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

PROSPECTUS

Initial Public Offering August 21, 2007

POCONO CAPITAL INC.
(a capital pool company)

Minimum Offering: $400,000 or 2,000,000 Class A Common Shares
Maximum Offering: $800,000 or 4,000,000 Class A Common Shares

Price: $0.20 per Class A Common Share

The purpose of this offering (the "Offering") is to provide Pocono Capital Inc. (the "Corporation") with a minimum of funds with which to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction, as hereafter defined. The Corporation hereby offers a minimum of 2,000,000 (the "Minimum Offering") and a maximum of 4,000,000 (the "Maximum Offering") Class A common shares ("Common Shares") to the public at a price of $0.20 per share. Any proposed Qualifying Transaction must be approved by the TSX Venture Exchange Inc. (the "Exchange") and, in the case of a Non Arm's Length Qualifying Transaction, must also receive Majority of the Minority Approval, as hereafter defined, in accordance with Exchange Policy 2.4 (the "CPC Policy"). The Corporation is a Capital Pool Company ("CPC"). It has not commenced commercial operations and has no assets other than a minimum amount of cash. Except as specifically contemplated in the CPC Policy, until the completion of the Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a proposed Qualifying Transaction. See "Use of Proceeds" and "Business of the Corporation".

	Common Shares	**Price to Public**	**Agent's Commission(1)**	**Net Proceeds to the Corporation(2)**
Per Common Share	1	$0.20	$0.02	$0.18
Minimum Offering	2,000,000	$400,000	$40,000	$360,000
Maximum Offering	4,000,000	$800,000	$80,000	$720,000

Notes:

(1) A commission of 10% of the gross proceeds (the "Agent's Commission") will be paid to Pope & Company Limited (the "Agent"). The Agent will be paid a corporate finance fee of $25,000 plus taxes, will be reimbursed by the Corporation for its legal fees of $10,000 and will be granted a non-transferable option to acquire a minimum of 200,000 Common Shares and a maximum of 400,000 Common Shares at a price of $0.20 per Common Share, exercisable for a period ending 24 months from the date of listing of the Common Shares on the Exchange (the "Agent's Option"). See "Plan of Distribution".

(2) Before deducting the expenses of this issue estimated at $75,000, plus taxes, and the corporate finance fee of $25,000 plus taxes. See "Use of Proceeds".

(3) In addition, this prospectus qualifies for distribution the Agent's Option and the options to purchase a minimum of 325,000 Common Shares and a maximum of 525,000 Common Shares which are to be granted to the directors and officers of the Corporation. See "Plan of Distribution" and "Options to Purchase Securities".

The Offering is made on a best efforts basis by Pope & Company Limited (the "Agent") pursuant to an agency agreement entered into between the Corporation and the Agent (the "Agency Agreement") and is subject to a minimum subscription of 2,000,000 Common Shares for total gross proceeds to the Corporation of $400,000 and subject to approval of certain legal matters by Yves Dupras, lawyer, of Montreal, Quebec, on behalf of the Corporation and by TingleMerrett LLP, of Calgary, Alberta, on behalf of the Agent. The offering price of the Common Shares was determined by negotiation between the Corporation and the Agent. All funds received from subscriptions for Common Shares will be held by the Agent pursuant to the terms of the Agency Agreement. If the Minimum Offering is not raised within 90 days of the issuance of a receipt for the final prospectus or such other time as may be consented to by persons or companies who subscribed within that period, all subscription monies will be returned to subscribers without interest or deduction, unless the regulatory authorities authorize an extension and the consent of the subscribers thereto is obtained and unless the subscribers have otherwise instructed the Agent. See "Plan of Distribution".

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

Other than the initial distribution of the Common Shares pursuant to this prospectus, the grant of the Agent's Option and the grant of stock options to the directors and officers of the Corporation, trading in securities of the Corporation shall not be permitted during the period between the date of issuance of a receipt for the preliminary prospectus by the securities regulatory authorities of the provinces of Ontario, Alberta and British Columbia and the time the Common Shares are listed for trading except, subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable securities regulatory authorities grant a discretionary order.

INVESTMENT IN THE COMMON SHARES OFFERED BY THIS PROSPECTUS IS HIGHLY SPECULATIVE DUE TO THE NATURE OF THE CORPORATION'S BUSINESS AND ITS PRESENT STAGE OF DEVELOPMENT. This Offering is suitable only to those investors who are prepared to rely solely on management of the Corporation and to risk the loss of their entire investment. The Corporation has neither a history of earnings nor has it paid any dividends and it is unlikely to generate earnings or pay dividends in the immediate or foreseeable future. The Corporation was only recently incorporated and does not own any ongoing business operations and has no assets other than cash. The Corporation has not entered into an Agreement in Principle, as hereinafter defined. There is no assurance that the Corporation will identify and successfully negotiate the acquisition of any potential corporations, properties, assets or businesses, or any interests therein, nor that any such opportunities or businesses acquired will be profitable. Moreover, additional funds may be required to successfully complete an acquisition, and the Corporation may not be able to obtain such financing or may not be able to raise sufficient funds to take a meaningful position in a potential target. If the acquisition is financed by the issuance of shares from the Corporation's treasury, control of the Corporation may change and shareholders may suffer additional dilution. The directors and officers of the Corporation will only be devoting a portion of their time to the affairs of the Corporation. Potential conflicts of interest may result from the ordinary course of business of the Corporation and of the directors and officers of the Corporation. Furthermore, it may be difficult or impossible to effect service or notice to commence legal proceedings upon any directors, officers or experts located in foreign countries and it may not be possible to enforce judgments obtained in Canada against such persons or the Corporation. Subscribers acquiring Common Shares under this Offering will suffer an immediate dilution of 19.23% or $0.0384 per Common Share if the Minimum Offering is subscribed and 11.90% or $0.0238 per Common Share if the Maximum Offering is subscribed, based on the gross proceeds of this issue and sales of securities prior to filing this prospectus, without deduction of commissions or related expenses incurred by the Corporation. See "Business of the Corporation", "Use of Proceeds", "Directors, Officers and Promoter" and "Risk Factors".

The Exchange may suspend from trading or delist the Common Shares of the Corporation where the Exchange has not issued a Final Exchange Bulletin to the CPC within 24 months of the date of listing. The Ontario Securities Commission, the Alberta Securities Commission and the British Columbia Securities Commission (collectively the "Commissions") may issue an interim cease trade order against the Corporation's securities if the Common Shares of the Corporation are suspended from trading on the Exchange, and will issue such an interim cease trade order if the Corporation is delisted from the Exchange.

In addition, delisting of the Common Shares will result in (a) the cancellation of all of the currently issued and outstanding Common Shares held by Insiders that are Discount Seed Shares within the meaning of the CPC Policy; or (b) if the Corporation applies for listing on NEX rather than be delisted, subject to majority shareholder approval, the cancellation of an amount of the Discount Seed Shares purchased by Non Arm's Length Parties to the CPC so that the average cost of the remaining Discount Seed Shares is at least equal to the Initial Public Offering price. See "Risk Factors".

