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

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

PRELIMINARY PROSPECTUS

Initial Public Offering **February 18, 2011**

KEY VENTURE CAPITAL INC.
(a capital pool company)

Minimum $300,000
Maximum $500,000

Minimum 3,000,000 Common Shares
Maximum 5,000,000 Common Shares

Price: $0.10 per Common Share

The purpose of this offering (the "**Offering**") is to provide Key Venture Capital Inc. (the "**Corporation**") with a minimum of funds with which to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction, as hereafter defined. The Corporation offers through its agent, Mackie Research Capital Corporation (the "**Agent**"), a minimum of 3,000,000 common shares of the Corporation (each a "**Common Share**") and a maximum of 5,000,000 Common Shares to the public at a price of $0.10 per Common Share. The Corporation will grant the Agent a non-transferable option (the "**Agent's Option**") to acquire Common Shares in an amount equal to 10% of the number of Common Shares sold under the Offering at an exercise price of $0.10 per Common Share, exercisable for a period of 24 months from the date of listing of the Common Shares on the TSX Venture Exchange (the "**Exchange**"). The Corporation is a capital pool company ("**CPC**") within the meaning of Policy 2.4 (the "**CPC Policy**") of the Exchange. 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 of the Exchange, 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. Any proposed Qualifying Transaction must be approved by 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 the CPC Policy. See "Business of the Corporation" and "Use of Proceeds".

	Price to Public (1)	**Agent's Commission (2)**	**Net Proceeds to the Corporation**
Per Common Share	$0.10	$0.01	$0.09
Minimum Offering (3)	$300,000	$30,000	$270,000
Maximum Offering (3)	$500,000	$50,000	$450,000

Notes:

(1) Before deducting the expenses of the Offering estimated at approximately $90,000 if the minimum Offering is sold and $110,000 if the maximum Offering is sold, which includes the Corporation's legal and audit fees and other expenses, the Agent's cash commission, the Agent's corporate finance fee of $10,000 plus HST, the Agent's expenses and legal fees, and the filing fees payable to the securities regulatory authorities and the Exchange. See "Use of Proceeds".

(2) A commission equal to 10% of the gross proceeds of the Offering will be paid to the Agent. The Corporation has also agreed to pay the Agent a corporate finance fee of $10,000 plus HST which has been paid, the Agent's legal fees, and the Agent's other expenses incurred in connection with the Offering, of which $7,500 has been advanced to the Agent as a retainer. The Corporation will also grant the Agent the Agent's Option to acquire Common Shares in an amount equal to 10% of the number of Common Shares sold under the Offering at an exercise price of $0.10 per Common Share, exercisable for a period of 24 months from the date of listing of the Common Shares on the Exchange. This prospectus qualifies the grant of all of the Agent's Option. See "Plan of Distribution".

(3) A minimum of 3,000,000 Common Shares and a maximum of 5,000,000 Common Shares are offered by this prospectus. In addition, this prospectus qualifies for distribution the grant of the Agent's Option.

The Offering is made on a "commercially reasonable efforts" basis by the Agent and is subject to a minimum subscription of 3,000,000 Common Shares for total gross proceeds for the Corporation of $300,000. 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 under the terms of an agency agreement (the "**Agency Agreement**") to be entered into between the Corporation and the Agent and referred to under "Plan of Distribution". The Offering is not underwritten and if the minimum subscription is not raised within 90 days of the issuance of a receipt for the final prospectus or such other time as may be consented to by the Agent and the persons or companies who subscribed within that period, all subscription funds will be returned to subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent. See "Plan of Distribution".

Under the Agency Agreement, the Agent will be granted the Agent's Option. The Agent's Option is qualified under this prospectus for distribution. In addition, and subject to regulatory approval, the Corporation has granted options to purchase 500,000 Common Shares to directors, officers, employees and key consultants under the Corporation's stock option plan. See "Options to Purchase Securities".

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

Other than the initial distribution of the Common Shares under this prospectus, the grant of stock options to the Corporation's directors and officers, and the grant of the Agent's Option, trading in all securities of the Corporation is prohibited during the period between the date a receipt for this preliminary prospectus is issued by the British Columbia Securities Commission and the time the Common Shares are listed for trading except, subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the British Columbia, Alberta and Ontario Securities Commissions grant a discretionary order.

Investment in the Common Shares offered by this prospectus is highly speculative due to the nature of the Corporation's business and its present stage of development. This offering is suitable only to those investors who are prepared to risk the loss of their entire investment. See "Risk Factors".

There is no market through which the Common Shares offered by this prospectus may be sold and purchasers may not be able to resell 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".

Upon completion of the Offering, purchasers will suffer an immediate dilution (based on the gross proceeds from this and prior issues without deduction of selling and related expenses) per Common Share of $0.02 or 20% if the minimum Offering is subscribed and $0.01 or 10% if the maximum Offering is subscribed.

As at the date of this prospectus, the Corporation does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

The Corporation was only recently incorporated and does not currently own any assets other than cash. The business objective of the Corporation is to identify and evaluate assets or businesses with a view to completing a Qualifying Transaction approved by the Exchange and in the case of a Non- Arm's Length Qualifying Transaction, as hereinafter defined, the Majority of the Minority Approval, as hereinafter defined; however, there can be no assurance that the Corporation will successfully complete a Qualifying Transaction. Although the Corporation has commenced the process of identifying potential acquisitions, the Corporation has yet to enter into any negotiations with respect to such potential acquisitions and may determine that current markets, terms of acquisition, or pricing conditions make such potential acquisitions uneconomic. The Corporation has not entered into an Agreement in Principle, as hereafter defined. 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 to meet such obligations. Since the Corporation has not placed any geographical restrictions on the location of a Qualifying Transaction, such 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 of 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 corporations with greater resources. The Corporation has neither a history of earnings nor has it paid any dividends and it is unlikely to generate earnings or pay dividends in the immediate or foreseeable future. The 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. The applicable securities regulatory authority may issue a cease trade order against the Corporation's securities if the Common Shares of the Corporation are suspended or delisted from trading on the Exchange. In addition, delisting of the Common Shares will result in the cancellation of all of the Common Shares of the Corporation owned by insiders issued before this offering.

Investors must rely solely on the expertise of the Corporation's promoters, directors and officers for any possible return on their investment. The Corporation's promoters, directors, officers and control persons, and their associates and affiliates, as a group, beneficially own or control, directly or indirectly 2,000,000 Common Shares, which represents 40% of the issued and outstanding Common Shares after giving effect to the minimum Offering or approximately 28.56% (undiluted) of the issued and outstanding Common Shares after giving effect to the maximum Offering, assuming that no Common Shares are purchased by these persons under the Offering. The directors and officers of the Corporation will only devote part of their time to the affairs of the Corporation. 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. See "Dilution", "Business of the Corporation", "Directors, Officers and Promoters", "Use of Proceeds" and "Risk Factors".

Under the CPC Policy, no purchaser of the Common Shares is permitted to directly or indirectly purchase more than 2% or 60,000 of the total Common Shares offered under this prospectus if the minimum Offering is subscribed and 100,000 of the total Common Shares offered if the maximum Offering is subscribed. In addition, the maximum number of Common Shares that may directly or indirectly be purchased by that purchaser, together with any Associates or Affiliates of that purchaser, is 4% or 120,000 of the total number of Common Shares offered under this prospectus if the minimum Offering is subscribed and 200,000 of the total Common Shares if the maximum Offering is subscribed.

Upon completion of the Offering, the Corporation must have a minimum of 200 shareholders with each shareholder beneficially owning at least 1000 Common Shares free of resale restrictions, exclusive of any Common Shares held by Non-Arm's Length Parties to the Corporation.

The Agent conditionally offers the 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 and subject to the approval of certain legal matters by Boughton Law Corporation, Vancouver, British Columbia, on behalf of the Corporation and by Morton & Company, Vancouver, British Columbia on behalf of the Agent.

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.

MACKIE RESEARCH CAPITAL CORPORATION
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Royal Bank Building
Calgary, Alberta
T2P 1C9
Telephone: (403) 218-6375
Facsimile: (403) 265-5039

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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 rights attached to those voting securities are entitled, if exercised, 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 ♦, 2011 between the Corporation and the Agent.

