PRELIMINARY PROSPECTUS

Initial Public Offering **June 10, 2011**

MAGNUM CAPITAL CORP.

(a capital pool company)

OFFERING: $300,000 (3,000,000 COMMON SHARES)

Price: $0.10 per Common Share

Magnum Capital Corp. (the "**Corporation**") hereby qualifies for distribution, through its agent, Macquarie Private Wealth Inc. (the "**Agent**"), 3,000,000 common shares in the share capital of the Corporation (the "**Common Shares**") for aggregate gross proceeds of $300,000 (the "**Offering**"). The purpose of this Offering is to provide the Corporation with a minimum of funds with which to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction, as hereafter defined. Any proposed Qualifying Transaction must be approved by the TSX Venture Exchange Inc. (the "**Exchange**") and, in the case of a Non Arm's Length Qualifying Transaction, as hereafter defined, must also receive Majority of the Minority Approval, as hereafter defined, in accordance with Exchange Policy 2.4 - *Capital Pool Companies* (the "**CPC Policy**"). The Corporation is a Capital Pool Company ("**CPC**"). It has not commenced commercial operations and has no assets other than a minimum amount of cash. Except as specifically contemplated in the CPC Policy, until the Completion of the Qualifying Transaction, as hereafter defined, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a proposed Qualifying Transaction. See *"Business of the Corporation"* and *"Use of Proceeds"*.

	Common Shares	Price to Public	Agent's Commission(1)	Net Proceeds to the Corporation(2)
Per Common Share	1	$0.10	$0.01	$0.09
Total Offering	3,000,000	$300,000	$30,000	$270,000

Notes:

(1) A cash commission of 10% of the gross proceeds of the Offering will be paid to the Agent (the "**Agent's Commission**") upon Closing, as hereafter defined. The Agent will be paid a corporate finance fee of $12,500 (plus GST) (the "**Corporate Finance Fee**"). In addition, the Agent will be reimbursed by the Corporation for its reasonable expenses, including legal fees estimated at $10,000 plus taxes and disbursements and will be granted the Agent's Option, as hereafter defined. The Agent's Option is exercisable for a period of 24 months from the day the Common Shares are listed on the Exchange. The Agent's Option is qualified for distribution under this prospectus. See *"Plan of Distribution - Agency Agreement and Agent's Compensation"*.

(2) Before deducting the costs of this issue estimated at $80,000 (exclusive of the Agent's Commission) which includes legal and audit fees and other expenses of the Corporation, the Corporate Finance Fee and legal fees of the Agent and the listing fee payable to the Exchange and filing fees payable to the Commissions, as hereafter defined. See *"Use of Proceeds"*.

This Offering is made on a "commercially reasonable efforts" agency basis by the Agent and is subject to the completion of a minimum subscription of 3,000,000 Common Shares for gross proceeds to 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 pursuant to the terms of an agency agreement between the Corporation and the Agent (the "**Agency Agreement**"). If the minimum subscription is not completed within 90 days of the issuance of a receipt for the final prospectus or such other time as may be consented to by the regulatory authorities and the Agent and persons or companies who subscribed within that period, all subscription monies will be returned to subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent.

The Corporation may be a "connected issuer" of the Agent for the purposes of National Instrument 33-105 - "*Underwriting Conflicts*". The Corporation may be a "connected issuer" of the Agent on the basis that two officers and employees of the Agent each previously purchased 150,000 Common Shares of the Corporation at a price of $0.05 per share, representing 6% (12% collectively) of the outstanding Common Shares of the Corporation prior to completion of the Offering and 2.73% (5.46% collectively) assuming completion of the Offering. See "*Plan of Distribution - Subscriptions by and Restrictions on the Agent*", "*Prior Sales*", "*Escrow Securities*" and "*Relationship Between the Corporation and the Agent*".

Pursuant to the Agency Agreement, the Agent and any sub-agents will be granted a non-transferable option (the "**Agent's Option**") to purchase up to 300,000 Common Shares at a price of $0.10 per Common Share and which may be exercised for a period of 24 months from the day the Common Shares are listed on the Exchange. The Agent's Option is qualified for distribution under this prospectus. See *"Plan of Distribution - Agency Agreement and Agent's Compensation".*

This prospectus also qualifies for distribution options to be granted to directors and officers of the Corporation (the "**Directors' and Officers' Options**") at the Closing. The Directors' and Officers' Options entitle the holders to purchase an aggregate of 450,000 Common Shares at a price of $0.10 per Common Share and such options may be exercised for a period of 5 years from the date of grant.

Other than the initial distribution of the Common Shares pursuant to this prospectus, the grant of the Agent's Option and the grant of the Directors' and Officers' Options, 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 securities commission that is designated the principal regulator pursuant to Multilateral Instrument 11-102 - *Passport System* and National Policy 11-202 - *Process for Prospectus Reviews in Multiple Jurisdictions* and the time the Common Shares are listed for trading on the Exchange except, subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable securities regulatory authority(ies) grants a discretionary order.

There currently is no market through which these securities may be sold. The Corporation has applied to list its Common Shares on the Exchange. Listing is subject to the Corporation fulfilling all of the requirements of the Exchange.

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 or list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside of Canada and the United States of America.

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

The Agent conditionally offers these Common Shares on behalf of the Corporation on a "commercially reasonable efforts" agency basis, if, as and when subscriptions are accepted by the Corporation, subject to prior sale, in accordance with the terms and conditions of the Agency Agreement referred to under "*Plan of Distribution"* and subject to the approval of certain legal matters by Borden Ladner Gervais LLP, Barristers & Solicitors, Calgary, Alberta, on behalf of the Corporation, and by Davis LLP, Calgary, Alberta, on behalf of the Agent. Pursuant to the CPC Policy, no purchaser of Common Shares is permitted to directly or indirectly purchase more than 2% of the total Common Shares offered under this prospectus, or 60,000 Common Shares ($6,000). In addition, the maximum number of Common Shares that may directly or indirectly be purchased by that purchaser, together with any Associates or Affiliates of that purchaser, is 4% of the total number of Common Shares offered under this prospectus, or 120,000 Common Shares ($12,000). 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. One or more global certificates that represent the aggregate number of Common Shares subscribed for under this prospectus will be issued in registered form as directed by the Agent. Purchasers of Common Shares will receive only a customer confirmation from the Agent as to the number of Common Shares subscribed for. Certificates representing the Common Shares in registered and definitive form will be issued in certain limited circumstances.

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GLOSSARY

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

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

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

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

A Company is "controlled" by a Person if:

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

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

A Person beneficially owns securities that are beneficially owned by:

(a) a Company controlled by that Person, or

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

"**Agency Agreement**" means the agency agreement dated ●, 2011 between the Corporation and the Agent.

"**Agent**" means Macquarie Private Wealth Inc.

"**Agent's Option**" means the non-transferable option to be granted by the Corporation to the Agent entitling the Agent to purchase up to 300,000 Common Shares at a price of $0.10 per Common Share and which may be exercised for a period of 24 months from the day the Common Shares are listed on the Exchange.

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

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

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

(b) identifies the parties to the Qualifying Transaction;

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

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

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

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

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

(b) any partner of the Person or Company;

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

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

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

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

but

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

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

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

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

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

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

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

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

"**CPC**" means a corporation:

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

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

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

"**Directors' and Officers' Options**" means options to be granted at Closing to directors and officers of the Corporation which options entitle the holders to purchase an aggregate of 450,000 Common Shares at a price of $0.10 per Common Share and which options may be exercised for a period of 5 years from the date of grant.

"**Escrow Agreement**" means the escrow agreement dated ●, 2011 among the Corporation, the Trustee and the founding shareholders of the Corporation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"**Member**" means a Person who has executed the Members' Agreement, as amended from time to time, and is accepted as and becomes a member of the Exchange under the Exchange requirements.

