

Amended and restated Prospectus dated March 13, 2009, amending and restating the prospectus dated February 26, 2009.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

These securities have not and will not be registered under the United States Securities Act of 1933, as amended, or the securities laws of any state of the United States of America, and may not be offered or sold in the United States unless registered under applicable securities laws or unless an exemption from such registration is available

Amended and Restated Prospectus

New Issue

March 13, 2009

HIGH RIDER CAPITAL INC.

(to be renamed Sirona Biochem Corp. following completion of the Proposed Qualifying Transaction)

1,000,000 Common Shares

Deemed Price: \$0.15 per Common Share

This prospectus is being filed under the TSX Venture Exchange (the “**Exchange**”) Policy 2.4 as the disclosure document of High Rider Capital Inc. (the “**Company**”) in connection with the completion of its Proposed Qualifying Transaction. The Company intends to issue 1,000,000 Common Shares to TFChem S.A.R.L. (“**TFC**”) in connection with the completion of the Proposed Qualifying Transaction.

No proceeds will be raised and all expenses in connection with the preparation and filing of this prospectus will be paid by the Company from its working capital.

	Common Shares	Price to Public	Agent’s Commission	Net Proceeds to the Company
Per Common Share	1	N/A	N/A	Nil
Total Offering	1,000,000	N/A	N/A	Nil

The Common Shares of the Company (the “**Common Shares**”) are currently listed on the Exchange under the symbol “HRD.P” and are expected to trade under the symbol “HRD” following the closing of the Proposed Qualifying Transaction. On October 3, 2007, the last trading day prior to the date of the announcement of the Proposed Qualifying Transaction, the closing price of the Common Shares on the Exchange was \$0.22. See “*Trading Information*”.

An investment in the Common Shares should be considered highly speculative and involves certain significant risk factors which should be taken into consideration. See “*Risk Factors*”.

Unless otherwise indicated, all references to dollar amounts herein are to Canadian dollars.

No person is authorized by the Company to provide any information or make any representations other than those contained in this prospectus.

No underwriter has been involved in the preparation of this prospectus or performed any review of the contents of this prospectus.

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DEFINITIONS

“**Affiliate**” means a Company that is affiliated with another Company as described below:

A Company is an “Affiliate” of another Company if:

- (a) one of them is the subsidiary of the other, or
- (b) each of them is controlled by the same Person.

A Company is “controlled” by a Person if:

- (a) voting securities of the Company are held, other than by way of security only, by or for the benefit of that Person, and
- (b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the Company.

A Person beneficially owns securities that are beneficially owned by:

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

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

- (a) identifies assets or a business to be acquired which would reasonably appear to constitute Significant Assets and the acquisition of which would reasonably appear to constitute a Qualifying Transaction;
- (b) identifies the parties to the Qualifying Transaction;
- (c) identifies the consideration to be paid for the Significant Assets or otherwise identifies the means by which the consideration will be determined;
- (d) identifies the conditions to any further formal agreements to complete the transaction; and

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

“**Associate**” when used to indicate a relationship with a person or company, means

- (a) an issuer of which the person or company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer,
- (b) any partner of the person or company,
- (c) any trust or estate in which the person or company has a substantial beneficial interest or in respect of which a person or company serves as trustee or in a similar capacity,
- (d) in the case of a person, a relative of that person, including
 - (i) that person’s spouse or child, or
 - (ii) any relative of the person or of his spouse who has the same residence as that person.

“**BCBCA**” means the British Columbia *Business Corporations Act*.

“Capital Pool Company” or **“CPC”** means a corporation:

- (a) that has been incorporated or organized in a jurisdiction in Canada;
- (b) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities regulatory authorities in compliance with the CPC Policy; and
- (c) in regard to which the Final Exchange Bulletin has not yet been issued.

“Common Shares” means common shares in the capital of the Company.

“Compounds” means fluorinated sugar mimic inhibitors of SGLTs.

“Core Technology” means TFC’s technology for stabilizing glycoconjugate compounds by replacing an oxygen atom on a sugar molecule with a carbon bearing fluorinated atom.

“Company” means High Rider Capital Inc.

“CPC Escrow Agreement” means the CPC Escrow Agreement dated February 6, 2007 between the Company, the Escrow Agent and certain shareholders.

“CPC IPO” means the Company’s initial public offering.

“CPC Policy” means Exchange Policy 2.4.

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

“Escrow Agent” means Computershare Investor Services Inc.

“Exchange” or **“TSX Venture Exchange”** means the TSX Venture Exchange Inc.

“FDA” means the United States Food and Drug Administration.

“Final Exchange Bulletin” means the Exchange Bulletin which is issued following closing of the Proposed Qualifying Transaction and the submission of all required documentation evidencing final Exchange acceptance of the Proposed Qualifying Transaction.

“Finder’s Warrants” means warrants exercisable to purchase a Common Share at an exercise price of \$0.20 per share for 2 years from the date of closing of the Private Placement, issuable to parties who identify purchaser of Units (other than Insiders) to the Company.

“hyperglycemia” means a state of abnormally high blood glucose levels.

“Incentive Stock Options” means the options granted to certain directors and officers of the Company to purchase up to 1,850,000 Common Shares at an exercise price of \$0.10 per Common Share, exercisable until July 10, 2012.

“IND” means Investigational New Drug Application.

“Insider” if used in relation to an issuer, means:

- (a) a director or senior officer of the Company;
- (b) a director or senior officer of the Company that is an Insider or subsidiary of the Company;
- (c) a Person that beneficially owns or controls, directly or indirectly, Voting Shares carrying more than 10% of the voting rights attached to all outstanding Voting Shares of the issuer; or
- (d) the Company itself if it holds any of its own securities.

“IPO” means initial public offering.

“Lead Compound” means a Compound identified as a Lead Compound according to the process set forth in the License Agreement.

“Letter of Intent” means the term sheet between the Company and TFC dated October 3, 2007 setting forth the fundamental terms of the License Agreement.

“Licensed Products” means any Compounds and any compositions of matter that include or comprise Compounds including any dosage forms comprising any Compounds.

“License Agreement” means the research and license agreement between the Company and TFC dated September 26, 2008.

“NI 52-110” means National Instrument 52-110 - *Audit Committees*.

“NI-58-101” means National Instrument 58-101 - *Disclosure of Corporate Governance Practices*.

“Patentable Rights” means TFC’s rights under any patents and patent applications relating to the Research Program or the Compounds, including rights applied for after the date of the License Agreement.

“Person” means a Company or an individual.

“Principal” means:

- (a) a Person or Company who acted as a promoter of the issuer within two years or their respective Associates or Affiliates before the IPO prospectus or Final Exchange Bulletin;
- (b) a director or senior officer of the issuer or any of its material operating subsidiaries at the time of the IPO prospectus or Final Exchange Bulletin;
- (c) a 20% holder - a Person or Company that holds securities carrying more than 20% of the voting rights attached to the issuer’s outstanding securities immediately before and immediately after the issuer’s IPO or immediately after the Final Exchange Bulletin for non IPO transactions;
- (d) a 10% holder – a person or Company that
 - (i) holds securities carrying more that 10% of the voting rights attached to the issuer’s outstanding securities immediately before and immediately after the issuer’s IPO or immediately after the Final Exchange Bulletin for non IPO transactions; and
 - (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the issuer or any of its material operating subsidiaries.

“Primary Jurisdictions” means the United States, Canada, France, Europe, Japan and any other jurisdiction determined by the Steering Committee.

“Private Placement” means the non-brokered private placement by the Company of a minimum of 4,000,000 and a maximum of 6,000,000 Units.

“Proposed Qualifying Transaction” means the Company’s entry into the License Agreement with TFC.

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

“Reimbursable Patent Rights” means the Patent Rights in respect of certain patents referred to in the License Agreement and any other patents applied for by TFC at the request of the Company.

“Research Program” means the research program to be carried out by TFC on behalf of High Rider pursuant to the License Agreement;

“SEDAR” means System for Electronic Document Analysis and Retrieval.

“SGLTs” means Sodium-Dependant Glucose Transporters. See *“SGLT Inhibitors”*.

“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 the CPC meeting the minimum listing requirements of the Exchange.

“Sponsor” has the meaning specified in Exchange Policy 2.2 - *Sponsorship and Sponsorship Requirements*.

“Sponsorship Agreement” means the agreement between Union and the Company dated February 5, 2009 under which Union agreed to act as the Company’s Sponsor with respect to the Qualifying Transaction.

“Steering Committee” means the steering committee appointed under the License Agreement.

“Stock Option Plan” means the Company’s stock option plan. See *“Options to Purchase Securities”*.

“Surplus Security Escrow Agreement” means a surplus security escrow agreement dated February 25, 2009 between TFC, the Company and the Exchange under which the Common Shares to be issued to TFC in connection with the Proposed Qualifying Transaction will be held in escrow in accordance with the policies of the Exchange.

“T2DM” means Type II Diabetes.

“TFC” means TFChem S.A.R.L., a company incorporated under the laws of France.

“Unit” means a unit consisting of 1 Common Share and 1 Warrant, to be issued under the Private Placement.

“Union” means Union Securities Ltd.

“Warrants” means the warrants comprised in the Units. Each Warrant will be exercisable to purchase a Common Share at an exercise price of \$.20 per share for 2 years from the date of closing of the Private Placement.

PROSPECTUS SUMMARY

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

ISSUER	High Rider Capital Inc.								
OFFERING	1,000,000 Common Shares								
DEEMED PRICE	\$0.15 per Common Share								
BUSINESS OF THE COMPANY	The Company has entered into the License Agreement with TFC. The License Agreement will become effective upon acceptance of the License Agreement and the Proposed Qualifying Transaction by the Exchange. Pursuant to the License Agreement, the Company will obtain a license: (a) of TFC's Core Technology, for the purpose of developing a chemical process for the synthesis of a new family of SGLT inhibitors for the treatment of T2DM and Obesity; and (b) to make and sell such SGLT Inhibitors worldwide. See " <i>Significant Acquisitions</i> ".								
USE OF PROCEEDS	The Company will not receive any proceeds from the distribution of the Common Shares under this prospectus. The Common Shares will be issued to TFC as consideration under the License Agreement. See " <i>Use of Proceeds</i> ".								
DIRECTORS AND MANAGEMENT	<table><tr><td>Dr. Howard Verrico</td><td>President, Chief Executive Officer and Director</td></tr><tr><td>Roger MacInnis</td><td>Director, Chief Financial Officer and Secretary</td></tr><tr><td>Dr. Alex Marazzi</td><td>Director</td></tr><tr><td>Christopher Verrico</td><td>Director</td></tr></table> See " <i>Directors and Officers</i> ".	Dr. Howard Verrico	President, Chief Executive Officer and Director	Roger MacInnis	Director, Chief Financial Officer and Secretary	Dr. Alex Marazzi	Director	Christopher Verrico	Director
Dr. Howard Verrico	President, Chief Executive Officer and Director								
Roger MacInnis	Director, Chief Financial Officer and Secretary								
Dr. Alex Marazzi	Director								
Christopher Verrico	Director								
RISK FACTORS	An investment in the Common Shares is subject to certain significant risk factors and should be considered highly speculative. Such risk factors include, without limitation, the success of the Research Program; the Company will require additional capital in the short term to meet its obligations under the License Agreement, which may not be available in a timely manner; uncertainty of the size and existence of a market for the products the Company intends to develop; uncertainty of basic research, preclinical and clinical trials results; the need for additional clinical trials, the occurrence or success of which cannot be assured; the risks of obsolescence of the Company's licensed technology; patent and intellectual property protection, licensing, and sub-licensing risks; including the fact that there is no assurance regarding licensing of proprietary technology owned by others, including TFC; marketing and manufacturing (including up scaling) risks of the Company's proposed products; the risk of the future partnerships, strategic alliances, joint ventures or other collaborations entered into by the Company not succeeding; product liability and insurance risks; the effect of competition and exchange rate fluctuations; less than the full amount of the Private Placement may be sold; uncertainty as to the Company's ability to meet key strategic, research and development and operational milestones; the Company's lack of currently marketable products; volatility of share price; potential loss of key management and other risk factors. See " <i>Risk Factors</i> ".								

FINANCIAL INFORMATION

Item	Nine Month period ended July 31, 2008 (unaudited) (\$)	Year ended October 31, 2007 (audited) (\$)	Period from October 19, 2006 to October 31, 2006 (audited) (\$)
Total revenues	Nil	Nil	Nil
Income from Continuing Operations	Nil	Nil	Nil
Net Loss	65,318	218,125	6
Net Loss per Common Share	(0.01)	(0.08)	N/A
Basic	(0.01)	(0.08)	(6.0)
Diluted	(0.01)	(0.08)	(6.0)
Total Assets	1,075,238	1,182,944	99,995
Long-term debt at end of period	Nil	Nil	Nil

See “Selected Consolidated Financial Information and Management’s Discussion and Analysis”.

CORPORATE STRUCTURE

Name and Incorporation

High Rider Capital Inc. was incorporated on October 19, 2006 under the BCBCA. The share capital of the Company consists of an unlimited number of Common Shares. As of the date of this prospectus, the Company had 18,500,000 Common Shares issued and outstanding.

The Company’s head office is located at Suite 600, 890 West Pender Street, Vancouver, BC, Canada V6C 1J9 and the registered office of the Company is located at 2800 Park Place, 666 Burrard Street, Vancouver, British Columbia, Canada, V6C 2Z7.

Following completion of the Proposed Qualifying Transaction, the Company will be renamed Sirona Biochem Corp.

Intercorporate Relationships

The Company has no subsidiaries.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

The Company was incorporated on October 19, 2006. On December 9, 2006, the Company completed a private placement of 10,000,000 Common Shares at a price of \$0.05 per Common Share for gross proceeds of \$500,000. On July 10, 2007, the Company was listed on the Exchange as a CPC. Concurrently with the listing on the Exchange, the Company completed an IPO of 8,500,000 Common Shares at a price of \$0.10 per Common Share for gross proceeds of \$850,000. The principal business of the Company has been to

identify and evaluate opportunities for the acquisition of Significant Assets and, once identified and evaluated, to negotiate an acquisition agreement, subject to acceptance for filing by the Exchange.

On October 3, 2007, the Company signed the Letter of Intent with TFC. The Letter of Intent constituted an Agreement in Principle, and therefore trading in the Common Shares on the Exchange was halted pursuant to the CPC Policy. On October 31, 2007, the Company, as permitted under the CPC Policy, advanced the sum of \$25,000 to TFC as an advance payment on the amounts the Company is required to advance to TFC in order to defray the costs of the research and development TFC has agreed to undertake on behalf of the Company under the License Agreement. The Company concluded the License Agreement with TFC effective on September 26, 2008. The effectiveness of the License Agreement is subject to Exchange acceptance. On November 4, 2008, after obtaining Exchange acceptance, the Company advanced Cdn. \$197,056 to TFC as a refundable deposit on the costs of the Research Program to be undertaken by TFC under the Letter of Intent.

On February 5, 2009 the Company entered into the Sponsorship Agreement with Union. The Company does not have business operations or assets, other than cash, and has no written or oral Agreements in Principle for the acquisition of a Significant Asset other than the License Agreement.

Proposed Financing

In connection with the Proposed Qualifying Transaction, the Company will conduct the Private Placement of a minimum of 4,000,000 and a maximum of 6,000,000 Units at a price of \$0.15 per Unit to raise gross proceeds of no less than \$600,000 and up to \$900,000. Each Unit will consist of 1 Common Share and 1 Warrant. Each Warrant will entitle the holder to purchase one Common Share at \$0.20 per share for two years following closing of the Private Placement. The Private Placement will close concurrently with the Proposed Qualifying Transaction. Parties who identify purchasers of Units (other than Insiders) to the Company will be paid a commission of 10% of the gross proceeds of the sale of Units, and issued a number of Finder's Warrants equal to 10% of the number of Units sold, to such purchasers.

The up to 6,000,000 Common Shares to be issued in connection with the Private Placement, and any Common Shares issued on the exercise of Warrants or Finder's Warrants, will be subject to a four month hold period commencing from the date of closing of the Private Placement.

Significant Acquisitions

The Core Technology

Glycoconjugates is the general classification for carbohydrates covalently linked with other chemical species. Glycoconjugates are very important compounds in biology and consist of many different categories such as glycoproteins, glycopeptides, peptidoglycans, glycolipids, and lipopolysaccharides. They are involved in cell-cell interactions, including cell-cell recognition, and cell-matrix interactions. As such, many important pharmaceutical compounds are glycoconjugates.

Glycoconjugate compounds suffer from instability. They are easily hydrolyzed (split into smaller units in the presence of water; for example, sucrose is split into glucose and fructose). In pharmaceutical usage, glycoconjugates are hydrolyzed at glycosidic linkages by the action of glycosidase in the small intestine. This means that a large portion of the drug is broken down before reaching the intended cells, thus resulting in low absorption efficiency. Pharmaceutical companies in the course of developing more efficient compounds have already developed technologies for the replacement of the oxygen molecule in glycoconjugates by Sulphur, Nitrogen or CH₂, which are known to be more stable than Oxygen. Unfortunately, the stability obtained is generally not strong. Strong stability can be obtained with the use of CH₂, but that it is detrimental to the electronic structure of the glycoconjugate compound, thus reducing its pharmaceutical efficacy.

TFC has developed the Core Technology. The Core Technology works by replacing oxygen atoms at a strategic position in sugar molecules with carbon bearing fluorinated atoms. The substitution of fluorinated atoms for oxygen in the sugar molecule using the Core Technology produces “fluorinated sugar mimics”. It is hypothesized, based on Dr. Geraldine Deliencourt-Godefroy’s expertise, that the Fluorinated Sugar Mimics developed with the Core Technology will have greater stability and efficiency.

Disease State - Indications of Clinical and Business Interest

Type II Diabetes

Diabetes is a very serious disease. It is characterized by the inability of the body to self-regulate proper levels of glucose, which is the most basic fuel for the cells comprising the human body. The body requires relatively constant levels of blood glucose, which can be difficult to maintain, especially with relatively large meals spread out over the course of the day. A function of the liver is to store glucose produced from meals and release it into the blood stream to maintain adequate blood glucose levels. In order to know how much glucose to secrete, and when to do so, the liver must have a sense of relative blood glucose levels at all times. With diabetic patients, the blood glucose regulation process goes awry in one way or another. Insulin is the hormone which is produced by the pancreas to regulate blood glucose levels. Diabetes is characterized by frequent states of abnormally high blood glucose levels (hyperglycemia). Hyperglycemia is caused either when the pancreas fails to produce sufficient levels of insulin or when the body fails to respond adequately to the insulin produced by the body. Persistent hyperglycemia can have profound long-term ramifications for the patient. Over time, hyperglycemia can damage the eyes, kidneys and nerves.

According to the Canadian Diabetes Association (the CDA), as of 2005, more than 2 million people in Canada, representing over 6% of the population, suffered from diabetes. On a larger scale, an authoritative study estimates that in the year 2000, there were approximately 17.7 million people in the U.S. and 171 million people globally who had diabetes. As the population ages in developed countries, lifestyle and dietary habits increasingly place many more people at risk. If these trends continue, the number of people with diabetes is expected to hit 380 million by 2025, according to CDA data. It is also estimated that as many as 44% of people with diabetes are currently undiagnosed, according to the *Third National Health and Nutrition Examination Survey* conducted in the United States from 1988-1994.

