

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

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

PRELIMINARY PROSPECTUS

INITIAL PUBLIC OFFERING

DATED: September 30, 2011

ABCANA CAPITAL INC.
(a capital pool company)

\$200,000

2,000,000 Common Shares (the “Common Shares”) at \$0.10 per Common Share

The purpose of this offering (the “Offering”) is to provide Abcana Capital Inc. (the “Company”) with a minimum of funds with which to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction, as hereinafter defined. The Company hereby offers to the public through its agent, Macquarie Private Wealth Inc. (the “Agent”), 2,000,000 common shares of the Company (the “Common Shares”) at a price of \$0.10 per Common Share. Any proposed Qualifying Transaction must be approved by the TSX Venture Exchange (the “Exchange”), and in the case of a Non Arm’s Length Qualifying Transaction, must also receive Majority of the Minority Approval, as hereinafter defined, in accordance with Exchange Policy 2.4 (the “CPC Policy”). The Company is a capital pool company pursuant to the policies of the Exchange. It has not commenced commercial operations and has no assets other than a minimum amount of cash. Except as specifically contemplated in the CPC Policy, until the Completion of the Qualifying Transaction, as defined in the CPC Policy, the Company 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 Company” and “Use of Proceeds”.

	Common Shares	Price to Public ⁽¹⁾	Agent’s Commission ⁽²⁾	Net Proceeds to the Company ⁽³⁾
Per Common Share	1	\$0.10	\$0.008	\$0.092
Total Offering ⁽⁴⁾	2,000,000	\$200,000	\$16,000	\$184,000

- (1) The price per Common Share has been determined by negotiation between the Company and the Agent.
- (2) A commission equal to 8% of the gross proceeds of the Offering will be paid to the Agent (the “**Agent’s Commission**”). The Agent will also be paid a fee of \$11,500 plus HST, (the “**Corporate Finance Fee**”) of which \$6,440 has been advanced and will be granted non-transferable warrants (the “**Agent’s Warrants**”) to acquire up to 200,000 Common Shares at a price of \$0.10 per Common Share, exercisable for a period of 24 months from the date the Common Shares commence trading on the Exchange. The Agent’s Warrants are qualified for distribution under this Prospectus. The Agent will also be reimbursed by the Company for the Agent’s expenses, including legal fees, incurred pursuant to the Offering, of which \$7,500 has already been paid. See “Plan of Distribution”.
- (3) Before deduction of the costs of the Offering, which are estimated to be \$53,000 (excluding the Agent’s Commission), and includes legal and audit fees and other expenses of the Company, the Agent’s Corporate Finance Fee, the Agent’s legal fees and expenses, regulatory fees and a listing fee payable to the Exchange. See “Use of Proceeds”.
- (4) A total of 2,000,000 Common Shares are offered under this Prospectus, as defined hereafter, not including the Agent’s Warrants which are also qualified for distribution under this Prospectus. See “Plan of Distribution”.

The Company has entered into a letter agreement (the “**Agency Agreement**”) with the Agent to act for the Company in the sale of the Common Shares under this preliminary prospectus (the “**Prospectus**”) on a commercially reasonable efforts basis. The Offering is subject to a minimum subscription of 2,000,000 Common Shares for total gross proceeds to the Company of \$200,000. The offering price of the Common Shares was determined by negotiation between the Company and the Agent. All funds received from subscriptions for the Common Shares will be held by the Agent, pursuant to the terms of the Agency Agreement. If the minimum subscription is not raised within 90 days of the issuance of a receipt for the final prospectus or such other time as may be consented to by 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. See “Plan of Distribution”.

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

There is no market through which the Common Shares may be sold and purchasers may not be able to resell securities purchased under this Prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See ‘Risk Factors’. The Company has applied to list its Common Shares on the Exchange. Listing is subject to the Company fulfilling all of the listing requirements of the Exchange.

Other than the initial distribution of the Common Shares pursuant to this Prospectus and the grant of the Agent's Warrants, trading in all securities of the Company is prohibited during the period between the date a receipt for this Prospectus is issued by the securities commission that is designated the principal regulator pursuant to National Policy 11-202 *Process for Prospectus Reviews in Multiple Jurisdictions* and the time the Common Shares are listed for trading except, subject to the prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable securities regulatory authorities grant a discretionary order.

INVESTMENT IN THE COMMON SHARES OFFERED BY THIS PROSPECTUS IS HIGHLY SPECULATIVE due to the nature of the Company's business and its present stage of development. The Company was only recently incorporated, owns no assets (other than cash) and has not conducted active business operations. The Company has not entered into an Agreement in Principle, as that term is defined in the CPC Policy. The Company has no history of earnings and has not paid any dividends as of the date hereof. It is unlikely that the Company will generate earnings or pay dividends in the immediate or foreseeable future. The business objective of the Company is to identify and evaluate assets or businesses with a view to completing a Qualifying Transaction. There is no assurance that the Company will identify assets or businesses that warrant acquisition, in whole or in part. Even if assets or businesses are identified and the acquisition of the same or an interest therein is determined to be in the best interests of the Company, the Company may not be able to finance the acquisition with its existing resources and additional funds may be required to complete the transaction, and the Company may not be able to obtain additional financing. There can be no assurance that the Company will successfully complete any Qualifying Transaction. If the Company issues shares from its treasury to finance an acquisition, control of the Company may change and purchasers of Common Shares hereunder may suffer further dilution of their investment. The net proceeds generated from the Offering, after deducting associated costs, will be sufficient to identify and evaluate a limited number of opportunities. The officers and directors of the Company are not expected to devote their full time and attention to the business and affairs of the Company. The Company may be required to compete with others in its efforts to identify suitable assets or businesses for acquisition. **THIS OFFERING IS SUITABLE ONLY TO THOSE INVESTORS WHO ARE PREPARED TO RISK THE LOSS OF THEIR ENTIRE INVESTMENT. See "Risk Factors".**

Pursuant to the CPC Policy, no purchaser of the Common Shares is permitted to directly or indirectly purchase more than 2% (or 40,000 Common Shares) of the total number of Common Shares offered under this Prospectus. In addition, the maximum number of Common Shares that may directly or indirectly be purchased by that purchaser, together with any Associates or Affiliates (as such terms are defined herein) of that purchaser, is 4% (or 80,000 Common Shares) of the total number of Common Shares offered under this Prospectus.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is

expected that certificates evidencing the Common Shares in definitive form will be available for delivery on the completion of the Offering.

The Common Shares are offered by the Agent, as Agent of the Company, on a "commercially reasonable efforts" basis, subject to prior sale, if, as and when issued and delivered by the Company and accepted in accordance with the conditions referred to under the heading "Plan of Distribution" and subject to the approval of certain legal matters on behalf of the Company by Armstrong Simpson, Barristers & Solicitors, Vancouver, British Columbia, and on behalf of the Agent by Getz Prince Wells LLP, Vancouver, British Columbia.

No person is authorized to provide any information or to make any representation in connection with the Offering other than as contained in this Prospectus.

Macquarie Private Wealth Inc.

500 - 550 Burrard Street
Vancouver, BC V6C 2B5

Tel: 604.640.0400

Fax: 604.640.0300

TABLE OF CONTENTS

GLOSSARY OF TERMS.....	vii
SUMMARY OF PROSPECTUS.....	1
CORPORATE STRUCTURE	4
BUSINESS OF THE COMPANY	4
Preliminary Expenses.....	4
Proposed Operations until Completion of a Qualifying Transaction.....	4
Method of Financing Acquisitions or Participation.....	5
Criteria for Acquisitions.....	5
Filings and Shareholders Approval of a Non Arm’s Length Qualifying Transaction	6
Initial Listing Requirements	7
Trading Halts, Suspension and Delisting.....	7
Refusal of Qualifying Transaction.....	8
USE OF PROCEEDS.....	9
Proceeds and Principal Purposes.....	9
Permitted Use of Funds.....	10
Restrictions on Use of Proceeds.....	11
Private Placements for Cash.....	11
Prohibited Payments to Non Arm’s Length Parties.....	12
PLAN OF DISTRIBUTION.....	12
Name of Agent and Agent’s Compensation	12
Determination of Price	13
Listing Application.....	13
Commercially Reasonable Efforts and Minimum Distribution.....	13
Subscriptions by and Restrictions on the Agent.....	14
Restrictions on Trading.....	14
DESCRIPTION OF SECURITIES OFFERED.....	15
Share Capital	15
Dividend Record and Policy	15
Capitalization	15
OPTIONS TO PURCHASE SECURITIES.....	16
Options Granted.....	16
PRIOR SALES.....	17
ESCROWED SECURITIES.....	17
Securities Escrowed Prior to the Completion of the Qualifying Transaction.....	17
Escrowed Securities on Qualifying Transaction.....	20
Escrowed Securities on Private Placement.....	21
PRINCIPAL SHAREHOLDERS	21
DIRECTORS, OFFICERS AND PROMOTERS	22
Name, Address, Occupation and Security Holdings.....	22
Other Reporting Issuer Experience	24
Committees.....	25
Aggregate Ownership of Securities.....	27
Corporate Cease Trade Orders or Bankruptcies.....	27

Penalties and Sanctions	28
Personal Bankruptcies	28
Conflicts of Interest	28
EXECUTIVE COMPENSATION	30
PROMOTERS	30
DILUTION	31
RISK FACTORS	31
AUDITOR, REGISTRAR AND TRANSFER AGENT	33
MATERIAL CONTRACTS	33
INVESTOR RELATIONS AGREEMENTS	33
LEGAL PROCEEDINGS	33
RELATIONSHIP BETWEEN THE COMPANY AND THE AGENT	33
RELATIONSHIP BETWEEN THE COMPANY AND PROFESSIONAL PERSONS	34
INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	34
OTHER MATERIAL FACTS	34
PURCHASER'S STATUTORY RIGHTS	34

GLOSSARY OF TERMS

“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 an agreement among the Company and the Agent dated ●, 2011 pursuant to which the Agent has agreed to act as the Company’s Agent in respect of the Offering.