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

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

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

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

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

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

"**Principal**" means:

(a) a Person or Company who acted as a Promoter of the Issuer within two years or their respective Associates or Affiliates, before the IPO prospectus or Final Exchange Bulletin;

(b) a director or senior officer of the Issuer or any of its material operating subsidiaries at the time of the IPO prospectus or Final Exchange Bulletin;

(c) a "20% holder" – a Person that holds securities carrying more than 20% of the voting rights attached to the Issuer's outstanding securities immediately before and immediately after the Issuer's IPO or immediately after the Final Exchange Bulletin for non IPO transactions;

(d) a "10% holder" – a Person that:

(i) holds securities carrying more than 10% of the voting rights attached to the Issuer's outstanding securities immediately before and immediately after the Issuer's IPO or immediately after the Final Exchange Bulletin for non-IPO transactions; and

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

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

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

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

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

"**Pro Group**" means:

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

(i) the Member;

(ii) employees of the Member;

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

(iv) Affiliates of the Member; and

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

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

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

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

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

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

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

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

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

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

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

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

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

"**Significant Assets**" means one or more assets or businesses which, when purchased, optioned or otherwise acquired by the CPC, together with any other concurrent transactions, would result in the CPC meeting the Initial Listing Requirements. See Exchange Policy 2.1 *Initial Listing Requirements.*

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

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

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

"**Trustee**" means Computershare Trust Company of Canada, a trust corporation having an office in the City of Vancouver, in the Province of British Columbia.

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

PROSPECTUS SUMMARY

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

The Corporation:	Magnum Capital Corp.
Business of the Corporation:	The Corporation is a CPC. The principal business of the Corporation will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Corporation has not commenced commercial operations and has no assets other than a minimum amount of cash. To date, the Corporation has not yet identified a company or assets for a potential Qualifying Transaction. Furthermore, the Corporation has not entered into an Agreement in Principle. See *"Business of the Corporation - Proposed Operations until Completion of a Qualifying Transaction"*.
Offering:	A total of 3,000,000 Common Shares are being offered and qualified under this prospectus at a price of $0.10 per Common Share. In addition, the Corporation will grant to the Agent the Agent's Option to purchase up to 300,000 Common Shares at a price of $0.10 per Common Share and which may be exercised for a period of 24 months from the day the Common Shares are listed on the Exchange. The Agent's Option is qualified for distribution under this prospectus. This prospectus also qualifies for distribution the Directors' and Officers' Options to be granted at Closing which entitle the holders to purchase an aggregate of 450,000 Common Shares at a price of $0.10 per Common Share and which options may be exercised for a period of 5 years from the date of grant. See *"Plan of Distribution"* and *"Options to Purchase Securities"*.
Use of Proceeds:	The total net proceeds to the Corporation, accounting for total cash proceeds raised prior to this Offering and total proceeds of this Offering, net of all Offering expenses and other expenses of the Corporation, will be approximately $315,000. The Corporation estimates incurring general and administrative costs until the Completion of the Qualifying Transaction of approximately $40,000 which will reduce the total net funds available for pursuing a Qualifying Transaction to $275,000 under the Offering. The net funds available will be used to provide the Corporation with a minimum of funds with which to identify and evaluate assets or businesses, for acquisition with a view to completing a Qualifying Transaction. The Corporation may not have sufficient funds to secure such businesses or assets once identified and evaluated and additional funds may be required. Until Completion of the Qualifying Transaction and except as otherwise provided in the CPC Policy, a maximum of the lesser of 30% of the gross proceeds realized or $210,000 may be used for purposes other than evaluating businesses or assets. See *"Use of Proceeds"*.
Directors and Management:	The following are the directors and officers of the Corporation:

Daniel B. Evans	-	President, Chief Executive Officer and Director
Cyrus H. Driver	-	Chief Financial Officer and Director
David H. Evans	-	Director
Douglas L. Mason	-	Director
Michael J. Perkins	-	Corporate Secretary

Daniel B. Evans is the Promoter of the Corporation. See *"Directors, Officers and Promoter"*.

Escrow Securities:	All of the currently issued and outstanding Common Shares, being 2,500,000 Common Shares issued at a price of $0.05 per share, will be deposited in escrow pursuant to the terms of the Escrow Agreement and will be released from escrow in stages over a period of up to three years after the date of the Final Exchange Bulletin. See *"Escrowed Securities"*.
Risk Factors:	Investment in the Common Shares must be regarded as highly speculative due to the proposed nature of the Corporation's business and its present stage of development. The Corporation was only recently incorporated and has no active business or assets other than cash. The Corporation does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the Completion of the Qualifying Transaction. The Offering is only suitable to investors who are prepared to rely entirely on the directors and management of the Corporation and can afford to risk the loss of their entire investment. The directors and officers of the Corporation will only devote part of their time and attention to the affairs of the Corporation and there are potential conflicts of interest to which some of the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. Assuming completion of the Offering, an investor will suffer an immediate dilution on investment (based on the gross proceeds from this and prior issuances without deduction of selling and related expenses) per Common Share of $0.0228 or 22.8%. There can be no assurance that an active and liquid market for the Corporation's Common Shares will develop and an investor may find it difficult to resell the Common Shares. Until Completion of the Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Corporation has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Corporation will be able to identify or complete a suitable Qualifying Transaction. The Qualifying Transaction may involve the acquisition of a business or assets located outside of Canada. It may therefore be difficult or impossible to effect service or notice to commence legal proceedings upon any directors, officers and experts outside of Canada and it may not be possible to enforce against such persons or companies judgments obtained in Canadian courts predicated upon the civil liability provisions applicable to securities laws in Canada. See *"Business of the Corporation"*, *"Directors, Officers and Promoter - Conflicts of Interest"*, *"Capitalization"*, *"Dilution"* and *"Risk Factors"*.

THE CORPORATION

The Corporation was incorporated on April 4, 2011, by Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (Alberta). On June 10, 2011, the Corporation amended its articles to remove the restrictions against the transfer of securities.

The registered and records office of the Corporation is located at 1900, 520 - 3rd Avenue S.W., Calgary, Alberta T2P 0R3. The head office of the Corporation is located at 2489 Bellevue Avenue, West Vancouver, British Columbia V7V 1E1.

BUSINESS OF THE CORPORATION

Preliminary Expenses

As at the date hereof, the Corporation has paid to the Agent the amount of $16,562.50 representing half of the Corporate Finance Fee ($6,250 plus GST) and a $10,000 retainer against legal fees and expenses. The Corporation also paid $5,600 to the Exchange as part of its listing fees and paid $7,752.80 with respect to filing fees incurred in connection with filing its preliminary prospectus. Certain of the Offering proceeds will be utilized to satisfy the obligations of the Corporation related to the Offering, including the expenses of its auditor and legal fees, the fees of the Exchange, the Agent's Commission, fees and expenses and the fees of the securities regulatory authorities. See *"Use of Proceeds"*.

Proposed Operations until Completion of a Qualifying Transaction

The Corporation proposes to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the Exchange and in the case of a Non Arm's Length Qualifying Transaction is also subject to Majority of the Minority Approval in accordance with the CPC Policy. The Corporation has not conducted commercial operations.

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

The Corporation has not yet entered into an Agreement in Principle.

Method of Financing

The Corporation may use cash, bank financing, the issuance of treasury shares, public debt or equity financing or a combination of these for the purpose of financing its proposed Qualifying Transaction. **A Qualifying Transaction financed by the issue of treasury shares could result in a change in the control of the Corporation and may cause the shareholders' interest in the Corporation to be further diluted.**

Criteria for a Qualifying Transaction

The Corporation will consider acquisitions of assets or businesses operated or located both inside and outside of Canada, as permitted by the CPC Policy. 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 having regard to the best interests of the Corporation and will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

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

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

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

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

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

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

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

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

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, Suspensions and Delisting

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

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

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

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

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

The Exchange may suspend from trading or delist the Common Shares where the Exchange has not issued a Final Exchange Bulletin to the Corporation within 24 months of the date of listing. In the event that the Common Shares are delisted by the Exchange, within 90 days from the date of such delisting, the Corporation shall wind up and shall make a pro rata distribution of its remaining assets to its shareholders, unless shareholders, pursuant to a majority vote exclusive of the votes of Non Arm's Length Parties to the Corporation, determine to deal with the Issuer or its remaining assets in some other manner. See *"Business of the Corporation - Filings and Shareholder Approval of the Qualifying Transaction"*.