The CDA cites an American study which concludes that diabetes and its related complications cost the Canadian healthcare system an estimated \$13.2 billion every year. These costs are expected to rise to \$15.6 billion and \$19.2 billion for the years 2010 and 2020, respectively. However, the cost of diabetes is beyond the financial burden of the disease. The CDA lists the “personal costs” of diabetes to include a reduced quality of life and the increased likelihood of complications such as heart disease, stroke, kidney disease, blindness, amputation and erectile dysfunction. They further state that (i) diabetes is a contributing factor in the deaths of approximately 41,500 Canadians each year, (ii) that Canadian adults with diabetes are twice as likely to die prematurely, compared to persons without diabetes, and (iii) that life expectancy for people with T2DM may be shortened by 5 to 10 years.

There are two major forms of diabetes, Type 1 and Type 2. Type 1 diabetes is an autoimmune disease characterized by an inability of the pancreas to produce insulin, so insulin must be delivered into the body for survival. Type 2 diabetes (T2DM) is characterized by insulin resistance. The pancreas continues to produce insulin, but the body is unable to remove glucose from the blood in its presence. The pancreas initially produces more insulin to compensate for the insulin resistance leading to hyperinsulinemia (a condition present in people with T2DM or insulin resistance where excess levels of insulin circulate in the blood). Eventually, if not properly controlled through lifestyle and/or drug intervention, the pancreas becomes exhausted and is unable to produce insulin. When this happens, persistent hyperglycemia results; insulin must be administered into the body for survival, and health risks are increased. According to the Canadian Diabetes Association, T2DM is the significantly more prevalent form of the disease, accounting for 90% of the people diagnosed with diabetes. Current standard of care treatments include metformin and the class of drugs known as thiazolidinediones (“TZDs”), which improve insulin sensitization. With these treatments, the mechanism of action is not fully understood, and there can be unwanted side-effects,

particularly with the use of TZDs. In addition, it appears that a sufficiently large portion of the diabetic population eventually fails to control their diabetes with these drugs, and thus there is an ongoing need to develop new, safe drugs to compliment those currently available.

Obesity

In recent years, obesity has become a major health problem for many post-industrial societies, so much so that in 2004, the United States Health and Human Services declared obesity to be a disease. The World Health Organization (WHO) projects that globally in 2005, 1.6 billion adults were overweight with at least 400 million adults obese. By 2015, approximately 2.3 billion adults will be overweight and 700 million will be obese. Obesity poses a major health risk because it greatly increases the risk of co-morbidities such as diabetes, cardiovascular diseases, arthritis, and cancer. Recognizing the potential for a new blockbuster market, major pharmaceutical companies have increasingly focused on obesity and its causes and, in the process, seeking to identify many potential targets and pathways that could be exploited to create novel therapies. Studies on the molecular mechanisms involved in obesity are revealing a complex set of pathways, feedback loops, hormones, and metabolites that integrate multiple physiological systems in the brain, gastrointestinal system, endocrine system, and metabolic systems. The challenge for obesity drug discovery is that drugs must compete against powerful physiological and behavioural factors that have been selected by evolution to favour feeding and energy storage. In consideration of this important market opportunity there are several potential business implications.

The prevalence of obesity has increased dramatically in the last ten years, prompting the Centers for Disease Control and Prevention to describe obesity as an epidemic. Obesity increases predisposition to various diseases, including diabetes, cardiovascular diseases, and cancer. In 2004, the United States Health and Human Services declared obesity to be a disease, creating important changes to Medicare and health care reimbursement policy for obesity-related therapies.

Obesity has increasingly become the focus of major pharmaceutical companies as they recognize the potential for large new markets. Companies are forming high-value alliances, including target and lead identification deals, with biotech companies for obesity drug discovery.

Research into the causes of obesity has identified many potential targets and pathways that could be exploited to create novel therapies. New investigational obesity drugs and drug targets can be generally categorized into those that regulate appetite, lipid metabolism, and adipocytes or their signals. Obesity research is still in its infancy, and researchers are likely to identify many new potential targets and therapeutic approaches. Because obesity therapy is a preventive therapy for otherwise outwardly healthy people, patients and regulatory agencies will not tolerate unacceptable medium-to-long-term side effects.

Companies must develop therapies with side effects that are not worse than the obesity-related co-morbidities the drugs are trying to prevent. Another challenge for long-term obesity therapy is simply to overcome the evolutionary selection of multiple physiological and metabolic responses that favour appetite and fat storage.

Insulin Treatment

In T2DM, either the body does not produce enough insulin or the cells ignore the insulin. Insulin resistance means that cells in the body do not respond appropriately when insulin is present. Insulin is necessary for the body to be able to use sugar, as insulin takes the sugar from the blood into the cells.

Role of SGLT Inhibitors in Treatment of T2DM and Obesity

Glucose (sugar) is transported across the cells in the human body by a family of energy-dependent Sodium-Dependent Glucose Transporters (SGLTs). The kidneys filter approximately 180 gm. of glucose per day from the blood which is then mostly reabsorbed back into the blood. Without enough insulin,

hyperglycemia results. SGLT Specific Inhibitors inhibit the glucose reabsorption process, such that excess glucose is excreted in the urine, rather than reabsorbed into the bloodstream. That is to say, they have a hypoglycemic effect.

Chemically, most of the known SGLT inhibitors are derived from the prototype phlorizin and structurally are glycosides. Isolated from nature, phlorizin has been identified as having a hypoglycemic effect by inhibiting excessive glucose re-absorption in the kidney and accelerating glucose excretion. However, when administered orally phloridzin derivatives are hydrolyzed by the action of the glycosidase present in the small intestine, thus resulting in low absorption efficiency. Currently, there are no “stable mimetics” for SGLT glycosides which preserve their electronic architecture and behaviour, but eliminate or decrease hydrolyzation. In the stabilized SGLT inhibitors already developed, when the stabilization is efficient, it leads to drastic changes in the architecture of the sugar and then to its selectivity. When the sugar’s architecture is largely unchanged there is only a slight improvement in the efficacy.

The Company’s Proposed Business

The License Agreement

License and Research and Development

Pursuant to the License Agreement, the Company has obtained a license of the Core Technology for the purpose of developing a new class of SGLT inhibitors, to make such SGLT inhibitors and to sell them worldwide for treatment of diabetes and obesity, and to sublicense such rights to third parties. If research and development are successful, the SGLT inhibitors produced will be “stable mimetics”. TFC has agreed to develop and undertake a research program with the goal of discovering a chemical process to achieve the synthesis of a such a class of SGLT inhibitors on the Company’s behalf. If such a process is discovered and such a class of SGLT inhibitors developed, TFC will apply for patents on the process. Such patents will be subject to the license provided in the License Agreement.

Issue of Common Shares

In consideration for TFC’s grant of such license, the Company has agreed to issue Common Shares to TFC as follows:

1. 1,000,000 Common Shares within 30 calendar days of the acceptance by the Exchange of the License Agreement and the Qualifying Transaction, as confirmed by the Exchange in writing;
2. 2,000,000 Common Shares within 30 calendar days of a determination by the Steering Committee that a Lead Compound has been synthesized;
3. 2,000,000 Common Shares on the earlier of:
 - (a) the conclusion by the Company of a sub-license of any Licensed Products; or
 - (b) the Company’s notice to TFC in writing that the Company will undertake Phase 1 clinical testing (see “FDA Regulation”) of any identified Lead Compound on its own.

All shares issued to TFC under the License Agreement will be subject to escrow requirements imposed by the Exchange, and restrictions on resale imposed by applicable securities law. See “*Escrowed Securities*”.

Research Program and Patent Application Payments

The Company will make the following payments to TFC as contributions towards the cost to TFC of carrying out the Research Program called for under the License Agreement:

1. the sum of €300,000 excluding taxes, paid in four instalments, during the first year of the Licence Agreement, as follows:
 - (a) €120,000 within five business days of receipt by TFC from the Company of notice that the License Agreement and the Qualifying Transaction have been accepted by the Exchange;
 - (b) €80,000 four months after the first payment;
 - (c) €50,000 two months after the second payment; and
 - (d) €50,000 three months after the third payment.
2. the sum of €300,000 excluding taxes, paid in four instalments, during the second year of the License Agreement as follows:
 - (a) €120,000 on September 26, 2009;
 - (b) €80,000 four months after the first payment;
 - (c) €50,000 two months after the second payment; and
 - (d) €50,000 three months after the third payment.

The Company's obligations to make these payments are conditional on TFC's carrying out the research and development called for under the License Agreement in accordance with the License Agreement. The Company has already advanced \$25,000 to TFC and this amount forms part of the amounts due under 1 above. The Company, after obtaining Exchange acceptance, has also advanced \$197,056 to TFC as a refundable deposit for the costs of the Research Program.

Royalty Payments

The Company will pay sales royalties to TFC in the amount of 5% of the net revenues arising from the sale of Licensed Products by the Company or an Affiliate and sub-licensing royalties in the amount of 10% of all revenues received by the Company from sub-licensees that are not Affiliates of the Company. The obligations to pay the sales royalties and the sub-licensing royalties are mutually exclusive and in no event shall the Company be obliged to pay both in connection with the same transaction.

Costs of Prosecution, Maintenance and Extension of Patent Rights

For the duration of the License Agreement, the Company will pay TFC's actual disbursement costs in respect of prosecution and maintenance of the Reimbursable Patent Rights, together with an allowance to TFC for time spent by TFC on such matters. The Company will also pay TFC's disbursement costs for obtaining additional protection of any Patent Rights beyond the Primary Jurisdictions.

FDA Regulation

The FDA and comparable regulatory agencies in state and local jurisdictions and in foreign countries impose substantial requirements upon the clinical development, manufacture and marketing of drugs. These agencies and other federal, state and local entities regulate research and development activities and the testing, manufacture, quality control, safety, effectiveness, labeling, storage, record-keeping, approval, advertising and protection of any products the Company may develop.

General

The steps required before a new drug may be produced and marketed in the United States are:

1. pre-clinical laboratory and animal tests
2. investigational new drug application (IND)
3. clinical trials (Phases I, II and III)
4. pharmaceutical development
5. new drug application (review and approval)
6. post-marketing surveys

The testing and approval procedures require substantial time, effort and financial resources and there can be no assurance that any approval will be timely granted, or at all.

Pre-Clinical Trials and Investigational New Drug Application

Pre-clinical tests are conducted in the laboratory, and usually involve animals. They are done to evaluate the safety and efficacy of the potential product. The results of the pre-clinical tests are submitted as part of the IND and are fully reviewed by the FDA prior to granting the applicant permission to commence clinical trials in humans. Submission of an IND may not result in FDA approval to commence clinical trials.

Clinical Trials

Clinical trials are conducted in three phases, normally involving progressively larger numbers of patients.

Phase I

Phase I clinical trials consist of administering the drug and testing for safety and tolerated dosages as well as preliminary evidence of efficacy in humans. They are concerned primarily with learning more about the safety of the drug, though they may also provide some information about effectiveness. Phase I testing is normally performed on healthy volunteers. The test subjects are paid to submit to a variety of tests to learn what happens to a drug in the human body; how it is absorbed, metabolized and excreted, what effect it has on various organs and tissues; and what side effects occur as the dosages are increased. The principal objective is to determine the drug's toxicity. Phase I trials generally involve 20-40 people at an estimated cost of \$10,000 per patient, taking six months to one year to complete.

Phase II

Assuming the results of Phase I testing present no toxicity or unacceptable safety problems, Phase II trials may begin. In many cases Phase II trials may commence before all the Phase I trials are completely evaluated if the disease is life threatening and preliminary toxicity data in Phase I shows no toxic side effects. In life threatening disease, Phase I and Phase II trials are sometimes combined to show initial toxicity and efficacy in a shorter period of time. Phase II trials involve a study to evaluate the effectiveness of the drug for a particular indication and to determine optimal dosages and dose interval and to identify possible adverse side effects and risks in a larger patient group. The primary objective of this stage of clinical testing is to show whether the drug is effective in treating the disease or condition for which it is intended. Phase II studies may take several months or longer and involve a few hundred patients in randomized controlled trials that also attempt to disclose short-term side effects and risks in people whose health is impaired. A number of patients with the disease or illness will receive the treatment while a control group will receive a placebo. At the conclusion of Phase II trials, the Company and the FDA will have a clear understanding of the short-term safety and effectiveness of the Lead Compound and its optimal dosage levels.

Phase III

Phase III clinical trials will generally begin after the results of Phase II are evaluated. If a product is found to be effective in Phase II, it is then evaluated in Phase III clinical trials. The objective of Phase III is to develop information that will allow the drug to be marketed and used safely. Phase III trials consist of expanded multi-location testing for efficacy and safety to evaluate the overall benefit or risk index of the investigational drug in relation to the disease treated. Phase III trials will involve thousands of people with the objective of expanding on the clinical evidence. Some objectives of Phase III trials are to discover optimum dose rates and schedules, less common or even rare side effects, adverse reactions, and to generate information that will be incorporated into the drug's professional labeling and the FDA-approved guidelines to physicians and others about how to properly use the drug.

Pharmaceutical Development

The method of formulation and manufacture may affect the efficacy and safety of a drug. Therefore, information on manufacturing methods and standards and the stability of the drug substance and dosage form must be presented to the FDA and other regulatory authorities. This is to ensure that a product that may eventually be sold to the public has the same composition as that determined to be effective and safe in the clinical studies. Production methods and quality control procedures must be in place to ensure a relatively pure compound, essentially free of contamination and uniform with respect to all quality aspects.

New Drug Application

The fourth step that is necessary prior to marketing a new drug is the new drug application submission and approval. In this step, all the information generated by the pre-clinical and human clinical trials will be submitted to the FDA and if successful, the drug will be approved for marketing.

Post Marketing Surveys

The final step is the random surveillance or surveys of patients being treated with the drug to determine its long-term effects. This has no effect on the marketing of the drug unless highly toxic conditions are found. The required testing, data collection, analysis and compilation of an investigational new drug application and a new drug application are labor intensive and costly and may take a great deal of time. Tests may have to be redone or new tests performed in order to comply with FDA requirements.

The Company's Business Strategy

The Company will be responsible for pre-clinical biological testing of any Lead Compound TFC may develop on its behalf under the License Agreement. If a Lead Compound is successfully developed, pre-clinical testing is successful and appropriate patents are obtained, the Company will likely seek to license the patents to a major pharmaceutical company, which would then be responsible for the extensive further clinical trials and other steps which would be necessary to obtain regulatory approval to market the products. Alternatively, the Company may undertake Phase I clinical trials of any such Lead Compound itself.

Competition

There are a number of companies with approved products and developmental therapies that may compete with the Company and its proposed SGLT inhibitors for the treatment of T2DM. The currently approved therapies include sulfonylurea (generic), metformin (generic), alpha glucosidase inhibitors, thiazolidinediones, glucagon-like peptide-1 and most recently sitagliptin, a protease (DPP-IV) inhibitor that prevents the breakdown of insulin. The latter three have an increasingly large share of the market, with sitagliptin only recently approved and anticipated by the industry to have strong future sales. The five

largest industry participants in the market for T2DM therapeutics are Pfizer Inc., Eli Lilly and Company, Merck & Co., Inc., Takeda Pharmaceuticals North America, Inc., and Amylin Pharmaceuticals, Inc.

NARRATIVE DESCRIPTION OF THE BUSINESS

The Company is a CPC and, pursuant to the CPC Policy, has not carried on any operations to date. Upon completion of the Proposed Qualifying Transaction, the business of the Company will be as disclosed above.

Trends

In 2007, the prevention and treatment of diabetes and its complications will cost at least US \$232 billion according to current estimates from the International Diabetes Federation. By 2025, this is likely to increase to more than US \$302.5 billion. In industrialized countries, about 25% of medical expenditures for diabetes go to treating elevated blood sugar, 25% go to treating long-term complications which are largely cardiovascular complications, and 50% is consumed by the additional general medical care that is associated with diabetes. In the USA, it is estimated that 19% of the costs associated with treating diabetes is for drugs and supplies alone. In middle-income countries, half of diabetes medical expenditures are used for blood sugar control, which is essential for the prevention of acute life-threatening hyperglycaemia. The remainder is split between general medical care and chronic complications. In Latin America and the Caribbean, for example, drugs to reduce blood sugar levels are believed to account for about 50% of all spending.

The number of people with diabetes is expected to increase significantly in the coming decades. In 1985, an estimated 30 million people worldwide had diabetes; in 2000, the figure had risen to over 150 million. By 2025, the figure is expected to rise to 380 million with the largest increases taking place in developing countries. Diabetes is the fourth leading cause of global death by disease. The prevalence is higher in developed countries than in developing countries, but the latter will be hit the hardest by the escalating diabetes epidemic. Type 2 diabetes constitutes about 85% to 95% of all diabetes cases in developed countries and accounts for an even higher percentage in developing countries.

With many new products yet to realise their full potential and the high incidence of T2DM expected in emerging markets, prospects for the sector look strong. Some of the fastest growing markets for diabetes are in emerging economies. India, China and Indonesia are in the top 5 for disease prevalence. The impact for both branded and generic drugs is considerable. There are number of drivers in the diabetes market that are fuelling growth, such as product innovation, emerging markets and unmet clinical need. New classes of drugs such as GLP-1 agonists and DPP-IV inhibitors and already have been launched. Combination therapies will play their part as will novel drug delivery technology in treating and managing Diabetes. In light of diabetes disease prevalence, the economies of the costs associated with the disease and ongoing developments for medical treatment, the Company believes that there may be potential to be realized through ongoing drug research and discovery of new novel drugs to treat diabetes.

USE OF PROCEEDS

Proceeds

The Company will not receive any proceeds in connection with the issuance of Common Shares under this Prospectus. Such Common Shares are being issued as consideration to TFC under the License Agreement.

Funds Available

The Company had approximately \$520,000 in working capital as at January 31, 2009. The Company will receive \$810,000 under the Private Placement after payment of finder's fees and before deducting any estimated expenses of the Private Placement assuming the maximum number of Units are sold, and \$540,000 assuming the minimum number of Units are sold. The Company will have \$1,330,000 in funds available on completion of the Proposed Qualifying Transaction, assuming the maximum number of Units are sold under the Private Placement, and \$1,060,000 assuming sale of the minimum number of Units. The Company will not receive any proceeds in connection with the issuance of Common Shares under this Prospectus.

Principal Purposes

The following table indicates the principal uses to which the Company proposes to apply the funds available to it upon the completion of the Proposed Qualifying Transaction:

		Amounts to be Expended	
		Maximum	Minimum
Research and Development		\$245,000 ⁽¹⁾	\$245,000 ⁽¹⁾
Patent Expenses (one year)		\$155,500 ⁽²⁾	\$155,500 ⁽²⁾
Compound Testing (one year)		\$311,000 ⁽³⁾	\$225,000 ⁽³⁾
General and Administrative Expenses			
- Office (including rent and administration)	\$41,000		
- Salaries	\$90,000		
- Legal	\$50,000		
- Investor Relations	\$50,000		
- Transfer Agent, etc.	\$8,500		
- Accounting and audit	\$35,000	\$274,500	\$274,500
Expenses and costs relating to the Proposed Qualifying Transaction (including sponsorship fees, legal fees, audit fees and filing fees)		\$60,000	\$60,000
Unallocated Working Capital		\$284,000	\$100,000
Total:		<u>\$1,330,000</u>	<u>\$1,060,000</u>

Notes:

- (1) Under the License Agreement, the Company has agreed to pay TFC €600,000 towards its research and development expenses over a two year period, with €300,000 payable upon completion of the Proposed Qualifying Transaction and €300,000 payable 12 months following the completion of the Proposed Qualifying Transaction. Converted at an exchange rate ratio of \$1.555 per €1.00, this yields \$933,000. When previous advances to TFC of \$25,000 and \$197,056 are credited against the \$933,000, this leaves \$710,944 remaining to be paid to TFC of which \$245,000 is payable during the 12 months following completion of the Proposed Qualifying Transaction. The Company

will require further financing in the near term in order to meet its obligations in respect of research and development payments to TFC under the License Agreement. See “General Development of the Business” and “Risk Factors”.