"**Agent**" means Mackie Research Capital Corporation.

"**Agent's Option**" means the non-transferable option to be granted by the Corporation to the Agent entitling the Agent to acquire up to 300,000 Common Shares if the minimum Offering is subscribed and up to 500,000 Common Shares if the maximum Offering is subscribed, at an exercise price of $0.10 per share, exercisable for 24 months from the date of listing of the Common Shares 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, means:

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

(b) any partner of the Person;

(c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which the Person serves as trustee or in a similar capacity; and

(d) in the case of a Person who is an individual, a relative of that Person including:

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

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

but

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 completion of the Offering.

"**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 that holds or is one of a combination of Persons or companies that holds a sufficient number of any of the voting 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 Key Venture Capital Inc., a corporation incorporated under the laws of the Province of British Columbia.

"**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 Policy 2.4 of the Exchange.

"**Escrow Agreement**" means the escrow agreement dated October 18, 2010 among the Corporation, the Trustee and certain shareholders of the Corporation.

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

"**Exchange Acceptance**" means the acceptance of the Agreement in Principal regarding the Qualifying Transaction granted by the Exchange.

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

"**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 a Company that is an Insider or subsidiary of the issuer;

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

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

"**Non-Arm's Length Party**" means in relation to a Company, a promoter, officer, director, other insider or Control Person of that Company (including an issuer) and any Associates or Affiliates of any 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 to be the subject of the proposed Qualifying Transaction.

"**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 initial public offering ("**IPO**") prospectus or the 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; and

(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 l(1) of the *Securities Act* (British Columbia).

"**Pro Group**" includes, either individually or as a group: (a) the Member; (b) employees of the Member; (c) partners, officers and directors of the Member; (d) Affiliates of the Member; and (e) Associates of any parties referred to in (a) through (d) of this definition. In addition, the Exchange may in its discretion include any Person from the Pro Group where it determines that the Person is not acting at arm's length of the Member or exclude at its discretion any Person where it determines that the Person is acting at arm's length of the Member. In certain circumstances, the Member may deem a Person who would otherwise be included in the Pro Group to be excluded from the Pro Group, as set out in the definition of the "Pro Group" in Exchange Policy 1.1 *Interpretation*.

"**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 Appendix 5B of the Exchange - Ontario Securities Commission Rule 61-501, and includes a related party transaction that is determined by the Exchange, to be a Related Party Transaction. The Exchange may deem a transaction to be a Related Party Transaction where the transaction involves Non Arm's Length Parties, or other circumstances exist which may compromise the independence of the Issuer with respect to the transaction.

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

"**Rule D**" means Rule D *Membership* of the Exchange.

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

"**Seed Shares**" means securities issued before an issuer's initial public offering, 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.

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

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

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

"**Trustee**" means Valiant Trust Company.

"**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: Key Venture Capital Inc.

Business of the Corporation: The Corporation is a CPC under the policies of the Exchange. 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: The Corporation is offering to the public, through the Agent, a minimum of 3,000,000 Common Shares and a maximum of 5,000,000 Common Shares at a price of $0.10 per Common Share for minimum gross proceeds of $300,000 and maximum gross proceeds of $500,000. In addition, the Corporation will grant an option to the Agent to purchase Common Shares in an amount equal to 10% of the number of Common Shares sold under the Offering at a price of $0.10 per Common Share exercisable for a period of 24 months from the date of listing of the Common Shares on the Exchange, which option is qualified under this prospectus. See “Plan of Distribution”.

Directors and Management:

Sophia Leung	Chief Executive Officer and Director
Earl Drake	Chief Financial Officer, Corporate Secretary and Director
Christopher Carl	Director
Chee Keong (Joshua) Siow	Director

Use of Proceeds: The total funds available to the Corporation, including the balance of cash proceeds raised before the Offering and the net proceeds of the Offering, will be approximately $305,000 if the minimum Offering if subscribed and approximately $485,000 if the maximum Offering is subscribed. The total available funds will 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 business or assets. See “Use of Proceeds”, “Business of the Corporation - Method of Financing” and “Risk Factors”.

Escrowed Securities: All the currently issued and outstanding Common Shares that were issued at a price below $0.10 per Common Share, being 2,000,000 Common Shares, have been deposited in 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. It does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the Completion of the Qualifying Transaction. The Offering is only suitable to investors who are prepared to rely entirely on the directors and management of the Corporation and can afford to risk the loss of their entire investment. The directors and officers of the Corporation will only devote part of their time and attention to the affairs of the Corporation, and there are potential conflicts of interest to which some of the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. Assuming completion of the minimum Offering, an investor will suffer an immediate dilution on investment of 20% or $0.02 per Common Share. Assuming completion of the maximum Offering, an investor will suffer an immediate dilution on investment of 10% or $0.01 per Common Share. There can be no assurance that an active and liquid market for the Corporation’s Common Shares will develop and an investor may find it difficult to resell the Common Shares. Until Completion of the Qualifying Transaction, if ever, 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 Transactions. The Corporation has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the CPC 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” and “Risk Factors”.

THE CORPORATION

The Corporation was incorporated by notice of articles under the *Business Corporations Act* (British Columbia) on September 15, 2010.

The head office of the Corporation is located at 4510 NW Marine Drive, Vancouver, British Columbia, V6R 1B8. The registered and records office of the Corporation is located at 1000 – 595 Burrard Street, Vancouver, British Columbia, V7X 1S8. The Corporation does not have any subsidiaries.

BUSINESS OF THE CORPORATION

Preliminary Expenses

The Corporation has incurred expenses to November 30, 2010 in the total amount of $21,024 in respect of legal and audit fees, and other expenses related to the Offering. Since November 30, 2010, the Corporation has incurred expenses of approximately $27,530 in respect of bank charges, legal fees, fees of the Exchange related to the Corporation's listing application, and fees of securities regulatory authorities related to filing of this prospectus. Part of the net proceeds of the Offering will be utilized to satisfy additional obligations of the Corporation related to the Offering, including the expenses of its auditor, legal fees, fees of the Agent and its legal counsel, and fees of the Exchange and securities regulatory authorities. See "Use of Proceeds".

Proposed Operations until Completion of a Qualifying Transaction

To date, the Corporation has not conducted commercial operations of any kind. The Corporation is a CPC under the policies of the Exchange. 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.

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 under the 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.

The Corporation currently intends to pursue a Qualifying Transaction in the non-resource sector but there is no assurance that this will, in fact, be the business sector of a proposed Qualifying Transaction or of the Corporation following the Completion of the Qualifying Transaction. Although the Corporation has commenced the process of identifying potential acquisitions with a view to completing a 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, private or public debt or equity financing, or a combination of these, for the purpose of financing its proposed Qualifying Transaction. **A Qualifying Transaction financed by the issuance of treasury shares could result in a change of control of the Corporation and may cause the shareholders' interest in the Corporation to be further diluted**.

Criteria for a Qualifying Transaction

All potential acquisitions will be screened initially by management of the Corporation to determine their economic viability. Approval of acquisitions will be made by the Board of Directors. The Board of Directors will examine proposed acquisitions 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 with a view to the best interests of the Corporation and will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Process of Identification of a Qualifying Transaction

The Corporation proposes to identify acquisitions of interests in assets or businesses through discussions with various business associates and contacts of the Corporation's directors. Once a prospective acquisition target has been identified and evaluated, the Corporation will proceed to negotiate the terms upon which it may acquire an interest in the assets or business.

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

Upon the Corporation reaching an Agreement in Principle, the Corporation must issue a comprehensive news release, at which time the Exchange generally will halt trading in the Corporation's Common Shares until the filing requirements of the Exchange have been satisfied as set forth under "Trading Halts, Suspensions and Delisting". Within 75 days after issuance of such news release, the Corporation will be required to submit for review to the Exchange either an information circular that complies with applicable corporate and securities laws or a filing statement that complies with 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 before 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 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 under the CPC Policy.

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

Initial Listing Requirements

The Resulting Issuer must satisfy the Exchange's Initial 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, Suspension and Delisting

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

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

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

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

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

The Exchange may suspend from trading or delist the Common Shares of the Corporation where the Exchange has not issued a Final Exchange Bulletin to the CPC within 24 months after 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 must wind up and must make a pro rata distribution of its remaining assets to its shareholders, unless shareholders, by a majority vote exclusive of the votes of Non-Arm's Length Parties to the Corporation, approve another use of the remaining assets. See "Filings and Shareholders Approval of a Non-Arm's Length Qualifying Transaction" above.