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

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

(b) either:

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

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

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

Refusal of Qualifying Transaction

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

(a) the Resulting Issuer fails to satisfy the applicable Initial Listing Requirements of the Exchange;

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

(i) a Member firm of the Exchange;

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

(iii) Associates of any such person,

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

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

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

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

USE OF PROCEEDS

Proceeds and Principal Purposes

The gross proceeds to be received by the Corporation from the sale of the Common Shares offered by this prospectus will be $300,000. The gross proceeds received by the Corporation from the sale of Common Shares prior to the date of this prospectus was $125,000. From the aggregate gross proceeds of $425,000, the expenses and costs of this issue, including legal, accounting, audit, printing, regulatory fees and the Agent's Commission, fees and expenses, estimated in the aggregate to be approximately $110,000, will be deducted. The Corporation estimates that $315,000 will be available to the Corporation from the sale of Common Shares distributed by this prospectus and prior sales of Common Shares.

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

Item	Total Offering
Gross cash proceeds raised prior to this Offering (Seed Shares) (1)	$125,000
Expenses and costs relating to raising Seed Share proceeds	- (2)
Gross cash proceeds to be raised pursuant to this Offering	$300,000
Estimated expenses and costs relating to the Offering (3)	($110,000)
Estimated funds available on completion of the Offering (4)	**$315,000**
Funds available for identifying and evaluating assets or business prospects (5)	$275,000
Estimated general and administrative expenses until Completion of a Qualifying Transaction	$40,000
Total Net Proceeds	**$315,000**

Notes:

(1) See *"Prior Sales"*.

(2) No issue costs have been allocated towards the issuance of these Common Shares. See the Corporation's balance sheet as at May 31, 2011.

(3) Includes listing and filing fees, the Agent's Commission, Corporate Finance Fee and expenses, the Corporation's legal fees, audit fees and other expenses.

(4) In the event the Agent exercises the Agent's Option and the Directors' and Officers' Options are exercised, there will be available to the Corporation a maximum of an additional $75,000 which will be added to the working capital of the Corporation. There is no assurance that any of these options will be exercised.

(5) In the event that the Corporation enters into an Agreement in Principle prior to spending the entire $275,000 on identifying and evaluating assets or businesses, the remaining funds may be used to finance or partially finance the acquisition of Significant Assets or for working capital after Completion of the Qualifying Transaction.

Until required for the Corporation's purposes, the proceeds will only be invested in securities of, or those guaranteed by, the Government of Canada or any Province or Territory of Canada or the Government of the United States of

America, in certificates of deposit or interest bearing accounts of Canadian chartered banks, trust companies or credit unions.

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

Permitted Use of Funds

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

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

(i) valuations or appraisals;

(ii) business plans;

(iii) feasibility studies and technical assessments;

(iv) sponsorship reports;

(v) engineering or geological reports;

(vi) financial statements, including audited financial statements;

(vii) fees for legal and accounting services; and

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

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

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

Restrictions on Use of Proceeds

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

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

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

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

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

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

   (iii) equipment leases; and

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

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

Private Placements for Cash

After the closing of the Offering and until the Completion of the Qualifying Transaction, the Corporation will not issue any securities unless written acceptance of the Exchange is obtained before issuance. Prior to the Completion of the Qualifying Transaction, the Exchange generally will not accept a private placement by the Corporation where the gross proceeds raised from the issuance of securities both prior to and pursuant to the Offering, together with any proceeds anticipated to be raised upon closing of the private placement, will exceed $5,000,000. The only securities issuable pursuant to such a private placement will be Common Shares. Subject to certain limited exceptions, any Common Shares issued pursuant to the private placement to Non Arm's Length Parties to the Corporation and to Principals of the Resulting Issuer will be subject to escrow.

Prohibited Payments to Non Arm's Length Parties

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

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

(b) deposits and similar payments.

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

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

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

PLAN OF DISTRIBUTION

Agency Agreement and Agent's Compensation

Pursuant to the Agency Agreement, the Corporation has appointed the Agent as its agent to offer for sale to the public on a "commercially reasonable efforts" agency basis, 3,000,000 Common Shares at a price of $0.10 per Common Share for aggregate gross proceeds of $300,000, subject to the terms and conditions in the Agency Agreement. The Agent will receive in aggregate a commission of 10% of the aggregate gross proceeds from the sale of the Common Shares pursuant to the Offering. In addition, the Corporation will pay the Agent the Corporate Finance Fee of $12,500 and will pay the Agent's legal fees, estimated at $10,000 plus disbursements and applicable taxes, and any other reasonable expenses of the Agent. As at the date hereof, the Corporation has paid to the Agent $16,562.50 representing half of the Corporate Finance Fee ($6,250 plus GST) and a $10,000 retainer against legal fees and expenses.

The Corporation has also agreed to grant to the Agent, and its sub-agents, if any, as directed by the Agent, a non-transferable Agent's Option which entitles the Agent to purchase up to 300,000 Common Shares at a price of $0.10 per Common Share and which may be exercised for a period of 24 months from the day the Common Shares are listed on the Exchange. The Agent's Option is qualified under this prospectus for distribution. Not more than 50% of the aggregate number of Common Shares which can be acquired on the exercise of the entire Agent's Option may be sold by the Agent prior to the Completion of the Qualifying Transaction. The remaining 50% may be sold after the Completion of the Qualifying Transaction.

The Agent has agreed to use its "commercially reasonable efforts" to secure subscriptions for the Common Shares offered hereunder on behalf of the Corporation and may make co-brokerage arrangements with other investment dealers at no additional cost to the Corporation. The obligations of the Agent under the Agency Agreement may be terminated at its discretion on the basis of its assessment of the state of financial markets and may also be terminated on the occurrence of certain events as stated in the Agency Agreement.

Commercially Reasonable Efforts Offering and Minimum Distribution

The total Offering is for 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 Common Shares is permitted to directly or indirectly purchase more than 2% of the total Common Shares in the Offering, or 60,000 Common Shares ($6,000). In addition, the maximum number of Common Shares that may directly or indirectly be purchased by that purchaser, together with any Associates or Affiliates of that purchaser, is 4% of the total number of Common Shares in the Offering, or 120,000 Common Shares ($12,000). The funds received from the Offering will be deposited with the Agent, and will not be released until proceeds of $300,000 have been deposited. The total subscription must be raised within 90 days of the date a receipt for the prospectus is issued, or such other time as may be consented to by the Agent and Persons or Companies who subscribed within that period, failing which the Agent will remit the funds collected to the original subscribers without interest or deduction, unless subscribers have otherwise instructed the Agent.

Other Securities Being Distributed

The Corporation also proposes to grant the Directors' and Officers' Options at the Closing of the Offering in accordance with the policies of the Exchange, which options are qualified for distribution pursuant to this prospectus. The Directors' and Officers' Options entitle the holders to purchase an aggregate of 450,000 Common Shares at a price of $0.10 per Common Share and such options may be exercised for a period of 5 years from the date of grant. See *"Plan of Distribution"* and *"Options to Purchase Securities"*.

Determination of Price

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

Listing Application

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

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 or list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside of Canada and the United States of America.

Subscriptions by and Restrictions on the Agent

The Agent has advised the Corporation that to the best of its knowledge and belief, the following directors, officers, employees or contractors of the Agent or any Associate or Affiliate of the foregoing have subscribed for Common Shares of the Corporation in the following amounts:

Name of Subscriber	Number of Common Shares	Issue Price Per Share
Darrin J. Hopkins(1)	150,000	$0.05
Anthony J. Kinnon(1)	150,000	$0.05

Notes:

(1) Darrin J. Hopkins and Anthony J. Kinnon are both officers and employees of the Agent. These Common Shares will be held in escrow pursuant to the Escrow Agreement. See "*Escrow Securities*" and "*Relationship Between the Corporation and Agent*".

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

Until Completion of the Qualifying Transaction, the aggregate number of Common Shares permitted to be owned directly or indirectly by the members of the Pro Group cannot exceed 20% of the issued and outstanding Common Shares exclusive of Common Shares reserved for issuance at a future date. The Exchange will require that any securities issued to the Pro Group in connection with or in contemplation of the Qualifying Transaction will be required to be subject to a four month Exchange hold period and the securities certificate(s) legended accordingly, as prescribed by Exchange Policy 3.2 "*Filing Requirements and Continuous Disclosure*".

