessary securities regulatory approvals, closing of this Offering and the Qualifying Transaction is expected to take place on or about **■**, 2008 or on such earlier or later date as the Company, USI and the Agent shall agree, but in any event, not earlier than seven business days following the granting by the TSXV of conditional approval of the Qualifying Transaction and not later than 90 days from the date of the Receipt (as hereinafter defined) (the "Closing Date"). Issuance of the Final Exchange Bulletin evidencing final Exchange approval and completion of the Qualifying Transaction will follow shortly thereafter. See "Information Concerning the Issuer - Qualifying Transaction" and "Plan of Distribution".

Should the closing occur in respect of the Offering, one or more additional closings, if necessary, may occur until 90 days from the date of the Receipt.

Following the Completion of the Qualifying Transaction and the Offering, an investor will suffer an immediate dilution of 15.20% or \$0.046 per Common Share if all of the Offered Shares are subscribed. Dilution has been computed on the 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 Company.

This Prospectus also constitutes the Filing Statement required by Policy 2.4 of the Exchange.

Jones, Gable & Company Limited

Suite 325, 555 Burrard Street
Two Bentall Centre, PO Box 240,
Vancouver, B.C.
V7X 1M7

Tel: (604) 685-1481

Fax: (604) 685-3761

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SUMMARY OF THE PROSPECTUS

The following is a summary of the principal features of this prospectus and should be read together with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this prospectus. Certain terms used in this summary are defined in the Glossary. Unless otherwise indicated, references to dollars or \$ are to Canadian currency.

The Company

The Company is a CPC incorporated on October 28, 2005 under the *Business Corporations Act* (Ontario). On July 12, 2006 and August 30, 2006, the Company amended its articles to remove its private company restrictions and the restrictions against the transfer of its shares respectively. The Company completed its IPO on November 2, 2006 and its Common Shares were listed on the Exchange on November 17, 2006.

Qualifying Transaction

In accordance with the Asset Purchase Agreement, the Company has agreed to acquire a portfolio of life settlements having a face value of US \$42,011,584 in exchange for the issuance to USI of 25,653,590 common shares of KCV representing \$7,696,077 at a deemed price of \$0.30 per KCV share, which shares shall be subject to the terms of escrow described under *Information Concerning the Company – Qualifying Transaction*. The Qualifying Transaction constitutes a transaction with arm's length parties.

The Closing of the Qualifying Transaction is subject to compliance with the terms and conditions of the Asset Purchase Agreement, to approval by the securities regulatory authorities and the Exchange and to the Closing of the Offering. See *Information Concerning the Company – Qualifying Transaction*.

The Target Asset

A portfolio of 557 life insurance policies currently held by Universal Settlement International Inc. constitutes the assets to be acquired by the Company. The total face value of the portfolio is US \$42,011,584 and will be purchased at a purchase price of \$7,696,077 paid through the issuance of 25,653,590 common shares of Kingsmill Capital Ventures at a deemed value of \$0.30 CDN per share.

Business of the Resulting Issuer

Business Objectives

The Company will become an owner and manager of a portfolio of life settlement policies and is expected to be classified as an investment company under TSXV policies. Its primary objective will be to build a diversified inventory of policies both through new investment and the re-investment of the proceeds from matured policies. The Company may also package some of its policies for resale in order to generate additional returns.

Growth Strategy

KCV's growth strategy will be to raise funds through future offerings for the acquisition of additional life settlements. Further, proceeds from maturities within the portfolio may be re-invested. KCV expects to be in a position to have a large portfolio of policies under administration and management and to either sell such policies at a profit or maintain these policies until maturity. By executing this strategy, management of the Company hopes to provide positive returns to the Company's shareholders.

Directors of the Resulting Issuer

David Mitchell	-	President, Chief Executive Officer and Director
Ilja Troitschanski	-	Secretary-Treasurer, Chief Financial Officer and Director
Jeffrey Panos	-	Director
Gary Sugar	-	Director
Larry Babins	-	Director
Jorg Finsinger	-	Director

Independent Directors

The independent directors of the Company, being Jorg Finsinger, Gary Sugar and Larry Babins, are “independent” within the meaning of National Instrument 58-101 - *Disclosure of Corporate Governance Practices* and TSXV policies. The independent directors are responsible for approving all agreements between the Company and Management and/or their Affiliates, including those described herein

David Mitchell is the Promoter of the Company. See “*Directors, Officers and Promoter*” and “*Promoter*”.

Management of the Resulting Issuer

David Mitchell	-	President, Chief Executive Officer and Director
Ilja Troitschanski	-	Secretary-Treasurer, Chief Financial Officer and Director

SUMMARY OF THE OFFERING

Offering: 7,000,000 Common Shares are being offered and qualified under this prospectus at a price of \$0.30 per Common Share in the provinces of Alberta, British Columbia and Ontario. In addition, the Company will grant to the Agent a non-transferable option (the "Broker's Warrants") to purchase in aggregate up to 700,000 Common Shares at a price of \$0.30 per Common Share, which may be exercised for a period of 24 months from the Closing Date. The Broker's Warrants are qualified for distribution under this prospectus. See "*Plan of Distribution*" and "*Options to Purchase Securities*".

Over-Allotment Option: The Company has granted to the Agent an Over-Allotment Option, exercisable for a period of 60 days from the closing of the Offering, to purchase up to an additional number of the Offered Shares equal to 15% of the number of the Offered Shares sold on the Closing Date, on the same terms as set out above solely to cover over-allotments, if any, and for market stabilization purposes. See "*Plan of Distribution*".

Use of Proceeds: The net proceeds from the Offering are estimated at \$1,730,000, after deducting the Agent's fee and the estimated expenses of the Offering. Such net proceeds, together with the available funds of KCV, as at January 31, 2008 totaling \$681,000, will be used as follows:

Policy Premiums and Administration:	\$ 1,332,155
General and Administration costs:	<u>\$ 1,078,845</u>
TOTAL:	\$ 2,411,000

The Resulting Issuer intends to use the available funds for the above purposes once the Qualifying Transaction has been completed. Under certain circumstances, it will be appropriate for commercially valid reasons to reallocate the funds so that the Resulting Issuer may meet its business objectives.

Escrow Securities: The Payment Shares to be issued by the Company pursuant to the Asset Purchase Agreement will be deposited in escrow pursuant to the terms of the Escrow Agreement and will be released from escrow in stages over a period of three years after the date of the Final Exchange Bulletin. See "*Escrowed Securities*".

Risk Factors:

An investment in KCV's shares should be considered highly speculative due to the nature of the Company's business and the present stage of its development. Upon completion of the Qualifying Transaction, all of the risks below in respect of KCV will apply equally to the Resulting Issuer. In evaluating KCV and its business, shareholders should carefully consider, in addition to the other information contained in this Prospectus, the following risk factors:

- The purchase price of the Target Asset was determined by negotiation between KCV and USI. Information about the health status of the individuals whose lives are insured by the policies underlying the Target Asset is in most cases either incomplete or out of date. As a result, it is not possible to reasonably estimate the extent to which the investment in the Target Asset will be profitable to KCV, if at all.
- The majority of the life settlement policies underlying the Target Asset insure the lives of individuals who have contracted AIDS. Advances in medical science in recent years have resulted in the life expectancy of AIDS patients increasing significantly. Further advances will reduce the profitability, if any, of KCV's investment in the Target Asset. Similarly, advances in medical science generally may result in a decline in the profitability of life settlement policies that insure the lives on non-AIDS patients.
- The life settlement policies to be acquired by KCV are purchased and sold primarily in the United States and as such are subject to both state and federal laws. Changes in these laws could seriously impact the ability of KCV to properly manage the policies and to receive returns on its investments.
- The life insurance companies which underwrite the life insurance policies which form the basis for the life settlements could become insolvent thus impairing the Company's ability to receive part or all of the entitlements under a particular policy.
- The life expectancy of an insured is only an estimate. If an insured lives longer than expected, the returns to KCV will be diminished.
- Life settlements are denominated in U.S. dollars and as such, significant changes in the exchange rate between the U.S. dollar and the Canadian dollar may result in a material adverse impact on the value of the Corporation's portfolio of life settlements.
- KCV will be relying on 3rd parties to manage, source and/or facilitate sales of life settlement contracts. If a 3rd party were to go out of business, KCV might be unable to find a replacement for such a party in a timely manner, thus jeopardizing the ability of KCV to generate returns on its investments. Some of these 3rd parties, including USI, may be subject to conflicts of interest with KCV.
- KCV is a start up company and has not experienced significant revenue or earnings. There is no assurance that KCV will be able to generate such revenue or earnings.

See "Business of the Company", "Directors, Officers and Promoters - Conflicts of Interest", "Capitalization", "Dilution" and "Risk Factors".

SUMMARY OF PRO FORMA FINANCIAL INFORMATION

The following selected financial data has been derived from, should be read in conjunction with, and is qualified in its entirety by, the unaudited pro forma balance sheet of the Company together with other information available to the Company.

The unaudited pro forma balance sheet gives effect to the following assumptions as if they had occurred on January 31, 2008:

- (i) The acquisition of a portfolio of life insurance policies from Universal Settlements International Inc. (“USI”) for a purchase price of \$7,696,077 in exchange for the issuance of 25,653,590 common shares of Kingsmill at an agreed price of \$0.30 per share.
- (ii) The closing of an issue of Kingsmill common shares for aggregate proceeds of \$2,100,000 to occur concurrently with the closing of the qualifying transaction and as a condition to the closing of the acquisition. Jones, Gable, and Company Limited will act as agent for the financing, and will receive a 10% commission of the aggregate proceeds and will be issued 10% broker warrants.
- (iii) Concurrently with the completion of the acquisition, Kingsmill will issue 4,700,000 stock options to members of the board of directors and management of the resulting issuer.

	Kingsmill Capital Ventures Inc. January 31, 2008 (Unaudited)	Adjustments	Pro Forma
	\$	\$	\$
ASSETS			
CURRENT			
Cash	96,887	2,100,000 (ii) (210,000) (iii) (100,000) (vi)	1,886,887
Short-term investments	605,402		605,402
Prepaid expenses and GST receivable	<u>12,376</u>		<u>12,376</u>
	714,665		2,504,665
DEFERRED TRANSACTION COSTS	61,248	(61,248) (vii)	-
INVESTMENT IN LIFE INSURANCE POLICIES	<u>-</u>	7,696,077 (i)	<u>7,696,077</u>
	<u><u>775,913</u></u>		<u><u>10,200,742</u></u>

LIABILITIES

CURRENT

Accounts payable and accrued liabilities	<u>33,573</u>	<u>33,573</u>
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SHAREHOLDERS' EQUITY

SHARE CAPITAL	788,840	7,696,077 (i) 2,100,000 (ii) (210,000) (iii) (71,700) (iv) (100,000) (vi) (61,248) (vii)	10,141,969
WARRANTS	26,311	71,700 (iv)	98,011
CONTRIBUTED SURPLUS	82,500	742,500 (v)	825,000
DEFICIT	<u>(155,311)</u>	(742,500) (v)	<u>(897,811)</u>
	<u>742,340</u>		<u>10,167,169</u>
	<u><u>775,913</u></u>		<u><u>10,200,742</u></u>

Notes:

The unaudited pro forma balance sheet includes the following adjustments:

- (i) To reflect the issuance of 25,653,590 common shares at \$0.30 per share, for the acquisition of the life insurance policies.
- (ii) To reflect the completion of a public offering raising \$2,100,000.
- (iii) To reflect estimated commission payable to Jones, Gable & Company of approximately \$210,000.
- (iv) To reflect the issuance of 700,000 broker warrants to Jones, Gable & Company with a value of approximately \$71,700.
- (v) To reflect the issuance of 4,700,000 stock options with a value of approximately \$742,500.
- (vi) To reflect estimated legal, filing, accounting and other fees associated with the transaction of approximately \$100,000.
- (vii) To recognize the deferred transaction costs of \$61,248.

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.

“**Agent**” means Jones, Gable & Company Limited

“**Agent’s IPO Options**” means the 333,333 options granted to the Agent in connection with the Company’s IPO exercisable at a price of \$0.15 each until November 17, 2008.

“**Asset Purchase Agreement**” means the agreement entered into as of August 2, 2007 and amended on March 31, 2008 among the Company and USI setting out the terms and conditions of the acquisition of the Target Asset by the Company.

“**Associate**” means, when used to indicate a relationship with a Person:

- (a) an issuer of which the Person 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;
- (c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which a Person served as trustee or in a similar capacity; and (d) in the case of a Person who is an individual:
 - (i) that Person’s spouse or child; or
 - (ii) any relative of that Person or of his spouse who has the same residence as that Person.

“**Broker’s Warrants**” means that number of warrants to purchase Offered Shares granted to the Agent as is equal to ten percent (10%) of the aggregate number of Offered Shares sold pursuant to the Offering exercisable at a price of \$0.30 each for a period of 24 months from the Closing Date.

“**CPC**” or “**Capital Pool Company**” means a corporation established pursuant to the CPC program administered by the Exchange:

- (a) that has been incorporated or organized in a jurisdiction in Canada;
- (b) that has filed and obtained a receipt for a CPC prospectus from one or more of the securities regulatory authorities in compliance with the CPC Policy;
- (c) that has completed its IPO and whose common shares are listed for trading on the Exchange.

“**CPC Policy**” means TSXV Policy 2.4 – Capital Pool Companies.

“**Closing Date**” means **■**, or such earlier or later date as the Company, USI and the Agent shall agree, but in any event, not earlier than seven business days following the granting by TSXV of conditional approval of the Qualifying Transaction and not later than 90 days from the date of the Receipt.

- “**Common Shares**” or “**KCV Shares**” means the common shares in the capital stock of the Company or the Resulting Issuer.
- “**Completion of the Qualifying Transaction**” means the date the Final Exchange Bulletin is issued by the Exchange evidencing completion of the Qualifying Transaction.
- “**Control Person**” means any Person that holds or is one of a combination of Persons that holds a sufficient number of any of the securities of an issuer so as to materially affect 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.
- “**Corporate Finance Fees**” means the \$20,000 payable to the Agent at Closing.
- “**Escrow Agreement**” means the escrow agreement entered into between the Company, Equity Transfer & Trust Company and various holders of Common Shares at the closing of the IPO.
- “**Escrowed Shares**” means the Common Shares subject to the terms and conditions of the Escrow Agreement, the Surplus/Value Security Escrow Agreement. See *Information concerning the Company – Escrow Securities*.
- “**Exchange**” or “**TSXV**” means 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.
- “**IPO**” means initial public offering.
- “**Minimum Listing Requirements**” means the minimum financial, distribution and other standards that must be met by applicants seeking a listing on a particular tier of the Exchange.
- “**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 Party**” means in relation to a company, a promoter, officer, director, other insider or Control Person of the company (including an issuer) and any Associates or Affiliates of any 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.
- “**OBCA**” means the *Business Corporations Act* (Ontario), as amended from time to time, including any regulations promulgated thereunder.
- “**Offering**” means the offering of Common Shares in accordance with the terms of this Prospectus.
- “**Offered Share**” means a Common Share of the Company proposed for offering through the Agent under this prospectus.
- “**Offering Price**” means \$0.30, the issue price per Offered Share pursuant to the Offering.
- “**Over-Allotment Option**” means the option granted to the Agent exercisable for a period of 60 days after the Closing Date to purchase up to an additional number of Offered Shares equal to 15% of the number of Offered Shares sold on the Closing Date, at the Offering Price per Offered Share, to cover over-allotments, if any.
- “**Payment Shares**” means the 25,653,590 Common Shares to be issued to USI in exchange for the Target Asset in satisfaction of the Purchase Price.
- “**Person**” means an individual, company, corporation, incorporated association or organization, body corporate, limited liability company, joint venture, partnership, trust, association or other entity.

“**Promoter**” has the meaning specified in section 1(1) of the *Securities Act* (Ontario).

“**Purchase Price**” means the purchase price for the Target Asset which is \$7,696,077 payable by the issuance of the Payment Shares (at an issue price of \$0.30 per Payment Share).

“**Qualified Securities**” means the Offered Shares as well as the Common Shares issuable upon the exercise of the Broker's Warrants.

“**Qualifying Transaction**” means a transaction whereby a CPC acquires Significant Assets, other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means. The acquisition of the Target Asset, once completed, will constitute the Company’s Qualifying Transaction.

“**Receipt**” means the document from the Ontario Securities Commission confirming that the appropriate securities regulatory authorities have issued a receipt for this prospectus.

“**Related Party Transaction**” has the meaning ascribed to that term in Section 1.1 of OSC Rule 61-501, and includes a related party transaction that is determined by the Exchange to be a Related Party Transaction. The Exchange may deem a transaction to be a Related Party Transaction where the transaction involves Non-Arm’s Length Parties, or other circumstances exist which may compromise the independence of the issuer with respect to the transaction.

“**Resulting Issuer**” means the Company to be renamed Kingsmill Asset Management Inc., the issuer that will result after Completion of the Qualifying Transaction.

“**Shareholders Meeting**” means the annual and special meeting of the shareholders of the Company scheduled to be held on

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

“**Surplus/Value Security Escrow Agreement**” means the Escrow Agreement in Form 5D of the Exchange to which the Escrowed Shares will be subject.

“**Target Asset**” means a portfolio of life settlements having a face value of US \$42,011,584 to be acquired by a the Company from USI, which acquisition would result in KCV meeting the minimum listing requirements of the Exchange as a Tier 1 or 2 issuer.

“**USI**” means Universal Settlements International Inc., the vendor of the Significant Assets to be acquired by the Company pursuant to the Qualifying Transaction.

CONCURRENT TRANSACTIONS

The following is a list of transactions that will be completed concurrently with the closing of the Offering:

- Change of Name – See “Information Concerning the Company – Change of Name”.
- Acquisition of Target Asset/Qualifying Transaction – See “Information Concerning the Company – Qualifying Transaction” and “Information Concerning USI and the Target Asset”.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this prospectus constitute “forward-looking statements”. When used in this document, the words “may”, “would”, “could”, “will”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “expect”, and similar expressions, as they relate to the Company, USI or the Resulting Issuer or their management are intended to identify forward-looking statements.

Such statements reflect the Company’s or the Resulting Issuer’s current views with respect to future events and are subject to

certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company, USI or the Resulting Issuer to be materially different from any future results, performances or achievements that may be expressed or implied by such forward-looking statements, including, among others, those which are discussed under the heading "Risk Factors". Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. None of the Company, USI or the Resulting Issuer intends or assumes any obligation to update these forward-looking statements.

INFORMATION CONCERNING THE COMPANY

Name and Incorporation

The Company was incorporated on October 28, 2005, by Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (Ontario) under the name "Kingsmill Capital Ventures Inc." On July 12, 2006 and August 30, 2006, the Company amended its articles to remove the private company restrictions, and the restrictions against the transfer of its shares, respectively.

Place of Business

The principal and registered office of the Company is currently located at 5500 North Service Rd., 7th Floor, Burlington, Ontario L7L 6W6.

Intercorporate Relationships

The Company does not currently have any subsidiaries nor will it after giving effect to the Qualifying Transaction.

Capital Pool Company

The Company is a capital pool company established pursuant to the CPC Policy which permits an IPO to be conducted and an Exchange listing to be achieved by a newly created company that has no assets, other than cash, and has not commenced commercial operations. The CPC then uses this pool of funds to identify and evaluate assets or businesses which, when acquired, qualify the CPC for listing as a regular issuer on the Exchange.