If the Corporation does not complete a Qualifying Transaction within 24 months after the date of listing, the Corporation may apply for listing on NEX 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 to 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 Offering 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 Offering price.

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

Refusal of Qualifying Transaction

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

(a) the Resulting Issuer fails to satisfy the applicable Minimum Listing Requirements of the Exchange upon completion of the Qualifying Transaction;

(b) the total 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 finance company, financial institution, finance issuer, or mutual fund, as defined in applicable 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 received by the Corporation from the sale of 2,000,000 Common Shares before the date of the prospectus was $100,000. The Corporation incurred expenses and costs totalling approximately $5,000 with respect to the organization of the Corporation and the issuance of Common Shares before the Offering. The minimum gross proceeds to be received by the Corporation from the sale of the Common Shares distributed under this prospectus will be $300,000 and the maximum gross proceeds will be $500,000. The expenses and costs of the Offering incurred to date and expected to be incurred total approximately $90,000 if the minimum Offering is sold and $110,000 if the maximum Offering is sold, which includes the Corporation's legal and audit fees and other expenses, the Agent's cash commission, the Agent's corporate finance fee of $10,000 plus HST, the Agent's expenses and legal fees, and the filing fees payable to the securities regulatory authorities and the Exchange. The Corporation estimates that approximately $305,000 will be available to it upon completion of the minimum Offering and approximately $485,000 will be available to it upon completion of the maximum Offering and from prior sales of Common Shares.

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

	Minimum Offering	Maximum Offering
Cash proceeds raised before the Offering (1)	$100,000	$100,000
Estimated expenses and costs relating to raising the cash proceeds	(5,000)	(5,000)
Cash proceeds to be raised under the Offering (2)	300,000	500,000
Estimated expenses and costs relating to the Offering (as described above)	(90,000)	(110,000)
Estimated funds available (on completion of the Offering)	**$305,000**	**$485,000**
Funds available for identifying and evaluating assets or business prospects (3)	260,000	440,000
Estimated general and administrative expenses until Completion of a Qualifying Transaction (4)	45,000	45,000
	$305,000	**$485,000**

Notes:

(1) See “Prior Sales”.

(2) If the minimum Offering is sold, the Agent exercises the Agent’s Option and the directors and officers exercise their options, there will be available to the Corporation a maximum of an additional $80,000, which will be added to the working capital of the Corporation. If the maximum Offering is sold, the Agent exercises the Agent’s Option and the directors and officers exercise their options, there will be available to the Corporation a maximum of an additional $100,000, which will be added to the working capital of the Corporation. There is no assurance that the Agent’s Option or the incentive stock options granted to directors and officers will be exercised.

(3) If the Corporation enters into an Agreement in Principle before spending the entire $260,000 if the minimum Offering is sold, or $440,000 if the maximum Offering is sold, 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.

(4) See “Restrictions on Use of Proceeds”.

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

Permitted Use of Funds

Until the Completion of the Qualifying Transaction and except as otherwise specifically provided by the CPC Policy and described in “Restrictions on Use of Proceeds”, “Private Placements for Cash,” and “Prohibited Payments to 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:

(a) valuations or appraisals;
(b) business plans;
(c) feasibility studies and technical assessments;
(d) sponsorship reports;
(e) engineering or geological reports;
(f) financial statements, including audited financial statements;
(g) fees for legal and accounting services; and
(h) 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 a total 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, provided that:

(a) the Qualifying Transaction has been publicly announced at least 15 days before the date of such advance;

(b) due diligence with respect to the Qualifying Transaction is well underway; and

(c) either a Sponsor has been engaged or sponsorship has been waived.

A maximum total 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 of 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 printing of this prospectus and share certificates;
    (iii) equipment leases; and
    (iv) fees for legal advice and audit expenses relating to matters 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. Before 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 before and under 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 under such a private placement will be Common Shares. Subject to certain limited exceptions, any Common Shares issued under the private placement to Non-Arm's Length Parties to the Corporation and to Principals of the Resulting Issuer will be escrowed.

Prohibited Payments to Non-Arm's Length Parties

Except as described under "Options to Purchase Securities" and "Restrictions on Use of Proceeds", the Corporation has not made, and until 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 before 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). The Corporation may also reimburse a Non-Arm's Length Party to the Corporation for reasonable out-of pocket-expenses incurred in pursuing the business of the Corporation described in "Permitted Use of Funds".

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

PLAN OF DISTRIBUTION

Agent and Agent's Compensation

Under the Agency Agreement, the Corporation has appointed the Agent as its agent to offer for sale on a "commercially reasonable efforts" basis to the public, a minimum of 3,000,000 Common Shares and a maximum of 5,000,000 Common Shares, as provided in this prospectus, at a price of $0.10 per Common Share, for minimum gross proceeds of $300,000 and maximum gross proceeds of $500,000, subject to the terms and conditions in the Agency Agreement. The Agent will receive a commission of 10% of the total gross proceeds from the sale of the Common Shares. The Corporation will also pay the Agent a corporate finance fee of $10,000 plus HST which has been paid. In addition, the Corporation will pay the Agent's legal fees plus disbursements and taxes, and the Agent's other expenses, of which $7,500 has been advanced to the Agent as a retainer.

The Corporation has also agreed to grant the Agent's Option to the Agent. The Agent's Option is the non-transferable option to be granted by the Corporation to the Agent, entitling the Agent to acquire up to 300,000 Common Shares if the minimum Offering is sold and up to 500,000 Common Shares if the maximum Offering is sold, at an exercise price of $0.10 per Common Share, exercisable for a period of 24 months from the date of listing of the Common Shares on the Exchange. The Agent's Option is qualified under this prospectus. Not more than 50% of the Common Shares received on the exercise of the Agent's Option may be sold by the Agent before the Completion of the Qualifying Transaction. The remaining 50% may be sold after the Completion of the Qualifying Transaction.

The Corporation has also granted to the Agent a right of first refusal for a period of 24 months from the closing of the Offering, to participate in and act as agent or underwriter on future financings (public or private) and to act as Sponsor for the Corporation's Qualifying Transaction.

Commercially Reasonable Efforts Offering

The Agent has agreed to use commercially reasonable efforts to secure subscriptions for the Common Shares offered hereunder on behalf of the Corporation and may make sub-agent 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.

Minimum Distribution

The minimum Offering is of 3,000,000 Common Shares at a price of $0.10 per Common Share for total gross proceeds of $300,000. Under the CPC Policy, no purchaser of the Common Shares is permitted to purchase more than 2% or 60,000 of the total Common Shares offered under this prospectus if the minimum Offering is subscribed and 100,000 of the total Common Shares offered if the maximum Offering is subscribed. In addition, the maximum number of Common Shares permitted to be purchased by that purchaser together with any Associates of Affiliates of that purchaser is 4% or 120,000 of the total number of Common Shares offered under this prospectus if the minimum Offering is subscribed and 200,000 of the total Common Shares offered if the maximum Offering is subscribed. The funds received from the Offering will be deposited with the Agent, and will not be released until the minimum subscription of total gross proceeds of $300,000 has been achieved. The minimum subscription must be sold within 90 days of the date a receipt for the prospectus is issued, or such other time as may be consented to by the regulator and persons or companies who subscribed within that period, failing which the Agent will return the subscription funds collected to the subscribers without interest or deduction, unless subscribers have otherwise instructed the Agent.

Upon completion of the Offering, the Corporation must have a minimum of 200 shareholders with each shareholder beneficially owning at least 1000 Common Shares free of resale restrictions, exclusive of any Common Shares held by Non-Arm's Length Parties to the Corporation.

Determination of Price

The price of the Common Shares has been determined through negotiation between the Corporation and the Agent.

Listing Application

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

Restrictions on the Agent

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 the Offering; and (ii) together with any Associates or Affiliates purchase more than 4% of the total Common Shares offered under the Offering. Any Common Shares issued to any member of the Aggregate Pro Group before the date of this prospectus will be held in escrow under the CPC Policy.

