

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. The information disclosed on this page is a summary only. Purchasers should read the entire Offering Memorandum for full details about the Offering. This is a risky investment. See Item 8 - Risk Factors.

OFFERING MEMORANDUM

Date: May 14, 2010

The Issuer: Jaymor Capital Ltd. (the “Corporation” or the “Issuer”)
Address: 105 West Beaver Creek Road, Unit 9
 Richmond Hill, Ontario, L4B 1C6
Phone #: (905) 882-1212
Fax #: (905) 882-1216
Email: info@jaymorgroup.com

Currently listed or quoted? No. These securities do not trade on any exchange or market.

Reporting Issuer? No.

SEDAR filer? No.

The Offering

| | |
|--|---|
| Securities Offered | 10% Series 2010A and 9%* Series 2010B redeemable Bonds (collectively referred to herein as the “Bonds”, “bonds” or “Securities”). (* 7.5% if the Series 2010B Bonds are redeemed by June 30, 2012.) See Item 5.1 – Terms of Securities. |
| Price Per Security | \$100 per Bond |
| Minimum Offering | \$100,000 (1,000 Bonds) |
| Maximum Offering | \$10,000,000 (100,000 Bonds) |
| Minimum Subscription Per Investor | \$10,000 (100 Bonds) |
| Payment Terms | Payment in full by trust cheque or bank draft of the subscription price is to be made with the delivery of a duly executed and completed subscription agreement. See Item 5.2 - Subscription Procedures. |
| Proposed Closing Date(s) | Closings will take place periodically at the Corporation’s discretion on the final business day of each month. The closing of the Minimum Offering of \$100,000 is expected to occur on or before June 30, 2010. |
| Income Tax Consequences | There are important income tax consequences to these securities. See Item 6 - Income Tax Consequences and Deferred Plan Eligibility. |
| Selling Agents | The Corporation reserves the right, as allowed by applicable securities legislation, to retain agents to help effect sales of the Bonds. If an agent is retained, the agent will be paid aggregate fees and commissions of up to 10% of the gross proceeds realized on the Bonds sold by such agent. The Corporation may compensate its employees, consultants, officers and directors by payment up to 10% of the gross proceeds realized on the sale of Bonds not sold by an agent. The Lead Agent will also be paid an Agency Fee equal to 1% of the gross proceeds realized on the sale of the Bonds. See Item 7 – Compensation Paid to Sellers and Finders. |

Resale restrictions: You will not be able to sell the Bonds except in very limited circumstances. You may never be able to resell these securities. **See Item 10 - Resale Restrictions.**

Purchaser’s rights: You have 2 business days to cancel your agreement to purchase the Bonds. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the agreement. **See Item 11 - Purchasers’ Rights.**

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NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains forward-looking statements. These statements relate to future events or the Corporation's future performance. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "targeting", "intend", "could", "might", "continue" or the negative of these terms or other comparable terminology. These statements are only predictions. In addition, this Offering Memorandum may contain forward-looking statements attributed to third-party industry sources. Undue reliance should not be placed on these forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur and may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The forward-looking statements contained in this Offering Memorandum are expressly qualified by this cautionary statement. The Corporation is not under any duty to update any of the forward-looking statements after the date of this Offering Memorandum to conform such statements to actual results or to changes in the Corporation's expectations except as otherwise required by applicable legislation.

GLOSSARY OF TERMS

In this Offering Memorandum, unless the context otherwise requires, the following words and terms shall have the indicated meanings and grammatical variations of such words and terms shall have corresponding meanings:

"Affiliates" mean those persons who are affiliates, as defined in the *Securities Act* (Ontario), as at the date of this Offering Memorandum;

"Agency Fee" means the fee to be paid to the Lead Agent through which the Units will be offered and sold as compensation for the Lead Agent's role in the distribution of the Units;

"Agents" means the various dealers through which the Units will be offered and sold;

"Associates" where used to indicate a relationship with any person has the same meaning as in the *Securities Act* (Ontario) and shall also include any person who does not deal at arm's length with the Corporation within the meaning of the Tax Act;

"Bonds" mean the Series 2010A and Series 2010B redeemable bonds offered herein;

"Bondholder" means a holder of Bonds purchased by a Subscriber pursuant to this Offering Memorandum;

"CRA" means the Canada Revenue Agency;

"Deferred Plan" means an RRSP, RRIF, RESP and/or TFSA;

"Finance Fees" means fees that the Corporation is to pay to Target pursuant to the Target Agreement equal to the greater of \$2,500 or 1/2 of 1% on funds raised between \$500,000 and \$5,000,000 from Deferred Plans pursuant to this Offering and 1/4 of 1% on funds raised from Deferred Plans pursuant to this Offering that are in excess of \$5,000,000;

"Jaymor Affiliates" means parties related to the Corporation and affiliated with the Promoter, including related corporations and partnerships that are controlled and managed by the principals, directors and officers of the Corporation, William P. Myers and Fabrizio G. Lucchese, which include syndicators, promoters, owners and asset managers of Canadian and U.S. real estate and real estate investment products;

"Jaymor Affiliates Loans" or "Loans" means the loans contemplated between the Corporation and the Jaymor Affiliates as more particularly referred to in Item 2.9.1 herein;

"KMC" means KMC Capital Inc., a private Alberta corporation which is related to Target by common officers and directors;

"Lead Agent" means Becksley Capital Inc.;

"Maximum Offering" means 100,000 Bonds (\$10,000,000);

"Minimum Offering" means 1,000 Bonds (\$100,000);

"NI 45-106" means National Instrument 45-106 - Prospectus and Registration Exemptions;

"Offering" means the offering of Bonds pursuant to this Offering Memorandum;

"Offering Memorandum" means this offering memorandum dated May 14, 2010 as amended or supplemented;

"Promoter" means The Jaymor Group Inc., a corporation incorporated pursuant to the laws of the Province of Ontario and related to the Corporation through common officers and directors;

"Regulations" means the Income Tax Regulations;

"RRSP" means Registered Retirement Savings Plan as defined under the Tax Act;

"RESP" means Registered Education Savings Plan as defined under the Tax Act;

"RRIF" means Registered Retirement Income Fund as defined under the Tax Act;

"Securities" means the Bonds issued by the Corporation pursuant to this Offering;

"Subscribers" means parties who subscribe for Bonds pursuant to this Offering;

"Target" means Target Capital Inc., a publicly traded company listed on the TSX Venture Exchange and trading under the symbol "TCI";

"Target Agreement" means an agreement between the Corporation and Target dated March 26, 2010 as more particularly referred to in Items 2.2 and 2.9.2 herein;

"Tax Act" means the *Income Tax Act* [Canada];

"TFSA" means a Tax-Free Savings Account as defined under the Tax Act;

"Winding-Up Event" means the event of a reduction of capital or the liquidation, dissolution or winding up of the Corporation or other distribution of property or assets of the Corporation among its shareholders for the purpose of winding up its affairs.

In this Offering Memorandum, references to "dollars" and \$ are to the currency of Canada unless otherwise indicated.

ITEM 1 - USE OF AVAILABLE FUNDS

1.1 Available Funds

The following table discloses the available funds following this Offering:

| | | Assuming Minimum Offering | Assuming Maximum Offering |
|---|---|---------------------------|---------------------------|
| A | Amount to be raised by this Offering | \$100,000 | \$10,000,000 |
| B | Selling commissions and fees ⁽¹⁾ | \$10,000 | \$1,000,000 |
| C | Estimated offering costs (e.g. legal, accounting, audit) ⁽²⁾ | \$22,000 | \$22,000 |
| D | Available Funds: D = A – (B + C) | \$68,000 | \$8,978,000 |
| E | Finance Fees ⁽³⁾ | Nil | Nil |
| F | Additional sources of funding required ⁽⁴⁾ | Nil | Nil |
| G | Working capital ⁽⁵⁾ | \$2,000 | \$2,000 |
| H | Total: H = D + G | \$70,000 | \$8,980,000 |

(1) This may vary based on allocation. It is assumed that 50% of the Bonds sold will be Series 2010A Bonds and 50% will be Series 2010B Bonds. **See Item 7 - Compensation Paid to Sellers and Finders.**

(2) The estimated costs include consulting, auditing and tax opinion costs associated with this Offering of which a portion has been paid to KMC, a related party, * and legal costs. All offering costs have been paid on the Corporation's behalf by Jaymor Securities Ltd., a related party, and will be reimbursed from the proceeds.

(3) Pursuant to the terms of the Target Agreement, the Corporation shall pay Target ** Finance Fees. In each year that the fees are payable, the Finance Fees will range from a minimum of \$2,500 and a maximum of \$37,500 assuming the Maximum Offering together with applicable taxes. The Corporation intends to pay Finance Fees from interest earned on the Jaymor Affiliates Loans.

(4) Jaymor Securities Ltd. has advanced \$2,500 and GST thereon to Target on behalf of the Corporation with respect to the initial amount of Finance Fees. **See Item 2.9.2 - Agreement with Target.** The Corporation does not require additional funds from other sources to advance its business objectives.

(5) The Corporation currently has working capital of \$2,000 as at May 14, 2010 on account of the excess of its share capital. The sum of \$14,500 with GST thereon has been advanced to the Corporation by Jaymor Securities Ltd. to pay for the Offering costs paid to KMC, legal expenses and Finance Fees paid to Target and will be repaid to Jaymor Securities Ltd. from the net proceeds of this Offering.

* The President of Target is also the President of KMC. The CEO of Target is the sole shareholder of KMC. The Corporation has engaged KMC to assist in structuring the terms of this Offering and to engage auditors and obtain a tax opinion on behalf of the Corporation in the preparation of this Offering Memorandum. KMC has been paid a consulting fee in the amount of \$12,000 and GST thereon for performing these services, a portion of which KMC will use to pay auditing and tax opinion costs associated with the Offering on the Corporation's behalf.

** Target presently holds 60% of the issued and outstanding Class A Preferred Shares of the Corporation.

1.2 Use of Available Funds

The following table provides a detailed breakdown of how the Corporation will use the available funds following this Offering in the 12 months following the date of this Offering Memorandum:

| Description of intended use of available funds listed in order of priority | Assuming Minimum Offering | Assuming Maximum Offering |
|--|---------------------------|---------------------------|
| The available funds following this Offering shall be loaned by the Corporation to the Jaymor Affiliates * as further described in Item 2.3 and Item 2.9.1. | \$70,000 | \$8,980,000 |
| Total | \$70,000 | \$8,980,000 |

* As of the date of this Offering, The Jaymor Group Inc. owns 40% of the issued and outstanding Class A Preferred Shares of the Corporation. The officers and directors of the Corporation are also officers and directors of The Jaymor Group Inc. and the Jaymor Affiliates and collectively own 100% of the issued and outstanding shares of The Jaymor Group Inc.

1.3 Reallocation

The Corporation intends to use the net proceeds as stated. The Corporation will reallocate the available funds following this offering only for sound business reasons.

ITEM 2 - BUSINESS OF THE CORPORATION

2.1 Structure

The Corporation is a corporation incorporated under the *Business Corporations Act* (Ontario) pursuant to a Certificate of Incorporation dated March 25, 2010. The Corporation's head and registered office is located at 105 West Beaver Creek Road, Unit 9, Richmond Hill, Ontario, L4B 1C6. The Corporation is controlled by Target. For additional information with respect to Target, please see www.sedar.com.

2.2 Voting Control – Target

Voting control of the Corporation by Target is to ensure that the Bonds issued pursuant to this Offering are a qualified investment for Deferred Plans. **See Item 6 - Income Tax Consequences and Deferred Plan Eligibility.**

Target's control and interest in the Corporation is to earn Finance Fees and not to participate in the profits of the Corporation pursuant to the Target Agreement. **See Item 2.9.2 - Agreement with Target.** Specifically:

- (a) Target's shares in the Corporation are non-participating (i.e. are not entitled to dividends);
- (b) The Target Agreement states that Target cannot acquire any additional shares of the Corporation without the approval of the majority of the minority shareholders of the Corporation;
- (c) Target cannot increase the Finance Fees pursuant to the Target Agreement without the approval of the majority of the minority shareholders of the Corporation;
- (d) Target will not sell its shares of the Corporation while the Target Agreement is in force and will, upon the termination of the Agreement, return all of its shares to the treasury of the Corporation for six hundred dollars; and
- (e) Target will not benefit from its position as a shareholder except as described in the Target Agreement. Should it receive any benefit in addition to the Finance Fees provided for in the Target Agreement, the benefit will be returned to the Corporation for the sum of 10 dollars.

An investor in the Bonds offered under this Offering Memorandum should understand that Target's assets and management are not in any way committed to the activities of the Corporation other than voting its shares in the Corporation at shareholder meetings of the Corporation. Target does not encourage or discourage an investment in the Corporation.

2.2.1 Release of Target

As a term of this Offering, Subscribers are required to grant Target a specific release in the form attached as Schedule E to the Subscription Agreement (the "Target Release"). Pursuant to the terms of the Target Release, the Subscriber will acknowledge that:

- (a) Target's assets and management are not in any way committed to the activities of the Corporation other than voting its shares at shareholder meetings of the Corporation. Further, the Subscriber acknowledges that Target has not performed any due diligence on the Corporation, its assets or its management and does not encourage or discourage an investment in the Corporation;
- (b) Target owes no fiduciary duty of care or any other duty to Subscribers in connection with the Bonds issued under this Offering;

- (c) Target shall not be liable to Subscribers for any liabilities, losses or damages suffered or incurred by Subscribers in connection with this investment, including any default by the Corporation in the payment of interest and/or repayment of the principal of the Bonds issued pursuant to this Offering; and
- (d) the Subscriber will release and forever discharge Target, together with its officers, directors, servants, employees, agents and other representatives from any and all actions, causes of action, claims, demands or other liability of any nature or kind howsoever arising, including, without limitation, any and all claims, past or present, and which may arise in the future, in any way related to the Subscriber's investment in the Bonds or the acquisition of the Bonds from the Corporation.

All Subscribers are encouraged to seek independent legal advice before executing and delivering the Target Release.

2.3 Our Business

The Corporation is in a start-up phase of development and has not carried out business prior to this Offering and has no financial or development history. Since incorporation, the Corporation has been engaged in preparation for this Offering which has included, among other things, putting in place a management team and board of directors and retaining legal counsel.

The Corporation is raising funds pursuant to this Offering for the purpose of loaning its available funds following this Offering to the Jaymor Affiliates.

