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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.

Initial Public Offering

September 28, 2012

ZORRO CAPITAL INC.

(a capital pool company)

\$300,000

3,000,000 common shares

Price: \$0.10 per common share

The purpose of this offering (the "**Offering**") is to provide Zorro Capital Inc. (the "**Corporation**") with a minimum of funds with which to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction (as hereinafter defined). Any proposed Qualifying Transaction must be approved by the TSX Venture Exchange Inc. (the "**TSXV**" or the "**Exchange**"), and in the case of a Non Arm's Length Qualifying Transaction (as hereinafter defined), must also receive Majority of the Minority Approval (as hereinafter defined) in accordance with Policy 2.4 of the TSXV Corporate Finance Manual (the "**CPC Policy**"). The Corporation is a capital pool company (a "**CPC**") that 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 business other than the identification and evaluation of businesses or assets with a view to completing a proposed Qualifying Transaction. See "Business of the Corporation" and "Use of Proceeds".

This Offering is being conducted on a commercially reasonable efforts agency basis on behalf of the Corporation by PI Financial Corp. (the "**Agent**") in the Provinces of Alberta and British Columbia and is subject to the receipt by the Corporation of subscriptions for a minimum of 3,000,000 common shares in the capital of the Corporation (the "**Common Shares**") at a price of \$0.10 per share (the "**Offering Price**") for gross proceeds to the Corporation of \$300,000 (the "**Offering Amount**"). See "Plan of Distribution". The Offering Price was determined through negotiations between the Corporation and the Agent. The Offering is subject to a minimum subscription which must be raised within 90 days of the issuance of a receipt for the final prospectus, or such time as may be consented to by the Agent and persons or companies who subscribed within that period, or such other time as may be authorized by the Alberta Securities Commission and British Columbia Securities Commission (collectively, the "**Commissions**"). The funds received from the sale of the Common Shares offered hereunder will be deposited with the Agent, and will not be released until a minimum of the Offering Amount has been deposited. If the minimum subscription is not raised, all subscription monies will be returned to subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent. See "Plan of Distribution".

Pursuant to the CPC Policy, no purchaser of the Common Shares is permitted to directly or indirectly purchase more than 2% of the Offering, or 60,000 Common Shares (\$6,000). In addition, the maximum number of Common Shares that may be directly or indirectly purchased pursuant to the Offering by any purchaser, together with that purchaser's Associates (as hereinafter defined) and Affiliates (as hereinafter defined), is 4% of the Offering, or 120,000 Common Shares (\$12,000).

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

Notes:

- (1) Pursuant to the Agency Agreement (as defined herein), the Agent has agreed to act as the agent of the Corporation in connection with the Offering, and will receive a cash commission of 10% of the gross proceeds of the Offering, which will

amount to \$30,000 assuming the Offering is fully subscribed. In addition, the Agent has received a corporate finance fee of \$10,000, plus GST, which is non-refundable, and will be reimbursed for its expenses, including legal fees, incurred pursuant to this Offering, estimated to be \$10,000, plus applicable taxes and disbursements. The Corporation will also grant to the Agent, and to any sub-agents as the Agent may direct, upon completion of the Offering, non-transferable options to purchase up to 300,000 Common Shares at a price of \$0.10 per Common Share, which may be exercised for a period of 24 months from the date of listing of the Common Shares on the TSXV (the "**Agent's Options**"), which options are qualified for distribution under this prospectus. See "Plan of Distribution".

- (2) Before deducting expenses of this Offering, estimated to be \$31,500, not including the commission, corporate finance fee or expenses (including legal fees of the Agent).
- (3) A total of 3,000,000 Common Shares are offered hereunder, not including the Common Shares to be issued in connection with the exercise of Agent's Options or the incentive stock options which the Corporation intends to grant to its directors and officers to purchase up to an aggregate of 525,000 Common Shares at a price of \$0.10 per Common Share (the "**Incentive Stock Options**"), which Incentive Stock Options are also qualified for distribution under this prospectus. See "Incentive Stock Options". The Incentive Stock Options must be granted within 90 days of the issuance of a receipt for this prospectus.

There is currently no market through which these securities may be sold and the purchaser may not be able to resell these securities. The Corporation has applied for the listing of the Common Shares on the TSXV. Listing will be subject to the Corporation fulfilling all of the requirements of the TSXV, including the distribution of the Common Shares to a minimum number of public shareholders.

Other than the initial distribution of the Common Shares pursuant to this prospectus, the grant of the Incentive Stock Options and the grant of the Agent's Options, trading in all securities of the Corporation is prohibited during the period between the date a receipt for the Corporation's preliminary prospectus is issued by the securities commission that is designated the principal regulator for the Corporation pursuant to Multilateral Instrument 11-102-*Passport System* (the "**Principal Regulator**") and the time the Common Shares are listed for trading on the TSXV except, subject to prior acceptance of the TSXV, where appropriate registration and prospectus exemptions are available under securities legislation or pursuant to an order of the applicable securities regulatory authority.

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 hereby conditionally offers for sale, on behalf of the Corporation and on a "commercially reasonable efforts" agency basis, 3,000,000 Common Shares without nominal or par value at a price of \$0.10 per Common Share. The Common Shares are conditionally offered, subject to prior sale, if, as and when issued and delivered by the Corporation, and accepted in accordance with the conditions contained in the Agency Agreement referred to under "Plan of Distribution" and subject to the approval by Burstall Winger LLP, Calgary, Alberta, on behalf of the Corporation, and by Fraser Milner Casgrain LLP, Calgary, Alberta on behalf of the Agent, of such legal matters for which approval is specifically sought by the Corporation or the Agent.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that one or more global certificates that represent the aggregate number of Common Shares subscribed for under the Offering will be issued in registered form as directed by the Agent and will be available for delivery at the closing of the Offering. The Common Shares subscribed for under the Offering may also be issued on an uncertificated basis. In either case, purchasers of Common Shares will only receive a client 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 to the purchasers in certain limited circumstances only.

PI Financial Corp.
Suite 1900, 666 Burrard Street
Vancouver, BC V6C 3N1
Tel: (604) 664-2900

TABLE OF CONTENTS

GLOSSARY OF TERMS	i
PROSPECTUS SUMMARY	1
THE CORPORATION	1
BUSINESS OF THE CORPORATION	1
Preliminary Expenses of the Corporation	1
Proposed Operations of the Corporation	1
Method of Financing Qualifying Transaction	2
Criteria for Qualifying Transactions	2
REGULATORY AND SHAREHOLDER APPROVAL	2
Filings and Shareholder Approval of a Non Arm's Length Qualifying Transaction	2
Initial Listing Requirements	3
Trading Halts, Suspension and Delisting	4
USE OF PROCEEDS	4
Permitted Use of Proceeds	5
Restrictions on Use of Proceeds	6
Private Placements for Cash	7
Prohibited Payments to Non Arm's Length Parties	7
PLAN OF DISTRIBUTION	7
Agency Agreement, Agent's Compensation and Determination of Price	7
Other Securities to be Qualified	8
Offering and Distribution	8
Determination of Price	8
Listing	9
Subscriptions by and Restrictions on the Agent	9
Restrictions on Trading	9
DESCRIPTION OF SHARE CAPITAL	9
General	9
Common Shares	9
Preferred Shares	10
CAPITALIZATION	10
INCENTIVE STOCK OPTIONS	10
PRIOR SALES	11
ESCROWED SECURITIES	11
Escrowed Securities on Qualifying Transaction	13
PRINCIPAL SHAREHOLDERS	14
DIRECTORS AND OFFICERS	15
General	15
MANAGEMENT AND KEY PERSONNEL	16
Corporate Cease Trade Orders or Bankruptcies	18
Personal Bankruptcies	18
Penalties or Sanctions	19
Share Ownership	19
Positions with Reporting Issuers	19
CONFLICTS OF INTEREST	19
REMUNERATION OF DIRECTORS AND OFFICERS	20
PROMOTER	20
INTEREST OF DIRECTORS, OFFICERS AND OTHERS IN MATERIAL TRANSACTIONS	21
MATERIAL CONTRACTS	21
DILUTION	21
RISK FACTORS	21

LEGAL PROCEEDINGS	23
AUDITORS, TRANSFER AGENT AND REGISTRAR.....	23
RELATIONSHIP BETWEEN THE CORPORATION AND PROFESSIONAL PERSONS	23
RELATIONSHIP BETWEEN THE CORPORATION AND THE AGENT	24
ELIGIBILITY FOR INVESTMENT	24
PURCHASERS' STATUTORY RIGHTS	24
AUDITOR'S CONSENT	25
FINANCIAL STATEMENTS OF THE CORPORATION	1

GLOSSARY OF TERMS

The following is a glossary of terms and abbreviations used frequently throughout this prospectus.

"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" has the meaning assigned thereto under the heading "Plan of Distribution".

"Agent" means PI Financial Corp.

"Agent's Option" has the meaning assigned thereto on page (ii).

"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 outstanding 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 a person or company serves as trustee or in a similar capacity;
- (d) in the case of a person, a relative of that person, including:
 - (i) that person's spouse or child; or
 - (ii) any relative of the person or of his spouse who has the same residence as that person;

but

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

"Board" means the board of directors of the Corporation as it may be constituted from time to time.

"Commissions" has the meaning assigned thereto on the face page of this prospectus.

"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" has the meaning assigned thereto on the face page of this prospectus.

"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 Filing Statement" means the disclosure document of the CPC prepared in accordance with the TSXV Form 3B2 which provides full, true and plain disclosure of all material facts relating to the CPC and the Target Company.

"CPC Information Circular" means the information circular of the CPC prepared in accordance with applicable securities laws and the TSXV Form 3B1 which provides full, true and plain disclosure of all material facts relating to the CPC and the Target Company.