Until Completion of the Qualifying Transaction, the total number of Common Shares permitted to be owned directly or indirectly by the members of the Pro Group, or its contractors or Associates or Affiliates, is 20% of the total 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"*.

The Agent has advised the Corporation that to the best of its knowledge and belief, no directors, officers, employees or contractors of the Agent or any Associate or Affiliate of the foregoing have subscribed for any Common Shares of the Corporation.

Restrictions on Trading

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

DESCRIPTION OF THE SECURITIES

Common Shares

The Corporation is authorized to issue an unlimited number of Common Shares without nominal or par value. As at the date this prospectus, there are 2,000,000 Common Shares issued and outstanding as fully paid and non-assessable. In addition, 500,000 Common Shares are reserved for issuance on the exercise of options to be granted to directors and officers of the Corporation, a minimum of 3,000,000 Common Shares and a maximum of 5,000,000 Common Shares are reserved for issuance under this prospectus, and 300,000 Common Shares if the minimum Offering is subscribed and 500,000 Common Shares if the maximum Offering is subscribed are reserved for issuance on the exercise of the Agent's Option. See "Plan of Distribution" and "Options to Purchase Securities".

The holders of Common Shares are entitled to dividends, if, as and when declared by the Board of Directors, to one vote per Common Share at meetings of the shareholders of the Corporation and, upon liquidation, 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 the Offering will be fully paid and non-assessable.

CAPITALIZATION

Designation of Security	Amount Authorized	Amount Outstanding as of November 30, 2010 (1)	Amount Outstanding as at February 18, 2011 (1)	Amount to be Outstanding After Giving Effect to the Offering (2) (3)
Common Shares	Unlimited	$100,000 (2,000,000 shares) (4)	$100,000 (2,000,000 shares) (4)	Minimum $400,000 (5,000,000 shares) Maximum $600,000 (7,000,000 shares)

Notes:

(1) As at November 30, 2010 and as at the date of this prospectus, the Corporation had not commenced commercial operations.

(2) The Corporation has reserved a total of 500,000 Common Shares under its stock option plan for options to be granted to directors, officers and technical consultants of the Corporation at a price of $0.10 per share. The options to be granted to directors, officers and technical consultants will have a five year term from the date of grant of the option. See "Options to Purchase Securities". The Corporation has also reserved up to 500,000 Common Shares equal to 10% of the number of Common Shares sold under the Offering that may be purchased under the Agent's Option at an exercise price of $0.10 per Common Share that expire 24 months from the date of listing of the Common Shares on the Exchange. See "Plan of Distribution".

(3) Based on minimum gross proceeds of the Offering of $300,000 and maximum gross proceeds of the Offering of $500,000 and before deducting the Agent's commission, corporate finance fee, legal fees and expenses, and other expenses and costs related to the Corporation and the Offering, estimated at an aggregate $90,000 is the minimum Offering is sold and $110,000 if the maximum Offering is sold. See "Use of Proceeds - Proceeds and Principal Purposes".

(4) These Common Shares are subject to escrow restrictions. See "Escrowed Securities"

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

OPTIONS TO PURCHASE SECURITIES

The Corporation has adopted an incentive stock option plan entitled '2010 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 and technical 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 Common Shares to be outstanding at Closing. Such options will be exercisable for a period of up to 10 years from the date of grant. After completion of the Qualifying Transaction, the Option Plan will convert to a "rolling plan" whereby the number of Common Shares reserved for issuance will not exceed 10% of the Common Shares outstanding on the date on which an option is granted under the Option Plan.

The number of Common Shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding Common Shares within any 12 month period. The Exchange's policies require that options granted to any optionee that does not continue as a director, officer, technical consultant or employee of the Resulting Issuer, have a maximum term of the later of 12 months after the Completion of the Qualifying Transaction and 90 days after the optionee ceases to be a director, officer, technical consultant or employee of the Resulting Issuer. If the optionee ceases to be a director, officer, technical consultant or employee of the Resulting Issuer by reason of death, the optionee may exercise the option within a maximum period of one year after such death, subject to the expiry date of such option.

Any Common Shares acquired on the exercise of options before Completion of the Qualifying Transaction, must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued. See "Escrow Securities".

As at the date this prospectus, the Corporation has reserved 500,000 Common Shares under the stock options. The following options were granted to the Corporation's directors, officers or technical consultants on December 2, 2010 under exemptions from the prospectus and registration requirements under securities legislation:

Optionee	Number of Common Shares Reserved Under Option	Exercise Price Per Common Share	Expiry Date
Sophia Leung	125,000	$0.10	December 2, 2015
Earl Drake	125,000	$0.10	December 2, 2015
Christopher Carl	125,000	$0.10	December 2, 2015
Chee Keong (Joshua) Siow	125,000	$0.10	December 2, 2015
TOTAL	**500,000**		

Note:

(1) For the purpose of the number of Common Shares reserved under the Option Plan and the number of options granted, the Corporation has taken into account the 5,000,000 Common Shares offered under this prospectus in the Minimum Offering.

PRIOR SALES

Since the date of incorporation, the Corporation has issued 2,000,000 Common Shares as follows:

Date	Number of Common Shares	Issue Price per Share	Total Issue Price	Nature of Consideration Received
September 15, 2010	1 (1)	$0.05	$0.05	Cash
October 18, 2010	2,000,000 (2) (3)	$0.05	$100,000	Cash

Notes:

(1) This Common Share was repurchased by the Corporation on October 18, 2010 for $0.05. The Common Share was cancelled and the sum of $0.05 was deducted from the stated capital of the Corporation.

(2) These Common Shares are subject to escrow restrictions. See "Escrowed Securities".

(3) No Common Shares were sold to members of the Aggregate Pro Group.

ESCROWED SECURITIES

Escrowed Securities Before the Completion of the Qualifying Transaction

All of the 2,000,000 Common Shares issued before the Offering at a price below $0.10 per Common Share, all Common Shares that may be acquired by Non-Arm's Length Parties to the Corporation either under the Offering or otherwise before Completion of the Qualifying Transaction, and all Common Shares acquired by members of the Aggregate Pro Group before the Offering will be deposited with the Trustee under the Escrow Agreement.

All Common Shares acquired on exercise of stock options before 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 before 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 under 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 on Private Placement".

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

Name and Municipality of Residence of Shareholder	Number of Common Shares Held in Escrow	Percentage of Shares Before Giving Effect to the Offering	Percentage of Shares After Giving Effect to the Minimum Offering (1)	Percentage of Shares After Giving Effect to the Maximum Offering (1)
Sophia Leung Vancouver, BC	500,000	25%	10%	7.14%
Earl Drake Vancouver, BC	500,000	25%	10%	7.14%
Christopher Carl Toronto, ON	500,000	25%	10%	7.14%
Chee Keong (Joshua) Siow Singapore	500,000	25%	10%	7.14%
TOTAL	**2,000,000**	**100%**	**40%**	**28.56%**

Note:

(1) Assuming the shareholders who are a party to the Escrow Agreement do not purchase any Common Shares under the Offering.

The Escrow Agreement provides that the Common Shares may not be sold, assigned, hypothecated, transferred within escrow or otherwise dealt with in any manner without prior consent of the Exchange. The Escrow Agreement provides that if the holder of the escrowed shares becomes bankrupt, the Common Shares may be transferred within escrow to the trustee in bankruptcy or to such other person as is legally entitled to the Common Shares. The Escrow Agreement further provides that upon the death of the holder of the escrowed shares, the Common Shares will be released from escrow and certificates for the Common Shares will be delivered to the legal representative of the deceased shareholder.

Where the Common Shares of the Corporation which are required to be held in escrow are held by a non-individual (a "**holding company**"), each holding company under 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 that are 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 cancel all of those escrowed Common Shares upon the issuance by the Exchange of a bulletin delisting the Common Shares of the Corporation. If however the Corporation applies for listing on NEX rather than be delisted, each Non-Arm's Length Party to the Corporation must either:

(a) cancel all Seed Shares purchased by Non-Arm's Length Parties to the Corporation at a discount from the Offering price in accordance with section 11.2(a) of the CPC Policy; or

(b) 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 Offering price.

