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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.

**AMENDED AND RESTATED PRELIMINARY PROSPECTUS DATED JULY 26, 2012
AMENDING AND RESTATING THE PRELIMINARY PROSPECTUS DATED MAY 28, 2012**

Initial Public Offering

July 26, 2012

KCO Capital Inc.

(a capital pool company)

OFFERING: \$400,000 (4,000,000 COMMON SHARES)

Price: \$0.10 per Common Share

KCO Capital Inc. (the “**Corporation**”) hereby qualifies for distribution, through its agent, Canaccord Genuity Corp. (the “**Agent**”), 4,000,000 common shares in the share capital of the Corporation (the “**Common Shares**”) for aggregate gross proceeds of \$400,000 (the “**Offering**”). The purpose of this Offering is to provide the Corporation with a minimum of funds with which to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction, as hereafter defined. Any proposed Qualifying Transaction must be approved by the Exchange and, in the case of a Non Arm’s Length Qualifying Transaction, as hereafter defined, must also receive Majority of the Minority Approval, as hereafter defined, in accordance with Exchange Policy 2.4 - Capital Pool Companies (the “**CPC Policy**”). The Corporation is a Capital Pool Company (“**CPC**”). It has not commenced commercial operations and has no assets other than a minimum amount of cash. Except as specifically contemplated in the CPC Policy, until the Completion of the Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a proposed Qualifying Transaction. See “Business of the Corporation” and “Use of Proceeds”.

	Common Shares	Price to Public	Agent’s Commission⁽¹⁾	Net Proceeds to the Corporation⁽²⁾
Per Common Share	1	\$0.10	\$0.01	\$0.09
Total Offering	4,000,000	\$400,000	\$40,000	\$360,000

Notes:

- (1) A cash commission of 10% of the gross proceeds of the Offering provided by the Corporation will be paid to the Agent upon Closing, as hereafter defined. In addition: (i) the Corporation has agreed to pay the Agent an administration fee of \$10,000, plus taxes, upon Closing of the Offering; (ii) the Agent will be reimbursed by the Corporation for its reasonable expenses and legal fees, estimated at \$11,500, plus taxes and disbursements, towards which a \$10,000 retainer has been paid; and (iii) the Agent will be granted the Agent’s Warrants, as hereafter defined. The Agent’s Warrants are exercisable for a period of 24 months from the day the Common Shares are listed on the Exchange. The Agent’s Warrants are qualified for distribution under this Prospectus. See “Plan of Distribution - Agency Agreement and Agent’s Compensation”.
- (2) After deducting the Agent’s commission but before deducting the costs of this issue, estimated in the aggregate to be approximately \$72,000 which includes legal and audit fees and other expenses of the Corporation, the administration fee, the

Agent's legal fees and expenses, the listing fee payable to the Exchange and filing fees payable to the Commissions. See "Use of Proceeds".

This Offering is made on a commercially reasonable efforts agency basis by the Agent and is subject to the completion of a minimum subscription of 4,000,000 Common Shares for gross proceeds to the Corporation of \$400,000. The offering price of the Common Shares was determined by negotiation between the Corporation and the Agent. All funds received from subscriptions for Common Shares will be held by the Agent pursuant to the terms of an agency agreement between the Corporation and the Agent (the "**Agency Agreement**"). If the minimum subscription is not completed within 90 days of the issuance of a receipt for the final prospectus or such other time as may be consented to by the Agent and persons or companies who subscribed within that period and as approved by the regulatory authorities, all subscription monies will be returned to subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent.

Pursuant to the Agency Agreement, the Agent and any sub-agents as directed by the Agent, will be granted non-transferable warrants (the "**Agent's Warrants**") to purchase up to 400,000 Common Shares at a price of \$0.10 per Common Share and which may be exercised for a period of 24 months from the day the Common Shares of the Corporation are listed on the Exchange. The Agent's Warrants are qualified for distribution under this prospectus. See "Plan of Distribution - Agency Agreement and Agent's Compensation".

This prospectus also qualifies certain options for distribution, to be granted to directors and officers of the Corporation (the "**Directors' and Officers' Options**") at the closing (the "**Closing**") of the Offering. The Directors' and Officers' Options entitle the holders to purchase an aggregate of 700,000 Common Shares at a price of \$0.10 per Common Share and such options may be exercised for a period of 5 years from the date on which the Common Shares are listed on the Exchange. See "Options to Purchase Securities".

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

Other than the initial distribution of the Common Shares pursuant to this prospectus, the grant of the Agent's Warrants and the grant of the Directors' and Officers' Options, trading in all securities of the Corporation is prohibited during the period between the date a receipt for this amended and restated preliminary prospectus is issued by the Principal Regulator (as defined herein) pursuant to National Policy 11-202 and the time the Common Shares are listed for trading on the Exchange except, subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable securities regulatory authority(ies) grants a discretionary order.

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

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

The Agent conditionally offers these Common Shares on a commercially reasonable efforts basis, if, as and when subscriptions are accepted by the Corporation, subject to prior sale, in accordance with the terms and conditions of the Agency Agreement referred to under "Plan of Distribution" and subject to the approval of certain legal matters by Clark Wilson LLP, Barristers & Solicitors, on behalf of the Corporation, and by Miller Thomson LLP, on behalf of the Agent. Pursuant to the CPC Policy, no purchaser of Common Shares is permitted to directly or indirectly purchase more than 2% of the total Common Shares offered under this prospectus, or 80,000 Common Shares (\$8,000). In addition, the maximum number of Common Shares that may directly or indirectly be

purchased by that purchaser, together with any Associates or Affiliates of that purchaser, is 4% of the total number of Common Shares offered under this prospectus, or 160,000 Common Shares (\$16,000).

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that one or more global certificates that represent the aggregate number of Common Shares subscribed for under this Prospectus will be issued in registered form as directed by the Agent. Purchasers of Common Shares will receive only a customer confirmation from the Agent as to the number of Common Shares subscribed for. Certificates representing the Common Shares in registered and definitive form will be issued in certain limited circumstances.

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

**Canaccord Genuity Corp.
Suite 2200, 609 Granville Street
Vancouver, British Columbia, V7Y 1H2**

**Telephone: (604) 643-7300
Facsimile: (604) 643-7606
Toll-free: 1-800-382-9280**

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GLOSSARY

“Affiliate” means a Company that is affiliated with another Company as described below:

A Company is an “Affiliate” of another Company if:

- (a) one of them is the subsidiary of the other, or
- (b) each of them is controlled by the same Person.

A Company is “controlled” by a Person if:

- (a) voting securities of the Company are held, other than by way of security only, by or for the benefit of that Person, and
- (b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the Company.

A Person beneficially owns securities that are beneficially owned by:

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

“Agency Agreement” means the agency agreement dated ♦, 2012 between the Corporation and the Agent.

“Agent” means Canaccord Genuity Corp. at its office in the City of Vancouver, in the Province of British Columbia.

“Agent’s Warrants” mean the non-transferable warrants to be granted by the Corporation to the Agent and any sub-agents as directed by the Agent, entitling the holders to purchase up to 400,000 Common Shares at a price of \$0.10 per Common Share and which may be exercised for a period of 24 months from the day the Common Shares of the Corporation are listed on the Exchange.

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

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

- (a) identifies assets or a business to be acquired which would reasonably appear to constitute Significant Assets and the acquisition of which would reasonably appear to constitute a Qualifying Transaction;
- (b) identifies the parties to the Qualifying Transaction;
- (c) identifies the consideration to be paid for the Significant Assets or otherwise identifies the means by which the consideration will be determined; and

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

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

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

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

"Closing" means the completion of the Offering.

"Commissions" means the British Columbia Securities Commission and the Alberta Securities Commission.

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

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

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

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

“Corporation” means KCO Capital Inc., a corporation incorporated under the *Business Corporations Act* (British Columbia), having its head office in Vancouver.

“CPC” means a corporation:

- (a) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities regulatory authorities in compliance with the CPC Policy; and
- (b) in regard to which the Final Exchange Bulletin has not yet been issued.

“CPC Policy” means Policy 2.4 - Capital Pool Companies of the Exchange.

“Directors’ and Officers’ Options” mean options to be granted at the Closing of the Offering to directors and officers of the Corporation which options entitle the holders to purchase an aggregate of 700,000 Common Shares at a price of \$0.10 per Common Share and which options may be exercised for a period of 5 years from the date on which the Common Shares are listed on the Exchange.

“Escrow Agreement” means the escrow agreement dated July 20, 2012 among the Corporation, the Trustee and the founding shareholders of the Corporation.

“Exchange” means the TSX Venture Exchange Inc.

“Final Exchange Bulletin” means the Exchange bulletin issued following closing of the Qualifying Transaction and the submission of all required documentation and that evidences the final Exchange acceptance of the Qualifying Transaction.

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

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

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

- (a) a director or senior officer of the Issuer;
- (b) a director or senior officer of the Company that is an Insider or subsidiary of the Issuer;
- (c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the Issuer; or
- (d) the Issuer itself if it holds any of its own securities.

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

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

- (a) Non Arm's Length Parties to the CPC;
- (b) Non Arm's Length Parties to the Qualifying Transaction; and
- (c) in the case of a Related Party Transaction:
 - (i) if the CPC holds its own shares, the CPC, and
 - (ii) a Person acting jointly or in concert with a Person referred to in paragraph (a) or (b) in respect of the transaction;

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

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

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

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

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

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

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

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

"Person" means a Company or individual.