“Agent” means Macquarie Private Wealth Inc.

“Agent’s Commission” means a commission of 8% of the gross proceeds of the Offering payable by the Company to Agent for their assistance in completing the Offering.

“Agent’s Warrants” means the non-transferable warrants to purchase Common Shares of the Company issued to the Agent as more fully described under “Plan of Distribution”.

“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 Company or the Non Arm's Length Parties to the Qualifying Transaction.

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

- (a) an issuer of which the Person or company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of an issuer,
- (b) any partner of the Person or company,
- (c) any trust or estate in which the Person or company has a substantial beneficial interest or in respect of which a Person or company serves as trustee or in a similar capacity,
- (d) in the case of a person, a relative of that Person, including:
 - (i) that Person's spouse or child, or
 - (ii) any relative of the Person or of his spouse who has the same residence as that Person;
 but
- (e) where the Exchange determines that two Persons shall, or shall not, be deemed to be Associates with respect to a member firm, member corporation or holding company of a member corporation, then such determination shall be determinative of their relationships in the application of the Exchange's Rule D with respect to that member firm, member corporation or holding company.

"BCBCA" means the British Columbia *Business Corporations Act*, as amended from time to time.

“Common Shares” means the common shares in the authorized share structure of the Company.

“Company” means Abcana Capital Inc., a company incorporated under the laws of the Province of British Columbia.

“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.

“Computershare” means Computershare Investor Services Inc, a trust company having an office in Vancouver, British Columbia and the Company’s registrar and transfer agent.

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

“Corporate Finance Fee” means an administrative fee of \$11,500 plus HST payable to the Agent by the Company in connection with the Offering.

“CPC” means a company:

- (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 a Final Exchange Bulletin has not yet been issued.

“CPC Policy” means Policy 2.4 of the Exchange.

“Escrow Agreement” means the escrow agreement dated September 9, 2011 among the Company, Computershare Investor Services Inc. and certain security holders of the Company as more fully described under “Escrowed Securities”.

“Exchange” means the TSX Venture Exchange Inc.

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

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

- (a) a director or senior officer of an issuer;
- (b) a director or senior officer of the company that is an Insider or subsidiary of an 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 an issuer;

or

- (d) an issuer itself if it holds any of its own securities.

“Majority of the Minority Approval” means the approval of a Non Arm’s Length Qualifying Transaction by the majority of the votes cast by shareholders, other than:

- (a) Non Arm’s Length Parties to the CPC;
- (b) Non Arm’s Length Parties to the Qualifying Transaction; and
- (c) in the case of a Related Party Transaction (as defined in Exchange Policy 1.1):
 - (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 and becomes a member of the Exchange under the Exchange requirements.

“Members’ Agreement” means the members’ agreement among the Exchange and each Person, who, from time to time, is accepted as and becomes a Member of the Exchange under the Exchange requirements.

“NEX” means the market on which former Exchange and Toronto Stock Exchange issuers that do not meet the Exchange’s tier maintenance requirements for Tier 2 Issuers, as set out in Policy 2.5 of the Exchange, may continue to trade.

“Non Arm’s Length Party” means in relation to the Company, a promoter, officer, director, other Insider or Control Person of the Company 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 to 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 control the CPC and the Significant Assets which are the subject of the proposed Qualifying Transaction.

“Offering” means the offering of Common Shares of the Company as more fully described under “Plan of Distribution”.

“Person” means a company or an individual.

“Principal” means:

- (a) a Person who acted as a Promoter of an issuer within two years or their respective Associates or Affiliates, before the issuer’s initial public offering (“IPO”) or Final Exchange Bulletin confirming final acceptance of a transaction;
- (b) a director or senior officer of an issuer or any of its material operating subsidiaries at the time of the issuer’s IPO or Final Exchange Bulletin;
- (c) a **20%** holder – a Person that holds securities carrying more than 20% of the voting rights attached to an issuer’s outstanding securities immediately before and immediately after an issuer’s IPO or immediately after a 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 an issuer’s outstanding securities immediately before and immediately after an issuer’s IPO or immediately after a 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 an issuer or any of its material operating subsidiaries.

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

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

"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 Member determines that:
 - (i) the Person is an Affiliate or the 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 Person.

“Promoter” means, if used in relation to an issuer, a Person who

(a) acting alone or in concert with one or more other Persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, or

(b) in connection with the founding, organization or substantial reorganization of the business of the issuer, directly or indirectly receives, in consideration of services or property or both, 10% or more of a class of the issuer's own securities or 10% or more of the proceeds from the sale of a class of the issuer's own securities of a particular issue,

but does not include a Person who

(c) receives securities or proceeds referred to in paragraph (b) solely

(i) as underwriting commissions, or

(ii) in consideration for property, and

(d) does not otherwise take part in founding, organizing or substantially reorganizing the business.

“Prospectus” means this preliminary prospectus dated ● 2011.

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

“Resulting Issuer” means an issuer, which was formerly a CPC, that exists upon issuance of a Final Exchange Bulletin.

“SEDAR” means the 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 Company, together with any concurrent transactions, would result in the Company meeting the Initial Listing Requirements of the Exchange.

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

“Target Company” means a company to be acquired by the Company as its Significant Asset pursuant to a Qualifying Transaction.

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

SUMMARY OF PROSPECTUS

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 Company

The Company was incorporated under the BCBCA on April 19, 2010. The Company is a capital pool company pursuant to the policies of the Exchange. The principal business of the Company will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Company has not commenced commercial operations and has no assets other than a minimum amount of cash. See "Business of the Company".

The Offering

A total of 2,000,000 Common Shares are being offered under this Prospectus at a price of \$0.10 per Common Share for gross proceeds of \$200,000. The Company will pay the Agent a commission of 8% of the gross proceeds of the Offering, a Corporate Finance Fee of \$11,500 plus HST (of which \$6,440 has been advanced) and will reimburse the Agent for its expenses, including legal fees and disbursements incurred pursuant to the Offering (of which \$7,500 has been advanced). In addition, on completion of the Offering, the Company will grant to the Agent, Agent's Warrants to purchase up to 200,000 Common Shares at a price of \$0.10 per Common Share which will be exercisable for a period of 24 months from the date the Common Shares commence trading on the Exchange. The distribution of the Agent's Warrants is also qualified under this Prospectus. See "Plan of Distribution".

Use of Proceeds

The estimated net proceeds to the Company from the sale of the Common Shares, after deducting estimated expenses and costs relating to the Offering including listing fees, the Agent's Commission, the Agent's Corporate Finance Fee, the Agent's expenses, legal fees and audit expenses, will be \$131,000. The net proceeds of the Offering, together with gross proceeds from the sale of Common Shares of the Company prior to the Offering in the amount of \$100,000, will be used to provide the Company 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 Company 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 from the sale of all securities issued by the Company or \$210,000 may be used for purposes other than evaluating businesses or assets. Until Completion of the Qualifying Transaction, neither the Company nor any party on behalf of the Company

will engage the services of any person to provide investor relation activities or market making services. See "Use of Proceeds".

Dilution

Purchasers of Common Shares under this Prospectus will suffer an immediate dilution of 25% or \$0.025 per Common Share on the basis of there being 4,000,000 Common Shares of the Company issued and outstanding following completion of the Offering. Dilution has been computed on the basis of total gross proceeds to be raised by this Prospectus and from sales of securities prior to filing this Prospectus, without deduction of commissions or related expenses incurred by the Company.

Directors, Officers & Promoters

Shaun Maskerine - Chief Executive Officer, Chief Financial Officer, Corporate Secretary, Director and Promoter

S. Paul Simpson - Director

Shauna Hartman - Director

See "Directors, Officers and Promoters".

Dividend Record and Policy

It is not anticipated that any dividends will be paid on the Common Shares of the Company in the immediate or foreseeable future. See "Dividend Record and Policy".

Escrowed Securities

All of the issued and outstanding Common Shares of the Company, being 2,000,000 Common Shares, have been deposited in escrow pursuant to the terms of the Escrow Agreement, as herein defined, and will be released from escrow in stages over a period of three years after the date of the Final Exchange Bulletin. See "Escrowed Securities".

Risk Factors

An investment in the Common Shares must be regarded as highly speculative due to the proposed nature of the Company's business and its present stage of development. The Company was only recently incorporated and has no active business or assets other than cash. It does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the Completion of the Qualifying Transaction. The Offering is only suitable to investors who are prepared to rely entirely on the directors and management of the Company and can afford to risk the loss of their entire investment. The directors and officers of the Company will only devote part of their time and attention to the affairs of the Company and there are potential conflicts of interest to which some of the directors and officers of the Company will be subject in connection with the operations of the Company. Assuming completion of the Offering, an investor will suffer an immediate dilution on investment of 25% or \$0.025 per

Common Share. There can be no assurance that an active and liquid market for the Company's Common Shares will develop and an investor may find it difficult to resell the Common Shares. Until Completion of the Qualifying Transaction, 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 has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Company 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 Company", "Risk Factors", "Conflicts of Interest", and "Dilution".