Initial Public Offering

The Company completed its initial public offering of 3,333,333 KCV Shares at a price of \$0.15 per share for gross proceeds of \$500,000, pursuant to a prospectus dated October 16, 2006. In accordance with the CPC Policy, the Company has not carried on business since that time other than the identification and evaluation of businesses and assets with a view to completing a Qualifying Transaction and except for the entering into of the Asset Purchase Agreement.

The KCV Shares are listed on the Exchange under the stock symbol "KCV.P".

Qualifying Transaction

The acquisition of the Target Asset, once completed, will constitute the Company's Qualifying Transaction.

i) Purchase Price

Pursuant to the terms and subject to the conditions precedent of the Asset Purchase Agreement, the Company has agreed to buy, and USI has agreed to sell, all of the Target Asset. The Purchase Price for all of the Target Asset will be \$7,696,077, payable through the issuance of the Payment Shares. The Asset Purchase Agreement was negotiated at arm's length between the Company and USI.

ii) Asset Purchase Agreement

The Asset Purchase Agreement is conditional upon closing of the Offering, regulatory approval and other standard conditions precedent typical of commercial agreements of this nature.

iii) Securities Issuable under the Asset Purchase Agreement

In accordance with the terms of the Asset Purchase Agreement, 25,653,590 Payment Shares at an issue price of thirty cents (\$0.30) per share in lieu of payment of the Purchase Price will be issued by the Company in connection with the Qualifying Transaction, subject to receipt of required regulatory approvals.

Arm's Length Party Transaction

The Qualifying Transaction is considered to be an Arm's Length Qualifying Transaction and is therefore not subject to Exchange Policy 5.9 and applicable securities rules and regulations.

Change of Name

Subject to regulatory approval and the Completion of the Qualifying Transaction, the Company intends to change its name to Kingsmill Asset Management Inc. ("KAM"). At the Shareholders Meeting, shareholders of the Company will be asked to approve a special resolution authorizing the Company to file Articles of Amendment to change its name from "Kingsmill Capital Ventures Inc." to "Kingsmill Asset Management Inc."

INFORMATION CONCERNING THE TARGET ASSET

Target Asset Description

On August 2, 2007 USI entered into an agreement, which was amended on March 31, 2008, to sell to the Company a portfolio of 557 life insurance policies (the "Target Asset"). All of these policies are underwritten by insurance companies located outside of Canada and are being purchased at a discount from their face value. Insurance policies purchased at a discount are known as "life settlements" (see below under "Industry Overview").

The face value of the 557 insurance policies in the portfolio is US\$42,011,584. The purchase price of the portfolio equates to \$7,696,077, or roughly 18.32 % of face value, to be paid through the delivery of 25,653,590 shares of KCV at an agreed issue price of \$0.30 per share.

Administrative costs, namely tracking, premium management and claim management in case of maturity, amount to be approximately \$300 USD per policy/year.

History of the Target Asset

The Target Asset was part of a larger portfolio of insurance policies originally held by Trade Partners, Inc., ("Trade Partners"), a private Michigan company operating in the life settlements field. An insolvency proceeding was commenced in 2003 against Trade Partners. As a result, Trade Partners was ordered by the United States District Court for the Western District of Michigan (the "USDC") to sell certain assets including a portfolio of life insurance policies. After being advised of the court ordered sale by an agent of the insolvency receiver of Trade Partners (the "Receiver"), USI submitted a sealed bid pursuant to a public tender and was declared the winner by the Receiver. As a result, USI acquired 850 life insurance policies. A formal Agreement of Purchase and Sale between the Receiver and USI was submitted to the USDC on January 19, 2005 and subsequently approved and confirmed on May 23, 2005 and July 19, 2005 respectively. The face value of the policies acquired by USI was \$160 million USD. They were acquired at a discounted price of \$43 million USD or roughly 26.58 % of face value.

92% of the face value of policies comprising the Target Asset represent policies acquired by USI from the receivership of Trade Partners that had not matured up to August 2, 2007. The remaining 8% of the face value of policies in the Target Asset were acquired by USI over the last few years from different sources.

Industry Overview

What is a life settlement?

- A life settlement (also sometimes known as a "viatical") is the purchase of a life insurance policy at a discount from face value from a person who no longer needs or wants the policy.
- The policy owner receives a lump sum settlement and the title for the policy is transferred to the third party, which pays the future premiums due on the policy and eventually collects the death benefit.

Traditionally, policy owners of a life insurance contract would get access to the value built up in a policy while they are living by surrendering the policy for its cash value, withdrawing some of the accumulated surplus value (if there is any), or borrowing against the cash value. Generally, the actual value that can be accessed through these options is fairly limited. Life settlements are an alternative for those wishing to sell their policy.

With a life settlement, the owner of the policy can sell their beneficial interest in a policy for cash - a life settlement. The owner often receives a higher value compared to the options listed above and is relieved from paying future premium obligations.

Who trades in life settlements? Where are they traded?

Life settlements are not 'traded' in the same way that shares in public companies are 'traded' on a stock exchange. Rather, there is a network of licensed brokers throughout the United States through whom an individual or institution may purchase or sell an insured person's life insurance policy. These brokers represent the insured person, and they effectively 'shop' out or list for sale these insurance policies through their networks. Competing bids from life settlement companies or institutional buyers are received by the broker, who in time chooses to whom the policy will be sold. Like the real estate market, the highest offer usually secures the asset. The purchase of a life insurance policy asset is referred to as a life settlement transaction. This is, essentially, a secondary market for life insurance.

How is a life settlement profitable?

Life settlements are potentially profitable because the investor acquires a policy at a discount from the face value which is based on the insured person's life expectancy and the investor's desired return on capital. The investor then continues to pay the premiums and collects the death benefit when the policy matures. The annual rates of return that investors can expect typically vary between 8% and 12%. In the case of an early maturity (i.e. death of an insured) the return on investment can be substantially higher. In the case where the insured person lives longer than anticipated, the return on investment will be lower, and can potentially be negative.

U.S. Industry Background

The life settlement industry began in the late 1980's. The first year of credible data available is from 1989 when about \$2 million in life insurance (face amount) was purchased. This figure has grown to approximately \$12 billion in 2006. Processes and technologies allowing for more efficient transfer of life policies were established in the late 90's. The life settlements market developed and began to provide liquidity to a growing segment of Americans holding life insurance policies that they no longer needed.

Though individuals have many reasons for exiting their policies, few are aware of the life settlements marketplace and either accept the cash surrender value from the insurance company (often only a fraction of what the policy could be worth in the life settlement market) or let the policy lapse. The fundamental reason for the rapid growth of the life settlements market is consumer value. The life settlements investor can pay more than cash surrender value and still expect a competitive rate of return on their investment.

Market Size in The United States

A report by Conning Research states that as of 2005, there was approximately US \$9 trillion of life insurance in force in the US¹. Estimates place the US life settlement market potential between USD \$240 and USD \$600 billion.² Bernstein Equity Research indicates that from 1990 to today the life settlement industry has grown from nil to over US \$12 Billion and is expected to grow more than 10 fold to over US \$125 Billion over the next several years.

Market Drivers

There are many reasons for policies becoming available for settlement. These include:

- Policy-holder is terminally ill and requires funds to pay medical and/or living expenses
- Policy-holder no longer needs coverage
- Change in business ownership makes policy obsolete
- Key-man leaves the business
- Policy-holder needs to raise cash
- Non-profit organization owns a policy insuring the life of a key donor or benefactor who no longer wants to pay premiums

¹ Conning Research and Consulting Inc (2006)

² Franklin Templeton, November 2006

- Estate tax reform in USA
- Growing number of sophisticated market participants

Further regulation, demographics and a low national savings rate will drive the expansion of supply to the life settlement market. The demographic of the baby boomer generation, people born in the U.S. between 1945 and 1965, is well known and is moving towards retirement with minimal savings relative to expected post-retirement expenditures.

Market Acceptance

Recently, there has arisen a demand for assets whose value is not directly correlated with the equity or property markets.

The potential for fluctuations in typical financial planning vehicles is always present simply because the value of the vehicle itself can always change due to economic conditions. Life Settlements do not fluctuate in any way – the face amount is what it is, and will never change. Thus, as long as the premiums are maintained to keep the policy in force, the policy WILL mature one day, and the face amount will be paid out. Therefore, the only variable affecting return on investment is the length of time until the policy matures.

Regulatory Environment in the United States

Under U.S. securities laws, although life settlements are not required to be registered under either the 1933 Securities Act or the 1934 or the 1934 Securities Exchange Act, individual states such as California, New York and Florida have taken the position that life settlements are securities and, as such, are regulated under state securities laws.

Life Settlements in Canada – The Regulatory Environment

In Canada, life insurance issued by Canadian based insurance companies is governed by provincial insurance legislation in six of the ten provinces including Ontario. Generally, such legislation prohibits trafficking in insurance policies or their benefits. Section 115 of the *Insurance Act* (Ontario) for example provides that:

Trafficking in life insurance policies prohibited: Any person, other than an insurer or its duly authorized agent, who advertises or holds himself, herself or itself as a purchaser of life insurance policies or of benefits thereunder, or who trafficks or trades in life insurance policies for the purpose of procuring the sale, surrender, transfer, assignment, pledge, or hypothecation thereof to himself, herself or itself or any other person, is guilty of an offence.

As such, no market for viaticals or life settlements based on Canadian insurance policies has developed.

In the mid 1990s, some Canadian companies (including USI) began to offer non-Canadian life settlements and viaticals to the public as a financial investment vehicle. These activities prompted reviews by some provincial insurance and securities regulators to determine whether regulation was required. In a January 2002 decision involving USI, the Financial Services Tribunal (Ontario) concluded that the activities of USI were not subject to provincial insurance legislation.

A parallel review undertaken by the Ontario Securities Commission (the “Commission”) did not reach a similar result. On September 29th, 2006, the Commission issued a cease trade order against USI. The order was issued as result of a hearing which took place in June and July of 2006. The issue before the Commission was whether life settlements constituted “securities” under the *Securities Act* (Ontario) (the “Act”). In its reasons, the Commission concluded that life settlements were investment contracts and thus were securities under section 1(1) of the Act. USI, therefore, was required to be registered as a dealer when dealing with the public in respect of these investments.

As a result of this decision, USI, through a related company, Universal Markets Inc., applied for registration as a dealer under the Act. On October 15, 2007, registration as a dealer was granted to Messrs. Christopher Halas and Jeffrey Panos, the principals of Universal Markets Inc. It is the view of KCV and USI that the terms of the cease trade order have been complied with and USI is now permitted, through Universal Markets Inc. and other registered dealers, to trade life settlements to the public.

In view of the Commission’s decision on life settlements, the Company will deal with the Target Asset either through registered dealers such as Universal Markets Inc. or through appropriate prospectus and registration exemptions under the Act.

Information Concerning the Vendor of the Target Asset

The vendor of the Target Asset, USI, is a Canadian company based in Burlington, Ontario. USI was incorporated in 1997 and has been operating in the financial services sector for over a decade. USI facilitates the sale of interests in the benefits of US life insurance policies to both institutional and individual purchasers and deals in numerous markets with representation across North America, South America, Central America, Asia and Europe. Further information on USI can be found on USI's website, www.universalsettlements.com. As a result of a recent ruling by the Ontario Securities Commission (see above "Life Settlements in Canada – The Regulatory Environment"), USI will be conducting future sale transactions through registered dealers including Universal Markets Inc. or Kingsmill Capital Partners Inc., a limited market dealer of which two principals of KCV, David Mitchell and Ilja Troitschanski, are major partners.

The shareholders of USI are Jeffrey Panos of North Burlington, Ontario and Messrs. Christopher Halas and Riaz Kahn, both of Mississauga, Ontario. Mr. Panos will be joining the board of KCV as a director upon completion of the Qualifying Transaction (see below under "Directors and Officers of the Resulting Issuer").

BUSINESS OF THE RESULTING ISSUER

Business Objectives

It is the intention of KCV to become an owner and manager of a portfolio of life settlement policies. KCV expects to be classified as an investment company under TSXV policies. Its primary objective will be to build a diversified inventory of policies both through new investment and the re-investment of the proceeds of matured policies. Initial administration of the Target Asset will be provided by Universal Settlements International Inc., (see below under "Administrative Services Agreement with USI").

There is a demand for an asset class whose value is not directly correlated with the equity or property markets. KCV is of the view that the proper purchase, pooling, and reselling of the life settlement product will be profitable.

KCV will become the first Canadian publicly traded company in the life settlements industry. This will allow public market investors to participate in the life settlements opportunity and associated potential returns without having to purchase individual policies. The life settlements asset class has little correlation to traditional equity and fixed income products and therefore may offer investors a form of diversification and asset protection from the instability of the equity markets.

Administrative Services Agreement with USI dated December 7, 2007

Pursuant to an Administrative Services Agreement dated December 7, 2007 (the "Services Agreement") and effective retroactively to August 2, 2007, USI has agreed to provide, on a non-exclusive basis, a number of services to KCV relating to the administration of the Target Asset and additional services. These services include dealing with change of ownership and change of beneficiary issues, verifying coverage under a policy, monitoring and validating premium payments required to be made, tracking each insured, managing claims, dealing with group insurance plans, maintaining records and reports on all insureds and such other services as may be requested from time to time by KCV including identifying additional policies for purchase. The Services Agreement has a fixed term of five (5) years with a mutual early termination provision of 90 days without cause. Fees for services will be charged by USI on a per policy basis as follows:

Fee Schedule	
Policy Administration	\$5.00/month/policy
Tracking Services	\$25.00/month/insured
Obtaining Medical Records	Actual costs plus Billing Time at \$25.00/hour
Obtaining LE certificates	\$325.00
Obtaining Death Certificates and Filing Death Claims	\$250.00

The Services Agreement also contains non-disclosure and confidentiality provisions.

Growth Strategy

KCV intends to focus on increasing its portfolio of life settlement policies. The Target Asset will comprise the initial portfolio. The primary strategy will be to acquire additional life settlement policies that meet internal investment criteria and pricing guidelines.

Criteria and Pricing

The following general criteria must be met in order to consider the purchase of a new policy:

- Policies must be issued in the United States.
- Policies must be issued by insurance companies rated at least "A-" or equivalent by AM Best, Moody's or S&P.
- Policies must be beyond any contestability and suicide period.
- Policies must allow for irrevocable beneficiary designations and absolute assignment of ownership.
- Policies must allow for coverage for the whole life of the insured or allow for conversion so that coverage will continue for the whole life of the insured.

The cost of each policy acquired will be influenced by five major factors:

- Face value of the policy upon maturity.
- Annual premium on the policy.
- Life expectancy (LE) of the insured.
- Administration costs associated with the policy.
- Competitive bids from other potential purchasers.

Vertical Integration

As part of its growth strategy, KCV intends to vertically integrate and internalize some of the services which will initially be outsourced. There are cost reductions that could be achieved in:

- Policy tracking costs.
- Premium management.
- Claims management.
- Agent commissions.

KCV can accomplish vertical integration by either buying existing companies that provide the above services or creating an internal employee pool to accomplish these tasks. By integrating the above functions, KCV could potentially provide these services to other life settlement companies and develop an additional income stream.

Sources for New Portfolio Acquisitions

KCV will use USI's network of licensed agents and brokers throughout the United States to purchase policies. Each U.S. state has different licensing requirements and, consequently, USI will only transact with agents and brokers who have demonstrated they have met these licensing requirements and show financial reliability.

Process and Procedures

As detailed in the Administrative Services Agreement between KCV and USI (see above), USI will be responsible for identifying and facilitating the purchase of policies. Each life settlement will be subject to the due diligence process as described below:

1. Due Diligence Underlying a Policy Purchase

USI will source policies which meet KCV's criteria from Qualified Service Providers (QSP). If a policy meets the criteria, USI will conduct due diligence to ensure that the policy is valid and meets the necessary standards. Due diligence will include:

- Obtaining verification of coverage (VOC) from the insurance company. VOC will confirm various policy details such as: face amount, premium, issue date, contestability, loans, withdrawals, lapses of coverage, beneficiary and ownership information, etc.
- Obtaining and reviewing actual policy or copy of policy.
- Obtaining a Physician's Statement of Mental Competency for the owner of policy.
- Analyzing policy illustrations.

- Obtaining an authorization to procure and subsequent analysis of medical records.

2. *Required Documents for Due Diligence*

Documents listed below are required as part of the due diligence process:

- Consent to Release Medical Information (Notarized)

USI must be able to receive all medical documentation for at least 5 years from all physicians that an insured person may have in order to obtain an accurate life expectancy evaluation. USI must also have the ability to receive updated medical records as the situation requires.

- Letter of Competency (Signed by attending Physician)

This ensures that an insured person is aware of what they are doing and that they are of sound mind.

- Release and Consent to Change Beneficiaries (Notarized)

All current beneficiaries must sign off with the acknowledgement that they understand and consent to being removed as beneficiaries.

- Authorization to Provide Death Certificate (Notarized)

This allows USI to acquire a death certificate in a legal and timely manner.

- Seller's Premium Indemnification Letter (Notarized)

This ensures that all premiums are paid up to the point where ownership and beneficiary rights have been transferred.

- Special Power of Attorney (Notarized)

This gives USI the authority to contact and obtain any required information from doctors or insurance companies.

- Personal Information of the Insured and their Contact Information

USI must be able to monitor and track the insured. Contact is maintained either directly with an insured or through a friend, family member, lawyer, physician or financial planner.

- Payment Instructions

This details the method of payment to an insured for their rights to ownership and beneficiary status once the closing of a policy purchase occurs.

3. *Life Expectancy (LE) Evaluations*

Insured persons who seek to sell their policies on the secondary market usually retain qualified representation to facilitate the sale. These policy brokers typically provide all medical information and LE evaluations to USI so that USI is able to make an informed bid on a policy. The LE evaluation is completed by independent LE evaluators who have experience in the mortality assessment domain.

USI utilizes the following LE providers to determine life expectancy:

- American Viatical Services of Woodstock, Georgia, USA.
- 21st Services of Minneapolis, Minnesota, USA.
- Examination Management Services, Inc. of Waco, Texas, USA.
- Fasano Associates of Washington, DC, USA.
- ISC Services of Clearwater, Florida, USA.

USI research indicates that over the last several years, LE evaluators have become more conservative in their reports, largely due to a number of lawsuits by purchasers of policies resulting from inaccurate LE assessments.

4. *Closing*

If a policy meets all necessary criteria and the due diligence process has been completed to the satisfaction of USI and KCV, the parties enter into a "Policy Funding Agreement" which is the agreement between the policy owner and the buyer of the policy, in this case USI and/or KCV. The following documents are required for the closing of each individual transaction:

- Contract between KCV and the seller of the policy.
- LE report.
- Original insurance policy (certified true copy if original is lost).
- Identification for the insured, such as social security card or driver's license.
- If the owner is a trust or corporation, a copy of the trust or a corporate resolution showing individuals who have signing authority.
- Completed and signed tax forms for all sellers and brokers.
- Executed Ownership and Beneficiary Change forms.

Funds are not disbursed to the owner or brokers until all changes are reflected in insurance company records.

5. *Change of Ownership*

USI reviews and verifies all policy information to ensure accuracy and to verify that there have been no changes, and submits the Absolute Assignment of Ownership and Beneficiary Change forms to the insurance company. Once the executed change forms are received back from the insurance company verifying that KCV is the owner and beneficiary of the policy, USI advises KCV to disburse funds as directed.