"CPC Policy" has the meaning assigned thereto on the face page of this prospectus.

"Escrow Agreement" has the meaning assigned thereto under the heading "Escrowed Securities".

"Exchange" or "TSXV" has the meaning assigned thereto on the face page of this prospectus.

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

"Incentive Stock Options" has the meaning assigned there to on page (ii).

"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 Corporation 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 a 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.

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

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

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

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

"Offering" has the meaning assigned thereto on the face page of this prospectus.

"Offering Amount" has the meaning assigned thereto on the face page 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 initial public offering ("**IPO**") prospectus or the Final Exchange Bulletin;
- (b) a director or senior officer of the issuer or any of its material operating subsidiaries at the time of the IPO prospectus or Final Exchange Bulletin;
- (c) a **20% holder** - a person or company 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 or company 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.

"Pro Group" means:

(a) Subject to subparagraphs (b), (c) and (d) and (e) "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; and

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

- (i) the Person is an affiliate or associate of the Member is 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.

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

"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 – *Protection of Minority Security Holders in Special Transactions*, together with the Companion Policy 61-101CP, 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.

"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 of the Exchange.

"Sponsor" has the meaning specified in TSXV policy 2.2 - Sponsorship and Sponsorship Requirements.

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

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

PROSPECTUS SUMMARY

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

THE CORPORATION: Zorro Capital Inc.

BUSINESS OF THE CORPORATION: The principal business of the Corporation will be the identification and evaluation of companies, assets or businesses with a view to completing a Qualifying Transaction. The Corporation has not commenced commercial operations, has not identified any potential Qualifying Transactions and has no assets other than a minimum amount of cash. See "Business of the Corporation".

OFFERING: An aggregate of 3,000,000 Common Shares are being offered under this prospectus at a price of \$0.10 per Common Share in the provinces of Alberta and British Columbia. In addition, pursuant to the Agency Agreement, the Corporation will also grant to the Agent, and to any sub-agents as the Agent may direct, the Agent's Options to purchase up to 300,000 Common Shares at a price of \$0.10 per Common Share for a period of 24 months from the date of listing of the Common Shares on the TSXV, which options are qualified under and distributed under to this prospectus. The Incentive Stock Options to be granted to the directors and officers of the Corporation to purchase an aggregate of 525,000 Common Shares at a price of \$0.10 per Common Share for a period of ten years from the date of grant are also to be qualified under and distributed pursuant to this prospectus. See "Plan of Distribution" and "Incentive Stock Options".

USE OF PROCEEDS: The net proceeds to the Corporation from the Offering and prior sales of Common Shares, after the payment of all costs in respect of the Offering, are estimated to be \$331,000. The net proceeds of this Offering and proceeds from prior sales of Common Shares will be used to provide the Corporation with a minimum of funds with which to identify and evaluate companies, assets and businesses with a view to completing a Qualifying Transaction. The Corporation may not have sufficient funds to secure such companies, assets or businesses 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: (i) 30% of the gross proceeds of the Offering and sales of Common Shares prior to the Offering; and (ii) \$210,000, may be used for purposes other than evaluating companies, businesses or assets. See "Use of Proceeds", "Business of the Corporation" and "Risk Factors".

DIRECTORS AND OFFICERS: The directors and officers of the Corporation are: Edward D. Ford; President, Chief Executive Officer, Chief Financial Officer and a Director; Larry Van Hatten, Director; Martin Schultz, Director; and Douglas E. Ford, Secretary.

ESCROWED SHARES:

An aggregate of 2,250,000 Common Shares, being all of the currently issued and outstanding Common Shares, will be deposited into escrow pursuant to the terms of the Escrow Agreement and will be released from escrow in stages over a period of up to three years from 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 recently incorporated, has no active business and owns no business operations or assets, other than cash, has not identified a potential company, asset or business as a proposed Qualifying Transaction and has not entered into an Agreement in Principle. The Corporation does not have a history of earnings, has not paid any dividends and will not generate earnings or pay dividends until at least after the completion of the Qualifying Transaction. **The Offering is suitable only to those investors who are willing to rely entirely on the directors and management of the Corporation and who 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 of 21% or \$0.021 per Common Share. There can be no assurance that an active and liquid market for the Common Shares will develop and an investor may find it difficult to resell the Common Shares. Until Completion of the Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of companies, 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. 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 or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts. See "Business of the Corporation", "Management and Key Personnel", "Directors and Officers", "Use of Proceeds", "Risk Factors" and "Conflicts of Interest".

THE CORPORATION

The Corporation was incorporated pursuant to the provisions of the *Business Corporations Act* (Alberta) on June 18, 2012. The Corporation was registered as an extra provincial corporation in British Columbia on July 20, 2012. The articles of the Corporation were amended by Certificate of Amendment dated September 26, 2012 to delete the private company provisions and the restrictions on share transfers.

The head office of the Corporation is located at #208, 828 Harbourside Drive, North Vancouver, British Columbia, V7P 3R9 and the registered and records office of the Corporation is located at Suite 1600, Dome Tower, 333 - 7th Avenue S.W., Calgary, Alberta T2P 2Z1.

BUSINESS OF THE CORPORATION

Preliminary Expenses of the Corporation

As at the date hereof, the Corporation has incurred or accrued preliminary expenses with respect to legal costs of \$● and auditing costs of \$4,000. Additionally, as at the date hereof, the Corporation has paid the corporate finance fee of \$10,000 (plus GST) to the Agent and provided an advance retainer of \$10,000 in respect of the Agent's expenses including legal expenses, estimated to be approximately \$10,000, to the Agent. Certain of the proceeds of the Offering may be utilized to satisfy the obligations of the Corporation related to the Offering, including the expenses of its auditor, legal expenses and the Agent's estimated expenses. See "Use of Proceeds".

Proposed Operations of the Corporation

The Corporation has not conducted operations of any kind and does not own any assets, other than cash.

The Corporation proposes initially to identify and evaluate companies, assets or businesses with a view to completing a Qualifying Transaction. A Qualifying Transaction must be accepted by the TSXV and in the case of a Non Arm's Length Qualifying Transaction is also subject to the Majority of the Minority Approval of the shareholders of the Corporation in accordance with the CPC Policy. The Corporation has not conducted commercial operations. Once a suitable company, asset or business is identified and evaluated, the Corporation will negotiate the terms under which such company, asset or business may be acquired or participated in by itself or jointly with others.

Until the Completion of a Qualifying Transaction, the Corporation shall not carry on any business, other than the identification and evaluation of companies, assets or businesses with a view to completing a potential Qualifying Transaction. With the consent of the TSXV, this may include the raising of additional funds in order to finance an acquisition. Except as described under "Use of Proceeds", the funds raised pursuant to this Offering and any subsequent financing will be utilized only for the identification and evaluation of a potential Qualifying Transaction 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 a Qualifying Transaction, the Corporation has not yet entered into an Agreement in Principle.

The Corporation is not specifically considering pursuing a company, asset or business in any specific business or industry sector, or in any particular geographical area, and the Corporation anticipates reviewing companies, assets and businesses in a broad range of industry sectors and geographical areas.

Method of Financing Qualifying Transaction

The Corporation will negotiate the terms of the Qualifying Transaction and may use cash, secured or unsecured debt, the issuance of treasury shares, a public equity or debt financing or a combination of the foregoing for the purpose of financing its proposed Qualifying Transaction. **A Qualifying Transaction financed by the issuance of shares from treasury could result in a change of control of the Corporation and may cause shareholders to suffer further dilution to their investment.**

Criteria for Qualifying Transactions

A Qualifying Transaction may arise in numerous ways and management has not placed geographical restrictions on potential Qualifying Transactions. The Corporation has not established pre-determined criteria for potential Qualifying Transactions, other than sound business fundamentals. Such fundamentals include, but are not limited to:

- (a) the ratio of risk to reward;
- (b) the cost effectiveness of the participation or acquisition;
- (c) the length of the payout period; and
- (d) the rate of return.

The Board 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.

REGULATORY AND SHAREHOLDER APPROVAL

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 TSXV generally will halt trading in the Common Shares until the filing requirements of the TSXV have been satisfied as set forth under the heading "Regulatory and Shareholder Approval - Trading Halts, Suspension and Delisting". Within 75 days after issuance of such news release, the Corporation is required to submit for review to the TSXV either a CPC Information Circular that complies with applicable corporate and securities laws, or a CPC Filing Statement that complies with the TSXV requirements. A CPC Information Circular must be submitted where there is a Non Arm's Length Qualifying Transaction. A CPC Filing Statement must be submitted where the Qualifying Transaction is not a Non Arm's Length Qualifying Transaction or where shareholder approval is not otherwise required. The CPC Information Circular or CPC Filing Statement, as applicable, must contain prospectus level disclosure of the Target Company, the Corporation, and assuming Completion of the Qualifying Transaction, and must be prepared in accordance with the CPC Policy and the TSXV Form 3B1/Form 3B2. Upon acceptance by the TSXV, the Corporation must then either:

- (a) file the CPC Filing Statement at www.sedar.com 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 CPC Filing Statement is available at www.sedar.com; or

- (b) mail the CPC 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 TSXV, the Corporation will also be required to retain a Sponsor, who must be a Member of the TSXV, and who will be required to submit to TSXV a report prepared in accordance with the Policies of TSXV. The Corporation will no longer be considered to be a CPC upon TSXV having issued the Final Exchange Bulletin. The TSXV will generally not issue the Final Exchange Bulletin until the TSXV has received:

- (a) in the case of a Non Arm's Length Qualifying Transaction, confirmation of Majority of the Minority Approval of the Qualifying Transaction, if required by the CPC Policy;
- (b) confirmation of closing of the Qualifying Transaction; and
- (c) all post-meeting or final documentation, as applicable, otherwise required to be filed with the TSXV 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 take-over for a period of one year from the Completion of the Qualifying Transaction.