Pursuant to the CPC Policy, no purchaser of the Common Shares is permitted to directly or indirectly purchase more than 2% (40,000 in the case of the Minimum Offering and 80,000 in the case of the Maximum Offering) of the total Common Shares offered under this prospectus. In addition, the maximum number of Common Shares that may directly or indirectly be purchased by a purchaser, together with any Associates or Affiliates of that purchaser, is 4% (80,000 in the case of the Minimum Offering and 160,000 in the case of the Maximum Offering) of the total number of Common Shares offered under this prospectus.

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

Pope & Company Limited
15 Duncan Street
Toronto ON M5H 3P9

Contact person: James Doyle
Telephone: (416) 593-5535
Fax: (416) 593-5099

TABLE OF CONTENTS

GLOSSARY

"Affiliate" means a Company that is affiliated with another Company as described below.

A Company is an "Affiliate" of another Company if:

(a) one of them is the subsidiary of the other, or

(b) each of them is controlled by the same Person.

A Company is "controlled" by a Person if:

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

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

A Person beneficially owns securities that are beneficially owned by:

(a) a Company controlled by that Person, or

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

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

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

(b) identifies the parties to the Qualifying Transaction;

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

(d) identifies the conditions to any further formal agreements to complete the transaction, and

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

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

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

(b) any partner of the person or Company,

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

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

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

(ii) any relative of the person or of his spouse who has the same residence as that person;

but

(e) where the Exchange determines that two persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D with respect to that Member firm, Member corporation or holding company.

"CPC" means a corporation:

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

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

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

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

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

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

"**Eligible Charitable Organization**" means:

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

(b) a Registered National Arts Service Organization*.

"**Exchange**" means the TSX Venture Exchange Inc.

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

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

"Initial Public Offering" or "IPO" means a transaction that involves an issuer issuing securities from its treasury pursuant to its first prospectus.

---

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

"**Insider**" if used in relation to an Issuer, means:

(a) a director or senior officer of the Issuer;

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

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

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

"**Majority of the Minority Approval**" means the approval of a Non Arm's Length Qualifying Transaction by the majority of the votes cast by shareholders, other than:

(a) Non Arm's Length Parties to the CPC;

(b) Non Arm's Length Parties to the Qualifying Transaction; and

(c) in the case of a Related Party Transaction:

(i) if the CPC holds its own shares, the CPC, and

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

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

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

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

"NEX" means the market on which former Exchange and Toronto Stock Exchange issuers that do not meet Exchange TMR for Tier 2 Issuers may continue to trade.

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

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

"**Non Arm's Length Qualifying Transaction**" means a proposed Qualifying Transaction where the same party or parties or their respective Associates or Affiliates are Control Persons both in the CPC and in relation to the Significant Assets which are the subject of the proposed Qualifying Transaction.

"**Person**" means a Company or individual.

"**Principal**" means:

(a) a person or Company who acted as a promoter of the issuer within two years or their respective Associates or Affiliates, before the 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 than 10% of the voting rights attached to the issuer's outstanding securities immediately before and immediately after the issuer's IPO or immediately after the Final Exchange Bulletin for non IPO transactions; and

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

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

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

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

"Pro Group"

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

(i) the Member;

(ii) employees of the Member;

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

(iv) Affiliates of the Member; and

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

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

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

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

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

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

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

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

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

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

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval.

"Seed Shares" means securities issued before an Issuer's IPO, regardless of whether the securities are subject to resale restrictions or are free trading.

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

"**Sponsor**" has the meaning specified in Exchange Policy 2.2 – Sponsorship and Sponsorship Requirements.

"**Target Company**" means a Company to be acquired by the CPC as its Significant Asset pursuant to a Qualifying Transaction.

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

PROSPECTUS SUMMARY

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

OFFERING: A total of 2,000,000 Common Shares in the case of the Minimum Offering and of 4,000,000 Common Shares in the case of the Maximum Offering, at $0.20 per share, are offered hereunder. In addition, the Corporation will grant an option to the Agent to purchase up to 200,000 Common Shares in the case of the Minimum Offering and up to 400,000 Common Shares in the case of the Maximum Offering, at $0.20 per Common Share, for a period of 24 months from the date of listing of the Common Shares on the Exchange and stock options to purchase a minimum of 325,000 Common Shares and a maximum of 525,000 Common Shares to directors and officers of the Corporation at $0.20 per Common Share, which options are qualified under and distributed pursuant to this prospectus. See "Plan of Distribution."

CORPORATION: The principal business of the Corporation will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Corporation has not commenced commercial operations and has no assets other than a minimum amount of cash. An acquisition financed by the issuance of treasury shares could result in a change in control of the Corporation and may cause the shareholders' interests in the Corporation to be reduced. See "Business of the Corporation".

USE OF PROCEEDS: Assuming completion of this Offering, the net proceeds to the Corporation will be $360,000 in the event of the Minimum Offering and $720,000 in the event of the Maximum Offering, after deducting the Agent's Commission but before deducting expenses of the Offering. The net proceeds of this Offering will be used to provide the Corporation with a minimum of funds with which to identify and evaluate assets or businesses for acquisition with a view to completing a Qualifying Transaction. The Corporation may not have sufficient funds to secure such business or assets once identified and evaluated and additional funds may be required. Until Completion of the Qualifying Transaction and except as otherwise provided in the CPC Policy, a maximum of the lesser of 30% of the gross proceeds realized or $210,000 (excluding the Agent's Commission in the amount of $40,000 in the event of the Minimum Offering and $80,000 in the event of the Maximum Offering) may be used for purposes other than evaluating businesses or assets. See "Use of Proceeds", "Business of the Corporation" and "Risk Factors".

DIRECTORS AND MANAGEMENT:

Robert Hashimoto - President, Chief Executive Officer and Director
Anthony DeCristofaro - Secretary-Treasurer, Chief Financial Officer and Director
John Milani - Director
Peter Bordignon - Director
Phil Bond - Director

See "Directors, Officers and Promoter".

ESCROW PROVISIONS: All of the currently issued and outstanding Common Shares of the Corporation, being 1,250,000 Common Shares, will be deposited in escrow pursuant to the terms of an Escrow Agreement, as hereafter defined, and will be released from escrow in stages over a period of up to three years after the date of the Final Exchange Bulletin. See "Escrow Securities".