6. *Premium Reserves*

After KCV acquires the life settlement policy, it becomes the responsibility of KCV to pay the premiums to keep the policy in force. KCV deposits into a special, independent premium reserve account sufficient funds to cover premiums to at least LE plus 1 year for each policy which is acquired. This independent account ensures that there is no co-mingling of funds with other KCV monies. Funds within this special account will be invested in guaranteed financial instruments (for example money market vehicles such as Treasury Bills, Guaranteed Investment Certificates etc.) which provide some interest income and liquidity to ensure that the funds are readily available at the time a given premium payment is due.

7. *Tracking*

Insured persons whose policies have been purchased by KCV are tracked by qualified personnel in USI's office and reporting to KCV occurs on a regular basis. Tracking includes the following:

- Periodic contact with the insured, attending physician of record, or a designated person such as a family member.
- Weekly social security death index checks.
- Other governmental database checks on a monthly basis.
- Health statements of insured from attending physician on an as needed basis.
- Regularly updated information reports.
- Updated medical reports from primary physician on an as needed basis.
- Updated life expectancy reports from qualified providers on an as needed basis.
- Alerts when premium payments are due

8. *Premiums Management*

Under the Services Agreement, USI will provide management services for the Target Asset as well as for future acquisitions. Services include:

- Obtaining and analyzing completed VOC (verification of coverage) forms from insurance companies for each policy. VOC forms indicate policy information, cash value figures and premium data.
- Monitoring and validating premium payments required to be made.

- Providing KCV with a premiums due schedule at least 30 days in advance of required payments.
- Obtaining and analyzing updated premium illustrations as required.
- Performing premium optimization analysis as appropriate.

9. *Claims Management*

Whenever there is a maturity, USI submits a death claim to the insurance company. This process involves obtaining the death certificate, obtaining necessary claim documents from the insurance company, submitting of completed documentation to the insurance company and following up verbally and in writing with the insurance carrier on the claim status until such time as the death benefit is paid to KCV. The death benefit cheque is sent directly to KCV by the insurance company.

USE OF PROCEEDS

The estimated net proceeds to the Corporation from the Offering and after Closing of the acquisition of the Target Assets will be \$1,730,000 after deduction of the Agent’s Commission, expenses of the Offering and acquisition of the Target Assets estimated to be \$370,000 (including the Corporate Finance Fee, the expenses of the Agent, including its legal expenses and the legal expenses of the Corporation, audit fees, filing fees and printing costs).

Gross Proceeds from the Offering	\$ 2,100,000
Less: Expenses of the Offering and acquisition of the Target Assets	<u>(\$ 370,000)</u>
Net Proceeds from Offering:	\$ 1,730,000

The Resulting Issuer intends to use the funds that will be available to it in the following manner:

Net Proceeds from Offering:	\$ 1,730,000
Working Capital as at January 31, 2008:	<u>\$ 681,000</u>
Total Available Funds:	\$ 2,411,000
Policy Premiums and Administration ⁽¹⁾ :	\$ 1,332,155
General and Administration costs:	<u>\$ 1,078,845</u>
TOTAL:	\$ 2,411,000

Notes:

- (1) Including the period from August 2, 2007 to January 31, 2008. See “Administrative Services Agreement with USI dated December 7, 2007”.

While the Resulting Issuer intends to apply the available funds in the manner aforementioned, management will periodically review its budget in light of the success of the business and the other opportunities that may present themselves from time to time, and may, in certain circumstances, decide to reallocate certain funds in order to achieve its business objectives. Should the development of the business require additional funds to be used for policy premiums and administration, a portion of working capital may be allocated to such expenses. If, in the opinion of management, it is no longer desirable for certain expenses originally budgeted for to be incurred, the remaining available funds may be used for other purposes.

MANAGEMENT DISCUSSION AND ANALYSIS

Nine Months Ended January 31, 2008

Kingsmill Capital Ventures Inc. (the “Company”) was incorporated and organized as a Capital Pool Company pursuant to Policy 2.4 of the TSX Venture Exchange Inc. (the “Exchange”). The Company was incorporated on October 28, 2005.

On incorporation, 1,500,000 common shares were acquired by the directors and officers of the Company at a price of \$0.075 per share for gross proceeds of \$112,500. During the period ended April 30, 2006 an additional 300,000 shares were acquired by a founding investor at \$0.075 for gross proceeds of \$22,500, and on May 30, 2006, 70,000 shares were acquired by a new director at \$0.075 for gross proceeds of \$5,250. All shares issued at \$0.075 are subject to restriction as per an escrow agreement dated June 27, 2007. On February 10, 2006, the Company completed a private placement of 2,002,350 shares at \$0.15 for gross proceeds of \$300,352.

The Company adopted a stock option plan (the “Plan”) under which the directors of the Company can grant options to

acquire common shares of the Company to qualified directors, officers, employees, and persons providing ongoing services to the Company. The number of shares issued under the Plan cannot exceed 10% of the issued and outstanding common shares of the Company.

Pursuant to the prospectus dated October 16, 2006, the Company completed an initial public offering of 3,333,333 common shares at \$0.15 per share for gross proceeds of \$500,000, which closed on November 2, 2006. Please refer to the prospectus, which can be viewed at www.sedar.com for additional information. The common shares of the Company were posted for trading on the TSX Venture Exchange on November 17, 2006. In addition to a commission of 10% of the gross proceeds of the issue, the Company granted the Agent a warrant to acquire 333,333 common shares at \$0.15 per common share, expiring November 17, 2008. During the year ended April 30, 2007 warrant holders exercised 8,500 warrants at \$0.15 each for gross proceeds of \$1,275. To date, the Company has not conducted operations of any kind.

Effective Date

This MD&A is prepared as of March 27, 2008. It contains certain forward-looking statements that involve known and unknown risks and uncertainties, which are beyond the control of the Company.

Results of Operations

The Company had no business operations during the period from incorporation (October 28, 2005) to April 30, 2006 and no business operations during the financial year ended April 30, 2007. The financial statements for the period ending January 31, 2008 (the "Financial Statements") are incorporated by reference herein and form an integral part of this Management Discussion and Analysis. The Financial Statements can be found at www.sedar.com.

General and Administrative Expenses

The Company incurred professional fees and general and administrative expenses during the quarter ending January 31, 2008 totaling \$13,381.

During the quarter ending January 31, 2008, the Company had a loss of \$7,914.

In future, the Company will continue to incur expenses as it investigates and completes its Qualifying Transaction.

Working Capital / Liquidity

As at January 31, 2008, the Company had cash and short-term investments of \$702,289 and working capital of \$681,092.

Warrants

As at January 31, 2008, the following warrants were issued and outstanding:

Number of Warrants	Exercise Price	Expiry Date
324,833	0.15	November 17, 2008

There were no share purchase warrant transactions during the period ended January 31, 2008.

Options

As at January 31, 2008, the Company had the following outstanding options to purchase shares of the Company:

Options Granted #	Exercise Price \$	Expiry Date	Options Exercisable #
720,568	0.15	November 2, 2011	720,568

There were no option transactions during the period ended January 31, 2008.

Income Taxes

The Company currently has no active business and therefore any tax liability is limited to taxes on income received from cash on deposit. Upon completion of a Qualifying Transaction, the Company anticipates that this tax position will change.

Risks and Uncertainties

The Company is a Capital Pool Company under the policies of the Exchange. If the Company fails to complete a Qualifying Transaction within 24 months of listing, the Exchange could suspend or de-list the common shares of the Company.

The Executive Director of the Ontario Securities Commission may issue an interim cease trade order against the Company's securities if the common shares of the Company are suspended from trading on the Exchange, and will issue such an interim cease trade order if the Company is de-listed from the Exchange. In addition, delisting from the Exchange will result in the cancellation of all of the currently issued and outstanding securities of the Company held by insiders.

Although management of the Company is working diligently to identify a Qualifying Transaction, there is no assurance that a Qualifying Transaction will be entered into or be completed.

Summary of Quarterly and Year End Results

The following tables set out financial performance highlights for the last seven quarters. The Company did not have active operations for the period from incorporation (October 28, 2005) to January 31, 2008.

	Third Quarter Jan. 31, 2008	Second Quarter Oct. 31, 2007	First Quarter July 31, 2007	Fourth Quarter Apr. 30 2007	Third Quarter Jan. 31, 2007	Second Quarter Oct. 31, 2006	First Quarter July 31, 2006	For the year ended April 30, 2006
	\$	\$	\$	\$	\$	\$	\$	\$
Administrative and general expenses	13,381	18,071	16,313	35,243	94,610	6,666	-	-
Interest income	5,467	4,343	5,888	5,887	5,888	1,500	-	-
Net loss for the period	7,914	13,728	10,425	29,356	88,722	5,166	-	-
Net loss per share	0.001	0.002	0.001	0.004	0.012	0.001	-	-
Cash flows (used in) operations	22,142	35,248	22,505	8,815	7,740	22,666	-	-
Cash, end of period	96,887	391,528	157,480	179,985	199,187	396,609	420,679	415,642
Assets	775,913	757,754	783,684	799,774	811,274	425,342	445,679	425,642
Long-term liabilities	-	-	-	-	-	-	-	-

Termination of the Optical Surveillance International Inc. Qualifying Transaction.

On March 21, 2007 the Company announced that it had entered into an agreement in principal with Optical Surveillance International Inc (OSI). This transaction was intended to be the Qualifying Transaction of the Company as such term is defined in TSX Venture exchange Policy 2.4. On April 25, 2007 the Company announced that pursuant to an agreement between both parties dated April 19, 2007 the proposed qualifying transaction was mutually terminated. For further information, please see the Company's filings at www.sedar.com.

Qualifying Transaction

On August 8, 2007, the Company announced that it entered into an agreement in principle with Universal Settlements International Inc ("USI"). This transaction is intended to be the Qualifying Transaction of the Company as such term is defined in TSX Venture Exchange Policy 2.4. USI is a Canadian-domiciled company in the financial services sector and has been in existence for over a decade. USI facilitates the sale of interests in the benefits of life insurance policies to both institutional and individual purchasers.

Subject to regulatory approval, the Company has agreed to acquire a portfolio of life settlements having a face value of US \$42,011,584 in exchange for the issuance to USI of 25,653,590 common shares of the Company representing \$7,696,077 at a deemed price of \$0.30 per share. The proposed Qualifying Transaction is an arm's length transaction and, as such, will not require approval by the shareholders of the Company.

The Company has committed to complete a public offering of its shares for aggregate proceeds of not less than \$2,000,000, at such price per share and on such other terms and conditions as mutually agreed by the Company and USI, which offering shall be closed and completed simultaneously with the closing of the Qualifying Transaction. The proceeds from this issuance of the Company's shares are intended to be used by the Company for working capital and general corporate

purposes, including premium payments and policy administration.

The Company will be required to call a special meeting of its shareholders at which time the shareholders will vote to approve, effective immediately following the closing of the Qualifying Transaction, the election of directors, and a change of name the Company.

Jones, Gable & Company Limited has agreed to act as agent for the offering.

The Company intends to change its name to Kingsmill Asset Management Inc. ("KAM") in connection with the proposed Transaction. Once completed, KAM will become an owner and manager of life settlement policies and is expected to be classified as an investment company under TSXV policies.

Summary of Significant Accounting Policies

The accompanying interim financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and follow the same accounting policies and methods of application as the audited financial statements of the Company for the year ended April 30, 2007 except as disclosed below. They do not include all of the information and disclosures required by Canadian GAAP for annual financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. Operating results for the periods ended January 31, 2008 are not necessarily indicative of the results that may be expected for the full year ended April 30, 2008. For further information, see the Company's financial statements including the notes thereto for the year ended April 30, 2007.

Changes in Accounting Policies and Recent Accounting Pronouncements

Accounting Changes

Effective May 1, 2007, the Company adopted four new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA") in 2005. The new standards and accounting policy changes are as follows:

(a) Financial Instruments – Recognition and Measurement (Section 3855)

This standard prescribes when a financial asset, financial liability, or non-financial derivative is to be recognized on the balance sheet and whether fair value or cost-based methods are used to measure the recorded amounts. It also specifies how financial instrument gains and losses are to be presented. All derivatives are recorded on the balance sheet at fair value. Mark-to-market adjustments on these instruments are included in net income, unless the instruments are designated as part of a cash flow hedge relationship.

All other financial instruments will be recorded at cost or amortized cost, subject to impairment reviews. The criteria for assessing other than temporary impairment remain unchanged. Transaction costs incurred to acquire financial instruments are included in the underlying balance. Regular-way purchases and sales of financial assets are accounted for on the trade date.

(b) Hedges (Section 3865)

This standard is applicable when a company chooses to designate a hedging relationship for accounting purposes. It builds on the previous AcG-13 "Hedging Relationships" and Section 1650 "Foreign Currency Translation", by specifying how hedge accounting is applied and what disclosures are necessary when it is applied. The Company currently does not have any instruments that are covered in this standard.

(c) Comprehensive Income (Section 530)

This standard requires the presentation of a statement of comprehensive income and its components. Comprehensive income includes both net earnings and other comprehensive income. Other comprehensive income includes holding gains and losses on available for sale investments, gains and losses on certain derivative instruments and foreign currency gains and losses relating to self-sustaining foreign operations, all of which are not included in the calculation of net earnings until the period that the related asset or liability affects income.

For the nine months ended January 31, 2008, the Company did not have other comprehensive income or loss, therefore the comprehensive loss for the period is equal to the net loss for the period.

(d) Accounting Changes (Section 1506)

This standard requires that voluntary changes in accounting policy are made only if the changes result in financial statements that provide more reliable and more relevant information. It also requires prior period errors to be corrected retrospectively. The adoption of this standard did not impact the financial statements for the nine months ended January 31, 2008.

The Company has determined that the adoption of these new policies had no material impact on its financial statements and determined that no adjustments are required for the nine months ended January 31, 2008.

Recent Pronouncements

(a) Capital Disclosures

CICA Handbook Section 1535 "Capital Disclosures", issued in December 2006, establishes standards for disclosures about capital that are effective for fiscal years beginning on or after October 1, 2007. It requires an entity to disclose its objectives, policies and processes for managing capital and to disclose quantitative data about what it considers to be capital. It also requires an entity to disclose whether it has complied with any externally imposed capital requirements and, if not, the consequences of such non-compliance.

(b) Financial Instruments

In December 2006, the Canadian Accounting Standards Board issued two new CICA Handbook sections in relation to financial instruments: Section 3862, "Financial Instruments - Disclosures", and Section 3863, "Financial Instruments - Presentation". The Company will adopt both sections, effective May 1, 2008.

(c) International Financial Reporting Standards

In January 2006, the CICA Accounting Standards Board ("AcSB") adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for public companies are expected to converge with International Financial Reporting Standards ("IFRS") by the end of 2011. The Company continues to monitor and assess the impact of convergence of Canadian GAAP and IFRS.

Internal disclosure controls and procedures

The Company has evaluated the effectiveness of its disclosure controls and procedures and has concluded, based on its evaluation that they are sufficiently effective to provide reasonable assurance that material information relating to the Company and is made known to management and disclosed in accordance with applicable securities regulations.

Disclosure of outstanding share data

As at January 31, 2008 and March 27, 2008, the Company had 7,214,183 shares outstanding.

Related Party Transactions

During the nine month period ended January 31, 2008, the Company made payments totaling \$19,107 (2007 - \$2,123) for rent to a corporation having directors and officers in common with the Company. As at January 31, 2008 a balance of \$Nil (2007 - \$Nil) was owing to this corporation.

All transactions with related parties have occurred in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Financial Instruments

a) Fair value

Canadian generally accepted accounting principles require that the Company disclose information about the fair

value of its financial assets and liabilities. Fair value estimates are made at the balance sheet date based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates. The carrying value of cash, short-term investments and accounts payable and accrued liabilities approximate their fair value due to the relatively short periods to maturity of the financial instruments.

b) Risk

It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Off-Balance Sheet Arrangements

The Company does not have any Off-Balance Sheet Arrangements.

Year Ended April 30, 2007

The Company was incorporated and organized as a Capital Pool Company pursuant to Policy 2.4 of the TSX Venture Exchange Inc. (the "Exchange") on October 28, 2005.

On incorporation, 1,500,000 common shares were acquired by the directors and officers of the Company at a price of \$0.075 per share for gross proceeds of \$112,500. During the period ended April 30, 2006 an additional 300,000 shares were acquired by a founding investor at \$0.075 for gross proceeds of \$22,500, and on May 30, 2006, 70,000 shares were acquired by a new director at \$0.075 for gross proceeds of \$5,250. All shares issued at \$0.075 are subject to an escrow agreement dated June 27, 2007. On February 10, 2006, the Company completed a private placement of 2,002,350 shares at \$0.15 for gross proceeds of \$300,352.

The Company adopted a stock option plan (the "Plan") under which the directors of the Company can grant options to acquire common shares of the Company to qualified directors, officers, employees, and persons providing ongoing services to the Company. The number of shares issued under the Plan cannot exceed 10% of the issued and outstanding common shares of the Company.

Pursuant to the prospectus dated October 16, 2006, the Company completed an initial public offering of 3,333,333 common shares at \$0.15 per share for gross proceeds of \$500,000, which closed on November 2, 2006. Please refer to the prospectus, which can be viewed at www.sedar.com for additional information. The common shares of the Company were posted for trading on the TSX Venture Exchange on November 17, 2006. In addition to a commission of 10% of the gross proceeds of the issue, the Company granted the Agent a warrant to acquire 333,333 common shares at \$0.15 per common share, expiring November 17, 2008. To date, the Company has not conducted operations of any kind.

Effective Date

This MD&A is given as of August 28, 2007. It contains certain forward-looking statements that involve known and unknown risks and uncertainties, which are beyond the control of the Company.

Results of Operations

The Company had no business operations during the period from incorporation (October 28, 2005) to April 30, 2006. The financial statements for the period ending April 30, 2007 (the "Financial Statements") are incorporated by reference herein and form an integral part of this Management Discussion and Analysis. The Financial Statements can be found at www.sedar.com.

General and Administrative Expenses

The Company incurred professional fees and general and administrative expenses during the year ending April 30, 2007 totalling \$136,519.

During the year ending April 30, 2007, the Company had a loss of \$123,244. Of this loss, \$82,500 is a result of the Company granting 720,568 stock options to directors and officers at an exercise price of \$0.15 per share for a period of five years. The

fair value of each option on the date of the grant was calculated using the Black-Scholes option pricing model with the following weighted average assumptions used for grants during the year: expected dividend yield of 0%, expected volatility of 100%, risk-free interest rate of 4.1% and expected life of 5 years. The fair value of each option is accounted for over the vesting period, and the related credit is included in contributed surplus.

Warrants

During the year ended April 30, 2007 warrant holders exercised 8,500 warrants at \$0.15 each for gross proceeds of \$1,275.

Working Capital / Liquidity

As at April 30, 2007, the Company had cash and short-term investments of \$793,260 and working capital of \$774,407.

Income Taxes

The Company currently has no active business and therefore any tax liability is limited to taxes on income received from cash on deposit. In the future, upon completion of a Qualifying Transaction, the Company anticipates that this tax position will change.

Risks and Uncertainties

The Company is a Capital Pool Company under the policies of the Exchange. If the Company fails to complete a Qualifying Transaction within 24 months of listing, the Exchange could suspend or de-list the common shares of the Company.

The Executive Director of the Ontario Securities Commission may issue an interim cease trade order against the Company's securities if the common shares of the Company are suspended from trading on the Exchange, and will issue such an interim cease trade order if the Company is de-listed from the Exchange. In addition, delisting from the Exchange will result in the cancellation of all of the currently issued and outstanding securities of the Company held by insiders.