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

- (a) the Resulting Issuer fails to satisfy the initial listing requirements of the TSXV;
- (b) the aggregate number of securities of the Resulting Issuer owned, directly or indirectly, by:
 - (i) a Member and its Affiliates;
 - (ii) registrants, unregistered corporate finance professionals, employee shareholders, partners, officers and directors of the Member; and
 - (iii) Associates of any such persons,

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 a mutual fund as defined under the *Securities Act* (Alberta), or the *Securities Act* (British Columbia);
- (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.

Initial Listing Requirements

The Resulting Issuer must satisfy the TSXV's continued listing requirements for the particular industry sector in either Tier 1 or Tier 2 as prescribed under the applicable policies of the TSXV. The Resulting Issuer must also meet the tier maintenance public distribution requirements for an issuer in its first year of listing under the applicable tier.

Trading Halts, Suspension and Delisting

The TSXV 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 TSXV have been satisfied, which includes the submission by the Sponsor of a sponsorship acknowledgment form where the Qualifying Transaction is subject to sponsorship. In addition, personal information forms and consent forms for all individuals who may be directors, senior officers, promoters, or insiders of the Resulting Issuer must be filed with the TSXV and any preliminary background searches that the TSXV considers necessary or advisable must also be completed, before the trading halt will be lifted by the TSXV.

Even if all filing requirements have been satisfied and preliminary background checks completed, the TSXV 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 TSXV that the halt should be reinstated or continued.

A trading halt may also be imposed by the TSXV 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 TSXV may suspend from trading or delist the Common Shares where the TSXV has not issued a Final Exchange Bulletin within twenty-four (24) months of the date of listing of the Common Shares on the TSXV. In the event that the Common Shares of the Corporation are delisted by the TSXV, 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 remaining assets in some other manner. See "Business of the Corporation - Filings and Shareholder approval of a Non-Arms Length Qualifying Transaction".

If the Corporation has not completed a Qualifying Transaction within the time frame prescribed by the CPC Policy, it may apply for listing on the NEX rather than be delisted. In order to be eligible to list on the NEX the Corporation must comply with the CPC Policy.

USE OF PROCEEDS

The gross proceeds to be received by the Corporation from the combination of prior sales of Common Shares and the sale of the Common Shares offered by this prospectus will be \$412,500.

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

Gross Cash Proceeds to the Corporation from sales prior to this Offering ⁽¹⁾	\$112,500
Gross Cash Proceeds from this Offering ⁽²⁾	<u>\$300,000</u>
Total Gross Proceeds	\$412,500
Commission of the Agent	(\$30,000)
Corporate Finance Fee and Expenses of the Agent ⁽³⁾	(\$20,000)
Legal, Accounting and Other Expenses Relating to the Offering ⁽⁴⁾	(\$31,500)
Estimated Funds Available on Completion of the Offering	<u>\$331,000</u>
Funds Available for Identifying and Evaluating Companies, Assets or Business Prospects ⁽⁵⁾	\$297,000
General and Administrative Expenses until Completion of a Qualifying Transaction	<u>\$33,500</u>
Total Use of Proceeds	<u>\$331,000</u>

Notes:

- (1) See "Prior Sales". There were no expenses or costs incurred with respect to these sales.
- (2) In the event the Agent (or a sub-agent, as applicable) exercises the Agent's Options and the holders exercise the Incentive Stock Options, there will be available to the Corporation a maximum of an additional \$82,500 which will be added to the working capital of the Corporation. There is no assurance that any of the options will be exercised. See "Plan of Distribution".
- (3) Includes the non-refundable corporate finance fee of \$10,000 (plus GST) paid to the Agent and a retainer of \$10,000 for the Agent's expenses.
- (4) Of this amount, \$● has been incurred or accrued to date including \$● on legal fees and \$4,000 on auditor's fees.
- (5) In the event that the Corporation enters into an Agreement in Principle prior to spending the entire \$297,500 on identifying and evaluating companies, assets or businesses, the Corporation may use the remaining funds to finance or partially finance a Qualifying Transaction, or for working capital after Completion of the Qualifying Transaction.

Until required for the Corporation's purposes, the proceeds will only be invested in securities of, or those guaranteed by, the Government of Canada or any Province thereof 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 minimum number of companies, assets or businesses, and additional funds may be required to finance any acquisition to which the Corporation may commit. See "Business of the Corporation" and "Risk Factors".

Permitted Use of Proceeds

The CPC Policy requires that, until the Completion of the Qualifying Transaction and except as otherwise provided by the CPC Policy and as described in this prospectus under the heading "Use of Proceeds - Prohibited Payments to Non Arm's Length Parties", the gross proceeds from the sale of all securities issued by the Corporation will be used by the Corporation only to identify and evaluate companies, assets or businesses, and to obtain shareholder approval for a Qualifying Transaction, if required by the CPC Policy.

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

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

relating to the identification and evaluation of companies, assets or businesses and in the case of a Non Arm's Length Qualifying Transaction, obtaining of shareholder approval for the proposed Qualifying Transaction, if required by the CPC Policy.

In addition, with the prior acceptance of the TSXV, 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 TSXV.

Restrictions on Use of Proceeds

Until completion by the Corporation of a Qualifying Transaction, not more than the lesser of: (i) 30% of the gross proceeds from the sale of all securities issued by the Corporation; and (ii) \$210,000, will be used for purposes other than those described above, including the following expenditures which the CPC Policy specifies as not being expenditures to identify and evaluate companies, assets or businesses:

- (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 (provided that no proceeds shall be used to acquire or lease a vehicle); and (iv) fees for legal advice and audit expenses, other than those related to the Qualifying Transaction.

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 TSXV is obtained before issuance. Prior to the Completion of the Qualifying Transaction, the TSXV 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 permitted by the CPC Policy and described under the heading "Use of Proceeds - Restrictions on Use of Proceeds" and "Incentive Stock Options", the Corporation has not made and until the completion by the Corporation of a Qualifying Transaction, will not make any payment of any kind, directly or indirectly, to a Non Arm's Length Party to the Corporation or 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, directors fees, finder's fees, loans, advances and bonuses; and
- (b) deposits and similar payments.

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

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

Pursuant to the agency agreement dated as of ●, 2012 between the Corporation and the Agent (the "**Agency Agreement**"), the Corporation has appointed the Agent as its agent to offer for distribution on a commercially reasonable efforts agency basis, in the provinces of Alberta and British Columbia to the public, an aggregate of 3,000,000 Common Shares, at a price of \$0.10 per Common Share for aggregate gross proceeds of \$300,000, subject to the terms and conditions in the Agency Agreement. The Offering

Price of \$0.10 per Common Share was established by the Board. The Agent will receive a commission equal to 10% of the gross proceeds of the Offering, being \$30,000, if the total Offering is sold. In addition, the Corporation has paid the Agent a non-refundable corporate finance fee of \$10,000, plus GST, and will reimburse the Agent for expenses (including legal expenses) incurred in connection with to the Offering, estimated to total \$10,000, plus applicable taxes and disbursements. As of the date hereof, the Corporation has paid to the Agent a \$10,000 retainer for legal fees and expenses. The obligations of the Agent under the Agency Agreement may be terminated at the discretion of the Agent on the basis of its assessment of the state of financial markets or upon the occurrence of certain events stated in the Agency Agreement.

The Corporation will grant to the Agent, and to any sub-agents as the Agent may direct, upon the completion of the Offering, the non-transferable Agent's Options to purchase up to 300,000 Common Shares at a price of \$0.10 per Common Share, which may be exercised for a period of 24 months following the date of listing of the Common Shares on the TSXV. The grant of the Agent's Options is qualified by this prospectus. Not more than fifty percent (50%) of the aggregate number of Common Shares issuable upon exercise of the Agent's Options may be sold by the Agent (or the sub-agent, as applicable) prior to the completion of a Qualifying Transaction by the Corporation. The remaining fifty percent (50%) may only be sold after the completion of the Qualifying Transaction.

Other Securities to be Qualified

The Corporation also proposes to grant Incentive Stock Options to purchase 525,000 Common Shares to directors and officers of the Corporation in accordance with the policies of the Exchange which Incentive Stock Options are qualified for distribution under this prospectus. The Corporation will also grant Agent's Options to purchase an additional 300,000 Common Shares which will be qualified for distribution under this prospectus.

Offering and 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, at its discretion, may enter into co-brokerage arrangements with other investment dealers at no additional cost to the Corporation.

The total Offering is 3,000,000 Common Shares for total gross proceeds of \$300,000. The maximum number of Common Shares that may be purchased, directly or indirectly, by any single subscriber to the Offering is 2% of the Offering, or 60,000 Common Shares (\$6,000). In addition, the maximum number of Common Shares that may be directly or indirectly purchased pursuant to the Offering by any purchaser, together with any Associates and Affiliates of such purchaser, is 4% of the Offering, or 120,000 Common Shares (\$12,000).

The funds received from the Offering hereunder will be deposited with the Agent, and will not be released until a minimum of the Offering Amount has been deposited. The total subscription must be raised within 90 days of the date of issuance of a receipt for the final prospectus, or such other time as may be authorized by the Commissions, and agreed to by the Agent and by Persons who subscribed within that period, failing which the funds collected will be remitted to the original subscribers without interest or deduction, unless subscribers have otherwise instructed the Agent.

Determination of Price

The Offering Price of the Common Shares to be distributed hereunder was determined by negotiation between the Corporation and the Agent.

Listing

The Corporation has applied for the listing of its Common Shares on the TSXV. Listing will be subject to the Corporation fulfilling all of the requirements of the TSXV, including the distribution of the Common Shares to a minimum number of public shareholders.