RISK FACTORS:

An investment in the Common Shares must be regarded as highly speculative due to the proposed nature of the Corporation's business and its present stage of development. The Corporation was only recently incorporated and has no active business or assets other than cash. It does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the Completion of the Qualifying Transaction. The Offering is only suitable to investors who are prepared to rely entirely on the directors and management of the Corporation and can afford to risk the loss of their entire investment. The directors and officers of the Corporation will only devote part of their time and attention to the affairs of the Corporation and there are potential conflicts of interest to which some of the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. Assuming completion of the Offering, an investor will suffer an immediate dilution on investment of 19.23 % or $0.0384 per Common Share in the case of the Minimum Offering or 11.90 % or $0.0238 per Common Share in the case of the Maximum Offering. There can be no assurance that an active and liquid market for the Corporation's Common Shares will develop and an investor may find it difficult to resell the Common Shares. Until Completion of the Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Corporation has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Corporation will be able to identify or complete a suitable Qualifying Transaction. The Qualifying Transaction may involve the acquisition of a business or assets located outside of Canada and it may therefore be difficult or impossible to effect service or notice to commence legal proceedings upon any directors, officers and experts outside of Canada and it may not be possible to enforce against such persons or companies judgments obtained in Canadian courts predicated upon the civil liability provisions applicable to securities laws in Canada. See "Risk Factors".

THE CORPORATION

The Corporation was incorporated by Certificate of Incorporation issued pursuant to the provisions of the *Canada Business Corporations Act* (the "CBCA") on June 11, 2007.

The head office and the registered office are located at 35 Minthorn Blvd., Thornhill, Ontario L3T 7N5.

On July 10, 2007, the five shareholders of the Corporation adopted resolutions in writing in lieu of a Special Meeting, pertaining to the adoption of Articles of Amendment, in the event the Corporation is successful with the completion of a Qualifying Transaction, permitting:

a) the change of the name of the Corporation to such other name as may be acceptable to the applicable regulatory authorities;

b) the directors to appoint one or more additional directors of the Corporation, who shall hold office for a term expiring not later than the close of the next annual meeting of shareholders, but the total number of directors so appointed may not exceed one third of the number of directors elected at the previous annual meeting of shareholders. See "Business of the Corporation."

BUSINESS OF THE CORPORATION

Preliminary Expenses

To date, the Corporation has incurred expenses amounting to approximately $52,000 in proceeding with the Offering, which expenses have been incurred since the date of its balance sheet included in the Prospectus. Part of the net proceeds of the Offering may be utilized to satisfy the obligations of the Corporation related to this Offering, including the expenses of its auditors and legal counsel. See "Use of Proceeds".

Proposed Operations until Completion of a Qualifying Transaction

To date, the Corporation has not conducted commercial operations and does not own any assets, other than cash. The Corporation proposes to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction but has not yet entered into an Agreement in Principle. Any proposed Qualifying Transaction must be accepted by the Exchange and, in the case of a Non Arm's Length Qualifying Transaction, is also subject to Majority of the Minority Approval in accordance with the CPC Policy.

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

Method of Financing

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

Criteria for a Qualifying Transaction

The board of directors of the Corporation must approve any proposed Qualifying Transaction. In exercising their powers and discharging their duties in relation to a proposed Qualifying Transaction, the directors will act honestly and in good faith with a view to the best interests of the Corporation and will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. All potential acquisitions will be screened initially by management of the Corporation to determine their economic viability. The board of directors will examine proposed acquisitions having regard to sound business fundamentals, utilizing the expertise and experience of the directors.

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

Upon the Corporation reaching an Agreement in Principle, the Corporation must issue a comprehensive news release, at which time the Exchange generally will halt trading in the Corporation’s Common Shares until the filing requirements of the Exchange have been satisfied as set forth under "Trading Halts, Suspensions and Delisting". Within 75 days after issuance of such news release, the Corporation shall be required to submit for review to the Exchange and the Commissions either an information circular that complies with applicable corporate and securities laws or a filing statement that complies with Exchange requirements. An information circular must be submitted where there is a Non Arm's Length Qualifying Transaction or where a shareholders' approval is otherwise required. A filing statement must be submitted where the Qualifying Transaction is not a Non Arm's Length Qualifying Transaction or where shareholders' approval is not otherwise required to be obtained. The information circular or filing statement, as applicable, must contain prospectus level disclosure of the Target Company and the Corporation, assuming Completion of the Qualifying Transaction, and be prepared in accordance with the CPC Policy and Form 3B1, in the case of an information circular, or Form 3B2 in the case of a filing statement. Upon acceptance by the Exchange and the Commissions, the Corporation must then either:

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

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

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

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

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

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

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

Minimum Listing Requirements

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

Trading Halts, Suspension and Delisting

The Exchange will generally halt trading in the Common Shares from the date of the public announcement of an Agreement in Principle until all filing requirements of the Exchange have been satisfied, which includes the submission of a Sponsorship Acknowledgment Form, where the Qualifying Transaction is subject to sponsorship. In addition, personal information forms or, if applicable, declarations, for all individuals who may be directors, senior officers, promoters or insiders of the Resulting Issuer must be filed with the Exchange and any preliminary background searches that the Exchange considers necessary or advisable must also be completed before the trading halt will be lifted by the Exchange.

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

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

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

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

The Exchange may suspend from trading or delist the Common Shares of the Corporation where the Exchange has not issued a Final Exchange Bulletin to the CPC within 24 months of the date of listing. If the Common Shares of the Corporation are delisted by the Exchange, then within 90 days from the date of such delisting, the Corporation shall wind up and liquidate its assets pursuant to the CBCA and shall make a prorata distribution of its remaining assets to its shareholders unless, within that 90 day period and pursuant to a majority vote of shareholders, exclusive of the vote of Non Arm's Length Parties to the Corporation, the shareholders determine to deal with the remaining assets in some other manner. See "Filings and Shareholders' Approval of a Non Arm's Length Qualifying Transaction" above.

Refusal of Qualifying Transaction

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

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

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

  (i) a Member firm of the Exchange;

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

  (iii) Associates of any such person,

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

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

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

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

USE OF PROCEEDS

Proceeds and Principal Purposes

(a) The gross proceeds received by the Corporation from the sale of 1,250,000 Seed Shares prior to the date of the prospectus amount to $125,000.

(b) The Corporation incurred expenses and costs totaling $4,000 with respect to the issue of Seed Shares referred in (a) above.

(c) The gross proceeds to be received by the Corporation from the sale of the Common Shares distributed under this Prospectus amount to $400,000 in the case of the Minimum Offering and to $800,000 in the case of the Maximum Offering.

(d) The expenses and costs of the offerings referred to in (a), (b) and (c) above, incurred to date and expected to be incurred, as well as the estimated amount of expenses until the completion of a Qualifying Transaction, amount to $154,000 in the case of the Minimum Offering and in the case of the Maximum Offering (excluding the Agent's Commission in the amount of $40,000 in the event of the Minimum Offering and of $80,000 in the event of the Maximum Offering);

(e) The net proceeds to be received by the Corporation from the sale of the Common Shares distributed under this prospectus are estimated to be $300,000 in the event of the Minimum Offering and to be $700,000 in the event of the Maximum Offering (excluding the Agent's Commission in the amount of $40,000 in the event of the Minimum Offering and of $80,000 in the event of the Maximum Offering);

(f) The Corporation estimates that an amount of $381,000 in the case of the Minimum Offering and of $741,000 in the case of the Maximum Offering will be available to it from (i) the sale of the Common Shares distributed under this Prospectus and (ii) prior sales of Seed Shares.