Although management of the Company is working diligently to complete a Qualifying Transaction, there is no assurance that a Qualifying Transaction will be entered into or be completed.

Summary of Quarterly and Year End Results

The following tables set out financial performance highlights from May 1, 2006 to April 30, 2007. The Company did not have active operations for the period from incorporation (October 28, 2005) to April 30, 2006.

	For the year ended April 30, 2007	Fourth Quarter Apr. 30 2007	Third Quarter Jan. 31, 2007	Second Quarter Oct. 31, 2006	First Quarter July 31, 2006	For the year ended April 30, 2006
	\$	\$	\$	\$	\$	\$
Administrative and general expenses	136,519	35,243	94,610	6,666	-	-
Interest income	13,275	5,887	5,888	1,500	-	-
Net loss for the period	123,244	29,356	88,722	5,166	-	-
Net loss per share	0.022	0.004	0.012	0.001	-	-
Cash flows (used in) operations	-21,891	-8,815	-7,740	-22,666	-	-
Cash, end of period	179,985	179,985	199,187	396,609	420,679	415,642
Assets	799,774	799,774	811,274	425,342	445,679	425,642
Long-term liabilities	-	-	-	-	-	-

Termination of the Optical Surveillance International Inc. Qualifying Transaction.

On March 21, 2007 the Company announced that it had entered into an agreement in principal with Optical Surveillance International Inc (OSI). This transaction was intended to be the Qualifying Transaction of the Company as such term is defined in TSX Venture exchange Policy 2.4.

On April 25, 2007 the Company announced that pursuant to an agreement between both parties dated April 19, 2007 the proposed qualifying transaction was mutually terminated.

For further information please see the Company's filings at www.sedar.com.

Qualifying Transaction

On August 8, 2007, the Company announced that it entered into an agreement in principle with Universal Settlements International Inc ("USI"). This transaction is intended to be the Qualifying Transaction of the Company as such term is defined in TSX Venture Exchange Policy 2.4. USI is a Canadian-domiciled company in the financial services sector and has been in existence for over a decade. USI facilitates the sale of interests in the benefits of life insurance policies to both institutional and individual purchasers.

Subject to regulatory approval, the Company has agreed to acquire a portfolio of life settlements having a face value of US \$42,011,584 in exchange for the issuance to USI of 25,653,590 common shares of the Company representing \$7,696,077 at a deemed price of \$0.30 per share. The proposed Qualifying Transaction is an arm's length transaction and, as such, will not require approval by the shareholders of the Company.

The Company has committed to complete a public offering of its shares for aggregate proceeds of not less than \$2,000,000, at such price per share and on such other terms and conditions as mutually agreed by the Company and USI, which offering shall be closed and completed simultaneously with the closing of the Qualifying Transaction. The proceeds from this issuance of the Company's shares are intended to be used by the Company for working capital and general corporate purposes, including premium payments and policy administration.

The Company will be required to call a special meeting of its shareholders at which time the shareholders will vote to approve, effective immediately following the closing of the Qualifying Transaction, the election of directors, and a change of name the Company.

Jones, Gable & Company Limited has agreed to act as agent for the offering.

The Company intends to change its name to Kingsmill Asset Management Inc. ("KAM") in connection with the proposed Transaction. Once completed, KAM will become an owner and manager of life settlement policies and is expected to be classified as an investment company under TSXV policies.

Significant Accounting Policies

The accounting policies of the Company are in accordance with Canadian generally accepted accounting principles ("GAAP"). For details regarding the accounting policies of the Company, readers are directed to the Financial Statement Notes which are contained elsewhere in this Prospectus.

Internal Disclosure Controls and Procedures

KCV has evaluated the effectiveness of its disclosure controls and procedures and has concluded, based on its own evaluation that they are sufficiently effective to provide reasonable assurance that material information relating to the Company is made known to management and disclosed in accordance with applicable securities regulations.

Disclosure of Outstanding Share Data

As at April 30, 2007 and August 28, 2007, the Company had 7,214,183 shares outstanding.

Related Party Transactions

During the year ended April 30, 2007, the Company made payments totaling \$6,369 (2006 - \$Nil) for rent to a corporation having directors and officers in common with the Company.

All transactions with related parties have occurred in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Financial Instruments

a) Fair value

Canadian generally accepted accounting principles require that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the balance sheet date based on relevant market

information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgement and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The carrying value of cash, short-term investments and accounts payable and accrued liabilities approximate their fair value due to the relatively short periods to maturity of the financial instruments.

b) Risk

It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

DESCRIPTION OF THE SECURITIES

The Offering consists of Common Shares of the Company.

Common Shares

The Company is authorized to issue an unlimited number of Common Shares without nominal or par value of which, as at the date hereof, 7,214,183 are issued and outstanding as fully paid and non-assessable, 1,045,401 Common Shares are reserved for the issuance pursuant to the 324,833 Agent's IPO Options and 720,568 Directors' and Officers' Options currently outstanding. Up to 7,000,000 Common Shares are reserved for issuance under this prospectus and 700,000 are reserved for issuance pursuant to the Broker's Warrants and 7,252,987 Common Shares are reserved for issuance pursuant to a proposed new stock option plan of the Resulting Issuer. See "*Plan of Distribution*" and "*Options to Purchase Securities*". The holders of Common Shares are entitled to dividends, if, as and when declared by the board of directors, to one vote per share at meetings of the shareholders of the Company and, upon dissolution, to share equally in such assets of the Company as are distributable to the holders of Common Shares. All Common Shares to be outstanding after completion of this Offering will be fully paid and non-assessable.

KCV Shares are listed on the TSXV under the stock symbol "KCV.P". After the Completion of the Qualifying Transaction, it is expected that the new stock symbol for the Common Shares will be "KML".

Special Shares

The Company is authorized to issue an unlimited number of non-cumulative, non-voting, redeemable, retractable Class "A" Special shares (the "**Class "A" Shares**"), none of which are issued and outstanding as of the date hereof.

The Company is authorized to issue an unlimited number of non-cumulative, voting, redeemable, retractable Class "B" Special shares (the "**Class "B" Shares**"), none of which are issued and outstanding as of the date hereof.

CAPITALIZATION

Share Capital of the Company and the Resulting Issuer

The table below sets forth the capitalization of the Company before giving effect to the Qualifying Transaction and of the Resulting Issuer after giving effect to the Qualifying Transaction, and before and after giving effect to the Offering.

Capital	Amount Authorized	Amount Outstanding as of the Date Hereof ⁽¹⁾	Amount Outstanding giving the effect of the Completion of the Qualifying Transaction ⁽¹⁾	Amount to be Outstanding giving the effect of the Completion of the Qualifying Transaction and all Offered Shares are sold ⁽²⁾⁽³⁾
Common Shares	Unlimited	7,214,183 shares - \$788,840	32,867,773 shares - \$8,323,669	39,867,773 shares - \$10,141,969
Class "A" Shares	Unlimited	Nil	Nil	Nil
Class "B" Shares	Unlimited	Nil	Nil	Nil

Notes:

- (1) As at January 31, 2008 and as of the date hereof, the Company had not commenced operations.
- (2) Assuming no exercise of the Agent's IPO Options or Over-Allotment Option or outstanding Directors' and Officers' Options. See "*Plan of Distribution*" and "*Options to Purchase Securities*".
- (3) Based on the gross proceeds of the Offering of \$2,100,000 and after deducting the Agent's commission and the value of 700,000

Broker's Warrants to be issued to the Agent with an approximate value of \$71,700.

FULLY-DILUTED SHARES

The following table sets out the fully diluted share capital structure of the Company upon completion of the Offering:

Shares Issued or Allotted	Number of Common Shares	Percentage of Total
Issued as of the date of this Prospectus	7,214,183	14.76%
To be issued for the Qualifying Transaction	25,653,590	52.51%
Total Offering ⁽¹⁾	7,000,000	14.33%
	39,867,773	81.60%
Securities reserved for future issuance and issued as of the date of this Prospectus:		
Agent's IPO Options ⁽²⁾	324,833	0.66%
Broker's Warrants ⁽³⁾	700,000	1.43%
Incentive Stock Options Issued and Outstanding ⁽⁴⁾	720,568	1.47%
Resulting Issuer Incentive Stock Options Plan ⁽⁵⁾	7,252,987	14.84%
TOTAL:	48,866,161	100.00%

Notes:

- (1) Assuming no exercise of the Over-Allotment Option.
- (2) The Agent's IPO Options are exercisable at a price of \$0.15 each until November 17, 2008.
- (3) Assuming no exercise of the Over-Allotment Option. The Broker's Warrants are exercisable at a price of \$0.30 each for a period of 24 months from the Closing Date.
- (4) The Incentive Stock Options were granted to the directors and officers of the Company at an exercise price of \$0.15 per share exercisable until November 2, 2011.
- (5) See "Stock Option Plan of the Resulting Issuer" under "*Options to Purchase Securities*".

OPTIONS TO PURCHASE SECURITIES

Company Options

In connection with its IPO closed on November 2, 2006, the Company issued 333,333 options at an exercise price of \$0.15 per KCV Share to the Agent in respect of the IPO. During the fiscal period ending January 31, 2007, 8,500 Agent's IPO Options were exercised for gross proceeds of \$1,275. As the date hereof, 324,833 Agent's IPO Options are issued.

As the date hereof, the directors and officers of the Company held an aggregate of 720,568 stock options to acquire Common Shares, exercisable at \$0.15 per share prior to November 2, 2011, pursuant to a stock option plan dated June 10, 2006. The table below shows the options granted pursuant to the plan.

Optionee	Number of Common Shares Reserved Under Option under the Offering	Percentage of Total Options	Exercise Price	Expiry Date
David Mitchell	240,568	33.39%	\$0.15	November 2, 2011
Christopher D. Carl	92,500	12.84%	\$0.15	November 2, 2011
Ilja Troitschanski	110,000	15.27%	\$0.15	November 2, 2011
Terry Lynch	100,000	13.88%	\$0.15	November 2, 2011
Andrew Libera	85,000	11.80%	\$0.15	November 2, 2011
Kevin Bullock	92,500	12.84%	\$0.15	November 2, 2011
TOTAL	720,568	100.00%		

No stock options have been exercised as the date hereof. There is no assurance that the options described above will be exercised in whole or part.

Stock Option Plan of the Resulting Issuer

At the Shareholders Meeting, shareholders of the Company will be asked to approve the adoption of a new stock option plan (the "2008 Stock Option Plan"), conditional upon the closing of the Qualifying Transaction within 60 days of the date of the resolution. The purpose of the 2008 Stock Option Plan is to provide directors, senior officers, employees and consultants of the Resulting Issuer or its affiliates (the "Optionee(s)") the opportunity to participate in the growth and development of the Resulting Issuer through the granting of options to purchase Common Shares. The board of directors may at any time and

from time to time, reserve and grant options to Eligible Persons (as defined in the 2008 Stock Option Plan) to purchase in the aggregate such number of Common Shares as shall not exceed 7,252,987, being approximately 20% of the total number of Common Shares issued and outstanding upon the closing of the Qualifying Transaction and this Offering net of any options exercised, expired or terminated, of the total number of Common Shares issued and outstanding as at the time of the stock option grant. The aggregate number of Common Shares that may be reserved for issuance pursuant to the 2008 Stock Option Plan to any one individual in a 12 month period must not exceed five percent (5%) of the issued and outstanding Common Shares (determined at the date the option was granted). The exercise price per Common Share shall be such price as may be determined by the board of directors at the time of the grant, which shall not be less than the market price of the Common Shares at the time of the grant. The board of directors shall determine the term during which options may be exercised under the 2008 Stock Option Plan but in no event shall such term exceed 10 years from the date of the grant of the option. If an Optionee shall cease to be an Eligible Person by reason of death, resignation or termination (for cause, disability or otherwise), all options which have not vested as at such date shall be of no further force or effect, and may not thereafter be exercised, and no option then vested and held by such Optionee may be exercised subsequent to the expiry of 90 days of the date of such resignation or termination or up to one year from the date of death, as the case may be.

Any options granted to persons conducting investor relations activities shall expire within 30 days from the termination of such investor relations services. Options shall not be assignable or transferable otherwise than by will or by the laws of descent and distribution, and during the lifetime of an Optionee shall be exercised only by him or her. Any Common Shares underlying the options will be subject to resale restrictions under applicable securities laws.

The table below shows the proposed grants of options after completion of the Qualifying Transaction and this Offering:

Optionee	Number of Common Shares Reserved Under Option granted as of the date of the Prospectus	Number of additional Common Shares Reserved Under Option following QT completion	Percentage of Total Options	Exercise Price	Expiry Date
David Mitchell	240,568		4.44%	\$0.15	November 2, 2011
Christopher D. Carl	92,500		1.71%	\$0.15	November 2, 2011
Ilja Troitschanski	110,000		2.03%	\$0.15	November 2, 2011
Terry Lynch	100,000		1.84%	\$0.15	November 2, 2011
Andrew Libera	85,000		1.57%	\$0.15	November 2, 2011
Kevin Bullock	92,500		1.71%	\$0.15	November 2, 2011
David Mitchell		1,950,000	35.97%	\$0.30	5 years from date of grant
Ilja Troitschanski		1,950,000	35.97%	\$0.30	5 years from date of grant
Jörg Finsinger		200,000	3.69%	\$0.30	5 years from date of grant
Jeffrey Panos		200,000	3.69%	\$0.30	5 years from date of grant
Gary Sugar		200,000	3.69%	\$0.30	5 years from date of grant
Larry Babins		200,000	3.69%	\$0.30	5 years from date of grant
	<u>720,568</u>	<u>4,700,000</u>			
TOTAL		5,420,568	100.00%		

PRIOR SALES

Prior Sales of Shares of the Company

The following chart sets out all issuances of the KCV Shares since incorporation:

Date	Number of Common Shares	Issue Price Per Share	Aggregate Issue Price	Consideration Received
Nov. 28, 2005	1,800,000 ⁽¹⁾	\$0.075	\$135,000	Cash
Feb. 10, 2006	2,002,350 ⁽²⁾	\$0.150	\$300,352	Cash
May 30, 2006	70,000 ⁽¹⁾	\$0.075	\$5,250	Cash
Nov. 2, 2006	3,333,333	\$0.150	\$500,000	Cash
Jan. 31, 2007	8,500 ⁽³⁾	\$0.150	\$1,275	Cash
Total	7,214,183		\$941,877	

Notes:

- (1) The 1,870,000 Common Shares issued at a price of \$0.075 per share are held in escrow. See "Escrowed Securities".
- (2) 126,666 of these shares issued to Christopher D. Carl, a director and officer of the Company, are held in escrow. See "Escrowed Securities".

- (3) During the fiscal period ending January 31, 2007, 8,500 Agent's IPO Options were exercised at \$0.15 each for gross proceeds of \$1,275.

TRADING HISTORY

KCV Shares are listed on the Exchange under the stock symbol "KCV.P". Upon Completion of the Qualifying Transaction, it is expected that the Common Shares will be listed on the Exchange under the stock symbol "KAM".

The following table sets forth information relating to the trading of the KCV Shares on the Exchange since such shares were posted for trading on November 17, 2006:

<u>Month/Year</u>	<u>High</u>	<u>Low</u>	<u>Close</u>	<u>Volume</u>
Aug. 2007 (1)	0.290	0.280	0.290	40,000
Jul. 2007	0.300	0.245	0.245	261,667
Jun. 2007	0.240	0.210	0.240	184,000
May 2007	0.280	0.220	0.235	43,500
Apr. 2007	0.310	0.260	0.260	104,000
Mar. 2007	0.300	0.280	0.300	58,000
Feb. 2007	0.260	0.240	0.250	64,000
Jan. 2007	0.300	0.230	0.230	76,000
Dec. 2006	0.250	0.220	0.250	48,500
Nov. 2006	0.250	0.200	0.240	235,667

Note:

- (1) Trading in the KCV Shares has been halted since August 3, 2007 pending the announcement of the Qualifying Transaction and has not resumed as of the date hereof.

ESCROWED SHARES

Prior to the Completion of the Qualifying Transaction, 1,996,666 KCV Shares were escrowed pursuant to an escrow agreement dated June 27, 2006 between the Company, Equity Transfer & Trust Company and the pre-IPO investors of KCV. In accordance with the CPC Policy, upon Completion of the Qualifying Transaction the number of Common Shares under escrow will be reduced and a portion of the Payment Shares issued to USI will be subject to escrow, the whole as set forth in the Escrow Release Schedule below.

The holders of escrowed shares are listed in the following table:

<u>Name and Municipality of Residence of Shareholder</u>	<u>Number of Common Shares currently Held in Escrow</u>	<u>Percentage of Common Shares of the Company Prior to Giving Effect to the Offering</u>	<u>Number of Common Shares to be Held in Escrow</u>	<u>Percentage of Common Shares of the Company After Giving Effect to the Completion of Qualifying Transaction but Prior to this Offering ⁽¹⁾</u>
<i>Shares held pre-Qualifying Transaction</i>				
Christopher D. Carl Toronto, Ontario	426,666 ⁽²⁾	5.92%	426,666	1.30%
David Mitchell Toronto, Ontario	300,000 ⁽³⁾	4.16%	300,000	0.91%
Ilja Troitschanski Thornhill, Ontario	300,000	4.16%	300,000	0.91%
Terry Lynch Oakville, Ontario	300,000	4.16%	300,000	0.91%
Andrew Libera Collingwood, Ontario	300,000	4.16%	300,000	0.91%
Kevin Bullock Toronto, Ontario	70,000	0.97%	70,000	0.21%
Crowthorn Capital Corporation Montreal, Quebec	300,000 ⁽⁴⁾	4.16%	300,000	0.91%
Jeffrey Panos ⁽⁵⁾ Burlington, Ontario			100,000	0.30%
Christopher Halas ⁽⁵⁾ Mississauga, Ontario			66,666	0.20%
TOTAL	1,996,666	27.68%	2,163,332	6.56%

Name and Municipality of Residence of Shareholder	Number of Common Shares currently Held in Escrow	Percentage of Common Shares of the Company Prior to Giving Effect to the Offering	Number of Common Shares to be Held in Escrow	Percentage of Common Shares of the Company After Giving Effect to the Completion of Qualifying Transaction but Prior to this Offering ⁽¹⁾
<i>Common Shares issued upon Qualifying Transaction</i>				
Universal Settlements International Inc.			25,653,590	78.05%
TOTAL			27,816,922	84.61%

Notes:

- (1) Assuming no Common Shares are purchased by these persons under the Offering and no stock options are exercised.
- (2) 300,000 of these shares were issued at a price of \$0.075 per share and 126,666 of these shares were issued at a price of \$0.15 per share.
- (3) These shares are held by Stillbridge Ventures Inc., a company owned or controlled by Mr. Mitchell.
- (4) The beneficial shareholder of Crowthorn Capital Corporation is David Horlington.
- (5) Due to the fact that this individual is not a founding director his shares were not escrowed prior to the QT, but will be escrowed after the QT, as his status will be that of an insider of the Resulting Issuer.

Although it is expected that the Resulting Issuer will meet the listing requirements for a Tier 1 Issuer under TSXV Policy 2.1, USI has agreed that the Payment Shares shall remain in a Tier 2 Issuer escrow and subject to a release schedule over three years. The following table illustrates the dates and percentage of escrowed shares to be released by a Tier 1 and a Tier 2 Issuer, respectively.