Escrowed Securities On Qualifying Transaction

Generally, if at least 75% of the securities issued under the Qualifying Transaction are "Value Securities", then all the securities issued to Principals of the Resulting Issuer under the Qualifying Transaction will be deposited into escrow under a value security agreement (the "**Value Security Escrow Agreement**"). "Value Securities" are securities issued under 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 under the Qualifying Transaction are not Value Securities, all securities issued under the Qualifying Transaction will be deposited into a surplus security escrow agreement (a "**Surplus Security Escrow Agreement**").

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

(a) 5% of the escrowed securities releasable at the time of the Final Exchange Bulletin;

(b) 5% on the date that is 6 months after the Final Exchange Bulletin;

(c) 10% on each of the dates that are 12 and 18 months after the Final Exchange Bulletin;.

(d) 15% on each of the dates that are 24 and 30 months after the Final Exchange Bulletin; and

(e) 40% on the date that 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, with 25% of the escrowed securities being releasable every 6 months thereafter. In the case of a Resulting Issuer that will be a Tier 1 Issuer when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement provides for a three year escrow release mechanism with:

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

(b) 20% on the date that is 6 months after the Final Exchange Bulletin;

(c) 30% on the date that is 12 months after the Final Exchange Bulletin; and

(d) 40% on the date that is 18 months after the Final Exchange Bulletin.

Escrowed Securities On Private Placement

Securities issued under 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

As at the date of this prospectus, the only persons who beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the issued Common Shares are as follows:

Name and Municipality of Residence	Type of Ownership	Number of Common Shares (1)	Percentage of Common Shares Owned Before the Offering	Percentage of Common Shares Owned After the Minimum Offering (2)	Percentage of Common Shares Owned After the Maximum Offering (2)
Sophia Leung Vancouver, BC	Direct	500,000	25%	10%	7.14%
Earl Drake Vancouver, BC	Direct	500,000	25%	10%	7.14%
Christopher Carl Toronto, ON	Direct	500,000	25%	10%	7.14%
Chee Keong (Joshua) Siow Singapore	Direct	500,000	25%	10%	7.14%

Notes:

(1) These securities are subject to escrow under the policies of the Exchange. See "Escrowed Securities".

(2) These calculations do not give effect to the exercise of the Agent's Option or the exercise of stock options by the directors and officers and assume that no Common Shares will be purchased by these persons under the Offering. Any additional Common Shares purchased by these persons will be subject to escrow under the policies of the Exchange. See "Escrowed Securities". Assuming the exercise of the Agent's Option and the exercise of the stock options by the Company's directors and officers, each director would hold 10.78% of the Common Shares after the minimum Offering and 7.81% of the Common Shares after the maximum Offering on a fully-diluted basis.

The percentage of Common Shares beneficially owned, directly or indirectly, by promoters, directors, senior officers, Insiders and Control Persons of the Corporation, collectively, is 100% before giving effect to the Offering and approximately 40% (undiluted) after giving effect to the minimum Offering or approximately 28.56% (undiluted) after giving effect to the maximum Offering, assuming that no Common Shares are purchased by these persons under the Offering.

DIRECTORS, OFFICERS AND PROMOTERS

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

The following table sets out the names of the current directors, officers and promoters of the Corporation, their municipalities of residence, their current positions with the Corporation, their principal occupations during the past five years and the number of shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised.

Name, Municipality of Residence and Position	Director or Officer Since	Principal Occupation for Past Five Years	Common Shares Held (2)	Percentage before Completion of Offering	Percentage on Completion of Minimum Offering (3)	Percentage on Completion of Maximum Offering (3)
Sophia Leung (1) Vancouver, BC CEO and Director	September 15, 2010	See bio below	500,000	25%	10%	7.14%
Earl Drake Vancouver, BC CFO, Corporate Secretary and Director	September 15, 2010	See bio below	500,000	25%	10%	7.14%

Name, Municipality of Residence and Position	Director or Officer Since	Principal Occupation for Past Five Years	Common Shares Held [2]	Percentage before Completion of Offering	Percentage on Completion of Minimum Offering [3]	Percentage on Completion of Maximum Offering [3]
Christopher Carl [1] Toronto, ON Director	September 15, 2010	See bio below	500,000	25%	10%	7.14%
Chee Keong (Joshua) Siow [1] Singapore Director	September 15, 2010	See bio below	500,000	25%	10%	7.14%

Notes:

(1) Member of the Corporation's audit committee. The Corporation does not have any other board committees. Each director holds office until the next annual meeting of shareholders.

(2) These Common Shares are subject to escrow restrictions. See "Escrow Provisions".

(3) Assuming that no Common Shares are purchased by any of the above directors and officers of the Corporation under the Offering.

It is expected that initially, Sophia Leung will devote approximately 20% of her time to the Corporation's affairs and Earl Drake will devote approximately 20% of his time to the Corporation's affairs. The remaining directors will devote such time and expertise as is required by the Corporation. Time actually spent may vary according to the needs of the Corporation.

In addition to any other requirement of the Exchange, the Exchange expects management of the Corporation to meet a high management standard. The Corporation's directors and officers believe that, on a collective basis, management possesses the appropriate experience, qualifications and history to be capable of identifying, investigating and acquiring Significant Assets.

Sophia Leung (Age: 77)

Sophia Leung is the Chief Executive Officer and a director of the Company. Ms. Leung obtained a Bachelor of Science at the University of Pittsburgh in Pennsylvania in 1957 and Master of Social Work at the University of British Columbia in 1966. She has focused her career in community development and public services as a member of Parliament in the House of Commons from 1997 to 2004. Ms. Leung served as a director of GLG Life Tech Corp. (since 2007), a public company which supplies high grade stevia extracts, a natural, zero-calorie sweetener used in food and beverages.

Earl Drake (Age: 82)

Earl Drake is the Chief Financial Officer, Corporate Secretary and a director of the Company. After obtaining an Master of Arts in History at the University of Saskatchewan and pursuing doctoral studies at the University of Toronto, he joined the Canadian Foreign Service in 1955.

On the conclusion of Mr. Drake's diplomatic career in 1990, he joined the faculty at Simon Fraser University in Vancouver, British Columbia where he served as Adjunct Professor.

Currently, Mr. Drake serves as a director of Silvercorp Metals Inc. (NYSE:SVM & TSX:SVM) (since July 2006).

Christopher Carl (Age: 48)

Christopher Carl is currently a director of the Company. Mr. Carl is currently Chief Executive Officer and a Director of BioExx Specialty Proteins Ltd. (TSX:BXI). Mr. Carl has over 25 years experience in project finance, plant construction and mill management focused on commercializing new technologies and transforming start-up ventures into successful publicly listed companies. This includes 7 years (2003 to present) as the founder and CEO of BioExx, a company involved in extracting protein ingredients for human food from canola, and 11 years (1991 to 2002) developing and operating The CanFibre Group Ltd., a company involved in processing urban wood waste into Medium Density Fibreboard. Prior to this, he also spent several years (1986 to 1991) with a Canadian subsidiary of Tenneco Inc. where he was responsible for finance and administration matters both domestically and internationally and was directly involved in Greenfield, which was the construction of a new processing plant on a previously vacant piece of land, and plant operations. Mr. Carl holds an Honours Bachelor of Commerce degree from Queen's University.

Chee Keong (Joshua) Siow, FCCA, CPA (Age: 56)

Chee Keong (Joshua) Siow is currently a director of the Company. Mr Siow has more than 30 years of audit and management experience in operations, business systems, information technology, finance and accounting with commercial and financial organisations in Canada, USA, England and Singapore. He is currently the Managing Director of JF Virtus Pte. Ltd. and offers audit, risk and consultancy services to exchange listed companies. Prior to founding JF Virtus Pte. Ltd., he was the Senior Vice President at the Singapore Exchange Limited.

Mr Siow qualified as a Chartered Certified Accountant with the Association of Chartered Certified Accountants in 1986. He graduated from the University of Warwick, England, with a Master of Business Administration. Mr Siow is currently an independent director of Darco Water Technologies (since 2005), a provider of integrated engineering and knowledge-based water treatment solutions; Sunvic Chemical Holdings Limited (since 2006), the pioneer and leading manufacturer of intermediate chemical products; CMZ Holdings Limited (since 2007), a company involved in the production of mid-to-high end zippers which are critical components of garments and bags; Epicentre Holdings Limited (since 2007), an investment holding company; and Shanghai Asia Holdings Limited (since February 2011), a company specialized in independent printing of cigarette packaging, all of which companies are listed on the Singapore Exchange. Mr. Siow is also a member of the Singapore Institute of Directors.

