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

PROSPECTUS

Initial Public Offering **June 29, 2010**

DRAKO CAPITAL CORP.
(a capital pool company)

$220,000
2,200,000 Common Shares

Price: $0.10 per Common Share

Drako Capital Corp. (the "**Corporation**") hereby qualifies for distribution, through its agent, PI Financial Corp. (the "**Agent**"), 2,200,000 common shares in the capital of the Corporation (the "**Common Shares**") for aggregate gross proceeds of $220,000 (the "**Offering**"). The purpose of this Offering is to provide 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. 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, as hereafter defined, must also receive Majority of the Minority Approval, as hereafter defined, in accordance with Exchange Policy 2.4 - *Capital Pool Companies* (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 "*Business of the Corporation*" and "*Use of Proceeds*".

	Price to the Public	**Agent's Commission(1)(2)**	**Net Proceeds to the Corporation(3)**
Per Common Share	$0.10	$0.01	$0.09
Total Offering	$220,000	$22,000	$198,000

Notes:

(1) A cash commission of 10% of the gross proceeds of the Offering will be paid to the Agent. The Agent has been paid a corporate finance fee of $10,000 (plus GST) and will also be reimbursed by the Corporation for its reasonable expenses and legal fees estimated at $10,000, plus taxes and disbursements. See "*Plan of Distribution*".

(2) Pursuant to the Agency Agreement (as hereafter defined), the Agent will be granted a non-transferable option (the "**Agent's Option**") to purchase such number of Common Shares that is equal to 10% of the total number of Common Shares sold in connection with the Offering at a price of $0.10 per Common Share and which may be exercised for a period of 24 months from the date the Common Shares are listed on the Exchange. This prospectus qualifies for distribution the grant of the Agent's Option. See "*Plan of Distribution*".

(3) Before deducting the costs of this Offering estimated at $93,000 exclusive of the Agent's commission, which includes legal and audit fees and other expenses of the Corporation, the listing fee payable to the Exchange and filing fees payable to the applicable securities commissions. See "*Use of Proceeds*".

This Offering is made on a commercially reasonable efforts basis by the Agent and is subject to the completion of a minimum subscription of 2,200,000 Common Shares for gross proceeds to the Corporation of $220,000. 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 an agency agreement between the Corporation and the Agent (the "**Agency Agreement**") and referred to under "*Plan of*

Distribution". If the minimum subscription is not completed within 90 days of the issuance of a receipt for the final prospectus or such other time as may be consented to by the Agent and persons or companies who subscribed within that period, all subscription monies will be returned to subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent.

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, trading in all securities of the Corporation is prohibited during the period between the date a receipt for the preliminary prospectus is issued by the securities commission that is designated the principal regulator pursuant to Multilateral Instrument 11-102 - *Passport System* ("**MI 11-102**") and National Policy 11-202 - *Process for Prospectus Reviews in Multiple Jurisdictions* ("**NP 11-202**") 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 authority(ies) grant a discretionary order.

There currently is no market through which these securities may be sold and purchasers may not be able to resell the Common Shares purchased under this prospectus. This may affect the pricing of the Common Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Common Shares and the extent of issuer regulation. See "*Risk Factors*". The Exchange has conditionally accepted the listing of the Common Shares on June 25, 2010. Listing will be subject to the Corporation fulfilling all the listing requirements of the Exchange.

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 risk the loss of their entire investment. See "*Risk Factors*".

The Corporation was only recently incorporated and has no active business or assets other than cash. The Corporation 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 Corporation may determine that current markets, terms of acquisition, or pricing conditions make such potential acquisitions uneconomic. The Corporation may find that even if the terms of a potential acquisition are economic, the Corporation may not be able to finance such acquisition and additional funds may be required. A Qualifying Transaction may involve the acquisition of a business located outside of Canada and, as such, investors should be aware that it may be difficult or may not be possible to effect service or notice to commence legal proceedings upon any directors, officers and experts outside of Canada and that 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. Where the investment or acquisition is financed by the issuance of shares from the Corporation's treasury, control of the Corporation may change and shareholders may suffer further dilution of their investment. The Corporation will be in competition with other entities with greater resources. 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 (based on the gross proceeds from this and prior issuances without deduction of selling and related expenses) per Common Share of $0.03 or 33.3%. 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 successfully complete a Qualifying Transaction. The Exchange may suspend from trading or delist the Common Shares where the Corporation has failed to complete a Qualifying Transaction within 24 months of the date of listing. In addition, delisting of the Common Shares may result in the cancellation of all or some of the Common Shares of the Corporation owned by Non Arm's Length Parties (as hereinafter defined) issued prior to the Offering. Investors must rely solely on the expertise of the Corporation's Promoter (as hereinafter defined), directors and officer for any possible return on their investment. See "*Business of the Corporation*", "*Use of Proceeds*", "*Directors, Officers and Promoters*", "*Dilution*" and "*Risk Factors*".

The Agent conditionally offers these Common Shares on a commercially reasonable efforts basis, if, as and when subscriptions are accepted by the Corporation, subject to prior sale, in accordance with the terms and conditions of the Agency Agreement referred to under "*Plan of Distribution*" and subject to the approval of certain legal matters by Borden Ladner Gervais LLP, Calgary, Alberta, on behalf of the Corporation, and by Burstall Winger LLP, Calgary, Alberta, on behalf of the Agent. Pursuant to the CPC Policy, no purchaser of Common Shares is permitted to directly or indirectly purchase more than 2% of the total Common Shares offered under this prospectus, or 44,000 Common Shares ($4,400). In addition, the maximum number of Common Shares that may directly or indirectly be purchased by that purchaser, together with any Associates or Affiliates of that purchaser, is 4% of the total number of Common Shares offered under this prospectus, or 88,000 Common Shares ($8,800). 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 on the closing of the Offering.

PI Financial Corp.
Suite 1900, 666 Burrard St..
Vancouver, B.C. V6C 3N1
Telephone: (403) 664-2900

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GLOSSARY

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

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

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

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

A Company is "controlled" by a Person if:

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

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

A Person beneficially owns securities that are beneficially owned by:

(a) a Company controlled by that Person; or

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

"**Agency Agreement**" means the agency agreement dated June 29, 2010 between the Corporation and the Agent.

"**Agent**" means PI Financial Corp.

"**Agent's Option**" means the non-transferable option to be granted by the Corporation to the Agent to acquire such number of Common Shares that is equal to 10% of the number of Common Shares sold in connection with the Offering at an exercise price of $0.10 per Common Share and which may be exercised for a period of 24 months from the day the Common Shares are listed on the Exchange.

"**Aggregate Pro Group**" means all Persons who are members of any Pro Group whether or not the Member is involved in a contractual relationship with the Issuer to provide financing sponsorship and other advisory services.

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

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

(b) identifies the parties to the Qualifying Transaction;

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

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

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

"**Associate**" when used to indicate a relationship with a Person or Company, means:

(a) an Issuer of which the Person or Company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to all outstanding voting 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 the Person or Company serves as trustee or in a similar capacity; and

(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 that 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.

"**Closing**" means the completion of the Offering.

"**Commissions**" means the British Columbia Securities Commission, the Alberta Securities Commission and the Ontario Securities Commission.

"**Common Shares**" means the common shares in the capital of the Corporation.

"**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.

"**Corporation**" means Drako Capital Corp., a corporation incorporated under the *Business Corporations Act* (Alberta), having its registered office in the City of Calgary, in the Province of Alberta.

"**CPC**" means a corporation:

(a) 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

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

"**CPC Policy**" means Exchange policy 2.4 - *Capital Pool Companies*.