Escrow Release Schedule

Tier 2 Issuer		Tier 1 Issuer	
Date of Release	% of Total Escrowed Securities to be Released	Date of Release	% of Total Escrowed Securities to be Released
Upon issuance of the Final Exchange Bulletin following the Qualifying Transaction	1/10 of the shares remaining in escrow	Upon issuance of the Final Exchange Bulletin following the Qualifying Transaction	1/4 of shares remaining in escrow
6 months following Final Exchange Bulletin	1/6 of the shares remaining in escrow	6 months following Final Exchange Bulletin	1/3 of the shares remaining in escrow
12 months following Final Exchange Bulletin	1/5 of the shares remaining in escrow	12 months following Final Exchange Bulletin	1/2 of the shares remaining in escrow
18 months following Final Exchange Bulletin	1/4 of the shares remaining in escrow	18 months following Final Exchange Bulletin	Balance of shares remaining in escrow
24 months following Final Exchange Bulletin	1/3 of the shares remaining in escrow		
30 months following Final Exchange Bulletin	1/2 of the shares remaining in escrow		
36 months following Final Exchange Bulletin	Balance of shares remaining in escrow		

For further reference, readers are directed to the policies and forms of the Exchange.

PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and senior officers of the Company, prior to giving effect to the Qualifying Transaction and the Offering no person owns of record or beneficially, directly or indirectly, or exercises control or direction over more than 10% of the KCV Shares. To the knowledge of the directors and senior officers of the Company, no person is expected to beneficially own, directly or indirectly, or exercise control or direction over more than 10% of the Common Shares following the Qualifying Transaction and the Offering except the following:

Name and Municipality of Residence	After Giving Effect to The Qualifying Transaction and The Offering ⁽¹⁾	
	Number of Common Shares	Percentage of Common Shares
Jeffrey Panos, North Burlington, Ontario	11,644,116 ⁽²⁾⁽³⁾	29.21%
Christopher Halas, Mississauga, Ontario	11,610,782 ⁽²⁾⁽⁴⁾	29.12%
Riaz Kahn, Mississauga, Ontario	2,565,358 ⁽²⁾	6.43%
TOTAL	25,820,256	64.76%

Notes:

- (1) Assuming no exercise of the Over-Allotment Option.
- (2) These shares are held indirectly through USI, on a non-diluted basis, assuming no exercise of the Agent's IPO Options or Over-Allotment Option or outstanding Directors' and Officers' Options.
- (3) 100,000 shares are held by Mr. Panos personally prior to the QT.
- (4) 66,666 shares are held by Mr. Halas personally prior to the QT.

DIRECTORS AND OFFICERS OF THE COMPANY

The following are the names, municipalities of residence and present principal occupations of the current directors and officers of the Company, their positions and offices with the Company and the number and percentage of Common Shares beneficially owned by each of them prior to and on completion of the Qualifying Transaction and the Offering.

Name and Municipality of Residence, Principal Occupation	Position & Office with the Company	Number and Percentage of Shares Beneficially Owned	Number and Percentage of Common Shares beneficially owned after Qualifying Transaction and this Offering
David Mitchell Toronto, Ontario President, Chief Executive Officer and director of the Company	President, Chief Executive Officer & Director	300,000 (4.16%)	300,000 (0.75%)
Ilja Troitschanski Thornhill, Ontario Secretary-Treasurer, Chief Financial Officer & Director of the Company	Secretary- Treasurer, Chief Financial Officer & Director	300,000 (4.16%)	300,000 (0.75%)
Christopher D. Carl Toronto, Ontario President of Bio-Extraction Inc.	Director	426,666 (5.92%)	426,666 (1.07%)
Terry Lynch Oakville, Ontario President of Resort Owners Group	Director	300,000 (4.16%)	300,000 (0.75%)
Andrew Libera Collingwood, Ontario President of Pro-Trade Finance	Director	300,000 (4.16%)	300,000 (0.75%)
Kevin Bullock Toronto, Ontario President, Chief Executive Officer and Director of Volta Resources Inc.	Director	70,000 (0.97%)	70,000 (0.18%)

DIRECTORS AND OFFICERS OF THE RESULTING ISSUER

Resulting Issuer

The following table sets out the names and municipalities of residence of the proposed directors and senior officers of the Resulting Issuer to be elected at the Shareholders Meeting following the completion of the Qualifying Transaction, their proposed positions, and the number and percentage of Common Shares beneficially owned or controlled by such individuals. If the Qualifying Transaction is not completed, Jeffrey Panos and Gary Sugar will not serve as directors.

Name and Municipality of Residence, Principal Occupation	Position & Office with the Company	Number and Percentage of Shares Beneficially Owned prior to the Qualifying Transaction and this Offering	Number and Percentage of Common Shares Beneficially Owned after Qualifying Transaction and this Offering (2)
David Mitchell Toronto, Ontario President, Chief Executive Officer and director of the Company	President, Chief Executive Officer & Director	300,000 (4.16%)	300,000 (0.75%)
Ilja Troitschanski ⁽¹⁾ Toronto, Ontario Secretary-Treasurer, Chief Financial Officer and Director of the Company	Secretary- Treasurer, Chief Financial Officer & Director	300,000 (4.16%)	300,000 (0.75%)

Name and Municipality of Residence, Principal Occupation	Position & Office with the Company	Number and Percentage of Shares Beneficially Owned prior to the Qualifying Transaction and this Offering	Number and Percentage of Common Shares Beneficially Owned after Qualifying Transaction and this Offering ⁽²⁾
Jeffrey Panos North Burlington, Ontario President, Universal Settlements Inc.	Director	100,000 (0.30%)	11,644,116 (29.21%) ⁽³⁾
Gary Sugar ⁽¹⁾ Toronto, Ontario Vice-President, Brookshire Raw Materials Management LLC	Director	Nil	Nil
Larry Babins ⁽¹⁾ Toronto, Ontario Vice-President, Permicom Permits Services Inc.	Director	Nil	Nil
Jorg Finsinger Vienna, Austria Professor, University of Vienna	Director	Nil	Nil

Notes:

- (1) Member of Audit Committee.
- (2) Assuming no exercise of the Over-Allotment Option.
- (3) These shares were held indirectly through USI and personally prior to the QT.

The following are brief biographies of the Resulting Issuer's proposed directors and officers:

David Mitchell

Director, President and Chief Executive Officer of the Company

Mr. Mitchell has been employed in various positions within the financial services industry for approximately 20 years. In 1986, he started as an arbitrage trader on the floor of the Toronto Stock Exchange with Davidson Partners and Canarim Corporation (now Canaccord). From 1990 to 2000, Mr. Mitchell acted as a registered representative with TSX firms such as Levesque Securities and Research Capital Corporation. In July 2000, he was appointed as branch manager for the retail division of Octagon Capital Corporation and eventually became a Vice-President and director of the firm.

In addition to his retail experience, Mr. Mitchell has also participated in corporate finance activities with an emphasis on small businesses including seed capital financings, CPC transactions, flow-through offerings and reverse takeover transactions.

In June, 2004, Mr. Mitchell established Stillbridge Ventures Inc., a private company providing corporate consultancy services to emerging and small businesses. In November, 2005, Mr. Mitchell co-founded and is a partner of Kingsmill Capital Partners Inc., a limited market dealer and financial advisory and management firm based in Toronto specializing in advising private and early-stage public companies.

Mr. Mitchell is also President, Chief Executive Officer and Director of Kingsmill Capital Ventures II Inc., a CPC listed on the TSX Venture Exchange and a Director of TSX Venture Exchange listed Richmond Minerals Inc.

Ilja Troitschanski

Secretary-Treasurer, Chief Financial Officer and Director of the Company

Mr. Troitschanski is founder and Partner of Kingsmill Capital Partners Inc., a limited market dealer and financial advisory and management firm based in Toronto specializing in advising private and early-stage public companies.

Ilja Troitschanski was an officer of Bio-Extraction Inc. (formerly Lifescience Capital Corp.) since incorporation in March 2006 until October 2007. Bio-Extraction is involved in the development and commercialization of a proprietary extraction technology for various active ingredients from organic and inorganic materials. In that time Mr. Troitschanski was instrumental in assisting the company in a public listing through a qualifying transaction with Lifesciences Capital Corp., a CPC of which he was a director and founder. Mr. Troitschanski resigned from the board upon approval of the transaction.

Mr. Troitschanski is also Chief Financial Officer and a Director of Kingsmill Capital Ventures II Inc., CPC listed on the TSX Venture Exchange.

In 2003, Mr. Troitschanski founded and became Managing Director of MTIT Advanced Technologies Corp., a private company providing funding assistance, strategic management advice, project implementation and overseas expansion services to Canadian ventures involved with new technologies. MTIT has its main office in Toronto and a wholly owned operating subsidiary in Europe.

Prior to MTIT, Mr. Troitschanski spent several years at Optex Handels GmbH in Germany, where he held the position of Vice President Sales Worldwide.

Mr. Troitschanski holds a Bachelor of Business Administration degree from Schiller International University, Dunedin, Florida. He speaks English, German and Russian.

Jeffrey Panos

Director

Mr. Panos has been involved in the life settlements industry since 2001 as a partner in Universal Settlements International Inc. ("USI"). Mr. Panos has been instrumental to the growth that Universal Settlements has experienced through being responsible for developing the retail and institutional business internationally. Effective January 2007, Mr. Panos was appointed President of USI.

Prior to USI, Mr. Panos was a Managing Partner with Brokerwise Communications Inc., a venture capital and investor relations firm, where he assisted emerging companies through his strategic alliances.

Gary M. Sugar

Director

Since October 2005, Mr. Sugar has served as Senior Vice-President, Product Development, and Corporate Secretary to Brookshire Raw Materials Management, LLC, a Delaware mutual fund manager, commodity pool operator, and commodity trading advisor, registered with the Commodity Futures Trading Commission, and a member of the National Futures Association. Since August 2005, Mr. Sugar has also served as Senior Vice-President, Product Development, and Corporate Secretary to Brookshire Raw Materials Group Inc., a Canadian mutual fund manager.

For the past 20 years Mr. Sugar has been actively engaged in the practice of law, principally as a corporate/securities lawyer, during which time Mr. Sugar has counseled clients through private and public fundraisings, regulatory compliance matters, and corporate/commercial transactions. Mr. Sugar has worked with local and international clients in a wide variety of industries, including natural resources, technology, telecommunications, biotech, manufacturing, service and investment fund industries. Mr. Sugar is a graduate of the Combined LL.B./M.B.A. Program at York University/Osgoode Hall Law School and has an undergraduate degree in Science.

Larry Babins

Director

Mr. Babins has been a Chartered Accountant since 1972. After starting his career with a large accounting firm, he formed a corporation dedicated to assisting the motor truck transportation industry with a focus on statutory compliance and commodity taxation. From 1976 to 1991, Mr. Babins was the executive vice president at Stats+ Transportation Data Services Inc., which became Canada's largest truck transportation data manager. In 1992, he became executive vice president of Permicom Permits Services Inc. a wholly owned subsidiary of the Ceridian Corporation, a publicly held corporation listed on the NYSE. He is a recognized expert in North American inter-jurisdictional commodity taxation issues relating to the motor transportation industry.

Professor Jorg Finsinger

Director

Professor Finsinger is a professor and Chair Financial Services in the Department of Finance at the School of Business, Economics, and Statistics at the University of Vienna Austria.

Professor Finsinger has served in many different companies both private and public, mostly in banking or insurance, as Managing Director or as a Member of the Board. Amongst other positions, he currently is chair of the board of directors (Aufsichtsrat) of the IT – Warehouse AG in Hamburg Germany, a major supplier of software-systems to insurance companies, and serves as board member of Alizee Investment AG, an investment fund manager for institutional clients such as insurance companies and banks. He is managing director and owner of the Life Settlement Institute, a Vienna based corporation, involved in the management of life settlement closed end funds in Germany and across the world. Professor Finsinger, jointly with partners of the Life Settlement Institute, created software tools for the evaluation of life policies and for structuring portfolios of life settlements.

EXPERIENCE WITH OTHER REPORTING ISSUERS

The following table sets out information regarding those directors, officers and promoters of the Resulting Issuer that are, or have been with the last five years, directors, officers or promoters of other issuers that are or were reporting issuers under the securities legislation of any Canadian jurisdiction:

Name of Director, Officer or Promoter	Name of Reporting Issuer	Market	Position	Term
David Mitchell	Kingsmill Capital Ventures Inc. ⁽¹⁾	TSXV	Director, President & Chief Executive Officer	Since October 2005 (incorporation)
	Richmond Minerals Inc.	TSXV	Director	Since June 2007
	Kingsmill Capital Ventures II Inc. ⁽²⁾	TSXV	Director, President & Chief Executive Officer	Since March 2007 (incorporation)
Ilja Troitschanski	Kingsmill Capital Ventures Inc. ⁽¹⁾	TSXV	Director, Secretary & Chief Financial Officer	Since October 2005 (incorporation)
	Kingsmill Capital Ventures II Inc. ⁽²⁾	TSXV	Director, Secretary & Chief Financial Officer	Since March 2007 (incorporation)
	Lifesciences Capital Corp. ⁽³⁾	TSXV	Director and Secretary	March 2006 (incorporation) to May 2007
	Bio-Extraction Inc.	TSXV	Vice President and Secretary	Since May 2007 to October 2007
Gary Sugar	Western Troy Capital Resources Inc.	TSXV	Director	July 2004 to May 2006

Notes:

- (1) Kingsmill Capital Ventures Inc. became a CPC listed on the TSX Venture Exchange in November 2006.
- (2) Kingsmill Capital Ventures II Inc. became a CPC listed on the TSX Venture Exchange in April 2008.
- (3) Lifesciences Capital Corp. ("LCC") became a CPC listed on the TSX Venture Exchange in September 2006. LCC became "Bio-Extraction Inc." in May 2007 after completion of the Qualifying Transaction with Bio-Extraction Ltd. and corporate name change.

Corporate Cease Trade Orders or Bankruptcies

None of the directors, officers and promoters of the Resulting Issuer 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 except as disclosed below:

Jeffrey Panos is a director and officer of Universal Settlements International Inc. ("USI") and will become a director of the Resulting Issuer upon completion of the QT. USI is currently the subject of a cease trade order issued by the Ontario Securities Commission on September 29th, 2006. The order was issued as result of a hearing which took place in June and July of 2006. The sole issue before the Commission was whether life settlements constituted "securities" under the *Securities Act* (Ontario) (the "Act"). The Commission concluded that they were investments contracts and thus were securities under section 1(1) of the Act. USI, therefore, was required to be registered as a dealer when dealing with the public in respect of these investments. As a result of this decision, USI, through a related company, Universal Markets Inc., applied for registration as a dealer under the Act. On October 15, 2007, registration as a dealer was granted to Messrs. Christopher Halas and Jeffrey Panos, the principals of Universal Markets Inc. (see above "Life Settlements in Canada – the Regulatory Environment").

Penalties or Sanctions

None of the directors, officers and promoters of the Resulting Issuer has, during the past 10 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.

Conflict of Interest

There are potential conflicts of interest to which the directors, officers, Insiders and Promoters of the Company may be subject in connection with the operations of the Company following completion of the Qualifying Transaction. Following completion of the Qualifying Transaction, USI will be the Company's largest shareholder as well as the primary service provider to the Company under the terms of the Administrative Services Agreement. Jeffrey Panos, a director of the Resulting Issuer is also a principal in USI. Accordingly, situations may arise where the directors, officers, Insiders and Promoters will be in direct competition with the Company. Conflicts, if any, will be subject to the procedures and remedies as provided under the *Business Corporations Act* (Ontario) and applicable securities legislation.

Additionally, Kingsmill Capital Partners Inc., a registrant in which David Mitchell and Ilja Troitschanski are principals, may, from time to time, act as agent in respect of the purchase or sale of individual policies owned by the Company. These transactions may be subject applicable securities legislation regarding related and connected issuers.

EXECUTIVE COMPENSATION

Executive Compensation of the Company

In accordance with the CPC Policy, since the incorporation of the Company no cash compensation has been paid to the directors and executive officers of the Company for services rendered in their capacities as directors and executive officers.

Executive Compensation of the Resulting Issuer

As of the date hereof, management of the Resulting Issuer anticipates that for the 12-month period following the Completion of the Qualifying Transaction, the annual compensation for the three most highly compensated executive officers will be as follows:

David Mitchell will remain Chief Executive Officer of the Resulting Issuer and Ilja Troitschanski will remain the Chief Financial Officer (collectively the "Named Executive Officers"). It is anticipated that Messrs. Mitchell and Troitschanski will each be paid annual salaries of \$150,000. The Resulting Issuer expects to enter into employment agreements with these individuals following the completion of the acquisition. All of the executive officers of the Resulting Issuer will be eligible to receive stock options pursuant to the 2008 Stock Option Plan if and when declared by the board of directors.

Summary Compensation Table

The following table is a summary of compensation to be paid to the Named Executive Officers for the Company:

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation			All other Compensation (\$)
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Securities Under Options Granted/SARs (#)	Restricted Shares or Restricted Share Units (\$)	Payouts Long-Term Incentive Plan Payouts (\$)	
David Mitchell, President & C.E.O.	N/A	\$150,000	Nil	Nil	1,950,000	Nil	Nil	Nil
Ilja Troitschanski, Secretary & C.F.O.	N/A	\$150,000	Nil	Nil	1,950,000	Nil	Nil	Nil

DIVIDEND POLICY

Available funds will be used for the development and expansion of the business of the Resulting Issuer. Accordingly, it is unlikely that dividends on the Common Shares will be paid in the foreseeable future. Any determination to pay any future dividends will remain at the discretion of the board of directors and will be made taking into account the Resulting Issuer's financial condition and other factors deemed relevant by the board of directors.

PLAN OF DISTRIBUTION

The Agent has agreed to offer the Offered Shares for sale on a commercially reasonable efforts basis, subject to the terms and conditions of the Agency Agreement. The Agent will receive a cash commission in an amount equal to 10% of the gross proceeds of the Offering to be paid on closing for services performed in connection with the sale of the Offered Shares. The Agent has agreed to use its commercially reasonable efforts to sell the Offered Shares, but is not obligated to purchase any. The Agency Agreement provides that the obligations of the Agent pursuant to the Agency Agreement may be terminated at its discretion on the basis of its assessment of the state of the financial markets or upon the occurrence of certain stated events. The Offering Price per Offered Share was determined by negotiation between the Company and the Agent. The Payment Shares being issued pursuant to the Qualifying Transaction are being issued at the Offering Price.

The Agent has also been granted the Over-Allotment Option exercisable for a period of 60 days after the Closing Date to purchase up to an additional number of Offered Shares equal to 15% of the number of Offered Shares sold on the Closing Date, at the Offering Price per Offered Share, to cover over-allotments, if any. The grant of the Over-Allotment Option and distribution of all securities issuable upon the exercise thereof are qualified by this prospectus.

As additional consideration for the Agent's services in connection with the Offering and pursuant to the terms of the Agency Agreement, the Agent will also receive (i) a number of Broker's Warrants equal to 10% of the aggregate number of Offered Shares sold pursuant to the Offering; and (ii) a \$20,000 corporate finance fee. Each of the Broker's Warrants may be exercised at a price of \$0.30 for a period of 24 months from the Closing Date upon issuance. The shares issuable on exercise of the Broker's Warrants are qualified for distribution under this prospectus.

The Agent will also be reimbursed for all out of pocket expenses as well as its legal fees.