CORPORATE STRUCTURE

The Company was incorporated under the BCBCA on April 19, 2010, as "0878876 B.C. Ltd." On June 7, 2010, the Company changed its name to "Polymetals Mining Ltd." On September 7, 2011, the Company changed its name to "Abcana Capital Inc." The head office of the Company is located at 910-1050 West Pender Street, Vancouver, B.C. V6E 3S7, and the registered and records office of the Company is located at Suite 2080, 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4.

The Company does not have any subsidiaries.

BUSINESS OF THE COMPANY

Preliminary Expenses

The Company has raised \$100,000 through the issuance of 2,000,000 Common Shares at a price of \$0.05 per Common Share. (see "Description of Securities Offered - Share Capital"). To date, the Company has had no operations. The Company has incurred expenses to September 15, 2011 in the aggregate amount of \$13,940 in respect of a \$7,500 deposit on account of the Agent's expenses and other expenses and \$6,440 representing 50% of the Corporate Finance Fee. Since September 15, 2011, the Company has incurred nil expenses. Certain of the proceeds from the Offering may be utilized to satisfy the obligations of the Company relating to the Offering, including fees for its auditors, legal counsel and the Agent's legal counsel and fees of the Exchange and securities commissions. See "Use of Proceeds".

Proposed Operations until Completion of a Qualifying Transaction

To date, the Company has not conducted commercial operations and does not own any assets, other than cash, and has not entered into an Agreement in Principle. The Company 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 Company does not have business operations or assets other than seed capital and the Company has not entered into an Agreement in Principle for the acquisition of an asset or business at this time. The Company currently intends to pursue a Qualifying Transaction in the natural resources sector, but there is no assurance that this will, in fact, be the business sector of a proposed Qualifying Transaction or of the Company following Completion of the Qualifying Transaction.

Until Completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of assets or businesses 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 - Restrictions on Use of Proceeds”, the funds raised pursuant to the Offering and any subsequent financing will be utilized only for the identification and evaluation of potential Qualifying Transactions and not for any deposit, loan or direct investment in a potential acquisition.

Although the Company has commenced the process of identifying potential acquisitions with a view to completing a Qualifying Transaction, the Company has not yet entered into an Agreement in Principle.

Method of Financing Acquisitions or Participation

The Company may use cash, bank financing, issuance of treasury shares, private or public financing of debt or equity, 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 Company and may cause the shareholders’ interest in the Company to be further diluted.** See “Use of Proceeds - Private Placements for Cash” and “Risk Factors”.

Criteria for Acquisitions

The Company proposes to identify acquisitions of interests in assets or businesses through discussions with various business associates and contacts of the Company’s officers and directors. Once a prospective acquisition target has been identified and evaluated, the Company will proceed to negotiate the terms upon which it may acquire an interest in the asset or business. The approval of the board of directors of the Company is required for any proposed Qualifying Transaction identified by the Company. In exercising their powers and discharging their duties in relation to a proposed Qualifying Transaction, the directors will act honestly and in good faith with a view to the best interests of the Company and will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The board of directors, in considering whether to approve the terms of an acquisition, is expected to consider, among other criteria, the following:

- (a) the projected rate of return on the proposed investment and the risk of loss;
- (b) the prospects for growth, having regard to existing or potential market share;
- (c) the skill of the management team, either as it exists or as it may be supplemented as a consequence of the acquisition; and
- (d) basic financial considerations including the overall cost of the acquisition and the prospects of obtaining the debt or equity financing necessary to complete the acquisition.

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

Upon the Company reaching an Agreement in Principle, the Company must issue a comprehensive news release, at which time the Exchange generally will halt trading in the Company's Common Shares until the filing requirements of the Exchange have been satisfied as set forth under "Business of the Company - Trading Halts, Suspensions and Delisting". Within 75 days after issuance of such news release, the Company shall be required to submit for review to the Exchange either an information circular that complies with applicable corporate and securities laws or a filing statement that complies with Exchange requirements. An information circular must be submitted where there is a Non Arm's Length Qualifying Transaction or where shareholder approval is otherwise required. A filing statement must be submitted where the Qualifying Transaction is not a Non Arm's Length Qualifying Transaction or where shareholder approval is not otherwise required. The information circular or filing statement, as applicable, must contain prospectus level disclosure of the Target Company and the Company, assuming Completion of the Qualifying Transaction, and be prepared in accordance with the CPC Policy and Form 3B1/Form 3B2. Upon acceptance by the Exchange, the Company 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 Company 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 Company will no longer be considered to be a CPC upon the Exchange having issued the Final Exchange Bulletin. The Exchange will generally not issue the Final Exchange Bulletin until the Exchange has received:

- (i) in the case of a Non Arm's Length Qualifying Transaction, confirmation of Majority of Minority Approval of the Qualifying Transaction;
- (ii) confirmation of closing of the Qualifying Transaction; and
- (iii) all post-meeting or final documentation, as applicable, otherwise required to be filed with the Exchange pursuant to the CPC Policy.

Upon issuance of the Final Exchange Bulletin, the CPC Policy will generally cease to apply, with the exception of the escrow provisions of the CPC Policy and the restrictions

in the CPC Policy precluding the Company from completing a reverse take-over for a period of one year from the Completion of the Qualifying Transaction.

Initial Listing Requirements

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

Trading Halts, Suspension and Delisting

The Exchange will generally halt trading in the Company's Common Shares from the date of the public announcement of an Agreement in Principle until all filing requirements of the Exchange have been satisfied. If the Qualifying Transaction is subject to sponsorship, the submission to the Exchange is required to include a Sponsorship Acknowledgment Form pursuant to the CPC Policy, which form is to be submitted to the Exchange in connection with the execution of a sponsorship agreement between a sponsor and the Company. 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 Company's 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 Company fails to file the supporting documents relating to the Qualifying Transaction within a period of 75 days after public announcement of the Agreement in Principle or if the CPC fails to file post-meeting or final documents as applicable, within the time required. A trading halt may also be imposed if a Sponsor terminates its sponsorship.

The Exchange may suspend from trading or delist the Common Shares of the Company where the Exchange has not issued a Final Exchange Bulletin to the CPC within 24 months of the date of listing. In the event that the Company's Common Shares are delisted by the Exchange, within 90 days from the date of such delisting, the Company 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 Company determine to deal with the remaining assets in some other manner.

If the Company does not complete a Qualifying Transaction within 24 months of the date of listing, it may apply for listing on NEX rather than be delisted. In order to be eligible to list on NEX, the Company must:

- (a) either: (i) cancel all escrowed Common Shares purchased by Non-Arm's Length Parties to the Company at a discount to the Offering price, in accordance with section 11.2(a) of CPC Policy, as if the Company had delisted from the Exchange, or (ii) subject to majority shareholder approval, cancel the escrowed Common Shares purchased by Non-Arm's Length Parties to Company so that the average cost of the remaining seed shares is at least equal to the Offering Price; and
- (b) obtain majority shareholder approval for the transfer to NEX, exclusive of the votes of Non-Arm's Length Parties of the Company.

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

Refusal of Qualifying Transaction

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

- (a) the Resulting Issuer fails to satisfy the applicable Initial Listing Requirements of the Exchange upon Completion of the Qualifying Transaction;
- (b) the aggregate number of securities of the Resulting Issuer upon Completion of the Qualifying Transaction 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 upon Completion of the Qualifying Transaction;
- (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 received by the Company from the sale of Common Shares prior to the date of this Prospectus totaled \$100,000. These proceeds were raised by the issuance of 2,000,000 Common Shares at a subscription price of \$0.05 per Common Share. The Company incurred no costs in connection with raising these proceeds. The gross proceeds to be received by the Company from the Offering will be \$200,000. The costs incurred with respect to the proceeds raised from the Offering, including legal, accounting, printing and regulatory fees, the Agent's legal fees and expenses, the Agent's Commission and the Corporate Finance Fee, are estimated by the Company to be approximately \$69,000. The Company estimates that it will have a total of \$231,000 available from the prior sale of its Common Shares and from the sale of Common Shares pursuant to the Offering.

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

Cash proceeds raised prior to the Offering ⁽¹⁾	\$100,000
Expenses and costs relating to raising the cash proceeds prior to the Offering	Nil
Cash proceeds to be raised pursuant to the Offering ⁽²⁾	\$200,000
Expenses and costs relating to the Offering, including listing fees, Agent's Commission, Corporate Finance Fee, legal fees and expenses, and the Company's legal fees and audit expenses ⁽³⁾	<u>(\$69,000)</u>
Total estimated funds available on completion of the Offering	<u>\$231,000</u>
Funds available for identifying and evaluating assets or business prospects ⁽⁴⁾	\$207,000
Estimated general and administrative expenses until Completion of a Qualifying Transaction	<u>(\$24,000)</u>
Total Funds Available	<u>\$231,000</u>

⁽¹⁾ See "Prior Sales".

⁽²⁾ In the event the Agent fully exercises the Agent's Warrants, there will be available to the Company a maximum of an additional \$20,000 which will be added to the working capital of the Company. There is no assurance that any of these Agent's Warrants will be exercised. See "Options to Purchase Securities".

- (3) Approximately \$13,940 has been incurred to date, which includes a \$7,500 deposit on account of the Agent's expenses and other expenses and \$6,440 representing 50% of the Corporate Finance Fee.
- (4) In the event the Company enters into an Agreement in Principle prior to spending the entire \$207,000 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 Company's purposes, the proceeds from this Offering and the prior sale of Common Shares, after deducting the expenses associated with this Offering, 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 the 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 Company may commit. See "Business of the Company - Method of Financing Acquisitions or Participation" and "Risk Factors".