Subscriptions by and Restrictions on the Agent

The Agent has advised the Corporation that to the best of its knowledge and belief neither it nor any member of the Pro Group has subscribed for Common Shares.

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

Restrictions on Trading

Other than the initial distribution of the Common Shares pursuant to this prospectus, the grant of the Incentive Stock Options and the grant of the Agent's Options, trading in all securities of the Corporation is prohibited during the period between the date on which a receipt for the Corporation's preliminary prospectus is issued by the Principal Regulator and the time the Common Shares are listed for trading on the TSXV except, subject to prior acceptance of the TSXV, where appropriate registration and prospectus exemptions are available under securities legislation or pursuant to an order of the applicable securities regulatory authority.

DESCRIPTION OF SHARE CAPITAL

General

The Corporation is authorized to issue an unlimited number of Common Shares without nominal or par value, of which, as at the date hereof, 2,250,000 Common Shares are issued and outstanding as fully paid and non-assessable, 525,000 Common Shares are reserved for issuance upon exercise of the Incentive Stock Options to be granted to directors and officers of the Corporation (10% of the issued and outstanding Common Shares from time to time are reserved under the incentive stock option plan of the Corporation) and 300,000 Common Shares are reserved for issuance upon exercise of the Agent's Options. See "Incentive Stock Options" and "Plan of Distribution".

Common Shares

The holders of Common Shares shall be entitled, subject to the rights, privileges, restrictions and conditions attached to any preferred share, to dividends if, as and when declared by the directors, to one vote per share at meetings of the holders of Common Shares and, subject to the rights, privileges, restrictions and conditions attached to any preferred share, upon liquidation, to receive such assets of the Corporation as are distributable to the holders of the Common Shares. All of the Common Shares to be issued and outstanding upon completion of the Offering will be issued as fully paid and non-assessable.

Preferred Shares

The Corporation is also authorized to issue an unlimited number of preferred shares without nominal or par value, of which, as at the date hereof, none have been issued. The preferred shares may be issued in one or more series, and the directors are authorized to fix the number of shares in each series, and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series. **The preferred shares are entitled to a priority over the Common Shares with respect to the payment of dividends and the distribution of assets upon the liquidation of the Corporation.**

CAPITALIZATION

The following table sets forth information respecting the capitalization of the Corporation as at the dates indicated:

<u>Capital</u>	<u>Authorized</u>	<u>Outstanding as at August 31, 2012⁽¹⁾⁽²⁾⁽³⁾</u>	<u>Outstanding as at the Date Hereof⁽²⁾⁽³⁾</u>	<u>Outstanding After Giving Effect to the Offering⁽²⁾⁽³⁾</u>
Common Shares	Unlimited	\$100,000 (2,000,000 Common Shares)	\$112,500 (2,250,000 Common Shares)	\$412,500 ⁽⁴⁾ (5,250,000 Common Shares)
Preferred Shares	Unlimited	Nil	Nil	Nil

Notes:

- (1) The deficit of the Corporation as at August 31, 2012, the date of the balance sheet of the Corporation included in this prospectus was \$17,346. As at September 28, 2012, the Corporation had not commenced commercial operations.
- (2) The Corporation has also reserved for issuance 10% of the issued and outstanding Common Shares from time to time for the incentive stock option plan of the Corporation. The Corporation intends to grant Incentive Stock Options to purchase 525,000 Common Shares. See "Incentive Stock Options".
- (3) The Corporation has also reserved for issuance up to 300,000 Common Shares to be issued upon exercise of the Agent's Options. See "Plan of Distribution".
- (4) This amount represents gross proceeds of this Offering and of prior issues of Common Shares, before the deduction of selling commissions and related expenses incurred by the Corporation. See "Use of Proceeds".

INCENTIVE STOCK OPTIONS

The Corporation has adopted an incentive stock option plan in accordance with the policies of the TSXV (the "**Stock Option Plan**") which provides that the Board may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding Common Shares exercisable for a period of up to ten (10) years. In addition, the number of Common Shares reserved for issuance to any one person shall not exceed five percent (5%) of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to consultants or employees conducting Investor Relations Activities (as such term is defined by TSXV) will not exceed 2% of the issued and outstanding Common Shares in any twelve (12) month period. However, other than in connection with a Qualifying Transaction, during the time that the Corporation is a CPC, the aggregate number of Common Shares issuable upon exercise of all options granted under the Stock Option Plan shall not exceed 10% of the Common Shares of the Corporation issued and outstanding at the closing of the Corporation's IPO. The Board determines the price per Common Share and the number of Common Shares which may be allotted to each director, officer, employee and consultant and all other terms and conditions of the option, subject to the rules of TSXV. Options are exercisable for a period of up to ten (10) years. If the holder ceases to be a director, officer, employee or consultant of the Corporation, such holder's options must also be exercised within the later of: (i) twelve (12) months after the Completion of the Qualifying Transaction;

and (ii) ninety (90) days from the date of termination of employment or cessation of position with the Corporation, other than by reason of death. The price per Common Share set by the Board shall not be less than the last closing price of the Common Shares on the TSXV prior to the date on which such option is granted, less the applicable discount permitted (if any) by the TSXV. If prior to the exercise of an option, the holder ceases to be a director, officer, employee or consultant of the Corporation, or its subsidiary, the option of the holder shall be limited to the number of shares purchasable by him/her immediately prior to the time of his/her cessation of office or employment and he/she will have no right to purchase any other shares.

The Corporation intends to enter into stock option agreements granting the Incentive Stock Options concurrent with the completion of the Offering, and in any event within 90 days of the issuance of a receipt for this prospectus, as follows:

<u>Name</u>	<u>Number of Common Shares Under Option</u>	<u>Exercise Price Per Common Share</u>	<u>Expiry Date</u>
Edward D. Ford	131,250	\$0.10	Ten years from the date of grant
Larry Van Hatten	131,250	\$0.10	Ten years from the date of grant
Martin Schultz	131,250	\$0.10	Ten years from the date of grant
Douglas E. Ford	131,250	\$0.10	Ten years from the date of grant
Total	<u>525,000</u>		

The Incentive Stock Options to be granted to the directors and officers to purchase an aggregate of 525,000 Common Shares at a price of \$0.10 per Common Share are qualified under and distributed pursuant to this prospectus.

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

PRIOR SALES

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

<u>Date</u>	<u>Number of Common Shares</u>	<u>Issue Price Per Common Share</u>	<u>Aggregate Issue Price</u>	<u>Nature of Consideration Received</u>
June 18, 2012	1	\$0.05	\$0.05	Cash
August 17, 2012	1,999,999	\$0.05	\$99,999.95	Cash
September 12, 2012	250,000	\$0.05	\$12,500	Cash

The 2,250,000 Common Shares issued at a price of \$0.05 per share will be held in escrow. See "Escrowed Securities".

ESCROWED SECURITIES

All 2,250,000 Common Shares issued prior to this Offering at a price below \$0.10 per Common Share and all Common Shares that may be acquired by a Non Arm's Length Party of the Corporation, either under the Offering or otherwise prior to Completion of the Qualifying Transaction, will be deposited with

Computershare Trust Company of Canada under an escrow agreement dated as of September 26, 2012 (the "**Escrow Agreement**"). The Escrow Agreement provides that the Common Shares held thereunder and the beneficial ownership of or interest in them may not be sold, assigned, hypothecated, transferred within escrow, or dealt with in any manner without the prior written consent of TSXV.

All Common Shares acquired on exercise of incentive stock options prior to the Completion of a Qualifying Transaction will be subject to escrow until the Final Exchange Bulletin is issued. In addition, all Common Shares acquired in the secondary market prior to the Completion of a Qualifying Transaction by any person or company who becomes a Control Person, as well as Common Shares acquired by members of the Pro Group prior to this Offering, are required, pursuant to the CPC Policy, to be deposited in escrow and will be deposited pursuant to the Escrow Agreement. Subject to certain exemptions permitted by TSXV all securities of the Corporation held by Principals of the Resulting Issuer, will also be escrowed.

The following table sets out, as at the date hereof, the number of Common Shares (the "**Escrowed Shares**"), which are held in escrow pursuant to the Escrow Agreement:

Name and Municipality of Residence	Number of Shares Held in Escrow⁽¹⁾	Percentage of Shares Outstanding Prior to the Offering	Percentage of Shares After Giving Effect to the Offering⁽¹⁾
Edward D. Ford Whistler, British Columbia	500,000	22.2%	9.5%
Larry Van Hatten ⁽²⁾ West Vancouver, British Columbia	500,000	22.2%	9.5%
Martin Schultz Vancouver, British Columbia	250,000	11.1%	4.8%
Douglas E. Ford West Vancouver, British Columbia	500,000	22.2%	9.5%
Michael Van Dyk West Vancouver, British Columbia	500,000	22.2%	9.5%
Total	2,250,000	100%	42.8%

Notes:

(1) Assuming the shareholders who are a party to the Escrow Agreement do not acquire any Common Shares pursuant to the Offering or exercise their Incentive Stock Options prior to the Final Exchange Bulletin.

(2) Mr. Van Hatten holds all of his 500,000 Common Shares through his holding company Larry Van Hatten Inc.

Where the Escrowed Shares 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 TSXV. Any holding company must sign an undertaking to the TSXV that, to the extent reasonably possible, it will not permit or authorize any issuance of securities or transfer of securities if such issuance or transfer could reasonably result in a change of control of the holding company. In addition, the TSXV may require an undertaking from any control person of the holding company not to transfer the shares of that company.

Pursuant to the Escrow Agreement the Escrowed Shares shall be released as to 10% immediately following the issuance of the Final Exchange Bulletin (the "**Initial Release**") and an additional 15% will

be released on the dates that are six months, twelve months, eighteen months, twenty-four months, thirty months and thirty-six months following the Initial Release.