Subscriptions for the Offered Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The distribution of the Offered Shares will not continue for a period of more than 90 days after the date of issuance of a receipt for this prospectus if subscriptions representing the Offering are not obtained. All funds received from the sale of the Offered Shares will be deposited and held in trust by the Agent pursuant to the terms of the Agency Agreement. None of the funds held in trust will be released until all closing conditions have been satisfied including the issuance of a final receipt from the securities regulatory authorities for this prospectus and the issuance of the Final Exchange Bulletin, failing which all subscriptions proceeds from this Offering will be returned to subscribers without interest or deduction.

The Agent may not, throughout the period of distribution, bid for or purchase Common Shares. The foregoing restriction is subject to exceptions, on the condition that the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Common Shares. These exceptions include bids or purchases permitted under the Universal Market Integrity Rules relating to market stabilization and passive market-making activities and bids or purchases made for and on behalf of a customer in which the order was not solicited during the period of distribution. Under the first exception, in connection with the Offering, the Agent may over-allot or effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those that might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

Provided that the closing of the Offering and the Qualifying Transaction have occurred, the Company has agreed that it will not, for a period of 90 days from the Closing Date, offer or announce the offering of, or enter into or conclude any agreement or understanding to issue or sell any Common Shares, except pursuant to the Resulting Issuer's Stock Option Plan or other employee incentive plans, at a price less than the Offering Price without the prior written consent of the Agent.

Provided that the Offering shall be completed, the Agent has been granted the right by the Company to act as its agent or underwriter in connection with any future equity or debt offering for a period of 6 months following the Closing Date, such right to be exercised within 10 days from receiving notice of any proposed equity or debt offering.

Pursuant to the Agency Agreement, the Company and USI have agreed to indemnify the Agent and each of their affiliates, directors, officers, employees and agents against certain liabilities.

Pursuant to the terms of the Agency Agreement, USI will not, and will obtain from its shareholders (as they exist immediately prior to the Qualifying Transaction) an undertaking not to, sell or offer to sell, directly or indirectly, any of the Common Shares they receive upon Completion of the Qualifying Transaction or publicly announce their intention to do so, for a period of six months from the Closing Date.

Pursuant to the terms and subject to the conditions precedent contained in the Asset Purchase Agreement, the consideration payable by the Company in respect of the acquisition of the Target Asset will be satisfied by the issuance by the Company of the 25,653,590 KCV Shares at an issue price of \$0.30 each.

The Company has applied to list the Offered Shares and all of the other Common Shares qualified herein on the Exchange. Listing is subject to the Company fulfilling all of the requirements of the Exchange.

RISK FACTORS

An investment in KCV's shares should be considered highly speculative due to the nature of the Company's business and the present stage of its development. Upon completion of the Qualifying Transaction, all of the risks described below in respect of KCV will apply equally to the Resulting Issuer. In evaluating KCV and its business, shareholders should carefully consider, in addition to the other information contained in this prospectus, the following risk factors. These risk factors are not a definitive list of all risk factors associated with the Resulting Issuer, KCV or in connection with either of their operations. It is believed that these are the factors that could cause actual results to be different from expected and historical results. You should not rely upon forward-looking statements as a prediction of future results.

A. *Risks Associated with the Target Asset*

While KCV anticipates that the Target Asset will be only the first of a number of life settlement transactions, the Target Asset will nonetheless be the sole operating asset of KCV immediately following completion of the Qualifying Transaction. Risks associated with the Target Asset include, but are not limited to, the following:

Lack of Current LE Estimates

Once a policy is acquired, the factor that will have the most significant impact on the profitability of the transaction is the length of time that the insured party lives. Except in a very limited number of cases, USI has not obtained updated LE information for the policies included in the Target Asset since it acquired those policies. In the vast majority of cases, the last LE estimate was performed ten or more years ago, and the insured persons have already outlived those estimates, a fact that brings into question those persons' original diagnoses and current life expectancy. Without reliable LE estimates, it is impossible to develop a reasonable expectation with respect to the extent to which the acquisition of the Target Asset will be profitable to KCV, if at all.

Increasing Premiums Associated With Term Policies

A large number of the policies included in the Target Asset are term policies that have premiums which increase over time, in some cases dramatically. Because KCV will be responsible for paying the policy premiums until such time as the insured person dies, these increasing premiums may require KCV to seek additional financing and/or have a significant negative impact on the profitability, if any, of KCV's acquisition of the Target Asset.

Concentration in Policies Issued to Individuals Diagnosed with AIDS

The majority of the life settlement policies underlying the Target Asset insure the lives of individuals who have been diagnosed with AIDS. Advances in medical science in recent years have resulted in the life expectancy of AIDS patients increasing significantly. These advances, together with any further advances that may occur, may reduce the profitability, if any of KCV's investment in the Target Asset.

Small Average Face Value of Policies

Approximately 60% of the policies underlying the Target Asset (by number of policies) have face values of \$50,000 or less. While having a large number of smaller face value policies increases diversification and reduces risk, it also increases operating cost as the cost of tracking a \$25,000 policy varies little from the cost of tracking a \$1 million policy. Further, if disputes with respect to the status of a policy arise, it may not be economically practical for the Company to take the steps necessary to protect its rights if the face value of a policy is small. Accordingly, having a large number of small face value policies may also add to the risk of the portfolio.

B. Risks Associated with Investments in Life Settlements

U.S. Legal Systems; Legislation and Tax

Life settlement policies are purchased and sold primarily in the United States and therefore are subject to both state and federal laws. There may be new laws implemented, changes in law, or amended interpretations of current laws in a number of states or federally that could result in different legal or tax consequences to the Company than exist at the time the Qualifying Transaction is entered into. It is possible such changes could have a significant adverse impact on the Company's ability to acquire and sell life settlements and/or the profitability of its portfolio of life settlements. Changes in state or federal law may have an impact on the enforceability of contracts, the ability to locate and assign policies, or the prices at which such policies can be obtained. This may have a significant adverse impact on returns. Furthermore, given the emerging nature of life settlement regulation, there may be periods in which the Company is unable to comply with the effective provisions of applicable state or federal statutes and regulations which may prevent it from fulfilling its obligations or responsibilities relating to the life settlements.

Resistance from the Life Insurance Industry

The life insurance industry in the United States includes a number of very large and financially powerful companies, and represents a strong political lobby group. Many people view the emergence of the life settlements industry as a threat to life insurance companies. Historically, a large percentage of life insurance policies have been allowed to lapse prior to the insured person's death, resulting in no death benefit being paid by the insurer. Policies that are purchased in settlement transactions are more likely to have their premiums paid until the insured person dies, and result in a payment by the insurer. Accordingly, the growth of the life settlements industry may have a negative impact on the profitability of insurance companies. If this occurs, the insurance industry may attempt to lobby for changes in government regulation, or otherwise impose industry rules, that make it more difficult or impossible to complete life settlement transactions. Any such successful efforts could have a serious negative impact on the ability of the Company to execute its business plan.

Life Expectancy Risk

Once a life insurance policy has been purchased in a settlement transaction, the factor that will have the largest impact on the profitability of the transaction is how long the insured person lives. Accordingly, accurately estimating the insured person's life expectancy is a critical part of the acquisition process. If the insured person lives for a shorter period than expected at the time the policy is purchased, the return on the policy will be higher than anticipated. If the insured person lives longer than anticipated, the return on the policy will be less than expected and could even become negative. While the Company intends to rely on third parties that it believes to be experts in the field of estimating life expectancies, the process of estimating an individual's life expectancy is inherently risky, and the accuracy of the process may be impacted by a number of factors including the accuracy and completeness of the information available to the company performing the estimate, and subsequent developments in the medical field. Accordingly, while building a large and diversified portfolio will reduce overall life expectancy risk, the returns generated by the Company from its portfolio may vary significantly from that expected at the time the underlying policies were acquired.

Insolvency Risk

There is risk that the insurance or reinsurance companies underwriting the life insurance policies which form the basis for life settlements owned by the Company could become bankrupt or insolvent which would result in the inability of the Company to receive all or part of the proceeds under a particular policy.

Risk of Fraud

In spite of the Company's due diligence conducted on the life settlements it acquires, and use of third parties it considers reputable, there is the risk of fraud which includes the risk that the insured may misrepresent the status of their illness, may fail to disclose all beneficiaries or may purport to sell their policy to more than one purchaser. Any such fraud could lead to losses by the Company.

Market Risk

While the market conditions for purchasing policies may improve, it is also possible that they may deteriorate, resulting

in unexpected delays or even the inability to purchase or sell the life settlements. There can be no assurance that the Company will be able to source a sufficient amount of suitable policies to generate expected returns. Growing investor interest in life settlements can be expected to result in the price at which policies can be acquired to increase, thus resulting in diminished return.

Life Expectancy Estimates

The life expectancy of an insured is an estimate only. If the insured lives longer than such estimate, the annualized return on life settlements will diminish, as the payment of premiums continues for longer, and the pay out of proceeds comes later, than expected.

Claims by Former Beneficiaries

There is the possibility that a former beneficiary or their family members could challenge the sale of a life settlement for a number of reasons including that the third party policy provider was not properly licensed or that there was duress or undue influence or that the seller was of unsound mind. If any such challenges are made against policies held by the Company, there is the risk that the Company will not receive the full proceeds on the maturity of such policy.

Foreign Currency Risk

Since the investment is purchased in US dollars and the returns are paid to the Company in US dollars, significant changes in the exchange rate of the US dollar relative to the Canadian dollar may result in a material adverse impact on the value of the Company's portfolio of life settlements.

C. Risks Associated with KCV

History of Losses

KCV has a history of net losses and it expects to continue to incur net losses while it builds its business, and as such it may not achieve or maintain profitability. KCV's limited operating history makes it difficult to evaluate its business and there is no assurance the KCV will grow and be profitable.

Reliance on Key Personnel

KCV's future success will depend in large part on the continued service of its key management personnel. KCV faces intense competition for these professionals from its competitors and other companies throughout the life settlement industry. KCV does not generally enter into employment agreements requiring these employees to continue their employment for any period of time. Any failure on KCV's part to hire, train and retain a sufficient number of qualified professionals could seriously damage its business.

Capital Requirements

In the future, KCV will need to either incur additional debt or issue additional equity in order to fund working capital and expand and further diversify its portfolio of life settlements. If KCV is unable to obtain debt or equity financing on acceptable terms or if it is limited with respect to incurring debt or issuing equity, it may be unable to execute its growth strategy. There can be no assurance that KCV will be able to raise additional funds to fund its operations.

Regulatory Approvals

Regulatory changes to the life settlement market may materially impact KCV's ability to execute its business plan. As regulation may impact the ability to buy and/or sell life settlement contracts, KCV's intended market could be highly susceptible to changes in regulation. Regulatory changes are a matter over which KCV can be considered to have no control, and there can be no assurance that regulatory changes applicable to KCV's business will not negatively impact the business, financial condition, and operating results of KCV.

Future Growth

KCV's ability to achieve its expansion objectives and to manage its growth effectively depends upon a variety of factors,

including KCV's ability to effectively manage its existing portfolio, to grow and further diversify the portfolio, to attract additional funding in order to finance future growth and to attract and retain skilled employees. To accommodate growth and compete effectively, KCV will be required to improve its information systems, create additional procedures and controls and expand, train, motivate and manage its work force. KCV's future success will depend in part on the ability of current and future management personnel to operate effectively, both independently and as a group. There can be no assurance that KCV's personnel, systems, procedures and controls will be adequate to support its future operations.

Business Combinations

KCV may, in the future, pursue acquisitions of other complementary businesses. KCV may also pursue strategic alliances and joint ventures that leverage its core competence and industry experience to expand its portfolio and geographic presence. KCV has limited experience with respect to acquiring other companies and limited experience with respect to forming collaborations, strategic alliances and joint ventures. If KCV were to make any acquisitions, it may not be able to integrate these acquisitions successfully into its existing business and could assume unknown or contingent liabilities. Any future acquisitions KCV makes could also result in large and immediate write-offs or the incurrence of debt and contingent liabilities, any of which could harm KCV's operating results. Integrating an acquired company also may require management resources that otherwise would be available for ongoing development of KCV's existing business. KCV may not identify or complete these transactions in a timely manner, on a cost-effective basis, or at all, and KCV may not realize the anticipated benefits of any acquisition or strategic alliance.

Reliance on Third Parties

KCV relies on third parties to source and/or facilitate sales of life settlement contacts. KCV's reliance on third parties involves several risks, including:

- an inability to obtain an adequate supply of life settlement contracts that fit KCV's criteria;
- delays and/or inability in finding customers for life settlement contracts KCV wishes to sell; and
- reduced control over pricing of life settlement contracts

If a third party company were to go out of business, KCV might be unable to find a replacement for such a party in timely manner or it might take several months to be able to internalize the functions of this third party. If a third party partner were to be acquired by a competitor, that competitor may elect not to cooperate with KCV in the future.

Under the terms of the Administrative Services Agreement, KCV will be reliant upon USI to provide policy administration services for a period of 5 years. Accordingly, KCV's ability to successfully develop its business will be highly dependent on USI's ability to provide quality service to KCV. Further, USI has the right to terminate the agreement without cause on 90 days notice and, if USI were to do so, it might prove difficult for KCV to obtain similar services from an alternative supplier on a timely basis, if at all, a development that could have significant negative impact on KCV's ability to execute its business plan.

Liquidity Risk

The Company intends to establish a liquidity reserve to cover annual premium payments and administrative expenses. Deviations in the actual maturity of policies from maturity forecasts, combined with inability of the management to raise capital, may result in the reserve being inadequate. This in turn, could result in the need for the Company to raise additional capital or, alternatively, allow policies to lapse, either of which would have a negative impact on the financial performance of the Company.

Competition

The life settlements industry is competitive. Although there is limited competition in Canada, the Company does compete with numerous U.S. and/or foreign based companies and individuals, including competitors with greater financial, technical and other resources. The Company's ability to buy and sell life settlements will depend not only on its ability to properly manage its current portfolio, but also on its expertise in selecting and acquiring or selling suitable policies to generate returns. In addition, the life settlements industry is facing a shortage of skilled people and there may be intense competition for experienced personnel. There is no assurance that the Company will be able to compete successfully with others in acquiring such personnel.

Marketability

Since there is no regulated market in the United States or Canada for life insurance policies, the marketability of this type of investment is extremely limited. When the Company is approached with a request to sell, it will act as an intermediary in the search for other investors and utilize registered entities to conduct such sales. However, KCV is unable to guarantee that its efforts will be successful. It may prove impossible to sell the titles to life insurance benefits prior to maturity on favourable terms, or at all.

Early Stage

KCV is a start-up company and has not experienced significant revenue or any earnings since its formation in 2005. Even if KCV completes a significant number of bulk life settlement transactions, there is no assurance that KCV will be able to generate revenue which is sufficient to create net income initially or on a sustained basis.

In order to achieve significant revenues, KCV will be required to realize cash proceeds on the life insurance policies which it owns from time to time, including those that are obtained as a result of the consummation of the Qualifying Transaction.

Such cash realization can only occur upon the death of the policy insured or upon the resale of a life insurance policy or a group of life insurance policies. The occurrence of such revenues from such sources will not assure that KCV will experience net income initially or at any time. The absence of net income most likely will have a depressive effect on any after market price existing for KCV's Common Shares.

The life settlement business is an outgrowth of the viatical settlement activity. As such, it represents a relatively new industry and there are many uncertainties as to how such industry will develop over the near and mid term.

An important industry characteristic which has only recently begun to develop is the existence of a liquid market for life insurance policies. KCV cannot assure or predict whether such liquid market will grow, remain approximately the same or, in fact, contract or disappear. This factor and other unknown factors create considerable uncertainty as to whether KCV will be able to initiate and conduct its business plan on a viable and profitable basis.

Conflicts of Interest

There are potential conflicts of interest to which the directors, officers, Insiders and Promoters of the Company may be subject in connection with the operations of the Company following completion of the Qualifying Transaction. Following completion of the Qualifying Transaction, USI will be the Company's largest shareholder as well as the primary service provider to the Company under the terms of the Administrative Services Agreement. Jeffrey Panos a director of the Resulting Issuer is also a principal in USI. Accordingly, situations may arise where the directors, officers, Insiders and Promoters will be in direct competition with the Company. Conflicts, if any, will be subject to the procedures and remedies as provided under the *Business Corporations Act* (Ontario) and applicable securities legislation.

Additionally, Kingsmill Capital Partners Inc., a registrant in which David Mitchell and Ilja Troitschanski are principals, may, from time to time, act as agent in respect of the purchase or sale of individual policies owned by the Company. These transactions may be subject applicable securities legislation regarding related and connected issuers.

MATERIAL CONTRACTS

The following are the material contracts entered into by the Company, other than contracts entered into in the ordinary course of business, during the two-year period prior to the date hereof:

1. Agency Agreement among the Company and the Agent dated [redacted] (see "Plan of Distribution");
2. Register and Transfer Agent Agreement between the Company and Equity Transfer & Trust Company dated April 16, 2006 (see "Auditors, Transfer Agent and Registrar" and which can be viewed at www.sedar.com);
3. Stock Option Plan of the Company dated October 10, 2006 (see "Options to Purchase Securities – Company Options");
4. Stock Option Plan of the Resulting Issuer dated [redacted] (see "Options to Purchase Securities – Stock Option Plan of the

Resulting Issuer”);

5. Escrow Agreement between the Company, Equity Transfer & Trust Company and certain shareholders of the Company dated June 27, 2006 (see “Escrowed Securities” and which can be viewed at www.sedar.com);
6. Asset Purchase Agreement (see “Information Concerning the Company – Qualifying Transaction”) entered into as of August 2, 2007 and amended on March 31, 2008 between the Company and USI setting out the terms and conditions of the acquisition of the Target Asset by the Company;
7. Surplus/Value Escrow Agreement the Company, Equity Transfer & Trust Company and certain shareholders of the Company dated [redacted] (see “Escrowed Securities”).
8. Administrative Services Agreement with USI dated December 7, 2007 (see “Business of the Resulting Issuer”).

LEGAL PROCEEDINGS

Management and the directors of the Company are not aware of any litigation outstanding, threatened or pending as of the date hereof by or against the Company which would be material to a purchaser of the Offered Shares.

OTHER MATERIAL FACTS

As of the date hereof, no material fact exists involving the Company, USI, the Resulting Issuer or their predecessors or any of their respective assets that has not already been disclosed elsewhere in this prospectus.

LEGAL PROCEEDINGS

USI, the vendor of the Target Asset, was the subject of a cease trade order issued by the Ontario Securities Commission on September 29th, 2006. The order was issued as result of a hearing which took place in June and July of 2006. The sole issue before the Commission was whether life settlements constituted “securities” under the Act. The Commission concluded that they were investment contracts and thus were securities under section 1(1) of the Act. USI, therefore, was required to be registered as a dealer when dealing with the public in respect of these investments. As a result of this decision, USI, through a related company, Universal Markets Inc., applied for registration as a dealer under the Act. On October 15, 2007, registration as a dealer was granted to Messrs. Christopher Halas and Jeffrey Panos, the principals of Universal Markets Inc. It is the view of KCV and USI that the terms of the cease trade order have been complied with and USI is now permitted, through Universal Markets Inc. and other registered dealers, to trade life settlements to the public.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are McGovern, Hurley, Cunningham, LLP, Chartered Accountants, 2005 Sheppard Avenue East, Suite 300, Toronto, Ontario M2J 5B4. Equity Transfer & Trust Company, at its Toronto office located at 200 University Ave., Suite 400, Toronto, Ontario M5H 4H1, is the transfer agent and registrar for the Company's Common Shares.

PURCHASERS’ STATUTORY RIGHT OF WITHDRAWAL AND RECISSION

Securities legislation in several provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase the 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 certain jurisdictions, damages where the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such 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 advisor.