Restrictions on Trading

Other than the Initial Public Offering of the Common Shares pursuant to this prospectus, the grant of the Agent's Option and the grant of the Directors' and Officers' Options, no securities of the Corporation will be permitted to be issued during the period between the date a receipt for this preliminary prospectus is issued by the securities commission that is designated the principal regulator pursuant to Multilateral Instrument 11-102 and the time the Common Shares are listed for trading on the Exchange, except subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable securities regulatory authorities grant a discretionary order.

DESCRIPTION OF SHARE CAPITAL

Common Shares

The Corporation is authorized to issue an unlimited number of Common Shares without nominal or par value of which, as at the date hereof, 2,500,000 are issued and outstanding as fully paid and non-assessable, 3,000,000 Common Shares will be issued under this prospectus, 300,000 are reserved for issuance pursuant to the Agent's Option and 450,000 are reserved for issuance pursuant to the Directors' and Officers' Options to be granted at the Closing. See "*Plan of Distribution*".

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

Preferred Shares

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

CAPITALIZATION

Designation of Security	Amount Authorized	Amount Outstanding as of May 31, 2011(1)	Amount Outstanding as of the Date Hereof(1)	Amount Outstanding After Giving Effect to the Offering(2)(3)
Common Shares	unlimited	$125,000 (2,500,000 Common Shares)	$125,000 (2,500,000 Common Shares)	$425,000 (5,500,000 Common Shares)
Preferred Shares	unlimited	nil	nil	nil
Long Term Debt	nil	nil	nil	nil

Notes:

(1) As at May 31, 2011 and as of the date hereof, the Corporation had not commenced operations. The Common Shares outstanding as at the date hereof will be held in escrow pursuant to the Escrow Agreement in accordance with the CPC Policy. See *"Escrowed Securities"*.

(2) The Corporation has reserved a maximum of 300,000 Common Shares at $0.10 per share for issuance upon exercise of the Agent's Option. The Corporation has also reserved a maximum of 450,000 Common Shares at $0.10 per share for issuance upon exercise of the Directors' and Officers' Options to be granted at the Closing. See "*Plan of Distribution*" and "*Options to Purchase Securities*".

(3) Based on the gross proceeds of the Offering of $300,000 and before deducting the Agent's Commission, fees and expenses and the other costs of this Offering, estimated at $110,000.

OPTIONS TO PURCHASE SECURITIES

The Corporation has adopted an incentive stock option plan (the "**Option Plan**") which provides that the board of directors of the Corporation may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and 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 issued and outstanding Common Shares and prior to the completion of the Qualifying Transaction, the number of Common Shares reserved for issuance will not exceed 550,000. Pursuant to the Exchange requirements, no options will be granted to employees under the Option Plan until after the Final Exchange Bulletin has been issued. Such options will be exercisable for a period of up to 5 years from the date of grant. In connection with the foregoing, the number of Common Shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding Common Shares. Options may be exercised from the later of 12 months after Completion of the Qualifying Transaction and 90 days following cessation of the optionee's position with the Corporation, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. Any Common Shares acquired pursuant to the exercise of options prior to Completion of the Qualifying Transaction, must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued. See "*Escrowed Securities*".

As at the date hereof, the Corporation has reserved 450,000 Common Shares pursuant to the Directors' and Officers' Options. The Directors' and Officers' Options will be granted at Closing, are qualified for distribution pursuant to this prospectus and are expected to be allocated on the following basis:

Optionee	Number of Common Shares Reserved Under Option under the Offering	Exercise Price	Expiry Date
Daniel B. Evans(1)	100,000	$0.10	Five Years from the Date of Grant
Cyrus H. Driver	100,000	$0.10	Five Years from the Date of Grant
David H. Evans	100,000	$0.10	Five Years from the Date of Grant
Douglas L. Mason	100,000	$0.10	Five Years from the Date of Grant
Michael J. Perkins Professional Corp.(2)	50,000	$0.10	Five Years from the Date of Grant
Total	**450,000**		

Notes:

(1) Daniel B. Evans, an Officer and Director of the Corporation, is also considered to be the Promoter of the Corporation.

(2) Michael J. Perkins Professional Corp. is controlled by Michael J. Perkins, Corporate Secretary of the Corporation.

PRIOR SALES

Since the date of incorporation of the Corporation, 2,500,000 Common Shares have been issued as follows:

Date	Number of Common Shares(1)(2)	Issue Price Per Share	Aggregate Issue Price	Consideration Received
April 4, 2011	2,500,000	$0.05	$125,000	Cash

Notes:

(1) These Common Shares will be held in escrow. See "*Escrowed Securities*".

(2) Darrin J. Hopkins and Anthony J. Kinnon, both officers and employees of the Agent, each own 150,000 Common Shares.

ESCROWED SECURITIES

All of the 2,500,000 Common Shares which were issued prior to this Offering at a price of $0.05 per Common Share, and all Common Shares that may be acquired from treasury of the Corporation by Non Arm's Length Parties of the Corporation either under the Offering or otherwise prior to Completion of the Qualifying Transaction and all Common Shares acquired by members of the Aggregate Pro Group prior to this Offering will be deposited with Computershare Trust Company of Canada (previously defined as the "**Trustee**") under the Escrow Agreement.

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

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

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

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

Name and Municipality of Residence of Shareholder	Number of Escrowed Common Shares	Percentage of Common Shares Prior to Giving Effect to the Offering	Percentage of Common Shares After Giving Effect to the Offering(1)
Daniel B. Evans(2) West Vancouver, British Columbia	500,000	20%	9.09%

Name and Municipality of Residence of Shareholder	Number of Escrowed Common Shares	Percentage of Common Shares Prior to Giving Effect to the Offering	Percentage of Common Shares After Giving Effect to the Offering[1]
Cyrus H. Driver Vancouver, British Columbia	500,000	20%	9.09%
David H. Evans Calgary, Alberta	500,000	20%	9.09%
Douglas L. Mason West Vancouver, British Columbia	500,000	20%	9.09%
Michael J. Perkins Professional Corp.[3] Calgary, Alberta	200,000	8%	3.60%
Darrin J. Hopkins[4] Calgary, Alberta	150,000	6%	2.73%
Anthony J. Kinnon[4] Calgary, Alberta	150,000	6%	2.73%
Total	**2,500,000**	**100%**	**45.42%**

Notes:

(1) Assuming no Common Shares are purchased by these persons under the Offering.
(2) Daniel B. Evans, an Officer and Director of the Corporation, is also considered to be the Promoter of the Corporation.
(3) Michael J. Perkins Professional Corp. is controlled by Michael J. Perkins, Corporate Secretary of the Corporation.
(4) Darrin J. Hopkins and Anthony J. Kinnon are both officers and employees of the Agent.

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

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

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

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

If a Final Exchange Bulletin is not issued, the escrowed Common Shares will not be released. Under the Escrow Agreement, each Non Arm's Length Party to the Corporation who holds escrowed Common Shares acquired at a price below the Offering price under this prospectus has irrevocably authorized and directed the Trustee to immediately:

(a) cancel all of those escrowed Common Shares upon the issuance by the Exchange of a bulletin delisting the Common Shares ; or

(b) if the Corporation lists on NEX, either:

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

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

Escrowed Securities on Qualifying Transaction

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

The principal distinction between a Value Security Escrow Agreement and a Surplus Security Escrow Agreement is the time period for release of securities from escrow. In the case of a Resulting Issuer that will be a Tier 2 Issuer when the Final Exchange Bulletin is issued, the Value Security Escrow Agreement provides for a three year escrow release mechanism with 10% of the escrowed securities being releasable at the time of the Final Exchange Bulletin, and 15% of the escrowed securities being releasable every 6 months thereafter until the date which is 36 months after the Final Exchange Bulletin. In the case of a Resulting Issuer that will be a Tier 2 issuer subject to a Surplus Security Escrow Agreement, when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement provides for a 3 year release mechanism with 5% of the escrowed securities releasable at the time of the Final Exchange bulletin, 5% on the date which is 6 months after the Final Exchange Bulletin, 10% on each of the dates which are 12 and 18 months after the Final Exchange Bulletin, 15% on each of the dates which are 24 and 30 months after the Final Exchange Bulletin and 40% on the date which is 36 months after the Final Exchange Bulletin.