The Jaymor Affiliates intend to use funds advanced by the Corporation as follows (collectively the "Loans" and individually a "Loan"):

- (a) as deposits on real estate acquisitions; and
- (b) to provide first or second mortgage financing with respect to real estate projects undertaken by the Jaymor Affiliates; and
- (c) to provide working capital to the Jaymor Affiliates; and
- (d) to provide funding for real estate ventures and capital investments in properties; and
- (e) for other requirements for real estate-oriented opportunities as may materialize from time to time at the sole discretion of the directors of the Corporation.

The Offering is a "blind pool" offering. Although the net proceeds of this Offering will be loaned by the Corporation to the Jaymor Affiliates, the properties and entities to which the Loans will relate have not yet been determined nor have the Jaymor Affiliates to whom the Loans will be advanced been determined.

The Corporation will, in its sole discretion without notice to or approval from any Bondholders, analyze and select the Jaymor Affiliates and properties to which it will advance Loans, which discretionary authority may be exercised at any time and from time to time without notice to or consent from any Bondholders.

The Subscription Agreement to be signed by Subscribers will contain a specific acknowledgement that funds from the Jaymor Affiliates Loans will not be considered to be a breach of fiduciary or other duty and will not give rise to any obligation by the Jaymor Affiliates or their respective officers, directors or shareholders to account to the Corporation or its bondholders for any profit made by the Jaymor Affiliates from the use of the Loan proceeds by the Jaymor Affiliates.

The officers and directors of the Corporation are also the officers, directors and shareholders of the Promoter and are or will be the officers and directors and shareholders of the Jaymor Affiliates to whom the loans will be made.

2.4 Development of Business

Contingent on the amount of funds raised pursuant to this Offering, the Corporation shall loan the net proceeds of this Offering to Jaymor Affiliates for the purposes set forth in Item 2.3 - Our Business. **See Item 2.9.1 - Loan Agreements with the Jaymor Affiliates.**

2.5 Offering Structure

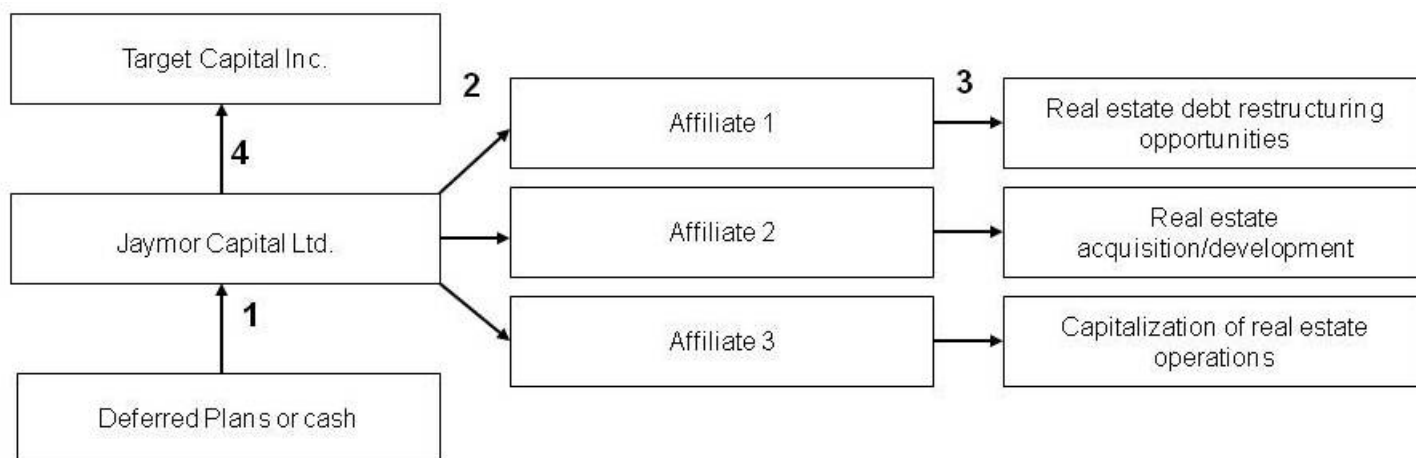
Funds from Deferred Plans may be used to purchase Bonds pursuant to this Offering based on the advice of Collins Barrow Calgary LLP. **See Item 6 - Income Tax Consequences and Deferred Plan Eligibility.**

No advance income tax ruling has been applied for or received with respect to the income tax consequences described in this Offering Memorandum. **See Item 8 - Risk Factors.**

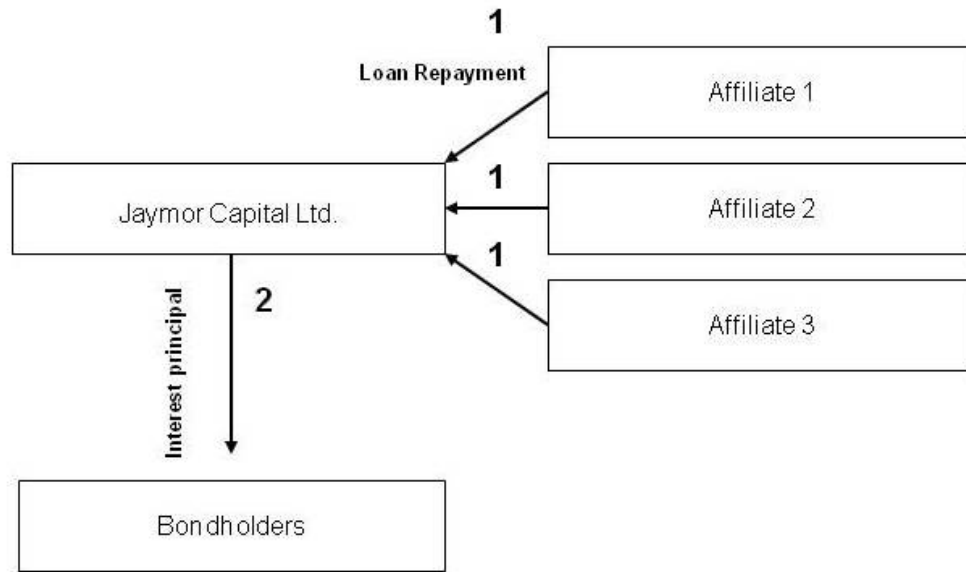
Subscribers should consult their own legal and tax advisors for advice with respect to this Offering.

2.5.1 Investment Flow Chart

The following represents the distribution of funds from a Subscriber pursuant to this Offering to the Corporation and further to the Jaymor Affiliates:



- 1) Subscribers purchase Bonds with funds from Deferred Plans or cash.
- 2) The Corporation lends funds to the Jaymor Affiliates to facilitate real estate projects undertaken by the Jaymor Affiliates. **See Item 2.3.1 - Our Business and Item 2.9.1 - Loan Agreements with the Jaymor Affiliates.**
- 3) The number of Jaymor Affiliates to which Loans will be advanced or the projects or the properties to which Loans will relate are not presently known to the Corporation.
- 4) The Corporation pays Finance Fees to Target. **See Item 2.9.2 - Agreement with Target.**



- 1) The Jaymor Affiliates pay principal and interest to the Corporation pursuant to the Loans.
- 2) The Corporation pays principal and interest to its Bondholders.

2.6 Long-Term Objectives

The Corporation's long-term goal is to manage the collection of interest and principal from the loans to the Jaymor Affiliates and to provide a return of principal and interest to purchasers of the Bonds pursuant to this Offering.

2.7 Short-Term Objectives and How the Corporation Intends to Achieve Them

The Corporation's goal is to raise a minimum of \$100,000 by June 30, 2010 for the purpose of loaning the net proceeds of this Offering to the Jaymor Affiliates. The amount to be loaned is contingent upon the amount of proceeds raised pursuant to this Offering.

The following outlines the Corporation's short-term objectives and the methods and costs associated with the achievement thereof.

| What we must do and how we will do it | Target completion date | Our cost to complete |
|---|------------------------|----------------------|
| Raise a minimum of \$100,000 and advance the net available funds pursuant to the Jaymor Affiliates Loans. | 2 months | \$32,000 * |

* Includes estimated costs associated with the Offering including \$10,000 of commissions and fees and an estimated \$22,000 of offering costs. See Item 1.1 – Available Funds.

2.8 Insufficient Funds

The majority of the proceeds raised pursuant to this Offering will be committed to the Jaymor Affiliates Loans. The Corporation does not intend to hold any significant cash reserves other than those amounts necessary to pay for all management, administration and operating expenses incurred by the Corporation in the conduct of its business. The proceeds of this Offering may not be sufficient to accomplish all of the Corporation's proposed objectives.

2.9 Material Agreements

The following are the key terms of all material agreements which the Corporation has or expects to enter into and which can reasonably be regarded as presently being material to the Corporation or a prospective purchaser of the Bonds being offered pursuant to this Offering.

2.9.1 Loan Agreement(s) with the Jaymor Affiliates

The Corporation expects to enter into multiple loan agreements with the Jaymor Affiliates on the following terms:

- (a) **Loan Amounts:** \$10,000 to a maximum amount of \$10,000,000. The loan amounts will be contingent upon the amount of funds raised pursuant to this Offering and interest earned on the Loans;
- (b) The Corporation will not be required to advance the Loans unless it raises the Minimum Offering amount pursuant to this Offering;
- (c) **Interest Rates:** The Corporation will charge interest on the Loans at a rate at least 1% per annum in excess of the Corporation's cost of funds;
- (d) **Maturity Dates of the Loans:** no later than June 30, 2015;
- (e) **Payments:** Monthly payments of interest only will be made on the first day of each month. Principal amounts and any unpaid interest are to be repaid on the respective Maturity Dates of the Loans.
- (f) **Security:** The Loans shall be secured by various means, including general security agreements securing the present and after-acquired personal property of the Jaymor Affiliates, mortgages and pledges of partnership interests in favour of the Corporation;
- (g) **Pre-Payment:** Pre-payment provisions for the Loans may vary; and
- (h) **Additional Terms:** All fees, costs and interest incurred by the Corporation with respect to this Offering and the Loans shall be payable by the Jaymor Affiliates to the Corporation.

2.9.2 Agreement with Target *

The Corporation has entered into an agreement with Target dated March 26, 2010, the terms of which are summarized below:

- (a) Target shall vote on its shares at shareholders meetings of the Corporation.
- (b) The Corporation shall pay Target an annual Finance Fee equal to the greater of \$2,500 or 1/2 of 1% on funds raised between \$500,000 and \$5,000,000 from funds raised from Deferred Plans pursuant to this Offering. Any funds raised from Deferred Plans in excess of \$5,000,000 will be subject to a reduced annual Finance Fee of ¼ of 1%.
- (c) The term of the Target Agreement is for a minimum period of 2 years.
- (d) The Target Agreement is renewable upon mutual agreement between Target and the Corporation.
- (e) The Corporation agrees that if Target is sued by Subscribers who have invested in the Bonds, the Corporation will reimburse Target for any legal expenses or damages incurred by Target with respect to defending itself in the lawsuit(s) in question.

See Item 2.2 - Voting Control - Target for additional terms of the Target Agreement.

The Corporation anticipates that the Target Agreement will continue for the term of the Bonds offered pursuant to this Offering.

* As of the date of this Offering, Target owns 60% of the issued and outstanding Class A Preferred Shares of the Corporation. **See Item 3.1 - Compensation and Securities Held.**

ITEM 3 - DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

3.1 Compensation and Securities Held

The following table provides specified information about each director, officer and promoter of the Corporation and each person who directly or indirectly beneficially owns or controls 10% or more of any class of voting securities of the Corporation (a "Principal Holder"). Where the Principal Holder is not an individual, the following table provides the name of any person that directly or indirectly, beneficially owns or controls more than 50% of the voting rights of the Principal Holder. The Corporation has not completed its first financial year and no compensation has been paid since its inception:

| Name and municipality of principal residence | Position held | Compensation paid by the Corporation since inception and the compensation anticipated to be paid in current financial year | Number, type and percentage of securities held after completion of the Minimum Offering | Number, type and percentage of securities held after the completion of the Maximum Offering |
|--|------------------------|--|---|---|
| Target Capital Inc. Calgary, Alberta | shareholder | \$37,500 ⁽¹⁾ | 60,000 Class A Preferred Shares (60%) | 60,000 Class A Preferred Shares (60%) |
| Fabrizio G. Lucchese Woodbridge, Ontario | President and Director | Nil | Nil | Nil |
| William P. Myers Richmond Hill, Ontario | Secretary and Director | Nil | Nil | Nil |
| The Jaymor Group Inc. ⁽²⁾ Richmond Hill, Ontario | shareholder | Nil | 40,000 Class A Preferred Shares (40%) 100,000 Class B Common Shares (100%) | 40,000 Class A Preferred Shares (40%) 100,000 Class B Common Shares (100%) |

(1) Assuming the maximum amount payable pursuant to the Target Agreement. See Item 2.9.2 - Agreement with Target.

(2) The officers and directors of the Corporation are also officers and directors of The Jaymor Group Inc.

3.2 Management Experience

The names and principal occupations of each of the officers and directors of the Corporation over the past five years are as follows:

| Name | Principal occupations and related experience |
|-----------------------------------|---|
| Fabrizio G. Lucchese President | Fabrizio G. Lucchese has been involved with Jaymor Securities Ltd. since 1991. He became a Secretary of Jaymor Securities Ltd. and The Jaymor Group Inc. in 1996. He is presently the President of The Jaymor Group Inc. and continues as Secretary of Jaymor Securities Ltd. Mr. Lucchese is also the founder, director, and President of Becksley Capital Inc., a limited market dealer, and the President of Jaymor U.S.A., Inc. |
| William P. Myers Secretary | Prior to founding Jaymor Securities Ltd. in 1990 and The Jaymor Group Inc. in 1992, William P. Myers was a Vice-President of Northern Telecom Canada Limited from 1987 to 1990 and a Director and Vice-President of Unisys Canada from 1983 to 1987. |

Each of Fabrizio G. Lucchese and William P. Myers have been, and are, involved with other offerings of securities, including offerings of bonds, limited partnership interests and shares.

3.3 Penalties, Sanctions and Bankruptcy

There are no penalties, sanctions or cease-trade orders in effect for a period of more than 30 consecutive days that have been in effect during the last ten (10) years against an officer, director or control person of the Corporation or against a company of which any of the foregoing was an officer, director or control person. No declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets has been in effect during the last ten (10) years with regard to those individuals or any companies of which any of those individuals was an officer, director or control person at that time.