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

	Minimum Offering	**Maximum Offering**
Cash proceeds raised prior to this Offering [1]	$125,000	$125,000
Expenses and costs relating to raising the cash proceeds prior to this Offering	$(4,000)	$(4,000)
Cash proceeds to be raised pursuant to this Offering [2]	$400,000	$800,000

	Minimum Offering	Maximum Offering
Expenses and costs relating to the Offering (including filing fees, listing fees, Agent's fees, legal fees, audit fees and expenses but excluding the Agent's commission)	$(100,000)	$(100,000)
Agent's commission	$(40,000)	$(80,000)
Estimated funds available (on completion of the Offering)	$381,000	$741,000
Funds available for identifying and evaluating assets or business prospects (3)	$331,000	$691,000
Estimated general and administrative expenses until Completion of a Qualifying Transaction	$50,000	$50,000
	$ 381,000	$ 741,000

Notes:

(1) See "Prior Sales".

(2) In the event the Agent exercises the Agent's Option and the directors and officers exercise their options, there will be available to the Corporation an additional amount of a minimum of $105,000 and a maximum $185,000 which will be added to the working capital of the Corporation. There is no assurance that any of these options will be exercised.

(3) In the event that the Corporation enters into an Agreement in Principle prior to spending the entire amount of $331,000 in the case of the Minimum Offering or of $691,000 in the case of the Maximum Offering on identifying and evaluating assets or businesses, the remaining funds may be used to finance or partially finance the acquisition of Significant Assets or for working capital after Completion of the Qualifying Transaction.

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

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

Permitted Use of Funds

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

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

(i) valuations or appraisals;

(ii) business plans;

(iii) feasibility studies and technical assessments;

(iv) sponsorship reports;

(v) engineering or geological reports;

(vi) financial statements, including audited financial statements;

(vii) fees for legal and accounting services; and

(viii) agent's fees, costs and commissions,

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

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

Restrictions on Use of Proceeds

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

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

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

(c) administrative and general expenses of the Corporation, including:

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

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

  (iii) equipment leases; and

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

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

Private Placements for Cash

After the closing of the Offering and until the Completion of the Qualifying Transaction, the Corporation will not issue any securities unless written acceptance of the Exchange is obtained before issuance. Prior to the Completion of the Qualifying Transaction, the Exchange generally will not accept a private placement by the

Corporation where the gross proceeds raised from the issuance of securities both prior to and pursuant to the Offering, together with any proceeds anticipated to be raised upon closing of the private placement, will exceed $2,000,000. The only securities issuable pursuant to such a private placement will be Common Shares. Subject to certain limited exceptions, any Common Shares issued pursuant to the private placement to Non Arm's Length Parties to the Corporation and to Principals of the Resulting Issuer will be subject to escrow.

Prohibited Payments to Non Arm's Length Parties

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

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

(b) deposits and similar payments.

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

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

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

PLAN OF DISTRIBUTION

Agency Agreement and Agent's Compensation

Pursuant to an agency agreement (the "Agency Agreement") dated August 15, 2007 between the Corporation and the Agent, the Corporation has appointed the Agent as its agent to offer for sale on a best efforts basis to the public a minimum of 2,000,000 and a maximum of 4,000,000 Common Shares as provided in this prospectus, at a price of $0.20 per Common Share, for gross proceeds of a minimum of $400,000 and a maximum of $800,000, subject to the terms and conditions in the Agency Agreement. The Agent will receive a commission of 10% of the aggregate gross proceeds from the sale of the Common Shares. In addition, the Corporation has paid to the Agent a corporate finance fee of $25,000 plus taxes and will pay the Agent's legal fees of $10,000, plus expenses and taxes.

The Corporation has also agreed to grant to the Agent a non-transferable option (the "Agent's Option") to purchase a minimum of 200,000 and a maximum of 400,000 Common Shares at a price of $0.20 per share, which may be exercised for a period of 24 months from the date the Common Shares of the Corporation are listed on the Exchange. The Agent's Option is qualified under this prospectus. The Agent intends to sell to the public all the Common Shares to be received by it upon the exercise of its option. Not more than 50% of the Common Shares received on the exercise of the Agent's Option may be sold by the Agent prior to the Completion of the Qualifying Transaction. The remaining 50% may be sold after the Completion of the Qualifying Transaction. The Agent has agreed to use its best efforts to secure subscriptions for the Common Shares offered hereunder on behalf of the

Corporation and may make co-brokerage arrangements with other investment dealers at no additional cost to the Corporation. The obligations of the Agent under the Agency Agreement may be terminated at its discretion on the basis of its assessment of the state of financial markets and may also be terminated on the occurrence of certain events as stated in the Agency Agreement.

Best Efforts Offering and Minimum Distribution

The total Offering consists of 2,000,000 Common Shares for total gross proceeds of $400,000 in the case of the Minimum Offering and of 4,000,000 Common Shares for total gross proceeds of $800,000 in the case of the Maximum Offering. Under the CPC Policy, no purchaser of the Common Shares is permitted to purchase more than 2% (40,000 in the case of the Minimum Offering and 80,000 in the case of the Maximum Offering) of the total Common Shares in the Offering. In addition, the maximum number of Common Shares permitted to be purchased by that purchaser together with any Associates or Affiliates of that purchaser is 4% (80,000 in the case of the Minimum Offering and 160,000 in the case of the Maximum Offering) of the total number of Common Shares under the Offering. The funds received from the Offering will not be released by the Agent until a minimum of $400,000 has been obtained. The total subscription must be raised within 90 days of the date a receipt for the prospectus is issued, or such other time as may be consented to by persons or companies who subscribed within that period, failing which the Agent will remit the funds collected to the original subscribers without interest or deduction, unless the regulatory authorities authorize an extension and the consent of the subscribers thereto is obtained and unless subscribers have otherwise instructed the Agent.

Other Securities To Be Distributed

The Corporation also proposes to grant options to purchase 325,000 Common Shares in the case of the Minimum Offering and 525,000 Common Shares in the case of the Maximum Offering to directors and officers in accordance with the policies of the Exchange, which options are qualified for distribution under this prospectus.

Determination of Price

The distribution price has been determined by negotiation between the Corporation and the Agent.

Listing Application

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

Restrictions on the Agent

The Agent has advised the Corporation that to the best of its knowledge and belief, neither it, nor any of its directors, officers, employees or contractors or any Associate or Affiliate of the foregoing has subscribed for Common Shares of the Corporation and until Completion of the Qualifying Transaction, the aggregate number of Common Shares permitted to be owned directly or indirectly by the participants referred to above, is 20% of the issued and outstanding Common Shares of the Corporation exclusive of Common Shares reserved for issuance at a future date.