McGovern, Hurley, Cunningham, LLP
Chartered Accountants

AUDITORS' CONSENT

We have read the Prospectus of Kingsmill Capital Ventures Inc. (the "Company") dated • relating to the acquisition of a portfolio of life settlements having a face value of US\$42,011,584 in exchange for the issuance to Universal Settlements International Inc. of 25,653,590 common shares of the Company representing \$7,696,077 at a deemed price of \$0.30 per share and relating to the offering of 7,000,000 common shares at a price of \$0.30 per common share for gross proceeds of \$2,100,000. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above mentioned Prospectus of our report to the directors of the Company, on the balance sheets of the Company as at April 30, 2007 and 2006 and the statements of operations and deficit and cash flows for the year ended April 30, 2007 and for the period from the date of incorporation (October 28, 2005) to April 30, 2006. Our report is dated August 8, 2007, except for Note 12, which is dated •.

Toronto, Ontario
•, 2008

McGOVERN, HURLEY, CUNNINGHAM, LLP

Chartered Accountants
Licensed Public Accountants

KINGSMILL CAPITAL VENTURES INC.
AUDITED FINANCIAL STATEMENTS
APRIL 30, 2007 AND 2006

KINGSMILL CAPITAL VENTURES INC.

FINANCIAL STATEMENTS

APRIL 30, 2007 AND 2006

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AUDITORS' REPORT

To the Directors of
KINGSMILL CAPITAL VENTURES INC.

We have audited the balance sheets of Kingsmill Capital Ventures Inc. as at April 30, 2007 and 2006 and the statements of operations and deficit and cash flows for the year ended April 30, 2007 and for the period from the date of incorporation (October 28, 2005) to April 30, 2006. 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 audits.

We conducted our audits 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 Kingsmill Capital Ventures Inc. as at April 30, 2007 and 2006 and the results of its operations and its cash flows for the year ended April 30, 2007 and for the period from the date of incorporation (October 28, 2005) to April 30, 2006 in accordance with Canadian generally accepted accounting principles.

Chartered Accountants
Licensed Public Accountants

TORONTO, Canada
August 8, 2007, except for Note 12, which is dated •

KINGSMILL CAPITAL VENTURES INC.
BALANCE SHEETS

	2007 \$	2006 \$
ASSETS		
CURRENT		
Cash (Note 3)	179,985	415,642
Short-term investments (Notes 2 and 3)	613,275	-
Prepaid expenses and GST receivable	6,514	-
	<u>799,774</u>	<u>415,642</u>
DEFERRED PUBLIC OFFERING COSTS (Note 4)	<u>-</u>	<u>10,000</u>
	<u><u>799,774</u></u>	<u><u>425,642</u></u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	<u>25,367</u>	<u>4,500</u>
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 5)	788,840	421,142
WARRANTS (Note 7)	26,311	-
CONTRIBUTED SURPLUS (Note 8)	82,500	-
(DEFICIT)	<u>(123,244)</u>	<u>-</u>
	<u>774,407</u>	<u>421,142</u>
	<u><u>799,774</u></u>	<u><u>425,642</u></u>
GOING CONCERN (Note 1)		

APPROVED ON BEHALF OF THE BOARD:

Signed "DAVID MITCHELL" _____, Director

Signed "ILJA TROITSCHANSKI" _____, Director

See accompanying notes to the financial statements.

KINGSMILL CAPITAL VENTURES INC.
STATEMENTS OF OPERATIONS AND DEFICIT

	For the year ended April 30, 2007 \$	For the period from Incorporation (October 28, 2005) to April 30, 2006 \$
		(Note 1)
ADMINISTRATIVE AND GENERAL EXPENSES		
Stock-based compensation	82,500	-
Professional fees	34,704	-
Filing and transfer agent fees	10,992	-
Rent (Note 10)	6,369	-
Office and sundry	1,935	-
Bank charges	19	-
	<u>136,519</u>	-
Less: Interest income	<u>(13,275)</u>	-
NET LOSS FOR THE PERIOD	123,244	-
DEFICIT, BEGINNING OF PERIOD	<u>-</u>	<u>-</u>
DEFICIT, END OF PERIOD	<u>123,244</u>	<u>-</u>
NET LOSS PER SHARE – basic and diluted	0.022	0.000
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	<u>5,503,745</u>	<u>3,802,350</u>

See accompanying notes to the financial statements.

KINGSMILL CAPITAL VENTURES INC.
STATEMENTS OF CASH FLOWS

	For the year ended April 30, 2007 \$	For the period from Incorporation (October 28, 2005) to April 30, 2006 \$
		(Note1)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) for the period	(123,244)	-
Charges not involving cash:		
Stock-based compensation	82,500	-
	(40,744)	-
Changes in non-cash working capital balances:		
(Increase) in prepaid expenses and GST receivable	(6,514)	-
Increase in accounts payable and accrued liabilities	25,367	-
Cash flows from operating activities	(21,891)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of common shares for cash	505,250	435,352
Share issuance costs	(107,016)	(9,710)
Exercise of warrants	1,275	-
Deferred financing costs	-	(10,000)
Cash flows from financing activities	399,509	415,642
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of short-term investments	(613,275)	-
(Decrease) increase in cash	(235,657)	415,642
Cash, beginning of period	415,642	-
Cash, end of period	179,985	415,642
SUPPLEMENTAL INFORMATION:		
Interest paid	-	-
Warrants issued for services	27,000	-
Accrued share issue costs	-	4,500

See accompanying notes to the financial statements.

1. Nature of Business and Going Concern

Kingsmill Capital Ventures Inc. (the "Company") was incorporated pursuant to the provisions of the Business Corporation Act (Ontario) on October 28, 2005 and is classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange Inc. ("TSXV"). The Company proposes to identify and evaluate potential acquisitions of businesses in Canada, and once identified and evaluated, to negotiate an acquisition or participation subject to receipt of shareholder and regulatory approval. (See Note 12)

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

The Company did not carry on active business during the period from incorporation (October 28, 2005) to April 30, 2006.

2. Summary of Significant Accounting Policies

The accounting policies of the Company are in accordance with Canadian generally accepted accounting principles and their basis of application is consistent with that of the previous year. Outlined below are those policies considered particularly significant.

Short-term investments:

Short-term investments include highly liquid investments with original maturities of up to one year. The Company invests cash in term deposits maintained in high credit quality institutions. Short-term investments as at April 30, 2007 consist of Guaranteed Investment Certificates bearing interest at an average rate of 3.93%.

Stock-based compensation:

The Company applies the fair value based method of accounting to all stock-based compensation arrangements. The fair value of each option is accounted for over the vesting period of the options, and the related credit is included in contributed surplus. The Company's stock-based compensation plan is described in Note 6.

Income taxes:

The Company follows the asset and liability method of accounting for income taxes. Under this method, future income tax assets and liabilities are determined based on differences between the financial statement carrying values and the income tax bases of assets and liabilities, and are measured using the substantively enacted income tax rates and laws that are expected to be in effect when the temporary differences are expected to reverse. The effect on future income tax assets and liabilities of a change in income tax rates is recognized in the period that includes the date of enactment or substantive enactment of the change. When the future realization of income tax assets does not meet the test of being more likely than not to occur, a valuation allowance in the amount of the potential future benefit is taken and no net asset is recognized.

Loss per share:

Basic loss per share is calculated using the weighted average number of shares outstanding. Diluted loss per share is calculated using the treasury stock method. In order to determine diluted loss per share, the treasury stock method assumes that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted loss per share calculation. The diluted loss per share calculation excludes any potential conversion of options and warrants that would increase earnings per share or decrease loss per share.

Continued...

2. Summary of Significant Accounting Policies (Continued)

Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions about future events that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates made by the Company include factors affecting valuations of stock-based compensation, brokers' warrants and tax accounts. The Company regularly reviews its estimates and assumptions; however, actual results could differ from these estimates and these differences could be material.

3. Cash

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that no more than the lesser of 30% of the gross proceeds from the sale of all securities issued by the Company or \$210,000 may be used to cover prescribed costs of issuing common shares, listing and filing fees or general and administrative expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the policies of the Exchange. (See Note 12)

4. Deferred Public Offering Costs

At April 30, 2006, the Company had deferred costs totaling \$10,000, which consisted primarily of professional and filing fees related to the initial public offering disclosed in Note 5. The deferred charges were allocated to share capital in November 2006, upon completion of the initial public offering transaction.

5. Share Capital

The share capital of the Company consists of the following:

Authorized

- Unlimited common shares
- Unlimited number of non-cumulative, non-voting, redeemable, retractable Class "A" special shares
- Unlimited number of non-cumulative, voting, redeemable, retractable Class "B" special shares

Issued

	Common Shares #	Amount \$
Issued for cash (i)	3,802,350	435,352
Share issue costs	-	<u>(14,210)</u>
Balance, April 30, 2006	3,802,350	421,142
Issued for cash (ii)	3,403,333	505,250
Common shares issued upon exercise of warrants	8,500	1,964
Share issue costs	-	<u>(139,516)</u>
Balance, April 30, 2007	<u>7,214,183</u>	<u>788,840</u>

- (i) During the period ended April 30, 2006, 3,802,350 common shares were issued for gross proceeds of \$435,352. Of these shares, 1,926,666 common shares were issued for gross proceeds of \$154,000, representing common shares issued to directors and officers or corporations controlled by directors and officers of the Company. These shares will be subject to escrow restrictions as detailed below.

Continued...

5. Share Capital (Continued)

- (ii) During the year ended April 30, 2007, 70,000 common shares were issued for gross proceeds of \$5,250 to a director of the Company. These shares will be subject to escrow restrictions as detailed below.

Pursuant to an Escrow Agreement dated June 27, 2006, the common shares acquired by the original shareholders may not be traded, released, transferred or dealt with in any manner without the consent of the Exchange until the issuance of the Final Exchange Bulletin that evidences the final Exchange acceptance of the Qualifying Transaction. Upon the Exchange issuing the Final Exchange Bulletin, 10% of the escrowed common shares will be releasable. An additional 15% of the escrowed common shares will qualify for release every six months thereafter.

Also, during the year ended April 30, 2007, the Company completed its initial public offering of 3,333,333 common shares at \$0.15 per common share for gross proceeds of \$500,000. In addition to a commission of 10% of the gross proceeds of the issue, the Company granted the Agent a warrant to acquire 333,333 common shares at \$0.15 per common share, expiring November 17, 2008 (Note 7).

6. Stock Options

On June 1, 2006, the shareholders of the Company approved a new stock option plan. Under the Company's stock option plan (the "Plan"), the directors of the Company can grant options to acquire common shares of the Company to qualified directors, officers, employees and persons providing ongoing services to the Company. The stock options are non-assignable and non-transferable and may be granted for a term not exceeding five years. The exercise price of the stock options cannot be less than the discounted market price on the date on which the option is granted. The number of shares reserved for issuance under the Plan cannot exceed 10% of the issued and outstanding common shares of the Company.

During the year ended April 30, 2007, the Company granted 720,568 stock options to directors and officers at an exercise price of \$0.15 per share for a period of five years. The fair value of the options was estimated on the date of the grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 100%, risk-free interest rate of 4.1% and expected life of 5 years. The fair value of each option is accounted for over the vesting period, and the related credit is included in contributed surplus.

The Black-Scholes option valuation model used by the Company to determine fair values was developed for use in estimating the value of freely traded options, which are fully transferable. The Company's stock options are not transferable and cannot be traded. Changes to subjective input assumptions used in the model can cause significant variation in the estimate of the fair value of the options.

As at April 30, 2007, the Company had the following outstanding options to purchase shares of the Company which were granted during the year:

<u>Options Granted</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
#	\$	
<u>720,568</u>	<u>0.15</u>	November 2, 2011

7. Warrants

A summary of changes in warrants is as follows:

	Warrants	Weighted Average Exercise Price	Value
	#	\$	\$
Balance, April 30, 2006	-	-	-
Issued (Note 5(ii))	333,333	0.15	27,000
Exercised	<u>(8,500)</u>	(0.15)	<u>(689)</u>
Balance, April 30, 2007	<u>324,833</u>	0.15	<u>26,311</u>

During the year, warrant holders exercised 8,500 warrants at \$0.15 each for gross proceeds of \$1,275.

As at April 30, 2007, the following warrants were issued and outstanding:

<u>Number of Warrants</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
#	\$	
<u>324,833</u>	<u>0.15</u>	November 17, 2008

The fair value of each warrant on the date of the grant was calculated using the Black-Scholes option pricing model with the following weighted average assumptions: expected dividend yield of 0%, expected volatility of 100%, risk-free interest rate of 4.1% and expected life of 2 years.

8. Contributed Surplus

A summary of changes in contributed surplus is as follows:

	<u>Amount</u>
	\$
Balance, April 30, 2006	-
Stock-based compensation (Note 6)	<u>82,500</u>
Balance, April 30, 2007	<u>82,500</u>

9. Income Taxes

(a) Provision for income taxes

Major items causing the Company's income tax rate to differ from the Canadian combined federal and provincial statutory rate of approximately 36% are as follows:

	<u>2007</u>	<u>2006</u>
	\$	\$
Loss before income taxes	<u>123,244</u>	<u>-</u>
Expected income tax benefit based on statutory rates	44,400	-
Adjustments to benefit resulting from:		
Share issue costs	50,200	4,600
Stock-based compensation	(29,700)	-
Valuation allowance	<u>(64,900)</u>	<u>(4,600)</u>
Provision for income taxes	<u>-</u>	<u>-</u>

Continued...

9. Income Taxes (Continued)

(b) Future tax balances

The tax effects of temporary differences that give rise to future income tax assets and future income tax liabilities at April 30, approximate the following:

	<u>2007</u>	<u>2006</u>
	\$	\$
Future tax assets (liabilities)		
Share issue costs	43,800	4,600
Non-capital losses	25,700	-
Valuation allowance	<u>(69,500)</u>	<u>(4,600)</u>
	<u>-</u>	<u>-</u>

(c) Tax loss carry-forwards

The Company has incurred approximately \$71,500 of non-capital losses which may be used to reduce future taxable income. These losses will expire in 2027.

10. Related Party Transactions

During the year ended April 30, 2007, the Company made payments totaling \$6,369 (2006 - \$Nil) for rent to a corporation having directors and officers in common with the Company.

All transactions with related parties have occurred in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

See also Note 5 for related party share subscriptions.

11. Financial Instruments

a) Fair value

Canadian generally accepted accounting principles require that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the balance sheet date based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgement and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The carrying value of cash, short-term investments and accounts payable and accrued liabilities approximate their fair value due to the relatively short periods to maturity of the financial instruments.

b) Risk

It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

12. Qualifying Transaction

The Company has committed to completing a public offering of its shares for aggregate proceeds of not less than \$2,100,000, at such price per share and on such other terms and conditions as mutually agreed by the Company and USI, which private placement shall be closed and completed simultaneously with the closing of the Qualifying Transaction. The proceeds from this issuance of the Company's shares are intended to be used by the Company for working capital and general corporate purposes, including premium payments and policy administration.

The Company will be required to call a special meeting of its shareholders at which time the shareholders will vote to approve, effective immediately following the closing of the Qualifying Transaction, the election of directors, and a change of name of the Company.

Jones, Gable & Company Limited has agreed to act as agent for the financing.

The Company intends to change its name to Kingsmill Asset Management ("KAM") in connection with the Proposed Transaction. Once completed, KAM will become a warehouse and asset manager of life settlement policies and is expected to be classified as an investment company under TSXV policies.

At January 31, 2008, the Company had deferred costs totaling \$61,248, which consisted of professional fees and TSX listing fees related to the qualifying transaction.

KINGSMILL CAPITAL VENTURES INC.

INTERIM FINANCIAL STATEMENTS

JANUARY 31, 2008

(UNAUDITED)

KINGSMILL CAPITAL VENTURES INC.
UNAUDITED BALANCE SHEETS
AS AT

	January 31, 2008 \$	April 30, 2007 \$
	(Unaudited)	(Audited)
ASSETS		
CURRENT		
Cash (Note 3)	96,887	179,985
Short-term investments (Note 3)	605,402	613,275
Prepaid expenses and GST receivable	<u>12,376</u>	<u>6,514</u>
	714,665	799,774
DEFERRED TRANSACTION COSTS (Note 10)	<u>61,248</u>	<u>-</u>
	<u><u>775,913</u></u>	<u><u>799,774</u></u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	<u>33,573</u>	<u>25,367</u>
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 4)	788,840	788,840
WARRANTS (Note 6)	26,311	26,311
CONTRIBUTED SURPLUS (Note 7)	82,500	82,500
(DEFICIT)	<u>(155,311)</u>	<u>(123,244)</u>
	<u>742,340</u>	<u>774,407</u>
	<u><u>775,913</u></u>	<u><u>799,774</u></u>

GOING CONCERN (Note 1)

APPROVED ON BEHALF OF THE BOARD:

Signed "DAVID MITCHELL" _____, Director

Signed "ILJA TROITSCHANSKI" _____, Director

See accompanying notes to the unaudited financial statements

KINGSMILL CAPITAL VENTURES INC.

**UNAUDITED INTERM STATEMENTS OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT
FOR THE**

	Three months ended January 31, 2008 \$	Three months ended January 31, 2007 \$	Nine months ended January 31, 2008 \$	Nine months ended January 31, 2007 \$
ADMINISTRATIVE AND GENERAL EXPENSES				
Rent (Note 8)	6,369	2,123	19,107	2,123
Professional fees	5,000	4,576	20,534	8,622
Filing and transfer agent fees	1,757	4,177	7,509	6,789
Office and general	246	1,226	600	1,226
Bank charges	9	8	15	16
Stock-based compensation	-	82,500	-	82,500
	<u>13,381</u>	<u>94,610</u>	<u>47,765</u>	<u>101,276</u>
Less: Interest income	<u>(5,467)</u>	<u>(5,888)</u>	<u>(15,698)</u>	<u>(7,388)</u>
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	<u>7,914</u>	<u>88,722</u>	<u>32,067</u>	<u>93,888</u>
DEFICIT, BEGINNING OF PERIOD	<u>147,397</u>	<u>5,166</u>	<u>123,244</u>	<u>-</u>
DEFICIT, END OF PERIOD	<u><u>155,311</u></u>	<u><u>93,888</u></u>	<u><u>155,311</u></u>	<u><u>93,888</u></u>
NET LOSS PER SHARE - basic and diluted	0.001	0.012	0.004	0.019
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	<u><u>7,214,183</u></u>	<u><u>7,134,698</u></u>	<u><u>7,214,183</u></u>	<u><u>4,952,190</u></u>

See accompanying notes to the unaudited financial statements

KINGSMILL CAPITAL VENTURES INC.
UNAUDITED INTERIM STATEMENTS OF CASH FLOWS
 FOR THE

	Three months ended January 31, 2008 \$	Three months ended January 31, 2007 \$	Nine months ended January 31, 2008 \$	Nine months ended January 31, 2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Net (loss) for the period	(7,914)	(88,722)	(32,067)	(93,888)
Changes not involving cash:				
Stock-based compensation	-	82,500	-	82,500
	<u>(7,914)</u>	<u>(6,222)</u>	<u>(32,067)</u>	<u>(11,388)</u>
Changes in non-cash working capital balances:				
Decrease (increase) in prepaid expenses and GST receivable	3,983	(4,699)	(5,862)	(4,699)
Increase in accounts payable and accrued liabilities	26,073	3,181	8,206	3,011
	<u>22,142</u>	<u>(7,740)</u>	<u>(29,723)</u>	<u>(13,076)</u>
Cash flows from operating activities				
CASH FLOWS FROM FINANCING ACTIVITIES				
Issuance of common shares for cash	-	500,000	-	505,250
Share issuance costs	-	(83,569)	-	(102,516)
Exercise of warrants	-	1,275	-	1,275
	<u>-</u>	<u>417,706</u>	<u>-</u>	<u>404,009</u>
Cash flows from financing activities				
CASH FLOWS FROM INVESTING ACTIVITIES				
Deferred transaction costs	(22,868)	-	(61,248)	-
Purchase of short-term investments (net)	(293,915)	(305,888)	7,873	(607,388)
	<u>(316,783)</u>	<u>(305,888)</u>	<u>(53,375)</u>	<u>(607,388)</u>
Cash flows from investing activities				
(Decrease) increase in cash	(294,641)	104,078	(83,098)	(216,455)
Cash, beginning of period	391,528	95,109	179,985	415,642
Cash, end of period	<u>96,887</u>	<u>199,187</u>	<u>96,887</u>	<u>199,187</u>
SUPPLEMENTAL INFORMATION:				
Interest paid	-	-	-	-
Income taxes paid	-	-	-	-
Warrants issued for services	-	27,000	-	27,000

See accompanying notes to the unaudited financial statements

KINGSMILL CAPITAL VENTURES INC.
NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
JANUARY 31, 2008

1. Nature of Business and Going Concern

Kingsmill Capital Ventures Inc. (the "Company") was incorporated pursuant to the provisions of the Business Corporation Act (Ontario) on October 28, 2005 and is classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange Inc. ("TSXV"). The Company proposes to identify and evaluate potential acquisitions of businesses in Canada, and once identified and evaluated, to negotiate an acquisition or participation subject to receipt of shareholder and regulatory approval. (See Note 10)

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

The accompanying interim financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and follow the same accounting policies and methods of application as the audited financial statements of the Company for the year ended April 30, 2007 except as disclosed below. They do not include all of the information and disclosures required by Canadian GAAP for annual financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. Operating results for the period ended January 31, 2008 are not necessarily indicative of the results that may be expected for the full year ended April 30, 2008. For further information, see the Company's financial statements including the notes thereto for the year ended April 30, 2007.