"**Escrow Agreement**" means the escrow agreement dated June 29, 2010 among the Corporation, the Trustee and certain shareholders of the Corporation.

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

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

"**initial public offering**" or "**IPO**" means a transaction that involves an Issuer issuing securities from its treasury pursuant to its first prospectus.

"**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.

"**Issuer**" means a Company and its subsidiaries which have any of its securities listed for trading on the Exchange and, as the context requires, any applicant Company seeking a listing of its securities on the Exchange.

"**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.

"**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 under the Exchange requirements.

"**Minimum Listing Requirements**" means the minimum financial, distribution and other standards that must be met by applicants seeking a listing on a particular tier of the Exchange.

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

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

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

"**Offering**" means the offering of Common Shares in accordance with the terms of this prospectus.

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

"**Principal**" means:

(a) a Person 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 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 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.

"**Promoter**" has the meaning specified in section 1(rr) of the *Securities Act* (Alberta).

"**Pro Group**" means:

(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 to 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.

"**Related Party Transaction**" has the meaning ascribed to that term under Policy 5.9 of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, and includes a related party transaction that is determined by the Exchange, to be a Related Party Transaction. The Exchange may deem a transaction to be a Related Party Transaction where the transaction involves Non Arm's Length Parties, or other circumstances exist which may compromise the independence of the Issuer with respect to the transaction.

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

"**Seed Shares**" means securities issued before an Issuer's IPO, or by a private Target Company before a reverse take-over bid, change of business or Qualifying Transaction, regardless of whether the securities are subject to resale restrictions or are free trading.

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

"**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.

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

"**Sponsor Report**" means the report to be provided to the Exchange by the Sponsor.

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

"**Trustee**" means Valiant Trust Company, a trust corporation having an office in the City of Calgary, in the Province of Alberta.

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

PROSPECTUS SUMMARY

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

The Corporation:	Drako Capital Corp.
Business of the Corporation:	The Corporation is a CPC. 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. See "*Business of the Corporation*".
Offering:	A total of 2,200,000 Common Shares are being offered under this prospectus at a price of $0.10 per Common Share. In addition, the Corporation will grant to the Agent the Agent's Option to purchase 220,000 Common Shares (being the number of Common Shares equal to 10% of the number of Common Shares sold pursuant to the Offering) at a price of $0.10 per Common Share and which may be exercised for a period of 24 months from the day the Common Shares are listed on the Exchange, which Agent's Option is qualified for distribution under this prospectus. The Corporation also intends to grant options to purchase 660,000 Common Shares at a price of $0.10 per Common Share to the directors and officers of the Corporation, which options are qualified for distribution under this prospectus. See "*Plan of Distribution*".
Use of Proceeds:	The total net proceeds to the Corporation, accounting for total cash proceeds raised prior to this Offering and total proceeds of this Offering, net of all Offering expenses, will be approximately $320,000. The Corporation estimates incurring general and administrative costs of approximately $40,000 until the Completion of the Qualifying Transaction, which will reduce the total net funds available for pursuing a Qualifying Transaction to $280,000. The net funds available will be used to provide the Corporation with a minimum of funds with which to identify and evaluate assets or businesses, for acquisition with a view to completing a Qualifying Transaction. The Corporation may not have sufficient funds to secure such businesses or assets once identified and evaluated and additional funds may be required. Until Completion of the Qualifying Transaction and except as otherwise provided in the CPC Policy, a maximum of the lesser of 30% of the gross proceeds realized or $210,000 may be used for purposes other than evaluating businesses or assets. See "*Use of Proceeds*".
Directors and Officers:	The directors and officers of the Corporation are:

Robert J. Dales	President, Chief Executive Officer and Director
Omar L. Quiroz	Director
William C. Guinan	Director
Gordon J. Salomons	Director
Neil G. Sinclair	Vice President, Finance, Chief Financial Officer and Corporate Secretary

See "*Directors, Officers and Promoters*".

Escrowed Securities:	All of the currently issued and outstanding Common Shares, being 4,400,000 Common Shares issued at $0.05 per share, will be deposited into escrow pursuant to the terms of the Escrow Agreement 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 "*Escrowed Securities*".

Risk Factors:

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. The Corporation 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 (based on the gross proceeds from this and prior issuances without deduction of selling and related expenses) per Common Share of $0.03 or 33.3%. There can be no assurance that an active and liquid market for the Corporation's Common Shares will develop and an investor may find it difficult to resell the Common Shares. Until Completion of the Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Corporation has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Corporation will be able to identify or complete a suitable Qualifying Transaction.

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

THE CORPORATION

The Corporation was incorporated on January 21, 2010, by Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (Alberta) under the name "Drako Capital Corp."

The head office and the registered and records office of the Corporation is located at 1000 Canterra Tower, 400 3rd Avenue S.W. Calgary, Alberta T2P 4H2.

BUSINESS OF THE CORPORATION

Preliminary Expenses

As at June 25, 2010, the Corporation had incurred preliminary expenses for auditing and legal fees in the amount of approximately \$46,300 and \$8,500 to the Exchange as part of the Corporation's listing fee and related costs. The Corporation also paid to the Agent \$10,000 (plus GST) as a corporate finance fee and \$10,000 as a retainer for the Agent's expenses, including legal expenses. Certain of the Offering proceeds will be utilized to satisfy the obligations of the Corporation related to the Offering, including the expenses of its auditors and legal fees, the fees of the Exchange, the Agent's fees and expenses of the Agent and the fees of the securities regulatory authorities. See "*Use of Proceeds*".

Proposed Operations until Completion of a Qualifying Transaction

The Corporation proposes to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. 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. The Corporation has not conducted commercial operations other than to enter into discussions for the purpose of identifying potential acquisitions or interests. The Corporation currently intends to pursue a Qualifying Transaction in the oil and gas sector but there is no assurance that this sector will, in fact, be the business sector of a proposed Qualifying Transaction or of the Corporation following completion of the Qualifying Transaction.

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, this may include the raising of additional funds in order to finance an acquisition. Except as described under "*Use of Proceeds - Private Placements for Cash*" and "*Use of Proceeds - 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 may use cash, bank financing, the issuance of treasury shares, public debt or equity financing or a combination of the foregoing 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

All potential Qualifying Transactions will be screened initially by management of the Corporation to determine their economic viability. Approval of the Qualifying Transaction will be made by the board of directors. The board of directors will examine any proposed Qualifying Transaction having regard to sound business fundamentals, utilizing the expertise and experience of the directors. 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 having regard 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.

Filings and Shareholder Approval of the 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 "*Business of the Corporation - Trading Halts, Suspensions and Delisting*". Within 75 days after issuance of such news release, the Corporation is required to submit for review to the Exchange either an information circular that complies with applicable corporate and securities laws or a filing statement that complies with Exchange requirements. An information circular must be submitted where there is a Non Arm's Length Qualifying Transaction. A filing statement must be submitted where the Qualifying Transaction is not a Non Arm's Length Qualifying Transaction. The information circular or filing statement, as applicable, must contain prospectus level disclosure of the Target Company and the Corporation, assuming Completion of the Qualifying Transaction, and be prepared in accordance with the CPC Policy and Form 3B1 or Form 3B2, as the case may be, of the Exchange. Upon acceptance by the Exchange, the Corporation must then either:

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

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

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

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

(c) 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 takeover 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 the applicable policies of the Exchange.