In the event the Resulting Issuer meets the TSXV's Tier 1 initial listing requirements either at the time of the Final Exchange Bulletin or thereafter, the release of the Escrowed Shares may be retroactively accelerated to be released as follows:

- (a) 25% immediately following the issuance of the Final Exchange Bulletin confirming the Corporation qualifies as a Tier 1 issuer on the TSXV (the "**Tier 1 Initial Release**"); and
- (b) 25% on each of six months, twelve months and eighteen months after the Tier 1 Initial Release.

Any accelerated escrow release will not commence until the Resulting Issuer has made an application to the TSXV for listing as a Tier 1 issuer and the TSXV has issued a bulletin that announces the acceptance for listing of the Resulting Issuer on Tier 1 of the TSXV.

The prior consent of the TSXV must be obtained before a transfer within escrow of Escrowed Shares can be completed. Generally, the TSXV 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 Shares will not be released. Pursuant to the Escrow Agreement, each Non-Arm's Length Party to the Corporation who holds Escrowed Shares acquired at a price below the Offering Price under this prospectus has irrevocably authorized and directed Computershare Trust Company of Canada to immediately:

- (a) cancel all of those Escrowed Shares upon the issuance by the TSXV of a bulletin delisting the Common Shares; or
- (b) if the Corporation lists on NEX, either:
 - (i) cancel all Common Shares purchased by Non-Arm's Length Parties at a discount from the Offering Price in accordance with the CPC Policy; or
 - (ii) subject to the receipt of majority shareholder approval of the Corporation, cancel an amount of Common Shares purchased by Non-Arm's Length Parties so that the average cost of the remaining Common Shares is at least equal to the Offering 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 TSXV, or securities that are otherwise determined by the TSXV 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 on the date 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 is a Tier 2 issuer, when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement provides for a three year escrow release mechanism with 5% of the escrowed securities releasable on the date of the Final Exchange bulletin, 5% on the date which is six 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 on the date 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 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 six 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 TSXV; 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 only Persons who own, legally or beneficially, directly or indirectly, more than 10% of the issued and outstanding Common Shares, are as follows:

Name and Municipality of Residence	Type of Ownership	Number of Shares⁽¹⁾	Percentage of Shares Owned Before Giving Effect to the Offering	Percentage of Shares Owned After Giving Effect to the Offering⁽²⁾
Edward Ford Whistler, British Columbia	Direct	500,000	22.2%	9.5% ⁽⁴⁾
Larry Van Hatten ⁽³⁾ West Vancouver, British Columbia	Indirect	500,000	22.2%	9.5% ⁽⁴⁾
Martin Schultz Vancouver, British Columbia	Direct	250,000	11.1%	4.8% ⁽⁵⁾
Douglas E. Ford West Vancouver, British Columbia	Direct	500,000	22.2%	9.5% ⁽⁴⁾
Michael Van Dyk West Vancouver, British Columbia	Direct	500,000	22.2%	9.5%

Notes:

- (1) These Common Shares are all held in escrow. See "Escrowed Securities".
- (2) Assuming the shareholders do not acquire any Common Shares pursuant to the Offering, which the shareholders have indicated they do not intend to do.
- (3) Mr. Van Hatten holds all of his 500,000 Common Shares through his holding company Larry Van Hatten Inc.
- (4) In the event the shareholder exercises all Incentive Stock Options proposed to be granted to the shareholder (see "Incentive Stock Options"), the shareholder will own, or exercise control or direction over, 631,250 Common Shares representing 10.4% of the issued and outstanding Common Shares, calculated on a fully-diluted basis.
- (5) In the event the shareholder exercises all Incentive Stock Options proposed to be granted to the shareholder (see "Incentive Stock Options"), the shareholder will own, or exercise control or direction over 381,250 Common Shares representing 6.3% of the issued and outstanding Common Shares, calculated on a fully-diluted basis.

As at the date hereof, the 1,750,000 Common Shares legally owned, directly or indirectly, or controlled by, all directors and officers as a group and their Associates and Affiliates, prior to giving effect to the Offering or the exercise of the Incentive Stock Options or Agent's Options, represents 77.8% of the issued and outstanding Common Shares. After giving effect to the Offering and assuming no exercise of Incentive Stock Options or Agent's Options, the directors and officers as a group and their Associates and Affiliates will own or control 1,750,000 Common Shares representing approximately 33.3% of the issued and outstanding Common Shares, assuming the directors, officers and their Associates and Affiliates do not acquire any Common Shares pursuant to the Offering.

DIRECTORS AND OFFICERS

General

The following are the names and municipalities of residence of the directors and officers of the Corporation, their position and offices with the Corporation, their principal occupations during the last five years and the number of Common Shares held by each such individual. See also "Management and Key Personnel".

Name, Municipality of Residence and Position	Present Occupation and Position During the Last Five Years	Number of Common Shares
Edward D. Ford ⁽¹⁾ Whistler, British Columbia President, Chief Executive Officer, Chief Financial Officer Director and Promoter	President of Dockside Capital Group Inc. since 1987.	500,000
Larry Van Hatten ⁽¹⁾ West Vancouver, British Columbia Director	Retired since June 2010. Prior thereto, Partner of Ernst & Young LLP from May 2005 to June 2010.	500,000
Martin Schultz ⁽¹⁾ Vancouver, British Columbia Director	Independent businessman.	250,000
Douglas E. Ford West Vancouver, British Columbia Secretary	Director of Dockside Capital Group Inc. since January 1987. Director and Chief Financial Officer of Rockgate Capital Corp., Rockridge Capital Corp., Bama Gold Corp., Western Pacific Resources Corp. and Falkirk Resources Corp.	500,000

Note:

(1) Member of the Audit Committee of the Corporation. The Corporation does not have a compensation committee or a corporate governance committee.

In addition to any other requirements of the TSXV, the TSXV 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". The directors and officers of the Corporation will devote the time required to achieve the goal of the Corporation to complete a Qualifying Transaction. It is anticipated that Mr. Edward Ford will dedicate approximately 25% of his working time and attention to the business activities of the Corporation and the balance of the directors will dedicate between than 5% and 10% of their working time and attention to the business activities of the Corporation. Time actually spent by the directors and officers of the Corporation will vary according to the needs of the Corporation.

MANAGEMENT AND KEY PERSONNEL

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

Edward D. Ford

Edward D. Ford, age 76, is the President, Chief Executive Officer, Chief Financial Officer and a Director of the Corporation.

A Chartered Accountant, Mr. Ford is founder and President of Dockside Capital Group Inc. a private merchant banking and venture capital firm specializing in providing services to, and arranging funding for, emerging growth companies from 1987 to the present. He has experience in securities markets, working with companies listed on the Canadian stock exchanges, and NASDAQ in the United States. He currently sits as an independent director of North American Nickel Inc. (TSXV: NAN), Rockgate Capital Corp. (TSX: RGT), Rockridge Capital Corp. (TSX: RRC) Falkirk Resources Corp. (TSXV: FLK) and Bama Gold Corp. (TSXV: BMA) – all mineral resource exploration and development companies listed on the Toronto Stock Exchange or TSXV. Mr. Edward Ford owns 500,000 Common Shares, being 22.2% of the issued Common Shares of the Corporation. It is anticipated that Mr. Edward Ford's will dedicate

approximately 25% of his time to the Corporation. Mr. Edward Ford's responsibilities with the Corporation will be to act as the President, Chief Executive Officer, Chief Financial Officer and as a Director of the Corporation and to oversee the day to day business affairs of the Corporation and to search for and review potential business acquisitions.

Larry Van Hatten

Larry Van Hatten, age 62, is a Director of the Corporation.

Mr. Larry Van Hatten was a partner of Ernst & Young LLP, from May 2005 to June 2010, leading its Vancouver assurance practice until announcing his retirement in June 2010. Prior to May 2005, Mr. Van Hatten was the managing partner of Ellis Foster, Chartered Accountants, a Vancouver based firm that merged into Ernst & Young LLP in May 2005. From June 2002 to May 2006, Mr. Van Hatten was a director of Saxon Oil Company (TSXV: SXN), an international oil and gas company engaged in the acquisition, development and production of oil and natural gas reserves. Mr. Van Hatten also served on the board of the BC Children's Hospital Foundation, which he chaired from 1996 to 1999. Mr. Van Hatten is currently a director of Undur Tolgoi Minerals Inc. (CNX: UTM), a CNX-listed exploration company, Kensington Court Ventures Inc. (TSXV: KCT), an exploration company, Vanoil Energy Ltd. (TSXV: VEL) an African oil and gas exploration company and PNG Gold Corporation (TSXV: PGK), a gold exploration and mine development company in Papua New Guinea. Mr. Van Hatten received his Chartered Accountant designation in 1975 and his Fellow Chartered Accountant designation in 2009. In 2010, he completed the academic requirements for the Directors Education Program. Mr. Van Hatten owns 500,000 Common Shares, being 22.2% of the issued Common Shares of the Corporation. It is anticipated that Mr. Van Hatten's involvement with the Corporation will be approximately 10% of his time, on average. Mr. Van Hatten's responsibilities with the Corporation will be to act as a director of the Corporation, on a part-time basis, and to review potential business acquisitions.

Martin Schultz

Martin Schultz, age 68, is a Director of the Corporation.