"Principal" means:

- (a) a Person or Company who acted as a Promoter of the Issuer within two years or their respective Associates or Affiliates, before the IPO prospectus or Final Exchange Bulletin;
- (b) a director or senior officer of the Issuer or any of its material operating subsidiaries at the time of the IPO prospectus or Final Exchange Bulletin;
- (c) a "20% holder" – a Person that holds securities carrying more than 20% of the voting rights attached to the Issuer's outstanding securities immediately before and immediately

after the Issuer's IPO or immediately after the Final Exchange Bulletin for non IPO transactions;

- (d) a "10% holder" – a Person that:
 - (i) holds securities carrying more than 10% of the voting rights attached to the Issuer's outstanding securities immediately before and immediately after the Issuer's IPO or immediately after the Final Exchange Bulletin for non IPO transactions; and
 - (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the Issuer or any of its material operating subsidiaries.

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

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

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

"Principal Regulator" means the British Columbia Securities Commission.

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

"Pro Group" means:

- (a) Subject to subparagraphs (b), (c) and (d) "Pro Group" shall include, either individually or as a group:
 - (i) the Member;
 - (ii) employees of the Member;
 - (iii) partners, officers and directors of the Member;
 - (iv) Affiliates of the Member; and
 - (v) Associates of any parties referred to in subparagraphs (i) through (iv).
- (b) The Exchange may, in its discretion, include a Person or party in the Pro Group for the purposes of a particular calculation where the Exchange determines that the Person is not acting at arm's length to the Member;
- (c) The Exchange may, in its discretion, exclude a Person from the Pro Group for the purposes of a particular calculation where the Exchange determines that the Person is acting at arm's length of the Member;

- (d) The Member may deem a Person who would otherwise be included in the Pro Group pursuant to subparagraph (a) to be excluded from the Pro Group where the Member determines that:
- (i) the Person is an Affiliate or Associate of the Member acting at arm's length of the Member;
 - (ii) the Associate or Affiliate has a separate corporate and reporting structure;
 - (iii) there are sufficient controls on information flowing between the Member and the Associate or Affiliate; and
 - (iv) the Member maintains a list of such excluded Persons.

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

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

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

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

“SEDAR” means System for Electronic Document Analysis and Retrieval.

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

“Sponsor” means a Member that meets the criteria specified in the Exchange Policy 2.2 - Sponsorship and Sponsorship Requirements, which has an agreement with an Issuer to undertake the functions of sponsorship as required by that policy and various other Exchange policies.

“Sponsor Report” means the report to be provided to the Exchange by the Sponsor.

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

“Trustee” means Equity Financial Trust Company, a trust corporation having an office in the City of Vancouver, in the Province of British Columbia.

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

PROSPECTUS SUMMARY

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

The Corporation: KCO Capital Inc.

Business of the Corporation: The Corporation is a CPC. The principal business of the Corporation will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Corporation has not commenced commercial operations and has no assets other than a minimum amount of cash. The Corporation has commenced the process of identifying potential acquisitions. To date, the Corporation has not yet identified a Company or assets for a potential Qualifying Transaction. Furthermore, the Corporation has not entered into an Agreement in Principle. See “Business of the Corporation - Proposed Operations until Completion of a Qualifying Transaction”.

Offering: A total of 4,000,000 Common Shares are being offered and qualified under this prospectus at a price of \$0.10 per Common Share. In addition, the Corporation will grant to the Agent and any sub-agents as directed by the Agent, non-transferable warrants to purchase up to 400,000 Common Shares at a price of \$0.10 per Common Share and which may be exercised for a period of 24 months from the day the Common Shares are listed on the Exchange. The Agent’s Warrants are qualified for distribution under this prospectus. This prospectus also qualifies for distribution the Directors’ and Officers’ Options to be granted at the Closing which entitle the holders to purchase an aggregate of 700,000 Common Shares at a price of \$0.10 per Common Share and which options may be exercised for a period of 5 years from the date on which the Common Shares are listed on the Exchange. See “Plan of Distribution” and “Options to Purchase Securities”.

Use of Proceeds: The net proceeds to the Corporation, accounting for total cash proceeds raised prior to this Offering and total proceeds of this Offering, net of all Offering expenses and commissions, will be approximately \$486,739. The Corporation estimates incurring general and administrative costs until the Completion of the Qualifying Transaction of approximately \$38,739 which will reduce the total net funds available for pursuing a Qualifying Transaction to \$448,000. The net funds available will be used to provide the Corporation with a minimum of funds with which to identify and evaluate assets or businesses for acquisition with a view to completing a Qualifying Transaction. The Corporation may not have sufficient funds to secure such businesses or assets once identified and evaluated and additional funds may be required. Until Completion of the Qualifying Transaction and except as otherwise provided in the CPC Policy, a maximum of the lesser of 30% of the gross proceeds realized or \$210,000 may be used for purposes other than evaluating businesses or assets. See “Use of Proceeds”.

Directors and Management:

Kim Oishi	-	Chief Executive Officer, Chief Financial Officer and Director
Andrew Cook	-	Director
Adam Kniec	-	Director
David Raffa	-	Director
Veronica Vinje	-	Corporate Secretary

Kim Oishi is the Promoter of the Corporation. See “Directors, Officers and Promoter” and “Promoter”.

Escrow Securities:

All of the currently issued and outstanding Common Shares of the Corporation, being 4,000,000 Common Shares issued at \$0.05 per share, will be deposited in escrow pursuant to the terms of the Escrow Agreement and will be released from escrow in stages over a period of up to three years after the date of the Final Exchange Bulletin. See “Escrowed Securities”.

Risk Factors:

Investment in the Common Shares must be regarded as highly speculative due to the proposed nature of the Corporation’s business and its present stage of development. The Corporation was only recently incorporated and has no active business or assets other than cash. The Corporation does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the Completion of the Qualifying Transaction. The Offering is only suitable to investors who are prepared to rely entirely on the directors and management of the Corporation and can afford to risk the loss of their entire investment. The directors and officers of the Corporation will only devote part of their time and attention to the affairs of the Corporation and there are potential conflicts of interest to which some of the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. Assuming completion of the Offering, an investor will suffer an immediate dilution on investment (based on the gross proceeds from this and prior issuances without deduction of selling and related expenses) per Common Share of \$0.025 or 25%. There can be no assurance that an active and liquid market for the Corporation’s Common Shares will develop and an investor may find it difficult to resell the Common Shares. Until Completion of the Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Corporation has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Corporation will be able to identify or complete a suitable Qualifying Transaction.

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

THE CORPORATION

The Corporation was incorporated on July 29, 2011, as evidenced by a Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (British Columbia) under the name “KCO Capital Inc.”

The registered and records office of the Corporation is located at Suite 800, 885 West Georgia Street, Vancouver, British Columbia, V6C 3H1. The head office of the Corporation is located at 1055 West Hastings Street, #300, Vancouver, British Columbia V6E 2E9.

BUSINESS OF THE CORPORATION

Preliminary Expenses

As at May 31, 2012, the Corporation had incurred or accrued liabilities for accounting, bank charges, office expenses, incorporation, legal fees and share based compensation in the amount of \$48,853 and recorded deferred financing costs of \$36,314. Since May 31, 2012, the Corporation has incurred expenses of \$1,636 which consists of \$593 of general and administrative fees and costs and \$1,043 of filing fees related to the Offering. Certain of the Offering proceeds will be utilized to satisfy the obligations of the Corporation related to the Offering, including the expenses of its auditor and legal counsel, the fees of the Exchange, the Agent’s commission, the administration fee, legal fees and expenses and the fees of the securities regulatory authorities. See “Use of Proceeds”.

Proposed Operations until Completion of a Qualifying Transaction

The Corporation proposes to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the Exchange and in the case of a Non Arm’s Length Qualifying Transaction, the transaction is also subject to Majority of the Minority Approval in accordance with the CPC Policy. The Corporation has not conducted commercial operations other than to enter into discussions for the purpose of identifying potential acquisitions or interests. The Corporation has not identified a specific business sector in which it proposes to pursue a Qualifying Transaction.

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

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

Method of Financing

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

Criteria for a Qualifying Transaction

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

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

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

- (a) file the filing statement on SEDAR at least seven business days prior to closing of the Qualifying Transaction, and issue a news release which discloses the scheduled closing date for the Qualifying Transaction as well as the fact that the filing statement is available on SEDAR; or
- (b) mail the information circular and related proxy material to its shareholders in order to obtain the Majority of the Minority Approval of the Qualifying Transaction or other requisite approval, at a meeting of shareholders.

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

- (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 Corporation from completing a reverse takeover for a period of one year from the Completion of the Qualifying Transaction.

Initial Listing Requirements

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

Trading Halts, Suspensions and Delisting

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

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

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

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

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

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

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

- (i) cancel all Seed Shares purchased by Non Arm's Length Parties to the Corporation at a discount to the IPO price, in accordance with section 11.2(a) of the CPC Policy, as if the Corporation had delisted from the Exchange, or
- (ii) subject to majority shareholder approval, cancel an amount of the Seed Shares purchased by Non Arm's Length Parties to the Corporation so that the average cost of the remaining Seed Shares is at least equal to the IPO price.