Total Ownership of Securities

Upon the completion of the Offering, the directors, officers, promoters and other members of management of the Corporation, as a group, will own, directly or indirectly, 2,000,000 Common Shares of the Corporation representing approximately 40% of the issued and outstanding Common Shares upon the completion of the minimum Offering or approximately 28.56% of the issued and outstanding Common Shares upon completion of the maximum Offering, (assuming no Common Shares are purchased by these persons under the Offering and no exercise of the Agent's Option or stock options granted to directors and officers).

Audit Committee

Under the provisions of the *Business Corporations Act* (British Columbia), the Corporation is required to have an audit committee. The general function of the audit committee is to review the overall audit plan and the Corporation's system of internal controls, to review the results of the external audit and to resolve any potential dispute with the Corporation's auditor. The audit committee of the Corporation currently consists of Sophia Leung, Christopher Carl and Chee Keong (Joshua) Siow. Once the Corporation has obtained a receipt for its CPC prospectus from the securities regulatory authorities, the Corporation will also be subject to the requirements of Multilateral Instrument 52-110 *Audit Committees.*

Other Reporting Issuer Experience

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

Name	Name of Reporting Issuer	Name of Exchange or Market (if applicable)	Position	Period
Sophia Leung	GLG Life Tech Corp.	TSX / NASDAQ	Director	09/2007 to Present
Earl Drake	Silvercorp Metals Inc.	TSX	Director	07/2006 to Present
Christopher Carl	BioExx Specialty Proteins Ltd.	TSX	CEO, Director	05/2007 to Present
	Luxell Technologies Inc. (1)	TSX	Director	06/2007 to 08/2008
	Innovative Composites International Inc. (formerly Kingsmill Capital Ventures Inc.)	TSXV	Director	03/2008 to 08/2008

Note:

(1) Luxell Technologies Inc. became a private company in January 2009.

Corporate Cease Trade Orders or Bankruptcies

No director, officer, Insider, Control Person, promoter of the Corporation or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation is, or within the last 10 years, has been a director, officer or promoter of any reporting issuer that, while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the company access to any statutory exemption for a period of more than 30 consecutive days or was declared a bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person, except as disclosed below:

Christopher Carl was a director and officer of CanFibre of Riverside, Inc. ("**CanFibre Riverside**"), which voluntarily claimed Chapter 11 bankruptcy protection in the United States in November 2000. CanFibre Riverside was subsequently sold and emerged from Chapter 11 in mid-2003. CanFibre Riverside the wholly-owned subsidiary of CanFibre US, Inc., which was in turn the wholly-owned subsidiary of The CanFibre Group Ltd, a company whose shares traded on the Canadian Dealing Network. Mr. Carl was a director and officer of all three CanFibre companies until October 2002 when he ceased to have any involvement with any of the companies.

Penalties or Sanctions

No director, officer, Insider, Control Person or promoter of the Corporation or a shareholder 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-regulating authority that would be likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

No director, officer, Insider, Control Person or promoter of the Corporation, or a shareholder 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 the prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the individual.

Conflicts of Interest

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

Executive Compensation

Except as set out below or otherwise disclosed in this prospectus, before 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.

However, the Corporation may reimburse Non-Arm's Length Parties for the Corporation's reasonable allocation of rent, secretarial services and other general administrative expenses, at fair market value ("**Permitted Reimbursement**"). There have been no reimbursements since incorporation. No reimbursement may be made for any payment made to lease or buy a vehicle.

The directors and officers of the Corporation have also been granted stock options. See "Options to Purchase Securities".

After Completion of the Qualifying Transaction, the Corporation may pay remuneration to its officers if the directors feel the Corporation is able to do so. Except for stock options, no remuneration is anticipated to be paid to directors in their capacity as directors in the foreseeable future. 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.

PROMOTERS

Sophia Leung and Earl Drake may be considered to be the Corporation's promoters in that they took the initiative in founding and organizing the Corporation. Neither Ms. Leung nor Mr. Drake has received or will receive any consideration for their activities as a promoter. See "Principal Shareholders".

DILUTION

Purchasers of Common Shares under this prospectus will suffer an immediate dilution of 20% or $0.02 per Common Share on the basis of there being 5,000,000 Common Shares issued and outstanding following completion of the minimum Offering and 10% or $0.01 per Common Share on the basis of there being 7,000,000 Common Shares issued and outstanding following completion of the maximum Offering. Dilution. Dilution has been computed on the basis of total gross proceeds to be raised by this prospectus and from sales of securities before filing this prospectus, without deduction of commissions or related expenses incurred by the Corporation, and is set forth below:

Item	**Minimum Offering**	**Maximum Offering**
Gross proceeds of prior share issues	$ 100,000	$ 100,000
Gross proceeds of the Offering	$ 300,000	$ 500,000
Total gross proceeds after the Offering	$ 400,000	$ 600,000
Offering price per share	$ 0.10	$ 0.10
Gross proceeds per share after the Offering	$ 0.08	$ 0.09
Dilution per share to subscriber	$ 0.02	$ 0.01
Percentage of dilution in relation to offering price	20%	10%

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. Before subscribing for Common Shares, a prospective investor should consider the risk factors described below.

(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 will 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.

(d) Assuming completion of the minimum Offering, an investor will suffer an immediate dilution to its investment of 20% or $0.02 per Common Share calculated as set forth under "Dilution" above. Assuming completion of the maximum Offering, an investor will suffer an immediate dilution to its investment of 10% or $0.01 per Common Share calculated as set forth under "Dilution" above.

(e) There can be no assurance that an active and liquid market for the Common Shares will develop and an investor may find it difficult to resell its Common Shares.

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

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

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

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

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

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

(l) Trading in the Common Shares of the Corporation may be halted at other times for other reasons, including without limitation, 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) If management of the Corporation resides outside of Canada or the Corporation identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts.

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

(q) Subject to prior Exchange acceptance, the Corporation may be permitted to loan or advance up to a total 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, the 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.

DIVIDEND RECORD AND POLICY

The Corporation has not paid any dividends since incorporation and it has no plans to pay dividends. The directors of the Corporation will determine if and when dividends should be declared and paid in the future based on the Corporation's financial position at the relevant time. All of the Common Shares are entitled to an equal share in any dividends declared and paid.

INVESTOR RELATIONS AGREEMENTS

The Corporation has not entered into any written or oral agreement or understanding with any person to provide any promotional or investor relations services for the Corporation or its securities or to engage in activities for the purposes of stabilizing the market.

LEGAL PROCEEDINGS

The Corporation is not currently a party to any legal proceedings, nor is the Corporation currently contemplating any legal proceedings. 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 or connected party (as such terms are defined in National Instrument 33-105 *Underwriting Conflicts*) to the Agent.

RELATIONSHIP BETWEEN CORPORATION AND PROFESSIONAL PERSONS

Certain legal matters relating to the Offering will be passed upon by Boughton Law Corporation, on behalf of the Corporation, and by Morton & Company, on behalf of the Agent. No Person whose profession or business gives authority to a statement made by such Person and who is named in this prospectus has received or will receive a direct or indirect interest in the property of the Corporation or any Associate or Affiliate of the Corporation. As at the date this prospectus, the aforementioned Persons beneficially own, directly or indirectly, no securities of the Corporation or its Associates or Affiliates. In addition, none of the aforementioned Persons nor any director, officer or employee of any of the aforementioned Persons, is or expected to be elected, appointed or employed as a director, senior officer or employee of the Corporation or of an Associate or Affiliate of the Corporation, or a promoter of the Corporation or of an Associate or Affiliate of the Corporation.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The directors and officers of the Corporation have acquired Common Shares. See "Principal Shareholders".

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.

AUDITOR

The auditor of the Corporation is Manning Elliott LLP, Chartered Accountants, at 1050 West Pender Street, Vancouver, British Columbia, V6E 3S7.