Subsequent to graduating from the University of Western Ontario with a Masters degree in Business Administration in 1970, Mr. Schultz utilized his substantial marketing skills as Vice President of Marketing of Atlantic Container Line Canada Ltd.; Market Development Officer for Canadian Pacific Railways; Marketing Manager for Okanagan Helicopters Ltd.; and as a Project Executive with the Marine Division of Genstar Ltd. Prior to joining Dockside Capital Group Inc. a private merchant banking and venture capital firm in 1987, Mr. Schultz was a stockbroker with Bache Securities Inc. Mr. Schultz has been a past director of numerous reporting companies listed on the TSXV including North American Nickel Inc. (TSXV: NAN), formerly Gemini International Technology Inc. Mr. Schultz owns 250,000 Common Shares, being 11.1% of the issued Common Shares of the Corporation. It is anticipated that Mr. Schultz's involvement with the Corporation will be approximately 10% of his time, on average. Mr. Schultz's responsibilities with the Corporation will be to act as a director of the Corporation, on a part-time basis, and to review potential business acquisitions.

Douglas D. Ford

Douglas E. Ford, age 49, is the Secretary of the Corporation.

Mr. Ford is Secretary of the Corporation. He is also a director and the Chief Financial Officer of Rockgate Capital Corp. (TSX: RGT), a Toronto Stock Exchange listed resource company. He is also a director and the Chief Financial Officer of Rockridge Capital Corp. (TSXV: RRC), Falkirk Resources Corp. (TSXV:

FLK), Bama Gold Corp. (TSXV: BMA), and Western Pacific Resources Corp. (TSXV: WRP) each of which is a resource company listed on the TSXV. Additionally, he is a director of North American Nickel Inc. (TSXV: NAN) a resource company listed on the TSXV. Mr. Ford has been the General Manager of Dockside Capital Group Inc. a private merchant banking and venture capital firm from 1987 to the present. Mr. Ford also served as Vice President of Bugaboos Eyewear Corp from October 1988 to September 2000. Mr. Ford has been a past director of numerous reporting issuers listed on the TSXV and he holds a Bachelor of Arts degree from the University of British Columbia. Mr. Ford owns 500,000 Common Shares, being 22.2% of the issued Common Shares of the Corporation. It is anticipated that Mr. Ford's involvement with the Corporation will be approximately 5% of his time, on average. Mr. Ford's responsibilities with the Corporation will be to perform the duties of Secretary of the Corporation.

Corporate Cease Trade Orders or Bankruptcies

Other than indicated below, 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 10 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.

Edward D. Ford, was subject to a Cease Trade Order issued by the Alberta Securities Commission on July 25, 1990. At the relevant times preceding the date of issuance of the Cease Trade Order, Mr. Ford was a director of Eleven Business Acquisitions Inc., an Alberta reporting issuer ("**Eleven**"). As a result of Eleven having failed to comply with certain continuous disclosure obligations, the Alberta Securities Commission ordered that Mr. Ford cease trading in all securities as defined in the *Securities Act* (Alberta) for a period of 30 days from the date of the Cease Trade Order.

Douglas E. Ford was an officer of Casey Container Corp., formerly Sawadee Ventures, Inc. ("**Casey**") from September, 2006 to September 12, 2008, a director from September 2006 until January 19, 2009; and was a control person from September 2006 until July 2010. On January 20, 2009, the British Columbia Securities Commission issued a Cease Trade Order against Casey as a result of a failure to file interim financial statements and related management's discussion and analysis for the financial period ended September 30, 2008. Casey subsequently filed the required financial statements and related documents and the Cease Trade Order was revoked on June 10, 2010.

Edward D. Ford and R. Martin Schultz were both directors of North American Nickel Inc., formerly Gemini International Technology Inc. ("**North**"), on June 22, 1992 when the Ontario Securities Commission issued a Cease Trade Order against North as a result of a failure to file annual financial statements for the year ended December 31, 1991 and interim financial statements for the financial period ended March 31, 1992. Subsequent to the issuance of the Cease Trade Order, Douglas E. Ford became a director of North in September of 1992. North subsequently filed the required financial statements and the Cease Trade Order was revoked by the Ontario Securities Commission on July 22, 2010.

Personal Bankruptcies

No director, insider, senior officer, executive officer or promoter of the Corporation, personal holding company of any such persons or shareholder holding sufficient securities of the Corporation to affect materially the control of the Corporation has within the 10 years before the date of this prospectus, as applicable, been declared bankrupt, made a proposal under any legislation relating to bankruptcy or

insolvency, or been subject to or instituted any proceedings, arrangements or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold their assets.

Penalties or Sanctions

Other than indicated below, no director, senior officer, executive officer, promoter or shareholder holding sufficient securities of the Corporation to affect materially the control of the Corporation has been subject to any penalties or sanctions imposed by a court or securities regulatory authority or entered into a settlement agreement relating to securities legislation, promotion or management of a publicly traded issuer, or theft or fraud or been subject to any other penalties or sanctions imposed by a court or regulating body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

Share Ownership

As at the date hereof, the 1,750,000 Common Shares legally owned, directly or indirectly, by the directors and officers as a group and their Associates and Affiliates, prior to giving effect to the Offering, represents 77.8% of the issued and outstanding Common Shares. After completion of the Offering, the 1,750,000 Common Shares to be legally owned, directly or indirectly, by the directors and officers as a group and their Associates and Affiliates will represent approximately 33.3% of the issued and outstanding Common Shares, assuming no directors or officers acquire any Common Shares pursuant to the Offering.

Positions with Reporting Issuers

The following table sets out the proposed directors, officers and promoters of the Corporation that are, or have been within the last five years, directors, officers or promoters of other reporting issuers:

Name	Name of Reporting Issuer	Name of Exchange or Market	Position	From	To
Edward D. Ford	North American Nickel Inc.	TSXV and OTC	Director	March 1990	Present
	Rockgate Capital Corp.	TSX	Director	December 2007	Present
	Falkirk Resources Corp.	TSXV	Director	October 2011	Present
	Rockridge Capital Corp.	TSXV	Director	December 2010	Present
	Bama Gold Corp.	TSXV	Director	March 2008	Present
Larry Van Hatten	Undur Tolgoi Minerals Inc.	CNX	Director	November 2011	Present
	Kensington Court Ventures Inc.	TSXV	Director	August 2010	Present
	Vanoil Energy Ltd.	TSXV	Director	May 2012	Present
	PNG Gold Corporation	TSXV	Director	June 2011	Present
Martin Schultz	North American Nickel Inc.	TSXV and OTC	Director and Secretary	March 1990	April 2010
Douglas E. Ford	Rockgate Capital Corp.	TSX	Director and Chief Financial Officer	January 2005	Present
	Rockridge Capital Corp.	TSXV	Director and Chief Financial Officer	January 2007	Present
	Falkirk Resources Corp.	TSXV	Director and Chief Financial Officer	August 2007	Present
	Bama Gold Corp.	TSXV	Director and Chief Financial Officer	March 2008	Present
	Western Pacific Resources Corp.	TSXV	Director and Chief Financial Officer	August 2012	Present
	North American Nickel Inc.	TSXV and OTC	Director	September 1992	Present
	Casey Container Corp.	NASDAQ	Director, Chief Executive Officer and Chief Financial Officer	September 2006	January 2009

CONFLICTS OF INTEREST

There are potential conflicts of interest to which the directors, officers, insiders and promoters of the Corporation will be subject in connection with the operations of the Corporation. Some of the directors,

officers, insiders and promoters are engaged and will continue to be engaged, directly or indirectly, with corporations or businesses which may be in competition with the Corporation for companies, businesses or assets in order to complete a Qualifying Transaction. Accordingly, situations may arise where some of the directors, officers, insiders and promoters will be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies under the *Business Corporations Act* (Alberta). See "Interests of Directors, Officers and Others in Material Transactions".

REMUNERATION OF DIRECTORS AND OFFICERS

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) finders fees;
 - (v) loans, advances, bonuses; and
- (b) deposits and similar payments.

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

The directors and officers may also be granted stock options to purchase Common Shares. See "Directors and Officers", "Prior Sales", "Principal Shareholders", and "Incentive Stock Options".

Following Completion of the Qualifying Transaction, it is anticipated that the Corporation shall pay compensation to its directors and 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.

PROMOTER

Edward Ford may be considered to be the promoter of the Corporation in that he took the initiative in founding and organizing the Corporation. The promoter has subscribed for and received Common Shares and will be granted stock options to purchase Common Shares. See "Directors and Officers", "Prior Sales", "Principal Shareholders", and "Incentive Stock Options".

INTEREST OF DIRECTORS, OFFICERS AND OTHERS IN MATERIAL TRANSACTIONS

There are no material interests, direct or indirect, of directors, officers, and any shareholder who beneficially owns, directly or indirectly, more than 10% of the outstanding Common Shares or any known Associates or Affiliates of such Persons, in any transaction since incorporation of the Corporation, or in any proposed transaction which has materially affected or would materially affect the Corporation, other than each of the directors has subscribed for common Shares and will be granted the Incentive Stock Options.

MATERIAL CONTRACTS

The Corporation has not entered into any contracts material to investors in the Common Shares since incorporation, other than contracts in the ordinary course of business, except:

1. The Escrow Agreement among the Corporation, Computershare Trust Company of Canada and certain shareholders of the Corporation. See "Escrowed Securities".
2. The Agency Agreement between the Corporation and the Agent. See "Plan of Distribution".
3. A registrar and transfer agency agreement dated as of September 26, 2012 between the Corporation and Computershare Trust Company of Canada. See "Auditors, Transfer Agent and Registrar".

Copies of these agreements will be available for inspection at the offices of the Corporation's counsel, Burstall Winger LLP, at Suite 1600, Dome Tower, 333 - 7th Avenue S.W., Calgary, Alberta T2P 2Z1, at any time 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.

DILUTION

Purchasers of Common Shares under this prospectus will suffer an immediate dilution of 21% or \$0.021 per Common Share on the basis of there being 5,250,000 Common Shares issued and outstanding following completion of this Offering. Dilution has been computed on the basis of total gross proceeds to be raised by this prospectus and from sales of securities prior to filing this prospectus, without deduction of commissions or related expenses incurred by the Corporation.