- (2) The Company expects to be required to pay approximately \$156,000 toward Patent Expenses in the second year of the License Agreement.
- (3) The Company will undertake testing of Compounds itself in Canada over 2 years from the date of closing of the Proposed Qualifying Transaction. The Company expects to pay approximately \$311,000 in respect of Compound testing during the second year of the License Agreement. The Company will require additional financing in the near term to pay for Patent Expenses and Compound Testing in the second year of the License Agreement. See “Risk Factors”.

Although the Company intends to spend the net funds available to it as stated in this Prospectus and indicated above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary.

SELECTED CONSOLIDATED FINANCIAL INFORMATION AND MANAGEMENT’S DISCUSSION AND ANALYSIS

Annual Information

The following table sets forth summary financial information of the Company, which information has been derived from the audited financial statements of the Company for the period from incorporation on October 19, 2006 to October 31, 2006 and from November 1, 2006 until October 31, 2007, which are attached and form part of this Prospectus. The following should be read in conjunction with the financial statements, including the notes, and Management’s Discussion and Analysis following. There are no comparable figures earlier than October 19, 2006, as the Company was incorporated on October 19, 2006.

Item	Year ended October 31, 2007 (audited) (\$)	Period from October 19, 2006 to October 31, 2006 (audited) (\$)
Total revenues	Nil	Nil
Income from Continuing Operations	Nil	Nil
Net Loss	218,125	6
Net Loss per Common Share	(0.08)	N/A
Basic	(0.08)	(6.0)
Diluted	(0.08)	(6.0)
Total Assets	1,182,944	99,995
Long-term debt at end of period	Nil	Nil

Quarterly Information

Selected quarterly financial data for the nine months ended July 31, 2008 is as follows:

Item	Nine month period ended July 31, 2008 (\$)
Total revenues	Nil
Income from Continuing Operations	Nil
Net Loss	65,318
Net Loss per Common Share	(0.01)
Basic	(0.01)
Diluted	(0.01)

Dividends

There are no restrictions that prevent the Company from paying dividends on its Common Shares. The Company has not declared or paid any dividends on the Common Shares and it is not contemplated the Company will pay dividends in the immediate or foreseeable future. It is the Company's intention to use all available cash flow to finance further operations. Any decision to pay dividends on Common Shares in the future will be made by the directors of the Company on the basis of the earnings, financial requirements and other conditions existing at such time.

Management's Discussion and Analysis

Annual Information

Overall Performance

The following discussion of performance and financial condition should be read in conjunction with the Company's annual audited financial statements for the year ending October 31, 2007.

The Company's financial statements are prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP). The Company's reporting currency is in Canadian dollars.

The Company was incorporated in the Province of British Columbia on October 19, 2006. The Company is a CPC, and its shares began trading on the TSX Venture Exchange on July 10, 2007, under the symbol HRD.P.

The Company was formed with the intention of identifying and evaluating businesses and assets with the goal of completing a Qualifying Transaction as defined by the Exchange. The Company has not conducted commercial operations, other than to engage in general discussions for the purpose of identifying potential targets.

On October 3, 2007, the Company entered into an agreement in principle with TFC, a biopharmaceutical company based in Rouen, France, to license TFC's proprietary technology based upon fluorinated sugar mimics. The Company will use the technology to develop a chemical process to achieve synthesis of a new class of sodium glucose co-transporters inhibitors, for the treatment of T2DM, obesity and other possible metabolic syndrome applications.

TFC will provide the Company with the research and development necessary to develop the compounds. The transaction with TFC will serve as the Company's Qualifying Transaction. If approved by the TSX Venture Exchange, completion of the Qualifying Transaction will result in the Company becoming listed on the Exchange on Tier 2.

The Company will issue five million common shares to TFC as consideration for the granting of a licence. One million shares will be issued upon execution of the definitive agreement with TFC, subject to acceptance of the Qualifying Transaction by the Exchange. Two million shares will be issued to TFC upon the synthesis and development of the series of compounds and the identification of the lead compound showing biological activity in cell culture assays, and a further two million shares will be issued upon licensing of the compounds to a major pharmaceutical company. The Company will pay \$933,000 to TFC over two years in order to finance research and development of the compounds, and for patent applications. The Company will be responsible for biological testing of the compounds. If a lead compound is successfully developed and licensed to a major pharmaceutical company, the Company will pay TFC 5 per cent of any net revenue it may receive from such licence.

TFC is incorporated under the laws of France and owned by Dr. Geraldine Deliencourt-Godefroy (80 per cent) and M. Ameur (20 per cent). Dr. Deliencourt-Godefroy holds a doctorate in organic chemistry and has received several awards in France related to development of the flourinated sugar mimics technology. She will be responsible for the drug discovery phase of the research and development: that is to say, the synthesis and analysis of the compounds. The proposed Qualifying Transaction does not constitute a non-arm's-length qualifying transaction within Exchange rules. Neither TFC, Dr. Deliencourt-Godefroy nor M. Ameur presently owns any interest in the Company. As such, the Proposed Qualifying Transaction will not be subject to approval of the shareholders of the Company.

Selected Annual information

The Company incurred a loss of \$218,125 for the twelve month period ending October 31, 2007. The Company charged stock-based compensation totalling \$129,500 during the period ending October 31, 2007. Accounting and audit fees of \$27,623, filing fees of \$22,753 and legal fees of \$6,871 were incurred making up the majority of the remainder of the loss.

Financial Results	October 31, 2007 (\$)
Total Revenue	Nil
Net loss	218,125
Loss per - basic	0.08
Loss per share - diluted	0.08
Total Assets	1,182,944
Long Term Liabilities	Nil
Cash Dividends	Nil

There are no comparative figures. The Company's commitment under its agreement with TFC calls for payment in Euros. Currently the Company does not hold any cash or deposits in Euros and as a result it is subject to gains or losses caused by currency fluctuations. Following the completion of the Proposed Qualifying Transaction, the Company, acting on the advice of its bankers, will consider holding a portion of its cash resources in Euros.

Results of Operations

The Company incurred a loss of \$218,125 for its first year ended October 31, 2007, net of \$20,466 of interest income from short term investments. With no operating revenue, the expenses incurred relate to the Company's start-up activities including its incorporation, listing on the TSX Venture Exchange as a CPC and its pursuit of a Qualifying Transaction. Expenses were comprised of the following:

- \$27,263 for accounting and audit fees,
- \$25,293 for business consulting fees,

- \$129,500 for stock-based compensation relating to stock options granted,
- \$22,753 for filing and transfer agent fees, and
- \$6,871 for legal fees.

The remaining \$26,025 of expenses pertain to general office and administration.

Summary of Quarterly Results

	July 31, 2008 \$	Apr. 30, 2008 \$	Jan. 31, 2008 \$	Oct. 31, 2007 \$	July 31, 2007 \$	Apr. 30, 2007 \$	Jan. 31, 2007 \$	Oct. 31, 2006 ⁽²⁾ \$
<u>Operating Statement</u>								
Total Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Op. Exp. / Net Loss	11,557 ⁽¹⁾	38,641	15,120	20,889	18,088	34,659	144,489	6
Net Loss per Share	0.00	0.00	0.00	0.00	0.01	0.01	0.03	0
<u>Balance Sheet</u>								
Cash and Cash Equiv.	958,981	948,349	1,022,541	1,083,058	1,169,042	439,629	478,486	99,995
Technology Advances	113,186	107,611	88,399	80,011	0	0	0	0
Total Assets	1,075,238 ⁽¹⁾	1,093,170	1,135,938	1,182,944	1,180,063	472,928	506,918	99,995
Total Liabilities	10,290 ⁽¹⁾	16,665	20,792	48,724	20,533	22,582	21,913	0
Acc. Int. Receivable	989	32,556	20,345	11,197	2,805	5,342	1,204	0
GST Receivable	1,037	3,538	3,396	678	216	729	0	0
Shareholders' Equity	1,064,948	1,076,505	1,115,146	1,134,220	1,159,530	450,346	485,005	99,995

Notes:

(1) amended

(2) October 19, 2006 (date of incorporation) to October 31, 2006

Significant Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents are highly liquid investments, such as term deposits with major financial institutions, having a term to maturity of three months or less at acquisition, that are readily convertible to specified amounts of cash.

Technology and Amortization

Technology, such as patents and licences purchased for use in research and development activities, is recorded at cost. The Company provides for amortization on the straight-line basis over their estimated economic lives.

Research and Development Costs

All research and development costs are expensed when incurred unless they meet generally accepted accounting principle's criteria for deferral and amortization. The Company reassesses whether it has met the

relevant criteria for deferral and amortization at each reporting date. Development costs deferred are not amortized until completion of the related development project.

Change in Accounting Policy

On November 1, 2006, the Company adopted CICA Handbook Sections 1530, "Comprehensive Income", Section 3251, "Equity", Section 3855, "Financial Instruments - Recognition and Measurement", Section 3861, "Financial Instruments - Disclosure and Presentation" and Section 3865, "Hedges". Section 1530 establishes standards for reporting and presenting comprehensive income, which is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income that are excluded from net income calculated in accordance with Canadian GAAP.

Section 3861 establishes standards for presentation of financial instruments and non-financial derivatives and identifies the information that should be disclosed about them. Section 3865 describes when and how hedge accounting can be applied as well as the disclosure requirements. Hedge accounting enables the recording of gains, losses, revenues and expenses from derivative financial instruments in the same period as for those related to the hedged item.

Section 3855 prescribes when a financial asset, financial liability or non-financial derivative is to be recognized on the balance sheet and at what amount, requiring fair value or cost-based measures under different circumstances. Under Section 3855, financial instruments must be classified into one of these five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments, including derivatives, are measured in the balance sheet at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification, as follows: held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net earnings; available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is derecognized or impaired at which time the amounts would be recorded in net earnings.

Under adoption of these new standards, the Company designated its cash term deposits as held-for-trading, which are measured at fair value. Accrued interest receivable is classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

The adoption of these Handbook Sections had no impact on opening deficit.

Asset Retirement Obligations ("ARO")

The Company records a liability for the fair value of the statutory, contractual or legal asset retirement obligations associated with the retirement and reclamation of tangible long-lived assets when the related assets are put into use, with a corresponding increase to the carrying amount of the related assets. This corresponding increase to capitalized costs is amortized to earnings on a basis consistent with depreciation, depletion, and amortization of the underlying assets. Subsequent changes in the estimated fair value of the ARO are capitalized and amortized over the remaining useful life of the underlying asset. The ARO liabilities are carried on the consolidated balance sheet at their discounted present value and are accreted over time for the change in their present value, with this accretion charge included in depreciation, depletion and amortization.

As at October 31, 2007 and 2006, the Company had no asset retirement obligations.

Impairment of Long-lived Assets

Canadian GAAP requires that long-lived assets and intangibles to be held and used by the Company be reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If changes in circumstances indicate that the carrying amount of an asset that an entity expects to hold and use may not be recoverable, future cash flows expected to result from the use of the asset and its disposition must be estimated. If the undiscounted value of the future cash flows is less than the carrying amount of the asset, impairment is recognized. Management believes there has been no impairment of the Company's long-lived assets as at October 31, 2007.

Future Income Taxes

The Company has adopted the asset and liability method of accounting for income taxes. Under this method, current income taxes are recognized for the estimated income taxes payable for the current period. Future income tax assets and liabilities are recognized for temporary differences between the tax and accounting basis of assets and liabilities as well as for the benefit of losses available to be carried forward to future years for tax purposes only if it is more likely than not that they can be realized.

Basic and Diluted Loss Per Share

Basic loss per share is calculated by dividing the net loss for the year available to common shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. In a loss year, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive. Basic and diluted loss per share are the same for the years presented.

For the years ended October 31, 2007 and 2006, potentially dilutive common shares (relating to options outstanding at year-end) totalling 2,700,000 (2006: Nil) were not included in the computation of loss per share because their effect was anti-dilutive.

Stock-based Compensation

The Company records a compensation cost attributable to all share purchase options granted at fair value at the grant date using the Black-Scholes valuation model and the cost is expensed over their vesting period with a corresponding increase to contributed surplus. Upon exercise of share purchase options, the consideration paid by the option holder, together with the amount previously recognized in contributed surplus, is recorded as an increase to share capital.

The Black-Scholes option valuation model requires the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate.

Accounting Policy Choice for Transaction Costs

On June 1, 2007, the Emerging Issues Committee of the CICA issued Abstract No. 166, Accounting Policy Choice for Transaction Costs ("EIC-166). This EIC addresses the accounting policy choice of expensing or adding transaction costs related to the acquisition of financial assets and financial liabilities that are classified as other than held-for-trading. Specifically, it requires that the same accounting policy choice be applied to all similar financial instruments classified as other than held-for-trading, but permits a different policy choice for financial instruments that are not similar. The Company has adopted EIC-166 effective September 30, 2007 and requires retroactive application to all transaction costs accounted for in accordance with CICA Handbook Section 3855, Financial Instruments - Recognition and Measurement. The Company has evaluated the impact of EIC-166 and determined that no adjustments are currently required.

Future Accounting Changes

On December 1, 2006, the CICA issued three new accounting standards: Handbook Section 1535, Capital Disclosures, Handbook Section 3862, Financial Instruments - Disclosures, and Handbook Section 3863, Financial instruments - Presentation. These standards are effective for interim and annual financial statements for the Company's reporting period beginning on November 1, 2007.

Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance.

Handbook Section 3861, Financial Instruments - Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

The Company is currently assessing the impact of these new accounting standards on its financial statements.

Accounting Changes

In July 2006, the Accounting Standards Board ("AcSB") issued a replacement of CICA Handbook Section 1506, Accounting Changes. The new standard allows for voluntary changes in accounting policy only when they result in the financial statements providing reliable and more relevant information, requires changes in accounting policy to be applied retrospectively unless doing so is impracticable, requires prior period errors to be corrected retrospectively and calls for enhanced disclosures about the effects of changes in accounting policies, estimates and errors on the financial statements. The impact that the adoption of Section 1506 will have on the Company's results of operations and financial condition will depend on the nature of future accounting changes.

Liquidity

The Company does not currently hold an interest in any other business nor does it have an interest in any fixed assets directly or indirectly. The Company's activities to date have been funded through equity financing.

There can be no assurance that the Company will be successful in its endeavours, or that equity financing will continue to be available, particularly in light of current market conditions. If equity financing is not available and other sources of finance cannot be obtained, then the Company will be forced to curtail its activities to a level for which funding is available and can be obtained.

As October 31, 2007, the Company had a working capital surplus of \$1,054,209 which included cash and term deposits of \$1,083,058. Management believes the Company has sufficient funds to complete its goal of completing a Qualifying Transaction. A \$600,000 Private Placement is planned concurrent with the completion of the Qualifying Transaction to further augment the Company's working capital and allow it to fulfill its obligations under the agreement with TFC. The Company does not have any long term debt or capital lease commitments.

Off-Balance Sheet Arrangements

The Company has not entered into any off balance sheet agreements.

Transactions with Related Parties

During the year ended October 31 2007, the Company granted 1,850,000 share purchase options to directors and officers and recorded stock-based compensation totalling \$129,500 as director and officer compensation.

Changes in Accounting Policies including Initial Adoption

The Company seeks guidance from its accounting firm in the implementation of new accounting policies.

Financial Instruments and Other Instruments

The Company designates its cash term deposits as held-for-trading, which are measured at fair value. Accrued interest receivable is classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

Outstanding Share Data

Common Stock

October 31, 2007	Common Shares Outstanding	Amount (\$)
Seed stock	10,000,000	500,000
IPO	8,500,000	850,000
Share issuance costs		(127,149)
- for cash	-	(51,000)
- agent's options	-	
Total	18,500,000	1,171,851

Subsequent to October 31, 2007, the Company's principal security holders placed 10,000,000 common shares into escrow. These shares will be released as follows:

10% -on the date of the Final Exchange Bulletin;

15% -on the sixth, twelfth, eighteenth, twenty-fourth, thirtieth and thirty-sixth month after the Final Exchange Bulletin.

Options

During the year ended October 31, 2007, the Company granted 850,000 agent's options and 2,700,000 stock options to directors and officers. The Company recorded stock-based compensation totalling \$51,000 as share issued costs and \$129,500 as director and officer compensation.

Issued	Exercise Price	Expiry Period
850,000	\$0.10	January 10, 2009
1,850,000	\$0.10	July 10, 2012

The Company filed a prospectus on April 17, 2007, with the securities regulatory authorities in British Columbia, Alberta and Ontario to qualify for public distribution 8,500,000 common shares at \$0.10 per common share.

The initial public offering was completed on July 5, 2007, and the Company's common shares began trading on the TSX Venture Exchange on July 10, 2007.

The offering consisted of 8,500,000 common shares price at \$0.10 per share providing total proceeds of \$850,000 and net proceeds to the Company of \$722,850. The agent for the offering received a fee of 10% of the gross proceeds from the offering in cash. The Company also issued an agent's option entitling the agent to acquire that number of common shares equal to 10% of the number of common shares sold pursuant to the offering at \$0.10 per common share at any time prior to the date that is 18 months from the listing of shares on the Exchange.

Quarterly Information

Introduction

The following discussion of performance and financial condition should be read in conjunction with the Company's interim unaudited financial statement for the period ending July 31, 2008 and the Company's audited financial statements as at October 31, 2007.

Results of Operations - Current Period

The Company incurred a loss of \$65,318 for the nine month period ending July 31, 2008, compared to a loss of \$197,236 for the nine month period ending July 31, 2007, for a difference of \$131,918. During the nine months ended July 31, 2007, the Company charged stock-based compensation totalling \$129,500 to operations. The other operating expenses remained consistent with the previous nine months.

Selected Quarterly Financial Data

Financial Results	July 31, 2008 (\$)	April 30, 2008 (\$)	January 31, 2008 (\$)	October 31, 2007 (\$)
Net loss	11,557	38,641	15,120	20,889
Loss per share				
Basic	0.00	0.00	0.00	0.00
Diluted	0.00	0.00	0.00	0.00
Capital Expenditure	5,575	19,212	8,388	80,011

Balance Sheet Data	July 31, 2008 (\$)	April 30, 2008 (\$)	January 31, 2008 (\$)	October 31, 2007 (\$)
Cash and Term Deposits	958,981	948,349	1,022,541	1,083,058
Accrued Interest Receivable	989	32,556	20,345	11,197
GST Receivable	1037	3,538,	3,396	678
Total Assets	1,075,238	1,093,170	1,135,938	1,182,944
Shareholders' Equity	1,064,948	1,076,505	1,115,146	1,134,220

Liquidity

The Company does not currently hold an interest in any other business nor does it have an interest in any fixed assets directly or indirectly except for \$25,000 advance made to TFC to fund the Proposed Qualifying Transaction. The Company's activities have been funded through equity financing and the Company expects it will continue to be able to utilize this source of financing until it develops cash flow from future operations.