Trading Halts, Suspensions 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 Corporation 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 Corporation within 24 months of the date of listing. In the event that the Common Shares of the Corporation are delisted by the Exchange, within 90 days from the date of such delisting, the Corporation shall wind up and shall make a pro rata distribution of its remaining assets to its shareholders, unless shareholders, pursuant to a majority vote exclusive of the votes of Non Arm's Length Parties to the Corporation, determine to deal with the Issuer or its remaining assets in some other manner. See "*Business of the Corporation - Filings and Shareholder Approval of the Qualifying Transaction*".

If the Corporation has not completed a Qualifying Transaction within the time frame prescribed by the CPC Policy, it may apply for listing on NEX (the market on which former Exchange and Toronto Stock Exchange Issuers that do not meet the minimum listing requirements for Tier 2 issuers may continue to trade) rather than be delisted. In order to be eligible to list on NEX the Corporation must:

(a) obtain majority shareholder approval for the transfer to NEX exclusive of the votes of Non Arm's Length Parties of the Corporation; and

(b) either:

  (i) cancel all Seed Shares purchased by Non Arm's Length Parties to the Corporation at a discount to the IPO price, in accordance with section 11.2(a) of the CPC Policy, as if the Corporation had delisted from the Exchange; or

  (ii) subject to majority shareholder approval, cancel an amount of the Seed Shares purchased by Non Arm's Length Parties to the Corporation so that the average cost of the remaining Seed Shares is at least equal to the IPO price.

If the Corporation lists on the NEX, the Corporation must continue to comply with all the requirements and restrictions of the CPC Policy.

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

The gross proceeds to be received by the Corporation from the sale of the Common Shares offered by this prospectus will be $220,000. The gross proceeds received by the Corporation from the sale of Common Shares prior to the date of this prospectus was $220,000. From the aggregate gross proceeds of $440,000 will be deducted the expenses and costs of this issue, including legal, accounting, audit, printing, regulatory fees and the Agent's commission, fees and expenses, estimated in the aggregate, to be approximately $115,000. The Corporation estimates that $320,000 will be available to the Corporation from the sale of Common Shares distributed by this prospectus and the prior sales of Common Shares.

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

Item	Total Offering
Gross cash proceeds raised prior to this Offering (Seed Shares)(1)	$220,000
Expenses and costs relating to raising Seed Share proceeds	($5,000) (2)
Gross cash proceeds to be raised pursuant to this Offering	$220,000
Estimated expenses and costs relating to the Offering (3)	($115,000)
Estimated funds available on completion of the Offering (4)	**$320,000**
Funds available for identifying and evaluating assets or business prospects (4)(5)	$280,000
Estimated general and administrative expenses until Completion of a Qualifying Transaction	$40,000
Total Net Proceeds	**$320,000**

Notes:

(1) See "*Prior Sales*".

(2) $5,000 have been allocated towards the issuance of these shares. See the Corporation's balance sheet as at March 31, 2010.

(3) Includes listing and filing fees, Agent's commission, the Agent's fees and expenses (including fees and expenses of the Agent's legal counsel) and the Corporation's legal fees, audit fees and other expenses.

(4) In the event the Agent's Option or any portion of the options to be granted to the directors and officers of the Corporation are exercised, there will be available to the Corporation a maximum of an additional $88,000 which will be added to the working capital of the Corporation. There is no assurance that any of these options will be exercised.

(5) In the event that the Corporation enters into an Agreement in Principle prior to spending the entire $280,000 on identifying and evaluating assets or businesses, the remaining funds may be used to finance or partially finance the acquisition of Significant Assets or for working capital after Completion of the Qualifying Transaction.

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

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

Permitted Use of Funds

Until the Completion of the Qualifying Transaction and except as otherwise specifically provided by the CPC Policy and described in "*Use of Proceeds - Restrictions on Use of Proceeds*", "*Use of Proceeds - Private Placements for Cash*" and "*Use of Proceeds - Prohibited Payments to Non Arm's Length Parties*", 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 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 Use 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 "*Use of Proceeds - Restrictions on Use of Proceeds*", 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 "*Use of Proceeds - 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 the Agency Agreement, the Corporation has appointed the Agent as its agent to offer for sale to the public on a commercially reasonable efforts basis, 2,200,000 Common Shares at a price of $0.10 per Common Share for aggregate gross proceeds of $220,000, 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 will pay to the Agent a corporate finance fee of $10,000 (plus GST), the Agent's legal fees, estimated at $10,000 plus disbursements and taxes, and any other reasonable expenses of the Agent.

The Corporation has also agreed to grant to the Agent the Agent's Option which entitles the holders thereof to purchase 220,000 Common Shares at a price of $0.10 per Common Share and which may be exercised for a period of 24 months from the day the Common Shares are listed on the Exchange. The Agent's Option is qualified under this prospectus for distribution. Not more than 50% of the aggregate number of Common Shares which can be acquired by the Agent 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 commercially reasonable 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.

Commercially Reasonable Efforts Offering and Minimum Distribution

The total Offering is for 2,200,000 Common Shares at a price of $0.10 per share for total gross proceeds of $220,000. Under the CPC Policy, no purchaser of Common Shares is permitted to directly or indirectly purchase more than 2% of the total Common Shares in the Offering, or 44,000 Common Shares ($4,400). In addition, the maximum number of Common Shares that may directly or indirectly be purchased by that purchaser, together with any Associates or Affiliates of that purchaser, is 4% of the total number of Common Shares in the Offering, or 88,000 Common Shares ($8,800). The funds received from the Offering will be deposited with the Agent, and will not be released until proceeds of $220,000 have been deposited. 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 the Agent and Persons or Companies who subscribed within that period, failing which the Agent will remit the funds collected to the original subscribers without interest or deduction, unless subscribers have otherwise instructed the Agent.

Other Securities to be Distributed

The Corporation also proposes to grant options to purchase 660,000 Common Shares to the directors and officers of the Corporation in accordance with the policies of the Exchange, which options are qualified for distribution under this prospectus. See "*Options to Purchase Securities*".

Determination of Price

The offering price of the Common Shares hereunder was determined by negotiation between the Corporation and the Agent.

Listing Application

The Exchange has conditionally accepted the listing of the Common Shares on June 25, 2010. Listing will be subject to the Corporation fulfilling all the listing requirements of the Exchange.

Subscriptions by and Restrictions on the Agent

All subscriptions by any member of the Aggregate Pro Group are subject to the applicable client priority rules and the general rule of the CPC Policy that no purchaser can: (i) directly or indirectly purchase more than 2% of the total Common Shares offered under this Offering; and (ii) together with any Associates or Affiliates purchase more than 4% of the total Common Shares offered under this Offering. Any Common Shares issued to any member of the Aggregate Pro Group prior to the date of this prospectus will be held in escrow pursuant to the CPC Policy.

Until Completion of the Qualifying Transaction, the aggregate number of Common Shares permitted to be owned directly or indirectly by the members of the Pro Group is 20% of the issued and outstanding Common Shares of the Corporation exclusive of Common Shares reserved for issuance at a future date. The Exchange will require that any securities issued to the Pro Group in connection with or in contemplation of the Qualifying Transaction will be required to be subject to a four month Exchange hold period and the securities certificate(s) legended accordingly, as prescribed by Exchange Policy 3.2 "*Filing Requirements and Continuous Disclosure*".

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 securities commission that is designated the principal regulator pursuant to MI 11-102 and NP 11-202 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

Common Shares

The Corporation is authorized to issue an unlimited number of Common Shares without nominal or par value of which, as at the date hereof, 4,400,000 are issued and outstanding as fully paid and non-assessable, 2,200,000 Common Shares are reserved for issuance under this prospectus, 660,000 are reserved for issuance pursuant to the options to be granted to the directors and officers and 220,000 are reserved for issuance pursuant to the Agent's Option. See "*Plan of Distribution*".