Restrictions on Trading

Other than the initial distribution of the Common Shares pursuant to this prospectus, the grant of the Agent's Option and the grant of options to the directors and officers of the Corporation, no securities of the Corporation will be permitted to be issued during the period between the date a receipt for the preliminary prospectus is issued by the applicable securities regulatory authorities and the time the Common Shares are listed for trading on the Exchange, except subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable securities regulatory authorities grant a discretionary order.

DESCRIPTION OF SHARE CAPITAL

General

The Corporation is authorized to issue an unlimited number of Common Shares without par value and an unlimited number of Class B preferred shares without nominal or par value ("Preferred Shares"), of which, as at the date hereof, 1,250,000 Common Shares are issued and outstanding as fully paid and non-assessable and no Preferred Shares have been issued. In addition to the Common Shares offered hereunder, a maximum of 400,000 Common Shares are reserved for issuance under the Agent's Option and a maximum of 525,000 Common Shares are reserved for issuance under options to be granted to directors and officers of the Corporation. See "Plan of Distribution" and "Options to Purchase Securities".

Class A Common Shares

The holders of Common Shares are entitled to dividends, if, as and when declared by the board of directors, to one vote per share at meetings of the shareholders of the Corporation and, subject to the rights of the holders of any other class of shares of the Corporation, upon liquidation, dissolution or winding up of the Corporation, to receive such assets of the Corporation as are distributable to the holders of Common Shares. All Common Shares to be outstanding after completion of this Offering will be fully paid and non-assessable.

Class B Preferred Shares

The Preferred Shares may be issued in one or more series, and the directors are authorized to fix the number of shares in each series, and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series. The preferred shares are entitled to a priority over the Common Shares with respect to the payment of dividends and the distribution of assets upon the liquidation of the Corporation.

CAPITALIZATION

The following table sets forth the capitalization of the Corporation as at June 11, 2007, and the pro-forma capitalization after giving effect to this Offering:

Designation of security	Amount Authorized	Outstanding as at June 11, 2007(1)	Outstanding at the date hereof	Amount to be outstanding if all Common Shares being offered are sold(2)(3)	
				Minimum Offering	Maximum Offering
Common Shares	Unlimited	$125,000 (1,250,000 shares)	$125,000 (1,250,000 shares)	$525,000 (3,250,000 shares)	$925,000 (5,250,000 shares)
Preferred Shares	Unlimited	Nil	Nil	Nil	Nil

Notes:

(1) As at June 11, 2007, the Corporation had not commenced commercial operation.

(2) Excluding an aggregate of 325,000, in the case of the Minimum Offering, and of 525,000, in the case of the Maximum Offering, Common Shares to be issued at $0.20 per share pursuant to stock options to be granted to directors and officers of the Corporation and an aggregate of 200,000, in the case of the Minimum Offering, and of 400,000, in the case of the Maximum Offering, Common Shares to be issued at $0.20 per share pursuant to the Agent's Option. See "Option to Purchase Securities" and "Plan of Distribution".

(3) Funds estimated available on completion of the Offering and after payment of the costs will amount to $381,000 in the case of the Minimum Offering and to $741,000 in the case of the Maximum Offering. See "Use of Proceeds".

OPTIONS TO PURCHASE SECURITIES

Options

After the closing of the Offering, the Board of directors intends to grant options to directors and officers in respect of a maximum of 325,000 Common Shares in the case of the Minimum Offering and a maximum of 525,000 Common Shares in the case of the Maximum Offering, as set out in the table below, which options are qualified for distribution by this prospectus.

Name of Optionee	Number of Common Shares Reserved under Option		Exercise Price	Expiration Date
	Minimum Offering	Maximum Offering		
Robert Hashimoto	71,000	114,000	$0.20	5 years from date of grant
Anthony DeCristofaro	71,000	114,000	$0.20	5 years from date of grant
John Milani	61,000	99,000	$0.20	5 years from date of grant
Peter Bordignon	61,000	99,000	$0.20	5 years from date of grant
Phil Bond	61,000	99,000	$0.20	5 years from date of grant
Total	325,000	525,000		

Stock Option Terms

The Board of Directors of the Corporation may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers and technical consultants to the Corporation, non-transferable options to purchase Common Shares exercisable for a period of up to 5 years from the date of grant, provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares. The number of Common Shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding Common Shares. Options may be exercised the greater of 12 months after the Completion of the Qualifying Transaction and 90 days following cessation of the optionee's position with the Corporation, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. Any Common Shares acquired pursuant to the exercise of options prior to the Completion of the Qualifying Transaction, must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued. See "Escrow Securities".

PRIOR SALES

Since the date of incorporation, 1,250,000 Seed Shares have been issued and are outstanding as follows:

Date	Number of Common Shares [(1)]	Issue Price Per Share	Aggregate Issue Price	Nature of Consideration Received
June 11, 2007	1,250,000	$0.10	$125,000	Cash

Note:

(1) All of the Seed Shares will be placed in escrow pursuant to an escrow agreement. See "Escrow Securities".

ESCROW SECURITIES

Securities Escrowed Prior to the Completion of the Qualifying Transaction

All of the 1,250,000 Seed Shares issued prior to this Offering at a price below $0.20 per Common Share and all Common Shares that may be acquired by Non Arm's Length Parties of the Corporation either under the Offering or otherwise prior to Completion of the Qualifying Transaction will be deposited with Computershare Investor Services Inc. ("Computershare") under an escrow agreement dated August 15, 2007 (the "Escrow Agreement"). No Common Shares have been acquired by members of the Pro Group prior to this Offering.

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

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

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

Name and Municipality of Residence of Shareholder	Common Shares	Number of Common Shares Held in Escrow	Percentage of Common Shares Prior to Giving Effect to the Offering	Percentage of Common Shares After Giving Effect to the Offering	
				Minimum Offering	Maximum Offering
Robert Hashimoto Richmond Hill, Ontario	250,000	250,000	20.00 %	7.692 %	4.762 %
Anthony DeCristofaro Woodbridge, Ontario	250,000	250,000	20.00 %	7.692 %	4.762 %
John Milani Woodbridge, Ontario	250,000	250,000	20.00 %	7.692 %	4.762 %
Peter Bordignon Mississauga, Ontario	250,000	250,000	20.00 %	7.692 %	4.762 %
Phil Bond Tottenham, Ontario	250,000	250,000	20.00 %	7.692 %	4.762 %

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

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

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

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

If a Final Exchange Bulletin is not issued, the escrowed Common Shares will not be released. Under the Escrow Agreement each Non Arm's Length Party to the Corporation who holds escrowed Common Shares acquired at a price below the Offering price under this prospectus has irrevocably authorized and directed the escrow agent to immediately: (a) cancel all of those escrowed Common Shares upon the issuance by the Exchange of a bulletin delisting the Common Shares of the Corporation; or (b) if the Corporation lists on NEX, either: (i) cancel all Seed Shares purchased by Non-Arm's Length Parties to the CPC at a discount from the IPO price, in accordance with section 11.2 (a) of the CPC Policy, or (ii) subject to majority shareholder approval, cancel an amount of Seed Shares purchased by Non Arm's Length Parties to the CPC so that the average cost of the remaining Seed Shares is at least equal to the IPO price.