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 Company will be used by the Company only to identify and evaluate businesses or assets and obtain shareholder approval for a proposed Qualifying Transaction.

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

- (a) valuations or appraisals;
- (b) business plans;
- (c) feasibility studies and technical assessments;
- (d) sponsorship reports;
- (e) engineering or geological reports;
- (f) financial statements, including audited financial statements;
- (g) fees for legal and accounting services; and
- (h) Agent's fees, costs and commissions;

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

Additionally, 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 Company 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 Company 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 Company 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 Company 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 Company 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 Company may reimburse a Non Arm's Length Party to the Company 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 Company or in the case of a law firm, no member of the firm, owns greater than 10% of the outstanding Common Shares of the Company), and the Company may also reimburse a Non Arm's Length Party to the Company for reasonable out-of-pocket expenses incurred in pursuing the business of the Company 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 Completion of the Qualifying Transaction.

PLAN OF DISTRIBUTION

Name of Agent and Agent's Compensation

Pursuant to the Agency Agreement, the Company appointed the Agent as its agent to offer for sale to the public on a commercially reasonable efforts basis, 2,000,000 Common Shares, as provided in this Prospectus, at a price of \$0.10 per Common Share, in the provinces of British Columbia and Alberta for gross proceeds of \$200,000, subject to the

terms of the Agency Agreement. Under the terms of the Agency Agreement, the Company has agreed to pay to the Agent the Agent's Commission, being 8% of the aggregate gross proceeds from the sale of the Common Shares pursuant to the Offering, and a Corporate Finance Fee of \$11,500 plus HST, of which \$6,440 has been advanced. The Company has also agreed to reimburse the Agent for its reasonable expenses, including legal costs, of which \$7,500 has been advanced.

The Company has also agreed to grant to the Agent, on completion of the Offering, non-transferable warrants entitling the Agent to purchase up to 200,000 Common Shares of the Company at a price of \$0.10 per Common Share for a period of 24 months from the date the Common Shares commence trading on the Exchange. In accordance with the policies of the Exchange, not more than 50% of the Common Shares issuable upon the exercise of the Agent's Warrants may be sold by the Agent prior to the Completion of the Qualifying Transaction. The balance may only be sold by the Agent once the Company has completed the Qualifying Transaction. This Prospectus also qualifies the grant of the Agent's Warrants.

Determination of Price

The price of the Common Shares and the commission payable to the Agent was established through negotiation between the Company and the Agent.

Listing Application

The Company has applied to list the securities distributed under this Prospectus on the Exchange. Listing will be subject to the Company fulfilling all the listing requirements of the Exchange.

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

Commercially Reasonable Efforts and Minimum Distribution

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

The total Offering is for 2,000,000 Common Shares for total gross proceeds of \$200,000. Under the CPC Policy, no purchaser of the Common Shares is permitted to purchase

more than 2% or 40,000 of the total number of Common Shares in the Offering. In addition, the maximum number of Common Shares permitted to be purchased by that purchaser together with any Associates or Affiliates of that purchaser is 4% or 80,000 of the total number of Common Shares under the Offering. The funds received from the Offering will be held by the Agent and will not be released until a minimum of \$200,000 has been deposited. The total subscription must be raised within 90 days of the date a receipt for the final prospectus is issued, or such other time as may be consented to by Persons 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 than the offering expenses disclosed elsewhere in this Prospectus and payments to be made to the Agent as disclosed in this section, there are no payments in cash, securities or other consideration being made, or to be made, to a Promoter, finder, or any other Person in connection with the Offering. The directors, officers and other Insiders of the Company may purchase Common Shares from the Offering, provided, however, that any Common Shares so purchased will be subject to the escrow restrictions described under "Escrowed Securities".

Subscriptions by and Restrictions on the Agent

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

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

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

Restrictions on Trading

Other than the initial distribution of the Common Shares pursuant to this Prospectus and the grant of the Agent's Warrants, no securities of the Company will be permitted to be issued during the period between the date a receipt for this Prospectus is issued by the securities regulatory authorities and the time the Common Shares are listed for

trading on the Exchange, except subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable securities regulatory authorities grant a discretionary order.

DESCRIPTION OF SECURITIES OFFERED

Share Capital

The authorized capital of the Company consists of an unlimited number of Common Shares without par value. As at the date of this Prospectus there are 2,000,000 Common Shares issued and outstanding.

The holders of Common Shares are entitled to vote at all meetings of shareholders of the Company, to receive dividends if, as and when declared by the directors and, subject to the rights of holders of any shares ranking in priority to or on a parity with the Common Shares, to participate rateably in any distribution of property or assets upon the liquidation, winding-up or other dissolution of the Company. All Common Shares to be outstanding after completion of the Offering will be fully paid and non-assessable.

As at the date of this Prospectus, the Company has no outstanding loans or other debt obligations and there has been no material change in the Common Share and loan capital of the Company since the date of its most recent balance sheet contained in the Prospectus. See "Prior Sales".

Dividend Record and Policy

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

Capitalization

The following table sets forth information respecting the capitalization of the Company as at the date of the balance sheet contained herein and as at the date hereof, both before and after giving effect to the Offering.

Designation of Security	Amount authorized or to be authorized	Amount outstanding as of the date of the most recent balance sheet contained in the Prospectus ⁽¹⁾⁽⁴⁾	Amount outstanding as of date of this Prospectus ⁽²⁾⁽³⁾⁽⁴⁾	Amount to be outstanding if all Common Shares being offered are sold ⁽²⁾⁽³⁾
Common Shares	Unlimited	\$100,000 (2,000,000 Common Shares)	\$100,000 (2,000,000 Common Shares)	\$300,000 (4,000,000 Common Shares)

- (1) As at the date of this Prospectus, the Company has not commenced commercial operations. The Company has no long-term debt.
- (2) Pursuant to the Agency Agreement, the Company has agreed to grant to the Agent, the Agent's Warrants on completion of the Offering to purchase up to 200,000 Common Shares of the Company, at a price of \$0.10 per Common Share, for a period of 24 months from the date the Common Shares commence trading on the Exchange. See "Plan of Distribution" and "Options to Purchase Securities - Options Granted".
- (3) See "Use of Proceeds" for the proceeds after giving effect to the Offering and before deducting the expenses of the issue.
- (4) These Common Shares are subject to escrow restrictions. See "Escrowed Securities".

OPTIONS TO PURCHASE SECURITIES

Options Granted

Pursuant to the Agency Agreement, the Company has agreed to grant to the Agent the Agent's Warrants on completion of the Offering to purchase up to 200,000 Common Shares of the Company, at a price of \$0.10 per Common Share, for a period of 24 months from the date the Common Shares commence trading on the Exchange. See "Plan of Distribution".

There are no assurances that the warrants or other rights described above will be exercised in whole or in part.

The Agent's Warrants as noted above are qualified for distribution pursuant to this Prospectus.

The Company has adopted a stock option plan which provides that the board of directors of the Company may from time to time, in its discretion, and in accordance with Exchange requirements, grant to directors, officers and technical consultants to the Company, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance, together with any options issued to eligible charitable organizations, will not exceed 10% of the issued and outstanding

Common Shares, exercisable for a period of up to ten years from the date of grant and until completion of the Qualifying Transaction, will not exceed 400,000 options. The number of Common Shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding Common Shares. Options may be exercised the greater of 12 months after the Completion of the Qualifying Transaction and 90 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. Any Common Shares acquired pursuant to the exercise of options prior to the Completion of the Qualifying Transaction will be subject to escrow restrictions until the issuance of the Final Exchange Bulletin. See "Escrowed Securities".

PRIOR SALES

Since the date of incorporation and prior to the date of this Prospectus, 2,000,000 Common Shares of the Company have been issued as follows:

Date	Number of Common Shares	Issue price per Common Share	Aggregate Issue Price	Consideration Received
April 19, 2010	1 ⁽¹⁾	\$1.00	\$1.00	Cash
September 9, 2011 ⁽²⁾	2,000,000	\$0.05	\$100,000	Cash

- ⁽¹⁾ Initial incorporator's share, which has since been repurchased by the Company and cancelled.
- ⁽²⁾ All of these Common Shares have been placed in escrow pursuant to the Escrow Agreement. See "Escrowed Securities".

ESCROWED SECURITIES

Securities Escrowed Prior to the Completion of the Qualifying Transaction

All of the 2,000,000 Common Shares of the Company issued prior to the Offering and all Common Shares that may be acquired from treasury of the Company by Non Arm's Length Parties of the Company, 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 the Offering, will be deposited with Computershare (the "**Escrow Agent**") under the Escrow Agreement.

While in escrow, the escrow shares may not be sold, assigned, hypothecated, transferred within escrow or otherwise dealt with in any manner without the consent of the Exchange. The Common Shares under escrow may be transferred or transmitted upon

the bankruptcy or death of a shareholder to his or her trustee in bankruptcy or personal representatives, as the case may be, however subject to the restrictions in the Escrow Agreement in the case of bankruptcy. Unless transferred, transmitted or cancelled pursuant to the Escrow Agreement, the shareholder may retain the shares, subject to the terms and conditions of the Escrow Agreement.

All Common Shares acquired upon 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 Exchange issues the Final Exchange Bulletin.