There can be no assurance that the Company will be successful in its endeavours. If such funds are not available or other sources of finance cannot be obtained, then the Company will be forced to curtail its activities to a level for which funding is available and can be obtained.

As July 31, 2008, the Company had a working capital surplus of \$950,717, which included cash and term deposits of \$958,981. Management believes the Company has sufficient funds to complete its goal of completing the Proposed Qualifying Transaction.

Commitments

The Company has no significant outstanding commitments.

Outstanding Share Data

Common Stock

No common shares were issued during the quarter.

Options

No options were issued during the quarter.

Related Party Transactions

During the three and nine months ended July 31, 2008, the Company did not enter into any related party transactions. However the management services contract between the Company and Westmoreland Resources Ltd. was renewed effective June 30th, 2008. \$5,000 has been paid to Westmoreland in the third quarter. See "*Interest of Management and Others in Material Transactions*".

Off-Balance Sheet Arrangements

The Company. has not entered into any off balance sheet agreements.

DESCRIPTION OF SECURITIES DISTRIBUTED**Common Shares**

The holders of the Common Shares are entitled to dividends as and when declared by the directors of the Company. They are also entitled to one vote per Common Share on all matters at all meetings of the shareholders of the Company and, upon liquidation, are entitled to receive pro-rata such assets of the Company as are distributable to the holders of the Common Shares. All of the Common Shares to be outstanding on completion of the Proposed Qualifying Transaction will be fully paid and non-assessable.

There are no pre-emptive rights or conversion rights attached to the Common Shares. There are also no redemption or purchase for cancellation or surrender provisions, sinking or purchase fund provisions, or any provisions as to modification, amendment or variation of any such rights or provisions attached to the Common Shares.

CONSOLIDATED CAPITALIZATION

The table below shows the capitalization of the Company before and after giving effect to the Proposed Qualifying Transaction:

Designation of Securities	Amount authorized	Amount outstanding as of the date of the most recent balance sheet contained in the prospectus ⁽¹⁾	Amount outstanding as of January 31, 2009 ⁽²⁾	Amount to be outstanding on Closing of the Proposed Qualifying Transaction ^{(1),(3)(4)(5)(6)}
Common Shares	Unlimited	18,500,000	18,500,000	23,650,000
Long Term Debt	N/A	Nil	Nil	Nil

Notes:

- (1) The Company has granted Incentive Stock Options to directors and officers of the Company to purchase up to 1,850,000 Common Shares at an exercise price of \$0.10 per Common Share exercisable until July 10, 2012. See “*Options to Purchase Securities*”.
- (2) At July 31, 2008 (balance sheet date) the Company had not commenced commercial operations. See “*General Development of the Business*”.
- (3) Under the Sponsorship Agreement, the Company will issue 150,000 Common Shares to Union as consideration for its services thereunder on closing of the Proposed Qualifying Transaction.
- (4) The Company intends to issue a minimum of 4,000,000 and a maximum of 6,000,000 Units consisting of one Common Share and one Warrant exercisable to purchase a Common Share at \$0.20 per Share pursuant to the Private Placement, which will close concurrently with the Proposed Qualifying Transaction. The Common Shares issued under the Private Placement, and any Common Shares obtained on exercise of Warrants or Finder’s Warrants, will be subject to a 4 month hold period commencing on the date of closing of the Private Placement. This figure assumes the minimum number of 4,000,000 Units are sold. See “*Private Placement*”.
- (5) Under the License Agreement, the Company will issue 1,000,000 Common Shares to TFC upon acceptance of the License Agreement and the Proposed Qualifying Transaction by the Exchange. See “*General Development of the Business*”. While those Common Shares are qualified under this Prospectus, they will be placed in escrow under the Surplus Security Escrow Agreement and released to TFC over a 3 year period commencing from the date of acceptance of the Proposed Qualifying Transaction by the Exchange. See “*Escrowed Securities*”.
- (6) Under the License Agreement, the Company has agreed to issue 2,000,000 Common Shares to TFC within 30 calendar days of a determination that a Lead Compound has been synthesized, and to issue a further 2,000,000 Common Shares to TFC upon either: (i) the conclusion by the Company of a sub-license of any Licensed Products; or (ii) the Company’s notice to TFC in writing that the Company will undertake Phase 1 clinical testing (see “*FDA Regulation*”) of any identified Lead Compound on its own. If issued, those 4,000,000 Common Shares will be placed in escrow under the Surplus Security Escrow Agreement, and released to TFC over a 3 year period commencing from the date of acceptance of the Proposed Qualifying Transaction by the Exchange. See “*Escrowed Securities*”.

OPTIONS TO PURCHASE SECURITIES

Stock Options

The following table shows the number of options to purchase Common Shares issued and outstanding, as of the date of this Prospectus and upon completion of the Proposed Qualifying Transaction.

Holders of Options	Common Shares under Options Granted (#)	Exercise Price per Common Share	Market Value of the Common Shares at the Date of Grant	Expiration Date
Executive Officers and Directors as a group ⁽¹⁾	1,850,000	\$0.10	\$0.10	July 10, 2012
Total:	1,850,000			

Notes:

(1) Incentive Stock Options.

Warrants and Finder's Warrants

On closing of the Private Placement, assuming the minimum number of Units is sold, there will be 4,000,000 Warrants and 400,000 Finder's Warrants issued and outstanding. Each Warrant and Finder's Warrant will entitle the holder to purchase 1 Common Share at an exercise price of \$0.20 for two years from the date of closing of the Proposed Qualifying Transaction. See "General Development of the Business - Proposed Financing".

Stock Option Plan

The Company has adopted the Stock Option Plan. Under the Stock Option Plan, stock options may be issued to employees, executive officers, directors or consultants of the Company. Grants of options to insiders are limited to 10% of the company's issued and outstanding shares within any 12 month period without disinterested shareholder approval. As of yet, no grants of options have been made under the Stock Option Plan. The options described under "Stock Options" above were granted prior to adoption of the Stock Option Plan.

PRIOR SALES

Prior Sales

Since the date of incorporation of the Company, 18,500,000 Common Shares have been issued as follows:

Date Issued	Number of Common Shares	Issue Price Per Common Share	Aggregate Issue Price	Nature of Consideration
December 9, 2006	10,000,000 ⁽¹⁾	\$0.05	\$500,000	Cash
July 5, 2007	8,500,000 ⁽²⁾	\$0.10	\$850,000	Cash
Total:	18,500,000		\$1,350,000	

Notes:

- (1) All of the 10,000,000 Common Shares issued on December 9, 2006 are subject to escrow. See "*Escrowed Securities*".
- (2) These Common Shares were issued under the Company's CPC IPO.

Stock Exchange Prices

The Common Shares have been listed and posted for trading on the Exchange under the symbol “HRD.P” since July 10, 2007. Trading was halted on October 4, 2007 in connection with the announcement of the Proposed Qualifying Transaction in accordance with the CPC Policy. The following table shows the range in the trading price and the volume of the Common Shares on the Exchange on a monthly basis:

	Price Range	Volume
October 2007 ⁽¹⁾	\$0.225-\$0.235	53,000
September 2007	\$0.185 - \$0.25	684,500
August 2007	\$0.16 - \$0.24	415,500
July 2007 ⁽²⁾	\$0.13 - \$0.215	624,500

Notes:

- (1) The price range and volume is indicated from October 1, 2007 to October 3, 2007. On October 4, 2007, the Exchange halted trading of the Common Shares.
- (2) The price range and volume is indicated from July 10, 2007 (the date of listing of the Company’s Common Shares on the Exchange) to July 31, 2007.

ESCROWED SECURITIES

As of the date of this Prospectus and upon completion of the Proposed Qualifying Transaction, the following securities of the Company are and will be held in escrow:

Designation of Class	Number of Securities Held in Escrow as of the date of this Prospectus	Number of Securities Held in Escrow Upon Completion of the Proposed Qualifying Transaction	Percentage of Class Upon Completion of the Proposed Qualifying Transaction
Common Shares	10,705,000 ⁽¹⁾	11,705,000 ⁽²⁾⁽³⁾	49.49%

Notes:

- (1) 10,000,000 Common Shares were deposited in escrow by the seed shareholders of the Company and are held in escrow by the Escrow Agent under the provisions of the CPC Escrow Agreement. The balance of the escrowed shares were purchased on the Company’s CPC IPO, or in the market. Under the CPC Escrow Agreement, 10% of the Escrowed Securities, or 1,070,500 Common Shares will be released from escrow on the issuance of the Final Exchange Bulletin (the “Initial Release”) and an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release.
- (2) 1,000,000 Common Shares to be issued to TFC on closing of the Proposed Qualifying Transaction will be deposited with the Escrow Agent by TFC to be held in escrow under the Surplus Security Escrow Agreement (“Surplus Escrowed Securities”). Under the Surplus Security Escrow Agreement 5% of the Surplus Escrowed Securities will be released from escrow on the date of issue of the Final Exchange Bulletin, 5% 6 months from such date, 10% 12 months from such date, 10% 18 months from such date, 15% 24 months from such date, 15% 30 months from such date, and 40% 36 months from such date. Under the Surplus Security Escrow Agreement, before each release of Surplus Securities from escrow, two directors or senior officers of the Company must certify to the Escrow Agent that the research and development of SGLT inhibitors to be developed under the License Agreement has not been abandoned. In addition, under the terms of the Surplus Security Escrow Agreement, the escrowed party must agree to cancel its Surplus Securities if the research and development of the SGLT inhibitors is abandoned.
- (3) Under the License Agreement, the Company has agreed to issue 2,000,000 Common Shares to TFC within 30 calendar days of a determination that a Lead Compound has been synthesized, and to issue a further 2,000,000 Common Shares to TFC upon either: (i) the conclusion by the Company of a sub-license of any Licensed

Products; or (ii) the Company's notice to TFC in writing that the Company will undertake Phase 1 clinical testing (see "*FDA Regulation*") of any identified Lead Compound on its own. If issued, those 4,000,000 Common Shares will be placed in escrow under the Surplus Security Escrow Agreement, and released to TFC over a 3 year period commencing from the date of acceptance of the Proposed Qualifying Transaction by the Exchange.

PRINCIPAL SHAREHOLDERS

Except as disclosed herein, to the knowledge of the directors and senior officers of the Company, no person will beneficially own, directly or indirectly, or exercise control or direction over, Common Shares carrying more than 10% of the voting rights attached to all Common Shares as of the date of this Prospectus, except the individuals indicated in the table below.

Name	Type of Ownership	Number of Common Shares Before and After the Proposed Qualifying Transaction ⁽¹⁾	Percentage of Common Shares Owned Before and After the Proposed Qualifying Transaction ⁽¹⁾
Dr. Howard Verrico	Registered and Beneficial	3,395,000/3,795,000 ⁽²⁾	18.35% ⁽³⁾ /14.36% ⁽⁴⁾
Susana Carpena ⁽⁵⁾	Registered and Beneficial	2,200,000/2,200,000	11.89% ⁽⁶⁾ /9.30% ⁽⁷⁾

Notes:

- (1) Assumes the minimum number of Units are sold under the Private Placement.
- (2) Dr. Verrico intends to purchase 400,000 Units in the Private Placement.
- (3) On a fully diluted basis, Dr. Verrico's interest is decreased to 14.36% prior to the completion of the Proposed Qualifying Transaction, assuming the minimum number of Units is sold. See "*Options to Purchase Securities*".
- (4) On a fully diluted basis, Dr. Verrico's interest is decreased to 17.12% after completion of the Proposed Qualifying Transaction, assuming the minimum number of Units is sold. See "*Options to Purchase Securities*".
- (5) Ms. Carpena is the spouse of Christopher Verrico, a director of the Company.
- (6) On a fully diluted basis, Ms. Carpena's interest is decreased to 10.23% prior to completion of the Proposed Qualifying Transaction, assuming the minimum number of Units is sold.
- (7) On a fully diluted basis, Ms. Carpena's interest is decreased to 7.31% after completion of the Proposed Qualifying Transaction, assuming the minimum number of Units is sold.

DIRECTORS AND OFFICERS

The names and municipalities of residence of, and the number and percentage of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by the current officers and directors of the Company as well as the offices held by each and the principal occupation of each during the past five years are as follows:

Name and Municipality of Residence	Principal Occupation for the Past Five Years	Director of the Company Since ⁽¹⁾	Common Shares/Percentage owned prior to the Completion of the Proposed Qualifying Transaction ⁽²⁾
Dr. Howard Verrico Coquitlam, BC President, CEO and Director	Physician in Emergency Practice from July 1986 to present	October 19, 2006	3,395,000/(18.35%)

Name and Municipality of Residence	Principal Occupation for the Past Five Years	Director of the Company Since ⁽¹⁾	Common Shares/Percentage owned prior to the Completion of the Proposed Qualifying Transaction ⁽²⁾
Roger MacInnis ⁽³⁾ Vancouver, BC CFO, Secretary and Director	President of Westmoreland Resources Ltd. (a mining exploration corporation) from October 1994 to present; President of Wave Exploration Corp., now Roxgold Inc. (a mining exploration corporation) from January 2005 to August 2006 and secretary treasurer from May 2002 to January 2005; President of VVC Exploration Corp. (a mining exploration corporation) from June 1993 to May 2002	December 9, 2006	1,000,000/(5.41%)
Dr. Alex Marazzi ⁽³⁾ Mission, BC Director	Family physician from 1997 to present	October 19, 2006	1,000,000/(5.41%)
Christopher Verrico ⁽³⁾ Vancouver, BC Director	Mr. Verrico is presently and has been since October 2006, the President and Chief Executive Officer and a director of Lateegra Gold Corp. He has been a director of Raytec Metals Corp. since November, 2006, and was also a director of Auric Development Corporation, Universal Potash Corp., and Weststar Resources Corp. He was CEO, Co-Chairman and a director of Westhawk Development Corp. from November 2004 to August 2007.	October 19, 2006	100,000/(0.54%)

Notes:

- (1) All directors of the Company will hold office until the next annual general meeting of the Company or until their successors are duly elected or appointed, unless their office is earlier vacated.
- (2) Assumes the minimum number of 4,000,000 Units is sold under the Private Placement.
- (3) Denotes a member of the Audit Committee.

The Company does not have an Executive Committee.

Management of the Company

The following is a brief description of the key management of the Company. None of the members of the management has entered into a non-competition or non-disclosure agreement with the Company.

Dr. Howard Verrico, age 48, is the President, Chief Executive Officer and a director of the Company. Dr. Verrico is responsible for carrying out the strategic plans and policies as established by the board of

directors and oversees the day to day operations of the Company. Dr. Verrico obtained his medical degree from the University of Toronto in 1985 and has been a member of the College of Physicians and Surgeons of British Columbia since July 1986. Dr Verrico is currently a practicing physician working in emergency practice in the province of British Columbia. Dr. Verrico has served as the CEO, Secretary and a Director of Consolidated Ecoprogress Technology Inc. (an environmental technology company), a public company listed on the TSX Venture Exchange, from October 2002 to March 2004. In addition, Dr. Verrico has extensive experience as an investor in the junior capital markets providing both venture capital loans and subscribing to a number of private placements. Dr. Verrico will devote approximately 50% of his time to the business and affairs of the Company. Dr. Verrico will be an employee of the Company.

Roger MacInnis, age 65 is the Chief Financial Officer, Secretary and a director of the Company. Mr. MacInnis is responsible for managing corporate financial risks, financial planning, preparation of the financial statements and record-keeping for the Company. Mr. MacInnis has over 20 years experience in managing and directing the affairs public companies. His experience includes preparation and submission of IPOs and the negotiation of a variety of financings, corporate restructuring and workouts. Mr. MacInnis was one of the founders of Huntington Resources Inc, later VVC Exploration Corp. (a mining exploration corporation) and acted as its CEO for approximately 8 years. Later, he joined the board of Roxgold Inc. (formerly Wave Exploration Corp. (a mining exploration corporation)), assisted in the company's reorganization, and later acted as its CEO. Mr. MacInnis will devote approximately 60% of his time to the business and affairs of the Company. Mr. MacInnis will be an employee of the Company.

Christopher Verrico, age 50 is a director of the Company. Mr. Verrico has 25 years of construction and mine development/operations experience within BC, Yukon, Alaska and Nunavut including 9 years as an independent contractor performing contract mining, bulk ore handling and containment construction. Since October 2006, Mr. Verrico has been the Chief Executive Officer and a director of Lateegra Gold Corp. He has been a director of Raytec Development Corp. since November 2006, and is presently also a director of Auric Development Corp., Universal Potash Corp. and Weststar Resources Corp. Mr. Verrico will devote approximately 10% of his time to the business and affairs of the Company.

Dr. Alex Marazzi, age 46, is a director of the Company. Dr. Marazzi is a fully qualified family physician with certification in both Family Medicine and Emergency Medicine. He has been in full time family practice in Mission, British Columbia since 1997. He is also a part owner of a well established walk-in-clinic. Most recently he served as the Chief of the Emergency Department at Mission Memorial Hospital. Prior to practicing medicine in British Columbia, Dr. Marazzi was employed as a full time Emergency Room physician for 7 years in Midland, Ontario. Dr. Marazzi earned his Bachelor of Pharmaceutical Sciences at UBC in 1985. While studying medicine he worked as a Hospital Pharmacist at Langley Memorial Hospital. He earned his Doctor of Medicine at UBC in 1989 and pursued an internship at Toronto East General Hospital. Dr. Marazzi will devote approximately 10% of his time to the business and affairs of the Company.

Management intends to appoint a Scientific Advisory Committee to advise it with respect to scientific issues, and to engage a technical consultant to assist it with liaison with TFC with respect to administration of the Research Program. Management anticipates these matters will be completed concurrently with or shortly before completion of the Qualifying Transaction.

Corporate Cease Trade Orders or Bankruptcies

No current or proposed director, officer, promoter or control person of the Company is, or has been within the past 10 years, a director, officer or promoter of any other company that, while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the other issuer access to any exemptions under applicable securities laws for a period of more than 30 consecutive days, or became bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Penalties or Sanctions

No current or proposed director, officer, promoter or control person of the Company has, within the past 10 years, been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable investor making an investment decision.

Individual Bankruptcies

No current or proposed director, officer, promoter or control person of the Company, or any personal holding companies of such persons, has, within the 10 years prior to the date of this Prospectus, become bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency, been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Conflicts of Interest

The Company's directors are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests that they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter.

Other than as disclosed herein (see "*Interest of Management and Others in Material Transactions*"), there are no known existing or potential conflicts of interest among the Company, its directors and officers or other members of management or of any proposed promoter, director, officer or other member of management as a result of their outside business interests. Certain of the Company's directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest, and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. Such directors or officers in accordance with the BCBCA will disclose all such conflicts and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

EXECUTIVE COMPENSATION

Named Executive Officers

For the purposes of this Prospectus, "executive officer" of the Company means an individual who at any time during the year was the Chair or a Vice-Chair of the Company; the President; the Chief Executive Officer, any Vice-President in charge of a principal business unit, division or function including sales, finance or production; and any officer of the Company or of a subsidiary of the Company or any other individual who performed a policy-making function in respect of the Company.