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, upon dissolution, to share equally in 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.

Preferred Shares

The Corporation is authorized to issue an unlimited number of preferred shares (the "**Preferred Shares**"), issuable in series, none of which are issued and outstanding as of the date hereof.

CAPITALIZATION

Designation of Security	Amount Authorized	Amount Outstanding as of March 31, 2010(1)	Amount Outstanding as of the Date Hereof(1)	Amount Outstanding After Giving Effect to the Offering(2)(3)
Common Shares	unlimited	$220,000 (4,400,000 Common Shares)(4)	$220,000 (4,400,000 Common Shares)(4)	$440,000 (6,600,000 Common Shares)(4)
Preferred Shares	unlimited	nil	nil	Nil

Notes:

(1) As at March 31, 2010 and as of the date hereof, the Corporation had not commenced operations.

(2) The Corporation has reserved 220,000 Common Shares at $0.10 per share pursuant to the Agent's Option and 660,000 Common Shares at $0.10 per share pursuant to the options to be granted to the directors and officers. See "*Plan of Distribution*" and "*Options to Purchase Securities*".

(3) Based on the gross proceeds of the Offering of $220,000 and before deducting the Agent's commission, fees and expenses and the other costs of this Offering, estimated at $115,000**.**

(4) A total of 4,400,000 of these Common Shares are subject to escrow restrictions. See "*Escrowed Securities*".

OPTIONS TO PURCHASE SECURITIES

The Corporation has adopted an incentive stock option plan (the "**Option Plan**") which provides that the board of directors of the Corporation may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants to the Corporation, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares. Such options will be exercisable for a period of up to 5 years from the date of grant. In connection with the foregoing, the number of Common Shares reserved for issuance to any individual director, officer or employee will not exceed five percent (5%) of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to all consultants will not exceed two percent (2%) of the issued and outstanding Common Shares.

The Option Plan provides that upon the participant's permanent, physical or mental disability, or death such participant's options may be exercised to purchase the total number of Common Shares not previously purchased by the participant whether or not the rights to purchase some or all of those Common Shares have previously vested in or are exercisable by the participant as of the date of ceasing to be a participant, provided such exercise occurs prior to the earlier of the expiry date of the options and 90 days after the participant ceases to be a participant due to such permanent physical or mental disability or death. If a participant ceases to be a participant by reason of the participant's office, directorship or employment or services agreement with the Corporation terminating or ending otherwise than by reason of permanent physical or mental disability, or death or termination with or without notice or entitlement to a period of notice of such termination or compensation in lieu thereof, the participant may exercise the options to purchase Common Shares not previously purchased by the participant but only to the extent that rights to purchase the Common Shares have vested in and are exercisable by the participant as at the date of such ceasing to be a participant, provided such exercise occurs at any time on or before the earlier of the expiry date of the options and 21 days after the participant ceases to be a participant due to the termination or ending of the participant's office, directorship or employment or services agreement. If a participant ceases to be a participant by reason of termination without notice or entitlement to a period of notice of such termination or compensation in lieu thereof, the participant may exercise the options to purchase Common Shares not previously purchased by the participant but only to the extent that rights to purchase the Common Shares have vested in and are exercisable by the participant as at the date of such ceasing to be a participant, provided that such exercise occurs prior to the date that the participant ceases to be a participant. If a participant ceases to be a participant by reason of termination and the participant is entitled to reasonable notice of termination or compensation in lieu thereof then the participant may exercise the options to purchase Common Shares not previously purchased by the participant but only to the extent that rights to purchase the Common Shares are vested in and are exercisable by the participant on or before the date of such ceasing to be a participant provided that such exercise occurs prior to the earlier of the expiry date of the options and where the participant is given a reasonable period of notice prior to termination, the date the participant ceases to be a participant or where the participant is paid compensation in lieu of reasonable notice the date that is 21 days after the participant ceases to be a participant.

In addition, options granted to participants who do not continue as a director, officer, employee or consultant of the Resulting Issuer have a maximum term of the greater of 12 months after Completion of the Qualifying Transaction and 90 days following cessation of the participant's position with the Resulting Issuer. Any Common Shares acquired pursuant to the exercise of options prior to Completion of the Qualifying Transaction, must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued. See "*Escrowed Securities*".

As at the date hereof, the Corporation has reserved 660,000 Common Shares for issuance under the Option Plan to be granted to the Corporation's officers and directors at the Closing. Such options are qualified for distribution pursuant to this prospectus and are expected to be allocated on the following basis:

Optionee	Number of Common Shares Reserved	Exercise Price	Expiry Date
Robert J. Dales	150,000	$0.10	Five years from the date of grant
Omar L. Quiroz	330,000	$0.10	Five years from the date of grant
William C. Guinan	80,000	$0.10	Five years from the date of grant
Gordon J. Salomons	50,000	$0.10	Five years from the date of grant
Neil G. Sinclair	50,000	$0.10	Five years from the date of grant
Total	**660,000**		

PRIOR SALES

Since the date of incorporation of the Corporation, 4,400,000 Common Shares have been issued as follows:

Date	Number of Common Shares(1)	Issue Price Per Share	Aggregate Issue Price	Consideration Received
February 10, 2010	4,400,000	$0.05	$220,000	Cash

Note:
(1) All of the 4,400,000 Common Shares will be held in escrow. See "*Escrowed Securities*".

ESCROWED SECURITIES

All of the 4,400,000 Common Shares issued prior to this Offering which were issued at a price of $0.05 per Common Share and all Common Shares that may be acquired from treasury of the Corporation by Non Arm's Length Parties of the Corporation either under the Offering or otherwise prior to Completion of the Qualifying Transaction and all Common Shares acquired by members of the Aggregate Pro Group prior to this Offering will be deposited with the Trustee under the Escrow Agreement.

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.

Notwithstanding the foregoing, Common Shares acquired by Principals of the Corporation or Principals of the Resulting Issuer pursuant to a private placement will not be subject to escrow provided that various conditions, as set forth in the CPC Policy, are met. See "*Escrowed Securities - Escrowed Securities on Private Placement*".

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(1)
Omega Energy International S.A.(2) Panama City, Panama	2,000,000	2,000,000	45.5%	30.3%
Robert J. Dales Calgary, Alberta	850,000	850,000	19.3%	12.9%
William C. Guinan Calgary, Alberta	350,000	350,000	8.0%	5.3%
Gordon J. Salomons Cochrane, Alberta	300,000	300,000	6.8%	4.5%
Neil G. Sinclair Victoria, British Columbia	300,000	300,000	6.8%	4.5%
Steve Cruise Sidney, British Columbia	200,000	200,000	4.5%	3.0%
Alex MacGillivray Victoria, British Columbia	200,000	200,000	4.5%	3.0%
Sheila Nelson Surrey, British Columbia	200,000	200,000	4.5%	3.0%
Total	**4,400,000**	**4,400,000**	**100%**	**66.7%**

Notes:

(1) Assuming no Common Shares are purchased by these persons under the Offering.

(2) Omar L. Quiroz, a director of the Corporation, owns 55% of the shares of Omega Energy International S.A. The remaining 45% of these shares are owned by Quality Services and Investors S.A., of which Mr. Quiroz indirectly owns 49.8%.