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

Refusal of Qualifying Transaction

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

- (a) the Resulting Issuer fails to satisfy the applicable Initial Listing Requirements of the Exchange;
- (b) the aggregate number of securities of the Resulting Issuer owned, directly or indirectly, by:
 - (i) a Member firm of the Exchange;
 - (ii) registrants, unregistered corporate finance professionals, employee shareholders and partners of such Member firm; and
 - (iii) Associates of any such Person,collectively, would exceed 20% of the issued and outstanding securities of the Resulting Issuer;
- (c) the Resulting Issuer will be a financial institution, finance company, finance issuer or mutual fund, as defined in the securities legislation;
- (d) the majority of the directors and senior officers of the Resulting Issuer are not residents of Canada or the United States or are individuals who have not demonstrated positive association as directors or officers with public companies that are subject to a regulatory regime comparable to the companies listed on a Canadian exchange; or
- (e) notwithstanding the definition of a Qualifying Transaction, there is any other reason for denying acceptance of the Qualifying Transaction.

USE OF PROCEEDS

Proceeds and Principal Purposes

The gross proceeds to be received by the Corporation from the sale of the Common Shares offered by this prospectus will be \$400,000. The gross proceeds received by the Corporation from the sale of Common Shares prior to the date of this prospectus was \$200,000. From the aggregate gross proceeds of \$600,000 will be deducted the expenses and costs of this issue, including legal, accounting, audit, printing, regulatory fees and the Agent's commission, the administration fee, legal fees and expenses, estimated in the aggregate, to be approximately \$112,000. The Corporation estimates that \$486,739 will be available to the Corporation from the sale of Common Shares distributed by this prospectus and prior sales of Common Shares.

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

Item	Total Offering
Gross cash proceeds raised prior to this Offering (Seed Shares) ⁽¹⁾	\$200,000
Expenses and costs relating to raising Seed Share proceeds	\$1,261 ⁽²⁾
Gross cash proceeds to be raised pursuant to this Offering ⁽⁵⁾	\$400,000
Estimated expenses and costs relating to the Offering ⁽³⁾⁽⁴⁾	(\$112,000)
Estimated funds available on completion of the Offering⁽⁵⁾	\$486,739
Estimated general and administrative expenses until Completion of a Qualifying Transaction	\$38,739
Funds available for identifying and evaluating assets or business prospects ⁽⁵⁾⁽⁶⁾⁽⁷⁾	\$448,000
Total Net Proceeds	\$486,739

Notes:

- (1) See "Prior Sales".
- (2) The Company incurred \$1,261 of legal costs in connection with the issuance of Seed Shares.
- (3) Includes listing and filing fees, Agent's commission, Agent's administration fee, legal fees and expenses, the Corporation's legal fees, audit fees and other expenses.
- (4) Pursuant to the Agency Agreement, the Agent will be paid a cash commission of 10% of the proceeds raised in the Offering, being \$40,000 and the Agent will be reimbursed by the Corporation for its reasonable legal fees and expenses towards which the Corporation has paid a \$10,000 retainer. The Corporation will pay the Agent an administration fee of \$10,000 upon Closing of the Offering.
- (5) In the event the Agent exercises the Agent's Warrants, or any portion of the Directors' and Officers' Options are exercised, there will be available to the Corporation a maximum of an additional \$110,000 which will be added to the working capital of the Corporation. There is no assurance that any of these options will be exercised.
- (6) In the event that the Corporation enters into an Agreement in Principle prior to spending the entire \$448,000 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.
- (7) \$448,000 is the estimated amount remaining for identifying and evaluating assets or business prospects after the Agent's fees, the Agent's commission and the Corporation's costs (estimated in total at \$112,000) relating to the Offering are deducted from the aggregate gross proceeds of \$600,000.

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

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

Permitted Use of Funds

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

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

- (i) valuations or appraisals;

- (ii) business plans;
- (iii) feasibility studies and technical assessments;
- (iv) sponsorship reports;
- (v) engineering or geological reports;
- (vi) financial statements, including audited financial statements;
- (vii) fees for legal and accounting services; and
- (viii) Agent's fees, costs and commissions,

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

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

Restrictions on Use of Proceeds

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

- (a) listing and filing fees (including SEDAR fees);
- (b) other costs for the issuance of securities, (including legal, accounting and audit expenses) relating to the preparation and filing of this prospectus; and
- (c) administrative and general expenses of the Corporation, including:
 - (i) office supplies, office rent and related utilities;
 - (ii) printing costs (including the printing of this prospectus and share certificates);
 - (iii) equipment leases; and
 - (iv) fees for legal advice and audit expenses, other than those described above under "Permitted Use of Funds".

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

Private Placements for Cash

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

Prohibited Payments to Non Arm's Length Parties

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

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

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

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

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

PLAN OF DISTRIBUTION

Agency Agreement and Agent's Compensation

Pursuant to the Agency Agreement, the Corporation has appointed the Agent as its agent to offer for sale on a commercially reasonable efforts basis to the public 4,000,000 Common Shares, at a price of \$0.10 per Common Share for aggregate gross proceeds of \$400,000, subject to the terms and conditions in the Agency Agreement. The Agent will be paid a cash commission of 10% of the proceeds raised in the Offering, being up to \$40,000 payable on Closing. In addition, the Corporation will pay the Agent's reasonable legal fees and expenses, plus disbursements and taxes, estimated at \$11,500, towards which a retainer of \$10,000 has been paid. In addition, the Corporation will pay the Agent an administration fee of \$10,000 on Closing.

The Corporation has also agreed to grant to the Agent, and any sub-agents as directed by the Agent, non-transferable Agent's Warrants which entitle the holder to purchase up to 400,000 Common Shares at a price of \$0.10 per Common Share and which may be exercised for a period of 24 months from the day the Common Shares of the Corporation are listed on the Exchange. The Agent's Warrants are qualified under this prospectus for distribution. Not more than 50% of the aggregate number of Common Shares which can be acquired on the exercise of the entire Agent's Warrants may be sold by the Agent prior to the Completion of the Qualifying Transaction. The remaining 50% may be sold after the Completion of the Qualifying Transaction.

Pursuant to the terms of the Agency Agreement, the Corporation has granted a right of first refusal to the Agent for any further brokered equity financings (or securities convertible into equity) that the Corporation requires or proposes to obtain during a period commencing on the date of the Agency Agreement and ending on that day which is the later of (i) the day which falls 24 months from the Listing Date, and (ii) the date of Completion of the Qualifying Transaction. The Agent will also have a right of first refusal to provide sponsorship services, if required, on the same terms as disclosed above, for any Qualifying Transaction during that period.

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

The total Offering is for 4,000,000 Common Shares at a price of \$0.10 per share for total gross proceeds of \$400,000. Under the CPC Policy, no purchaser of Common Shares is permitted to directly or indirectly purchase more than 2% of the total Common Shares in the Offering, or 80,000 Common Shares (\$8,000). In addition, the maximum number of Common Shares that may directly or indirectly be purchased by that purchaser, together with any Associates or Affiliates of that purchaser, is 4% of the total number of Common Shares in the Offering, or 160,000 Common Shares (\$16,000). The funds received from the Offering will be deposited with the Agent, and will not be released until proceeds of minimum of \$400,000 have 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 the Agent and Persons or Companies who subscribed within that period and as approved by the regulatory authorities, failing which the Agent will remit the funds collected to the original subscribers without interest or deduction, unless subscribers have otherwise instructed the Agent.

Other Securities Being Distributed

The Corporation also proposes to grant the Directors' and Officers' Options at the Closing of the Offering in accordance with the policies of the Exchange, which options are qualified for distribution pursuant to this prospectus. The Directors' and Officers' Options entitle the holders to purchase an aggregate of 700,000 Common Shares at a price of \$0.10 per Common Share and such options may be exercised for a period of 5 years from the date on which the Common Shares are listed on the Exchange. See "Plan of Distribution" and "Options to Purchase Securities".

Determination of Price

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

Listing Application

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

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

Subscriptions by and Restrictions on the Agent

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

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

The Agent has advised the Corporation that to the best of its knowledge and belief, no directors, officers, employees or contractors of the Agent or any Associate or Affiliate of the foregoing have subscribed for any Common Shares of the Corporation. The aggregate number of Common Shares permitted to be owned directly or indirectly by the Agent, or any of its directors, officers, employees or contractors or any Associate or Affiliate of the foregoing, is 20% of the issued and outstanding Common Shares exclusive of Common Shares reserved for issuance at a future date.

Restrictions on Trading

Other than the initial public offering of the Common Shares pursuant to this prospectus, the grant of the Agent's Warrants and the grant of the Directors' and Officers' Options, no securities of the Corporation will be permitted to be issued during the period between the date a receipt for the preliminary prospectus is issued by the Principal Regulator pursuant to National Policy 11-202 and the time the Common Shares are listed for trading on the Exchange, except subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable securities regulatory authorities grant a discretionary order.

DESCRIPTION OF SHARE CAPITAL

Common Shares

The Corporation is authorized to issue an unlimited number of Common Shares without par value and an unlimited number of preferred shares without par value. As of the date hereof, 4,000,000 Common Shares are issued and outstanding as fully paid and non-assessable, 4,000,000 Common Shares are reserved for issuance under this prospectus, 400,000 Common Shares are reserved for issuance pursuant

to the Agent's Warrants and 700,000 Common Shares are reserved for issuance pursuant to the Directors' and Officers' Options to be granted at the Closing. See "Plan of Distribution".