The summary compensation table below discloses compensation paid to the following individuals:

- (a) each individual who served as chief executive officer ("CEO") of the Company;

- (b) each individual who served as chief financial officer (“CFO”) of the Company;
- (c) each of our three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonus exceeds \$150,000 per year; and
- (d) any additional individuals for whom disclosure would have been provided under (c) except that the individual was not serving as an officer of the Company at the end of the most recently completed financial year,

(each, a “NEO”).

From incorporation of the Company until the date of this Prospectus, the Company has had two NEOs, being Howard Verrico, the CEO of the Company and Roger MacInnis, the CFO of the Company.

Neither of the NEOs receive, or received in the previous fiscal year, any compensation for acting in such capacity. A corporation of which Roger MacInnis is an officer, director and shareholder is paid a monthly fee for offices, equipment and services. See *“Interest of Management and Others In Material Transactions”*.

Summary Compensation Table

The following table discloses the compensation anticipated to be paid by the Company to the NEOs upon completion of the Proposed Qualifying Transaction.

Name and Principal Position	Annual Compensation			Long Term Compensation			
	Salary or Fee (\$)	Bonus (\$)	Other Annual Compensation (\$)	Awards	Payouts		
				Securities Under Options/ SARs ⁽¹⁾ granted (#)	Restricted Shares or Restricted Share Units	LTIP ⁽²⁾ Payouts (#)	All Other Compensation (\$)
Howard Verrico CEO	30,000	Nil	Nil	925,000	Nil	Nil	Nil
Roger MacInnis CFO	30,000	Nil	Nil	300,000	Nil	Nil	Nil

Notes:

- (1) “SAR” means a right granted by the Company, as compensation for services rendered, to receive a payment of cash or an issue or transfer of securities based wholly or in part on changes in the trading price of publicly traded securities of the Company.
- (2) “LTIP” means any plan which provides compensation intended to serve as incentive for performance to occur over a period longer than one financial year, but does not include option or SAR plans or plans for compensation through restricted shares or restricted share units.

Long Term Incentive Plans

The Company has no LTIPs in place, and therefore there were no awards made under any LTIP to the NEOs during our most recently completed fiscal year.

Options and Stock Appreciation Rights

The Company has no stock appreciation rights plan in place and therefore, there were no awards made under any such plan to the NEOs during our most recently completed fiscal year.

During the fiscal year ended October 31, 2007, 925,000 Incentive Stock Options were granted to Howard Verrico and 300,000 Incentive Stock Options were granted to Roger MacInnis at an exercise price of \$0.10 per Common Share until July 10, 2012.

Termination of Employment, Change in Responsibilities and Employment Contracts

The Company has no compensatory plan, contract or arrangement whereby any NEO may be compensated in an amount exceeding \$100,000 in the event of that officer's resignation, retirement or other termination of employment, or in the event of a change of control of the Company or a subsidiary or a change in the NEO's responsibilities following such a change of control.

Compensation of Directors

Other than as described herein, the directors of the Company do not receive any compensation for services rendered in their capacity as directors of the Company.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No person who is, or who has been, a director, senior officer or executive officer of the Company at any time since the beginning of the most recently completed fiscal year, or any Associate of any of the aforementioned, is or has been indebted to the Company at any time or whose indebtedness to another entity is, or has been at any time the subject of a guarantee, support agreement, letter of credit or similar arrangement provided by the Company.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITORS

NI 52-110 requires the Company, as a venture issuer, to disclose certain information concerning the constitution of its audit committee and its relationship with its independent auditors.

The Company's Audit Committee is governed by an Audit Committee Charter, a copy of which is attached as Schedule A to this Prospectus.

The Company's Audit Committee is comprised of three directors, Roger MacInnis, Christopher Verrico, and Alex Marazzi, two of whom are independent and one is not independent. Mr. MacInnis, Mr. Verrico and Mr. Marazzi are each financially literate. Relevant education and/or experience for the performance of their responsibilities as Audit Committee members is as follows: (a) Mr. MacInnis, who is the CFO of the Company, has over 20 years of experience in managing and directing the affairs of public companies. His experience includes preparation and submission of IPOs and negotiation of a variety of financings and corporate restructuring. He has acted as a director and/or CEO of a number of mining and exploration companies; (b) Christopher Verrico has 25 years of construction and mine development/operations experience within BC, Yukon, Alaska and Nunavut. More recently, he has had instrumental involvement in raising in excess of \$20 million dollars for scoping studies and exploration financing for numerous projects throughout the America. He has experience as CEO and a director of public companies involved in mineral exploration; (c) Alex Marazzi is a family physician with certification in both Family Medicine and Emergency Medicine. He is a partner/owner of a medical clinic located in Mission, British Columbia. He

has no prior public company experience. It is the intention of the Company once it has concluded the Qualifying Transaction, to add additional directors at which time the Audit Committee will be reconstituted.

Since the commencement of the Company's most recently completed financial year, the Company's Board of Directors has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Since the effective date of the predecessor policy to NI 52-110, the Company has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditors, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditors in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

The Audit Committee must pre-approve any engagement of the external auditors for any non-audit services to the Company in accordance with applicable law and policies and procedures to be approved by the Board. The engagement of non-audit services will be considered by the Company's directors on a case by case basis.

In the following table, "**audit fees**" are fees billed by the Company's external auditors for services provided in auditing the Company's annual financial statements for the subject year. "**Audit-related fees**" are fees not included in audit fees that are billed by the auditors for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements. "**Tax fees**" are fees billed by the auditors for professional services rendered for tax compliance, tax advice and tax planning. "**All other fees**" are fees billed by the auditors for products and services not included in the foregoing categories.

The fees paid by the Company to its auditors in each of the last two fiscal years, by category, are as follows:

<u>Financial Year Ending</u>	<u>Audit Fees</u>	<u>Audit Related Fees</u>	<u>Tax Fees⁽¹⁾</u>	<u>All Other Fees</u>
October 31, 2007	\$10,000.00 ⁽²⁾	Nil	Nil	Nil
October 31, 2006	\$8,846.00	Nil	Nil	\$8,487.50 ⁽³⁾

Notes:

- (1) Fees related to the preparation of the Company's T-2 corporate income tax return and the General Index of Financial Information required by CCRA.
- (2) Accrued for 2007 audit fees.
- (3) Accounting fees for the first, second and third quarter interim financial statements.

The Company is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

NI 58-101 requires issuers to disclose their governance practices in accordance with that instrument. The Company is a "venture issuer" within the meaning of NI 58-101. A discussion of the Company's governance practices within the context of NI 58-101 is set out below.

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	THE COMPANY'S CORPORATE GOVERNANCE PRACTICES
1. Board Of Directors (a) Disclose the identity of directors who are independent. (b) Disclose the identity of directors who are not independent, and describe the basis of that determination.	(a) The Company has two independent directors, namely: Alex Marazzi and Christopher R. Verrico. (b) The Company has two directors who are not independent because they are executive officers of the Company, namely: Howard Verrico, President & CEO and Roger MacInnis, Secretary & CFO.
2. Directorships If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	The following directors are presently also directors of other reporting issuers as listed: • Howard Verrico: Nil • Alex Marazzi: Nil • Christopher R. Verrico: Lateegra Gold Corp. (TSX-V); Raytec Metals Corp. (TSX-V); McNab Creek Gold Corp. (OTCBB); Auric Development Corporation (TSX-V); Universal Potash Corp. (OTCBB); and Weststar Resources Corp. (TSX-V). • Roger MacInnis: Nil.
3. Orientation And Continuing Education Describe what steps, if any, the board takes to orient new directors and describe any measures the board takes to provide continuing education for directors.	The CEO and/or the CFO are responsible for providing an orientation for new directors. Director orientation and on-going training will include presentations by senior management to familiarize directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its principal officers and its internal and independent auditors.
4. Ethical Business Conduct Disclose what steps, if any, the board takes to encourage and promote a culture of ethical business conduct.	The Company does not have a written code of ethical business conduct for its directors, officers and employees. Each director, officer and employee is expected to comply with relevant corporate and securities laws.

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	THE COMPANY'S CORPORATE GOVERNANCE PRACTICES
5. Nomination Of Directors Disclose what steps, if any are taken to identify new candidates for board nomination, including: (a) who identifies new candidates, and (b) the process of identifying new candidates	(a) When a board vacancy occurs or is contemplated, any director may make recommendations to the board as to qualified individuals for nomination to the board. (b) In identifying new candidates, the board will take into account the mix of director characteristics and diverse experiences, perspectives and skills appropriate for the Company at that time.
6. Compensation Describe what steps, if any, are taken to determine compensation for the Company's directors and CEO including: (a) who determines the compensation, and (b) the process of determining compensation	(a) The role of the Company's Compensation Committee, once it is appointed, will be to review the compensation of the directors and executive officers. The Compensation Committee will also make recommendations as to the grant of stock options. However, the Company is currently a CPC under the policies of the Exchange and is limited in the amount of compensation which can be paid until completion of a Qualifying Transaction. See "<i>Executive Compensation</i>" above. A Compensation Committee will be appointed once the Qualifying Transaction has been completed. (b) The role of the Compensation Committee will be to review and make recommendations to the board regarding the granting of stock options to directors and executive officers of the Company as well as compensation for executive officers and directors fees, if any, from time to time. Executive officers and directors may be compensated in cash and/or equity for their expert advice and

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	THE COMPANY'S CORPORATE GOVERNANCE PRACTICES
	contribution towards the success of the Company. The form and amount of such compensation will be evaluated by the Compensation Committee, which will be guided by the following goals: (i) compensation should be commensurate with the time spent by executive officers and directors in meeting their obligations and reflective of the compensation paid by companies similar in size and business to the Company; and (ii) the structure of the compensation should be simple, transparent and easy for shareholders to understand. Shareholders will be given the opportunity to vote on all new or substantially revised equity compensation plans for directors as required by regulatory policies.
7. Other Board Committees If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.	The board has no other standing committees.

PLAN OF DISTRIBUTION

The only Common Shares to be issued under this Prospectus are the 1,000,000 Common Shares to be issued to TFC upon closing of the Proposed Qualifying Transaction. See “*Significant Acquisitions*”.

RISK FACTORS

The purchase of securities of the Company involves a number of significant risk factors. In addition to the factors set forth elsewhere in this Prospectus, before purchasing securities of the Company, prospective purchasers should consider the following risks associated with the business of the Company and which will be applicable to the Company following the completion of the Proposed Qualifying Transaction. Any or all of these risks, or other as yet unidentified risks, may have a significant material adverse effect on the Company. The Company cannot predict all of the risk factors, nor can it assess the impact, if any, of such risk factors on the Company's business. This Prospectus offers a brief overview of some of the risk factors to be considered in relation to the Company's business. This list may not be exhaustive, as the Company operates in a rapidly changing business and research environment, and new risk factors emerge from time to time.

The Company has no operating history

The Company has no operating history. The Company does not expect to be able to achieve and maintain profitable operations in the foreseeable future and may never achieve profitability.

The Company will need to raise significant additional capital

The Company will require significant amounts of capital in the near term to meet its obligations under the License Agreement. See “*Use of Proceeds*”. Significant additional financing in excess of that available from the Private Placement will be required to meet such financing requirements of the Company.

In the event that the Company is unable to raise sufficient funds in the near term by way of other financings or corporate collaborations, the Company will have insufficient funds available to fund its obligations under the License Agreement. This may result in termination of the License Agreement. In addition, the Company may be required to delay, reduce the scope of, eliminate or divest one or more of its discovery, research or development projects, any of which could have a material adverse effect on the Company's business, financial condition and results of operations. There is significant risk that additional financing may not be available or may not be available at economic rates and hence your entire investment may be at significant risk or may be significantly diluted.

The Company has no marketable products

The Company currently has no marketable products. Upon completion of the Proposed Qualifying Transaction, TFC will commence research and development on the Company's behalf aimed at developing a chemical process for synthesising a new family of SGLT inhibitors using its Core Technology. There can be no assurance such research and development will be successful. If a Lead Compound is identified, it will have to undergo extensive biological testing before clinical testing may be commenced. Phase I, II and III of clinical testing (see “*FDA Regulation*”) will have to be completed before any Lead Compound which is identified may be marketed as a drug. If regulatory approval to market any drug which is developed is obtained, reimbursement for purchases of such drug by consumers may not be available from health insurers. Accordingly, the Company has not begun to market or generate revenues from the commercialization of any products. A commitment of substantial resources to conduct the time-consuming research, preclinical and clinical trials and appropriate manufacturing data will be required if the Company is to complete the development of any products, and there can be no assurance that any products will ultimately be developed. Similarly, there can be no assurance that if the Company develops products that they will meet applicable regulatory standards, obtain required regulatory approvals, be capable of being produced in commercial quantities at reasonable costs or be successfully marketed or that the investment made will be recovered through sales, license fees or related royalties.

The Company's ability to successfully commercialize any products it may develop may depend in part on the extent to which reimbursement for the costs of such products and related treatments will be available from government health administration authorities, private health coverage insurers and other organizations. Significant uncertainty exists as to the reimbursement status of newly approved health care products and there can be no assurance that adequate third party coverage will be available for the Company to maintain price levels sufficient to realize an appropriate return on its investment in developing new products. Increasingly, government and other third-party payers are attempting to contain health care costs by limiting both coverage and the level of reimbursement for new therapeutic products. Inadequate coverage or reimbursement could adversely affect market acceptance of the Company's products.

Currency Risks

While the Company raises funds denominated in Canadian dollars, its obligations with respect to payments to TFC under the License Agreement are denominated in Euros. If the Euro appreciates in value as against the Canadian dollar, this will impact directly on the Company's funding requirements.

Experience of the Directors and Officers

While certain of the directors and officers of the Company have a wealth of experience in medical matters generally, none of them have significant experience in the operation of biotechnology or pharmaceutical companies. While the bulk of the early stage research and development of the Company's proposed products will be carried on by TFC, it is likely the Company will need to hire executives with experience in the biotechnology and pharmaceutical industries if the research and development is successful and products are developed. The competition for experienced personnel in those fields is intense, and there can be no assurance the Company will be able to obtain the services of such executives.

Biotechnology and pharmaceutical research involves a significantly high degree of risk

Pharmaceutical and biotechnology research and development is highly speculative and involves a high degree of risk. The marketability of any product developed by the Company will be affected by numerous factors beyond the Company's control, including:

- the discovery of unexpected toxicities or lack of sufficient efficacy of products may make them unattractive or unsuitable for human use;
- preliminary results recorded in preclinical and/or limited human testing may not be substantiated in larger controlled clinical trials;
- manufacturing costs or other factors may make manufacturing of products impractical and noncompetitive;
- proprietary rights of third parties or competing products or technologies may preclude commercialization;
- requisite regulatory approvals for human testing or the commercial distribution of products may not be obtained; and
- other factors may become apparent during the course of research, up-scaling or manufacturing which may result in the discontinuation of research and other critical projects.

Preclinical studies and clinical trials are required before obtaining regulatory approval. The Company must demonstrate through preclinical studies and clinical trials that its products are safe and efficacious before the Company can obtain regulatory approval for the commercial sale of such products for certain commercial applications. The results from preclinical studies and clinical trials may not be totally predictive of results obtained in larger clinical trials, and there can be no assurance that any preclinical studies and clinical trials of the Company or any of the Company's collaborators will demonstrate safety and efficacy, achieve regulatory approvals or result in marketable products. A number of companies in the biotechnology and pharmaceutical industry have suffered significant setbacks in advanced clinical trials, even after achieving promising results in earlier trials. Failure to complete, or delays in, preclinical and clinical trials could have an adverse effect on the Company's future business.

The Company may be exposed to product liability claims

The Company may be exposed to product liability claims in the development of the products through administration of the drug candidates to volunteers and patients in clinical trials. It is impossible to predict the scope of injury or liability from such defects or unexpected reactions, or the measure of damages which might be imposed as a result of any claims or the cost of defending such claims. Although the Company's shareholders would not have personal liability for such damages, the expenses of litigation in connection with any such injuries or alleged injuries and the amount of any award imposed on the Company, may have

a material adverse impact on the Company. At this time the Company does not have product liability insurance.

The Company may not be able to protect its intellectual property rights

The success of the Company is dependent upon its ability to protect its intellectual property rights. In addition, the Company relies upon certain other technologies, ideas, know-how, secrets or other information, which it may not be able to protect. Notwithstanding precautions the Company may take to protect its rights, third parties may copy or obtain and use the Company's licensed or patented technologies, ideas, know-how, secrets and other proprietary information without authorization or independently develop technologies similar or superior to the Company's licensed or patented technologies. The Company intends to enter into confidentiality and restriction on use agreements with its employees, strategic partners and others; however, these agreements may not provide meaningful protection of the Company's licensed or patented technologies or other intellectual property in the event of unauthorized use or disclosure. Policing unauthorized use of such technologies and intellectual property is extremely difficult, and the cost of enforcing the Company's rights through litigation may be prohibitive. Further, the laws of jurisdictions other than Canada and the United States may not provide meaningful protection of the Company's and such third parties' intellectual property rights.

There is no assurance regarding licensing of proprietary technology owned by others

The Company's proposed SGLT inhibitor technology will be based on the license of TFC's Core Technology provided for in the License Agreement. While it is the Company's intention that the use of the licensed Core Technology will comply with the rights granted under the License Agreement, there can be no assurance that TFC will not in the future consider the Company's use of the Core Technology to exceed the grants of the License Agreement. Without the expansion of the Company's technology portfolio, the termination of the License Agreement would affect the Company's ability to operate in a materially adverse manner.

TFC may not be able to obtain or enforce patents

The Company's success will depend, in part, on the ability of TFC to obtain, enforce and maintain patent protection for its technology (which the Company licenses) worldwide. The Company cannot be assured that patents will issue from any pending applications made by TFC or that claims now or in the future, if any, allowed under issued patents will be sufficiently broad to protect TFC's technology. In addition, no assurance can be given that any patents issued to or licensed by TFC will not be challenged, invalidated, infringed or circumvented, or that the rights granted thereunder will provide continuing competitive advantages to the Company.

The patent positions of pharmaceutical and biotechnology firms, including the Company, are generally uncertain and involve complex legal and factual questions. In addition, it is not known whether the Research Program will result in the issuance of patents, or if any patents subsequently issued will provide significant proprietary protection or will be circumvented or invalidated. Since patent applications in the United States and Canada are maintained in secrecy until at least 18 months after filing of the original priority application, and since publication of discoveries in the scientific or patent literature tends to lag behind actual discoveries by several months, the Company cannot be certain that TFC was the first to create inventions claimed by pending patent applications or that it was the first to file patent applications for such inventions. Loss of patent protection could lead to serious competition for these products, and others in the future, which would materially and adversely affect the financial prospects for these products and the Company.

Accordingly, TFC may not be able to obtain and enforce effective patents to protect its proprietary rights which are the subject of the License Agreement from use by competitors, and the patents of other parties

could require the Company to stop using or pay to use certain intellectual property, and as such, the Company's competitive position and profitability could suffer as a result.