Escrowed Securities On Qualifying Transaction

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

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

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

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

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

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

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

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

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

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

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

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

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

PRINCIPAL SHAREHOLDERS

The following table lists as of the date hereof, those persons who own of record or beneficially, directly or indirectly, more than 10% of the issued and outstanding Common Shares of the Corporation:

Name and Municipality of Residence	Type of Ownership	Number of Common Shares	Percentage of Common Shares Owned Before Offering	Percentage of Common Shares Owned After Offering(1)		Percentage of Common Shares Owned After Offering Assuming the Exercise of all Options(1)	
				Minimum Offering	Maximum Offering	Minimum Offering	Maximum Offering
Robert Hashimoto Richmond Hill, Ontario	Registered and Beneficial	250,000	20.00 %	7.692 %	4.762 %	8.503%	5.894%
Anthony DeCristofaro Woodbridge, Ontario	Registered and Beneficial	250,000	20.00 %	7.692 %	4.762 %	8.503%	5.894%

Name and Municipality of Residence	Type of Ownership	Number of Common Shares	Percentage of Common Shares Owned Before Offering	Percentage of Common Shares Owned After Offering(1)		Percentage of Common Shares Owned After Offering Assuming the Exercise of all Options(1)	
				Minimum Offering	Maximum Offering	Minimum Offering	Maximum Offering
John Milani Woodbridge, Ontario	Registered and Beneficial	250,000	20.00 %	7.692 %	4.762 %	8.238%	5.651%
Peter Bordignon Mississauga Ontario	Registered and Beneficial	250,000	20.00 %	7.692 %	4.762 %	8.238%	5.651%
Phil Bond Tottenham, Ontario	Registered and Beneficial	250,000	20.00 %	7.692 %	4.762 %	8.238%	5.651%

Notes:

(1) Assuming that no Common Shares are purchased by such shareholders under this Offering. Before giving effect to the Offering, 100% of the issued and outstanding Common Shares are beneficially owned, directly or indirectly, by directors and senior officers of the Corporation. Such percentage will be 41.72% after giving effect to the Minimum Offering and 28.74% after giving effect to the Maximum Offering, assuming the exercise of all options.

DIRECTORS, OFFICERS AND PROMOTER

Name, Address, Occupation, Security Holding and Involvement with other Reporting Issuers

The following are the names and municipalities of residence of the directors and officers of the Corporation, their positions and offices with the Corporation and the number of Common Shares of the Corporation that they hold:

Name, Age and Municipality of Residence	Office	Principal Occupation	Common Shares owned or controlled
Robert Hashimoto, 44* Richmond Hill, Ontario	President, Chief Executive Officer and Director	President, Duplium Corp.	250,000
Anthony DeCristofaro, 54 Woodbridge, Ontario	Secretary-Treasurer, Chief Financial Officer and Director	President and Chief Financial Office, iseemedia inc.	250,000
John Milani,39* Woodbridge, Ontario	Director	Director of Sales, Electrolux Major Appliances Canada	250,000
Peter Bordignon, 41* Mississauga Ontario	Director	President and General Manager, PPG Advertising	250,000

Name, Age and Municipality of Residence	Office	Principal Occupation	Common Shares owned or controlled
Phil Bond, 54 Tottenham, Ontario	Director	President and owner, Positive Marketing A/V Ltd.	250,000

* Member of the Audit Committee.

Robert Hashimoto, 44, President, Chief Executive Officer and Director, is President of Duplium Corp., a company he founded in 1987. Duplium manufacturers CD and DVD, provides complete package and distribution solutions. Mr. Hashimoto has also been involved in the technology sector, having co-founded Caught in the Web (later Personus) in 1997, and Diginara (Canada) Corp in 2000.

Anthony DeCristofaro, 54, Secretary-treasurer, Chief Financial Officer and Director, is President and Chief Executive Officer of iseemedia inc. since 2002. He is a 25-year veteran in the computer industry. Prior to establishing iseemedia, he was President and Chief Executive Officer of MGI Software since December 1995. He was a founding board member of Delrina Corp., which was subsequently purchased by Symantec. From 1991 to 1995, Mr. DeCristofaro was Vice President and General Manager of AST Canada, a computer hardware company. From 1987 to 1991, Mr. DeCristofaro worked as General Manager at NEC Canada, a computer hardware company. Mr. DeCristofaro holds an Advanced Business Administration degree from York University.

John Milani, 39, Director, is a Director of Sales with Electrolux Major Appliances Canada. He joined Electrolux in 1999. Prior to that, Mr. Milani was in National Sales Management for Sanyo Canada (Consumer Electronics) since 1994. He graduated from Ryerson University, Toronto, in 1990 with a Bachelor of Business Management. He has over 17 years of sales and marketing experience, of which 13 years has been focused on major retailers throughout Canada as well as the US.

Peter Bordignon, 41, Director, is President and General Manager of PPG Advertising, a division of The Printing & Promotion Group of Companies, a company specialized in full colour printing, advertising and wide format applications to National Manufactures and Retailers. He is a 15-year veteran in the advertising industry. Prior to establishing PPG Group in 1997, he was President of MC Concepts, consulting to the grocery and home entertainment industries. From 1987 to 1994, Mr. Bordignon held positions with CBS New York, Twentieth Century Fox Filmed Entertainment and held the position of Director of Retail Operations on the board of Jumbo Video.

Phil Bond, 54, Director, is the President and owner of Positive Marketing A/V Ltd., a national distributor in the custom audio video electronics industry, which he founded in 1989. Mr. Bond has worked in this industry for the past 37 years. His career has also included being on the board of directors of CEDIA (Custom Electronics Design Industry Association), an international trade association of companies that specialize in designing and installing electronic systems for the home.

The directors and officers of the Corporation will devote the time required to achieve the goals of the Corporation, being the identification and Completion of the Qualifying Transaction. In particular, it is expected that Mr. Robert Hashimoto, the President, will devote approximately 10% of his business time to the Corporation and Mr. Anthony DeCristofaro, the Secretary-Treasurer, will devote approximately 10% of his business time to the Corporation. The three other directors will devote approximately 5% of their respective business time to the Corporation. Time actually spent may vary according to the needs of the Corporation.

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

As a group, the directors and officers of the Corporation exercise control or direction over all of the Common Shares of the Corporation. The holding percentage of the Common Shares by the directors and officers will be reduced to 41.72% (an aggregate of 1,575,000 Common Shares) in the case of the Minimum Offering and to 28.74% (an aggregate of 1,775,000 Common Shares) in the case of the Maximum Offering, assuming the exercise of all options outstanding.