RISK FACTORS

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

An investment in the Common Shares offered by the prospectus is highly speculative given the proposed nature of the Corporation's business and its present stage of development.

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.

After completion of the Offering, an investor will suffer an immediate dilution to its investment of 21% or \$0.021 per Common Share.

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

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.

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.

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

Completion of a Qualifying Transaction is subject to a number of conditions, including acceptance by the TSXV and, in certain circumstances, Majority of the Minority Approval.

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 is required by CPC Policy and has been given, will have no rights of dissent and no entitlement to payment by the Corporation of fair value for the Common Shares.

Upon the public announcement of a proposed Qualifying Transaction, trading in the Common Shares will be halted and will remain halted for an indefinite period of time, typically until a Sponsor has been retained and certain preliminary reviews have been conducted. The Common Shares will be reinstated to trading before the TSXV 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. Neither the TSXV nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction.

Trading in the Common Shares may be halted at other times for other reasons, including for failure by the Corporation to submit documents to the TSXV in the time periods required.

The TSXV will generally suspend trading in the Common Shares or delist the Corporation in the event that the TSXV has not issued a Final Exchange Bulletin within 24 months from the date of listing of the Common Shares.

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 or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts.

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.

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

As a result of the above factors, the Offering is only suitable to investors who are willing to rely solely on management of the Corporation and **who can afford to lose their entire investment. Those investors who are not prepared to do so should not invest in the Common Shares.** See "Management and Key Personnel", "Directors and Officers", "Conflicts of Interest" and "Use of Proceeds".

LEGAL PROCEEDINGS

Management of the Corporation is not aware of any legal proceedings outstanding, pending, or threatened as at the date hereof, by or against the Corporation.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are Charlton & Company, Chartered Accountants, Suite 1735, Two Bentall Centre, 555 Burrard Street, Box 243, Vancouver, British Columbia V7X 1M9.

Computershare Trust Company of Canada, through its principal offices at 2nd Floor, 510 Burrard Street Vancouver, BC V6C 3B9, is the transfer agent and registrar for the Common Shares.

RELATIONSHIP BETWEEN THE CORPORATION AND PROFESSIONAL PERSONS

The legal counsel of the Corporation is Burstall Winger LLP, Suite 1600, Dome Tower, 333 - 7th Avenue S.W., Calgary, Alberta T2P 2Z1.

The partners and associates of Burstall Winger LLP do not own any Common Shares, but may subscribe for Common Shares pursuant to the Offering.

Legal counsel to the Agent is Fraser Milner Casgrain LLP, 15th Floor, Bankers Court, 850-2nd Street S.W., Calgary, Alberta T2P 0R8.

The partners and associates of Fraser Milner and Casgrain LLP do not own any Common Shares, but may subscribe for Common Shares pursuant to the Offering.

The partners and associates of Charlton & Company, Chartered Accountants, do not own any Common Shares.

RELATIONSHIP BETWEEN THE CORPORATION AND THE AGENT

The Agent for the Offering is PI Financial Corp., Suite 1900, 666 – Burrard Street, Vancouver, British Columbia.

The Agent does not, prior to completion of the Offering, own directly or indirectly, any securities of the Corporation and the only proceeds of the Offering to be received by it is the remuneration to be paid to it in connection with the sale of the Common Shares, which includes the Agent's commission, the corporate finance fee payable to it and the Agent's Options. See "Plan of Distribution".

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

ELIGIBILITY FOR INVESTMENT

In the opinion of Burstall Winger LLP, based on the current provisions of the *Income Tax Act* (Canada) (the "**Tax Act**") and the regulations thereto, 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 the Common Shares are listed on a "designated stock exchange" as defined in the Tax Act (which includes the TSXV) on the closing of the Offering, the Common Shares will, on the closing, be a qualified investment under the Tax Act and the regulations thereto for a trust governed by a registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), registered education savings plan, registered disability savings plan, deferred profit sharing plans and a tax-free savings account ("**TFSA**"). Provided the annuitant of a RRSP or RRIF or the holder of a TFSA deals at arm's length with the Corporation and does not have a "significant interest" (within the meaning of the Tax Act) in the Corporation or in a corporation, partnership or trust that does not deal at arm's length with the Corporation, the Common Shares will not be a "prohibited investment" under the Tax Act for such RRSP, RRIF or TFSA.

PURCHASERS' STATUTORY RIGHTS

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

AUDITOR'S CONSENT

We have read the prospectus of Zorro Capital Inc. (the "**Corporation**") dated September ●, 2012 relating to an offering of 3,000,000 Common Shares of the Corporation. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above-mentioned prospectus of our report to the shareholders of the Corporation on the statement of financial position of the Corporation as at August 31, 2012 and the statement of cash flows for the period from incorporation on June 18, 2012 to August 31, 2012, which report is dated September ●, 2012.

Vancouver, British Columbia
●, 2012

"●"
Charlton & Company

FINANCIAL STATEMENTS OF THE CORPORATION

p | 604.683.3277
f | 604.684.8464

SUITE 1735, TWO BENTALL CENTRE
555 BURRARD STREET
BOX 243
VANCOUVER, BC V7X 1M9



charlton & company
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To: the Shareholders of
Zorro Capital Inc.

We have audited the accompanying financial statements of Zorro Capital Inc., which comprise the statements of financial position as at August 31, 2012 and the statements of operations and comprehensive loss, changes in shareholders' equity and cash flows for the period from date of incorporation June 18, 2012 to August 31, 2012 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 company'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, these financial statements present fairly, in all material respects, the financial position of Zorro Capital Inc. as at August 31, 2012 and its financial performance and cash flows for the period from date of incorporation June 18, 2012 to August 31, 2012 in accordance with International Financial Reporting Standards.

Emphasis of Matters

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates that the Company has incurred losses to date. This condition, along with other matters as set forth in Note 1, indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Vancouver, Canada
September ●, 2012

"●"
CHARTERED ACCOUNTANTS

ZORRO CAPITAL INC.
(A Capital Pool Corporation)
Statement of Financial Position
As at August 31, 2012

Notes

ASSETS

Current assets

Cash and cash equivalents \$99,804

Total assets \$99,804

LIABILITIES

Current liabilities

Accounts payable and accrued liabilities 17,150

Total liabilities 17,150

SHAREHOLDERS' EQUITY

Share capital **4** 100,000

Deficit (17,346)

Total shareholders' equity 82,654

Total liabilities and equity \$99,804

Nature and continuance of operations (Note 1)

Initial public offering (Note 7)

Subsequent Events (Note 8)

APPROVED BY THE DIRECTORS:

Signed: "**Edward Ford**"

Director

Signed: "**Martin Schultz**"

Director

The accompanying notes form an integral part of these financial statements

ZORRO CAPITAL INC.**(A Capital Pool Corporation)****Statement of Comprehensive Loss****For the period from incorporation on June 18, 2012 to August 31, 2012**

	<i>Notes</i>
Expenses	
Bank charges	\$ 346
Filing fees	5,000
Professional fees	<u>12,000</u>
Net loss and comprehensive loss for the period	<u>\$ (17,346)</u>
Basic and diluted loss per common share	<u>\$ (0.00)</u>
Weighted average number of common shares outstanding	<u>-</u>

The accompanying notes form an integral part of these financial statements

ZORRO CAPITAL INC.
(A Capital Pool Corporation)
Statement of cash flow
For the period from incorporation on June 18, 2012 to August 31, 2012

Notes

Cash (used in) / provided by:

OPERATING ACTIVITIES

Net loss for the period	\$ (17,346)
Changes in non-cash working capital items:	
Accounts payable and accrued liabilities	17,150
Net cash used in operating activities	<u>(196)</u>

FINANCING ACTIVITIES

Common shares issued for cash	100,000
Net cash provided by financing activities	<u>100,000</u>

Increase in cash during the period	99,804
Cash and cash equivalents, beginning of period	<u>-</u>
Cash and cash equivalents, end of period	<u>\$ 99,804</u>

Cash paid for:

Interest	-
Income taxes	-
	<u>-</u>

The accompanying notes form an integral part of these financial statements

ZORRO CAPITAL INC.**(A Capital Pool Corporation)****Statement of changes in Shareholders' Equity****For the period from incorporation on June 18, 2012 to August 31, 2012**

	Notes	Number of shares	Share capital	Deficit	Total
Balance at June 18, 2012		-	\$ -	\$ -	\$ -
Loss for the period		-	-	(17,346)	(17,346)
Shares issued for cash	4	2,000,000	100,000	-	100,000
Balance at August 31, 2012		2,000,000	\$ 100,000	\$ (17,346)	\$ 82,654

The accompanying notes form an integral part of these financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

Zorro Capital Inc. (the "**Company**") was incorporated under the *Business Corporations Act* (Alberta) on June 18, 2012 and is classified as a Capital Pool Company ("**CPC**") as defined in the TSX Venture Exchange ("**TSX-V**") Policy 2.4. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business, subject to receipt of shareholder approval and acceptance by regulatory authorities, that will meet the definition of a "Qualifying Transaction" ("**QT**") as defined in Policy 2.4 of the TSX-V. The head office, principal address and records office of the Company are located at Suite 208 – 828 Harbourside Drive, North Vancouver, British Columbia V7P 3R9.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company's continuing operations, as intended, are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an interest in properties, assets or businesses which qualifies as QT. Such an acquisition will be subject to regulatory approval and may be subject to shareholder approval. Should the Company be unable to complete such a transaction, its ability to raise sufficient financing to maintain operations may be impaired and accordingly, the Company may be unable to realize on the carrying value of its net assets.