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

Preferred Shares

The Corporation is authorized to issue an unlimited number of preferred shares without par value of which, as at the date hereof, no preferred shares are issued and outstanding. Preferred shares may be issued in one or more series.

The holders of preferred shares shall be entitled, on the liquidation or dissolution of the Corporation, whether voluntary or involuntary, or on any other distribution of its assets among its shareholders for the purpose of winding up its affairs, to receive, before any distribution is made to the holders of Common Shares with respect to the repayment of capital of the liquidation or dissolution of the Corporation, whether voluntary or involuntary, or on any other distribution of its assets among its shareholders for the purpose of winding up its affairs, the amount paid up with respect to each preferred share held by them, together with the fixed premium (if any) thereon, all accrued and unpaid cumulative dividends (if any and if preferential) thereon, which for such purpose shall be calculated as if such dividends were accruing on a day-to-day basis up to the date of such distribution, whether or not earned or declared, and all declared and unpaid non-cumulative dividends (if any and if preferential) thereon. After payment to the holders of the preferred shares of the amounts so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation, except as specifically provided in the special rights and restrictions attached to any particular series. All assets remaining after payment to the holders of preferred shares as aforesaid shall be distributed rateably among the holders of the Common Shares.

Except for such rights relating to the election of directors on a default in payment of dividends as may be attached to any series of the preferred shares by the directors, holders of preferred shares shall not be entitled, as such, to receive notice of, or to attend or vote at, any general meeting of shareholders of the Corporation.

CAPITALIZATION

Designation of Security	Amount Authorized	Amount Outstanding as of May 31, 2012 ⁽¹⁾	Amount Outstanding as of the Date Hereof ⁽¹⁾	Amount Outstanding After Giving Effect to the Offering ⁽²⁾⁽³⁾
Common Shares	unlimited	\$198,739 (4,000,000 Common Shares)	\$198,739 (4,000,000 Common Shares)	\$598,739 (8,000,000 Common Shares)
Preferred shares	unlimited	Nil	Nil	Nil
Long Term Debt	Nil	Nil	Nil	Nil

Notes:

- (1) The Corporation incurred \$1,261 of legal costs in connection with the issuance of seed shares. As at May 31, 2012 and as of the date hereof, the Corporation had not commenced operations.
- (2) The Corporation has reserved a maximum of 400,000 Common Shares at \$0.10 per share pursuant to the Agent's Warrants. The Corporation has also reserved a maximum of 700,000 Common Shares at \$0.10 per share pursuant to

the Directors' and Officers' Options to be granted at the Closing. See "Plan of Distribution" and "Options to Purchase Securities".

- (3) Based on the gross proceeds of the Offering of \$400,000 and before deducting the Agent's commission, administration fee and expenses and the other costs of this Offering, estimated at \$112,000.

OPTIONS TO PURCHASE SECURITIES

The options to purchase 700,000 Common Shares to be granted at Closing of this Offering to directors and officers (the "**Directors' and Officers' Options**") are qualified for distribution pursuant to this prospectus.

The Corporation has adopted a stock option plan, pursuant to which the board of directors of the Corporation may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, and technical consultants to the Corporation, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares exercisable for a period of up to 10 years from the date of grant. Until the completion of the Qualifying Transaction, the number of Common Shares reserved for issuance pursuant to the Corporation's stock option plan will not exceed 700,000 Common Shares. The number of Common Shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding Common Shares.

Pursuant to the stock option plan, if an optionee ceases to be a Consultant, Director, Officer or Employee (as the terms are defined in the stock option plan) for any reason other than death, his or her option shall terminate within a reasonable time as specified by the board of directors at the time of granting the option, such period to not exceed a period of one year from the date of termination, and all rights to purchase Common Shares under such option shall cease and expire and be of no further force or effect. Notwithstanding the foregoing, options granted to any optionee of the Corporation while the Corporation is a CPC, where the optionee does not continue as a Director, Officer, Consultant or Employee of the Resulting Issuer, have a maximum term of the later of 12 months after completion of the Qualifying Transaction and 90 days after the optionee ceases to become a Director, Officer, Consultant or Employee of the Resulting Issuer, following which all rights to purchase Common Shares under such option shall cease and expire and be of no further force or effect. If the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

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

In addition, the stock option agreements governing the Directors' and Officers' Options provide that if the optionees cease to be one type of optionee (i.e., director, officer, employee, management company employee, or consultant, or a company 100% beneficially owned by one of them) but concurrently is or becomes one or more other type of optionee, the option will not terminate but will continue in full force and effect and such optionee may exercise his or her respective option until the earlier of (a) the expiry date and (b) the termination dates set forth in the respective stock option agreements.

The Directors' and Officers' Options will be granted at the Closing of the Offering, are qualified for distribution pursuant to this prospectus and are expected to be allocated on the following basis:

Optionee	Number of Common Common Shares Reserved Under Option under the Offering	Exercise Price	Expiry Date
Kim Oishi Chief Executive Officer, Chief Financial Officer and Director	200,000	\$0.10	Five Years from the date on which the Common Shares are listed on the Exchange
Andrew Cook Director	100,000	\$0.10	Five Years from the date on which the Common Shares are listed on the Exchange
Adam Kniec Director	100,000	\$0.10	Five Years from the date on which the Common Shares are listed on the Exchange
David Raffa Director	200,000	\$0.10	Five Years from the date on which the Common Shares are listed on the Exchange
Veronica Vinje Corporate Secretary	100,000	\$0.10	Five Years from the date on which the Common Shares are listed on the Exchange
Total	700,000		

PRIOR SALES

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

Date	Number of Common Shares	Issue Price Per Share	Aggregate Issue Price	Consideration Received
July 29, 2011	1 ⁽¹⁾	\$1.00	\$1.00	Cash
July 29, 2011	1 ⁽²⁾	\$0.05	\$0.05	Cash
September 8, 2011	1,999,999 ⁽²⁾	\$0.05	\$99,999.95	Cash
February 28, 2012	2,000,000 ⁽²⁾	\$0.05	\$100,000	Cash

Notes:

- (1) This Common Share was repurchased by the Corporation on July 29, 2011 for \$1.00. The Common Share was cancelled and the sum of \$1.00 was deducted from the stated capital account of the Corporation.
- (2) The Common Shares will be held in escrow. See “Escrowed Securities”.

ESCROWED SECURITIES

Securities Escrowed Prior to the Completion of the Qualifying Transaction

All of the 4,000,000 Common Shares issued prior to this Offering (which were issued at a price of \$0.05 per Common Share) and all Common Shares that may be acquired from treasury of the Corporation by Non Arm’s Length Parties of the Corporation either under the Offering or otherwise prior to Completion of the Qualifying Transaction and all Common Shares acquired by members of the Aggregate Pro Group prior to this Offering will be deposited with Equity Financial Trust Company (previously defined as the “Trustee”) under the Escrow Agreement.

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

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

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

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

Name and Municipality of Residence of Shareholder	Number of Escrowed Common Shares	Percentage of Common Shares of the Corporation Prior to Giving Effect to the Offering	Percentage of Common Shares of the Corporation After Giving Effect to the Offering ⁽¹⁾
Adam Kniec <i>150 Mile House, BC</i>	100,000	2.5%	1.25%
Grand Rock Capital Inc. ⁽²⁾ <i>Vancouver, BC</i>	2,000,000	50%	25.0%
Northern Meadows Enterprises Inc. ⁽³⁾ <i>Vancouver, BC</i>	100,000	2.5%	1.25%
Andrew Cook <i>Gibsons, BC</i>	100,000	2.5%	1.25%
Valeo Investments Inc. ⁽⁴⁾ <i>North Vancouver, BC</i>	500,000	12.5%	6.25%
Rachel Raffa <i>North Vancouver, BC</i>	100,000	2.5%	1.25%
Lindsay Raffa <i>North Vancouver, BC</i>	100,000	2.5%	1.25%
Louise Raffa <i>North Vancouver, BC</i>	100,000	2.5%	1.25%
Carmen Raffa <i>North Vancouver, BC</i>	100,000	2.5%	1.25%
Georges Dube <i>Toronto, ON</i>	100,000	2.5%	1.25%
Paul Chizik <i>Vancouver, BC</i>	200,000	5%	2.5%
KOI Communications Corp. ⁽⁵⁾ <i>Vancouver, BC</i>	500,000	12.5%	6.25%
Total	4,000,000		

Notes:

- (1) Assuming no Common Shares are purchased by these persons under the Offering and assuming no exercise of the Directors’ and Officers’ Options or the Agent’s Warrants.

- (2) Grand Rock Capital Inc. is a private company wholly owned and controlled by Mr. Kim Oishi, a director, officer and promoter of the Company.
- (3) Northern Meadows Enterprises Inc. is a private company wholly owned and controlled by Veronica Vinje, an officer of the Company.
- (4) Valeo Investments Inc. is a private company over which Mr. David Raffa, a director of the Company, exercises control and direction.
- (5) KOI Communications Corp. is a private company wholly owned and controlled by Jackie Cheung.