2. Changes in Accounting Policies and Recent Accounting Pronouncements

Accounting Changes

Effective May 1, 2007, the Company adopted four new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA") in 2005. The new standards and accounting policy changes are as follows:

(a) Financial Instruments - Recognition and Measurement (Section 3855)

This standard prescribes when a financial asset, financial liability, or non-financial derivative is to be recognized on the balance sheet and whether fair value or cost-based methods are used to measure the recorded amounts. It also specifies how financial instrument gains and losses are to be presented. All derivatives are recorded on the balance sheet at fair value. Mark-to-market adjustments on these instruments are included in net income, unless the instruments are designated as part of a cash flow hedge relationship.

All other financial instruments will be recorded at cost or amortized cost, subject to impairment reviews. The criteria for assessing other than temporary impairment remain unchanged. Transaction costs incurred to acquire financial instruments are included in the underlying balance. Regular-way purchases and sales of financial assets are accounted for on the trade date.

(b) Hedges (Section 3865)

This standard is applicable when a company chooses to designate a hedging relationship for accounting purposes. It builds on the previous AcG-13 "Hedging Relationships" and Section 1650 "Foreign Currency Translation", by specifying how hedge accounting is applied and what disclosures are necessary when it is applied. The Company currently does not have any instruments that are covered in this standard.

Continued.....

KINGSMILL CAPITAL VENTURES INC.
NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
JANUARY 31, 2008

2. Changes in Accounting Policies and Recent Accounting Pronouncements (Continued)

(c) Comprehensive Income (Section 1530)

This standard requires the presentation of a statement of comprehensive income and its components. Comprehensive income includes both net earnings and other comprehensive income. Other comprehensive income includes holding gains and losses on available for sale investments, gains and losses on certain derivative instruments and foreign currency gains and losses relating to self-sustaining foreign operations, all of which are not included in the calculation of net earnings until the period that the related asset or liability affects income.

For the nine months ended January 31, 2008, the Company did not have other comprehensive income or loss, therefore the comprehensive loss for the period is equal to the net loss for the period.

(d) Accounting Changes (Section 1506)

This standard requires that voluntary changes in accounting policy are made only if the changes result in financial statements that provide more reliable and more relevant information. It also requires prior period errors to be corrected retrospectively. The adoption of this standard did not impact the financial statements for the nine months ended January 31, 2008.

The Company has determined that the adoption of these new policies had no material impact on its financial statements and determined that no adjustments are required for the nine months ended January 31, 2008.

Recent Pronouncements

(a) Capital Disclosures

CICA Handbook Section 1535 "Capital Disclosures", issued in December 2006, establishes standards for disclosures about capital that are effective for fiscal years beginning on or after October 1, 2007. It requires an entity to disclose its objectives, policies and processes for managing capital and to disclose quantitative data about what it considers to be capital. It also requires an entity to disclose whether it has complied with any externally imposed capital requirements and, if not, the consequences of such non-compliance.

(b) Financial Instruments

In December 2006, the Canadian Accounting Standards Board issued two new CICA Handbook sections in relation to financial instruments: Section 3862, "Financial Instruments - Disclosures", and Section 3863, "Financial Instruments - Presentation". The Company will adopt both sections, effective May 1, 2008.

(c) International Financial Reporting Standards

In January 2006, the CICA Accounting Standards Board ("AcSB") adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for public companies are expected to converge with International Financial Reporting Standards ("IFRS") by the end of 2011. The Company continues to monitor and assess the impact of convergence of Canadian GAAP and IFRS.

3. Cash and Short-Term Investments

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that no more than the lesser of 30% of the gross proceeds from the sale of all securities issued by the Company or \$210,000 may be used to cover prescribed costs of issuing common shares, listing and filing fees or general and administrative expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the policies of the Exchange. (See Note 10).

Continued.....

KINGSMILL CAPITAL VENTURES INC.
NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
 JANUARY 31, 2008

4. Share Capital

The share capital of the Company consists of the following:

Authorized

Unlimited common shares

Unlimited number of non-cumulative, non-voting, redeemable, retractable Class "A" special shares

Unlimited number of non-cumulative, voting, redeemable, retractable Class "B" special shares

Issued

	<u>Common Shares</u> #	<u>Amount</u> \$
Balance, April 30, 2007 and January 31, 2008	<u>7,214,183</u>	<u>788,840</u>

5. Stock Options

On June 1, 2006, the shareholders of the Company approved a new stock option plan. Under the Company's stock option plan (the "Plan"), the directors of the Company can grant options to acquire common shares of the Company to qualified directors, officers, employees and persons providing ongoing services to the Company. The stock options are non-assignable and non-transferable and may be granted for a term not exceeding five years. The exercise price of the stock options cannot be less than the discounted market price on the date on which the option is granted. The number of shares reserved for issuance under the Plan cannot exceed 10% of the issued and outstanding common shares of the Company.

The Black-Scholes option valuation model used by the Company to determine fair values was developed for use in estimating the value of freely traded options, which are fully transferable. The Company's stock options are not transferable and cannot be traded. Changes to subjective input assumptions used in the model can cause significant variation in the estimate of the fair value of the options.

As at January 31, 2008, the Company had the following outstanding options to purchase shares of the Company:

<u>Options Granted</u> #	<u>Exercise Price</u> \$	<u>Expiry Date</u>	<u>Options Exercisable</u> #
<u>720,568</u>	<u>0.15</u>	November 2, 2011	<u>720,568</u>

There were no option transactions during the period ended January 31, 2008.

6. Warrants

As at January 31, 2008, the following warrants were issued and outstanding:

<u>Number of Warrants</u> #	<u>Exercise Price</u> \$	<u>Expiry Date</u>
<u>324,833</u>	<u>0.15</u>	November 17, 2008

There were no share purchase warrant transactions during the period ended January 31, 2008.

Continued.....

KINGSMILL CAPITAL VENTURES INC.
NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
JANUARY 31, 2008

7. Contributed Surplus

A summary of changes in contributed surplus is as follows:

	<u>Amount</u>
	\$
Balance, April 30, 2007 and January 31, 2008	<u>82,500</u>

8. Related Party Transactions

During the nine-month period ended January 31, 2008, the Company made payments totaling \$19,107 (2007 - \$2,123) for rent to a corporation having directors and officers in common with the Company. As at January 31, 2008 a balance of \$Nil (2007 - \$Nil) was owing to this corporation.

All transactions with related parties have occurred in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

9. Financial Instruments

a) Fair value

Canadian generally accepted accounting principles require that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the balance sheet date based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgement and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The carrying value of cash, short-term investments and accounts payable and accrued liabilities approximate their fair value due to the relatively short periods to maturity of the financial instruments.

b) Risk

It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

10. Qualifying Transaction

On August 8, 2007, the Company announced that it entered into an agreement in principle with Universal Settlements International Inc ("USI"). This transaction is intended to be the Qualifying Transaction of the Company as such term is defined in TSX Venture Exchange Policy 2.4. USI is a Canadian-domiciled company in the financial services sector and has been in existence for over a decade. USI facilitates the sale of interests in the benefits of life insurance policies to both institutional and individual purchasers.

Subject to regulatory approval, the Company has agreed to acquire a portfolio of life settlements having a face value of US \$42,011,584 in exchange for the issuance to USI of 25,653,590 common shares of the Company representing \$7,696,077 at a deemed price of \$0.30 per share. The proposed Qualifying Transaction is an arm's length transaction and, as such, will not require approval by the shareholders of the Company.

Continued.....

KINGSMILL CAPITAL VENTURES INC.
NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
JANUARY 31, 2008

10. Qualifying Transaction (Continued)

The Company has committed to completing a public offering of its shares for aggregate proceeds of not less than \$2,100,000, at such price per share and on such other terms and conditions as mutually agreed by the Company and USI, which private placement shall be closed and completed simultaneously with the closing of the Qualifying Transaction. The proceeds from this issuance of the Company's shares are intended to be used by the Company for working capital and general corporate purposes, including premium payments and policy administration.

The Company will be required to call a special meeting of its shareholders at which time the shareholders will vote to approve, effective immediately following the closing of the Qualifying Transaction, the election of directors, and a change of name of the Company.

Jones, Gable & Company Limited has agreed to act as agent for the financing.

The Company intends to change its name to Kingsmill Asset Management Inc. ("KAM") in connection with the Proposed Transaction. Once completed, KAM will become a warehouse and asset manager of life settlement policies and is expected to be classified as an investment company under TSXV policies.

At January 31, 2008, the Company had deferred costs totaling \$61,248, which consisted of professional fees and TSX listing fees related to the qualifying transaction.

KINGSMILL CAPITAL VENTURES INC.

PRO FORMA BALANCE SHEET

JANUARY 31, 2008

UNAUDITED

KINGSMILL CAPITAL VENTURES INC.

PRO FORMA BALANCE SHEET

JANUARY 31, 2008

UNAUDITED

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McGovern, Hurley, Cunningham, LLP
Chartered Accountants

**COMPILATION REPORT ON THE UNAUDITED
PRO FORMA BALANCE SHEET**

To the Directors of
Kingsmill Capital Ventures Inc.

We have read the accompanying unaudited pro forma balance sheet as at January 31, 2008 of Kingsmill Capital Ventures Inc. and have performed the following procedures:

1. Compared the figures in the columns captioned "Kingsmill Capital Ventures Inc." to the unaudited interim financial statements of Kingsmill Capital Ventures Inc. as at January 31, 2008 and for the nine months then ended, and found them to be in agreement.
2. Made enquiries of certain officials of the Company who have responsibility for financial and accounting matters about:
 - a) the basis for determination of the pro forma adjustments; and
 - b) whether the unaudited pro forma balance sheet complies as to form in all material respects with the published requirements and regulations of the Toronto Stock Exchange and the Securities Act of Ontario.

The officials:

- a) described to us the basis for determination of the pro forma adjustments; and
 - b) stated the unaudited pro forma balance sheet complies as to form in all material respects with the published requirements and regulations of the TSX Venture Exchange and the Canadian Securities Administrators.
3. Read the notes to the unaudited pro forma balance sheet, and found them to be consistent with the basis described to us for determination of the pro forma adjustments.
 4. Recalculated the application of the pro forma adjustments to the aggregate of the amounts in the other columns and found the amounts in the column captioned "Pro Forma" to be arithmetically correct.

A pro forma financial statement is based on management assumptions and adjustments which are inherently subjective. The foregoing procedures are substantially less than either an audit or a review, the objective of which is the expression of assurance with respect to management's assumptions, the pro forma adjustments, and the application of the adjustments to the historical financial information. Accordingly, we express no such assurance. The foregoing procedures would not necessarily reveal matters of significance to the pro forma balance sheet, and we therefore make no representation about the sufficiency of the procedures for the purposes of a reader of such statement.

McGOVERN, HURLEY, CUNNINGHAM, LLP

Chartered Accountants
Licensed Public Accountants

TORONTO, Ontario
March 28, 2008

KINGSMILL CAPITAL VENTURES INC.
PRO FORMA BALANCE SHEET
 JANUARY 31, 2008

	Kingsmill Capital Ventures Inc. January 31, 2008 (Unaudited) \$	Adjustments (Note 3) \$	Pro Forma \$
ASSETS			
CURRENT			
Cash	96,887	2,100,000 (ii) (210,000) (iii) (100,000) (vi)	1,886,887
Short-term investments	605,402		605,402
Prepaid expenses and GST receivable	<u>12,376</u>		<u>12,376</u>
	714,665		2,504,665
DEFERRED TRANSACTION COSTS	61,248	(61,248) (vii)	-
INVESTMENT IN LIFE INSURANCE POLICIES	<u>-</u>	7,696,077 (i)	<u>7,696,077</u>
	<u>775,913</u>		<u>10,200,742</u>
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	<u>33,573</u>		<u>33,573</u>
SHAREHOLDERS' EQUITY			
SHARE CAPITAL	788,840	7,696,077 (i) 2,100,000 (ii) (210,000) (iii) (71,700) (iv) (100,000) (vi) (61,248) (vii)	10,141,969
WARRANTS	26,311	71,700 (iv)	98,011
CONTRIBUTED SURPLUS	82,500	742,500 (v)	825,000
DEFICIT	<u>(155,311)</u>	(742,500) (v)	<u>(897,811)</u>
	<u>742,340</u>		<u>10,167,169</u>
	<u>775,913</u>		<u>10,200,742</u>

1. BASIS OF PRESENTATION

The accompanying unaudited pro forma balance sheet of Kingsmill Capital Ventures Inc. ("Kingsmill") has been prepared by management in accordance with Canadian generally accepted accounting principles. The unaudited pro forma balance sheet as at January 31, 2008 has been prepared from information derived from the unaudited January 31, 2008 financial statements of Kingsmill together with other information available to the corporation. In the opinion of management of Kingsmill, this unaudited pro forma balance sheet includes all adjustments necessary for fair presentation of the proposed transactions described below.

The unaudited pro forma balance sheet should be read in conjunction with the unaudited financial statements of Kingsmill as at January 31, 2008, contained elsewhere in the Prospectus dated ■. This unaudited pro forma balance sheet is not necessarily indicative of the financial position, which would have resulted had the proposed transaction been effected on the dates indicated.

2. PRO FORMA ASSUMPTIONS

The unaudited pro forma balance sheet gives effect to the following assumptions as if they had occurred on January 31, 2008.

- (i) The acquisition of a portfolio of life insurance policies from Universal Settlements International Inc. ("USI") for a purchase price of \$7,696,077 in exchange for the issuance of 25,653,590 common shares of Kingsmill at an agreed price of \$0.30 per share.
- (ii) The closing of a public offering of Kingsmill common shares for aggregate proceeds of \$2,100,000 to occur concurrently with the closing of the qualifying transaction (Note 4) and as a condition to the closing of the acquisition. Jones, Gable, and Company Limited will act as agent for the financing, and will receive a 10% commission of the aggregate proceeds and will be issued 10% broker warrants.
- (iii) Concurrently with the completion of the acquisition, Kingsmill will issue 4,700,000 stock options to members of the board of directors and management of the resulting issuer.

3. PRO FORMA ADJUSTMENTS

The unaudited pro forma balance sheet includes the following adjustments:

- (i) To reflect the issuance of 25,653,590 common shares at \$0.30 per share, for the acquisition of the life insurance policies.
- (ii) To reflect the completion of a public offering raising \$2,100,000.
- (iii) To reflect estimated commission payable to Jones, Gable & Company of approximately \$210,000.
- (iv) To reflect the issuance of 700,000 broker warrants to Jones, Gable & Company with a value of approximately \$71,700.
- (v) To reflect the issuance of 4,700,000 stock options with a value of approximately \$742,500.
- (vi) To reflect estimated legal, filing, accounting and other fees associated with the transaction of approximately \$100,000.
- (vii) To recognize the deferred transactions costs of \$61,248.

4. ACQUISITION

On August 8, 2007, the Company announced that it entered into an agreement in principle with Universal Settlements International Inc ("USI"). This transaction is intended to be the Qualifying Transaction of the Company as such term is defined in TSX Venture Exchange Policy 2.4. USI is a Canadian-domiciled company in the financial services sector and has been in existence for over a decade. USI facilitates the sale of interests in the benefits of life insurance policies to both institutional and individual purchasers.

Subject to regulatory approval, the Company has agreed to acquire a portfolio of life settlements having a face value of US \$42,011,584 in exchange for the issuance to USI of 25,653,590 common shares of the Company representing \$7,696,077 at a deemed price of \$0.30 per share. The proposed Qualifying Transaction is an arm's length transaction and, as such, will not require approval by the shareholders of the Company.

The Company has committed to completing a public offering of its shares for aggregate proceeds of not less than \$2,000,000, at such price per share and on such other terms and conditions as mutually agreed by the Company and USI, which private placement shall be closed and completed simultaneously with the closing of the Qualifying Transaction. The proceeds from this issuance of the Company's shares are intended to be used by the Company for working capital and general corporate purposes, including premium payments and policy administration.

The Company will be required to call a special meeting of its shareholders at which time the shareholders will vote to approve, effective immediately following the closing of the Qualifying Transaction, the election of directors, and a change of name of the Company.

Jones, Gable & Company Limited has agreed to act as agent for the financing.

The Company intends to change its name to Kingsmill Asset Management Inc. ("KAM") in connection with the Proposed Transaction. Once completed, KAM will become a warehouse and asset manager of life settlement policies and is expected to be classified as an investment company under TSXV policies.

At January 31, 2008, the Company had deferred costs totaling \$61,248, which consisted of professional fees and TSX listing fees related to the qualifying transaction.

DATE: April 30, 2008

CERTIFICATE OF THE COMPANY

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia, Alberta, and Ontario.

(signed) "David Mitchell"
David Mitchell
Chief Executive Officer

(signed) "Ilja Troitschanski"
Ilja Troitschanski
Chief Financial Officer

ON BEHALF OF THE BOARD

(signed) "Andrew Libera"
Andrew Libera
Director

(signed) "Terry Lynch"
Terry Lynch
Director

CERTIFICATE OF THE PROMOTER

(signed) "David Mitchell"
David Mitchell

DATE: April 30, 2008

CERTIFICATE OF THE AGENT

To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia, Alberta, and Ontario.

JONES, GABLE & COMPANY LIMITED

Per: *(signed) "William Stanimir"*
William Stanimir
Vice President