The directors, as a group, shall be entitled to a total of 325,000, in the case of the Minimum Offering, and of 525,000, in the case of the Maximum Offering, common share purchase options. See "Options to Purchase Securities".

Other Reporting Issuer Experience

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

Name	Name of Reporting Issuer	Name of Exchange or Market (if applicable)	Position	From	To
Anthony DeCristofaro	Iseemedia Inc.	TSX Venture Exchange	President, CEO and Director	03-2005	Present
	TransGaming Inc.	TSX Venture Exchange	Director	03-2005	Present
	Luxell Technologies Inc.	Toronto Stock Exchange	Director	07-1996	Present
	Hartco Income Fund	TSX Venture Exchange Toronto Stock Exchange	Trustee	07-1997	Present
Robert Hashimoto	TransGaming Inc.	TSX Venture Exchange	Director	03-2005	11-2005

Corporate Cease Trade Orders or Bankruptcies

Except as otherwise set forth below, no director, officer, insider or promoter of the Corporation or a shareholder holding sufficient securities of the Corporation to affect materially the control of the Corporation is, or within the 10 years prior to the date of this prospectus has been, a director, officer or promoter of any other issuer that, while that person was acting in that capacity:

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

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

In August 2006, Luxell Technologies Inc. (TSX: LUX), of which Mr. Anthony DeCristofaro has been a director since July 1996, filed a proposal to its creditors pursuant to the Bankruptcy and Insolvency Act. The proposal was subsequently accepted by the creditors and was approved by the court in November 2006. On April 27, 2007, Mr. DeCristofaro and other insiders of Luxell were subject to cease trade orders issued by the Ontario Securities Commission as a result of Luxell's failure to file required financial information. Luxell has subsequently filed the delinquent continuous disclosure documents and has paid all fees to the relevant securities regulatory authorities. The cease trade order expired on May 14, 2007.

Penalties or Sanctions

None of the directors, officers, insiders or the promoter of the Corporation or any shareholder holding sufficient securities of the Corporation to affect materially the control of the Corporation has: (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

None of the directors, officers, insiders or the promoter of the Corporation or any shareholder holding sufficient securities of the Corporation to affect materially the control of the Corporation has, during the past ten (10) years, been declared bankrupt, made a voluntary assignment in bankruptcy, made a proposal under bankruptcy or insolvency legislation or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold their assets.

Conflict of Interest

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

Promoter

Robert Hashimoto may be considered to be the promoter of the Corporation in that he took the initiative in founding and organizing the Corporation. Mr. Hashimoto holds 250,000 Common Shares of the Corporation. See "Principal Shareholders" and "Options to Purchase Securities".

EXECUTIVE COMPENSATION

Remuneration

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

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

   (i) salaries;

   (ii) consulting fees;

   (iii) management contract fees or directors' fees;

   (iv) finders fees;

   (v) loans, advances, bonuses; and

(b) deposits and similar payments.

However, the Corporation may reimburse Non Arm's Length Parties for the Corporation's reasonable allocation of rent, secretarial services and other general administrative expenses, at fair market value ("Permitted Reimbursement"). Since incorporation, the Corporation has not incurred such expenses. No reimbursement may be made for any payment made to lease or buy a vehicle.

The Corporation has reserved an aggregate of 325,000, in the case of the Minimum Offering, and of 525,000, in the case of the Maximum Offering, Common Shares for issuance upon exercise of stock options to be issued to its directors and officers. See "Options to Purchase Securities".

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

DILUTION

Purchasers of Common Shares under this prospectus will suffer an immediate dilution of 19.23% or $0.0384 per Common Share in the case of the Minimum Offering or 11.90% or $0.0238 per Common Share in the case of the Maximum Offering on the basis of there being 3,250,000 in the case of the Minimum Offering and 5,250,000 in the case of the Maximum Offering, Common Shares of the Corporation issued and outstanding following completion of this Offering. Dilution has been computed on the basis of total gross proceeds to be raised by this prospectus and from sales of securities prior to filing this prospectus, without deduction of commissions or related expenses incurred by the Corporation.

RISK FACTORS

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

No Operating History

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

No Market

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

No Agreement in Principle

The Corporation has not entered into an Agreement in Principle.

Proposed Business

The proposed business of the Corporation involves a high degree of risk. If ever the Corporation identifies a proposed target as a potential acquisition ("Proposed Target"), there is no assurance that it will enter into an Agreement in Principle with the Proposed Target or that the Proposed Target will qualify as a Qualifying Transaction or, if this Proposed Target qualifies as a Qualifying Transaction, that the resulting business will be profitable.

Moreover, if other potential acquisitions or participations are identified, the Corporation may determine that the current market, pricing conditions or terms of participation may make the acquisition or participation uneconomical. Moreover, should the Corporation find the acquisition or participation economical, the Corporation may not be able to finance the acquisition on acceptable terms or at all and additional funds may be required to meet such obligations. Where an acquisition or participation is financed by the issuance of shares from treasury, control of the Corporation may change and shareholders may suffer further dilution to their investment.

Possible Trading Suspension or Delisting

The Exchange may suspend from trading or delist the securities of the Corporation where the Corporation has failed to complete a Qualifying Transaction within twenty-four (24) months of the date of listing or if the Corporation fails to meet minimum listing requirements of the Exchange upon completion of the Qualifying Transaction. Suspension from trading of the Common Shares may, and de-listing of the Common Shares will, result in the Commissions issuing an interim cease trade order against the Corporation. In addition, de-listing of the Common Shares will result in the cancellation of all of the currently issued and outstanding Common Shares of the Corporation held by Insiders.

Halt of Trading

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

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

Exchange May Not Approve a Qualifying Transaction

Completion of a Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and in the case of a Non Arm's Length Qualifying Transaction, the acceptance of the Majority of the Minority Approval. Notwithstanding that a transaction may meet the definition of a Qualifying Transaction, the Exchange may not approve a Qualifying Transaction:

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

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

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

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

Majority of the Minority Approval

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

Dilution

Shareholders acquiring Common Shares under this Offering will experience an immediate dilution of 19.23% or $0.0384 per Common Share if the Minimum Offering is subscribed and 11.90% or $0.0238 per Common Share if the Maximum Offering is subscribed, based on gross proceeds of this Offering and prior issues by the Corporation, without taking account of deductions such as selling commissions or related expenses of issue.

If the Corporation issues treasury shares to finance the acquisition or participation opportunities, control of the Corporation may change and subscribers may suffer dilution of their investment.

Reliance on Management

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

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

Foreign Acquisition

If the Corporation considers acquisitions of assets or businesses operated or located outside of Canada, it may be difficult or impossible to effect service or notice to commence legal proceedings upon the foreign business, any directors, officers or experts located outside Canada. Even if service or notice is successfully effected, it may not be possible to enforce, against such persons or the Corporation, judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

Loans or Advances

Subject to prior acceptance from the Exchange, the Corporation may be permitted to loan or advance up to an aggregate of $250,000 of its proceeds to a target business without requiring shareholder approval and there can be no assurance that the Corporation will be able to recover the loan or advance.