The Company's success is dependent on key personnel

The Company's success depends on its directors and officers, and will also depend very heavily on TFC and its President, Dr. Geraldine Deliencourt-Godefroy, who will be responsible for carrying out the initial research and development of the Company's proposed SGLT inhibitors. If the Company should lose the services of any of its directors or officers, or if TFC should lose the services of Dr. Deliencourt-Godefroy or terminate the License Agreement, the Company's ability to implement its business plan could be severely curtailed or delayed. The Company currently does not carry key-man insurance.

The Company's directors and officers serve as directors and officers of similar companies

The directors and officers of the Company will not be devoting all of their time to the affairs of the Company, but will be devoting such time as is required to effectively manage the Company. Some of the directors and officers of the Company serve as directors or officers of other companies or have shareholdings in other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, conflicts of interest may arise which may be harmful to the interests of the Company. In the event that such a conflict of interest arises at a meeting of the directors of the Company, a director who has such a conflict is required to advise the board of his or her conflict, and abstain from voting for or against the approval of the matter before the meeting. In accordance with the corporate laws affecting the Company, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

The Company's proposed products are in a competitive market

The markets for diabetes and obesity medications are intensely competitive and, as a result, the Company faces competition from several different sources, including pharmaceutical companies, biotechnology companies, universities and other related institutions.

If the Company successfully develops and commercializes a new class of SGLT inhibitors, the Company or the licensee of such SGLT inhibitors will compete in the pharmaceutical market with companies such as Bayer, Merck & Co., Pfizer, Bristol-Myers Squibb Company, AstraZeneca AB and others. All of these companies are currently far better capitalized than the Company. This provides an advantage in such companies' capabilities to develop their products through preclinical studies and clinical trials and to more effectively commercialize their products. In addition, the Company may not be aware of other companies that are developing technology that is superior to the Company's intended products.

The Company anticipates that it will face increased competition in the future as new products are developed and advanced technologies become available. There can be no assurance that existing products or new products developed by the Company's competitors will not be more effective.

The Company may be exposed to claims of infringement of proprietary rights of others

Biotechnology and pharmaceutical industries have experienced substantial litigation involving the manufacture, use and sale of new products that are the subject of conflicting proprietary rights. As a result, there is a substantial risk that the Company, or one or more of any licensors of any products it may develop, may become subject to litigation alleging that the Company's or such licensors' products and technologies infringe on the proprietary rights of third parties. Whether or not the Company's or such licensors' products or technologies infringe on the proprietary rights of third parties, the Company or such licensors could incur significant expenses in defending allegations of infringement of proprietary rights. Further, the Company or

such licensors may be required to modify their products or obtain licenses for intellectual property rights as a result of any alleged proprietary infringement. The Company or such licensors may not be able to modify their products or obtain licenses on commercially reasonable terms, in a timely manner, or at all, any of which could adversely affect the Company's business.

The Company's products may become technically obsolete

The pharmaceutical and biotechnology industries are characterized by rapidly changing markets, technology, emerging industry standards and frequent introduction of new products. The process of developing the Company's products is extremely complex and requires significant continuing development efforts and third party commitments. The Company's failure to develop new technologies and products and the obsolescence of existing technologies could adversely affect its business.

Stringent government regulation may delay or prevent commercialization of the Company's products

The regulatory process, including obtaining IND approvals, for pharmaceutical and biological products, which includes preclinical studies and clinical trials of each compound to establish its safety and efficacy, takes many years and requires the expenditure of substantial resources. Moreover, if regulatory approval of a drug is granted, such approval may entail limitations on the indicated uses for which it may be marketed. Failure to comply with applicable regulatory requirements can, among other things, result in suspension of regulatory approvals, product recalls, seizure of products, operating restrictions and criminal prosecution. Further, government policy may change, and additional government regulations may be established that could prevent or delay regulatory approvals for the Company's products. In addition, a marketed drug and its manufacturer are subject to continual review. Later discovery of previously unknown problems with the product or manufacturer may result in restrictions on such product or manufacturer, including withdrawal of the product from the market.

The FDA and/or other comparable health regulatory authorities in other countries where the Company may seek marketing approval for its prospective products may deny approval of a New Drug Application, Biologic License Application or New Drug Submission if required regulatory criteria are not satisfied, or may require additional testing. Product approvals may be withdrawn if compliance with regulatory standards is not maintained or if problems occur after the product reaches the market. The FDA and/or other comparable health regulatory authorities may require further testing and surveillance programs to monitor the pharmaceutical or biological product that has been commercialized.

Non-compliance with applicable requirements can result in fines and other judicially imposed sanctions, including product withdrawals, product seizures, injunction actions and criminal prosecutions.

The FDA and other governmental regulators have increased requirements for drug purity and have increased environmental burdens upon the pharmaceutical and biotechnology industry. Because pharmaceutical and biological drug manufacturing is a highly regulated industry, requiring significant documentation and validation of manufacturing processes and quality control assurance prior to approval of the facility to manufacture a specific drug, there can be considerable transition time between the initiation of a contract to manufacture a product and the actual initiation of manufacture of that product. Any lag time in the initiation of a contract to manufacture product and the actual initiation of manufacture could cause the Company to lose profits or incur liabilities.

The pharmaceutical and biological regulatory regime in Europe and other countries is, by and large, generally similar to that of Canada and the United States, although somewhat less rigorous. The Company could face risks in these other jurisdictions which are similar to the risks described above.

The Company must comply with other governmental regulations that may delay or prevent development of the Company's products

Products under research and development by the Company will have to comply with the FDA's current Good Manufacturing Practices ("cGMP") and other FDA, Health Canada and local government guidelines and regulations, including other international regulatory requirements and guidelines. Compliance with cGMP regulations requires manufacturers to expend time, money and effort in production, and to maintain precise records and quality control to ensure that the product meets applicable specifications and other requirements. The FDA and other regulatory bodies periodically inspect drug-manufacturing facilities to ensure compliance with applicable cGMP requirements.

If the manufacturing facilities that may be contracted by the Company fail to comply with the cGMP requirements, the facilities may become subject to possible FDA or other regulatory action and manufacturing at the facility could consequently be suspended. The Company may not be able to contract suitable alternative or back-up manufacturing facilities on terms acceptable to the Company or at all.

In addition to the regulatory approval process, the Company may be subject to regulations under local, provincial, state, federal and foreign law, including requirements regarding occupational health safety, laboratory practices, environmental protection and hazardous substance control, and may be subject to other present and future local, provincial, state, federal and foreign regulations, including possible future regulations.

The Company cannot predict the time required for regulatory approval, or the extent of clinical testing and documentation that may be required by regulatory authorities. The Company may not be able to obtain the approval of regulatory authorities in any country to conduct human trials, or if obtained, that the approval will be given in a timely manner or that such approval will not later be revoked. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay or prevent the development of the Company's products and would therefore adversely and severely affect its business.

The Company's share price may be volatile

If the Proposed Qualifying Transaction is completed, the Common Shares will resume trading on the Exchange. Factors such as announcements of technological innovation or the introduction of new products by the Company or its competitors, actual or anticipated fluctuations in the Company's operating results, changes in estimates of the Company's future operating results by securities analysts or developments with respect to proprietary rights may have a significant impact on the market price of the Common Shares. These market fluctuations may materially adversely affect the market price of the Common Shares. In addition, the market price of the Common Shares may be susceptible to volatility give the relatively low historic trading volumes of the Common Shares compared to that of many public companies.

The Company does not anticipate paying dividends in the near future

The Company has not paid dividends in the past and does not anticipate paying dividends in the near future. The Company expects to retain any earnings to finance further growth.

LEGAL PROCEEDINGS

There are no legal proceedings in which the Company is involved and no such proceedings are known by the Company to be contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as follows, none of our directors, senior officers and principal shareholders or any of their associates or affiliates have a material interest, direct or indirect, in any transactions in which we have participated since incorporation, or will have any material interest in any proposed transaction, which has materially affected or will materially affect the Company.

The Company entered into a management services agreement with Westmoreland Resources Ltd. ("Westmoreland"), dated June 30, 2008 (the "Management Agreement"), whereby Westmoreland has agreed to provide the Company with offices, office supplies, equipment, administrative and accounting services on a month to month basis for an estimated monthly fee of \$2,500. Roger MacInnis is an officer, director and shareholder of Westmoreland.

AUDITORS, TRANSFER AGENT AND REGISTRAR

Auditors

The auditors of the Company are BDO Dunwoody LLP, 600 Cathedral Place, 925 West Georgia Street, Vancouver, British Columbia, V6C 2L2.

Transfer Agent and Registrar

The transfer agent and registrar of the Company is Computershare Investor Services Inc., and the central securities register of the Company is located at Computershare Investor Services Inc.'s offices at Suite 300, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9.

MATERIAL CONTRACTS

Since incorporation, the Company has not entered into any material contracts and will not enter into any material contracts prior to the closing of the Proposed Qualifying Transaction, other than:

- (i) the License Agreement;
- (ii) the Sponsorship Agreement;
- (iii) the Surplus Security Escrow Agreement;
- (iv) the agency agreement dated for reference April 17, 2007 between the Company and Union under which Union acted as the Company's agent in connection with the Company's IPO;
- (v) the CPC Escrow Agreement dated February 6, 2007 between the Company, the Escrow Agent and certain shareholders. See "*Escrowed Securities*";
- (vi) the Management Agreement dated December 9, 2006 between the Company and Westmoreland. See "Interest Of Management And Others In Material Transactions"; and
- (vii) the Stock Option Plan. See "*Options to Purchase Securities*".

The above contracts are available for inspection at the Company's head office at Suite 300, 570 Granville Street Vancouver, BC V6C 3P1 during normal business hours at any time prior to completion of the Proposed Qualifying Transaction.

OTHER MATERIAL FACTS

There are no other material facts relating to this Offering.

PURCHASER'S STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

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

AUDITORS' CONSENT

We have read the Amended and Restated Prospectus of High Rider Capital Inc. (the "Company") dated March 13, 2009 related to the Company's proposed issuance of 1,000,000 Common Shares to TFChem S.A.R.L. in connection with the completion of the Proposed Qualifying Transaction. We have complied with Canadian generally accepted standards for an auditors' involvement with offering documents.

We consent to the use in the above-mentioned Amended and Restated Prospectus of our report to the directors of the Company on the balance sheets of the Company as at October 31, 2007 and 2006 and the statements of operations and deficit and cash flows for the year ended October 31, 2007 and for the period from October 19, 2006 (Date of Incorporation) to October 31, 2006. Our report is dated January 10, 2008, except as to Note 12 which is as of March 13, 2009.

(signed) BDO Dunwoody LLP

Chartered Accountants

Vancouver Canada
March 13, 2009

HIGH RIDER CAPITAL INC.

FINANCIAL STATEMENTS

July 31, 2008 (Unaudited) and October 31, 2007 and 2006

AUDITORS' REPORT

To the Directors,
High Rider Capital Inc.

We have audited the balance sheets of High Rider Capital Inc. as at October 31, 2007 and 2006 and the statements of operations and deficit and cash flows for the year ended October 31, 2007 and for the period October 19, 2006 (Date of Incorporation) to October 31, 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 the Company as at October 31, 2007 and 2006 and the results of its operations and its cash flows for the year ended October 31, 2007 and for the period October 19, 2006 (Date of Incorporation) to October 31, 2006 in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP
Chartered Accountants

Vancouver, Canada
January 10, 2008, except as to Note 12,
which is as of March 13, 2009

HIGH RIDER CAPITAL INC.
BALANCE SHEETS
July 31, 2008 (Unaudited) and October 31, 2007 and 2006

	(Unaudited) July 31, <u>2008</u>	October 31, <u>2007</u>	<u>2006</u>
<u>ASSETS</u>			
Current			
Cash – Note 6(e)	\$ 58,981	\$ 58,058	\$ 99,995
Term deposit – Notes 3 and 6(e)	900,000	1,025,000	-
Accrued interest receivable	989	11,197	-
GST receivable	1,037	678	-
Prepaid expenses – Note 5	<u>-</u>	<u>8,000</u>	<u>-</u>
	961,007	1,102,933	99,995
Equipment – Note 4	1,045	-	-
Technology Advances and deferred acquisition costs – Note 5	<u>113,186</u>	<u>80,011</u>	<u>-</u>
	<u>\$ 1,075,238</u>	<u>\$ 1,182,944</u>	<u>\$ 99,995</u>

LIABILITIES

Current			
Accounts payable and accrued liabilities	\$ 10,290	\$ 48,724	\$ -

SHAREHOLDERS' EQUITY

Share capital – Notes 5 and 6	1,171,851	1,171,851	1
Deferred share issue costs - Note 12	(3,954)	-	-
Contributed surplus – Note 6	180,500	180,500	-
Share subscriptions – Note 8	-	-	100,000
Deficit	<u>(283,449)</u>	<u>(218,131)</u>	<u>(6)</u>
	<u>1,064,948</u>	<u>1,134,220</u>	<u>99,995</u>
	<u>\$ 1,075,238</u>	<u>\$ 1,182,944</u>	<u>\$ 99,995</u>

Nature of Operations and Ability to Continue as a Going Concern – Note 1
Commitments – Notes 5 and 6
Subsequent Events – Notes 5 and 12

APPROVED ON BEHALF OF THE BOARD:

<u>“Howard Verrico”</u> Howard Verrico	Director	<u>“Roger MacInnis”</u> Roger MacInnis	Director
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SEE ACCOMPANYING NOTES

HIGH RIDER CAPITAL INC.
STATEMENTS OF OPERATIONS AND DEFICIT
for the three and nine months ended July 31, 2008 and 2007 (Unaudited),
for the year ended October 31, 2007 and
for the period October 19, 2006 (Date of Incorporation) to October 31, 2006

	(Unaudited) Three months ended July 31,		(Unaudited) Nine months ended July 31,		Year ended October 31,	October 19, 2006 (Date of Incorporation) to October 31, <u>2006</u>
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2007</u>	
General and administrative expenses						
Accounting and audit fees	\$ 4,250	\$ 2,249	\$ 16,480	\$ 16,136	\$ 27,623	\$ -
Amortization	71	-	212	-	-	-
Bank charges	29	475	138	475	526	6
Consulting fees – Note 10	5,000	-	13,000	-	25,293	-
Director and officer compensation – Note 6	-	-	-	129,500	129,500	-
Filing and transfer agent fees	(1,824)	5,944	16,555	21,884	22,753	-
Foreign exchange	422	-	422	-	-	-
Legal fees	7,186	5,472	29,845	19,156	6,871	-
Meals and entertainment	155	164	447	681	2,408	-
Office expenses	1,483	5,357	5,026	10,058	8,653	-
Rent	2,649	2,498	7,586	5,019	9,200	-
Telephone	550	644	2,558	1,337	2,717	-
Travel	-	-	-	3,047	3,047	-
Website	-	1,000	-	1,000	-	-
Loss before other item	(19,971)	(23,803)	(92,269)	(208,293)	(238,591)	(6)
Other item:						
Interest income	<u>8,414</u>	<u>5,715</u>	<u>26,951</u>	<u>11,057</u>	<u>20,466</u>	<u>-</u>
Net loss and comprehensive loss for the period	(11,557)	(18,088)	(65,318)	(197,236)	(218,125)	(6)
Deficit, beginning of the period	<u>(271,892)</u>	<u>(179,154)</u>	<u>(218,131)</u>	<u>(6)</u>	<u>(6)</u>	<u>-</u>
Deficit, end of the period	<u>\$ (283,449)</u>	<u>\$ (197,242)</u>	<u>\$ (283,449)</u>	<u>\$ (197,242)</u>	<u>\$ (218,131)</u>	<u>\$ (6)</u>
Basic and diluted loss per share	<u>\$ (0.00)</u>	<u>(0.01)</u>	<u>\$ (0.01)</u>	<u>\$ (0.24)</u>	<u>\$ (0.08)</u>	<u>\$ (6.00)</u>
Weighted average number of shares outstanding	<u>7,820,000</u>	<u>2,402,174</u>	<u>7,820,000</u>	<u>809,524</u>	<u>2,771,233</u>	<u>11</u>

SEE ACCOMPANYING NOTES

HIGH RIDER CAPITAL INC.
STATEMENTS OF CASH FLOWS
for the three and nine months ended July 31, 2008 and 2007 (Unaudited),
for the year ended October 31, 2007 and
for the period October 19, 2006 (Date of Incorporation) to October 31, 2006

	(Unaudited) Three months ended July 31,		(Unaudited) Nine months ended July 31,		Year ended October 31,	October 19, 2006 (Date of Incorporation) to October 31, 2006
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2007</u>	
Operating Activities						
Net loss for the period	\$ (11,557)	\$ (18,088)	\$ (65,318)	\$ (197,236)	\$ (218,125)	\$ (6)
Changes not affecting cash:						
Amortization	71	-	212	-	-	-
Stock-based compensation	<u>-</u>	<u>-</u>	<u>-</u>	<u>129,500</u>	<u>129,500</u>	<u>-</u>
	(11,486)	(18,088)	(65,106)	(67,736)	(88,625)	(6)
Changes in non-cash working capital items:						
Accrued interest receivable	31,567	2,537	10,208	(2,805)	(11,197)	-
GST receivable	2,501	513	(359)	(216)	(678)	-
Prepaid expenses	-	(8,000)	8,000	(8,000)	(8,000)	-
Accounts payable and accrued liabilities	<u>(6,375)</u>	<u>(2,049)</u>	<u>(38,434)</u>	<u>20,533</u>	<u>48,724</u>	<u>-</u>
	<u>16,207</u>	<u>(25,087)</u>	<u>(85,691)</u>	<u>(58,224)</u>	<u>(59,776)</u>	<u>-</u>
Investing Activities						
Acquisition equipment	-	-	(1,257)	-	-	-
Term deposit	-	-	125,000	(1,125,000)	(1,025,000)	-
Technology advances and deferred acquisition costs	<u>(5,575)</u>	<u>-</u>	<u>(33,175)</u>	<u>-</u>	<u>(80,011)</u>	<u>-</u>
	<u>(5,575)</u>	<u>-</u>	<u>90,568</u>	<u>(1,125,000)</u>	<u>(1,105,011)</u>	<u>-</u>
Financing Activities						
Deferred share issue costs	-	27,228	(3,954)	-	-	-
Share subscriptions	-	-	-	-	-	100,000
Issuance of common shares – net of Repurchase and share subscriptions	<u>-</u>	<u>727,272</u>	<u>-</u>	<u>1,127,271</u>	<u>1,122,850</u>	<u>1</u>
	<u>-</u>	<u>754,500</u>	<u>(3,954)</u>	<u>1,127,271</u>	<u>1,122,850</u>	<u>100,001</u>
Increase (decrease) in cash during the period	10,632	729,413	923	(55,953)	(41,937)	99,995
Cash, beginning of the period	<u>48,349</u>	<u>439,629</u>	<u>58,058</u>	<u>99,995</u>	<u>99,995</u>	<u>-</u>
Cash, end of the period	<u>\$ 58,981</u>	<u>\$ 1,169,042</u>	<u>\$ 58,981</u>	<u>\$ 44,042</u>	<u>\$ 58,058</u>	<u>\$ 99,995</u>
Supplemental disclosure of cash flow information:						
Cash paid for:						
Interest	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Income taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Non-cash Transactions – Note 8

SEE ACCOMPANYING NOTES

HIGH RIDER CAPITAL INC.
NOTES TO THE FINANCIAL STATEMENTS
July 31, 2008 (Unaudited) and October 31, 2007 and 2006

Note 1 Nature of Operations and Ability to Continue as a Going Concern

The Company was incorporated on October 19, 2006 under the Business Corporations Act of British Columbia. The Company is a development stage public company listed for trading on the TSX Venture Exchange (the "Exchange") and is classified as a Capital Pool Company ("CPC") as defined in the Exchange Policy 2.4. The Company has not commenced commercial operations. Its business is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction (as defined).

These financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next twelve months. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. At July 31, 2008 (Unaudited), the Company had not yet achieved profitable operations, had working capital of \$950,717 and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and to identify, evaluate and negotiate an acquisition of, a participation in, or an investment of an interest in a Qualifying Transaction (as defined). The Company is required to complete its Qualifying Transaction on or before July 10, 2009. The Qualifying Transaction will be subject to shareholder and regulatory approval.

Note 2 Significant Accounting Policies

The financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates, which have been made using careful judgement. Actual results may differ from these estimates.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

a) Cash and Cash Equivalents

Cash and cash equivalents are highly liquid investments, such as term deposits with major financial institutions, having a term to maturity of three months or less at acquisition, that are readily convertible to specified amounts of cash.

Note 2 Significant Accounting Policies – (cont'd)

b) Technology and Amortization

Technology, such as patents, rights and licences purchased for use in research and development activities, is recorded at cost. The Company provides for amortization on the straight-line basis over their estimated economic lives.

c) Research and Development Costs

All research and development costs are expensed when incurred unless they meet specific criteria for deferral and amortization. The Company reassesses whether it has met the criteria for deferral and amortization at each reporting date. Development costs deferred are not amortized until completion of the related development project.

d) Adoption of New Accounting Standards

Effective November 1, 2006, the Company adopted new Canadian Institute of Chartered Accountants ("CICA") accounting standards: (i) Handbook Section 1530, Comprehensive Income; (ii) Handbook Section 3855, Financial Instruments – Recognition and Measurement; (iii) Handbook Section 3861, *Financial Instruments – Disclosure and Presentation*; (iv) Handbook Section 3862, *Financial Instruments – Disclosure and Presentation*; (v) Handbook Section 3863, *Financial Instruments – Presentation*; (vi) Handbook Section 3865, *Hedges*; and (vii) Handbook Section 1506, *Accounting Changes*; (viii) Handbook Section 1540, *Cash flow Statements*; and (ix) Handbook Section 1535, *Capital Disclosures*.

Consistent with the requirements of the new accounting standards, the Company has not restated any prior period amounts as a result of adopting the accounting changes. The effect of the adoption of these standards is summarized below:

i) 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 financial 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 realized. The adoption of this section had no impact on accumulated comprehensive income at November 1, 2006 and did not result in any comprehensive loss for the year ended October 31, 2007.

Note 2 Significant Accounting Policies – (cont'd)

d) Adoption of New Accounting Standards – (cont'd)

ii) Financial Instruments – Recognition and Measurement, Section 3855:

This standard sets out criteria for the recognition and measurement of financial instruments. This standard requires all financial instruments within its scope, including derivatives, to be included on the balance sheet and measured either at fair value or, in certain circumstances when fair value may not be considered most relevant, at cost or amortized cost. Changes in fair value are to be recognized in either net earnings (loss) or comprehensive income (loss).

All financial assets and liabilities are recognized when the Company becomes a party to the contract creating the item. As such, any of the Company's outstanding financial assets and liabilities at the effective date of adoption are recognized and measured in accordance with the new requirements as if these requirements had always been in effect.

All financial instruments are classified into one of the following five categories: held-for-trading, held to maturity, loans and receivables, available for sale financial assets, or other financial liabilities. Initial and subsequent measurement and recognition of changes in the value of financial instruments depends on their initial classification:

- Held-for-trading financial instruments are measured at fair value. All gains and losses resulting from changes in their fair value are included in net earnings (loss) in the period in which they arise.
- Held-to-maturity investments, loans and receivables, and other financial liabilities are initially measured at fair value and subsequently measured at amortized cost. Amortization of premiums or discounts and transaction costs are amortized into net earnings (loss), using the effective interest method.
- Available-for-sale financial assets are measured at fair value, with unrealized gains and losses recorded in other comprehensive income until the asset is realized, at which time they will be recorded in net earnings (loss).
- All derivative financial instruments are classified as held for trading financial instruments and are measured at fair value, even when they are part of a hedging relationship. All gains and losses resulting from changes in their fair value are included in net earnings (loss) in the period in which they arise.

Note 2 Significant Accounting Policies – (cont'd)

d) Adoption of New Accounting Standards – (cont'd)

ii) Financial Instruments – Recognition and Measurement, Section 3855: – (cont'd)

In accordance with this new standard, the Company has classified its financial instruments as follows:

- Cash and term deposit are classified as held-for-trading which are measured at fair value.
- Accounts payable and accrued liabilities are classified as other liabilities. They are initially measured at fair value. Subsequent valuations are recorded at amortized cost using the effective interest method.

The adoption of this section had no impact on the Company's opening deficit as at November 1, 2006.

iii) Financial Instruments – Disclosure and Presentation, Section 3861:

This standard sets out standards which address the presentation of financial instruments and non-financial derivatives and identifies the related information that should be disclosed. These standards also revise the requirements for entities to provide accounting policy disclosures, including disclosure of the criteria for designating as held-for-trading those financial assets or liabilities that are not required to be classified as held-for-trading; whether categories of normal purchases and sales of financial assets are accounted for at trade date or settlement date; the accounting policy for transaction costs on financial assets and financial liabilities classified as other than held-for-trading; and provides several new requirements for disclosure about fair value.

The Company has chosen to recognize all transaction costs in the Statements of Operations on financial liabilities that have been designated as other than held for trading.

iv) Financial Instruments – Disclosure and Presentation, Sections 3862 and 3863

These sections replace Handbook Section 3861 "Financial Instruments – Disclosure and Presentation", revising and enhancing its disclosure requirements, while leaving presentation requirements unchanged. Section 3862 places increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks. The adoption of these sections had no impact on the Company's financial results.

Note 2 Significant Accounting Policies – (cont'd)

d) Adoption of New Accounting Standards – (cont'd)

v) Hedging, Section 3865:

This standard specifies the circumstances under which hedge accounting is permissible and how hedge accounting may be performed. The Company currently does not hold any financial instruments designated for hedge accounting.

vi) Accounting Changes, Section 1506:

Section 1506 revised the standards on changes in accounting policy, estimates or errors to require a change in accounting policy to be applied retrospectively (unless doing so is impracticable or is specified otherwise by a new accounting standard), changes in estimates to be recorded prospectively, and prior period errors to be corrected retrospectively. Voluntary changes in accounting policy are permitted only when they result in financial statements that provide reliable and more relevant information. In addition, these revised standards call for enhanced disclosures about the effects of changes in accounting policies, estimates and errors on the financial statements. The impact of this new standard cannot be determined until such time as the Company makes a change in accounting policy, other than the changes resulting from the implementation of the new CICA Handbook standards, such as discussed in this note.

vii) Cash Distributions, Section 1540:

CICA Handbook Section 1540, Cash Flow Statements, has been amended to require additional disclosures where cash distributions are made in accordance with a contractual obligation for cash distributions. The revised requirements are effective for interim and annual financial statements for fiscal years ending on or after March 31, 2007. The adoption of this section had no impact on the Company's financial statements.

viii) Capital Disclosures, Section 1535:

The AcSB issued CICA Handbook Section 1535, Capital Disclosures. The section specifies the disclosure of (i) an entity's objectives, policies, and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with capital requirements; and (iv) if it has not complied, the consequences of such non-compliance. This new section relates to disclosures and will not have an impact on the Company's financial results. This section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007.

Note 2 Significant Accounting Policies – (cont'd)

e) Recently Released Canadian Accounting Standards

Assessing Going Concern

The Canadian Accountability Standards Board (“AcSB”) AcSB amended CICA Handbook Section 1400, to include requirements for management to assess and disclose an entity’s ability to continue as a going concern. This section applies to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008. Accordingly, the Company will adopt the new standard for its fiscal year beginning November 1, 2008. The adoption of this Section is not expected to result in any changes in the disclosure within the financial statements.

Goodwill and Intangible Assets

The AcSB issued CICA Handbook Section 3064 which replaces Section 3062, Goodwill and Other Intangible Assets, and Section 3450, Research and Development Costs. This new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. Standards concerning goodwill remain unchanged from the standards included in the previous Section 3062. The section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008. Accordingly, the Company will adopt the new standards for its fiscal year beginning November 1, 2008.

International financial reporting standards (“IFRS”)

In 2006, AcSB published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada’s own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended October 31, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

Note 2 Significant Accounting Policies – (cont'd)

f) Asset Retirement Obligations (“ARO”)

The Company records a liability for the fair value of the statutory, contractual or legal asset retirement obligations associated with the retirement and reclamation of tangible long-lived assets when the related assets are put into use, with a corresponding increase to the carrying amount of the related assets. This corresponding increase to capitalized costs is amortized to earnings on a basis consistent with depreciation, depletion, and amortization of the underlying assets. Subsequent changes in the estimated fair value of the ARO are capitalized and amortized over the remaining useful life of the underlying asset. The ARO liabilities are carried on the consolidated balance sheet at their discounted present value and are accreted over time for the change in their present value, with this accretion charge included in depreciation, depletion and amortization.

As at July 31, 2008 (Unaudited) and October 31, 2007 and 2006, the Company had no asset retirement obligations.

g) Impairment of Long-lived Assets

Canadian generally accepted accounting principles require that long-lived assets and intangibles to be held and used by the Company be reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If changes in circumstances indicate that the carrying amount of an asset that an entity expects to hold and use may not be recoverable, future cash flows expected to result from the use of the asset and its disposition must be estimated. If the undiscounted value of the future cash flows is less than the carrying amount of the asset, impairment is recognized. Management believes there has been no impairment of the Company's long-lived assets as at July 31, 2008 (Unaudited) and October 31, 2007 and 2006.

h) Future Income Taxes

The Company has adopted the asset and liability method of accounting for income taxes. Under this method, current income taxes are recognized for the estimated income taxes payable for the current period. Future income tax assets and liabilities are recognized for temporary differences between the tax and accounting basis of assets and liabilities as well as for the benefit of losses available to be carried forward to future years for tax purposes only if it is more likely-than-not that they can be realized.

Note 2 Significant Accounting Policies – (cont'd)

i) Basic and Diluted Loss Per Share

Basic loss per share is calculated by dividing the net loss for the year available to common shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. In a loss year, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive. Basic and diluted loss per share are the same for the years presented.

For the period ended July 31, 2008 (Unaudited), potentially dilutive common shares (relating to options outstanding at period-end) totalling 2,700,000 (the years ended October 31, 2007: 2,700,000 and October 31, 2006: Nil) were not included in the computation of loss per share because their effect was anti-dilutive.

j) Stock-based Compensation

The Company records a compensation cost attributable to all share purchase options granted at fair value at the grant date using the Black-Scholes valuation model and the cost is expensed over their vesting period with a corresponding increase to contributed surplus. Upon exercise of share purchase options, the consideration paid by the option holder, together with the amount previously recognized in contributed surplus, is recorded as an increase to share capital.

The Black-Scholes option valuation model requires the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate.

k) Accounting Policy Choice for Transaction Costs

On June 1, 2007, the Emerging Issues Committee of the CICA issued Abstract No. 166, Accounting Policy Choice for Transaction Costs ("EIC-166). This EIC addresses the accounting policy choice of expensing or adding transaction costs related to the acquisition of financial assets and financial liabilities that are classified as other than held-for-trading. Specifically, it requires that the same accounting policy choice be applied to all similar financial instruments classified as other than held-for-trading, but permits a different policy choice for financial instruments that are not similar. The Company has adopted EIC-166 effective November 1, 2007 and requires retroactive application to all transaction costs accounted for in accordance with CICA Handbook Section 3855, Financial Instruments – Recognition and Measurement. The Company has evaluated the impact of EIC-166 and determined that no adjustments are currently required.

Note 2 Significant Accounting Policies – (cont'd)

l) Equipment and Amortization

Equipment is recorded at cost. The Company provides for amortization at the following rate:

Computer equipment	45% declining balance
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One-half of the amortization is taken in the year of acquisition.

m) Deferred Share Issue Costs

Deferred share issue costs represent costs incurred in respect to the Company's proposed financing. The amounts will be deducted from share capital proceeds when the financing is completed or expensed to operations if it does not complete.

Note 3 Term Deposit

The term deposit bears interest at 3.75% per annum and matures on July 7, 2009.

Note 4 Equipment

	<u>July 31, 2008 (Unaudited)</u>		
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>
Computer equipment	\$ 1,257	\$ 212	\$ 1,045

The Company had no equipment as at October 31, 2007 and 2006.

Note 5 Advances and Deferred Acquisition Costs

By a letter of intent dated October 3, 2007 and formalized on September 26, 2008, the Company entered into a Research and License Agreement (the "License Agreement") with TFChem S.A.R.L. ("TFC"), a biopharmaceutical company based in Rouen, France to license a technology and to provide TFC with research and development funding to develop a chemical process that would be used in the treatment of diabetes and obesity. Should the process be successfully developed, the licensor will apply for patents with the maximum reasonably possible scope and those rights will be subject to the license.

As consideration for the research program, the Company will make the following payments and common share issuances:

- a) the sum of €300,000 (\$480,000) excluding taxes, during the first year of the License Agreement and shall be paid out in four instalments:

Note 5 Advances and Deferred Acquisition Costs – (cont'd)

- a) – (cont'd)
 - i) a first payment of €120,000 (\$192,000) within five business days of receipt by TFC from the Company of notice that the License Agreement and the Qualifying Transaction have been accepted by the Exchange;
 - ii) a second payment of €80,000 (\$128,000) four months after payment one;
 - iii) a third payment of €50,000 (\$80,000) two months after payment two; and
 - iv) a fourth payment of €50,000 (\$80,000) three months after payment three.
- b) the sum of €300,000 (\$480,000) excluding taxes, during the second year of the License Agreement and shall be paid in four instalments:
 - i) a first payment of €120,000 (\$192,000) on or before September 26, 2009;
 - ii) a second payment of €80,000 (\$128,000) four months after payment one;
 - iii) a third payment of €50,000 (\$80,000) two months after payment two; and
 - iv) a fourth payment of €50,000 (\$80,000) three months after payment three.

As consideration of the rights and licenses granted, the Company shall pay to TFC:

- a) five percent of the net revenues arising from a sale by the Company; and
- b) ten percent of all revenues received from the Company from sub-licensees.

As consideration of the license, the Company will issue common shares to TFC as follows:

- a) one million shares within thirty days of the acceptance by the TSX Venture Exchange of the License Agreement and the Qualifying Transaction;
- b) two million shares within thirty days of the determination by the Steering Committee that a Lead Compound has been synthesized by TFC; and
- c) two million shares on the earlier of:
 - i) the conclusion by the Company of a sub-license of any licensed products; or
 - ii) the Company's notice to TFC in writing that the Company will undertake Phase 1 clinical testing of any identified Lead Compound on its own.

All common shares issued to TFC will be subject to such escrow requirements as may be imposed by the Exchange.

As at July 31, 2008 (Unaudited), the Company had incurred \$113,186 (October 31, 2007: \$80,011) for various costs related to the acquisition of this technology. The various costs will be capitalized as intangible technology rights. Should the Qualifying Transaction not be completed, these costs will be charged to net income for the period.

Subsequent to July 31, 2008, the Company paid \$379,455 (€241,400) to TFC as an advance on the License Agreement.

Note 6 Share Capital – Note 5

a) Authorized:

Unlimited common shares without par value

b) Issued:

		<u>Number</u>	<u>Amount</u>	<u>Contributed Surplus</u>
Balance, October 19, 2006		-	\$ -	\$ -
Issued:				
Subscriber share	- at \$1.00	<u>1</u>	<u>1</u>	<u>-</u>
Balance, October 31, 2006		1	\$ 1	-
For cash:				
Share repurchased by Company and cancelled		(1)	(1)	-
Pursuant to a private placement	-at \$0.05	10,000,000	500,000	-
Pursuant to initial public offering	- at \$0.10	8,500,000	850,000	-
Share issue costs – cash		-	(127,149)	-
– agent’s options		-	(51,000)	51,000
Stock-based compensation		<u>-</u>	<u>-</u>	<u>129,500</u>
Balance, October 31, 2007 and July 31, 2008 (Unaudited)		<u>18,500,000</u>	<u>\$ 1,171,851</u>	<u>\$ 180,500</u>

c) Commitments:

The Company has a stock option plan whereby the board of directors of the Company may from time to time, in its discretion and in accordance with the Exchange requirements, grant to directors, officers and technical consultants to the Company non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance does not exceed 10% of the issued and outstanding common shares exercisable for a period of up to 5 years from the date of grant. The maximum number of common shares reserved for issuance to any individual director or officer cannot exceed 5% of the issued and outstanding common shares at the date of the grant and the maximum number of common shares reserved for issuance to all technical consultants cannot exceed 2% of the issued and outstanding common shares at the date of the grant. The exercise price of each option granted under the plan may not be less than the Discounted Market Price (as that term is defined in the policies of the Exchange). Options may be exercised up to 90 days following cessation of the optionee’s position with the Company, provided that if the cessation of office, directorship or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. Any common shares acquired pursuant to the exercise of options prior to the completion of the Qualifying Transaction must be deposited in escrow and will be subject to escrow restrictions.

Note 6 Share Capital – Note 5 – (cont'd)

c) Commitments: – (cont'd)

During the year ended October 31, 2007 and the nine months ended July 31, 2008 (Unaudited), the Company granted share purchase options entitling the holders to acquire an equal number of common shares as follows:

	<u>Number</u>	<u>Weighted Average Exercise Price</u>
Options outstanding and exercisable at October 19, 2006 and October 31, 2006	-	-
Granted	<u>2,700,000</u>	<u>\$0.10</u>
Options outstanding and exercisable at October 31, 2007 and July 31, 2008 (Unaudited)	<u>2,700,000</u>	<u>\$0.10</u>

At July 31, 2008 (Unaudited), the weighted average contractual life remaining of all stock options granted is 2.83 years (October 31, 2007: 3.58 years and October 31, 2006: N/A). The share purchase options vest upon granting.

At October 31, 2007 and at July 31, 2008 (Unaudited), the share purchase options outstanding are as follows:

<u>Number of Shares</u>	<u>Exercise Price Per Share</u>	<u>Expiry Date</u>
850,000	\$0.10	January 10, 2009
<u>1,850,000</u>	\$0.10	July 10, 2012
<u>2,700,000</u>		

On January 10, 2009, 850,000 share purchase options expired unexercised.

During the period ended July 31, 2008 (Unaudited), the Company recorded stock-based compensation totalling \$Nil (October 31, 2007: \$129,500, July 31, 2007 (Unaudited): \$129,500, October 31, 2006: \$Nil) as director and officer compensation. During the period ended July 31, 2008 (Unaudited), the Company also recorded stock-based compensation totalling \$Nil (October 31, 2007: \$51,000, July 31, 2007 (Unaudited): \$51,000, October 31, 2006: \$Nil) as share issue costs with respect to agent's options granted.