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

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

The following table sets out, as at the date of this Prospectus, the number of Common Shares of the Company which are held in escrow:

Name and Municipality of Residence of Shareholder	Common Shares	Number of Common Shares held in Escrow ⁽¹⁾	Percentage of Common Shares prior to giving effect to the Offering	Percentage of Common Shares after giving effect to the Offering⁽²⁾
Shaun Maskerine, North Vancouver, B.C.	1,600,000	1,600,000	80%	40%
Shauna Hartman, Surrey, B.C.	200,000	200,000	10%	5%
Paul Simpson, Vancouver, B.C.	200,000	200,000	10%	5%
Total	2,000,000	2,000,000	100%	50%

⁽¹⁾ Common Shares subject to the Escrow Agreement will be released pro rata to the shareholders as to 10% upon issuance of the Final Exchange Bulletin and as to the remainder in six equal tranches of 15% every six months thereafter for a period of 36 months.

⁽²⁾ Assuming none of these Persons purchases any Common Shares under the Offering.

Where the Common Shares of the Company which are required to be held in escrow are held by a non-individual (a “holding company”), each holding company pursuant to the

Escrow Agreement, has agreed, or will agree, not to carry out any transactions during the currency of the Escrow Agreement which would result in a change of control of the holding company, without the consent of the Exchange. Any holding company must sign an undertaking to the Exchange that, to the extent reasonably possible, it will not permit or authorize any issuance of securities or transfer of securities could reasonably result in a change of control of the holding company. In addition, the Exchange may require an undertaking from any control person of the holding company not to transfer the shares of that company.

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

If the Resulting Issuer meets the Exchange’s Tier 1 Initial Listing Requirements either at the time the Final Exchange Bulletin is issued or subsequently thereafter, 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 Company 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 the Exchange does not issue the Final Exchange Bulletin, the escrowed Common Shares will not be released. Under the Escrow Agreement, each Non Arm’s Length Party to the Company who holds escrowed Common Shares acquired at a price below the offering price under this Prospectus has irrevocably authorized and directed the Escrow Agent to immediately:

- (a) cancel all of those escrowed Common Shares upon the issuance by the Exchange of a bulletin delisting the Common Shares of the Company; or
- (b) if the Company lists on NEX, either:
 - (i) cancel all seed shares purchased by Non-Arm’s Length Parties to the CPC at a discount from the IPO price, in accordance with section 11.2(a) of *TSX Venture Policy 2.4-Capital Pool Companies*, or
 - (ii) subject to majority shareholder approval, cancel an amount of seed shares purchased by Non-Arm’s Length Parties to the CPC so that the average cost of the remaining seed shares is at least equal to the IPO price.

Escrowed Securities on Qualifying Transaction

Generally, if at least 75% of the securities issued pursuant to the Qualifying Transaction are “Value Securities” (as defined below), then all of 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 escrow release mechanism with:

5% of the escrowed securities releasable at the time of the Final Exchange bulletin, 5% on the date which is 6 months after the Final Exchange Bulletin, 10% on each of the dates which are 12 and 18 months after the Final Exchange Bulletin, 15% on each of the dates which are 24 and 30 months after the Final Exchange Bulletin and 40% on the date which is 36 months after the Final Exchange Bulletin.

In the case of a Resulting Issuer that will be a Tier 1 issuer when the Final Exchange Bulletin is issued, the Value Security Escrow Agreement provides for an 18 month escrow release mechanism with 25% of the escrowed securities being releasable at the time of the Final Exchange Bulletin, and 25% of the escrowed securities being releasable every 6 months thereafter. In the case of a Resulting Issuer that will be a Tier 1 issuer when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement provides for a 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 current Principals of the Company and the Principals of the Resulting Issuer upon Completion of the Qualifying Transaction 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 for acquisition by the Resulting Issuer of Significant Assets 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 is not from current principals of the Company and/or the principals of the Resulting Issuer;
 - (ii) if subscribers, other than current principals of the Company and/or the principals of the 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 current Principals of the Resulting Issuer.

PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and senior officers of the Company, as of the date of this Prospectus the only persons who beneficially own, directly or indirectly, or exercise control or direction over, 10% or more of the issued Common Shares of the Company are as follows:

Name and Municipality of Residence of Shareholder	Type of Ownership	Number of Common Shares Presently Owned ⁽¹⁾	Percentage of Common Shares prior to giving effect to the Offering	Percentage of Common Shares after giving effect to the Offering⁽²⁾
Shaun Maskerine North Vancouver, B.C.	Direct	1,600,000	80%	40%
Shauna Hartman, Surrey, B.C.	Direct	200,000	10%	5%
Paul Simpson, Vancouver, B.C.	Direct	200,000	10%	5%
TOTAL		2,000,000	100%	50%

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

(2) Before giving effect to the exercise of the Agent's Warrants. If the Agent's Warrants are fully exercised, the shareholders above would hold 47.62% of the Company's issued and outstanding Common Shares after giving effect to the Offering.

DIRECTORS, OFFICERS AND PROMOTERS

Name, Address, Occupation and Security Holdings

The following is a list of the current directors and officers of the Company, their municipalities of residence, their current positions with the Company, their principal occupations during the past five years and the number of Common Shares of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised.

Name and Municipality of Residence and Position	Principal Occupation for Past Five Years	Common Shares Held⁽²⁾	Percentage of Common Shares prior to giving effect to the Offering	Percentage of Common Shares after giving effect to the Offering⁽³⁾⁽⁴⁾
Shaun Maskerine ⁽¹⁾ , North Vancouver, B.C., Director, CEO, CFO and	Vice President Investment Banking, Resinco Capital Partners (formerly Longview Capital Partners Incorporated) (a TSX listed investment company) from	1,600,000	80%	40%

Name and Municipality of Residence and Position	Principal Occupation for Past Five Years	Common Shares Held⁽²⁾	Percentage of Common Shares prior to giving effect to the Offering	Percentage of Common Shares after giving effect to the Offering⁽³⁾⁽⁴⁾
Corporate Secretary	2006 to 2008, Director and Corporate Secretary or Waratah Coal Inc. (an Exchange listed exploration company) from May 2008 to December 2008, Corporate Secretary of Leisure Canada Inc. (an Exchange listed hospitality company) from 2009 to 2010, Director and Corporate Secretary of WCB Resources Ltd. (an Exchange listed exploration company) from 2007 to Present, Director and Vice President of Golden Harp Resources Inc. (an Exchange listed exploration company) from 2009 to Present.			
Paul Simpson ⁽¹⁾ , Vancouver, B.C., Director	Self-employed lawyer carrying on practice as Armstrong Simpson (formerly Armstrong and Company) since 1987; Principal of S. Paul Simpson Law Corporation (a law firm) from 2007 to present	200,000	10%	5%
Shauna Hartman ⁽¹⁾ , Surrey, B.C., Director	Barrister & Solicitor, employed as an associate of Paul Simpson from 2003 to July 2007; employed as associate counsel by S. Paul Simpson Law Corporation (a law firm) from July 2007 to Present	200,000	10%	5%

(1) Members of the Audit Committee. The Company does not have any other committees.

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

(3) Assuming no exercise of the Agent's Warrants. See "Options to Purchase Securities."

- (4) As of the date of this Prospectus, the directors and officers of the Company, as a group, beneficially own, directly or indirectly, 100% of the issued and outstanding Common Shares of the Company. Following completion of the Offering, the directors and officers of the Company, as a group, will beneficially own, directly or indirectly, 50% of the then issued and outstanding Common Shares of the Company and 47.62% of the issued and outstanding Common Shares of the Company on a fully diluted basis.

In addition to any other requirements of the Exchange, the Exchange expects management of the Company to meet a high standard. The directors and officers of the Company 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.

Shaun Maskerine, CEO, CFO, Corporate Secretary, Director and Promoter (Age: 44) Mr. Maskerine is currently a Director and Corporate Secretary of WCB Resources Ltd., a Director and Vice President of Golden Harp Resources Inc. and director of Acme Resources Inc. (an Exchange listed exploration company). He has served on the board of a number of resource and industrial companies. Mr. Maskerine was a Director and Corporate Secretary of Waratah Coal Inc. until its takeover in 2008 and has held numerous additional directorships and officer positions with public companies. Mr. Maskerine holds a Bachelor of Commerce from Memorial University in St. John's and a Masters of Resource Management from Simon Fraser University.

Mr. Maskerine is the beneficial owner of 1,600,000 Common Shares of the Company, amounting to 80% of the Company's total issued and outstanding share capital as at the date of this Prospectus. Mr. Maskerine intends to devote approximately 30% of his working time to the affairs of the Company.

Paul Simpson, Director (Age: 54). Mr. Simpson earned BA. and LLB. (1984) degrees from the University of British Columbia, and became a member of Law Society of British Columbia in 1985. Mr. Simpson is currently principal of S. Paul Simpson Law Corporation in association with Armstrong Simpson, Barristers and Solicitors, of Vancouver, British Columbia. He has over 20 years of legal experience, predominately advising public companies with international natural resource property holdings. As an independent businessman, Mr. Simpson is president and CEO of Liberty Wine Merchants the largest private wine retailer in British Columbia. He also acts as a director and/or officer of a number of public and private companies.

Mr. Simpson is the beneficial owner of 200,000 Common Shares of the Company, amounting to 10% of the Company's total issued and outstanding share capital as at the date of this Prospectus. Mr. Simpson intends to devote approximately 5% of his working time to the affairs of the Company.

Shauna Hartman, Director (Age: 34). Ms. Hartman earned a B. Comm degree from St. Mary's University (Halifax, Nova Scotia) in 1998 and an LLB. from the University of British Columbia in 2001. She became a member of Law Society of British Columbia in 2002. Ms. Hartman is employed as associate counsel by S. Paul Simpson Law

Corporation. She acts as corporate secretary for a number of TSX Venture Exchange listed companies.