Where the Common Shares which are required to be held in escrow are held by a non-individual (a "**holding company**"), each holding company pursuant to the Escrow Agreement, has agreed, or will agree, not to carry out any transactions during the currency of the Escrow Agreement which would result in a change of control of the holding company, without the consent of the Exchange. Any holding company must sign an undertaking to the Exchange that, to the extent reasonably possible, it will not permit or authorize any issuance of securities or transfer of securities 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 Trustee 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 Corporation 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 the Seed Shares purchased by Non Arm's Length Parties to the Corporation 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 subject to a Surplus Security Escrow Agreement, when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement provides for a 3 year escrow release mechanism with 5% of the escrowed securities releasable at the time of the Final Exchange bulletin, 5% on the date which is 6 months after the Final Exchange Bulletin, 10% on each of the dates which are 12 and 18 months after the Final Exchange Bulletin, 15% on each of the dates which are 24 and 30 months after the Final Exchange Bulletin and 40% on the date which is 36 months after the Final Exchange Bulletin.

In the case of a Resulting Issuer that will be a Tier 1 Issuer when the Final Exchange Bulletin is issued, the Value Security Escrow Agreement provides for an 18 month escrow release mechanism with 25% of the escrowed securities being releasable at the time of the Final Exchange Bulletin, and 25% of the escrowed securities being releasable every 6 months thereafter. In the case of a Resulting Issuer that will be a Tier 1 Issuer when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement provides for an 18 month release mechanism with 10% of the escrowed securities being releasable upon the issuance of the Final Exchange Bulletin, 20% on the date which is 6 months after the Final Exchange Bulletin, 30% on the date which is 12 months after the Final Exchange Bulletin and 40% on the date which is 18 months after the Final Exchange Bulletin.

Escrowed Securities on Private Placement

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

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

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

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

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

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

PRINCIPAL SHAREHOLDERS

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

Name and Municipality of Residence of Shareholder	Type of Ownership	Number of Shares	Percentage of Common Shares Prior to Giving Effect to the Offering	Percentage of Common Shares After Giving Effect to the Offering(1)
Robert J. Dales Calgary, Alberta	Direct	850,000	19.3%	12.9%(3)
Omega Energy International S.A.(2) Calgary, Alberta	Direct	2,000,000	45.5%	30.3%(4)

Notes:

(1) Assuming no Common Shares are purchased by these persons under the Offering.

(2) Omar L. Quiroz, a director of the Corporation, owns 55% of the shares of Omega Energy International S.A. The remaining 45% of these shares are owned by Quality Services and Investors S.A., of which Mr. Quiroz indirectly owns 49.8%.

(3) 13.4% assuming exercise of 220,000 Agent's Options and 660,000 options issued to the directors and officers of the Corporation, including the exercise of 150,000 options issued to Mr. Dales.

(4) Mr. Quiroz will control 31.1% of the Common Shares assuming exercise of 220,000 Agent's Options and 600,000 options issued to the directors and officers of the Corporation, including the exercise of 330,000 options issued to Mr. Omar L. Quiroz.

DIRECTORS, OFFICERS AND PROMOTER

The following are the names, ages and municipalities of residence of the directors, officers and the Promoter of the Corporation, their positions and offices with the Corporation, their principal occupations during the last five years and the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised.

Name, Age and Municipality of Residence	Position[(2)]	Principal Occupation During the Last Five Years	Number and Percentage of Common Shares
Robert J. Dales[(1)] Age 62 Calgary, Alberta	President, Chief Executive Officer and Director	President of Valhalla Ventures Inc., a private investment corporation, from January 1999 to present. President and Chief Executive Officer of Desco Resources Inc. since July 2009. President of Desco Energy Ltd. (now Arcan Resources Ltd.) from May 2005 to January 2007.	850,000 (19.3%)
Omar L. Quiroz[(3)] Age 45 San Jacinto, Colombia	Director and Promoter	President of Omega Energy International S.A. from April 2000 to present. President and Sales Manager of Petroleum Equipment International S.A from April 1991 to present.	2,000,000[(4)] (45.5%)
William C. Guinan[(1)] Age 54 Calgary, Alberta	Director	Partner with Borden Ladner Gervais LLP.	350,000 (8.0%)
Gordon J. Salomons[(1)] Age 58 Cochrane, Alberta	Director	President of Geo-Solve Services Inc., a private investment and consulting corporation, from June 1986 to present. Geological Supervisor for Nexen Petroleum International Ltd. from July 1997 to August 2005. Director and VP Exploration of Desco Energy Ltd. (now Arcan Resources Ltd) from June 2005 to January 2007.	300,000 (6.8%)
Neil G. Sinclair Age 62 Victoria, British Columbia	Vice President Finance, Chief Financial Officer and Corporate Secretary	President, Sinson Investments Ltd., a private British Columbia corporation engaged in property development from 1973 to the present. Vice President, Finance and Chief Financial Officer of Desco Energy Ltd. (now Arcan Resources Ltd.) from May 2005 to January 2007.	300,000 (6.8%)

Notes:

(1) Member of the Corporation's Audit Committee.

(2) All directors will hold office until the Corporation's first annual meeting of shareholders at which directors are elected, or until a successor is appointed.

(3) Mr. Quiroz may be considered a Promoter of the Corporation in that he took the initiative in organizing the Corporation. See "*Promoter*".

(4) All of these Common Shares are held by Omega Energy International S.A. Mr. Quiroz owns 55% of the shares of Omega Energy International S.A. The remaining 45% of these shares are owned by Quality Services and Investors S.A., of which Mr. Quiroz indirectly owns 49.8%.

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 believe that, on a collective basis, management possesses the appropriate experience, qualifications and history to be capable of identifying, investigating and acquiring a Significant Asset.

As of the date hereof, the directors and officers of the Corporation, as a group, beneficially own, directly or indirectly, or have control or direction over, an aggregate of 3,800,000 Common Shares, representing 86.4% of the issued and outstanding Common Shares prior to giving effect to the Offering and 57.6% of the issued and outstanding Common Shares after giving effect to the Offering (on a non-diluted basis).

All of the directors and officers of the Corporation currently have employment outside of the Corporation. Each of the directors and officers of the Corporation has agreed to devote as much time as necessary to the affairs of the Corporation and to complete the Corporation's Qualifying Transaction.

None of the directors and officers of the Corporation has entered into a non-competition or non-disclosure agreement with the Corporation.

The following is a brief description of the background of the key management and directors of the Corporation.

Robert J. Dales, B.Comm., MBA – President, Chief Executive Officer and Director

Mr. Dales has over 30 years of experience in the oil and gas industry and has held various administrative and management positions. Mr. Dales holds a Bachelor of Commerce degree from the University of Calgary, 1972 and a Master of Business Administration from the University of Alberta, 1973. He is currently the President and Chief Executive Officer and a director of Desco Resources Inc. From 1981 until 1999, Mr. Dales worked in the Operations Department of PANARTIC Oils Ltd., a private oil and gas exploration company, as Operations Manager. Mr. Dales was President, Chief Executive Officer and a director of Resolution Energy Inc., a public oil and gas exploration and development company, which was listed on the Canadian Venture Exchange, from June 1993 until October 2001. From 1994 until 1996, Mr. Dales was Secretary- Treasurer and a director of Energy North Inc., a public oil and gas exploration and development company, which was listed on the Toronto Stock Exchange. Mr. Dales was also President and a director Desco Resources Ltd., an oil and gas exploration and development company (now Peyto Energy Trust and listed on the Toronto Stock Exchange) from March 1997 until October 1998. Mr. Dales is currently a director of Celtic Exploration Ltd. and Arcan Resources Ltd., both public oil and gas exploration companies, and President and a director of Valhalla Ventures Inc., a private investment company based in Calgary, Alberta.