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

Escrowed Securities on Private Placement

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

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

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

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

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

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

PRINCIPAL SHAREHOLDERS

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

Name and Municipality of Residence of Shareholder	Type of Ownership	Number of Common Shares	Percentage of Common Shares Owned Prior to Giving Effect to the Offering	Percentage of Common Shares Owned After Giving Effect to the Offering(1)(2)
Daniel B. Evans(3) West Vancouver, British Columbia	Direct	500,000	20%	9.09%
Cyrus H. Driver Vancouver, British Columbia	Direct	500,000	20%	9.09%
David H. Evans Calgary, Alberta	Direct	500,000	20%	9.09%
Douglas L. Mason West Vancouver, British Columbia	Direct	500,000	20%	9.09%

Notes:

(1) Assuming that no Common Shares are purchased by any of the principal shareholders under the Offering.

(2) On a fully diluted basis, assuming the exercise of the Agent's Option and the Directors' and Officers' Options, Daniel B. Evans, Cyrus H. Driver, David H. Evans and Douglas L. Mason will each be the registered holder of 500,000 Common Shares (8.0%) after giving effect to the Offering.

(3) Daniel B. Evans, an Officer and Director of the Corporation, is also considered to be the Promoter of the Corporation.

DIRECTORS, OFFICERS AND PROMOTER

The following are the names and municipalities of residence of the Directors, Officers and Promoter of the Corporation, their positions and offices with the Corporation and their principal occupations during the last five years:

Daniel B. Evans - West Vancouver, British Columbia - President, Chief Executive Officer, Director and Promoter

Mr. Evans, age 57, has over twenty years of private and public company management experience, serving as an officer and director of numerous private and publicly listed corporations. He is an established entrepreneur involved in real estate development and oilfield equipment fabrication. Through founding, investing and managing, Mr. Evans has gained extensive industry knowledge and experience in matters relating to venture capital markets, corporate finance, corporate structure and managing strategic investments in venture capital markets. Mr. Evans is currently the President, Secretary and a director of Kennedy Hill Financial Group Inc., a private Canadian financial services and venture capital firm, and has been in such positions since 1988. He is also a director of Sureway Oilfield Industries Inc., a private company involved in the manufacturing of specialized drilling rig and oil service components and mining industry components, and has served as President, Chief Executive Officer and Chief Financial Officer of Cobra Venture Corporation, an Exchange listed oil and natural gas exploration and production company, and formerly a CPC, since 1998. See "*Other Reporting Issuer Experience*".

Mr. Evans will devote the time necessary to perform the work required in connection with the management of the Corporation and completion of the Qualifying Transaction.

Cyrus H. Driver - Vancouver, British Columbia - Chief Financial Officer and Director

Mr. Driver, age 62, is a Chartered Accountant and has been a partner of Davidson & Company, a public accounting firm since 2002. Prior to being with Davidson & Company, Mr. Driver was partner of Driver Anderson, Chartered Accountants from 1981 to 2002. Mr. Driver is also a director and/or Chief Financial Officer of several companies listed on the Exchange, including Bellhaven Copper & Gold Inc., Superior Mining International Corporation, Cobra Venture Corporation, which was formerly a CPC, Maxim Resources Inc., Mira Resources Corp. and Nevada Exploration Inc. See "*Other Reporting Issuer Experience*".

Mr. Driver will devote the time necessary to perform the work required in connection with the management of the Corporation and completion of the Qualifying Transaction.

David H. Evans - Calgary, Alberta - Director

Mr. Evans, age 53, is currently, and has been since 1990, the President and Director of Sureway Metal Systems Ltd., a privately owned Calgary based manufacturing, fabrication and steel service centre. Mr. Evans is the founder, President, Chief Executive Officer and director of Sureway Oilfield Industries Inc. (a private company involved in the manufacturing of specialized drilling rig and oil service components and mining industry components) and Sureway Metal Warehouse Inc. (a private company involved in the direct purchasing of steel mill products, redistribution to manufacturers and fabricators and second tier steel warehouses). Mr. Evans is also the President of LA Steel Ltd., a privately owned investment and real estate holding company involved in real estate development, and has served as the President of Justin Steel Inc., a privately owned Canadian investment and holdings company involved in steel brokerage and the design, manufacture and distribution of specialty industrial products, since 1982. Mr. Evans has over 35 years experience in the steel industry. Mr. Evans currently serves as a director of Cobra Venture Corporation, an Exchange listed oil and natural gas exploration and production company, and formerly a CPC. See "*Other Reporting Issuer Experience*".

Mr. Evans will devote the time necessary to perform the work required in connection with the management of the Corporation and completion of the Qualifying Transaction.

Douglas L. Mason - West Vancouver, British Columbia - Director

Mr. Mason, age 63, is currently and has been, since February of 2006, the President, Chief Executive Officer and a director of Waterfront Capital Corporation, a publicly traded merchant bank and financial services company. Between June 1986 and October 2005, Mr. Mason served as the President, Chief Executive Officer and Chairman of Clearly Canadian Beverage Co. ("**Clearly Canadian**"), an international beverage company, previously listed on the NASDAQ Stock Market, Inc. and Toronto Stock Exchange until it was delisted in 2001 and 2005 respectively. Clearly Canadian currently trades on the OTC Bulletin Board. Mr. Mason currently serves as Chairman of International Bethlehem Mining Corp., Columbia Yukon Explorations Inc. and Black Panther Mining Corp., all Exchange listed companies, and is the President and director of Criterion Capital Corporation, a private investment and financial consulting company. Mr. Mason has been a founder, senior officer and director of numerous industrial, consumer product and junior mining exploration companies. Mr. Mason is an accomplished financier and entrepreneur with extensive experience in financings, structure and acquisitions in capital markets. Mr. Mason is the Chairman of the B.C. Sports Hall of Fame and Museum Foundation. See "*Other Reporting Issuer Experience*".

Mr. Mason will devote the time necessary to perform the work required in connection with the management of the Corporation and completion of the Qualifying Transaction.

Michael J. Perkins - Calgary, Alberta - Corporate Secretary

Mr. Perkins, age 56, is currently and has been a partner with Borden Ladner Gervais LLP, Barristers and Solicitors since July 2002. Between May 1991 and July 2002 he was a partner with Armstrong Perkins Hudson LLP Barristers and Solicitors (formally Ogilvie and Company), and prior thereto, he was a partner with Burstall Ward, Barristers and Solicitors, since April 1, 1988, and prior thereto, a partner with McCombe, Mainwaring, Perkins, Barristers and Solicitors, since February 1, 1985. Mr. Perkins practices law in the area of securities, natural resources, and corporate and commercial law. In addition, he has acted as corporate secretary and/or director of over 20 public corporations listed on The Alberta Stock Exchange, Canadian Venture Exchange Inc., (now the TSX Venture Exchange Inc.), the TSX Venture Exchange Inc. and/or the Toronto Stock Exchange, engaged in the petroleum and natural gas, mining, industrial, technology and venture capital industries. Mr. Perkins is currently a director of Streetlight Intelligence Inc., which was formerly a CPC, and is the corporate secretary of several other companies listed on the Exchange, inclusive of Cobra Venture Corporation, which was formerly a CPC. See "*Other Reporting Issuer Experience*".

Mr. Perkins obtained his Bachelor of Arts in 1976 from the University of Calgary, and Bachelor of Laws in 1980 from the University of Alberta. He was admitted to practice law in the Province of Alberta in 1981.

Mr. Perkins will devote the time necessary to perform the work required in connection with the management of the Corporation and completion of the Qualifying Transaction.

Other Corporate Information

Pursuant to the provisions of the *Business Corporations Act* (Alberta), 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 Daniel B. Evans, Cyrus H. Driver, David H. Evans and Douglas L. Mason. Cyrus H. Driver is the Chairman of the Audit Committee.

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

Prior to this Offering, the directors and officers beneficially own, directly or indirectly, or have control or direction over, an aggregate of 2,200,000 Common Shares (88%). Subsequent to this Offering, the directors and officer will beneficially own, directly or indirectly, or have control or direction over, an aggregate of 2,200,000 Common Shares (40%). Prior to this Offering, Daniel B. Evans, a Director, Officer and the Promoter of the Corporation beneficially owns, directly or indirectly, or has control or direction over, an aggregate of 500,000 Common Shares (20%). Subsequent to this Offering, the Promoter will beneficially own, directly or indirectly, or have control or direction over, an aggregate of 500,000 Common Shares (9.09%). See *"Principle Shareholders"*.