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent of the Corporation is Valiant Trust Company, at 600 – 750 Cambie Street, Vancouver, British Columbia, V6B 0A2.

MATERIAL CONTRACTS

The following are the material contracts of the Corporation entered into since the date of its incorporation:

(a) registrar and transfer agent agreement dated October 18, 2010 between the Corporation and the Trustee;

(b) escrow agreement dated October 18, 2010 among the Corporation, the Trustee and certain shareholders of the Corporation. See “Escrowed Securities”;

(c) stock option agreements dated December 2, 2010 for the grant of options under the 2010 Stock Option Plan adopted by the Board of Directors of the Corporation on December 2, 2010. See “Options to Purchase Securities”; and

(d) agency agreement dated ♦, 2011 between the Corporation, and the Agent. See “Plan of Distribution”.

Copies of the material contracts described above may be inspected at the registered office of the Corporation located at the offices of Boughton Law Corporation, solicitors of the Corporation, located at Suite 700, 595 Burrard Street, Vancouver, British Columbia, during normal business hours during the period of the distribution of the Common Shares under this prospectus and for a period of 30 days thereafter.

ELIGIBILITY FOR INVESTMENT

In the opinion of Boughton Law Corporation, counsel to the Corporation, based on the provisions of the *Income Tax Act* (Canada) (the “**Tax Act**”) and the regulations thereunder (the “**Regulations**”) and the proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date of this prospectus, provided the Common Shares are listed on a “designated stock exchange” as defined in the Tax Act (which currently includes the Exchange) on the date of closing of the Offering, the Common Shares will on that date be qualified investments under the Tax Act and the Regulations for trusts governed by a registered retirement savings plans, registered retirement income funds, a registered education savings plans, registered disability savings plans, deferred profit sharing plans, tax-free savings accounts, each as defined in the Tax Act (collectively, the “**Deferred Plans**”). If the Common Shares are not listed on a “designated stock exchange” at the time of issue hereunder, the Common Shares will be qualified investments for the Deferred Plans if the Corporation is eligible for and files an election to be a public corporation with the Canada Revenue Agency on or before the date on which the Corporation is required under the Tax Act to file a tax return for its first taxation year.

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 (a “**TFSA**”) and are a “prohibited investment” for a TFSA, as defined in the Tax Act. However, the Common Shares will not be a “prohibited investment” for a TFSA held by a particular holder provided that the holder deals at arm’s length with the Corporation for the purposes of the Tax Act, and does not have a “significant interest” (as defined in the Tax Act) in either the Corporation or a corporation, partnership or trust that does not deal at arm’s length with the Corporation for purposes of the

Tax Act. In general terms, a holder of a TFSA will have a significant interest in the Corporation if the TFSA, the holder, and other persons not at arm's length with the holder together, directly or indirectly, own more than 10% of the outstanding Common Shares of the Corporation. 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 not yet introduced 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 their own tax advisors regarding the application of the TFSA Proposals in their particular circumstances.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

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

MANNING ELLIOTT
CHARTERED ACCOUNTANTS

11th floor, 1050 West Pender Street, Vancouver, BC, Canada V6E 3S7
Phone: 604. 714. 3600 Fax: 604. 714. 3669 Web: manningelliott.com

AUDITORS' CONSENT

We have read the Initial Public Offering Prospectus (the "Prospectus") of Key Venture Capital Inc. (the "Company") dated February 18, 2011 relating to the offering of a minimum of 3,000,000 common shares and a maximum of 5,000,000 common shares of the Company at a price of $0.10 per common share for aggregate proceeds of a minimum of $300,000 and a maximum of $500,000. We have complied with Canadian generally accepted standards for an auditors' involvement with such offering documents.

We consent to the use in the above-mentioned Prospectus of our report dated January 7, 2011 (except as to Note 9 which is as of February ●, 2011), to the Company's directors on the following financial statements:

- Balance sheet as at November 30, 2010;
- Statements of operations, comprehensive loss and deficit, and cash flows for the period from September 15, 2010 (date of incorporation) to November 30, 2010.

CHARTERED ACCOUNTANTS

Vancouver, British Columbia

February 18, 2011

KEY VENTURE CAPITAL INC.

FINANCIAL STATEMENTS

FOR THE PERIOD FROM SEPTEMBER 15, 2010 (DATE OF INCORPORATION) TO NOVEMBER 30, 2010

KEY VENTURE CAPITAL INC.

FINANCIAL STATEMENTS

FOR THE PERIOD FROM SEPTEMBER 15, 2010 (DATE OF INCORPORATION) TO NOVEMBER 30, 2010

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AUDITORS' REPORT

To the Directors of
Key Venture Capital Inc.

We have audited the balance sheet of Key Venture Capital Inc. as at November 30, 2010 and the statement of operations, comprehensive loss and deficit and cash flows for the period from September 15, 2010 (date of incorporation) to November 30, 2010. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2010 and the results of its operations and its cash flows for the period from September 15, 2010 (date of incorporation) to November 30, 2010 in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Vancouver, British Columbia

January 7, 2011 (except as to Note 9, which is as of February ●, 2011)

KEY VENTURE CAPITAL INC.

BALANCE SHEET

AS AT NOVEMBER 30, 2010

	2010
	$
ASSETS	
CURRENT ASSETS	
Cash	68,767
Amounts receivable	2,954
DEFERRED FINANCING COSTS	17,500
	89,221
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable and accrued liabilities	10,245
SHAREHOLDERS' EQUITY	
SHARE CAPITAL (Note 4)	100,000
DEFICIT	(21,024)
	78,976
	89,221

NATURE OF OPERATIONS (Note 1)
COMMITMENT (Note 6)
SUBSEQUENT EVENTS (Note 9)

Approved on behalf of the Board:

Sophia Leung, Director   Earl Drake, Director

The accompanying notes are an integral part of these financial statements

KEY VENTURE CAPITAL INC.

STATEMENT OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT

FOR THE PERIOD FROM SEPTEMBER 15, 2010 (DATE OF INCORPORATION) TO NOVEMBER 30, 2010

	2010 $
EXPENSES	
Professional fees	19,839
General and administrative	1,185
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	21,024
DEFICIT, BEGINNING OF PERIOD	–
DEFICIT, END OF PERIOD	(21,024)
LOSS PER SHARE – BASIC AND DILUTED	(0.01)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	1,486,842

The accompanying notes are an integral part of these financial statements

KEY VENTURE CAPITAL INC.

STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM SEPTEMBER 15, 2010 (DATE OF INCORPORATION) TO NOVEMBER 30, 2010

	2010 $
OPERATING ACTIVITIES	
Net loss for the period	(21,024)
Changes in non-cash working capital items:	
Accounts payable and accrued liabilities	10,245
Amounts receivable	(2,954)
CASH USED BY OPERATING ACTIVITIES	(13,733)
FINANCING ACTIVITIES	
Common shares issued	100,000
Deferred financing costs	(17,500)
CASH PROVIDED BY FINANCING ACTIVITIES	82,500
INCREASE IN CASH	68,767
CASH, BEGINNING OF PERIOD	–
CASH, END OF PERIOD	68,767
SUPPLEMENTAL INFORMATION:	
Interest paid	–
Income taxes paid	–

The accompanying notes are an integral part of these financial statements

1. NATURE OF OPERATIONS

Key Venture Capital Inc. ("the Company") was incorporated on September 15, 2010 under the Business Corporations Act (British Columbia). The Company is in the process of applying to become a capital pool company ("CPC") as defined in TSX Venture Exchange Policy 2.4, and accordingly, its planned principal activity is to use its capital to investigate and find a business or group of assets to acquire (the "Qualifying Transaction").

The Company does not currently have operations or assets capable of generating ongoing revenues or cash flows and there is no certainty that it will complete a Qualifying Transaction within the time specified by TSX Venture Exchange Policy 2.4.

Although these financial statements have been prepared and presented on a going concern basis, there is significant risk that the Company will not become a going concern, in which case this basis of presentation will not be appropriate.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

The financial statements of the Company are prepared in accordance with Canadian generally accepted accounting principles.

(b) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of estimates include disclosures about future income tax assets, tax rates and estimation of accrued liabilities. Actual results could differ from those estimates.