Ms. Hartman is the owner of 200,000 Common Shares of the Company, amounting to 10% of the Company's total issued and outstanding share capital as at the date of this Prospectus. Ms. Hartman intends to devote approximately 10% of her working time to the affairs of the Company.

Other Reporting Issuer Experience

The following table sets out the directors, officers and promoters of the Company 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	Exchange	Position	Period
Shaun Maskerine	Golden Harp Resources Inc.	TSX-V	Vice President	February 2010 to Present
			Director	December 2009 to Present
	WCB Resources Ltd.	TSX-V	Director and Corporate Secretary	May 2007 to Present
	Acme Resources Inc.	TSX-V	Corporate Secretary	January 2011 to Present
			Director	August 2009 to Present
	Logan Resources Inc.	TSX-V	Director	September 2010 to February 2011
	Leisure Canada Inc.	TSX-V	Corporate Secretary	May 2009 to February 2010
	X-Tal Minerals Inc.	NEX	Corporate Secretary	May 2009 to February 2010
	Waratah Coal Inc.	TSX-V	Director	October 2007 to December 2008
			Corporate Secretary	December 2006 to December 2008
	Resinco Capital Partners Incorporated	TSX	VP Investment Banking	January 2006 to May 2008
Shauna Hartman	Maxy Gold Corp.	TSX-V	Corporate Secretary	June 2004 to December 2009
	Natcore Technology Inc.	TSX-V	Corporate Secretary	May 2009 to present

Name of Director, Officer or Promoter	Name of Reporting Issuer	Exchange	Position	Period
	Paget Minerals Corp.	TSX-V	Director	October 2007 to May 2008
	Cascade Resources Ltd.	TSX-V	Corporate Secretary	July 2007 to October 2009
	Acme Resources Inc.	TSX-V	Director	November 2009 to Present
	Doxa Energy Ltd.	TSX-V	Corporate Secretary	April 2010 to present
	Elissa Resources Ltd.	TSX-V	Corporate Secretary	March 2011 to present
	International Enesco Limited	TSX-V	Corporate Secretary	February 2008 to present
Paul Simpson	Silvercorp Metals Inc. (formerly SKN Resources Ltd.)	TSX	Director	June 2003, to Present
			Vice-President	August 1996 to December 1996
			Corporate Secretary	January 1995 to May 1995 and November 2002 to August 2006
	Maxy Gold Corp. (formerly Maxy Oil & Gas Inc.)	TSX-V	Director	August 1997 to December 2009
			Chairman	February 2005 to December 2009
			President	June 2004 to February 2005
			CEO	May 2004 to February 2005
			Corporate Secretary	August 1997 to June 2004
	Northern Superior Resources Inc.	TSX-V	Corporate Secretary	May 2009 to August 2011
	Prophecy Coal Inc. (formerly Red Hill Energy Inc.)	TSX-V	Corporate Secretary	April 1994 to December 2001 and June 2004 to April 2010
	Salmon River Resources Ltd. (formerly WPI Gold Ltd.)	TSX-V	Corporate Secretary	August 2002 to Present
	Paget Mineral Corp.	TSX-V	Corporate Secretary	August 2009 to Present

Name of Director, Officer or Promoter	Name of Reporting Issuer	Exchange	Position	Period
	Finavera Wind Energy Inc. (formerly Cascade Minerals Inc.)	TSX-V	Director	April 2005 to December 2006
	Cascade Resources Ltd.	TSX-V	Director	July 2007 to March 2009

Committees

Pursuant to the provisions of the BCBCA, the Company is required to have an audit committee. The general function of the audit committee is to review the overall audit plan and the Company's system of internal controls, to review the results of the external audit and to resolve any potential disputes with the Company's auditor. The audit committee of the Company consists of Shaun Maskerine, Shauna Hartman and S. Paul Simpson. The Company has no other committees.

Aggregate Ownership of Securities

Prior to this Offering, the directors and officers of the Company, as a group, beneficially own, directly or indirectly 2,000,000 Common Shares representing 100% of the issued and outstanding Common Shares of the Company. Following completion of the Offering, the directors and officers of the Company, as a group, will beneficially own, directly or indirectly, 48.9% of the then issued and outstanding Common Shares of the Company assuming no participation by such directors and officers in the Offering.

Corporate Cease Trade Orders or Bankruptcies

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

Mr. Paul Simpson is the corporate secretary of Salmon River Resources Ltd. ("SAL") (formerly WPI Gold Ltd.), a company listed on the TSX-V. That company failed to file quarterly financial statements on time and was subject to a Cease Trade Order of the Alberta Securities Commission finalized April 4, 2003. The quarterly financial statements were completed and filed and the Cease Trade Order was revoked May 15, 2003. Due to lack of funds, a change of auditors and technical complexities the company failed to file audited annual financial statements for the period ending June 30, 2003

within the time provided and was the subject of a Cease Trade Order of the B.C. Securities Commission finalized November 25, 2003 (the "BCCTO") and a Cease Trade Order of the Alberta Securities Commission finalized December 5, 2003 (the "ABCTO"). The annual financial statements of SAL were filed in February 2004, the BCCTO was revoked on February 9, 2004 and the ABCTO was revoked October 31, 2005. The company commenced trading on the TSX-V on January 23, 2006.

Mr. Simpson was the Corporate Secretary of Tournigan Ventures Corporation (now called Tournigan Gold Corporation) ("TVC") on January 21, 2002, when the British Columbia Securities Commission issued a cease trade order against TVC for failure to file its audited financial statements and supporting documentation within the time provided. The necessary financial statements were completed and filed and the cease trade order was lifted by the British Columbia Securities Commission on April 23, 2002, and by the Alberta Securities Commission on May 10, 2002.

Penalties and Sanctions

No director, officer, Insider or Promoter of the Company, or any shareholder holding sufficient securities of the Company to affect materially the control of the Company, 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 be likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

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

Conflicts of Interest

There are potential conflicts of interest to which some or all of the directors, officers, Insiders and Promoters of the Company will be subject to in connection with the operations of the Company. The directors and officers of the Company will not be devoting all of their time to the affairs of the Company. Some of the directors and officers of the Company are directors and officers of other companies. See "Directors, Officers and Promoters". Some of the other companies are engaged in and will continue to be engaged in the search for properties or business prospects that may be suitable Qualifying Transactions for the Company. Accordingly, situations may arise where some or all of the directors, officers, Insiders or Promoters of the Company will be in

direct competition with the Company. The directors and officers of the Company are required by law to act in the best interests of the Company. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to the Company may result in a breach of their obligations to the other companies, and in certain circumstances this could expose the Company to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligation to act in the best interests of the Company. Such conflicting legal obligations may expose the Company to liability to others and impair its ability to achieve its business objectives. Conflicts will be subject to the procedures and remedies as provided for under the BCBCA.

EXECUTIVE COMPENSATION

Except as set out below and otherwise disclosed in this Prospectus, prior to completion of a Qualifying Transaction, other than with respect to a permitted use of funds no payment of any kind has been made, or will be made, directly or indirectly, by the Company to a Non Arm's Length Party to the Company 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 Company or Resulting Issuer by any means, including:

- (a) remuneration, which includes but is not limited to:
 - (i) salaries;
 - (ii) consulting fees;
 - (iii) management contract fees or directors' fees;
 - (iv) finders fees;
 - (v) loans, advances, bonuses; and
- (b) deposits and similar payments.

However, the Company may reimburse Non Arm's Length Parties for the Company's reasonable allocation of rent, secretarial services and other general administrative expenses, at fair market value ("Permitted Reimbursements"). No reimbursement may be made for any payment made to lease or buy a vehicle.

The directors, officers and consultants of the Company will be granted stock options. See "Options to Purchase Securities".

Following Completion of the Qualifying Transaction, the Resulting Issuer may pay remuneration to its directors and officers if the Resulting Issuer is able to do so. No remuneration is anticipated to be paid to directors in their capacity as directors in the foreseeable future. However, no payment other than the Permitted Reimbursements will be made by the Resulting Issuer or by any party on behalf of the Resulting Issuer, after Completion of the Qualifying Transaction, if the payment relates to services rendered or obligations incurred or in connection with the Qualifying Transaction. See "Use of Proceeds".

PROMOTERS

The Company has no promoters other than Shaun Maskerine, who serves as a director of the Company. Mr. Maskerine is also the Chief Executive Officer, Chief Financial Officer and Corporate Secretary of the Board of Directors of the Company. See "Directors, Officers and Promoters".

DILUTION

Purchasers of Common Shares under this Prospectus will suffer an immediate dilution of 25% or \$0.025 per Common Share on the basis of there being 4,000,000 Common Shares of the Company issued and outstanding following completion of the Offering. Dilution has been computed on the basis of total gross proceeds to be raised by this Prospectus and from sales of securities prior to filing this Prospectus, without deduction of commissions or related expenses incurred by the Company.