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 of Director, Officer or Promoter	Name of Reporting Issuer	Market	Position	Term
Daniel B. Evans	Cobra Venture Corporation	TSX-V	President, Chief Financial Officer, Chief Executive Officer and Director	August 1998 - Present
	Venture One Capital Corp.	TSX-V	President, Chief Executive Officer and Director	April 2007 – December 2009
Cyrus H. Driver				
	Aldrin Resources Corp.	TSX-V	Director	August 2006 – Present
	Bellhaven Copper & Gold Inc. (formerly Bellhaven Ventures Inc.)	TSX-V	Director	April 2005 – Present
			Chief Financial Officer	April 2005 – January 2009
	Cobra Venture Corporation	TSX-V	Director	November 1998 - Present
	Maxim Resources Inc.	TSX-V	Chief Financial Officer	March 2006 - Present
	Mira Resources Corp.	TSX-V	Chief Financial Officer and Director	July 2009 – Present
	Nevada Exploration Inc.	TSX-V	Chief Financial Officer and Director	November 2009 - Present
	Orko Silver Corp.	TSX-V	Director	April 2007 – Present
	Superior Mining International Corporation (formerly Superior Mining Corporation and Superior Pipeline Corporation)	TSX-V	Chief Financial Officer and Director	February 2001 – Present
			Corporate Secretary	January 1996 - January 2007
	White Bear Resources Inc.	TSX-V	Director	November 2006 – Present
			Chief Financial Officer	September 2007 – Present
	Charlotte Resources Ltd.	TSX-V	Chief Financial Officer	November 2010 – March 2011
	Paloma Resources Inc. (formerly Paloma Ventures Inc.)	NEX	Director	April 1999 - July 2006
	Sieger Capital Management Ltd.	TSX-V	Director	January 2007 – March 2010
	Southern Arc Minerals Inc.	TSX-V	Chief Financial Officer	June 2005 – September 2007
	Venture One Capital Corp.	TSX-V	Director	August 2007 – November 2009
	Western Uranium Corp.	TSX-V	Chief Financial Officer	March 2006 – October 2006
David H. Evans				
	Cobra Venture Corporation	TSX-V	Director	November 1998 - Present
	Venture One Capital Corp.	TSX-V	Director	April 2007 – December 2009

Name of Director, Officer or Promoter	Name of Reporting Issuer	Market	Position	Term
Douglas L. Mason				
	Black Panther Mining Corp. (formerly Venturex Explorations Inc., Consolidated Venturex Holdings Ltd.)	TSX-V	Director (Chairman)	April 2006 – Present
	Columbia Yukon Explorations Inc.	TSX-V	Director (Chairman)	November 1994 – Present
			Corporate Secretary	February 2006 – September 2009
	International Bethlehem Mining Corp. (formerly Orphan Boy Resources Inc.)	TSX-V	Director (Chairman)	May 2006 – Present
	Waterfront Capital Corporation (formally Uniwat Capital Corporation)	TSX-V	President, Chief Executive Officer and Director	February 2006 – Present
	White Tiger Mining Corp. (formerly BHR Buffalo Head Resources Ltd.)	TSX-V	Director (Chairman)	June 2007 – Present
	World Famous Pizza Company Ltd. (formerly known as Brooklyn Ventures Corp.)	TSX-V	Director (Chairman)	October 2007 – Present
	Venture One Capital Corp.	TSX-V	Director	April 2007 – December 2009
Michael J. Perkins				
	Cobra Venture Corporation	TSX-V	Corporate Secretary	October 2003 - Present
	Dot Resources Inc.	TSX-V	Corporate Secretary	May 2007 - Present
	Kestrel Gold Inc.	TSX-V	Corporate Secretary	May 2010 - Present
	Alhambra Resources Ltd.	TSX-V	Corporate Secretary	February 2006 – April 2009
	CCR Technologies Ltd. (formerly Canadian Chemical Reclaiming Ltd.)	TSX	Corporate Secretary	February 1997 – April 2010
	Kootenay Energy Inc.	TSX-V	Corporate Secretary	March 2004 – March 2009
	Mart Resources Inc.	TSX-V	Director	June 2008 – April 2009
	Royal Roads Corp.	TSX	Director	April 2002 – September 2006
	Streetlight Intelligence Inc.	TSX-V	Director	July 2003 – May 2011
	Venture One Capital Corp.	TSX-V	Corporate Secretary	April 2007 – December 2009

Corporate Cease Trade Orders or Bankruptcies

No director, officer, Insider or Promoter or a shareholder holding a sufficient number of securities to affect materially the control of the Corporation is, or within ten years before the date of the prospectus, has been, a director, officer, Insider or Promoter of any other issuer that, while that person was acting in that capacity, was the subject of a cease trade or similar order, or an order that denied such issuer access to any statutory exemptions for a period of more than 30 consecutive days or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, except as noted below:

Douglas L. Mason was Chairman and a director of SWI Steelworks Inc. ("**SWI**") when the British Columbia Securities Commission (the "**Commission**") issued a cease trade order against SWI on May 29, 2002 and the Alberta Securities Commission issued a cease trade order against SWI on July 19, 2002 for failure to file and mail financial statements for the financial year ended December 31, 2001 and for the first quarter period ended March 31, 2002. The cease trade orders are still in effect and SWI was delisted from NEX in 2004 prior to Mr. Mason's resignation and subsequently was dissolved as of November 19, 2007.

Cyrus Driver is the Chief Financial Officer of Maxim Resources Inc. which had a cease trade order issued against it by the British Columbia Securities Commission on May 4, 2009, for failure to file its comparative financial statements for the year ended December 31, 2008. The cease trade order was revoked by the British Columbia Securities Commission on August 4, 2009, after Maxim Resources Inc. filed the required financial statements and management's discussion and analysis.

Penalties or Sanctions

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

On October 30, 2000, the Commission issued a Notice of Hearing with respect to regulatory proceedings against Douglas L. Mason. The Notice of Hearing alleged that Mr. Mason failed to comply with certain insider reporting and control person reporting requirements with respect to certain trades in shares of certain companies, and that Mr. Mason engaged or participated in improper trading of shares of these companies. On August 25, 2004, Mr. Mason entered into a settlement agreement (the "**Settlement**") with the Commission. The Settlement agreement (the "**Settlement Agreement**") provided that Mr. Mason would pay the sum of $250,000 to the Commission. Furthermore, and pursuant to the Settlement Agreement, Mr. Mason agreed to cease trading, subject to certain exceptions, directly or indirectly, in securities for a period of 12 months. The Settlement Agreement also provided that Mr. Mason be prohibited from engaging in investor relations activities for a period of 12 months and provided that he was to resign any position he held as a director or officer of any issuer, subject to certain exceptions, and be prohibited from becoming or acting as a director or officer of any issuer for a period of 12 months. The restrictions provided in the Settlement Agreement expired on August 24, 2005. As part of the Settlement, the Commission acknowledged and agreed that none of the trading in question was undertaken by Mr. Mason in reliance upon undisclosed material facts or changes and that there was no evidence of any illicit purpose on the part of Mr. Mason in connection with the subject trading.

Personal Bankruptcies

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

Conflicts of Interest

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

Executive Compensation

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

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

  (i) salaries;

  (ii) consulting fees;

  (iii) management contract fees or directors' fees;

  (iv) finder's fees;

  (v) loans, advances, bonuses; and

(b) deposits and similar payments.

Although 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 such 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 will also be granted the Directors' and Officers' Options. See *"Plan of Distribution"* and *"Options to Purchase Securities"*.