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

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

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

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

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

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

Escrowed Securities on Qualifying Transaction

Generally, if at least 75% of the securities issued pursuant to the Qualifying Transaction are “Value Securities”, then all the securities issued to Principals of the Resulting Issuer pursuant to the Qualifying Transaction will be deposited into escrow pursuant to a value security agreement (the “**Value Security**”).

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

The principal distinction between a Value Security Escrow Agreement and a Surplus Security Escrow Agreement is the time period for release of securities from escrow. In the case of a Resulting Issuer that will be a Tier 2 issuer when the Final Exchange Bulletin is issued, the Value Security Escrow Agreement provides for a three year escrow release mechanism with 10% of the escrowed securities being releasable at the time of the Final Exchange Bulletin, and 15% of the escrowed securities being releasable every 6 months thereafter 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 an 18 month escrow release mechanism with 10% of the escrowed securities being releasable upon the issuance of the Final Exchange Bulletin, 20% on the date which is 6 months after the Final Exchange Bulletin, 30 % on the date which is 12 months after the Final Exchange Bulletin and 40% on the date which is 18 months after the Final Exchange Bulletin.

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

- (a) the private placement is announced at least five trading days after the news release announcing the Agreement in Principle and the pricing for the financing is at not less than the discounted market price, as determined in accordance with the Policies of the Exchange; or
- (b) the private placement is announced concurrently with the Agreement in Principle and
 - (i) at least 75% of the proceeds from the private placement are not from Principals of the Corporation or the proposed Resulting Issuer,
 - (ii) if subscribers, other than Principals of the Corporation or the proposed Resulting Issuer, will obtain securities subject to hold periods, then in addition to any resale restrictions under applicable securities legislation, any securities issued to such Principals will be subject to a four month hold period, and
 - (iii) none of the proceeds of the private placement are allocated to pay compensation or to settle indebtedness owing to Principals of the Resulting Issuer.

PRINCIPAL SHAREHOLDERS

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

Name and Municipality of Residence of Shareholder	Type of Ownership	Number of Common Shares	Percentage of Common Shares Owned Prior to Giving Effect to the Offering	Percentage of Common Shares Owned After Giving Effect to the Offering ⁽¹⁾⁽⁷⁾
Grand Rock Capital Inc. ⁽²⁾ Vancouver, British Columbia	Direct	2,000,000	50%	25.0%
KOI Communications Corp. ⁽³⁾ Vancouver, BC	Direct	500,000	12.5%	6.25%
Valeo Investments Inc. ⁽⁴⁾ North Vancouver, BC	Direct and Indirect ⁽⁵⁾	600,000	15.0%	7.5%
Louise Raffa North Vancouver, BC	Direct and Indirect ⁽⁶⁾	600,000	15.0%	7.5%

Notes:

- (1) Assuming that no Common Shares are purchased by these persons under the Offering.
- (2) Grand Rock Capital Inc. is a private company wholly owned and controlled by Mr. Kim Oishi, a director, officer and promoter of the Company.
- (3) KOI Communications Corp. is a private company wholly owned and controlled by Jackie Cheung.
- (4) Valeo Investments Inc. is a private company over which Mr. David Raffa, a director of the Company, exercises control and direction.
- (5) Mr. Raffa holds 100,000 common shares indirectly through his wife, Louise Raffa.
- (6) Mrs. Raffa holds 500,000 common shares indirectly through Valeo Investments Inc., a private company over which Mrs. Raffa's husband, David Raffa, exercises control and direction.
- (7) Assuming exercise of the Agent's Warrants and the Directors' and Officers' Options, upon completion of the Offering, on a fully diluted basis, Mr. Kim Oishi and Grand Rock Capital Inc. will together hold 24.18% of the issued and outstanding Common Shares; KOI Communications will hold 5.49% of the issued and outstanding Common Shares; Mr. David Raffa and Valeo Investments will together hold directly and indirectly 8.79% of the issued and outstanding Common Shares and Mrs. Louise Raffa will hold directly and indirectly 8.79% of the issued and outstanding Common Shares.

DIRECTORS, OFFICERS AND PROMOTER

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

Kim Oishi – Vancouver, British Columbia - Chief Executive Officer, Chief Financial Officer, Director and Promoter (Age: 48)

Mr. Kim Oishi is the Founder and President of Grand Rock Capital Inc., a private company that invests in high growth companies, and provides consulting services for investor relations, corporate finance, business development, mergers and acquisitions for companies listed on the Toronto Stock Exchange ("TSX") and the TSX Venture Exchange. He is currently a director of China Health Labs & Diagnostics Ltd., a diagnostic lab solution provider for the public healthcare industry in China (TSXV: CHO). Mr. Oishi has been serving since June 2007 on the board of Zongshen PEM Power Systems Inc., a TSX listed company that manufactures and sells gas and electric motorcycles in China (TSX: ZPP). Mr. Oishi is currently on the board of Doca Capital Corp., a capital pool company (TSXV: DCA.P). In June 2011, Mr. Oishi joined the board of Liberty Mines Inc. (TSX: LBE), a nickel producer located in Ontario. Mr. Oishi has also held board and senior management positions with a number of public and private

companies, including President and then a director of Hanfeng Evergreen (TSX: HF) from 2004 - 2008. Mr. Oishi has a Masters in Business Administration from the University of British Columbia.

Mr. Oishi will devote a commensurate amount of his time to perform the work required in connection with the management of the Corporation and completion of the Qualifying Transaction.

Andrew Cook – Qualicum Beach, British Columbia – Director (Age: 52)

Mr. Cook has been involved in the securities industry since 1980 having initiated several listings of public companies. He is currently CEO and President of Cuprus Mining Corporation, a private gold exploration Company. Formerly, Mr. Cook was the Chief Operating Officer of Black Pearl Minerals Consolidated Inc., a director of CCS Capital Corp. (now China Health Labs & Diagnostics Ltd., TSXV: CHO) and President and Director of Lebon Gold Mines Ltd. He was responsible for the day-to-day operations of these companies as well as financing, liaising with accounting, legal and regulatory processes.

Mr. Cook will devote approximately 10% of his time to perform the work required in connection with the management of the Corporation and completion of the Qualifying Transaction.

Adam Kniec – 150 Mile House, British Columbia – Director (Age: 43)

Mr. Kniec has been the President and sole owner of ArkOrion Enterprises Inc., a private British Columbia company, since August 2007. Mr. Kniec holds a Chartered Accountant's degree from the Institute of Chartered Accountants, British Columbia (since 2002) and a United States Certified Public Accountant designation (Illinois) (since 2003). He is presently Chief Financial Officer of Otterburn Resources Corp. (TSXV; since May, 2010); Smash Minerals Corp. (TSXV; since November, 2010); and Petro Vista Energy Corp. (TSXV since January 2008). He was formerly Chief Financial Officer of Nortec Ventures Corp. (TSXV; October 2007 to January 2009); Frontier Pacific Mining Corporation (TSXV; October 2007 to July 2008); Crosshair Exploration & Mining Corp. (TSX; NYSE; September 2009 to February 2011) and China Health Labs & Diagnostics Ltd. (TSXV; from October 2010 to August 2011). He was a Senior Manager and employee at PricewaterhouseCoopers, Chartered Accountants, Vancouver, B.C. from August 2006 to August 2007 and a Manager and employee of Staley, Okada & Partners, Chartered Accountants, Vancouver, B.C. from February 1998 to July 2006.

Mr. Kniec will devote approximately 10% of his time to perform the work required in connection with the management of the Corporation and completion of the Qualifying Transaction.

David Raffa – Vancouver, British Columbia– Director (Age: 54)

Mr. Raffa has been involved in the securities industry advising on mergers & acquisitions transactions, debt and equity financings, strategic partnering, and governance for over ten years. Mr. Raffa has a Bachelor of Science degree from Simon Fraser University and a Bachelor of Law degree from Osgoode Hall Law School. Mr. Raffa was a founder of BC Advantage Funds (VCC) Ltd., served as Chief Operating Officer and Chief Compliance Officer for close to ten years (retiring December 31, 2011), and currently is completing a one year contract as Portfolio Fund Manager at which point his tenure with Advantage will be completed. Mr. Raffa is currently a Director of Venturi Ventures Inc. (formerly, Urodynamix Technologies Ltd.) (TSXV:VVV) and recently served as a Director of Pacific Harbour Capital Ltd. (now Oceanic Iron Ore) (TSX-V:FEO).

Mr. Raffa will devote approximately 10% of his time to perform the work required in connection with the management of the Corporation and completion of the Qualifying Transaction.

Veronica Vinje– Vancouver, British Columbia– Secretary (Age: 41)

Ms. Vinje currently works as a consultant for private and public companies. Ms. Vinje was previously Investor Relations Manager at Pembroke Mining Corp., a private mineral exploration company, and Administration Manager at Grand Power Logistics Group (TSXV: GPW). From 2005 until 2007, Ms. Vinje served as the Investor Relations Manager at Hanfeng Evergreen (TSX:HF). Prior to working in the financial industry, Ms. Vinje held management positions in the public sector. Ms. Vinje has a diploma in Public Sector Management from the University of Victoria and completed the Canadian Securities Course in 2008.

Ms. Vinje will devote approximately 10% of her time to perform the work required in connection with the management of the Corporation and completion of the Qualifying Transaction.