ITEM 4 - CAPITAL STRUCTURE

4.1 Share Capital

| Description of Security | Number authorized to be issued | Number outstanding as of May 14, 2010 | Number outstanding assuming completion of Minimum Offering | Number outstanding assuming completion of Maximum Offering |
|--------------------------|--------------------------------|---------------------------------------|--|--|
| Class A Preferred Shares | Unlimited | 100,000 | 100,000 | 100,000 |
| Class B Common Shares | Unlimited | 100,000 | 100,000 | 100,000 |

Class A Preferred Shares and Class B Common Shares

- (a) The Corporation is authorized to issue an unlimited number of Class A Preferred Shares ("Class A Shares") having attached thereto, as a class, the following rights, privileges, restrictions and conditions:

Voting Rights - The holders of the Class A Shares (the "Class A Shareholders") shall be entitled to receive notice of, to attend and to vote at all meetings of the shareholders of the Corporation. Each Class A Share shall confer on the holder thereof the right to one vote in person or by proxy at all meetings of shareholders of the Corporation.

Dividend Entitlement - The Class A Shareholders are not entitled to participate in the profits of the Corporation and are not entitled to receive any dividends.

Entitlement on Dissolution or Winding Up - In a Winding-Up Event:

- (i) Prior to the Class A Shareholders receiving any consideration on the occurrence of a Winding-Up Event, any bondholders of the Corporation at the time of such Event shall be entitled to receive from the Corporation the Redemption Amount in priority to any distribution of any of the Corporation's assets or property to the Class A Shareholders. If the Corporation does not have sufficient property or assets to pay the aggregate of the Redemption Amount then each bondholder will be entitled to their pro rata share of the Corporation's property or assets in priority to the Class A Shareholders; and
 - (ii) The holders of the Class A Shares shall be entitled to receive an amount equal to the aggregate amount paid up capital on the Class A Shares held by them respectively after repayment of the aggregate Redemption Amount and, in the event that there is not sufficient property or assets to return the entire amount of paid up capital thereon to all shareholders, the amount available for distribution shall be distributed to the shareholders on a pro rata basis according to the number of Class A Shares owned by each shareholder.
- (b) The Corporation is authorized to issue an unlimited number of Class B Common Shares ("Class B Shares") having attached thereto, as a class, the following rights, privileges, restrictions and conditions:

Voting Rights - The holders of the Class B Shares (the "Class B Shareholders") shall be not be entitled to receive notice of, to attend or vote at any meetings of the shareholders of the Corporation.

Dividend Entitlement - The Class B Shareholders have the right, subject to any preferential rights attaching to any other class or series of shares of the Corporation, to receive dividends as, when and if declared on the Class B shares by the Corporation. No dividend may be declared or paid on the Class B Shares if payment of the dividend would cause the realizable value of the Corporation's assets to be less than the aggregate of its liabilities and the amount required to redeem any Bonds issued by the Corporation then outstanding having attached thereto a right of redemption or retraction.

Entitlement on Dissolution or Winding Up - The Class B Shareholders have the right, subject to any preferential rights attaching to any Bonds issued by the Corporation, to share in the remaining property of the Corporation upon dissolution after all the Class A Shareholders have received payment of the aggregate amount of paid up capital held by each Class A Shareholder.

4.2 Long-Term Debt

As of May 14, 2010, the Corporation has no outstanding long-term debt other than \$14,500 which has been advanced to it by Jaymor Securites Ltd. and which is to be repaid from the net proceeds of this Offering.

In the event the Corporation is successful in raising funds pursuant to this Offering, it will have the following unsecured debt obligations to subscribers through the issue of Bonds offered by the Corporation pursuant to this Offering:

| Description of Security | Number authorized to be issued | Number outstanding as at May 14, 2010 | Number outstanding assuming completion of Minimum Offering | Number outstanding assuming completion of Maximum Offering |
|---|--------------------------------|---------------------------------------|---|--|
| Fixed-rate redeemable 10% Series 2010A and 9% Series 2010B Bonds ⁽¹⁾ | 100,000 | Nil | 1,000 ⁽¹⁾ Representing a debt obligation of \$100,000 to subscribers under this Offering plus applicable interest thereon | 100,000 ⁽¹⁾ Representing a debt obligation of \$10,000,000 to subscribers under this Offering plus applicable interest thereon |

⁽¹⁾ If a Bondholder exercises the right of early redemption with respect to Series 2010B Bonds, the rate of interest will be 7.5% per annum for the period from the date of issuance until the date of redemption. See Item 5.1 - Terms of Securities for the terms of the Bonds offered pursuant to this Offering.

4.3 Prior Sales

As of May 14, 2010, there are 100,000 Class A Shares of the Corporation issued and outstanding.

| Date of issuance | Type of security issued | Number at securities issued | Price per security | Total funds received |
|------------------|-------------------------|-----------------------------|----------------------------|----------------------|
| March 25, 2010 | Class A Shares | 40,000 | \$0.01 per 1 Class A Share | \$ 400 |
| March 26, 2010 | Class A Shares | 60,000 | \$0.01 per 1 Class A Share | \$ 600 |
| March 25, 2010 | Class B Shares | 100,000 | \$0.01 per 1 Class B Share | \$1,000 |

ITEM 5 - SECURITIES OFFERED

5.1 Terms of Securities

Securities: The securities being offered pursuant to this Offering are fixed-rate redeemable Bonds. The price of each Bond is \$100. The minimum number of Bonds that may be purchased by a subscriber is one hundred (100) Bonds for a minimum investment of \$10,000. There is no maximum number of Bonds allocated to any Purchaser.

Maturity and Redemption: The Bonds shall mature on June 30, 2015 (the Maturity Date"). Subject to the rights of early redemption enumerated below, the Corporation shall redeem the Bonds on the Maturity Date through the payment of the principal amount of the Bonds plus all accrued and unpaid interest thereon to the date of repayment.

Right of Early Redemption (the Corporation): At any time during the final 3 years of the term of the Bonds or any renewal thereof, the Corporation may redeem a Bondholder's Bonds by providing the Bondholder with 90 days written notice of its intention to do so and by paying all accrued but unpaid interest, the principal amount of the Bonds and an interest adjustment payment calculated on the principal amount of the Bonds of 1% for each year or portion thereof remaining in the term until maturity.

Right of Early Redemption of the Series 2010B Bonds: At any time during the initial 21 months of the term of the Series 2010B Bonds, the holder of Series 2010B Bonds may submit a written request for redemption of the Bondholder's Series 2010B Bonds. The Corporation will then accelerate the maturity of the Series 2010B Bonds and pay all accrued but unpaid interest and the principal amount of the Series 2010B Bonds at the end of the 24th month after the issuance of the Series 2010B Bonds.

Interest:

Series 2010A Bonds

Each Series 2010A Bond will entitle the holder thereof to simple interest at a fixed rate of 10% per annum to accrue from the date of issue until redemption by the Corporation.

Interest payments payable to the holders of the Series 2010A Bonds shall be made on the final day of each month, commencing on the last day of the 1st full month after the issuance of the Bond.

Series 2010B Bonds

Each Series 2010B Bond will entitle the holder thereof to simple interest as follows:

- (i) at a fixed rate of 7.5% per annum until June 30, 2012 to accrue from the date of issue until June 30, 2012; and
- (ii) if the right of early redemption option as referred to above lapses unexercised, the rate of interest will reset to a fixed rate of 9% per annum retroactive to the date of issuance until redemption by the Corporation. All accrued and unpaid interest due to the retroactive increase in the interest rate from the date of issuance of the Series 2010B Bonds until June 30, 2012 will be paid on redemption by the Corporation.

Interest payments payable to the holders of the Series 2010B Bonds shall be made on the last day of each fiscal quarter during the term of the Series 2010B Bonds, specifically on March 31, June 30, September 30 and December 31 in each year, commencing on September 30, 2010.

Earlier Interest Payments Permissible

The Corporation may make earlier interest payments to the Bondholders at the sole discretion of the Corporation based on the availability of the cash flow of the Corporation. All accrued interest shall, in any event, be paid on the aforementioned dates.

5.2 General Matters Relating to the Bonds

Obligations Unsecured: The Corporation's debt obligations represented by the Bonds are unsecured obligations and will rank *pari passu* amongst themselves and with all other unsecured and unsubordinated obligations of the Corporation except for such preferences as provided for under applicable law.

Funding of Redemption: Management of the Corporation shall have sole discretion in how the Corporation will fund or finance the redemption of the Bonds. Management may decide to use its existing cash on hand, if any, to raise additional capital or equity in the Corporation or borrow money to accomplish the redemption of the Bonds or use a combination of the above methods. There is no assurance that any of the above methods of funding the redemption of the Bonds will be successful or if accomplished will raise enough funds to redeem all of the Bonds. It is possible that the Corporation may not have the financial ability to redeem all or any Bonds upon maturity. In that event, the provisions contained under the heading "Entitlement on Dissolution or Winding Up" may apply. See **Item 4 - Capital Structure**.

Limited Recourse: Recourse under the Bonds will be limited to the principal sum of the Bonds plus any unpaid and outstanding accrued interest thereon. There is no additional recourse by the Bondholder for any deficiency in the value of the Bonds in the event of non-payment or default by the Corporation of the redemption of the Bonds at maturity.

An investor in the Bonds should understand that Target assets and management are not in any way committed to the activities of the Issuer and Target does not encourage or discourage participation in this Offering.

5.3 Subscription Procedure

(a) Subscription Documents

Subscribers wishing to subscribe for Bonds will be required to enter into a Subscription Agreement with the Corporation which will contain, among other things, representations, warranties and covenants by the subscriber that it is duly authorized to purchase the Bonds, that it is purchasing the Bonds as principal and for investment and not with a view to resale and as to its corporate or other status to purchase the Bonds and that the Corporation is relying on an exemption from the requirements to provide the Subscriber with a prospectus and to sell securities through a person or company registered to sell securities under applicable securities laws, and, as a consequence of acquiring the securities pursuant to this exemption, certain protections, rights and remedies, provided by applicable securities laws, including statutory rights of rescission or damages, will not be available to the Subscriber.

Reference is made to the Subscription Agreement attached as Schedule A to this Offering Memorandum for the terms of these representations, warranties and covenants.

In order to subscribe for Bonds, a purchaser must complete, execute and deliver the following documentation to Jaymor Capital Ltd. at 105 West Beaver Creek Road, Unit 9, Richmond Hill, Ontario, L4B 1C6:

1. one (1) completed and signed copy of the Subscription Agreement (including any schedules attached thereto);
2. a certified cheque or bank draft in an amount equal to the Aggregate Subscription Amount (as set forth in the Subscription Agreement), payable to "Jaymor Capital Ltd.";
3. a completed and executed copy of the appropriate investor qualification form(s). The appropriate form(s) to be completed depend on your place of residence and on the amount of your investment:
 - (i) if you are resident in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Quebec, Saskatchewan or Yukon, you must submit two (2) completed and signed copies of the Risk Acknowledgment Form attached to the Subscription Agreement as Schedule B;
 - (ii) if you are resident in Alberta, Manitoba, Northwest Territories, Nunavut, Prince Edward Island, Quebec, Saskatchewan or Yukon and your subscription for Bonds is for more than \$10,000, one (1) completed and signed copy of the Certificate of Eligible Investor attached to the Subscription Agreement as Schedule C; and

- (iii) if you are resident in Ontario and you are purchasing Bonds as an “accredited investor” (as such term is defined by NI 45-106), one (1) completed and signed copy of the Accredited Investor Representation Letter attached to the Subscription Agreement as Schedule D.

Subject to applicable securities laws and the Purchaser’s two-day cancellation right, a subscription for Bonds, evidenced by a duly completed Subscription Agreement delivered to the Corporation shall be irrevocable by the Subscriber. **See Item 11 – Purchaser’s Rights.**

Subscriptions for Bonds will be received, subject to rejection and allotment, in whole or in part, and subject to the right of the Corporation to close the subscription books at any time, without notice. If a subscription for Bonds is not accepted, all subscription proceeds will be promptly returned to the Subscriber without interest.

It is expected that certificates representing the Bonds will be available for delivery within a reasonable period of time after the relevant Closing Date(s).

The subscription funds will be held until midnight of the second business day subsequent to the date that each Subscription Agreement is signed by a Subscriber.

(b) Distribution

The offering is being conducted:

- (i) in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Quebec, Saskatchewan and Yukon pursuant to the exemptions from the prospectus requirements afforded by Section 2.9 of NI 45-106;
- (ii) in the Province of Ontario pursuant to the exemption from the prospectus requirements afforded by Section 2.3 of NI 45-106; and
- (iii) in Canada pursuant to the exemption from the prospectus requirements afforded by Section 2.10 of NI 45-106.

The exemption pursuant to Section 2.9 of NI 45-106 is available for distributions to investors in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Quebec, Saskatchewan and Yukon purchasing as principals who receive this Offering Memorandum prior to signing the Subscription Agreement and who sign a Risk Acknowledgment Form attached to the Subscription Agreement as Schedule B (provided that, with respect to Quebec, the Offering Memorandum is available in both the French and English languages).

In addition, Alberta, Manitoba, Northwest Territories, Nunavut, Prince Edward Island, Quebec and Saskatchewan investors relying on the exemption set out in Section 2.9 of NI 45-106 must also sign the Certificate of Eligible Investor attached to the Subscription Agreement as Schedule C, if their subscription for Bonds is for more than \$10,000.

The exemption pursuant to Section 2.3 of NI 45-106 is available for distributions to investors in the Province of Ontario purchasing as principal and who are “accredited investors” as defined in NI 45-106 and that sign the Accredited Investor Representation Letter attached to the Subscription Agreement as Schedule D.

The exemption pursuant to Section 2.10 of NI 45-106 is available for distributions to investors in Canada purchasing as principal who have purchased Bonds with an acquisition cost to the investor of not less than \$150,000 paid in cash at the time of the purchase.

The foregoing exemptions relieve the Corporation from the provisions of the applicable securities laws of each of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Quebec, Saskatchewan or Yukon which otherwise would require the Corporation to file and obtain a receipt for a prospectus. Accordingly, prospective investors for Bonds will not receive the benefits associated with a subscription for securities issued pursuant to a filed prospectus, including the review of material by securities regulatory authorities.

The exemptions from the registration requirements contained in the applicable securities laws of each of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Quebec, Saskatchewan or Yukon allow the Corporation to offer the Bonds for sale directly to the investors.

ITEM 6 - INCOME TAX CONSEQUENCES AND DEFERRED PLAN ELIGIBILITY

You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you.