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

DILUTION

Purchasers of Common Shares under this prospectus will suffer an immediate dilution of $0.0228 per Common Share or 22.8% on the basis of there being 5,500,000 Common Shares issued and outstanding following completion of this Offering. Dilution has been computed on the basis of total gross proceeds to be raised by this prospectus and from sales of securities prior to the filing of this prospectus, without deduction of commissions or related expenses incurred by the Corporation, as set forth below:

Item	Total Offering
Gross proceeds of prior share issues	$125,000
Gross proceeds of this Offering	$300,000
Total gross proceeds after this Offering	**$425,000**
Offering price per share	$0.1000
Proceeds per share after this Offering	$0.0772
Dilution per share to subscriber	$0.0228
Percentage of dilution in relation to offering price	22.8%

RISK FACTORS

Investment in the Common Shares must be regarded as highly speculative due to the proposed nature of the Corporation's business and its present stage of development. The following are risk factors associated with the Corporation:

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

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

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

(d) assuming completion of the Offering, an investor will suffer an immediate dilution to its investment of $0.0228 per Common Share or 22.8%;

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

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

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

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

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

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

(k) upon public announcement of a proposed Qualifying Transaction, trading in the Common Shares 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 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 may be halted at other times for other reasons, including for failure by the Corporation to submit documents to the Exchange in the time periods required;

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

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

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

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

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

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

LEGAL PROCEEDINGS

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

RELATIONSHIP BETWEEN THE CORPORATION AND THE AGENT

The Corporation may be a "connected issuer" of the Agent for the purposes of National Instrument 33-105 - "*Underwriting Conflicts*"**,** as two officers and employees of the Agent, Messrs. Hopkins and Kinnon, each previously purchased 150,000 Common Shares of the Corporation at a price of $0.05 per share, representing 6% (12% collectively) of the outstanding Common Shares prior to the completion of the Offering and 2.73% (5.46% collectively) assuming completion of the Offering. See "*Plan of Distribution - Subscriptions by and Restrictions on the Agent*", "*Prior Sales*" and "*Escrowed Securities*".

The Agent was not involved in the decision by the Corporation to distribute Common Shares pursuant to the Offering, nor was the Offering requested or suggested to the Corporation by the Agent. The Agent, through its Corporate Finance department, of which Messrs. Hopkins and Kinnon are not members, was involved in the determination of the terms of the Offering in its capacity as Agent for the sale of the Common Shares on a "commercially reasonable efforts" agency basis. The Agent does not, prior to completion of the Offering, own directly or indirectly, any securities of the Corporation and the only proceeds of the Offering to be received by the

Agent, is the remuneration to be paid to the Agent in connection with the sale of the Common Shares, which includes the Agent's Commission, the corporate finance fee payable to the Agent and the Agent's Option. See "*Plan of Distribution*".

RELATIONSHIP BETWEEN THE CORPORATION AND PROFESSIONAL PERSONS

Certain legal matters relating to this Offering will be passed upon by Borden Ladner Gervais LLP, on behalf of the Corporation and by Davis LLP, on behalf of the Agent. Michael J. Perkins, a partner of Borden Ladner Gervais LLP (a law firm which renders legal services to the Corporation and is remunerated for same, subject to the restrictions set forth in the CPC Policy), and an officer of the Corporation, owns 200,000 Common Shares. The partners and associates of Davis LLP do not own any Common Shares. The partners and associates of Davis LLP and Borden Ladner Gervais LLP may subscribe for Common Shares pursuant to the Offering.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditor of the Corporation is MacKay LLP, Chartered Accountants, at 1100, 1177 West Hastings Street, Vancouver, British Columbia, V6E 4T5.

Computershare Trust Company of Canada, at its Vancouver office located at 510 Burrard Street, 2nd Floor, Vancouver, British Columbia, V6C 3B9, is the transfer agent and registrar for the Corporation's Common Shares.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The directors and officers have all acquired Common Shares. In addition, each of the directors and officers of the Corporation will be granted the Directors' and Officers' Options. Except as disclosed elsewhere herein, none of the directors, officers or principal shareholders of the Corporation, and no Associate or Affiliate of any of them, has or has had any material interest in any transaction that materially affects the Corporation. See *"Options to Purchase Securities", "Escrowed Securities"* and *"Principal Shareholders*".

MATERIAL CONTRACTS

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

1. Agency Agreement dated as of ●, 2011 between the Corporation and the Agent. See *"Plan of Distribution"*.

2. Escrow Agreement dated as of ●, 2011 among the Corporation, the Trustee and those shareholders that executed such agreement. See *"Escrowed Securities"*.

3. Transfer Agency and Registrarship Agreement dated as of ●, 2011 between the Corporation and the Trustee.

Copies of these agreements will be available for inspection at the registered office of the Corporation located at the offices of Borden Ladner Gervais LLP, solicitors of the Corporation, located at 1900, 520 - 3rd Avenue S.W., Calgary, Alberta, T2P 0R3, during ordinary business hours while the securities offered by this prospectus are in the course of distribution and for a period of 30 days thereafter.

OTHER MATERIAL FACTS

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

DIVIDEND POLICY

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

PROMOTER

Daniel B. Evans is considered to be the Promoter of the Corporation in that Daniel B. Evans took the initiative in founding and organizing the Corporation. See also "*Prior Sales*" and "*Principal Shareholders*".

PURCHASERS' STATUTORY RIGHTS

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

ELIGIBILITY FOR INVESTMENT

Based on the provisions of the *Income Tax Act* (Canada) and the regulations thereunder in force as of the date hereof (the "**Tax Act**") and the proposed amendments to the Tax Act publicly announced by, or on behalf of, the Minister of Finance (Canada) prior to the date hereof, in the opinion of Borden Ladner Gervais LLP, counsel to the Corporation, if on or before the Corporation's filing-due date for its first taxation year, the Common Shares are listed on a designated stock exchange and the Corporation elects in its return of income for the year in the manner and within the limits prescribed by the Tax Act to be a "public corporation", as that term is defined in the Tax Act, then the Corporation will be deemed to have been a public corporation from the beginning of its first taxation year, and the Common Shares will be "qualified investments" under the Tax Act for trusts governed by registered retirement savings plans ("**RRSP**"), registered retirement income funds ("**RRIF**"), registered disability savings plans, deferred profit sharing plans, registered education savings plans and tax free savings accounts ("**TFSA**"). The Corporation has provided a covenant in the Agency Agreement that it will make the election to be a public corporation as contemplated in this paragraph.

However, the holder of a TFSA (or, if certain proposals contained in the March 22, 2011 Federal Budget are enacted as proposed, the annuitant under a RRSP or RRIF) that holds Common Shares will be subject to a penalty tax if such Common Shares are a "prohibited investment" for the purposes of the Tax Act. Common Shares will generally be a "prohibited investment" if the holder of the TFSA (or the annuitant under a RRSP or RRIF) does not deal at arm's length with the Corporation for the purposes of the Tax Act or the holder of the TFSA (or the annuitant under a RRSP or RRIF) has a "significant interest" (within the meaning of the Tax Act) in the Corporation or a corporation, partnership or trust with which the Corporation does not deal at arm's length for the purposes of the Tax Act. Prospective purchasers should consult their own tax advisors regarding their particular circumstances.

AUDITORS' CONSENT

We have read the prospectus of Magnum Capital Corp. (the "Company") dated June 10, 2011 relating to the issue and sale of 3,000,000 common shares of the Company. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above-mentioned prospectus of our report to the directors of the Company on the balance sheet of the Company as at May 31, 2011, and the statements of operations and comprehensive loss, changes in shareholders' equity and cash flows for the period from incorporation April 4, 2011 to May 31, 2011. Our report is dated ●.

Vancouver, British Columbia | Chartered Accountants

DATE

MAGNUM CAPITAL CORP.

FINANCIAL STATEMENTS

MAY 31, 2011

Independent Auditor's Report

To the Directors of
Magnum Capital Corp.

We have audited the accompanying financial statements of Magnum Capital Corp., which comprise the statement of financial position as at May 31, 2011, and the statements of operations and comprehensive loss, change in shareholders' equity and cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Magnum Capital Corp. as at May 31, 2011 and its operations and its cash flows for the period then ended in accordance with International Financial Reporting Standards.

Emphasis of matter
Without modifying our opinion, we draw attention to Note 1 to the financial statements which describes the material uncertainty that may cast significant doubt about the ability of Magnum Capital Corp. to continue as a going concern.