RISK FACTORS

Investment in the Common Shares involves a high degree of risk, and investors should not invest unless they can afford to lose their entire investment. In addition to the other information contained in this Prospectus, prospective investors should consider carefully the following factors before making a decision to purchase Common Shares:

- (a) the Company 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 the Prospectus is highly speculative given the proposed nature of the Company's business and its present stage of development;
- (c) the directors and officers of the Company will only devote a portion of their time to the business and affairs of the Company and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time;
- (d) assuming completion of the Offering, an investor will suffer an immediate dilution on investment of 25% or \$0.025 per Common Share;
- (e) there can be no assurance that an active and liquid market for the Company'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 Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions;
- (g) the Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company 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 Company will be able to successfully complete the transaction;

- (i) Completion of a Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and, in the case of a Non-Arm's Length Qualifying Transaction, Majority of the Minority Approval;
- (j) unless the shareholder has the right to dissent and be paid fair value in accordance with applicable corporate or other law, a shareholder who votes against a proposed 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 Company of fair value for the Common Shares;
- (k) upon public announcement of a proposed Qualifying Transaction, trading in the Common Shares of the Company will be halted and will remain halted for an indefinite period of time, typically until a Sponsor has been retained and certain preliminary reviews have been conducted. The Common Shares of the Company 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 Company completing the proposed Qualifying Transaction;
- (l) trading in the Common Shares of the Company may be halted at other times for other reasons, including for failure by the Company to submit documents to the Exchange in the time periods required;
- (m) the Exchange will generally suspend trading in the Company's Common Shares or delist the Company 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 Company resides outside of Canada or the Company identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts;
- (p) the Qualifying Transaction may be financed in all or part by the issuance of additional securities by the Company 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 Company; and
- (q) subject to prior Exchange acceptance, the Company 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 Company 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 Company 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.

AUDITOR, REGISTRAR AND TRANSFER AGENT

The auditor of the Company is Smythe Ratcliffe LLP, Chartered Accountants, 7th Floor, 355 Burrard Street, Vancouver, British Columbia, V6C 2G8. The registrar and transfer agent of the Common Shares of the Company is Computershare Investor Services Inc., 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9.

MATERIAL CONTRACTS

The following are the material contracts of the Company that are outstanding as at the date of this Prospectus:

- (a) Registrar and Transfer Agent Agreement between the Company and Computershare Investor Services Inc. dated September 9, 2011.
- (b) Escrow Agreement dated September 9, 2011 among the Company, Computershare Investor Services Inc. and certain shareholders of the Company. See "Share Capital - Escrow Securities".
- (c) Agency Agreement dated ●, 2011 among the Company and the Agent. See "Plan of Distribution".
- (d) Stock Option Plan adopted by the board of directors on September ●, 2011

The material contracts described above may be inspected at the offices of Armstrong Simpson, Suite 2080, 777 Hornby Street, Vancouver, British Columbia during normal business hours during the period of the primary distribution of the Common Shares being distributed under this Prospectus and for a period of thirty days thereafter.

INVESTOR RELATIONS AGREEMENTS

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

LEGAL PROCEEDINGS

The Company is not currently a party to any legal proceedings, nor is the Company currently contemplating any legal proceedings. Management of the Company is currently not aware of any legal proceedings contemplated against the Company.

RELATIONSHIP BETWEEN THE COMPANY AND THE AGENT

The Company is not a related or connected party (as such terms are defined in National Instrument 33-105 *Underwriting Conflicts*) to the Agent.

RELATIONSHIP BETWEEN THE COMPANY AND PROFESSIONAL PERSONS

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

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The directors and officers have all acquired Common Shares. See "Directors, Officers and Promoters". Save and except for their interest in the subscription for treasury shares, management has no interests in any material transactions of the Company.

OTHER MATERIAL FACTS

To management's knowledge, there are no other material facts relating to 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.

PURCHASER'S STATUTORY RIGHTS

Securities legislation in the provinces of British Columbia and Alberta provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt, or deemed receipt, of a prospectus and any amendment. In British Columbia and Alberta, securities legislation further provides a purchaser with remedies for rescission or damages where the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, or damages, are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. A 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.

CONSENT OF AUDITORS OF THE COMPANY

To: The Directors of Abcana Capital Inc.

We have read the prospectus of Abcana Capital Inc. (the "Company") dated September *, 2011 relating to the issue and sale of 2,000,000 common shares at a price \$0.10 per common share. We have complied with International Financial Reporting Standards for an auditor's involvement with offering documents.

We consent to the use in the above-mentioned prospectus of our auditors' report to the directors of the Company on the balance sheets of the Company as at September 15, 2011 and December 31, 2010, and the statements of operations and comprehensive loss, changes in equity and cash flows for the 258-day period ended September 15, 2011 and 256-day period ended December 31, 2010. Our report is dated September 26, 2011, except as to note 8 which is as of _____, 2011.

Vancouver, British Columbia

September *, 2011

Chartered Accountants

Abcana Capital Inc.

(A Capital Pool Company)

FINANCIAL STATEMENTS

September 15, 2011 and December 31, 2010
Expressed in Canadian Dollars

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Abcana Capital Inc. are the responsibility of the Company's management. The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and reflect management's best estimates and judgment based on information currently available.

Management has developed and maintains a system of internal control to ensure that the Company's assets are protected from loss or improper use, transactions are authorized and properly recorded, and financial records are reliable.

The Board of Directors is responsible for ensuring management fulfills its responsibilities for financial reporting and internal control through an audit committee, which is comprised primarily of non-management directors. The audit committee reviews the results of the audit and the annual financial statements prior to their submission to the Board of Directors for approval.

The financial statements have been audited by Smythe Ratcliffe LLP, Chartered Accountants, and their report outlines the scope of their examination and gives their opinion on the audited financial statements.

signed "Paul Simpson"

.....

Paul Simpson, Director

signed "Shaun Maskerine"

.....

Shaun Maskerine, Director

Vancouver, British Columbia
September 26, 2011

INDEPENDENT AUDITORS' REPORT

TO THE DIRECTORS OF ABCANA CAPITAL INC.

We have audited the accompanying financial statements of Abcana Capital Inc., which comprise the balance sheets as at September 15, 2011 and December 31, 2010, and the statements of operations and comprehensive loss, changes in equity and cash flows for the 258-day period ended September 15, 2011 and 256-day period ended December 31, 2010, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 auditors' 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 Abcana Capital Inc. at September 15, 2011 and December 31, 2010, and the results of its operations and its cash flows for the 258-day period ended September 15, 2011 and 256-day period ended December 31, 2010, in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 1 in the financial statements, which indicates that the Company's continuing operations as intended are dependent upon its ability to identify, evaluate and acquire an interest in a business or asset. When the Company completes its Qualifying Transaction within the required period, additional funding may be required. This condition indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Chartered Accountants

Vancouver, British Columbia
September 26, 2011, except as to Note 8
which is as of DATE.

Abcana Capital Inc.

Balance Sheets

Expressed in Canadian Dollars

As at September 15, 2011 and December 31, 2010

	September 15, 2011	December 31, 2010
ASSETS		
Current Assets		
Cash	<u>\$100,000</u>	<u>\$1</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	<u>\$13,250</u>	<u>\$-</u>
Shareholders' Equity		
Capital Stock (Note 4)	100,000	1
Deficit	<u>(13,250)</u>	<u>-</u>
	<u>86,750</u>	<u>1</u>
	<u>\$100,000</u>	<u>\$1</u>

Subsequent Event (Note 8)

Approved On behalf of the Board:

signed "Paul Simpson"
Paul Simpson, Director

signed "Shaun Maskerine"
Shaun Maskerine, Director

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

Abcana Capital Inc.

Statements of Operations and Comprehensive Loss

Expressed in Canadian Dollars

For the 258-day Period Ended September 15, 2011 and 256-day Period Ended December 31, 2010

	258-Day Period Ended September 15, 2011	256-Day Period Ended December 31, 2010
Expenses		
Legal fees	\$7,500	\$-
Administration	5,750	-
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	\$13,250	\$-
Loss per common share - basic and diluted	\$0.00	\$0.00
Weighted average number of common shares outstanding	-	1

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

Abcana Capital Inc.

Statements of Changes in Equity

Expressed in Canadian Dollars

For the 258-day Period Ended September 15, 2011 and 256-day Period Ended December 31, 2010

	Common Shares		Deficit	Total
	Number	Amount		
Balance at April 19, 2010	-	\$-	\$-	\$-
Issued on incorporation	1	1	-	1
Net loss for the period	-	-	-	-
Balance at December 31, 2010	1	1	-	1
Shares issued for cash	2,000,000	100,000	-	100,000
Repurchase of incorporator's share	(1)	(1)	-	(1)
Net loss for the period	-	-	(13,250)	(13,250)
Balance at September 15, 2011	2,000,000	\$100,000	\$(13,250)	\$86,750

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

Abcana Capital Inc.

Statements of Cash Flows

Expressed in Canadian Dollars

For the 258-day Period Ended September 15, 2011 and 256-day Period Ended December 31, 2010

	258-Day Period Ended September 15, 2011	256-Day Period Ended December 31, 2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$(13,250)	\$-
Changes in non-cash working capital item		
Accounts payable	13,250	-
Total cash inflows from operating activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of shares, for cash	100,000	1
Repurchase of incorporator's share	(1)	-
Total cash inflows from financing activities	<u>99,999</u>	<u>1</u>
Total increase in cash during the period	99,999	1
Cash, Beginning of period	<u>1</u>	<u>-</u>
Cash, End of period	<u>\$100,000</u>	<u>\$1</u>

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

Abcana Capital Inc.

Notes to the Financial Statements

Expressed in Canadian Dollars

For the 258-day Period Ended September 15, 2011 and 256-day Period Ended December 31, 2010

1. NATURE AND CONTINUANCE OF OPERATIONS

Abcana Capital Inc. (the “Company” or “Abcana”) was incorporated under the Business Corporations Act (British Columbia) on April 19, 2010 and is in the process of applying for status as a capital pool company (“CPC”) as defined in TSX Venture Exchange (“TSX-V”) Policy 2.4. The Company has made an application to have its common shares listed and called for trading on the TSX-V. The Company proposes to identify and evaluate companies, businesses, properties, or assets for acquisition and once identified and evaluated, to negotiate an acquisition or participation subject to receipt of shareholder and regulatory approval. Abcana has only just commenced operations and as a result has incurred only minimal operating losses to date.