6.1 Summary of Principal Federal Income Tax Consequences

Qualified Investments for Deferred Plans

The Tax Act and the Regulations thereunder provide generally that a Bond or similar obligation of a Canadian corporation (as defined in the Tax Act) which is controlled directly or indirectly by one or more corporations whose shares are listed on a stock exchange in Canada designated by the Minister of Finance will constitute a "qualified investment" for Deferred Plans.

The Corporation is a Canadian corporation. As a result, **the Bonds will constitute a qualified investment for Deferred Plans provided the shares of Target are listed on a stock exchange designated by the Minister of Finance, which they currently are, and as long as Target controls the Corporation.**

There is no agreement which restricts the ability of Target to vote its shares of the Corporation or appoint a majority of the board of directors of the Corporation. As such, Target should be considered to control the Corporation.

There are additional requirements for a Deferred Plan in order for the Bonds not to be a "prohibited investment" which would be subject to a special tax. The Bonds will be a "prohibited investment" if the Deferred Plan account holder does not deal at "arm's length" with the Corporation or the account holder is a "specified shareholder" of the Corporation as defined in the Tax Act, generally a person who has a 10% or greater interest in the Corporation together with non-arm's length persons. Assuming the Deferred Plan account holder meets the above requirements, the Bonds will not be a "prohibited investment".

The income tax information herein was provided by Collins Barrow Calgary LLP, Chartered Accountants, and it is based on the current provisions of the Income Tax Act, the Regulations thereunder and known administrative practices of the CRA.

ITEM 7 - COMPENSATION PAID TO SELLERS AND FINDERS

The Corporation reserves the right, as allowed by applicable securities legislation, to retain agents to help effect sales of the Bonds.

If an agent is retained, the agent will be paid aggregate fees and commissions of up to 10% of the gross proceeds realized on the Series 2010A Bonds sold by such agent, payable upon subscription.

If an agent is retained, the agent will be paid aggregate fees and commissions of up to 8% of the gross proceeds realized on the Series 2010B Bonds sold by such agent, with up to 5% payable upon subscription and up to 3% payable if and when the early redemption option lapses unexercised.

The Corporation may compensate its employees, consultants, officers and directors by payment of up to 10% of the gross proceeds realized on the sale of Bonds for soliciting subscriptions for Bonds not sold by an agent.

Commissions will represent no greater than 10% of the proceeds of the sale of the Bonds, payable in cash. Assuming the minimum offering, the commissions will total no greater than \$10,000. Assuming the maximum offering, commissions will total no greater than \$1,000,000.

The Lead Agent will also be paid an Agency Fee equal to 1% of the gross proceeds realized on the sale of the Bonds. Assuming the minimum offering, the Agency Fee will be \$1,000. Assuming the maximum offering, Agency Fee will be \$100,000.

ITEM 8 - RISK FACTORS

Purchase of Bonds pursuant to this Offering should only be made after consulting with independent and qualified investment and tax advisors. Investment in the Bonds at this time is highly speculative due to the stage of the Corporation's development. An investment in Bonds is appropriate only for investors who are prepared to invest money for a long period of time and who have the capacity to absorb a loss of some or all of their investment. Investors must rely on management of the Corporation. Any investment in the Corporation at this stage involves a high degree of risk.

In addition to the risks of purchasing the Bonds of the Corporation described elsewhere within this Offering Memorandum are the following risks:

1. Subscribers under this Offering will not have the benefit of a review of this Offering Memorandum by any regulatory authorities.
2. The Corporation will have a limited amount of working capital as the majority of the proceeds from this Offering will be loaned to the Jaymor Affiliates.
3. There can be no assurance that if additional funding is required by the Corporation to redeem any or all of the Bonds, that such financing will be available on terms satisfactory to the Corporation, or at all. If the Corporation does not have sufficient funds on hand to redeem any or all of the Bonds and cannot secure financing, it will not be able to redeem any or all of the Bonds.
4. Unless the Corporation receives the return of its principal and interest on the Jaymor Affiliates Loans sufficient to allow it to pay its obligations of principal and interest to its Bondholders, the Corporation may not be able to redeem any or all of the Bonds.
5. The Bonds offered by the Corporation are not an investment in real estate but an investment in debt securities. The Corporation will not be investing in real estate but will instead be loaning the available funds raised pursuant to this Offering to the Jaymor Affiliates. If the Corporation defaults on its payments under the Bonds, Bondholders will not have recourse against the Jaymor Affiliates. Bondholders will have recourse only against the Corporation.
6. The tax consequences associated with an investment in Bonds may be subject to changes in federal and provincial tax laws. There can be no assurance that the tax laws will not be changed in a manner that will fundamentally alter the income tax consequences to investors holding or disposing of Bonds. In the event that Target ceases to control the Corporation or is deemed not to control the Corporation for the purposes of the Tax Act, there may be adverse tax consequences to a Subscriber. Upon such an event occurring, the Bonds will cease to constitute qualified investments for Deferred Plan purposes unless the Corporation can arrange to contemporaneously transfer the Class A Shares to another corporation resident in Canada whose shares are listed on a designated Canadian stock exchange or make other suitable investment arrangements to maintain Deferred Plan eligibility for the Bonds. If the Bonds cease to be eligible Deferred Plan investments, an annuitant under a Deferred Plan which acquires or holds Bonds may be required to include in his or her income the fair market value of the Bonds acquired by the Deferred Plan, may incur penalties and may have the registration of the Deferred Plan revoked. There is also a risk that CRA may reassess the returns of Subscribers relating to their investments in the Bonds. No advance income tax ruling has been applied for or received with respect to the income tax consequences described in this Offering Memorandum. **See Item 6 - Income Tax Consequences and Deferred Plan Eligibility.**
7. The Bonds offered pursuant to this Offering Memorandum are unsecured and are not insured against loss through the Canadian Deposit Insurance Corporation or any other insurance company or program.
8. Bondholders will not be represented by a bond trustee.
9. Exclusive authority and responsibility for controlling and managing the Corporation rests with management of the Corporation and those persons, consultants and advisors retained by management on behalf of the Corporation. Accordingly, investors should appreciate that they will be relying on the good faith, experience, expertise and ability of directors and officers of the Corporation and other parties for the success of the business of the Corporation.
10. An investment in Bonds of the Corporation is an illiquid investment. **There is currently no market through which the Bonds may be sold.** The Corporation is not a "reporting issuer" in any jurisdiction

and a prospectus has not qualified the issuance of the Bonds. Accordingly, investors will be unable to sell the Bonds of the Corporation, subject to some limited exceptions. **See Item 10 - Resale Restrictions.**

11. The Corporation's short and long-term objective is to raise funds to loan to the Jaymor Affiliates to allow them to further their business objectives. The Corporation will not carry on any other business other than loaning funds to the Jaymor Affiliates. The Corporation's sole source of revenue is expected to be from payments of principal and interest made by the Jaymor Affiliates. A return on investment for a Subscriber for Bonds is dependent upon the Jaymor Affiliates' ability to make payments to the Corporation. As a result, there is no assurance or guarantee that the Corporation and, correspondingly, Subscribers will earn a return on their investment in the Bonds.
12. The Corporation has no operational history and no history of earnings. Accordingly, there is a limited operating history upon which to base an evaluation of the Corporation and its business and prospects. The Corporation is in the early stages of its business and therefore is subject to the risks associated with early stage companies, including start-up losses, uncertainty of revenues, markets and profitability, the need to raise additional funding, the evolving and unpredictable nature of the Corporation's business and the ability to identify, attract and retain qualified personnel. There can be no assurance that the Corporation will be successful in doing what it is required to do to overcome these risks. No assurance can be given that the Corporation's business activities will be successful.
13. The success of the Corporation is dependent upon, among other things, the services of key personnel. The loss of any of these individuals, for any reason, could have a material adverse affect on the prospects of the Corporation. Failure to retain or to attract additional key employees with necessary skills could have a material adverse impact upon the Corporation's growth and profitability. The Corporation does not maintain "key man" insurance for any of its directors, officers or employees. The contributions of these individuals to the immediate future operations of the Corporation is likely to be of central importance and the loss of any one of these individuals could have a material adverse affect on the business of the Corporation.
14. The directors and officers of the Corporation will not be devoting all of their time to the affairs of the Corporation, but will be devoting such time as required to effectively manage the Corporation. The directors and officers of the Corporation are engaged and will continue to be engaged in the search for business prospects on their own behalf and on behalf of others.

In addition, the directors and officers of the Corporation are also directors and officers of the corporations that control the Jaymor Affiliates and, as such, control the distribution of funds from the Jaymor Affiliates to the Corporation.

There are additional potential conflicts of interest to which the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. Situations may arise where a director and officer will be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies under the *Business Corporations Act* (Ontario).
15. The recent unprecedented events in the global financial markets have had a profound impact on the global economy. Virtually all economic sectors are impacted by these market conditions. Some of the key impacts of the current market turmoil include: sharp contradictions in the credit markets resulting in a widening of credit risk spreads and higher costs of funding; a deterioration in the credit ratings of a number of large financial institutions; devaluations and high volatility in global equity, commodity, foreign exchange and precious metals markets and a corresponding lack of market liquidity; and a slowdown in economic activity that is affecting major global economies. These events could have a significant impact on the Jaymor Affiliates' business, assets and their ability to repay the Loans.
16. The structuring of the Offering in general and the ownership of a majority of the Class A Shares by Target in particular with the result that the Bonds are eligible investments for Deferred Plans may be challenged by the CRA under the general anti-avoidance rule of the Tax Act ("GAAR"). No advance income tax ruling or other comfort has been obtained from any professional firm as to whether or not GAAR would apply in this case. The opinion of Collins Barrow Calgary LLP referred to under **Item 6 – Income Tax Consequences and Deferred Plan Eligibility** does not address GAAR.
17. The Corporation is a corporation the Class A Shares of which are held by Target and The Jaymor Group Inc. Pursuant to the *Business Corporations Act* (Ontario) and the constating documents of the Corporation, the holders of the Corporation's Class A Shares have the exclusive right to elect, change

and remove the directors of the Corporation. Target has majority voting control of the Corporation and there is no agreement that restricts Target's ability to vote the Class A Shares it holds. Consequently, Target can change the directors of the Corporation and The Jaymor Group Inc. will not be able to ensure that Fabrizio G. Lucchese and William P. Myers continue to be the directors of the Corporation. There is no assurance that the directors of the Corporation will remain the same as disclosed in this Offering Memorandum.

18. Subscribers are required to grant Target the Release at the time of their subscription for Bonds. The Release effectively precludes recourse from Target. **See Item 2.2.1 – Release of Target and Schedule E (Release of Any Claims by Subscriber against Controlling Shareholder).** The Corporation will pay Target's legal expenses or damages in defending any legal actions brought against it by Subscribers. **See Item 2.9.2 – Agreement with Target.**
19. The Corporation will be making loans to Canadian entities in Canadian dollars. Some of the Jaymor Affiliates conduct a significant portion of their business activities in the United States. As a result, the Jaymor Affiliates' ability to repay the Loans may be impacted by fluctuations in the Canadian dollar – U.S. dollar exchange rate.
20. The Corporation will be subject to the risks inherent in lending to owners and operators real estate in general and apartment buildings in particular, such as fluctuations in occupancy rates, the inability to achieve economic rates, competition from other apartment buildings and increases in operating costs caused by general and local economic conditions, the supply of and demand for apartment buildings and rental accommodation, the financial resources of renters and changes in interest rates and in the availability and cost of money for financing.

Insurance and real estate taxes are significant components of operating expense budgets. There is a risk that the Jaymor Affiliates will be unable to control that state and/or local taxes and/or insurance premiums could rise sharply, adversely impacting the operational performance and cash flow of the properties in which they invest. Were this to happen, the likely result would be a decrease in the disposition values of the properties that indirectly secure the Corporation's loans.

Real estate investments are relatively illiquid. The real estate projects likely will not be able to be sold quickly. The sale process is often protracted. As a result the Jaymor Affiliates may not be able to dispose of assets when planned adversely affecting its operational and financial flexibility.

The Loans to the Jaymor Affiliates, many of whom conduct indirect business in the United States, will also be subject to the risks associated with carrying on business in a foreign country, including the possibility of future changes in foreign control legislation, possible limitations on the amount of foreign currency that can be taken out of the country, possible currency exchange rate fluctuations or devaluations, possible changes in tax and rental laws and regulations, the possibility of expropriation of private property, war, riot, insurrection and acts of terrorism.

21. Other than a small amount of cash which the Corporation may have from time to time from proceeds that are not advanced under the Jaymor Affiliates Loans, the sole assets of the Corporation will be the Jaymor Affiliates Loans. There can be no assurance that the Jaymor Affiliates will be in a position to meet their obligations in accordance with the terms of the Jaymor Affiliates Loans as their ability to pay interest is largely dependent on earning income from real estate and securities activities by the Jaymor Affiliates.
22. The Loans by the Corporation to the Jaymor Affiliates will be secured by various means including general security agreements, mortgages and pledges of partnership interests. **See Item 2.9.1 - Loan Agreements with the Jaymor Affiliates.** In the event that one or more of the Jaymor Affiliates defaults on obligations under the Loan, the Corporation will have to enforce its security registered against the Jaymor Affiliates' assets and holdings. There may be intervening encumbrances or other interests held by third parties that may stand in priority to the Corporation's security and may prevent the Corporation from realizing on or enforcing some or all of its security against the assets of the Jaymor Affiliates. There may be principals at law or at equity that may prevent the Corporation from enforcing some or all of its security against the Jaymor Affiliates or its assets. The assets of the Jaymor Affiliates may not have a sufficient value to satisfy any outstanding debt obligations to the Corporation.

ITEM 9 - REPORTING OBLIGATIONS

9.1 Reporting to Bondholders

The Corporation is not a reporting issuer in any jurisdiction. It is therefore not required to disclose material changes which occur in its business and affairs, nor is it required to file with any securities regulatory authorities or to provide to Bondholders any financial statements or documents on an annual or ongoing basis.

Financial or other information relating to the Corporation and provided to you in the future may not by itself be sufficient for your needs to enable you to prepare your income tax returns or to assess the performance of your investment.

ITEM 10 - RESALE RESTRICTIONS

10.1 General Statement

For trades in Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Quebec, Saskatchewan and Yukon:

The Bonds will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the Bonds unless you comply with an exemption from the prospectus and registration requirements under securities legislation.

10.2 Restricted Period

For trades in Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Quebec, Saskatchewan and Yukon:

Unless permitted under securities legislation, you cannot trade the Bonds without an exemption before the date that is 4 months and a day after the date the Corporation becomes a reporting issuer in any province or territory of Canada. The Corporation does not intend to become a reporting issuer.