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

LEGAL PROCEEDINGS

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

RELATIONSHIP BETWEEN THE CORPORATION AND THE AGENT

The Corporation is not a related issuer or connected issuer (as such terms are defined in National Instrument 33-105 – *Underwriting Conflicts*).

AUDITOR, TRANSFER AGENT AND REGISTRAR

Auditors

The auditors of the Corporation are Bessner Gallay Kreisman L.L.P., 215 Redfern Avenue, Suite 300, Montreal, Quebec, Canada H3Z 3L5.

Transfer Agent and Registrar

Computershare Investor Services inc., at its principal offices in Montreal, Quebec, is the transfer agent and registrar for the Common Shares.

MATERIAL CONTRACTS

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

(a) Transfer Agent and Registrar Agreement dated August 15, 2007 between the Corporation and Computershare;

(b) Agency Agreement dated August 15, 2007 between the Corporation and the Agent (see "Plan of Distribution"); and

(c) Escrow Agreement dated August 15, 2007 between the Corporation and those shareholders that executed such Escrow Agreement (see "Escrow Securities").

Copies of these agreements will be available for inspection at the head office of the Corporation, 35 Minthorn Blvd., Thornhill, Ontario L3T 7N5 during ordinary business hours during the period of distribution of the Common Shares being distributed hereunder and for a period of 30 days thereafter and on SEDAR at all times.

OTHER MATERIAL FACTS

There are no other material facts relating to securities proposed to be offered which have not been disclosed elsewhere in this prospectus.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in several of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages where the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.

AUDITORS' REPORT

To the Board of Directors of
Pocono Capital Inc.

We have audited the opening balance sheet of Pocono Capital Inc. as at June 11, 2007. This balance sheet is the responsibility of the Company's management. Our responsibility is to express an opinion on this balance sheet based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statement is 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, this opening balance sheet presents fairly, in all material respects, the financial position of the Company as at June 11, 2007 in accordance with Canadian generally accepted accounting principles.

(signed) Bessner Gallay Kreisman LLP
CHARTERED ACCOUNTANTS

Montreal, Quebec, Canada
July 11, 2007
(except as to Note 4 which is as of August 21, 2007)

POCONO CAPITAL INC.
OPENING BALANCE SHEET
AS AT JUNE 11, 2007

	$
CURRENT ASSETS	
Cash and cash equivalents	**125,000**
Deferred charges (Note 2)	**4,000**
	129,000
CURRENT LIABILITIES	
Accrued liabilities	**4,000**
SHAREHOLDERS' EQUITY	
Share capital (Note 3)	**125,000**
	129,000

SUBSEQUENT EVENTS (Note 4)

See accompanying notes.

APPROVED ON BEHALF OF THE BOARD

(signed) Robert Hashimoto Director

(signed) Anthony DeCristofaro Director

1. INCORPORATION AND NATURE OF BUSINESS ACTIVITIES

The Company, incorporated on June 11, 2007 under the *Canada Business Corporations Act*, is a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange Inc. The principal business of the Company will consist in the identification and evaluation of assets or businesses with a view to completing a qualifying transaction. The Company has not commenced operating at the balance sheet date. Accordingly, statements of earnings, retained earnings and cash flows have not been prepared.

2. ACCOUNTING POLICIES

DEFERRED CHARGES

The deferred charges represent costs incurred relating to the incorporation of the Company and to the shares that have already been issued which will be accounted for against retained earnings following the public offering or expensed if the offering is not completed.

FINANCIAL INSTRUMENTS

The carrying amount of the Company's financial assets and liabilities included in the current assets and liabilities approximate their fair values as at June 11, 2007.

USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenses for the period. Actual results could differ from those estimates.

3. SHARE CAPITAL

Authorized:

An unlimited number of:

- Participating, voting Class A common shares without par value;
- Non-voting Class B preferred shares without par value, issuable in one or more series. The Directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series.

3. **SHARE CAPITAL** – cont'd

Issued and paid:

1,250,000 Class A common shares	**$125,000**

Since incorporation, 1,250,000 Class A common shares were issued for a cash consideration of $125,000.

4. **SUBSEQUENT EVENTS**

a) Pursuant to an agency agreement (the « Agency Agreement ») dated August 15, 2007 between the Company and the Agent, the Company has appointed the Agent as its agent to offer for sale to the public a minimum of 2,000,000 and a maximum of 4,000,000 Class A common shares, at a price of $0.20 per common share, according to the final prospectus which will be filed on August 21, 2007. The Agent is entitled to 10% of the gross proceeds resulting from the issuance of the shares, a corporate finance fee of $26,500 including GST and reimbursement of legal fees of $10,000. In addition, the Company shall grant the Agent an option to acquire a minimum of 200,000 and a maximum of 400,000 Class A common shares at a price of $0.20 per share. This non transferable option will expire twenty four months following listing of the Company's shares on the TSX Venture Exchange Inc.

b) The Company intends to grant to its directors and officers options to acquire a maximum of 525,000 Class A common shares at a price of $0.20 per share at the closing of the offering. These options will be valid for a period of five years.

CONSENT OF THE AUDITORS

We have read the prospectus of Pocono Capital Inc. dated August 21, 2007 with respect to the issuance and sale of a minimum of 2,000,000 Common Shares and a maximum of 4,000,000 Common Shares at a price of $0.20 per share. We have complied with Canadian generally accepted standards for auditors' involvement with offering documents.

We consent to the use in the above-mentioned prospectus of our report to the directors of the Corporation on the opening balance sheet of the Corporation as at June 11, 2007 for the period then ended. Our report is dated July 11, 2007 (except as to note 4 which is dated August 15, 2007).

(signed) Bessner Gallay Kreisman

Chartered Accountants

Montreal, Quebec
August 21, 2007

CERTIFICATE OF THE CORPORATION

DATE : August 21, 2007

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus under Part XV of the *Securities Act* (Ontario), Part 9 of the *Securities Act* (Alberta) and Part 9 of the *Securities Act* (British Columbia) and the regulations enacted thereunder.

(s) Robert Hashimoto	*(s) Anthony DeCristofaro*
President and Chief Executive Officer	Secretary-Treasurer and Chief Financial Officer

ON BEHALF OF THE BOARD

(s) Peter Bordignon	*(s) John Milani*
Director	Director

CERTIFICATE OF THE PROMOTER

DATE : August 21, 2007

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus under Part XV of the *Securities Act* (Ontario), Part 9 of the *Securities Act* (Alberta) and Part 9 of the *Securities Act* (British Columbia) and the regulations enacted thereunder.

(s) Robert Hashimoto

CERTIFICATE OF THE AGENT

DATE : August 21, 2007

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

Pope & Company Limited

(s) Francis M. Pope

Francis M. Pope, President