These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are presented in Canadian dollars, which is the Company's functional and reporting currency and are prepared in accordance with and using accounting policies in full compliance with the International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board ("**IASB**") and Interpretations of the International Financial Reporting Interpretations Committee ("**IFRIC**"), effective for the Company's reporting for the period ended August 31, 2012. These financial statements are prepared on a historical cost basis except for certain financial instruments classified as fair value through profit or loss ("**FVTPL**"), which are stated at their fair value. The accounting policies have been applied consistently throughout the entire period presented in these financial statements, which include the following:

a. Use of estimates

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities. The estimates and associated assumptions are based on anticipations and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. There have been no judgments made by management in the application of IFRS that have a significant effect on these financial statements.

b. Cash and cash equivalents

Cash and cash equivalents are comprised of cash in banks, unrestricted cash held in lawyer's trust accounts for general purpose and all short-term investments that are highly liquid in nature, cashable, and have an original maturity date of three months or less. As at August 31, 2012, there is \$Nil included as cash equivalents.

c. Shared-based payments

The Company may grant stock options to buy capital stock of the Company to directors, officers and employees from time to time. The board of directors grant such options for periods of up to ten years, with vesting periods determined at its discretion and at prices equal to or greater than the closing market price on the day preceding the date the options were granted.

The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the period that the employees earn the options. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

d. Deferred income taxes

Deferred income tax assets and liabilities are recognized for deferred income tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs. To the extent that the Company does not consider it more likely than not that a deferred income tax asset will be recovered, the deferred income tax assets is reduced. Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to offset current tax assets against liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

e. Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average share outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

The 2,000,000 common shares outstanding as of August 31, 2012 are contingently cancelable and will be excluded from the weighted average number of shares outstanding.

d. Financial instruments

All financial instruments are recorded initially at fair value. In subsequent periods, all financial instruments are measured based on the classification adopted for the financial instruments: held to maturity, loans and receivables, fair value through profit or loss ("**FVTPL**"), available-for-sale, FVTPL liabilities or other liabilities.

FVTPL assets and liabilities are subsequently measured at fair value with the change in the fair value recognized in net income (loss) during the period.

Held to maturity assets, loans and receivable, and other liabilities are subsequently measured at amortized cost using the effective interest rate method.

Available for sale assets are subsequently measured at fair value with the change in fair value recorded in other comprehensive income (loss), except for equity instruments without a quoted market price in active market and whose fair value cannot be reliably measured, which are measured at cost.

The Company has classified its financial instruments as follows:

Financial Instrument	Classification
Cash and cash equivalents	FVTPL
HST receivable	Loans and receivable
Accrued liabilities	Other liabilities

The Company's financial instruments measured at fair value on the statement of financial position consist of cash and cash equivalents. Cash and cash equivalents are measured at level 1 of the fair hierarchy. There are three levels of the fair value hierarchy as follows:

Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2: Values based on quoted prices in markets that are not active or models inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3: Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

e. Impairment

i) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred income tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets (the "cash-generating unit").

An impairment loss is recognized if the carrying amount of a cash-generating unit exceeds its estimated recoverable amount. The recoverable amount of an asset or a cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cost flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the assets. Impairment losses are recognized in net income (loss).

Impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exist. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent

that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss has been recognized.

ii) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in net income (loss) and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through net income (loss).

f. Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit. Other comprehensive income consists of changes to unrealized gain and losses on available for sale financial assets, changes to unrealized gains and losses on the effective portion of cash flow hedges and changes to foreign currency translation adjustments of self-sustaining foreign operations during the period. Comprehensive income measures net earnings for the period plus other comprehensive income. Amounts reported as other comprehensive income are accumulated in a separate component of shareholders' equity as Accumulated Other Comprehensive Income. To date there has not been any other comprehensive income.

g. Deferred share issuance costs

Costs related to shares not yet issued are recorded as deferred share issuance costs. These costs will be deferred until the issuance of the shares to which the costs related, at which time the costs will be charged against the related shares issuance or charged to operations if the shares are not issued. Current deferred share issuance costs relate directly to the proposed issuance of shares by the Company, as disclosed in Note 7. Upon completion of the initial public offering, the costs will be charged against capital stock.

h. Business investigation costs

All costs incurred to identify and evaluate assets or business acquisitions are expensed as incurred.

i. Future changes in accounting policies

The following standards have been issued but are not yet effective:

1. Amendments to IFRS 7 Financial Instruments: Disclosures. This amendment will be effective for annual period beginning on or after July 1, 2011. The amendments increase in disclosure with regards to the transfer of financial assets, especially if there is a disproportionate amount of transfer transactions that take place around the end of a reporting period.
2. IFRS 9 Financial Instruments. This new standard will be effective for annual periods beginning on or after January 1, 2013. The new standard is a partial replacement of IAS 39 Financial Instruments: Recognition and Measurement.

The Company is currently evaluating the impact of the above standards on its financial performance and financial statements disclosures but expects that such impact will not be material.

3. CASH RESTRICTION

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or \$60,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the TSX-V policy 2.4.

4. CAPITAL STOCK

a. Authorized: unlimited common shares without par value unlimited preferred shares without par value

b. Issued and Outstanding:

	Number of Shares	Amount
Common shares issued for cash	2,000,000	\$ 100,000
Balance as at August 31, 2012	2,000,000	\$ 100,000

Common shares were issued at \$0.05 per common share on June 18, 2012 as incorporation shares. During the period ended August 31, 2012, the Company issued 2,000,000 common shares at a price of \$0.05 per common share for total proceeds of \$100,000. Upon closing of the prospectus disclosed in Note 7, these shares, together with any shares issued subsequently, will be subject to a CPC Escrow Agreement. These common shares will be held in escrow and will be released pro-rata to the shareholders as to 10% of the escrow shares upon issuance of notice of final acceptance of a Qualifying Transaction by the TSX-V and as to the remainder in six equal tranches of 15% every six months thereafter for a period of 36 months. These escrow shares may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities. If the Company does not receive final acceptance of a Qualifying Transaction and is delisted, the shares may be cancelled and proceeds returned to the shareholders.

The Company has adopted an incentive stock option plan (the "Option Plan") dated August 31, 2012 which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with TSX-V requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares. Included in the Option Plan are provisions that provide that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company and that the number of common shares reserved for issuance pursuant to options granted to all consultants will not exceed 2% of the issued and outstanding common shares within any 12-month period. At the discretion of the Board of Directors of the Company, options granted under the Option Plan can have a maximum exercise term of 5 years from the date of grant or 10 years in the case of a Charitable Option. Vesting terms will be determined at the time of grant by the Board of Directors. As at and during the period ended August 31, 2012, no options were granted or outstanding.

5. CAPITAL DISCLOSURES

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity and cash and cash equivalents as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans,

the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners. Cash consists of cash held in trust, at a major Canadian chartered bank and is insured by the Canadian Deposit Insurance Corporation (CDIC). The Company is not subject to any capital requirements imposed by a regulator other than the cash restriction disclosed in note 3.

6. FINANCIAL INSTRUMENTS

As at August 31, 2012, the Company's financial instruments consists of cash at bank, and accounts payable and accrued liabilities. They are categorized as follows:

The Company has classified fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements as follows:

Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

Cash is carried at level 1 fair value measurement and marketable securities are carried at level 2 fair value measurement. All of the other items are valued at level 3 fair value measurement.

1. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Company does not have any financial instruments with any credit risks.

2. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company's financial obligations are limited to accounts payable and accrued liabilities, all of which have contractual maturities of less than a year.

3. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no interest-bearing debt. The Company's sensitivity to interest rates is minimal.

4. Foreign Currency Exchange Risk

The Company currently has no significant operations denominated in foreign currencies. Management believes there is no significant foreign currency exchange rate risk.

7. INITIAL PUBLIC OFFERING

Pursuant to a letter agreement dated as of August 31, 2012 and accepted on September 4, 2012 (the "**Letter Agreement**") with PI Financial Corp. (the "**Agent**"), the Company has agreed to file a prospectus

for an initial public offering ("**IPO**" or the "**Offering**"), pursuant to the policies of TSX-V governing CPCs, in British Columbia and Alberta to sell 3,000,000 common shares at \$0.10 per common share for gross proceeds of \$300,000. The Agent will receive a commission of 10% of the gross proceeds of this Offering, a corporate finance fee fee of \$10,000 (paid) and will be reimbursed for its expenses, including the Agent's legal fees. The Agent has been paid an initial retainer of \$10,000 towards these expenses. The Agent will also be granted non transferable option ("**Agent's Warrants**") to purchase common shares equal to 10% of the total number of common shares sold under this Offering at an exercise price of \$0.10 per common share, exercisable for a period of 24 months from the date of listing of the common shares on TSX-V.

Concurrent with the closing of the Company's initial public offering, the Company will grant 525,000 stock options (the "**Incentive Stock Options**"), with an exercise price of \$0.10 per common share, exercisable for a period of 10 years.

8. SUBSEQUENT EVENT

Subsequent to the period ended August 31, 2012, the Company issued 250,000 common shares at a price of \$0.05 per common share for total proceed of \$12,500. Upon closing of the Offering disclosed in Note 7, these shares will be subject to a CPC Escrow Agreement disclosed in Note 4.

CERTIFICATE OF THE CORPORATION

Dated: September 28, 2012

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

"Edward D. Ford"

Edward D. Ford

President, Chief Executive Officer, Chief Financial Officer and Director

ON BEHALF OF THE BOARD

"Larry Van Hatten"

Larry Van Hatten
Director

"Martin Schultz"

Martin Schultz
Director

CERTIFICATE OF THE PROMOTER

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

"Edward D. Ford"

Edward D. Ford

CERTIFICATE OF THE AGENT

Dated: September 28, 2012

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

PI FINANCIAL CORP.

Per: "Carol Ellis"
Carol Ellis
Vice President Investment Banking