10.3 Manitoba Resale Restrictions

Unless permitted under securities legislation, a purchaser of the Bonds must not trade the Bonds without the prior written consent of the regulator in Manitoba unless:

- (a) the Corporation has filed a prospectus with the regulator in Manitoba with respect to the Securities you have purchased and the regulator in Manitoba has issued a receipt for that prospectus, or
- (b) you have held the Bonds for at least 12 months.

The regulator in Manitoba will consent to your trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

ITEM 11 - PURCHASER'S RIGHTS

If you purchase these Bonds, you will have certain rights, some of which are described below. For information about your rights, you should consult a lawyer.

11.1 Two-Day Cancellation Right

You can cancel your agreement to purchase these Bonds. To do so, you must send a notice to us by midnight on the 2nd business day after you sign the agreement to buy the Bonds.

11.2 Statutory Rights of Action in the Event of a Misrepresentation

A purchaser of Bonds has a statutory right of action, which is described below.

These rights are in addition to, and without derogation from, any other right or remedy that purchasers may have at law. For the purposes of the following, "Misrepresentation" means an untrue statement of a material fact, or an omission to state a material fact that is required to be stated, or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

The foregoing summary is subject to the express provisions of the relevant securities legislation and the rules, regulations and other instruments thereunder in the relevant provinces. Those provisions may contain other limitations and statutory defenses, not described below, on which a defendant may rely.

Ontario

If this Offering Memorandum, together with any amendment to it, is delivered to a purchaser resident in Ontario and contains a Misrepresentation that was a Misrepresentation at the time of purchase, the purchaser will be deemed to have relied upon the Misrepresentation and will have a statutory right of action against the issuer for damages or, alternatively, while still the owner of the Bonds, for rescission. If the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages. This right of action is subject to the following limitations:

- (a) the right of action for rescission will be exercisable by a purchaser only if the purchaser gives notice to the defendant, not more than 180 days after the date of the transaction that gave rise to the cause of action, that the purchaser is exercising this right; or, in the case of any action other than an action for rescission, the earlier of: (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the transaction that gave rise to the cause of action;
- (b) no person or company will be liable if it proves that the purchaser acquired the Bonds with knowledge of the Misrepresentation;
- (c) in the case of an action for damages, the defendant will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Bonds as a result of the Misrepresentation relied upon;
- (d) in no case will the amount recoverable in any action exceed the price at which the Bonds were offered under this Offering Memorandum; and
- (e) no person or company will be liable for a misrepresentation in forward-looking information if the person or company proves all of the following things:
 - (i) the document containing the forward-looking information contained, proximate to that information,
 - (1) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and
 - (2) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information, and
 - (ii) the person or company had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

Where this Offering Memorandum is delivered to a purchaser to whom Bonds are distributed, this right of action is applicable unless the purchaser is:

- (a) a Canadian financial institution, meaning either:

- (i) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under that Act; or
- (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services corporation, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;
- (b) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the Bank Act (Canada),
- (c) the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada), or
- (d) a subsidiary of any person referred to in paragraphs (a), (b) or (c), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of the subsidiary.

Quebec

If this Offering Memorandum, together with any amendment to it, is delivered to a purchaser resident in Quebec and contains a Misrepresentation that was a Misrepresentation at the time of purchase, the purchaser will be deemed to have relied upon the Misrepresentation and will have a statutory right of action against the issuer, the officers and directors of the issuer or any dealer under contract with the issuer for damages or for rescission or revision of the price. This right of action is subject to the following limitations:

- (a) the right of action for rescission or revision of the price must be exercised within three years of the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission or revision of the purchase price, the earlier of: (i) three years after the plaintiff first had knowledge of the facts giving rise to the cause of action unless the delay in knowledge is caused by the negligence of the plaintiff, or (ii) five years after the Offering Memorandum is filed with Autorité des marchés financiers du Quebec;
- (b) no person or company will be liable if it proves that the purchaser acquired the Bonds with knowledge of the Misrepresentation;
- (c) in the case of an action for damages, the officers or directors of the issuer or the dealer under contract with the issuer will not be liable if they acted with prudence and diligence; and
- (d) a defendant may defeat an action based on a misrepresentation in forward-looking information by proving that
 - (i) the document containing the forward-looking information contained, proximate to that information,
 - (1) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and
 - (2) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection; and
 - (ii) the defendant had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information.

Manitoba

If this Offering Memorandum, together with any amendment to it, is delivered to a purchaser resident in Manitoba and contains a Misrepresentation that was a Misrepresentation at the time of purchase, the purchaser will be deemed to have relied upon the Misrepresentation and will have a statutory right of action for damages against the issuer, every director of the issuer at the date of the Offering Memorandum and every person who signed this Offering Memorandum or, alternatively, while still an owner of the Bonds purchased by the purchaser, may elect instead to exercise a statutory right of rescission against the issuer. If the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages. This right of action is subject to the following limitations:

- (a) no such action may be commenced to enforce the right of action for rescission or damages more than
 - (i) 180 days after the day of the transaction that gave rise to the cause of action, in the case of an action for rescission, or
 - (ii) the earlier of
 - (1) 180 days after the day that the plaintiff first had knowledge of the facts giving rise to the cause of action, or
 - (2) two years after the day of the transaction that gave rise to the cause of action, in any other case;
- (b) no person or company will be liable if it proves that the purchaser had knowledge of the Misrepresentation;
- (c) in the case of an action for damages, the defendant will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Bonds as a result of the Misrepresentation relied upon; and
- (d) in no case will the amount recoverable in any action exceed the price at which the Bonds were offered under this Offering Memorandum.

In addition, a person or company, other than the issuer, will not be liable if that person or company proves that:

- (a) the Offering Memorandum was sent to the purchaser without the person's or company's knowledge or consent, and that, after becoming aware that it was sent, the person or company promptly gave reasonable notice to the issuer that it was sent without the person's or company's knowledge and consent;
- (b) after becoming aware of the Misrepresentation, the person or company withdrew the person's or company's consent to the Offering Memorandum and gave reasonable notice to the issuer of the withdrawal and the reason for it;
- (c) with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, an expert's report, opinion or statement, the person or company proves that the person or company did not have any reasonable grounds to believe and did not believe that
 - (i) there had been a Misrepresentation, or
 - (ii) the relevant part of the Offering Memorandum
 - (1) did not fairly represent the expert's report, opinion or statement, or
 - (2) was not a fair copy of, or an extract from, the expert's report, opinion or statement; or

- (d) with respect to any part of the Offering Memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, an expert's report, opinion or statement, unless the person or company
 - (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation, or
 - (ii) believed there had been a Misrepresentation.

If a Misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, the Offering Memorandum, the Misrepresentation is deemed to be contained in the Offering Memorandum.

In addition, a person or company is not liable for a misrepresentation in forward-looking information if the person or company proves that

- (a) the document containing the forward-looking information contained, proximate to that information,
 - (i) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and
 - (ii) a statement of the material factors or assumptions that were applied in drawing the conclusion or making the forecast or projection; and
- (b) the person or company had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information.

Saskatchewan

If this Offering Memorandum or any amendment to it is sent or delivered to a purchaser resident in Saskatchewan and it contained a Misrepresentation, a purchaser who purchases Bonds covered by the Offering Memorandum or any amendment to it is deemed to have relied upon that Misrepresentation, if it was a Misrepresentation at the time of purchase, and has a right of action for rescission against the issuer or has a right of action for damages against:

- (a) the issuer;
- (b) every promoter and director of the issuer at the time the Offering Memorandum or any amendment to it was sent or delivered;
- (c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;
- (d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the Offering Memorandum or the amendment to the Offering Memorandum; and
- (e) every person who or company that sells Bonds on behalf of the issuer under the Offering Memorandum or amendment to the Offering Memorandum.

Such rights of rescission and damages are subject to certain limitations including the following:

- (a) if the purchaser elects to exercise its rights of rescission against the issuer, it shall have no right of action for damages against that party;

- (b) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the Bonds resulting from the Misrepresentation relied on;
- (c) no person or company, other than the issuer, will be liable for any part of the Offering Memorandum or any amendment to it not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a Misrepresentation;
- (d) in no case shall the amount recoverable exceed the price at which the Bonds were offered; and
- (e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the Bonds with knowledge of the Misrepresentation.

In addition, no person or company, other than the issuer, will be liable if the person or company proves that:

- (a) the Offering Memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company gave reasonable general notice that it was so sent or delivered; or
- (b) with respect to any part of the Offering Memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that there had been a Misrepresentation, the part of the Offering Memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

The Securities Act, 1988 (Saskatchewan), as amended, (the "Saskatchewan Act") also provides that where an individual makes a verbal statement to a prospective purchaser that contains a Misrepresentation relating to the Bonds purchased and the verbal statement is made either before or contemporaneously with the purchase of the Bonds, the purchaser is deemed to have relied on the Misrepresentation, if it was a Misrepresentation at the time of purchase, and has a right of action for damages against the individual who made the verbal statement.

The Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the Bonds if the Bonds are sold in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Saskatchewan Financial Services Commission.

The Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of Securities to whom this Offering Memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the Bonds, as required by the Saskatchewan Act.

The Saskatchewan Act provides that no action shall be commenced to enforce any of the foregoing rights more than:

- (a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of any other action, other than an action for rescission, the earlier of:
 - (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or
 - (ii) six years after the date of the transaction that gave rise to the cause of action.

The Saskatchewan Act also provides a purchaser who has received an amended offering memorandum delivered in accordance with the Saskatchewan Act with a right to withdraw from the agreement to purchase the securities by delivering a notice to the person or company that is selling the securities, indicating the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended Offering Memorandum.

The Saskatchewan Act provides that a person or company is not liable for a misrepresentation in forward-looking information if the person or company proves that:

- (a) with respect to the document containing the forward-looking information, proximate to that information there is contained:
 - (i) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and
 - (ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- (b) the person or company had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

Nova Scotia

If this Offering Memorandum, a record incorporated by reference in or deemed incorporated into this Offering Memorandum or any amendment to it or any advertising or sales literature contains a Misrepresentation that was a Misrepresentation at the time of purchase, the purchaser will be deemed to have relied upon the Misrepresentation and will have a statutory right of action for damages against the seller and, subject to additional defences, against the directors of the seller and persons who have signed this Offering Memorandum. Alternatively, the purchaser may elect to exercise a statutory right of rescission against the seller, in which case the purchaser will have no right of action for damages. This right of action is subject to the following limitations:

- (a) the right of action for damages or rescission is exercisable not later than 120 days after the date on which payment was made for the Bonds;
- (b) no person or company will be liable if it proves that the purchaser purchased the Bonds with knowledge of the Misrepresentation;
- (c) in the case of an action for damages, the defendant will not be liable for all or any portion of those damages that it proves do not represent the depreciation in value of the Bonds as a result of the Misrepresentation;
- (d) in no case will the amount recoverable exceed the price at which the Bonds were offered to the purchaser;
- (e) no person or company other than the issuer is liable if the person or company proves that, with respect to any part of the Offering Memorandum or amendment to the Offering Memorandum purporting to be made on the authority of an expert, or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that
 - (i) there had been a misrepresentation or
 - (ii) the relevant part of the Offering Memorandum or amendment to the Offering Memorandum did not fairly represent the report, opinion or statement of the expert or was not a fair copy of, or an extract from, the report, opinion or statement of the expert;

- (f) no person or company other than the issuer is liable with respect to any part of an Offering Memorandum or amendment to the Offering Memorandum not purporting to be made on the authority of an expert, or to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company
 - (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation or
 - (ii) believed that there had been a misrepresentation; and
- (g) no person or company is liable for a misrepresentation in forward-looking information if the person or company proves all of the following things:
 - (i) the document containing the forward-looking information contained, proximate to that information,
 - (1) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and
 - (2) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (ii) the person or company had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

New Brunswick

If any information relating to the offering of Bonds which has been provided to the purchaser contains a Misrepresentation, the purchaser will be deemed to have relied upon the Misrepresentation if it was a Misrepresentation at the time of purchase and will have a statutory right of action against the issuer for damages or, alternatively, for rescission, provided that no action shall be commenced to enforce a right of action more than,

- (a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of any action, other than an action for rescission, the earlier of: (i) one year after the purchaser first had knowledge of the facts giving rise to the cause of action, and (ii) six years after the date of the transaction that gave rise to the cause of action.

This right of action is also subject to the following limitations:

- (a) no person will be liable if it proves that the purchaser purchased the Bonds with knowledge of the Misrepresentation;
- (b) in the case of an action for damages, the defendant will not be liable for all or any portion of those damages that it proves do not represent the depreciation in value of the Bonds as a result of the Misrepresentation;
- (c) the issuer will not be liable where it is not receiving any proceeds from the distribution of the Bonds and the Misrepresentation was not based on information provided by the issuer unless the Misrepresentation
 - (i) was based on information that was previously publicly disclosed by the issuer,
 - (ii) was a Misrepresentation at the time of its previous public disclosure, and

- (iii) was not subsequently publicly corrected or superseded by the issuer before the completion of distribution of the Securities;
- (d) in no case will the amount recoverable under this paragraph exceed the price at which the Bonds were sold to the purchaser;
- (e) no person other than the issuer will be liable with respect to any part of a disclosure document not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert unless the person
 - (i) failed to conduct such reasonable investigation as to provide reasonable grounds for a belief that there had been no misrepresentation, or
 - (ii) believed that there had been a misrepresentation; and
- (f) no person will be liable for a misrepresentation in forward-looking information if the person proves all of the following:
 - (i) that the document containing the forward-looking information contained, proximate to that information,
 - (1) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and
 - (2) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information, and
 - (ii) that the person had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

Alberta

Where this Offering Memorandum, or a record incorporated by reference into the Offering Memorandum, or any amendment to it contains a Misrepresentation, every purchaser in Alberta to whom this Offering Memorandum was delivered has certain statutory rights. Each such purchaser shall be deemed to have relied on the Misrepresentation if it was a Misrepresentation at the time of purchase, and has a right of action for damages against the issuer, every director of the issuer at the date of the Offering Memorandum and each person who signed the Offering Memorandum, or, alternatively, for rescission, against the issuer provided that no action may be commenced to enforce either right of action unless it is commenced:

- (a) in the case of rescission, on notice given to the issuer not later than 180 days from the day of the transaction that gave rise to the right of action; or
- (b) in the case of damages, on notice given to the issuer not later than the earlier of
 - (i) 180 days from the day that the purchaser first had knowledge of the facts giving rise to the right of action, or
 - (ii) three years from the day of the transaction that gave rise to the right of action,

and provided also that no person or company referred to above shall be liable:

- (c) if the person or company proves the purchaser had knowledge of the Misrepresentation;

- (d) if the person or company proves that the Offering Memorandum was sent to the purchaser without their knowledge or consent and that upon becoming aware of its being sent, gave reasonable notice to the issuer that it was sent without their knowledge or consent;
- (e) if the person or company proves that, upon becoming aware of the Misrepresentation in the Offering Memorandum, they withdrew their consent to the Offering Memorandum and gave reasonable notice to the issuer of the withdrawal and the reason for it;
- (f) if, with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert if the person or company proves that they had no reasonable grounds to believe and did not believe that it contained a Misrepresentation or that the relevant part of the Offering Memorandum did not fairly present the report, opinion or statement of the expert;
- (g) with respect to any part of the Offering Memorandum not purporting to be made on the authority of an expert if they conducted an investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation and believed there had been no Misrepresentation; and
- (h) for a misrepresentation in forward-looking information, if the person or company proves all of the following:
 - (i) the document containing the forward-looking information contained, proximate to that information,
 - (1) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and
 - (2) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (ii) the person or company had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

Paragraphs (d) to (g) above do not apply to the issuer.