Other Corporate Information

Pursuant to the provisions of the *Business Corporations Act* (British Columbia), the Corporation is required to have an audit committee. The general function of the audit committee is to review the overall audit plan and the Corporation's system of internal controls, to review the results of the external audit and to resolve any potential dispute with the Corporation's auditor. The audit committee of the Corporation currently consists of Adam Kniec, Andrew Cook and David Raffa.

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

Prior to this Offering, the directors, officers and Promoter beneficially own, directly or indirectly, or have control or direction over, an aggregate of 2,900,000 Common Shares (72.5%) in the capital of the Corporation. See "Principal Shareholders".

Kim Oishi, the Chief Executive Officer, Chief Financial Officer, Director and the Promoter of the Corporation, beneficially owns 2,000,000 Common Shares (50%) in the capital of the Corporation. The 2,000,000 Common Shares are held by Grand Rock Capital Inc., a private company wholly owned and controlled by Mr. Oishi.

Other Reporting Issuer Experience

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

Name of Director, Officer or Promoter	Name of Reporting Issuer	Market	Position	Term From – To
Kim Oishi	Cantronic Systems Inc.	TSXV ⁽¹⁾	Director	03/2009 – 06/2010
	Grand Power Logistics Group Inc.	TSXV ⁽¹⁾	Director	12/2007 – 11/2010
	Hanwei Energy Services Corp.	TSX ⁽²⁾	Senior VP, Finance	05/2007 – 05/2010
	Zongshen PEM Power Systems Inc.	TSX ⁽²⁾	Director	06/2007 - Present
	China Health Labs & Diagnostics Ltd.	TSXV ⁽¹⁾	Director	12/2009 – present

Name of Director, Officer or Promoter	Name of Reporting Issuer	Market	Position	Term From – To
	Doca Capital Corp.	TSXV ⁽¹⁾	Director, CEO and CFO	04/2010 – present
	Liberty Mines Inc.	TSX ⁽²⁾	Director	06/2011 – present
	Hangfeng Evergreen Inc.	TSX ⁽²⁾	Director President	03/2006 – 03/2008 11/2004 – 03/2006
Andrew Cook	Black Pearl Minerals Consolidated	TSXV ⁽¹⁾	COO	09/2003 – 03/2008
	CCS Capital Inc. (now operating as China Health Labs & Diagnostics Ltd.)	TSXV ⁽¹⁾	Director	07/2009 – 10/2010
Adam Kniec	Petro Vista Energy Corp.	TSXV ⁽¹⁾	CFO	01/2008 – present
	China Health Labs & Diagnostics Ltd. (formerly CCS Capital Inc.)	TSXV ⁽¹⁾	CFO	10/2010 – 08/2011
	Crosshair Exploration & Mining Corp.	TSX ⁽²⁾ and NYSE Amex	CFO	09/2009 – 02/2011
	Smash Mineral Corp.	TSXV ⁽¹⁾	CFO	11/2010 - present
	Otterburn Resources Corp.	TSXV ⁽¹⁾	CFO	05/2010 – present
	Nortec Ventures Corp.	TSXV ⁽¹⁾	CFO	10/2007 – 01/2009
	Frontier Pacific Mining Corp.	TSXV ⁽¹⁾	CFO	10/2007 – 07/2008
David Raffa	Voice Mobility International, Inc.	OTCBB ⁽³⁾ NEX	Secretary Director	04/2000 – 03/2006 03/2006 – 04/2009
	BC Advantage Funds (VCC) Ltd.	Not Listed	Fund Manager	01/2004 - present
	Venturi Ventures Inc. (formerly, Urodynamix Technologies Ltd.)	TSXV ⁽¹⁾	Director and President	12/2010 to present
	Oceanic Iron Ore Corp. (formerly Pacific Harbour Capital Ltd.)	TSXV ⁽¹⁾	Director	12/2005 – 09/2010

Notes:

- (1) TSX Venture Exchange
- (2) Toronto Stock Exchange
- (3) OTC Bulletin Board

Corporate Cease Trade Orders or Bankruptcies

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

Penalties or Sanctions

No director, officer, Insider or Promoter of the Corporation, or a shareholder of the Corporation holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a

securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would likely be considered important to a reasonable investor in making an investment decision.

Personal Bankruptcies

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

Conflicts of Interest

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

Executive Compensation

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

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

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

The directors and officers of the Corporation will also be granted the Directors' and Officers' Options. See "Plan of Distribution" and "Options to Purchase Securities".

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

Transaction, if the payment relates to services rendered or obligations incurred or in connection with the Qualifying Transaction.

DILUTION

Purchasers of Common Shares under this prospectus will suffer an immediate dilution of \$0.025 per Common Share or 25% on the basis of there being 8,000,000 Common Shares of the Corporation issued and outstanding following completion of this Offering. Dilution has been computed on the basis of total gross proceeds to be raised by this prospectus and from sales of securities prior to the filing of this prospectus, without deduction of commissions or related expenses incurred by the Corporation, as set forth below:

Item	Total Offering (\$)
Gross proceeds of prior share issues	200,000
Gross proceeds of this Offering	400,000
Total gross proceeds after this Offering	600,000
Offering price per share	0.10
Proceeds per share after this Offering	0.075
Dilution per share to subscriber	0.025
Percentage of dilution in relation to offering price	25%

ELIGIBILITY FOR INVESTMENT

In the opinion of Clark Wilson LLP, counsel to the Corporation, based on the current provisions of the Income Tax Act (Canada) (the “**Tax Act**”) and the regulations thereunder, and any specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, provided that either the Common Shares are listed on a “designated stock exchange” as defined in the Tax Act (which currently includes the Exchange), or the Corporation is a “public corporation”, as defined in the Tax Act, the Common Shares would, if issued on the date hereof, be a “qualified investment” under the Tax Act for trusts governed by registered retirement savings plans (“**RRSPs**”), registered retirement income funds (“**RRIFs**”), deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts (“**TFSAs**”).

The Common Shares are not currently listed on a “designated stock exchange”. However, the Corporation is applying to list the Common Shares on the Exchange prior to the time of Closing. In addition, the Corporation intends to file an election in its tax return for its first taxation year on or before its first filing due date to be deemed to have been a public corporation from the beginning of that taxation year, and the Issuer will provide a covenant in the Agency Agreement to this effect.

Notwithstanding that the Common Shares may be a “qualified investment” for a trust governed by a TFSA, RRSP or RRIF (each, a “**Registered Plan**”) the holder of a TFSA, or an annuitant of an RRSP or RRIF, will be subject to a penalty tax with respect to the Common Shares held in a Registered Plan if such securities are a “prohibited investment” within the meaning of the Tax Act. The Common Shares will generally not be a “prohibited investment” for a Registered Plan provided that the holder or annuitant of the Registered Plan deals at arm’s length with the Corporation for the purposes of the Tax Act and does not have a “significant interest”, as defined in the Tax Act, in the Issuer or in a corporation, partnership or trust that does not deal at arm’s length with the Corporation for the purposes of the Tax Act. **Prospective purchasers who intend to hold Common Shares in a Registered Plan are urged to consult their own tax advisors to ensure that the Common Shares would not constitute a “prohibited investment” in their particular circumstances.**

RISK FACTORS

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

- (a) the Corporation was only recently incorporated, has not commenced commercial operations and has no assets other than cash. It has no history of earnings, and shall not generate earnings or pay dividends until at least after Completion of the Qualifying Transaction;
- (b) investment in the Common Shares offered by this prospectus is highly speculative given the proposed nature of the Corporation's business and its present stage of development;
- (c) the directors and officers of the Corporation will only devote a portion of their time to the business and affairs of the Corporation and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time. See "Directors, Officers and Promoter - Conflicts of Interest";
- (d) assuming completion of the Offering, an investor will suffer an immediate dilution to its investment of \$0.025 per Common Share or 25%;
- (e) there can be no assurance that an active and liquid market for the Corporation's Common Shares will develop and an investor may find it difficult to resell its Common Shares;
- (f) until Completion of a Qualifying Transaction, the Corporation is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions;
- (g) the Corporation has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Corporation will be able to identify a suitable Qualifying Transaction;
- (h) even if a proposed Qualifying Transaction is identified, there can be no assurance that the Corporation will be able to successfully complete the transaction;
- (i) Completion of the Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and, in the case of a Non Arm's Length Qualifying Transaction, Majority of the Minority Approval;
- (j) unless the shareholder has the right to dissent and be paid fair value in accordance with applicable corporate or other law, a shareholder who votes against a proposed Non Arm's Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Corporation of fair value for the Common Shares;
- (k) upon public announcement of a proposed Qualifying Transaction, trading in the Common Shares of the Corporation will be halted and will remain halted for an indefinite period of time, typically until a Sponsor has been retained and certain preliminary reviews have been conducted. The Common Shares of the Corporation will be reinstated to trading before the Exchange has reviewed the transaction and before the Sponsor has completed its full review. Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Corporation completing the proposed Qualifying Transaction;

- (l) trading in the Common Shares of the Corporation may be halted at other times for other reasons, including for failure by the Corporation to submit documents to the Exchange in the time periods required;
- (m) the Exchange will generally suspend trading in the Corporation's Common Shares or delist the Corporation in the event that the Exchange has not issued a Final Exchange Bulletin within 24 months from the date of listing;
- (n) neither the Exchange nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction;
- (o) in the event that management of the Corporation resides outside of Canada or the Corporation identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service of notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts;
- (p) the Qualifying Transaction may be financed in all or part by the issuance of additional securities by the Corporation and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Corporation;
- (q) subject to prior acceptance by the Exchange, the Corporation may be permitted to loan or advance up to an aggregate of \$250,000 of its proceeds to a target business without requiring shareholder approval and there can be no assurance that the Corporation will be able to recover that loan; and
- (r) if the Corporation does not list the Common Shares on the Exchange prior to the time of Closing or does not make an election to be a "public corporation" for purposes of the Tax Act in the manner contemplated under "Eligibility for Investment", adverse tax consequences will arise with respect to any Common Shares held in RRSPs, RRIFs, TFSAs or other deferred plans.