Chartered Accountants
Vancouver, British Columbia
June xx, 2011

MAGNUM CAPITAL CORP.
STATEMENT OF FINANCIAL POSITION
AS AT MAY 31, 2011

ASSETS		
Current		
Cash	$	108,438
		108,438
Deferred financing costs (Note 8)		16,562
	$	125,000
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$	4,000
Shareholders' equity		
Capital stock (Note 4)		125,000
Deficit		(4,000)
		121,000
	$	125,000

Nature and continuance of operations (Note 1)
Subsequent events (Note 8)

On behalf of the Board:

"Daniel B Evans" Director *"Cyrus Driver"* Director

The accompanying notes are an integral part of these financial statements.

MAGNUM CAPITAL CORP.
STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS
PERIOD FROM INCORPORATION ON APRIL 4, 2011 TO MAY 31, 2011

EXPENSES		
Professional fees	$	4,000
Loss and comprehensive loss for the period	$	(4,000)
Basic and diluted loss per common share	$	(0.00)
Weighted average number of common shares outstanding		1,250,000

The accompanying notes are an integral part of these financial statements.

MAGNUM CAPITAL CORP.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
AS AT MAY 31, 2011

	Capital Stock			
	Shares	Amount	Deficit	Total Shareholders' Equity
Balance, April 4, 2011 (incorporation)	-	$ -	$ -	$ -
Common shares issued at $0.05	2,500,000	125,000	-	125,000
Loss and comprehensive loss	-	-	(4,000)	(4,000)
Balance, May 31, 2011	2,500,000	$ 125,000	$ (4,000)	$ 121,000

The accompanying notes are an integral part of these financial statements.

MAGNUM CAPITAL CORP.
STATEMENT OF CASH FLOWS
PERIOD FROM INCORPORATION ON APRIL 4, 2011 TO MAY 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$	(4,000)
Changes in non-cash working capital items:		
Increase in accounts payable		4,000
Net cash used in operating activities		-
CASH FLOWS FROM FINANCING ACTIVITES		
Issuance of shares		125,000
Deferred financing costs		(16,562)
Net cash provided by financing activities		108,438
Increase in cash for the period		108,438
Cash, beginning of period		-
Cash, end of period	$	108,438
Cash paid during the period for interest	$	-
Cash paid during the period for income taxes	$	-

There were no significant non-cash investing or financing transactions during the period ended May 31, 2011.

The accompanying notes are an integral part of these financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

Magnum Capital Corp. (the "Company") is in the process of completing an Initial Public Offering ("IPO") to be classified as a Capital Pool Company as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Company was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of the *Alberta Business Corporations Act* on April 4, 2011.

The head office address, registered address and records office of the Company are located at 1900, 520 – 3rd Avenue S.W., Calgary, AB, T2P 0R3, Canada.

These financial statements are authorized for issue by the Board of Directors on June 10, 2011.

These financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

The Company's continuing operations are dependent upon its ability to identify, evaluate and negotiate an agreement to acquire an interest in a material asset or business with 24 months of listing on the TSX-V. Any acquisition or investment proposed by the Company will be subject to regulatory approval.

2. BASIS OF PREPARATION

These financial statements for the period from inception to May 31, 2011 have been prepared in accordance International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). These financial statements are the Company's first financial statements and the Company's first financial statements prepared under IFRS. The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statement. Actual results could differ from these estimates.

The financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company.

3 SIGNIFICANT ACCOUNTING POLICIES

Deferred financing costs

Costs directly identifiable with the raising of capital will be charged against the related capital stock. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related capital stock or charged to operations if the shares are not issued.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Stock-based compensation

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to capital stock. The Company estimates a forfeiture rate and adjusts the corresponding expense each period based on an updated forfeiture estimate.

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against that excess.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

1,250,000 shares outstanding as at May 31, 2011 have been excluded from the weighted average number of shares because they are contingently returnable.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the balance sheet at fair value with changes in fair value recognized in the income statement.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the income statement.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for- sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the income statement.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the balance sheet at fair value with changes in fair value recognized in the income statement.

Other financial liabilities: This category includes promissory notes, amounts due to related parties and accounts payables and accrued liabilities, all of which are recognized at amortized cost.

The Company has classified its cash as fair value through profit and loss. The Company's accounts payable and accrued liabilities are classified as other financial liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments (cont'd…)

<u>Financial liabilities</u> (cont'd…)

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices; and
- Level 3 – inputs for the asset or liability that are not based on observable market date (unobservable inputs).

Cash is measured using Level 1 inputs.

New accounting pronouncements

Certain new accounting standards and interpretations have been published that are not mandatory for the May 31, 2011 reporting period. The following standards are assessed not to have any impact on the Company's financial statements:

- IFRS 9, Financial Instruments: effective for accounting periods commencing on or after January 1, 2013.

4. CAPITAL STOCK

Authorized:

Unlimited common shares with no par value
Unlimited preferred shares with no par value

Issuances:

During the period ended May 31, 2011, the Company issued 2,500,000 common share at $0.05 per share for gross proceeds of $125,000.

5. INCOME TAXES

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

		Period From Incorporation on April 4, 2011 to May 31, 2011
Loss before income taxes	$	(4,000)
Expected income tax recovery	$	(1,060)
Effect of change in tax rates		60
Unrecognized benefit of non-capital losses		1,000
Net income tax recovery	$	-

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

		May 31, 2011
Deferred income tax assets:		
Non-capital loss carryforwards	$	1,000
Unrecognized deferred income tax assets		(1,000)
Net deferred income tax assets	$	-

The Company has non-capital losses carried forward for income tax purposes of approximately $4,000 which can be applied against future years' taxable income. These losses will expire in 2031. Future tax benefits which may arise as a result of these non-capital losses have been offset by a valuation allowance and have not been recognized in these financial statements.

6. FINANCIAL INSTRUMENTS

Fair value

Cash is carried at fair value using a level 1 fair value measurement. The recorded value of the accounts payable and accrued liabilities approximate their fair values due to their demand nature and their short term to maturity.

6. FINANCIAL INSTRUMENTS (cont'd…)

Financial risk factors

The Company's risk exposures and the impact on the Company's financial statements are summarized below.

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company plans to limit its exposure to credit loss by placing its cash with major financial institutions.

Interest rate risk

The interest rate risks on cash and on the Company's obligations are not considered significant.

Liquidity risk

All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The Company intends to settle these with funds from its IPO.

Foreign currency risk

As at May 31, 2011, the Company did not have any accounts in foreign currencies and considers foreign currency risk insignificant.

Price risk

The Company has limited exposure to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities.

7. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity. As at May 31, 2011, the Company's shareholders' equity was $121,000 and there was no long term debt outstanding. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital.

8. SUBSEQUENT EVENTS

Subsequent to the period ended May 31, 2011, the Company:

i) is in the process of filing a preliminary prospectus, offering 3,000,000 common shares at a price of $0.10 per share (the "Offering") by way of an IPO pursuant to Policy 2.4 "Capital Pool Companies" of the TSX-V. A cash commission of 10% of the gross proceeds of the Offering will be paid to the Agent. The Agent will also be paid a corporate finance fee of $12,500 (plus GST) and will be reimbursed by the Company for its expenses and legal fees plus disbursements. The Agents will also be granted agents' options to purchase up to 300,000 common shares 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 TSX-V. The gross proceeds from the sale of securities will be restricted whereby the Company cannot spend more than the lesser of 30% or $210,000 until the completion of a Qualifying Transaction for purposes other than to identify and evaluate assets or businesses and obtain shareholder approval for a proposed Qualifying Transaction if necessary.

ii) intends to grant incentive stock options to directors and officers of the Company to purchase 450,000 common shares at a price of $0.10 per share, expiring 5 years from the date of grant.

CERTIFICATE OF THE CORPORATION

DATE: JUNE 10, 2011

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

"Daniel B. Evans"
DANIEL B. EVANS
President and Chief Executive Officer

"Cyrus H. Driver"
CYRUS H. DRIVER
Chief Financial Officer

ON BEHALF OF THE BOARD

"David H. Evans"
DAVID H. EVANS
Director

"Douglas L. Mason"
DOUGLAS L. MASON
Director

CERTIFICATE OF THE PROMOTER

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

"Daniel B. Evans"
DANIEL B. EVANS

CERTIFICATE OF THE AGENT

DATE: JUNE 10, 2011

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

MACQUARIE PRIVATE WEALTH INC.

Per: *"Jeff German"*

JEFF GERMAN, CA, CBV
Vice President, PVC Corporate Finance