In addition, in an action for damages, the defendant will not be liable for all or any portion of those damages that they prove do not represent the depreciation in value of the securities as a result of the Misrepresentation and in no case will the amount recoverable exceed the price at which the Securities were sold to the purchaser.

Prince Edward Island

If this Offering Memorandum delivered to a purchaser resident in Prince Edward Island contains a misrepresentation, a purchaser will be deemed to have relied upon that misrepresentation and will have a right of action for damages against the issuer, every director of the issuer at the date of the Offering Memorandum and every person who signed the Offering Memorandum.

Alternatively, where the purchaser purchased the Bonds from the issuer, the purchaser may elect to exercise a right of rescission against the issuer.

A person, other than the issuer, is not liable for damages if the person proves that:

- (a) the Offering Memorandum was sent to the purchaser without the person's knowledge or consent and that, on becoming aware of its being sent, the person promptly gave reasonable notice to the issuer that it was sent without the knowledge and consent of the person;

- (b) the person, on becoming aware of the Misrepresentation in the Offering Memorandum, withdrew the person's consent to the Offering Memorandum and gave reasonable notice to the issuer of the withdrawal and the reason for it; or
- (c) with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe and did not believe that:
 - (i) there had been a Misrepresentation, or
 - (ii) the relevant part of the Offering Memorandum
 - (1) did not fairly represent the report, statement or opinion of the expert, or
 - (2) was not a fair copy of, or an extract from, the report, statement or opinion of the expert.

Such rights of rescission and damages are subject to certain limitations including the following:

- (a) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the Bonds resulting from the Misrepresentation relied on;
- (b) no person or company, other than the issuer, will be liable for any part of the Offering Memorandum or any amendment to it not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a Misrepresentation;
- (c) in no case shall the amount recoverable exceed the price at which the Bonds were offered; and
- (d) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the Securities with knowledge of the Misrepresentation.

All or any one or more of the persons who are found to be liable or who accept liability for damages are jointly and severally liable except that the issuer and every director of the issuer at the date of the Offering Memorandum who is not a selling Unit holder, is not liable if the issuer does not receive any proceeds from the distribution of the Bonds and the Misrepresentation was not based on information provided by the issuer, unless the Misrepresentation

- (a) was based on information that was previously publicly disclosed by the issuer;
- (b) was a misrepresentation at the time of its previous public disclosure; and
- (c) was not subsequently publicly corrected or superseded by the issuer before completion of the distribution of the Bonds being distributed.

No action shall be commenced to enforce these rights more than:

- (a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of any action, other than an action for rescission, 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action, or
- (c) three years after the date of the transaction that gave rise to the cause of action

whichever expires first.

In addition, a person is not liable with respect to a misrepresentation in forward-looking information if,

- (a) the Offering Memorandum containing the forward-looking information also contains, proximate to the forward-looking information,
 - (i) reasonable cautionary language identifying the forward-looking information as such and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and
 - (ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- (b) the person had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information.

British Columbia

If this Offering Memorandum contains a misrepresentation, a purchaser who purchases Bonds offered by the Offering Memorandum is deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase, and has a right of action for damages against the issuer, every director of the issuer at the date of the disclosure document, and every person who signed the disclosure document. The purchaser may elect to exercise a right of rescission against the issuer, in which case the purchaser has no right of action for damages against the issuer. The right of action for rescission or damages is in addition to and not in derogation from any other right the purchaser may have. In an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves does not represent the depreciation in value of the Bonds resulting from the misrepresentation. The amount recoverable by a plaintiff must not exceed the price at which the Bonds were offered under the disclosure document.

A person is not liable under the above provisions if the person proves that the purchaser had knowledge of the misrepresentation.

If a misrepresentation is contained in a record incorporated by reference in, or deemed incorporated into, a disclosure document, the misrepresentation is deemed to be contained in the disclosure document.

In addition, a person is not liable under the above provisions if the person proves that

- (a) the disclosure document was delivered to purchasers without the person's knowledge or consent and that, on becoming aware of its delivery, the person gave written notice to the issuer that it was delivered without the person's knowledge or consent,
- (b) on becoming aware of any misrepresentation in the disclosure document, the person withdrew the person's consent to the disclosure document and gave written notice to the issuer of the withdrawal and the reason for it,
- (c) with respect to any part of the disclosure document purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person
 - (i) had no reasonable grounds to believe and did not believe that there had been a misrepresentation or
 - (ii) the relevant part of the disclosure document (A) did not fairly represent the report, opinion or statement of the expert, or (B) was not a fair copy of, or an extract from, the report, opinion or statement of the expert,

- (d) with respect to any part of a disclosure document not purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person
 - (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or
 - (ii) believed that there had been a misrepresentation.

Paragraphs (c) and (d) above do not apply to the issuer.

In addition, a person is not liable for a misrepresentation in forward-looking information if the person proves that

- (a) the document containing the forward-looking information contained, proximate to that information,
 - (i) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and
 - (ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking and
- (b) the person had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

Northwest Territories

If this Offering Memorandum contains a misrepresentation, a purchaser who purchases a Bond offered by the Offering Memorandum during the period of distribution has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the issuer, the selling Unit holder on whose behalf the distribution is made, every director of the issuer at the date of the Offering Memorandum, and every person who signed the Offering Memorandum. If the Offering Memorandum contains a misrepresentation, a purchaser who purchases Bonds offered by the Offering Memorandum during the period of distribution has a right of action for rescission against the issuer or the selling security holder on whose behalf the distribution is made. If the purchaser elects to exercise a right of action for rescission, the purchaser shall have no right of action for damages.

A defendant is not liable if he or she proves that the purchaser purchased the Bonds with knowledge of the misrepresentation. A person, other than the issuer and selling security holder, is not liable if he or she proves that

- (a) the Offering Memorandum was sent to the purchaser without the person's knowledge or consent and that, on becoming aware of its being sent, the person had promptly given reasonable notice to the issuer that it had been sent without the knowledge and consent of the person;
- (b) the person, on becoming aware of the misrepresentation in the Offering Memorandum, had withdrawn their consent to the Offering Memorandum and given reasonable notice to the issuer of the withdrawal and the reason for it;
- (c) with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe and did not believe that
 - (i) there had been a misrepresentation, or
 - (ii) the relevant part of the Offering Memorandum

- (1) did not fairly represent the report, statement or opinion of the expert, or
- (2) was not a fair copy of, or an extract from, the report, statement or opinion of the expert.

A defendant, other than the issuer and selling Bondholder, is not liable with respect to any part of the Offering Memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, unless the person

- (a) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation; or
- (b) believed that there had been a misrepresentation.

A defendant is not liable with respect to a misrepresentation in forward-looking information if,

- (a) the Offering Memorandum containing the forward-looking information also contains, proximate to the forward-looking information,
 - (i) reasonable cautionary language identifying the forward-looking information as such forecast or projection in the forward-looking information, and
 - (ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (iii) reasonable cautionary language identifying the forward-looking information as such forecast or projection in the forward-looking information, and
 - (iv) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (v) the person had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information

In an action for damages, the defendant is not liable for any damages that the defendant proves do not represent the depreciation in value of the Bonds resulting from the misrepresentation. The amount recoverable by a plaintiff must not exceed the price at which the Bonds purchased by the plaintiff were offered. The right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. If a misrepresentation is contained in a record incorporated by reference in, or deemed to be incorporated into, an Offering Memorandum, the misrepresentation is deemed to be contained in the Offering Memorandum.

Newfoundland and Labrador

Where this Offering Memorandum contains a misrepresentation when a person or company purchases Bonds offered by the Offering Memorandum, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the issuer, every director of the issuer at the date of the Offering Memorandum, and every person or company who signed the Offering Memorandum; and a right of action for rescission against the issuer. Where the purchaser elects to exercise a right of rescission against the issuer, the purchaser has no right of action for damages against a person or company referred to above.

Where a misrepresentation is contained in an Offering Memorandum, a person or company shall not be liable

- (a) where the person or company proves that the purchaser had knowledge of the misrepresentation:

- (b) where the person or company proves that the Offering Memorandum was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the issuer that it was sent without the knowledge and consent of the person or company;
- (c) if the person or company proves that the person or company, on becoming aware of the misrepresentation in the Offering Memorandum, withdrew the person's or company's consent to the Offering Memorandum and gave reasonable notice to the issuer of the withdrawal and the reason for it;
- (d) if, with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person or company proves that the person or company did not have any reasonable grounds to believe and did not believe that
 - (i) there had been a misrepresentation, or
 - (ii) the relevant part of the Offering Memorandum
 - (1) did not fairly represent the report, opinion or statement of the expert, or
 - (2) was not a fair copy of or an extract from, the report, opinion or statement of the expert; and
- (e) with respect to any part of the Offering Memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company
 - (i) did conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or
 - (ii) believed there had been a misrepresentation.

The amount recoverable under the above provisions shall not exceed the price at which the Bonds were offered under the Offering Memorandum.

Paragraphs (b) to (e) above do not apply to the issuer.

In an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the misrepresentation.

The right of action for rescission or damages conferred by these provisions is in addition to and does not derogate from any other right that the purchaser may have at law.

Where a misrepresentation is contained in a record incorporated by reference in, or considered to be incorporated into, the Offering Memorandum, the misrepresentation is considered to be contained in the Offering Memorandum.

Subscribers should consult their own legal advisers with respect to their rights and the remedies available to them. The rights discussed above are in addition to and without derogation from any other rights or remedies, which subscribers may have at law.

THE FOREGOING IS A SUMMARY ONLY AND SUBJECT TO INTERPRETATION. REFERENCE SHOULD BE MADE TO THE APPLICABLE SECURITIES LEGISLATION, THE REGULATIONS AND THE RULES THEREUNDER FOR THE COMPLETE TEXT OF THE PROVISIONS UNDER WHICH THE FOREGOING RIGHTS ARE CONFERRED. THE FOREGOING SUMMARY IS SUBJECT TO THE EXPRESS PROVISIONS THEREOF.

ITEM 12 – AUDITED FINANCIAL STATEMENTS

Jaymor Capital Ltd.

Interim Audited Financial Statements

May 14, 2010



Collins Barrow

Chartered Accountants & Consultants

Collins Barrow Calgary LLP

1400 First Alberta Place
777 – 8th Avenue S.W.
Calgary, Alberta, Canada
T2P 3R5

T. 403.298.1500

F. 403.298.5814

e-mail: calgary@collinsbarrow.com

Auditors' Report

To the Directors
Jaymor Capital Ltd.

We have audited the balance sheet of Jaymor Capital Ltd. as at April 14, 2010 and the statements of loss, comprehensive loss and deficit and cash flows for the period from incorporation on March 25, 2010 to April 14, 2010. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at April 14, 2010 and the results of its operations and its cash flows for the period then ended in accordance with Canadian generally accepted accounting principles.

(Signed) "Collins Barrow Calgary LLP"

CHARTERED ACCOUNTANTS

Calgary, Alberta
April 26, 2010
(except as to note 9, which
is as of May 14, 2010)

Jaymor Capital Ltd.*(Incorporated under the laws of the Province of Ontario)***Balance Sheet****April 14, 2010**

Assets

Current asset

Cash

\$ 2,000**Liabilities**

Current liability

Due to a related party (note 3)

\$ 15,225**Shareholders' Deficiency**

Share capital (note 4)

2,000

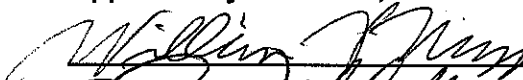
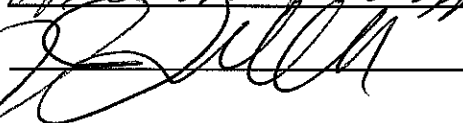
Deficit

(15,225)(13,225)\$ 2,000

Nature of operations (note 1)

Commitment (note 8[b])

Subsequent event (note 9)

Approved by the Board,
_____, Director
_____, Director

Jaymor Capital Ltd.**Statement of Loss, Comprehensive Loss and Deficit****For the Period from Incorporation on March 25, 2010 to April 14, 2010**

| | |
|---|---------------------------|
| Expenses | |
| Professional fees | <u>\$ 15,225</u> |
| Net loss and comprehensive loss, being deficit, end of period | <u><u>\$ (15,225)</u></u> |

Jaymor Capital Ltd.

Statement of Cash Flows

For the Period from Incorporation on March 25, 2010 to April 14, 2010

| | |
|--|--------------------|
| Operating activities | |
| Net loss | <u>\$ (15,225)</u> |
| Financing activities | |
| Advances from a related party | 15,225 |
| Issuance of share capital | <u>2,000</u> |
| | <u>17,225</u> |
| Cash inflow, being cash, end of period | <u>\$ 2,000</u> |

Jaymor Capital Ltd.
Notes to Financial Statements
April 14, 2010

1. Nature of operations

Jaymor Capital Ltd. (the "Company") was incorporated pursuant to the provisions of the Business Corporations Act (Ontario) on March 25, 2010. The Company was formed to raise funds to be loaned to affiliated companies.

The proposed business of the Company involves a high degree of risk and there is no assurance that the Company will be able to raise the amount of funds to finance its activities as disclosed in note 9.

2. Significant accounting policies

(a) Transaction costs

Transaction costs relating to debt security financing are expensed as incurred.