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

LEGAL PROCEEDINGS

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

RELATIONSHIP BETWEEN THE CORPORATION AND THE AGENT

The Corporation is not a "related issuer" or "connected issuer" of the Agent for the purposes of National Instrument 33-105 - Underwriting Conflicts.

RELATIONSHIP BETWEEN THE CORPORATION AND PROFESSIONAL PERSONS

Certain legal matters relating to this Offering will be passed upon by Clark Wilson LLP, Vancouver, British Columbia, on behalf of the Corporation, and by Miller Thomson, LLP, Vancouver, British Columbia, on behalf of the Agent.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditor of the Corporation is PricewaterhouseCoopers LLP, Chartered Accountants at its office at 250 Howe Street, Suite 700; Vancouver, BC, Canada V6C 3S7, who advise that they are independent within the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

Equity Financial Trust Company, at its Vancouver office located at 1185 West Georgia St., Suite 1620, Vancouver BC, Canada V6E 4E6 is the transfer agent and registrar for the Corporation's Common Shares.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

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

MATERIAL CONTRACTS

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

1. Agency Agreement dated ♦, 2012 between the Corporation and the Agent. See "Plan of Distribution".
2. Escrow Agreement dated July 20, 2012 among the Corporation, the Trustee and those shareholders that executed such agreement. See "Escrowed Securities".
3. Stock Option Plan adopted by the board of directors on April 23, 2012.
4. Transfer Agent, Registrar and Dividend Disbursing Agent Agreement dated April 11, 2012 between the Corporation and the Trustee.
5. Stock Option Agreements between the Corporation and each of Kim Oishi, Andrew Cook, Adam Kniec, David Raffa and Veronica Vinje dated April 23, 2012.

Copies of these agreements will be available for inspection at the registered office of the Corporation located at the offices of Clark Wilson LLP, solicitors of the Corporation, located at Suite 800, 885 West Georgia Street, Vancouver, British Columbia V6C 3H1, during ordinary business hours while the securities offered by this prospectus are in the course of distribution and for a period of 30 days thereafter.

OTHER MATERIAL FACTS

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

DIVIDEND POLICY

To date, the Corporation has not paid any dividends on its outstanding Common Shares. The future payment of dividends will be dependent upon the financial requirements of the Corporation to fund

further growth, financial condition of the Corporation and other factors which the board of directors of the Corporation may consider in the circumstances. It is not contemplated that any dividends will be paid in the immediate or foreseeable future.

PROMOTER

Kim Oishi is considered to be the Promoter of the Corporation in that he initiated the organizing of the Corporation. See also “Prior Sales” and “Principal Shareholders”.

PURCHASERS’ STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

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

AUDITOR'S CONSENT

We have read the prospectus of KCO Capital Inc. (the "Company") dated ♦, 2012 relating to the sale and issue of 4,000,000 shares of the Company. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above-mentioned prospectus of our report to the directors of the Company on the statement of financial position of the Company as at May 31, 2012, and the statements of operations and comprehensive loss, changes in shareholders' equity and cash flows for the period ended May 31, 2012. Our report is dated July 18, 2012.

Chartered Accountants

Vancouver, British Columbia

[DATE]

KCO Capital Inc.
FINANCIAL STATEMENTS

For the period from Incorporation on July 29, 2011 to May 31, 2012



July 18, 2012

Independent Auditor's Report

To the Directors of KCO Capital Inc.

We have audited the accompanying financial statements of KCO Capital Inc., which comprise the statement of financial position as at May 31, 2012 and the statement of operations and comprehensive loss, statement of changes in shareholders' equity and statement of cash flows for the period from incorporation on July 29, 2011 to May 31, 2012, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of KCO Capital Inc. as at May 31, 2012 and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards.

signed "PricewaterhouseCoopers LLP"
Chartered Accountants

PricewaterhouseCoopers LLP
PricewaterhouseCoopers Place, 250 Howe Street, Suite 700, Vancouver, British Columbia, Canada V6C 3S7
T: +1 604 806 7000, F: +1 604 806 7806, www.pwc.com/ca

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership, which is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity.

KCO Capital Inc.

Statement of Financial Position
(Expressed in Canadian Dollars)

As at May 31, 2012

Assets

Current

Cash	\$	160,226
GST/HST receivable		2,898
Prepaid expenses		364

163,488

Deferred financing costs (Note 7 (iv))

36,314

\$ 199,802

Liabilities

Current

Accounts payable and accrued liabilities	\$	28,037
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Shareholders' Equity

Share capital (Note 3)	198,739
Share-based payment reserve (Note 3)	21,879
Deficit	(48,853)
	171,765

\$ 199,802

On behalf of the board:

"Kim Oishi", Director

"Adam Kniec", Director

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

KCO Capital Inc.

Statement of Changes in Shareholders' Equity (Expressed in Canadian Dollars)

	Shares of common stock	Share capital	Share- based payment reserve	Deficit	Total
July 29, 2011	- \$	- \$	- \$	- \$	-
Shares issued for cash	4,000,000	198,739	-	-	198,739
Share-based compensation on options granted	-	-	21,879	-	21,879
Net loss	-	-	-	(48,853)	(48,853)
May 31, 2012	<u>4,000,000</u>	<u>\$ 198,739</u>	<u>\$ 21,879</u>	<u>\$ (48,853)</u>	<u>\$ 171,765</u>

KCO Capital Inc.

Statement of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)

For the period from Incorporation on July 29, 2011 to May 31, 2012

Expenses	
Accounting and audit	\$ 21,400
Bank charges	112
Legal	3,821
Office	1,641
Share-based compensation	<u>21,879</u>
Net loss and comprehensive loss	\$ <u>48,853</u>
Basic and diluted loss per share	\$ <u>0.02</u>
Basic and diluted weighted average shares outstanding	<u>2,332,249</u>

KCO Capital Inc.**Statement of Cash Flows**
(Expressed in Canadian Dollars)

For the period from Incorporation on July 29, 2011 to May 31, 2012

Cash flows from operating activities	
Net loss	\$ (48,853)
Items not affecting cash:	
Share-based compensation	21,879
Changes in non-cash working capital	
GST/HST receivable	(2,898)
Prepaid expenses	(364)
Accounts payable and accrued liabilities	28,037
	<u>(2,199)</u>
Cash flows from financing activities	
Deferred financing costs	(36,314)
Proceeds from issuance of share capital	200,000
Share issuance costs	<u>(1,261)</u>
	162,425
Increase in cash	160,226
Cash, beginning of period	<u>-</u>
Cash, end of period	<u>\$ 160,226</u>

KCO Capital Inc.

Notes to the Financial Statements
(Expressed in Canadian Dollars)

May 31, 2012

1. Nature of operations

KCO Capital Inc. ("KCO" or the "Company") was incorporated on July 29, 2011 under the laws of British Columbia. The Company is in the process of completing an initial public offering to be classified as a Capital Pool Company as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4 in order to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities (the "Qualifying Transaction"). Until the completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of assets or business in connection with a potential Qualifying Transaction.

The Company's head office address is #300 - 1055 West Hastings Street, Vancouver, BC, V6E 2E9, Canada.

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

The Company's continuing operations are dependent upon its ability to identify, evaluate and negotiate an agreement to acquire an interest in a material asset or business within 24 months of listing on the TSX-V.

These financial statements were approved by the Board of Directors on July 18, 2012.

2. Significant accounting policies

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

Basis of measurement

The financial statements have been prepared under the historical cost convention.

Cash and cash equivalents

The Company considers cash and cash equivalents to include amounts held in banks and highly liquid investments with remaining maturities at point of purchase of 90 days or less. The Company places its cash and cash equivalents with major financial institutions in Canada.

Deferred financing costs

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

KCO Capital Inc.

Notes to the Financial Statements
(Expressed in Canadian Dollars)

May 31, 2012

2. Significant accounting policies (continued)

Share-based payments

The Company grants stock options to certain directors and employees of the Company. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. Fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model. Compensation expense is recognized over the tranche's vesting period by increasing share-based payment reserve based on the number of awards expected to vest. The number of awards expected to vest is reviewed at least annually, with any impact being recognized immediately.

Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects. The Company records proceeds from the exercise of stock options and warrants as share capital. Share capital issued for non-monetary consideration is recorded at an amount based on fair market value. The proceeds from the issue of units is allocated between common shares and common share purchase warrants on a pro-rata basis on a relative fair value basis, wherein, the fair value of the common shares is based on the market close on the date the units are issued; and the fair value of the common share purchase warrants is determined using the Black-Scholes pricing model.

Income taxes

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

Deferred tax is recorded by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the date of the statement of financial position.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

Loss per share

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

KCO Capital Inc.