Note 6 Share Capital – Note 5 – (cont'd)

c) Commitments: – (cont'd)

The fair value of the options granted was estimated using the Black-Scholes option pricing model with the following estimated assumptions:

	<u>2007</u>
Risk-free interest rate	4.04% - 3.28%
Dividend yield	0%
Volatility	96.8% - 140.8%
Expected life	1.5 – 5 years

d) Escrow Shares:

As at July 31, 2008 (Unaudited), there were 10,680,000 (October 31, 2007: 10,000,000, July 31, 2007 (Unaudited): Nil, and October 31, 2006: Nil) common shares in escrow.

The above issued common shares will be held in escrow, subject to Section 11(5) of Policy 2.4 of the Exchange. After the completion of the Company's Qualifying Transaction as required by the British Columbia Securities Commission and the Exchange, the escrow shares will be released pro rata to the escrow shareholder as follows:

- i) 10% upon final exchange approval to a qualifying transaction by the company;
- ii) 15% six months following the initial release;
- iii) 15% twelve months following the initial release;
- iv) 15% eighteen months following the initial release;
- v) 15% twenty-four months following the initial release;
- vi) 15% thirty months following the initial release; and
- vii) 15% thirty-six months following the initial release.

As all of these escrow shares are considered contingently issuable until the Company completes the Qualifying Transaction, they are not considered to be outstanding shares for purposes of loss per share calculations. Consequently, these shares are not included in weighted average number of common shares outstanding.

e) Cash Restrictions:

The proceeds raised from the issuance of the share capital may only be used to identify and evaluate assets or businesses for future investments, with the exception that up to 30% of the gross proceeds may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of the Qualifying Transaction by the Company as defined under the policies of the Exchange.

Note 7 Income Tax

At July 31, 2008 (Unaudited), the Company has available non-capital losses of \$203,175, which may be carried forward to reduce taxable income in future years. The non-capital losses expire as follows:

2026	\$	6
2027		112,857
2028		<u>90,312</u>
	\$	<u>203,175</u>

A rate reconciliation of income taxes at the statutory rate is as follows:

	(Unaudited)			
	Nine months ended July 31,		Year ended October 31,	
	<u>2008</u>	<u>2007</u>	<u>2007</u>	<u>2006</u>
Loss before income taxes	\$ (65,318)	\$ (197,236)	\$ (218,125)	\$ (6)
Statutory income tax rates	<u>32.51%</u>	<u>34.12%</u>	<u>34.12%</u>	<u>34.12%</u>
Expected income tax recovery	\$ (21,200)	\$ (67,300)	\$ (74,400)	\$ (2)
Non-deductible stock-based compensation and other items	100	44,300	44,600	-
Effect of reduction in statutory rate	4,200	5,500	-	-
Net change in valuation allowance	<u>16,900</u>	<u>17,500</u>	<u>29,800</u>	<u>2</u>
Total income tax recovery	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

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

	(Unaudited)			
	Nine months ended July 31,		Year ended October 31,	
	<u>2008</u>	<u>2007</u>	<u>2007</u>	<u>2006</u>
Non-capital losses	\$ 53,000	\$ 29,000	\$ 2	
Share issue costs	20,000	27,000	-	
Less: valuation allowance	<u>(73,000)</u>	<u>(56,000)</u>	<u>(2)</u>	
	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	

The Company has recorded a valuation allowance against its future income tax assets based on the extent to which it is more-likely-than-not that sufficient taxable income will be realized during the carry-forward period to utilize all the future tax assets.

Note 8 Non-cash Transactions

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statements of cash flows.

During the nine months ended July 31, 2008 (Unaudited) there were no non-cash transactions.

During the nine months ended July 31, 2007 (Unaudited):

- the Company issued 10,000,000 common shares at \$0.05 per share. Proceeds received as at October 31, 2006 and recorded as share subscriptions in the amount of \$100,000 have been utilized for this share issuance.
- the Company valued 850,000 agent's options at a fair value of \$51,000. This amount was included as share issuance costs and contributed surplus.

During the year ended October 31, 2007:

- the Company issued 10,000,000 common shares at \$0.05 per share. Proceeds received as at October 31, 2006 and recorded as share subscriptions in the amount of \$100,000 have been utilized for this share issuance.
- the Company valued 850,000 agents' options at a fair value of \$51,000. This amount was included as share issuance costs and contributed surplus.

During the period ended October 31, 2006 there were no non-cash transactions.

These transaction were excluded from the statements of cash flows.

Note 9 Comparative Figures

Certain of the prior periods' comparative figures have been reclassified to conform with the presentation used in the current period.

Note 10 Related Party Transaction

The Company paid \$5,000 in management consulting fees to a director of the Company during the nine months ended July 31, 2008 (Unaudited) (year ended October 31, 2007 and 2006: \$Nil, nine months ended July 31, 2007 (Unaudited): \$Nil).

Note 11 Capital Disclosures

The Company manages its capital, consisting of shareholders' equity, in a manner consistent with the risk characteristics of the assets it holds. All sources of financing are analyzed by management and approved by the board of directors.

Note 11 Capital Disclosures – (cont'd)

The Company's objectives when managing capital are:

- a) to safeguard the Company's ability to continue as a going concern; and
- b) to facilitate the completion of the Qualifying Transaction with TFC.

The Company is meeting its objective of managing capital through its detailed review and preparation of short-term and long-term cash flow analysis to ensure an adequate amount of liquidity and monthly review of financial results.

Note 12 Subsequent Events - Note 5

The Company retained Union Securities Ltd. ("Union") to sponsor its listing on Tier 2 of the TSX Venture Exchange. Pursuant to an agreement signed on February 5, 2009, Union will be paid a fee of \$25,000 and issued 150,000 common shares of the Company as consideration for its services.

The Company has received \$467,000 to date under a private placement for a minimum 4,000,000 Units and a maximum of 6,000,000 Units at \$0.15 per unit to raise proceeds of no less than \$600,000 and up to \$900,000. Each unit will consist of one common share of the Company and one share purchase warrant exercisable to acquire a further common share at \$0.20 per share for two years from the date of issue. Parties who identify purchasers of Units (other than Insiders) to the Company will be paid a commission of 10% of the gross proceeds of the sale of Units to such purchasers and issued finder's warrants equal to 10% of the number of Units sold to such purchasers. Each finder's warrant is exercisable to purchase one common share of the Company at \$0.20 per share for two years from the date of closing of the private placement.

The Company received conditional acceptance for its proposed Qualifying Transaction and the private placement from the TSX Venture Exchange on February 25, 2009.

Note 13 Concentration Risk

Credit and Liquidity Risk

The Company does not believe it is subject to any significant credit or liquidity risk other than the cash balance being held in one financial institution.

Currency Risk

The Company does not believe it is exposed to significant currency risk as funds are held in Canadian currency.

Note 13 Concentration Risk - (cont'd)

Interest Rate Risk

The Company is exposed to the risk that the fair value of financial instruments will change due to movement in market interest rates. The Company does not hold interest-bearing debt with long-term maturities and therefore does not believe that interest rate risk is significant. The Company does not use derivative instruments to reduce its interest rate risk as the Company's management believes that the likely financial impact of interest rate change does not justify using derivatives.

SCHEDULE A

AUDIT COMMITTEE CHARTER

1. PURPOSE

1.1 The primary functions of the Audit Committee of High Rider Capital Inc. (the “Company”) are to fulfill its responsibilities in relation to reviewing the integrity of the Company’s financial statements, financial disclosures and internal controls over financial reporting; monitoring the system of internal control; monitoring the Company’s compliance with legal and regulatory requirements; selecting the external auditors for shareholder approval; and reviewing the qualifications, independence and performance of the external auditors.

2. MEMBERSHIP AND ORGANIZATION

2.1 **Composition** - Subject to paragraph 2.6, the Audit Committee shall consist of not less than three independent members of the Board. At the invitation of the Audit Committee, members of the Company’s management and others may attend Audit Committee meetings as the Audit Committee considers necessary or desirable.

2.2 **Appointment and Removal of Audit Committee Members** - Each member of the Audit Committee shall be appointed by the Board on an annual basis and shall serve at the pleasure of the Board, or until the earlier of (a) the close of the next annual meeting of shareholders of the Company at which the member’s term of office expires, (b) the death of the member or (c) the resignation, disqualification or removal of the member from the Audit Committee or from the Board. The Board may fill a vacancy in the membership of the Audit Committee.

2.3 **Chair** - At the time of the annual appointment of the members of the Audit Committee, the Board shall appoint a Chair of the Audit Committee. The Chair shall be a member of the Audit Committee, preside over all Audit Committee meetings, coordinate the Audit Committee’s compliance with this mandate, work with management to develop the Audit Committee’s annual work-plan and provide reports of the Audit Committee to the Board. The Chair may vote on any matter requiring a vote and shall provide a second vote in the case of a tie vote.

2.4 **Independence** - Subject to paragraph 2.6, each member of the Audit Committee shall be an “independent” (as such term is used in Multilateral Instrument 52-110 - Audit Committees (“MI 52-110”).

2.5 **Financial Literacy** - Subject to paragraph 2.6, members of the Audit Committee shall be financially literate or agree to become financially literate within a reasonable period of time following the member’s appointment. An individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

2.6 **Venture Issuer** - For so long as the Company is a “venture issuer” as defined in MI 52-110, it is not required to comply with the provisions of paragraph 2.1 “Composition”, 2.4 “Independence” or 2.4 “Financial Literacy” above. In the event the Company cannot comply with all or a part of these provisions, then the Committee shall be comprised of not less than three members of the Board, a majority of whom are not officers or employees of the Company or a subsidiary of the Company.

3. MEETINGS

3.1 **Meetings** - The members of the Audit Committee shall hold meetings as are required to carry out this mandate, and in any case no less than four meetings annually. The external auditors are entitled to

attend and be heard at each Audit Committee meeting. The Chair, any member of the Audit Committee, the external auditors, the Chairman of the Board or the President and Chief Executive Officer may call a meeting of the Audit Committee. The Chair shall chair all Audit Committee meetings that he or she attends, and in the absence of the Chair, the members of the Audit Committee present may appoint a Chair from their number for a meeting.

3.2 **Secretary and Minutes** - The Corporate Secretary, his or her designate or any other person the Audit Committee requests, shall act as secretary at Audit Committee meetings. Minutes of Audit Committee meetings shall be recorded and maintained by the Corporate Secretary and subsequently presented to the Audit Committee for approval.

3.3 **Quorum** - A majority of the members of the Audit Committee shall constitute a quorum. If a quorum cannot be obtained for an Audit Committee meeting, members of the Board who would qualify as members of the Audit Committee may, at the request of the Chair or the Chairman of the Board, serve as members of the Audit Committee for that meeting.

3.4 **Access to Management and Outside Advisors** - The Audit Committee shall have unrestricted access to management and employees of the Company, and, from time to time may hold meetings with the external auditor, the Chief Financial Officer or the President and Chief Executive Officer. The Audit Committee shall have the authority to retain and terminate external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the respective compensation for these advisors without consulting or obtaining the approval of the Board or any officer of the Company. The Company shall provide appropriate funding, as determined by the Audit Committee, for the services of these advisors.

3.5 **Meetings Without Management** - The Audit Committee shall hold unscheduled or regularly scheduled meetings, or portions of regularly scheduled meetings, at which management is not present.

4. **FUNCTIONS AND RESPONSIBILITIES**

The Audit Committee shall have the functions and responsibilities set out below as well as any other functions that are specifically delegated to the Audit Committee by the Board. In addition to these functions and responsibilities, the Audit Committee shall perform the duties required of an audit committee by applicable corporate securities laws, the binding requirements of the stock exchanges on which the securities of the Company are listed, and all other applicable laws.

4.1 **Financial Reports**

- (a) **General** - The Audit Committee is responsible for reviewing the integrity of the Company's financial statements and financial disclosures. Management is responsible for the preparation, presentation and integrity of the Company's financial statements and financial disclosures and for the appropriateness of the accounting principles and the reporting policies used by the Company. The external auditors are responsible for auditing the Company's annual consolidated financial statements and, if requested by the Company, for reviewing the Company's unaudited interim financial statements.
- (b) **Review of Annual Financial Reports** - The Audit Committee shall review the annual consolidated audited financial statements of the Company, the external auditors' report thereon and the related management's discussion and analysis of the Company's financial condition and results of operation to determine whether they present fairly, in all material respects in accordance with Canadian generally accepted accounting principles, or any other generally accepted accounting principles in which the financial statements of the Company are prepared from time to time, the financial condition, results of operations and cash flows of the Company. After completing its review, if advisable, the Audit

Committee shall approve and recommend for Board approval the annual financial statements and the related MD&A.

- (c) **Review of Interim Financial Reports** - The Audit Committee shall review the interim consolidated financial statements of the Company, the external auditors review report thereon, if applicable, and the related MD&A to determine whether they present fairly, in all material respects in accordance with GAAP, the financial condition, results of operations and cash flows of the Company. After completing its review, if advisable, the Audit Committee shall, if so authorized by the Board, approve the interim financial statements and the related MD&A, or if not authorized by the Board, then approve and recommend for Board approval.
- (d) **Review Considerations** - In conducting its review of the annual financial statements or the interim financial statements, the Audit Committee shall:
 - (i) meet with management and the external auditors to discuss the financial statements and MD&A;
 - (ii) review the disclosures in the financial statements;
 - (iii) review the audit report or review report prepared by the external auditors;
 - (iv) discuss with management, the external auditors and legal counsel, as requested, any litigation claim or other contingency that could have a material effect on the financial statements;
 - (v) review critical accounting and other significant estimates and judgements underlying the financial statements as presented by management;
 - (vi) review any material effects of regulatory accounting initiatives or off-balance sheet structures on the financial statements as presented by management;
 - (vii) review any material changes in accounting policies and any significant changes in accounting practices and their impact on the financial statements as presented by management;
 - (viii) review management's report on the effectiveness of internal controls over financial reporting;
 - (ix) review results of the Company's whistleblowing program; and
 - (x) review any other matters, related to the financial statements, that are brought forward by the external auditors, management or which are required to be communicated to the Audit Committee under accounting policies, auditing standards or applicable law.

4.2 **Approval of Other Financial Disclosures** - The Audit Committee shall review and, if advisable, approve and recommend for Board approval financial disclosure in a prospectus or other securities offering document of the Company, press releases disclosing financial results of the Company and any other material financial disclosure, including in Management Information Circulars and Annual Information Forms.

4.3 External Auditors

- (a) **General** -The Audit Committee shall be responsible for oversight of the work of the external auditors in auditing and reviewing the Company's financial statements and internal controls over financial reporting.
- (b) **Appointment and Compensation** - The Audit Committee shall review and, if advisable, select and recommend (i) for shareholder approval, the appointment of the external auditors and (ii) for shareholder or Board approval, as applicable, the compensation of the external auditors.
- (c) **Annual Review Report** - At least annually, the Audit Committee shall obtain and review a report by the external auditors describing: (i) their internal quality-control procedures and (ii) any material issues raised by their most recent internal quality-control review, peer review or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the external auditors and any steps taken to deal with any of these issues.
- (d) **Audit Plan** - At least annually, the Audit Committee shall review a summary of the external auditors' annual audit plan. The Audit Committee shall consider and review with the external auditors any material changes to the scope of the plan.
- (e) **Quarterly Review Report** - If the external auditors review the Company's unaudited interim financial statements, then the Audit Committee shall review a quarterly review report prepared by the external auditors in respect of each of the interim financial statements of the Company.
- (f) **Independence of External Auditors** - At least annually, and before the external auditors issue their report on the annual financial statements, the Audit Committee shall obtain from the external auditors a formal written statement describing all relationships between the external auditors and the Company, discuss with the external auditors any disclosed relationships or services that may affect the objectivity and independence of the external auditors, and obtain written confirmation from the external auditors that they are objective and independent within the meaning of the Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which it belongs.
- (g) **Evaluation and Rotation of Lead Partner** - At least annually, the Audit Committee shall review the qualifications and performance of the lead partners of the external auditors. The Audit Committee shall obtain a report from the external auditors annually verifying that the lead partner of the external auditors has served in that capacity for no more than five fiscal years of the Company and that the engagement team collectively possesses the experience and competence to perform an appropriate audit.
- (h) **Pre-Approval of Non-Audit Services** - The Audit Committee shall pre-approve any retainer of the external auditors for any non-audit service to the Company in accordance with applicable law and Board approved policies and procedures. The Audit Committee may delegate pre-approval authority to a member of the Audit Committee. The decisions of any member of the Audit Committee to whom this authority has been delegated must be presented to the full Audit Committee at its next scheduled Audit Committee meeting.
- (i) **Hiring Practices** - The Audit Committee shall review and approve guidelines regarding the hiring of employees or former employees of the external auditors.

4.4 **Internal Controls**

- (a) **General** - The Audit Committee shall monitor the system of internal control.
- (b) **Establishment, Review and Approval** - The Audit Committee shall require management to implement and maintain appropriate systems of internal control in accordance with applicable laws, regulations and guidance, including internal control over financial reporting and disclosure and to review, evaluate and approve these procedures. At least annually, the Audit Committee shall consider and review with management and the external auditors:
 - (i) the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Company's internal controls (including computerized information system controls and security); the overall control environment for managing business risks; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions.
 - (ii) any significant changes in internal control over financial reporting that are disclosed, or considered for disclosure, including those in the Company's periodic regulatory filings;
 - (iii) any material issues raised by any inquiry or investigation by the Company's regulators;
 - (iv) any related significant issues and recommendations of the external auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

4.5 **Whistleblowing Procedures** - The Audit Committee shall review and approve the establishment by management of procedures for the receipt, retention and treatment of complaints received by the Company from employees or others, regarding accounting, internal accounting controls, or auditing matters.

4.6 **Succession Planning** - In consultation with the Board, the Audit Committee shall review succession plans for the Chief Financial Officer and the Chief Accountant or Controller of the Company. The Audit Committee shall review candidates for the position of Chief Financial Officer of the Company and make recommendations to the Board with respect to the appointment of a Chief Financial Officer.

4.7 **Adverse Investments and Transactions** - The Audit Committee shall review any investments and transactions that could adversely affect the well-being of the Company.

4.8 **Audit Committee Disclosure** - The Audit Committee shall review and approve any audit committee disclosures required by securities regulators in the Company's disclosure documents.

4.9 **Assessment of Regulatory Compliance** - The Audit Committee shall review management's assessment of compliance with laws and regulations as they pertain to responsibilities under this mandate, report its findings to the Board and recommend changes it considers appropriate.

4.10 **Delegation** - The Audit Committee may designate a sub-committee to review any matter within this mandate as the Audit Committee deems appropriate.

5. REPORTING TO THE BOARD

5.1 The Chair shall report to the Board, as required by applicable law or as deemed necessary by the Audit Committee or as requested by the Board, on matters arising at Audit Committee meetings and, where applicable, shall present the Audit Committee's recommendation to the Board for its approval.

Approved and adopted by the Board effective December 9, 2006.

CERTIFICATE OF THE COMPANY

Date: March 13, 2009

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

HIGH RIDER CAPITAL INC.

(signed) "Howard Verrico"

Howard Verrico

President and Chief Executive Officer

(signed) "Roger MacInnis"

Roger MacInnis

Chief Financial Officer and Secretary

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) "Alex Marazzi"

Alex Marazzi

Director

(signed) "Christopher Verrico"

Christopher Verrico

Director