(b) Income taxes

Income taxes are accounted for using the liability method of income tax allocation. Under this method, current income taxes are recognized for the estimated income taxes payable for the current period. Future income tax assets and liabilities are recorded to recognize future income tax inflows and outflows arising from the settlement or recovery of assets and liabilities at their carrying values. Income tax assets are also recognized for the benefits from tax losses and deductions that cannot be identified with particular assets or liabilities, provided those benefits are more likely than not to be realized. Future income tax assets and liabilities are determined based on the tax laws and rates that are anticipated to apply in the period of realization.

(c) Measurement uncertainty

Future income taxes are based on estimates as to the timing of the reversal of temporary differences, tax rates currently substantively enacted and the determination of the valuation allowance.

By their nature, these estimates are subject to measurement uncertainty and the effect of changes in such estimates on the financial statements of future periods could be significant.

(d) Future accounting pronouncements

International Financial Reporting Standards ("IFRS")

In January 2006, the Canadian Institute of Chartered Accountants ("CICA") adopted a strategic plan for the direction of accounting standards in Canada. As part of the plan, accounting standards in Canada for public companies will converge with IFRS on January 1, 2011 with a comparative 2010 period.

Jaymor Capital Ltd.

Notes to Financial Statements

April 14, 2010

Although IFRS is principles based and uses a conceptual framework similar to Canadian generally accepted accounting principles ("GAAP"), there are significant differences and choices in accounting policies, as well as increased disclosure requirements under IFRS. The transition from current Canadian GAAP to IFRS is a significant undertaking that may materially affect the Corporation's reported financial position and results of operations. The Company is currently assessing the impact of the conversion from Canadian GAAP to IFRS on its results of operations, financial position and disclosures and will be required to develop an IFRS changeover plan. The plan will include an assessment of differences between Canadian GAAP and IFRS and accounting policy choices under IFRS.

Business Combinations

In January 2009, the CICA issued Section 1582, "Business Combinations", which replaces former guidance on business combinations. The new section expands the definition of a business subject to an acquisition and establishes significant new guidance on the measurement of consideration given, and the recognition and measurement of assets acquired and liabilities assumed in a business combination. The new section requires that all business acquisitions be measured at the full fair value of the acquired entity at the acquisition date even if the business combination is achieved in stages, or if less than 100% of the equity interest in the acquiree is owned at the acquisition date.

This standard is equivalent to the International Financial Reporting Standard 3, "Business Combinations (January 2008)" and is applied prospectively to business combinations with acquisition dates on or after January 1, 2011. Earlier adoption is permitted. This new section will only have an impact on the Company's financial statements for future acquisitions that will be made in periods subsequent to the date of adoption.

Consolidated Financial Statements and Non-controlling Interests

In January 2009, the CICA issued Handbook Section 1601, "Consolidated Financial Statements", and 1602, "Non-controlling Interests", which replaces existing guidance. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 provides guidance on accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination.

Section 1602 applies to the accounting for non-controlling interests and transactions with non-controlling interest holders in consolidated financial statements. The new sections require that, for each business combination, the acquirer measure any non-controlling interest in the acquiree's identifiable net assets and it also requires non-controlling interest to be presented as a separate component of shareholder's equity. Under this section, non-controlling interest in income is not deducted in arriving at consolidated net income or other comprehensive income. Rather, net income and each component of other comprehensive income are allocated to the controlling and non-controlling interests based on relative ownership interests.

Jaymor Capital Ltd.
Notes to Financial Statements
April 14, 2010

These sections are equivalent to the provisions of International Accounting Standard 27, "Consolidated and Separate Financial Statements (January 2008)". These sections apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011, and should be adopted concurrently with Section 1582. Earlier adoption is permitted. The adoption of these standards are not expected to have a significant impact on the financial statements.

3. Due to a related party

The amount due to a related party includes amounts owing to a company that has common officers and directors of the Company, is unsecured, non-interest bearing and is to be repaid from the proceeds received from the offering (note 9).

4. Share capital

(a) Authorized

Unlimited Class A voting preferred shares
 Unlimited Class B non-voting common shares

(b) Issued

| | Number | Stated Value |
|----------------------------------|----------------|-----------------|
| Class A shares | | |
| Issued for cash on incorporation | 100,000 | \$ 1,000 |
| Class B shares | | |
| Issued for cash on incorporation | <u>100,000</u> | <u>1,000</u> |
| | <u>200,000</u> | <u>\$ 2,000</u> |

The 100,000 Class A preferred shares and 100,000 Class B common shares currently issued and outstanding were issued at \$0.01 per share.

5. Income taxes

(a) Significant components of the Company's future income tax asset include the following:

| | |
|------------------------------------|----------------|
| Financing fees | \$ 3,116 |
| Non-capital losses carried forward | 690 |
| Valuation allowance | <u>(3,806)</u> |
| | <u>\$ -</u> |

Jaymor Capital Ltd.
Notes to Financial Statements
April 14, 2010

- (b) Income tax recovery differs from that which would be expected from applying the combined effective Canadian federal and provincial income tax rates of 30.99% to loss before income taxes as follows:

| | |
|--|--------------|
| Expected income tax recovery | \$ (4,718) |
| Change in tax rate | 912 |
| Future income tax benefit not recognized | <u>3,806</u> |
| | <u>\$ -</u> |

- (c) The Company has available \$2,763 of non-capital loss carry-forwards expiring in 2030 as well as \$12,462 in financing fees deductible over the next five years for which no tax benefit has been recognized.

6. Capital disclosures

The Company's policy when managing capital is to safeguard its ability to continue as a going concern so that it may continue to provide funding to its affiliates and provide returns to its investors.

The Company includes share capital and working capital in the definition of capital.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust spending requirements or incur new debt.

The Company is not subject to externally imposed capital requirements.

7. Financial instruments

The Company has the following financial instruments:

Cash is designated as held-for-trading and is measured at fair value. Due to a related party is designated as other financial liabilities and is measured at amortized cost.

The Company is exposed to financial risk arising from its financial assets and liabilities. The Company manages its exposure to financial risks in a manner that minimizes its exposure to the extent practical. The main financial risks affecting the Company are as follows:

(a) Credit risk

The financial instrument that potentially subjects the Company to a significant concentration of credit risk consists of cash. The Company mitigates its exposure to credit loss by placing its cash in a major Canadian financial institution.

Jaymor Capital Ltd.

Notes to Financial Statements

April 14, 2010

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking harm to the Company's reputation.

(c) Fair values

The fair values of cash and due to a related party approximate their carrying values due to the immediate or short-term nature of these financial instruments.

8. Related party transactions

(a) Financing fees of \$2,625 were paid to the majority shareholder of the Company relating to estimated costs of the offering (note 9). In addition, offering costs of \$12,600 were paid to a company which is related to the majority shareholder of the Company through common officers and directors. These transactions are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

(b) On March 26, 2010, the Company signed an agreement with the majority shareholder whereby the Company agrees to pay the shareholder an annual fee equal to the greater of \$2,500 or 1/2 of 1% of the amount of capital raised from the offering through deferred plans (any one of, or collectively, a Registered Retirement Savings Plan, Registered Retirement Income Fund, Registered Education Savings Plan and Tax-Free Savings Account, all as defined under the Income Tax Act) disclosed in note 9, that is in excess of \$500,000. Any capital raised from deferred plans in excess of \$5,000,000 will be subject to a reduced annual fee which is 1/4 of 1%. The minimum term of the agreement is two years.

Jaymor Capital Ltd.
Notes to Financial Statements
April 14, 2010

9. Subsequent event

The Company has prepared an offering memorandum dated May 14, 2010, for the offer of up to a maximum of 100,000 10% Series 2010A and 9% Series 2010B redeemable bonds (collectively "the Bonds") at a price of \$100 per Bond for total gross proceeds of \$10,000,000 and a minimum of 1,000 Bonds at a price of \$100 per Bond for total gross proceeds of \$100,000. Interest at a fixed rate of 10% per annum will accrue from the date of issue until redemption and shall be payable monthly on the Series 2010A bonds on the final day of each month commencing on the last day of the first full month after the issuance of the bonds. Each Series 2010B bond will entitle the holder to simple interest at a fixed rate of 7.5% per annum to accrue from the date of issue until June 30, 2012. If the Series 2010B bonds are not redeemed on or before June 30, 2012, the rate of interest will reset to a fixed rate of 9% per annum retroactive to the date of issuance until the earlier of any date of redemption by the Company and the maturity date. All accrued and unpaid interest due to the retroactive increase in the interest rate from the date of issuance of the Series 2010B bonds until June 30, 2012 will be paid on the earlier of any date of redemption of the bonds by the Company and the maturity date. Interest shall be payable on the last day of each fiscal quarter during the term of the Series 2010B bonds, specifically on March 31, June 30, September 30 and December 31 in each year, commencing on September 30, 2010. The Bonds shall mature on June 30, 2015. At any time during the final three years of the terms of the Bonds, the Company may redeem the Bonds by providing the Bondholder with written notice of intention to do so, and by paying all accrued but unpaid interest, the principal amount of the Bonds and a bonus calculated on the principal amount of the Bonds of 1% for each year or portion thereof remaining in the term until maturity. The Series 2010B bonds are redeemable by the holder at any time during the initial twenty-one months of the term of the bonds. The estimated costs of the offering are \$1,022,000 assuming the maximum number of Bonds are issued and \$32,000 assuming the minimum number of Bonds are issued.

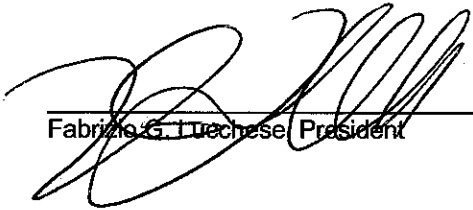
Closing of the offering is set to take place periodically at the Company's discretion on the final business day of each month. The closing of the minimum offering of \$100,000 is expected to occur on or before June 30, 2010.

ITEM 13 - DATE AND CERTIFICATE

Dated: May 14, 2010

This Offering Memorandum does not contain a misrepresentation.

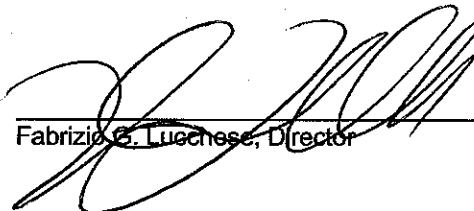
ON BEHALF OF JAYMOR CAPITAL LTD.



Fabrizio G. Lucchese, President

William P. Myers, Secretary

ON BEHALF OF THE BOARD OF DIRECTORS OF JAYMOR CAPITAL LTD.



Fabrizio G. Lucchese, Director

William P. Myers, Director

ON BEHALF OF THE PROMOTER, THE JAYMOR GROUP INC.



Fabrizio G. Lucchese, President

William P. Myers, Secretary

SCHEDULE A

SUBSCRIPTION AGREEMENT FOR BONDS

TO: Jaymor Capital Ltd. (the "Corporation")

The undersigned (hereinafter referred to as the "Subscriber") hereby irrevocably subscribes for and agrees to purchase the number of Bonds of the Corporation ("Bonds") set forth below for the subscription amount set forth below, representing a subscription price of Cdn. \$100.00 per Bond, upon and subject to the terms and conditions set forth in "Terms and Conditions of Subscription of Jaymor Capital Ltd." attached hereto (the "Subscription Agreement"). **In addition to this face page, the Subscriber must also complete all applicable schedules attached hereto.**

| |
|--|
| Full Legal Name of Subscriber (please print) |
| By: _____ Signature of Subscriber or its Authorized Representative |
| Official Title or Capacity (please print) |
| Name of Signatory (please print name of individual whose signature appears above if different than name of Subscriber) |
| Date of Execution |
| Social Insurance Number / Business Number |
| Subscriber's Address (including postal code) |
| Telephone Number (including area code) |
| E-mail Address |

Subscription Amount: \$ _____

Number of Bonds: _____

Series of Bonds:

☐ Series 2010A

☐ Series 2010B

If the Subscriber is signing as agent for a principal and is not a trust corporation or, in Alberta or British Columbia, a portfolio manager in any case, purchasing as a trustee or an agent for accounts fully managed by it, complete the following and ensure that the applicable schedules attached hereto are completed in respect of such principal:

Name of Principal

Principal's address (including postal code)

Telephone Number (including area code)

E-mail Address

| |
|---|
| Register the Bonds (if different from address above) as follows: |
| Name |
| Account reference, if applicable |
| Address (including postal code) |

| |
|--|
| Deliver the Bonds (if different from address given) as follows: |
| Name |
| Account reference, if applicable |
| Contact Name |
| Address (including postal code) |
| Telephone Number (including area code) |

FOR OFFICE USE ONLY

ACCEPTANCE: The Corporation hereby accepts the subscription as set forth above on the terms and conditions contained in this Subscription Agreement.

JAYMOR CAPITAL LTD.

Per:

Date: _____

No.:

(This is the first page of an agreement comprised of 9 pages (excluding the Schedules hereto))

PLEASE MAKE SURE THAT YOUR SUBSCRIPTION INCLUDES:

1. A signed copy of this Subscription Agreement;
2. A certified cheque or bank draft in an amount equal to the Aggregate Subscription Amount, payable to "Jaymor Capital Ltd.";
3. A properly completed and duly executed copy of the appropriate investor qualification form(s):
 - **if resident in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Quebec, Saskatchewan or Yukon**, two (2) copies of the Risk Acknowledgement in the form attached to this Subscription Agreement as Schedule "B" (one copy may be retained for your records); and
 - **if resident in Alberta, Manitoba, Northwest Territories, Nunavut, Prince Edward Island, Quebec, Saskatchewan or Yukon and your subscription for Bonds is for more than \$10,000**, one (1) copy of the Eligible Investor Certificate in the form attached to this Subscription Agreement as Schedule "C" (provided that, with respect to Quebec, the Offering Memorandum is available in both the French and English languages);
 - **if resident in Ontario and you are purchasing Bonds as an "accredited investor" (as such term is defined by NI 45-106)**, one (1) completed and signed copy of the Accredited Investor Representation Letter attached to the Subscription Agreement as Schedule "D"; and
4. A signed copy of the Target Release attached as Schedule E to the Subscription Agreement.