Notes to the Financial Statements
(Expressed in Canadian Dollars)

May 31, 2012

2. Significant accounting policies (*continued*)

Use of judgements and estimates

The preparation of financial statements in conformity 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 dates of the financial statements and the reported amounts of revenues and expenses during the reported years. Actual results could differ from those estimates.

Significant areas where management judgment is applied in these financial statements include determination of accrued liabilities, share-based compensation, and the going concern assumption. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future years could be significant.

Financial instruments

Financial assets

Financial assets are classified into one of four categories:

- Fair value through profit or loss ("FVTPL");
- Held-to-Maturity ("HTM");
- Loans and receivables; and
- Available for sale ("AFS").

Financial assets at fair value through profit or loss ("FVTPL")

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated as at FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's risk management strategy. Attributable transaction costs are recognized in profit or loss when incurred. FVTPL are measured at fair value, and changes are recognized in profit or loss.

Held to maturity ("HTM")

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

KCO Capital Inc.

Notes to the Financial Statements
(Expressed in Canadian Dollars)

May 31, 2012

2. Significant accounting policies *(continued)*

Financial instruments *(continued)*

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted on an active market. Such assets are initially recognized at fair value plus any direct attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Available for sale ("AFS")

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

Financial liabilities

Financial liabilities are classified into one of two categories:

- Fair value through profit or loss; and
- Other financial liabilities

Fair value through profit or loss

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

Other financial liabilities

This category includes trade and other payables which are recognized at amortized cost.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting year. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted.

For all financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

KCO Capital Inc.

Notes to the Financial Statements
(Expressed in Canadian Dollars)

May 31, 2012

2. Significant accounting policies (continued)

Financial instruments (continued)

Impairment of financial assets (continued)

For certain categories of financial assets, such as receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Currency transactions and translation

The Company finances its operations and incurs its expenditures primarily in Canadian dollars. The functional currency of the Company is the Canadian dollar, which is also the presentation currency of the financial statements.

Foreign currency transactions are recorded in functional currency based on spot exchange rate at the date of transaction.

The Company translates monetary assets and liabilities denominated in foreign currencies at period-end rates. Non-monetary assets and liabilities are translated at historical rates. The resulting gains or losses are reflected in operating results in the period of translation.

Accounting standards issued but not yet effective

The new accounting standards have no impact on these financial statements.

New standard IFRS 9 "Financial Instruments"

This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". This new standard is effective for annual periods beginning on or after January 1, 2015.

KCO Capital Inc.

Notes to the Financial Statements
(Expressed in Canadian Dollars)

May 31, 2012

2. Significant accounting policies (continued)

Accounting standards issued but not yet effective (continued)

IFRS 10 "Consolidated Financial Statements"

IFRS 10 Consolidated Financial Statements establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. This standard (i) requires a parent entity (an entity that controls one or more other entities) to present consolidated financial statements; (ii) defines the principle of control, and establishes control as the basis for consolidation; (iii) sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee; and (iv) sets out the accounting requirements for the preparation of consolidated financial statements. IFRS 10 supersedes IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation- Special Purpose Entities and is effective for annual periods beginning on or after January 1, 2013, with early application permitted.

IFRS 11 "Joint Arrangements"

IFRS 11 Joint Arrangements establishes the core principle that a party to a joint arrangement determines the type of joint arrangement in which it is involved by assessing its rights and obligations and accounts for those rights and obligations in accordance with that type of joint arrangement. This standard is effective for annual periods beginning on or after January 1, 2013, with early application permitted.

IFRS 12 "Disclosure of Involvements with Other Entities"

IFRS 12 Disclosure of Involvement with other Entities requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. This standard is effective for annual periods beginning on or after January 1, 2013, with early application permitted.

IFRS 13 "Fair Value Measurement"

IFRS 13 Fair Value Measurement defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except for: share-based payment transactions within the scope of IFRS 2 Share-based Payment; leasing transactions within the scope of IAS 17 Leases; measurements that have some similarities to fair value but that are not fair value, such as net realizable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets. This standard is effective for annual periods beginning on or after January 1, 2013, with early application permitted.

KCO Capital Inc.

Notes to the Financial Statements
(Expressed in Canadian Dollars)

May 31, 2012

3. Share capital

a) Authorized share capital

As at May 31, 2012, the authorized share capital of the Company is an unlimited number of common shares without par value.

b) Private placements

On July 29, 2011, in connection with incorporation, the Company issued 1 share of common stock for gross proceeds of \$0.05, to a director of the Company.

On September 8, 2011, the Company completed a private placement of 1,999,999 shares of common stock for gross proceeds of \$99,999.95, to directors and companies controlled by directors of the Company.

On February 29, 2012, the Company completed a private placement of 2,000,000 shares of common stock for gross proceeds of \$100,000.

c) Stock options

On April 23, 2012, the Company adopted a rolling stock option plan ("the plan") whereby directors may, from time to time, authorize the issuance of options to directors, officers, employees and consultants of the Company and its subsidiaries. While the Company is a CPC the aggregate number of shares which may be subject to issuance pursuant to options granted under this Plan shall not exceed 10% of the issued and outstanding shares of the Company as at the closing of its initial public offering, and after the completion of the Company's Qualifying Transaction the maximum number of shares reserved under the Plan shall be up to 10% of the issued and outstanding shares of the Company at any time any options are granted, to a maximum of 10% of the issued and outstanding common shares of the Company at the time of the grant, with a maximum of 5% of the Company's issued and outstanding shares reserved for any one person on a yearly basis.

On April 23, 2012, the Company agreed to grant 700,000 incentive stock options to its directors and officers, which will become effective on the listing date. The options will be exercisable at \$0.10 per share for a period of five years from the date of the closing of the Company's initial public offering. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate. On the date of grant, these options were valued at \$57,000 using the Black-Scholes option-pricing model with the following assumptions:

Stock price volatility	116.30%
Risk-free interest rate	1.61%
Expected life of options	5 years
Expected dividend yield	0.00%

During the period ended May 31, 2012, the Company recorded share-based compensation of \$21,879.

KCO Capital Inc.
Notes to the Financial Statements
(Expressed in Canadian Dollars)

May 31, 2012

4. Financial instruments and risk management

Fair value

Fair values of each classification of financial instruments are as follows:

	Loans and receivables	Other financial liabilities
Financial assets		
Cash	\$ 160,226	\$ -
Financial liabilities		
Accounts payable and accrued liabilities	\$ -	\$ 28,037

Credit risk

The Company's only significant financial asset is cash which is on deposit at a high credit-worthy financial institution.

Market risk

The Company is not subject to significant interest rate risk as none of its financial instruments are interest-bearing, except cash in the bank which is nominal.

Liquidity risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations when they become due, or can only do so at excessive cost. The Company expects to satisfy obligations under accounts payable and accrued liabilities. Management intends to continue to finance its activities by raising funds through equity investments.

5. Income taxes

As of May 31, 2012, the Company has accumulated non-capital losses for Canadian income tax purposes of \$48,853 that may be carried forward to reduce taxable income in future years. If not used, these losses will expire in 2032. Future tax benefits related to these losses have not been recorded due to uncertainty regarding their use.

The Company's income tax provision differs from the taxes that would be obtained by applying the statutory tax rate of 25% due to the unrecognized benefit of non-capital losses carried forward in the amount of \$12,213.

KCO Capital Inc.

Notes to the Financial Statements
(Expressed in Canadian Dollars)

May 31, 2012

6. Capital management

The Company's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders by pricing products commensurately with the level of risk.

The Company sets the amount of capital in proportion to risk. The company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, or sell assets to reduce debt.

The Company is not subject to any externally imposed capital requirements.

7. Initial Public Offering

On February 24, 2012, the Company entered into an Engagement Agreement with Canaccord Genuity Corp. (the "Agent") to act as its agent in connection with its initial public offering ("IPO") of common shares in British Columbia and Alberta. The IPO is for 3,000,000 common shares at \$0.10 per common share for gross proceeds of \$300,000 ("the Offering"). The Company is planning to be listed on the TSX-V. As compensation, the Agent will receive:

- (i) \$30,000 cash commission equal to 10% of the gross proceeds raised under the Offering;
- (ii) 300,000 Agent's Warrants equal to 10% of the number of common shares issued in the Offering, with an exercise price of \$0.10 per share, expiring 24 months after listing on the TSX-V;
- (iii) a \$10,000 administration fee; and
- (iv) reimbursement for expenses, including legal fees, third-party expenses and out of pocket expenses, of which the Company paid \$10,000 as a retainer on February 23, 2012.

DATE: July 26, 2012

CERTIFICATE OF THE CORPORATION

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

/s/Kim Oishi
Kim Oishi
Chief Executive Officer and Chief Financial Officer

ON BEHALF OF THE BOARD

/s/Andrew Cook
Andrew Cook
Director

/s/David Raffa
David Raffa
Director

CERTIFICATE OF THE PROMOTER

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

/s/Kim Oishi
Kim Oishi
Chief Executive Officer, Chief Financial Officer
and Director

DATE: July 26, 2012

CERTIFICATE OF THE AGENT

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

CANACCORD GENUITY CORP.

Per: /s/Frank G. Sullivan
Frank G. Sullivan, Vice-President,
Investment Banking