(c) Financial Instruments

The Company's financial instruments consist of cash and accounts payable. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

The Company classifies financial assets and liabilities as held-for-trading, available-for-sale, held-to-maturity, loans and receivables or other financial liabilities depending on their nature. Financial assets and financial liabilities are recognized at fair value on their initial recognition, except for those arising from certain related party transactions which are accounted for at the transferor's carrying amount or exchange amount in accordance with the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3840, *Related Party Transactions*.

Financial assets and liabilities classified as held-for-trading are measured at fair value, with gains and losses recognized in net income. Financial assets classified as held-to-maturity, loans and receivables, and financial liabilities other than those classified as held-for-trading are measured at amortized cost, using the effective interest method of amortization. Financial assets classified as available-for-sale are measured at fair value, with unrealized gains and losses being recognized as other comprehensive income until realized, or if an unrealized loss is considered other than temporary, the unrealized loss is recorded in income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Future income taxes

The Company follows the asset and liability method of accounting for income taxes. Future income tax assets and liabilities are determined based on temporary differences between the accounting and tax bases of existing assets and liabilities, and are measured using the tax rates expected to apply when these differences reverse. A valuation allowance is recorded against any future income tax asset if it is more likely than not that the asset will not be realized.

(e) Financing costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the transaction has been specifically identified and completion is considered likely; otherwise they are expensed as incurred. Share issuance costs are offset against share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to expenses.

(f) Loss Per Share

The Company uses the treasury stock method in computing loss per share. Under this method, basic loss per share is computed by dividing loss available to common shareholders by the weighted average number of common shares outstanding during the period.

(g) Stock-based Compensation

The Company applies the fair value method to stock-based payments to all awards that are direct awards of stock, that call for settlement in cash or other assets or are stock appreciation rights that call for settlement by the issuance of equity instruments. Compensation expense is recognized over the applicable vesting period with a corresponding increase in contributed surplus. When the options are exercised, the exercise price proceeds together with the amount initially recorded in contributed surplus are credited to share capital.

3. RECENT ACCOUNTING PRONOUNCEMENTS

Recent Canadian accounting pronouncements that have been announced but are not yet effective are as follows:

(a) CICA 1582, *Business Combinations*, CICA 1601, *Consolidated Financial Statements* and CICA 1602, *Non-Controlling Interests*

In January 2009, the CICA issued Section 1582 to replace Section 1581. Prospective application of the standard is effective January 1, 2011, with early adoption permitted. This new standard effectively harmonizes the business combinations standard under Canadian GAAP with International Financial Reporting Standards ("IFRS"). The new standard revises guidance on the determination of the carrying amount of the assets acquired and liabilities assumed, goodwill and accounting for non-controlling interests at the time of a business combination. The CICA concurrently issued Section 1601 and Section 1602, which replace Section 1600, *Consolidated Financial Statements*. Section 1601 provides revised guidance on the preparation of consolidated financial statements and Section 1602 addresses accounting for non-controlling interests in consolidated financial statements subsequent to a business combination. These standards are effective January 1, 2011, unless they are early adopted at the same time as Section 1582. The adoption of these standards is not expected to have a material effect on the Company's financial statements.

3. RECENT ACCOUNTING PRONOUNCEMENTS (Continued)

(b) International Financial Reporting Standards

In February 2008, the CICA Accounting Standards Board confirmed that public companies will be required to prepare interim and annual financial statements under IFRS for fiscal years beginning on or after January 1, 2011. The Company is currently assessing the impact of adopting IFRS and has not yet determined its effect on its financial statements.

4. SHARE CAPITAL

(a) Authorized Share Capital: Unlimited number of common shares without par value.

(b) Issued and Outstanding Common Shares:

	Shares	Amount
Issued for cash at $0.05 per share	2,000,000	$ 100,000

(c) Escrowed Shares

In conjunction with the Company's application to become a CPC, the 2,000,000 shares outstanding at November 30, 2010 will be held in escrow and released in accordance with TSX Venture Exchange Policy 2.4 over a period of up to 36 months from the date of the Final Exchange Bulletin following the completion of a Qualifying Transaction. Any shares acquired by the directors pursuant to options granted to them on closing of the Qualifying Transaction will also be subject to the same escrow release provision.

5. INCOME TAXES

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

		November 30, 2010
Combined statutory tax rate		28.5%
Income tax recovery at statutory rate	$	5,992
Valuation allowance		(5,992)
	$	–

As at November 30, 2010, the Company has approximately $21,024 of non-capital loss carry forwards available to reduce taxable income for future years. The loss expires in 2030 if unused, and the future income tax asset of $5,992 related to these losses has not been recognized in these financial statements.

In assessing the realizability of future income tax assets, management considers whether it is more likely than not that some portion of all of the future income tax assets will not be realized. The ultimate realization of future income tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of future income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of future income tax asset considered realizable could change materially in the near term based on future taxable income during the carry forward period.

6. COMMITMENT

Pursuant to an agency agreement dated ●, the Company has committed to issue a minimum of 3,000,000 and a maximum of 5,000,000 common shares in a proposed initial public offering ("IPO") for gross proceeds of a minimum of $300,000 and a maximum of $500,000. Under the agreement, the Company will issue agent options equal to 10% of all common shares issued. The agent options will be exercisable at any time up until 24 months following the date of listing of the common shares on the TSX Venture Exchange at the issue price.

7. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to complete a Qualifying Transaction to raise equity or other financing and to safeguard the Company's ability to continue as a going concern. The Company does not have any externally imposed capital requirements to which it is subject.

The Company considers capital to be comprised of all components of shareholders' equity. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or long-term debt.

The Company expects its current and future capital resources to be sufficient to pursue a Qualifying Transaction and to fund current operations.

8. FINANCIAL INSTRUMENTS AND RISK

(a) Financial Instruments

The Company's financial instruments include cash and accounts payable. The fair values of these financial instruments approximate their carrying values due to their nature and short terms to maturity.

(b) Fair Value Measurements

CICA 3862, *Financial Instruments – Disclosures*, requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. CICA 3862 establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. CICA 3862 prioritizes the inputs into three levels that may be used to measure fair value:

<u>Level 1</u>

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

<u>Level 2</u>

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

8. FINANCIAL INSTRUMENTS AND RISK (Continued)

(b) Fair Value Measurements (Continued)

Level 3

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The fair value of cash is determined based on “Level 1” inputs, which consist of quoted prices in active markets for identical assets and liabilities.

Financial instruments measured at fair value on a recurring basis were presented on the Company’s balance sheet as at November 30, 2010 as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1) $	Significant Other Observable Inputs (Level 2) $	Significant Unobservable Inputs (Level 3) $	November 30, 2010 $
Asset:				
Cash	68,767	–	–	68,767

9. SUBSEQUENT EVENTS

(a) On December 2, 2010, the Company established a Stock Option Plan in accordance with the policies of the TSX Venture Exchange and granted the following directors and officers of the Company the right to purchase common shares at a price of $0.10 per share from December 2, 2010 to December 2, 2015:

Name of Optionee	Position	Number of shares underlying option
Sophia Leung	Director, CEO	125,000
Earl Drake	Director, CFO, Corporate Secretary	125,000
Christopher Carl	Director	125,000
Chee Keong (Joshua) Siow	Director	125,000
		500,000

(b) On February 18, 2011, the Company filed its preliminary IPO prospectus related to the issuance of shares described in Note 6.

CERTIFICATE OF THE CORPORATION

Date: February 18, 2011

The foregoing 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) *"Sophia Leung"*	(signed) *"Earl Drake"*
Sophia Leung	**Earl Drake**
Chief Executive Officer	Chief Financial Officer and Corporate Secretary

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) *"Christopher Carl"*	(signed) *"Chee Keong (Joshua) Siow"*
Christopher Carl	**Chee Keong (Joshua) Siow**
Director	Director

CERTIFICATE OF THE PROMOTERS

Date: February 18, 2011

The foregoing 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) *"Sophia Leung"*	(signed) *"Earl Drake"*
Sophia Leung	**Earl Drake**
Promoter	Promoter

CERTIFICATE OF THE AGENT

Date: February 18, 2011

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

MACKIE RESEARCH CAPITAL CORPORATION

(signed) *"Kim Bechthold"*
Kim Bechthold
Vice President, Venture Investment Banking