Omar L. Quiroz, B.Eng. - Director

Mr. Quiroz has over 20 years of experience in the oil and gas industry holding various management positions during that time. Mr. Quiroz received a Bachelor of Engineering from the Universidad Industrial de Santander in 1989. He is currently the President of Omega Energy International S.A., a private oil and gas company which also invests in the oil and gas sector. He is also the President and Sale Manager of Petroleum Equipment International S.A., a private oil and gas company.

William C. Guinan, B.B.A., M.B.A., LL.B. – Director

Mr. Guinan is a partner at the law firm of Borden Ladner Gervais LLP, Calgary, Alberta. Mr. Guinan specializes in banking, oil and gas and securities law with a focus in both private and public offerings and mergers and acquisitions. Mr. Guinan has served as a director and officer of a number of public companies and is currently a director and Corporate Secretary of Celtic Exploration Ltd. Mr. Guinan received a Bachelor of Business Administration degree from Acadia University in 1977 and a Master of Business Administration and Bachelor of Laws degree from Dalhousie University in 1982.

Gordon J. Salomons, B.Sc. Geology, P.Geol. – Director

Mr. Salomons has over 36 years of geological experience in the petroleum and coal industries and has held various management and supervisory positions in Canada and numerous international locations. Mr. Salomons received a Bachelor of Science degree in Geology from the University of Alberta in 1974 and has been a Professional Geologist since 1977. He is currently the President of Geo-Solve Services Inc., a private investing and consulting company established in June 1986 and also ranches northwest of Cochrane Alberta. Prior thereto, Mr. Salomons was a Geological Supervisor at Nexen Petroleum International Ltd., an oil and gas exploration and development company. Mr. Salomons was one of the founders, Vice President and Director of Desco Resources Ltd. an oil and gas exploration and development company, (now Peyto Energy Trust) from March 1997 until October 1998. From June 2005 to January 2007 Mr. Salomons was a founder, director and Vice-President Exploration of Desco Energy Ltd. an oil and gas exploration and development company (now Arcan Resources Ltd).

Neil G. Sinclair, B.A., MBA - Vice President, Finance, Chief Financial Officer and Corporate Secretary

Mr. Sinclair has been the President of an active private corporation with significant real estate operations for over 30 years. Mr. Sinclair received a Bachelor of Arts from the University of Victoria in 1969 and a Master of Business Administration from the University of Western Ontario in 1971. Mr. Sinclair has also served as a director and officer for public companies and is currently a director of Celtic Exploration Ltd., a TSX listed company.

Other Reporting Issuer Experience

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

Name of Director, Officer or Promoter	Name of Reporting Issuer	Market	Position	Term
Robert J. Dales	Desco Resources Inc.	TSXV	Director, President and Chief Executive Officer	July 2009 - present
	Arcan Resources Ltd. (formerly Desco Energy Ltd.)	TSXV	Director President	June 2005 – present June 2005 – January 2007
	Celtic Exploration Ltd.	TSX	Director	April 2002 – present
William C. Guinan	Desco Resources Inc.	TSXV	Director and Corporate Secretary	July 2009 - present
	Emerge Oil & Gas Inc.	TSX	Director and Corporate Secretary	August 2008 - present
	Canadian Equipment Rental Fund Limited Partnership	TSXV	Corporate Secretary	November 2007 - present
	Celtic Exploration Ltd.	TSX	Director and Corporate Secretary	April 2002 – present
	Arcan Resources Ltd. (formerly Desco Energy Ltd.)	TSXV	Director and Corporate Secretary	May 2005 – January 2007
	Expedition Energy Inc.	TSXV	Director and Corporate Secretary	October 2001 – November 2007
	GEOCAN Energy Inc.	TSX	Director and Corporate Secretary	April 1998 – October 2008
	Milagro Energy Inc.	TSX	Director and Corporate Secretary	January 1999 – October 2006
Gordon J. Salomons	Arcan Resources Ltd. (formerly Desco Energy Ltd.)	TSXV	Director and Vice-President Exploration	June 2005 – January 2007
Neil G. Sinclair	Desco Resources Inc.	TSXV	Vice President, Finance and Chief Financial Officer	July 2009 - present
	Celtic Exploration Ltd.	TSX	Director	April 2002 – present
	Arcan Resources Ltd. (formerly Desco Energy Ltd.)	TSXV	Director, Chief Financial Officer and Vice President, Finance	June 2005 – January 2007

Corporate Cease Trade Orders or Bankruptcies

No director, officer, Insider or Promoter or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation is, or within ten years before the date of the prospectus, has been, a director, officer, Insider or Promoter of any other issuer that, while that person was acting in that capacity, was the subject of a cease trade or similar order, or an order that denied such issuer access to any statutory exemptions for a period of more than 30 consecutive days or 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.

Penalties or Sanctions

No director, officer, Insider or Promoter of the Corporation, or a shareholder of the Corporation holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would likely be considered important to a reasonable investor in making an investment decision.

Personal Bankruptcies

No director, officer, Insider or Promoter of the Corporation, or a shareholder of the Corporation holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, or a personal holding company of any such persons has, within the 10 years before the date of this prospectus, as applicable, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or has been subject to or has instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold such person's assets.

Conflicts of Interest

There are potential conflicts of interest to which the directors, officers, Insiders and Promoters of the Corporation may be subject in connection with the operations of the Corporation. All 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 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 *Business Corporations Act* (Alberta).

Executive Compensation

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 or indirectly, by the Corporation to a Non Arm's Length Party to the Corporation or a Non Arm's Length Party to the Qualifying Transaction, or to any person engaged in investor relations activities in respect of the securities of the Corporation or any Resulting Issuer by any means, including:

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

  (i) salaries;

  (ii) consulting fees;

  (iii) management contract fees or directors' fees;

  (iv) finder's fees;

(v) loans, advances, bonuses; and

(b) deposits and similar payments.

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

In accordance with the policies of the Exchange, the Corporation may grant options to purchase Common Shares to the directors and officers of the Corporation. See "*Options to Purchase Securities*".

Following Completion of the Qualifying Transaction, it is anticipated that the Corporation shall pay compensation to its 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 33.3% or $0.03 per Common Share on the basis of there being 6,600,000 Common Shares 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 the filing of this prospectus, without deduction of commissions or related expenses incurred by the Corporation, as set forth below:

Item	Total Offering
Gross proceeds of prior share issues	$220,000
Gross proceeds of this Offering	$220,000
Total gross proceeds after this Offering	$440,000
Offering price per share	$0.10
Proceeds per share after this Offering	$0.07
Dilution per share to subscriber	$0.03
Percentage of dilution in relation to offering price	33.3%

RISK FACTORS

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 following are risk factors associated with the Corporation:

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

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

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

(d) assuming completion of the Offering, an investor will suffer an immediate dilution to its investment of 33.3% or $0.03 per Common Share;

(e) there can be no assurance that an active and liquid market for the Corporation's Common Shares will develop and an investor may find it difficult to resell its Common Shares;

(f) until Completion of a Qualifying Transaction, the Corporation is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions;

(g) the Corporation has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Corporation will be able to identify a suitable Qualifying Transaction;

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

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

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

(k) upon public announcement of a proposed Qualifying Transaction, trading in the Common Shares of the Corporation will be halted and will remain halted for an indefinite period of time, typically until a Sponsor has been retained and certain preliminary reviews have been conducted. The Common Shares of the Corporation will be reinstated to trading before the Exchange has reviewed the transaction and before the Sponsor has completed its full review. Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Corporation completing the proposed Qualifying Transaction;

(l) trading in the Common Shares of the Corporation may be halted at other times for other reasons, including for failure by the Corporation to submit documents to the Exchange in the time periods required;

(m) the Exchange will generally suspend trading in the Corporation's Common Shares or delist the Corporation in the event that the Exchange has not issued a Final Exchange Bulletin within 24 months from the date of listing;

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

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

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

(q) subject to prior acceptance by 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 that loan.