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments to assets and liabilities should the Company be unable to continue in existence or complete its Qualifying Transaction within the required period.

The Company’s continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of or participation in an interest in properties, assets or businesses. Such acquisition will be subject to regulatory approval and may be subject to shareholder approval. When the Company completes its Qualifying Transaction, additional funding may be required.

The head office, principal address, and registered and records office of the Company are located at 2080 - 777 Hornby Street, Vancouver, British Columbia, Canada, V6Z 1S4.

The financial statements of the Company were authorized for issue by the Board of Directors on September 26, 2011.

2. BASIS OF PREPARATION

(a) Statement of Compliance

These financial statements are prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”).

(b) Basis of Measurement

The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss (“FVTPL”), which are stated at their fair values. In addition these financial statements have been prepared using the accrual basis of accounting.

The financial statements are presented in Canadian dollars, which is also the Company’s functional currency, and all values are rounded to the nearest dollar, unless otherwise indicated.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Financial Instruments

Financial assets

All financial assets are initially recorded at fair value and classified upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans and receivables or at FVTPL.

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through earnings. The Company’s cash is classified as FVTPL.

Abcana Capital Inc.

Notes to the Financial Statements

Expressed in Canadian Dollars

For the 258-day Period Ended September 15, 2011 and 256-day Period Ended December 31, 2010

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Financial Instruments (continued)

Financial assets classified as loans and receivables and held-to-maturity are measured at amortized cost.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities

All financial liabilities are initially recorded at fair value and classified upon inception as FVTPL or other financial liabilities. Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. The Company's trade and other payables are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives, are also classified as held-for-trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through net income.

Impairment on Financial Assets

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or group of financial assets.

(b) Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income/loss.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current period and any adjustment to income taxes payable in respect of previous periods. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in the statement of operations.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that substantive enactment occurs.

Abcana Capital Inc.

Notes to the Financial Statements

Expressed in Canadian Dollars

For the 258-day Period Ended September 15, 2011 and 256-day Period Ended December 31, 2010

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Income Taxes (continued)

A deferred tax asset is recognized 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 deferred tax asset will be recovered, it provides a valuation allowance against that excess.

(c) Capital Stock

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares and share warrants are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(d) Loss Per Share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method to compute the dilutive effect of options and warrants. Under this method the dilutive effect on earnings per share is calculated presuming the exercise of outstanding options and warrants. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

(e) Share-based Payments

The Company accounts for share-based payments using a fair value based method with respect to all share-based payments, to directors, employees and service providers. For directors and employees, the fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the period that the options are earned. For service providers, the fair value of the options is measured on the earlier of the date at which the counterparty performance is completed or the date the performance commitment is reached or the date at which the equity instruments are granted if they are fully vested and non-forfeitable using the Black-Scholes option pricing method. The fair value is recognized as an expense with a corresponding increase in equity. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods.

Upon the exercise of the stock option, consideration received and the related amount transferred from contributed surplus are recorded as capital stock.

(f) Use of Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the determination of valuation allowance for future tax assets. While management believes the estimates are reasonable, actual results could differ from these estimates and could impact future results of operations and cash flows.

Abcana Capital Inc.

Notes to the Financial Statements

Expressed in Canadian Dollars

For the 258-day Period Ended September 15, 2011 and 256-day Period Ended December 31, 2010

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals and/or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(h) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligations, provided that a reliable estimate can be made of the amount of the obligation. Provisions for environmental restoration, legal claims, onerous leases and other onerous commitments are recognized at the best estimates of the expenditures required to settle the Company's liability.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. An amount equivalent to the discounted provision is capitalized within tangible fixed assets and is depreciated over the useful lives of the related assets. The increase in the provision due to passage of time is recognized as interest expense.

(i) New Accounting Standards and Interpretations Not Yet Adopted

The Company will be required to adopt certain standards and amendments issued by the IASB, as described below, for which the Company is currently assessing the impact on its financial statements.

Accounting standards issued, but not yet effective:

a) Effective for annual periods beginning on or after July 1, 2011

- Amendments to IFRS 7 *Financial Instruments: Disclosures*

Increase in disclosure with regard to the transfer of financial assets, especially if there is a disproportionate amount of transfer transactions that take place around the end of a reporting period.

b) Effective for annual periods beginning on or after January 1, 2013

- New standard IFRS 9 *Financial Instruments*

Partial replacement of IAS 39 *Financial Instruments: Recognition and Measurement*.

- IFRS 10 *Consolidation*

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 *Consolidation—Special Purpose Entities* and parts of IAS 27 *Consolidated and Separate Financial Statements*.

- IFRS 11 *Joint Arrangements*

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly Controlled Entities—Non-Monetary Contributions by Venturers*.

Abcana Capital Inc.

Notes to the Financial Statements

Expressed in Canadian Dollars

For the 258-day Period Ended September 15, 2011 and 256-day Period Ended December 31, 2010

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) New Accounting Standards and Interpretations Not Yet Adopted (continued)

- IFRS 12 *Disclosure of Interests in Other Entities*

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off-balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

- IFRS 13 *Fair Value Measurement*

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

- *Amendments to Other Standards*

In addition, there have been amendments to existing standards, including IAS 27 *Separate Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*. IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 - 13.

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the financial statements.

4. CAPITAL STOCK

The Company is authorized to issue an unlimited number of common shares, issuable in series.

On April 19, 2010, the Company issued one initial incorporator's common share at \$1. The incorporator's share was repurchased by the Company and cancelled on September 9, 2011.

During the 258-day period ended September 15, 2011, the Company issued 2,000,000 founders' common shares to be held in escrow following the Company's initial public offering (note 8) at \$0.05 per share to officers and directors of the Company for total proceeds of \$100,000. These shares will be released pro rata to the shareholders as to 10% upon issuance of the Final Exchange Bulletin and as to the remainder in six equal tranches of 15% every six months thereafter for a period of 36 months. These shares have been excluded from the calculation of loss per share.

5. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company classifies its cash as held-for-trading, and accounts payable and accrued liabilities as other financial liabilities.

(a) Fair Value

The carrying values of accounts payable approximate their fair values due to the short-term maturity of these financial instruments.

Abcana Capital Inc.

Notes to the Financial Statements

Expressed in Canadian Dollars

For the 258-day Period Ended September 15, 2011 and 256-day Period Ended December 31, 2010

5. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash. The Company is not exposed to significant credit risk as its cash is placed with a major Canadian financial institution.

(c) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. The Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal terms of trade.

(d) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. The Company is not exposed to significant market risk.

6. INCOME TAXES

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

	2011	2010
Income tax benefit computed at Canadian statutory rate (28.5%)	\$(3,776)	\$-
Effect of change in tax rate	463	-
Changes in valuation allowance	3,313	-
Total income tax recovery	<u>\$-</u>	<u>\$-</u>

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

	2011	2010
Future income tax assets		
Non-capital loss carry-forwards	\$3,313	\$-
Valuation allowance	(3,313)	-
Net future income tax assets	<u>\$-</u>	<u>\$-</u>

The Company has available for deduction against future taxable income non-capital losses of approximately \$13,250 for Canadian tax purposes. These losses, if not utilized will expire in 2031. Future tax benefits that may arise as a result of these non-capital losses have not been recognized in these financial statements and have been offset by a valuation allowance due to the uncertainty of their realization.

Abcana Capital Inc.

Notes to the Financial Statements

Expressed in Canadian Dollars

For the 258-day Period Ended September 15, 2011 and 256-day Period Ended December 31, 2010

7. CAPITAL MANAGEMENT

The Company is actively looking to acquire an interest in a business or assets and this involves a high degree of risk. The Company has not determined whether it will be successful in its endeavours and does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of capital stock. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations, and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid.

There have been no changes to the Company's approach to capital management during the period.

8. SUBSEQUENT EVENT

The Company is preparing to file a prospectus with the securities regulatory authorities in British Columbia and Alberta and with the TSX-V, offering 2,000,000 common shares at \$0.10 per share as an initial public offering (the "Offering"). Pursuant to an Agency Agreement between the Company and Macquarie Private Wealth Inc. (the "Agent"), the Agent will receive a cash commission equal to 8% of the gross proceeds, be paid an administration fee of \$11,500 plus HST and will be granted non-transferable warrants to acquire up to 200,000 common shares at a price of \$0.10 per common share, exercisable for a period of 24 months from the date the common shares commence trading on the TSX-V. The Agent will also be reimbursed by the Company for the Agent's expenses, including legal fees, incurred pursuant to the Offering.

CERTIFICATE OF THE COMPANY

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

September 30, 2011
Vancouver, British Columbia

(Signed) "Shaun Maskerine"
Chief Executive Officer, Chief
Financial Officer, Corporate
Secretary and Director
Abcana Capital Inc.

ON BEHALF OF THE BOARD OF DIRECTORS

(Signed) "Paul Simpson"
Director
Abcana Capital Inc.

(Signed) "Shauna Hartman"
Director
Abcana Capital Inc.

CERTIFICATE OF THE PROMOTER

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

September 30, 2011
Vancouver, British Columbia

(Signed) "Shaun Maskerine"

Promoter
Abcana Capital Inc.

CERTIFICATE OF THE AGENT

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

September 30, 2011
Vancouver, British Columbia

MACQUARIE PRIVATE WEALTH INC.

(Signed) "Chris Salapoutis " _____
Chris Salapoutis, Director