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

The Corporation is not currently a party to any legal proceedings, nor is the Corporation currently contemplating any legal proceedings, which are material to its business. Management of the Corporation is currently not aware of any legal proceedings contemplated against the Corporation.

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*) to the Agent.

RELATIONSHIP BETWEEN THE CORPORATION AND PROFESSIONAL PERSONS

Certain legal matters relating to this Offering will be passed upon by Borden Ladner Gervais LLP, Calgary, Alberta, on behalf of the Corporation, and by Burstall Winger LLP, Calgary, Alberta, on behalf of the Agent. Excluding William C. Guinan, a partner with Borden Ladner Gervais LLP, the partners and associates of Borden Ladner Gervais LLP do not own any Common Shares (but may subscribe for Common Shares pursuant to the Offering). Mr. Guinan is the Corporate Secretary and a director of the Corporation and is the holder of 350,000 Common Shares, which represents 8.0% of the issued and outstanding Common Shares prior to giving effect to the Offering and 5.3% of the issued and outstanding Common Shares after giving effect to the Offering. Borden Ladner Gervais LLP receives remuneration for legal services provided to the Corporation subject to the restrictions set forth in the CPC Policy.

Except as disclosed herein, no Person or Company whose profession or business gives authority to a statement made by such Person or Company and who is named in this prospectus has received or shall receive a direct or indirect interest in any securities or property of the Corporation and any Associate or Affiliate of the Corporation or is expected to be elected, appointed or employed as a director, senior officer or employee of the Corporation or of an Associate or Affiliate of the Corporation.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are Kenway Mack Slusarchuck Stewart LLP, Chartered Accountants, at 220, 333-11th Avenue S.W., Calgary, Alberta T2R 1L9.

Valiant Trust Company at its Calgary office located at 310, 606 – 4th Street S.W., Calgary, Alberta T2P 1T1, is the transfer agent and registrar for the Common Shares.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The directors and officers have all acquired Common Shares. Except as disclosed elsewhere herein, none of the directors, officers or principal shareholders of the Corporation, and no Associate or Affiliate of any of them, has or has had any material interest in any transaction that materially affects the Corporation. See "*Escrowed Securities*", "*Principal Shareholders*" and "*Plan of Distribution*".

MATERIAL CONTRACTS

The Corporation has not entered into any contracts material to investors in the Common Shares hereunder within the two years prior to the date hereof, other than the following:

1. The Agency Agreement. See "*Plan of Distribution*".

2. The Escrow Agreement. See "*Escrowed Securities*".

3. The transfer agency and registrarship agreement dated as of June 29, 2010 between the Corporation and the Trustee.

Copies of these agreements will be available for inspection at the registered office of the Corporation located at the offices of Borden Ladner Gervais LLP, solicitors of the Corporation, located at 1000 Canterra Tower, 400 - 3rd Avenue S.W., Calgary, Alberta T2P 4H2, during ordinary business hours while the securities offered by this prospectus are in the course of distribution and for a period of 30 days thereafter and are also available electronically under the Corporation's profile at www.sedar.com.

OTHER MATERIAL FACTS

To management's knowledge, there are no other material facts about the Common Shares being distributed that are not otherwise disclosed in this prospectus, or are necessary in order for the prospectus to contain full, true and plain disclosure of all material facts relating to the Common Shares being distributed.

DIVIDEND POLICY

To date, the Corporation has not paid any dividends on its outstanding Common Shares. The future payment of dividends will be dependent upon the financial requirements of the Corporation to fund further growth, financial condition of the Corporation and other factors which the board of directors of the Corporation may consider in the circumstances. It is not contemplated that any dividends will be paid in the immediate or foreseeable future.

PROMOTER

Omar L. Quiroz, a director, is considered to be the Promoter of the Corporation in that he took the initiative in organizing the Corporation. See also "*Prior Sales*", "*Options to Purchase Securities*" and "*Directors, Officers and Promoter*".

PURCHASERS' STATUTORY RIGHTS

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

ELIGIBILITY FOR INVESTMENT

In the opinion of Borden Ladner Gervais LLP, counsel to the Corporation, based on the current provisions of the *Income Tax Act* (Canada) and the *Income Tax Regulations* (collectively, the "**Tax Act**"), all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof and counsel's understanding of the current published administrative practices of the Canada Revenue Agency, provided that the Common Shares are listed on a designated stock exchange (which currently includes the Exchange) at the relevant time, the Common Shares will be qualified investments for a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered education savings plan, a deferred profit sharing plan or a tax-free savings account (the "**Plans**") under the Tax Act. If the Common Shares are listed on a designated stock exchange prior to the date on which the Corporation must file a tax return for its first taxation year, and the Corporation files an election in its tax return that year, the Common Shares will be qualified investments for such Plans notwithstanding that such shares were not listed on a prescribed stock exchange at the time of issue hereunder.

Notwithstanding the foregoing, a holder of Common Shares will be subject to a penalty tax if the Common Shares are held in a tax-free savings account ("**TFSA**") and are a "prohibited investment" for a TFSA, as defined in the Tax Act. The Common Shares will generally be a "prohibited investment" if the holder of the TFSA does not deal at arm's length with the Corporation for the purpose of the Tax Act or if the holder of the TFSA has a "significant interest" (as defined in the Tax Act) in either the Corporation or a person or partnership that does not deal at arm's length with the Corporation for the purpose of the Tax Act. Holders should consult their own tax advisors as to whether the Common Shares will be a prohibited investment in their particular circumstances.

On October 16, 2009, the Minister of Finance (Canada) proposed amendments to the Tax Act that will impact TFSAs (the "**TFSA Proposal**"). While the Minister of Finance has yet to introduce legislation in this regard, the TFSA Proposals included a prohibition on asset transfer transactions between TFSAs and other accounts. The TFSA Proposals apply to transactions that occur after October 16, 2009. **Holders should consult there own tax advisors regarding the application of the TFSA Proposals in their particular circumstances.**

AUDITORS' CONSENT

We have read the prospectus of Drako Capital Corp. (the "**Corporation**") dated June 29, 2010 with respect to the issuance and sale of 2,200,000 shares of the Corporation. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use through inclusion in the above-mentioned prospectus of our report dated May 25, 2010 (except Note 8 which is dated June 29, 2010) to the Directors of the Corporation on the balance sheet of the Corporation as at March 31, 2010 and the statement of cash flows for the period ended March 31, 2010.

"*Kenway Mack Slusarchuk Stewart LLP*"
CHARTERED ACCOUNTANTS

Calgary, Alberta
June 29, 2010

Drako Capital Corp.

Financial Statements

Period from Incorporation on January 21, 2010 to March 31, 2010

Kenway Mack Slusarchuk Stewart LLP
CHARTERED ACCOUNTANTS

Drako Capital Corp.

Auditors' Report

To: The Directors of
Drako Capital Corp.

We have audited the balance sheet of **Drako Capital Corp.** as at **March 31, 2010** and the statement of cash flows for the period then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2010, and its cash flows for the period then ended in accordance with Canadian generally accepted accounting principles.

Kenway Mack Slusarchuk Stewart LLP

May 25, 2010 except for note 8
which is dated at June 29, 2010
Calgary, Alberta

Chartered Accountants

Drako Capital Corp.
Balance Sheet

As at March 31, 2010

Assets	
Current assets	
Cash	$ 191,000
Deferred financing costs	50,500
	$ 241,500
Liabilities and Shareholders' Equity	
Current liabilities	
Accrued liabilities	$ 26,500
Shareholders' equity	
Share capital (note 4)	215,000
Contributed surplus	-
Retained earnings	-
	215,000
	$ 241,500

Approved by the Board:

(signed) "Robert J. Dales" Director (signed) "Gordon J. Salomons" Director

See accompanying notes to the financial statements

Drako Capital Corp.
Statement of Cash Flows

Period from Incorporation on January 21, 2010 to March 31, 2010

Financing Activities	
Issuance of share capital	$ 220,000
Share issue costs	(5,000)
Deferred costs	(24,000)
Increase in cash	191,000
Cash, beginning of period	-
Cash, end of period	$ 191,000

See accompanying notes to the financial statements

1. Incorporation and Nature of Business

Drako Capital Corp. (the "Corporation") was incorporated by articles of incorporation under the *Business Corporation Act* (Alberta) on January 21, 2010.

The Corporation is classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange Inc. (the "Exchange"). The Corporation has not commenced commercial operations and has no assets other than a minimum amount of cash. Except as specifically contemplated in the CPC Policy, until the Completion of a Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a proposed Qualifying Transaction.

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 identification and evaluation of assets or businesses for future investment.

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

The Corporation has not commenced operations at the balance sheet date. Accordingly, statements of earnings, comprehensive earnings and retained earnings have not been prepared.

2. Significant accounting policies

(a) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles on a going concern basis requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

(b) Deferred financing costs

Costs incurred relating to the proposed issuance of shares are deferred. Deferred costs consist primarily of professional fees. Costs will be charged to share capital upon the issuance of shares. In the event that the share issuance does not occur, costs will be charged to income in the period.

2. Significant accounting policies, continued

(c) Financial instruments

The Corporation's financial assets and liabilities are classified and measured as follows:

- Cash is classified as held for trading and is measured at fair value. Gains and losses related to periodic measurement are recorded in the statement of operations.

- Accrued liabilities are classified as other liabilities and are initially measured at fair value and subsequently at amortized cost using the effective interest rate method.

(d) Future income taxes

Income taxes are calculated using the liability method of tax allocation accounting. Temporary differences arising from the difference between the tax basis of an asset or liability and its carrying value on the balance sheet are used to calculate future income tax liabilities or assets. Future income tax liabilities or assets are calculated using tax rates anticipated to apply in the periods that the temporary differences are expected to reverse. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs. To the extent that the Company does not consider it to be more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess

(e) Stock-based compensation

The Corporation has a stock-based compensation plan as described in Note 4. The Corporation accounts for its stock option plan using the fair value method. Under this method, the Corporation estimates the fair value of stock options using the Black-Scholes option pricing model on the date of grant. Based on the value of the option granted, stock-based compensation expense and an offsetting credit to contributed surplus is recorded over the vesting period. When options are exercised, the amortized portion of the value of the option is transferred from the contributed surplus account to the share capital account.

(f) International Financial Reporting Standards

A decision of the CICA Accounting Standards Board (the "AcSB") will require the Corporation to report under International Financial Reporting Standards in fiscal 2011. The Corporation is monitoring the requirements but has not yet assessed the impact on its financial statements.

2. Significant accounting policies, continued

(g) Future accounting changes

By January 1, 2011, the Corporation will adopt the requirements of the CICA Handbook Sections 1582 Business Combinations, 1601 Consolidated Financial Statements and 1602 Non-Controlling Interests. The new requirements prescribe the use of the acquisition method for accounting for business combinations. This method prescribes the use of acquisition date fair value measurements for assets and liabilities including goodwill and the measurement of any non-controlling interests. Costs related to the business acquisition will be expensed when incurred. Intercompany gains and losses pertaining to assets transferred within a consolidated group will be eliminated in the preparation of consolidated financial statements. Net income and components of other comprehensive income will be attributed to non-controlling interests. As the transitional provisions allow prospective application of the guidance to transactions occurring after adoption and provide that non-controlling interests previously reported need not be restated, the Corporation does not anticipate any impact to its financial statements arising from the adoption of the pronouncements.

3. Capital management

The Corporation's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can provide adequate returns for shareholders. The Corporation defines capital as total equity which was $215,000 at March 31, 2010.

The Corporation is subject to external restrictions on the use of proceeds from the sale of all securities issued as described in Note 1.

4. Share capital

Authorized

The authorized share capital of the Corporation consists of an unlimited number of common shares without nominal or par value and an unlimited number of preferred shares, issuable in series.

Issued – Common shares

	Issued	Amount
Balance, beginning of period	-	$ -
Issued for cash February 10, 2010	4,400,000	220,000
Share issue costs	-	(5,000)
Balance, end of period	4,400,000	$ 215,000

4. Share capital, continued

Stock Based Compensation

The Corporation has adopted an incentive stock option plan, which provides that the Board of Directors of the Corporation may from time to time, at its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants to the Corporation, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. Such options will be exercisable for a period of up to five years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors. No options have been granted to date.

5. Financial Instruments

Fair value

The Corporation's carrying value of cash and accrued liabilities approximates their fair values due to the immediate or short-term maturity of these instruments.

6. Future income taxes

The components of the future income tax asset are as follows:

Future income tax assets:	
Share issue costs	1,300
Valuation allowance	(1,300)
	$ -

7. Related party transactions

The Corporation accrued $19,000 during the period relating to professional services provided by a law firm of which one of the Corporation's directors is a partner. Of this amount, $14,000 is included in deferred financing costs and $5,000 as share issue costs.

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

8. Subsequent events

Pursuant to a prospectus filed with the securities regulatory authorities in each of the provinces of Alberta, British Columbia and Ontario, and with the TSX Venture Exchange Inc. dated June 29, 2010 and an Agency Agreement dated June 29, 2010, the Corporation is offering 2,200,000 common shares at $0.10 per share to the public. The gross proceeds to the Corporation are expected to be $220,000 before deducting expenses and commissions of this issue.

In connection with the Agency Agreement, the Corporation will grant to its agent a non-transferable option to purchase up to 220,000 common shares at an exercise price of $0.10 per share exercisable for a period ending 24 months from the date of listing of the Corporation's common shares on the exchange.

The Corporation intends to grant options to purchase 660,000 common shares at a price of $0.10 per common share to directors and officers of the Corporation under the incentive stock option plan.

CERTIFICATE OF THE CORPORATION

Date: June 29, 2010

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

(signed) "*Robert J. Dales*" Robert J. Dales President and Chief Executive Officer	(signed) "*Neil G. Sinclair*" Neil G. Sinclair Vice President, Finance and Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) "*Omar L. Quiroz*" Omar L. Quiroz Director	(signed) "*Gordon J. Salomons*" Gordon J. Salomons Director

CERTIFICATE OF THE PROMOTER

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

(signed) "*Omar L. Quiroz*"
Omar L. Quiroz
Promoter

CERTIFICATE OF THE AGENT

Date: June 29, 2010

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

PI FINANCIAL CORP.

Per: (signed) "*Bert Quattrociocchi*"
Bert Quattrociocchi
Executive Vice President