PLEASE DELIVER YOUR SUBSCRIPTION TO:

Jaymor Capital Ltd.
105 West Beaver Creek Road, Unit 9, Richmond Hill, Ontario, L4B 1C6

**TERMS AND CONDITIONS OF SUBSCRIPTION FOR
BONDS OF JAYMOR CAPITAL LTD.**

Definitions. In this Subscription Agreement:

- (a) "Aggregate Subscription Amount" means the aggregate dollar amount of the subscription under this Subscription Agreement;
- (b) "Closing Date" means the date on which Bonds are issued by the Corporation;
- (c) "Corporation" means Jaymor Capital Ltd., a corporation incorporated under the *Business Corporations Act* (Ontario);
- (d) "Offering" means the offering of the Corporation's Bonds pursuant to the Offering Memorandum;
- (e) "Offering Memorandum" means the Offering Memorandum of the Corporation dated May 14, 2010; and
- (f) "Bonds" means Bonds of the Corporation offered pursuant to the Offering Memorandum.

Acknowledgments of the Subscriber. The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) that:

- (a) this subscription is subject to rejection or acceptance by the Corporation in whole or in part, and is effective only upon acceptance by the Corporation;
- (b) the Bonds subscribed for by the Subscriber hereunder form part of a larger issue and sale by the Corporation of up to 100,000 Bonds at a subscription price of \$100 per Bond (the "Offering");
- (c) Loans to the Jaymor Affiliates will not be considered to be a breach of fiduciary or other duty and will not give rise to any obligation by the Jaymor Affiliates, or their respective officers, directors or shareholders to account to the Corporation or its bondholders for any profit made by the Jaymor Affiliates from the use of the Loan proceeds by the Jaymor Affiliates;
- (d) **the Subscriber is responsible for obtaining such legal advice as it considers appropriate in connection with the execution, delivery and performance by it of this Subscription Agreement.**

Representations, Warranties and Covenants of the Subscriber. By executing this Subscription Agreement, the Subscriber (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) represents, warrants and covenants to the Corporation (and acknowledges that the Corporation and its counsel are relying thereon) that:

- (a) if the Subscriber is an individual, the Subscriber is of the full age of majority in the jurisdiction in which this Subscription Agreement is executed and is legally competent to execute and deliver this Subscription Agreement, to perform all of its obligations hereunder, and to undertake all actions required of the Subscriber hereunder;
- (b) if the Subscriber is not an individual, the Subscriber has the requisite power, authority, legal capacity and competence to execute and deliver this Subscription Agreement, to perform all of its obligations hereunder, and to undertake all actions required of the Subscriber hereunder, and all necessary approvals of its Directors, partners, Shareholders, trustees or otherwise with respect to such matters have been given or obtained;
- (c) if the Subscriber is a body corporate, the Subscriber is duly incorporated and validly subsisting under the laws of its jurisdiction of incorporation;
- (d) this Subscription Agreement has been duly and validly authorized, executed and delivered by, and constitutes a legal, valid, binding and enforceable obligation of, the Subscriber;
- (e) if the Subscriber is acting as agent or trustee for a principal, the Subscriber is duly authorized to execute and deliver this Subscription Agreement and all other necessary documents in connection with such subscription on behalf of such principal, and this Subscription Agreement has been duly authorized, executed and delivered by or on behalf of, and constitutes a legal, valid, binding and enforceable obligation of, such principal;
- (f) the execution, delivery and performance by the Subscriber of this Subscription Agreement and the completion of the transactions contemplated hereby do not and will not result in a violation of any law, regulation, order or ruling applicable to the Subscriber, and do not and will not constitute a breach of or

default under any of the Subscriber's constating documents (if the Subscriber is not an individual) or any agreement to which the Subscriber is a party or by which it is bound;

- (g) the Subscriber confirms that the Subscriber (and, if the Subscriber is not purchasing as principal, each beneficial purchaser for whom the Subscriber is acting) is:
- (i) **resident in or otherwise subject to the applicable securities laws of Alberta, British Columbia, Manitoba, Newfoundland and Labrador, New Brunswick, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Quebec, Saskatchewan or Yukon**, it is purchasing the Bonds as principal for its own account and not for the benefit of any other person and it has received or been provided with a copy of the Offering Memorandum **and has duly completed and executed two (2) copies of the Risk Acknowledgement in the form attached hereto as Schedule "B" (one copy for each of the Corporation and the Subscriber) and**, if resident in Alberta, Manitoba, Northwest Territories, Nunavut, Prince Edward Island, Quebec, Saskatchewan or Yukon and your subscription for Bonds is for more than \$10,000, **a duly completed and executed copy of the Representation Letter in the form attached hereto as Schedule "C"** (provided that, with respect to Quebec, the Offering Memorandum is available in both the French and English languages); **or**
 - (ii) **resident in or otherwise subject to the applicable securities laws of British Columbia**, it is purchasing the Bonds as principal for its own account and not for the benefit of any other person and it has received or been provided with a copy of the Offering Memorandum **and has duly completed and executed two (2) copies of the Risk Acknowledgement in the form attached hereto as Schedule "B" (one copy for each of the Corporation and the Subscriber)**;
 - (iii) **resident in or otherwise subject to the applicable securities laws of Ontario**, it is purchasing the Bonds as principal for its own account and not for the benefit of any other person and is an **"accredited investor"**, as such term is defined in National Instrument 45-106- "Prospectus and Registration Exemptions" ("**NI 45-106**"), and **has concurrently executed and delivered a Representation letter in the form attached as Schedule D to this Subscription Agreement with Appendix A to Schedule D completed**; **or**
 - (iv) **resident in or otherwise subject to applicable securities laws in Canada**, it is purchasing the Bonds as principal for its own account and not for the benefit of any other person and has purchased Bonds with an acquisition cost to the Subscriber of not less than \$150,000 paid in cash at the time of the purchase;
- (h) has such knowledge in financial and business affairs as to be capable of evaluating the merits and risks of its investment in the Bonds;
- (i) is capable of assessing the proposed investment in the Bonds as a result of the Subscriber's own experience or as a result of advice received from a person registered under applicable securities legislation; and
 - (ii) is able to bear the economic risk of loss of its investment in the Bonds;
- (i) the Subscriber understands that no securities commission, stock exchange, governmental agency, regulatory body or similar authority has made any finding or determination or expressed any opinion with respect to the merits of investing in the Bonds;
- (j) the Subscriber acknowledges that no prospectus has been filed by the Corporation with any securities commission or similar regulatory authority in any jurisdiction in connection with the issuance of the Bonds and the issuance is exempted from the prospectus requirements available under the provisions of applicable Securities laws and as a result:
- (i) the Subscriber may be restricted from using some of the civil remedies otherwise available under applicable securities laws;
 - (ii) the Subscriber may not receive information that would otherwise be required to be provided to it under applicable securities laws; and
 - (iii) the Corporation is relieved from certain obligations that would otherwise apply under applicable securities laws;

- (iv) the Subscriber confirms that neither the Corporation or any of its representative directors, employees, officers or affiliates, have made any representations (written or oral) to the Subscriber;
 - (v) regarding the future value of the Bonds;
 - (vi) that any person will resell or repurchase the Bonds;
 - (vii) that the Bonds will be listed on any stock exchange or traded on any market; or
 - (viii) that any person will refund the purchase price of the Bonds other than as provided in this Subscription Agreement;
- (k) the Subscriber confirms that it has been advised to consult its own legal and financial advisors with respect to the suitability of the Bonds as an investment for the Subscriber, the tax consequences of purchasing and dealing with the Bonds, and the resale restrictions and "hold periods" to which the Bonds are or may be subject under applicable securities legislation or stock exchange rules, and has not relied upon any statements made by or purporting to have been made on behalf of the Corporation with respect to such suitability, tax consequences, and resale restrictions;
 - (l) except for the Subscriber's knowledge regarding its subscription for Bonds hereunder, the Subscriber has no knowledge of a "material fact" or a "material change" (as those terms are defined in the *Securities Act* (Ontario)) in the affairs of the Corporation that has not been generally disclosed;
 - (m) the Subscriber is resident in the jurisdiction indicated on the face page of this Subscription Agreement as the "Subscriber's Address" and the purchase by and sale to the Subscriber of the Bonds, and any act, solicitation, conduct or negotiation directly or indirectly in furtherance of such purchase and sale (whether with or with respect to the Subscriber or any beneficial purchaser) has occurred only in such jurisdiction;
 - (n) the Subscriber acknowledges that it and/or the Corporation may be required to provide applicable Securities regulatory authorities or stock exchanges with information concerning the identities of the beneficial purchasers of the Bonds and the Subscriber agrees that, notwithstanding that the Subscriber may be purchasing the Bonds as agent for an undisclosed principal, the Subscriber will provide to the Corporation, on request, particulars as to the identity of such undisclosed principal as may be required by the Corporation in order to comply with the foregoing;
 - (o) the Subscriber understands that it will not resell the Bonds except in accordance with limited exemptions available under applicable securities legislation, regulatory policy and stock exchange rules, and that the Subscriber is solely responsible for (and the Corporation is not in any way responsible for) the Subscriber's compliance with applicable resale restrictions;
 - (p) the Subscriber acknowledges that it is aware that there is no market upon which the Bonds trade and there is no assurance that any of the Bonds will be listed and posted for trading on a stock exchange or dealer network in the future;
 - (q) the Subscriber understands that the sale of the Bonds is conditional upon such sale being exempt from the requirements to file and obtain a receipt for a prospectus, and the requirement to sell securities through a registered dealer, or upon the issuance of such orders, consents or approvals as may be required to enable such sale to be made without complying with such requirements, and that as a consequence of acquiring the Bonds pursuant to such exemptions, certain protections, rights and remedies provided by applicable Securities legislation, including statutory rights of rescission or damages in the event of a misrepresentation may not be available to the Subscriber in connection with the purchase and sale of the Bonds;
 - (r) the Subscriber understands that any certificates representing the Bonds will bear a legend indicating that the resale of such securities is restricted;
 - (s) other than the Offering Memorandum, the Subscriber has not received or been provided with, nor has it requested, nor does it have any need to receive, any other document (other than any other document the content of which is prescribed by statute or regulation) describing the business and affairs of the Corporation, which has been prepared for delivery to and review by prospective purchasers in order to assist them in making an investment decision in respect of the purchase of Bonds pursuant to the Offering;
 - (t) the Subscriber has not become aware of any advertisement in printed media of general and regular paid circulation or on radio, television or other form of telecommunication or any other form of advertisement

(including electronic display or the Internet) or sales literature with respect to the distribution of the Bonds;

- (u) the Subscriber is not a "U.S. Person" (as that term is defined by Regulation S under the U.S. Securities Act, which definition includes, but is not limited to, an individual resident in the United States, an estate or trust of which any executor or administrator or trustee, respectively, is a U.S. Person and any partnership or corporation organized or incorporated under the laws of the United States) and is not acquiring the Bonds for the account or benefit of a U.S. Person or a person in the United States;
- (v) the Bonds have not been Offered to the Subscriber in the United States, and the individuals making the order to purchase the Bonds and executing and delivering this Subscription Agreement on behalf of the Subscriber were not in the United States when the order was placed and this Subscription Agreement was executed and delivered;
- (w) the Subscriber undertakes and agrees that it will not Offer or sell any of the Bonds in the United States unless such securities are registered under the U.S. Securities Act and the Securities laws of all applicable states of the United States, or an exemption from such registration requirements is available;
- (x) the Subscriber acknowledges that, in addition to any other requirements under applicable securities legislation to which a disposition of any of the Bonds by the Subscriber may be subject, the Subscriber may, depending on the nature of the disposition, be required to file a report of exempt trade within ten (10) days of a disposition by the Subscriber of the Bonds;
- (y) if required by applicable securities legislation, regulations, rules, policies or orders or by any securities commission, stock exchange or other regulatory authority, the Subscriber will execute, deliver, file and otherwise assist the Corporation in filing, such reports, undertakings and other documents with respect to the issue of the Bonds;
- (z) except as disclosed in writing to the Corporation, the Subscriber does not act jointly or in concert with any other person or company for the purposes of acquiring Securities of the Corporation;
- (aa) the Subscriber is not a non-resident for the purposes of the *Income Tax Act* (Canada);
- (bb) the Subscriber is not a "control person" of the Corporation, as that term is defined in the *Securities Act* (Alberta), will not become a "control person" of the Corporation by purchasing the number of Bonds subscribed for under this Subscription Agreement and does not intend to act jointly or in concert with any other person to form a control group in respect of the Corporation;
- (cc) the Subscriber has not relied upon any verbal or written representation as to fact or otherwise made by or on behalf of the Corporation except as expressly set forth herein or in the Offering Memorandum;
- (dd) the funds representing the Aggregate Subscription Amount which will be advanced by the Subscriber to the Corporation hereunder will not represent proceeds of crime for the purposes of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) (the "PCMLA") and the Subscriber acknowledges that the Corporation may in the future be required by law to disclose the Subscriber's name and other information relating to this Subscription Agreement and the Subscriber's subscription hereunder, on a confidential basis, pursuant to the PCMLA. To the best of its knowledge: (i) none of the subscription funds to be provided by the Subscriber: (A) have been or will be derived from or related to any activity that is deemed criminal under the law of Canada, the United States of America, or any other jurisdiction; or (B) are being tendered on behalf of a person or entity who has not been identified to the Subscriber; and (ii) it shall promptly notify the Corporation if the Subscriber discovers that any of such representations ceases to be true, and to provide the Corporation with appropriate information in connection therewith;
- (ee) the Subscriber acknowledges that the Corporation may complete additional financings in the future in order to develop the proposed business of the Corporation and to fund its ongoing development. There is no assurance that such financing will be available and if available, on reasonable terms. Any such future financings may have a prejudicial effect on current Subscribers; and
- (ff) **the Subscriber acknowledges that an investment in the Bonds is subject to a number of risk factors. In particular, the Subscriber acknowledges that the Corporation is not a reporting issuer in any province or territory of Canada and, as such, the applicable hold period may never expire. Accordingly, there is currently no market for any of the Bonds and one may never develop. It may be difficult or even impossible for a Subscriber to sell any of the Bonds. Resale of such Bonds will require the availability of exemptions from the prospectus requirements of applicable securities legislation, or the application for a discretionary order of the securities commission or**

similar regulatory authority in the subscriber's province or territory of residence permitting the trade. The Subscriber covenants and agrees to comply with the relevant securities legislation, orders or policies concerning the purchase, holding of, and resale of the Bonds.

Timeliness of Representations, etc. The Subscriber agrees that the representations, warranties and covenants of the Subscriber herein will be true and correct both as of the execution of this Subscription Agreement and as of the Closing Time (as defined herein), and will survive the completion of the distribution of the Bonds and any subsequent disposition by the Subscriber of any of the securities.

Indemnity. The Subscriber acknowledges that the Corporation and its counsel are relying upon the representations, warranties and covenants of the Subscriber set forth herein in determining the eligibility (from a securities law perspective) of the Subscriber (or, if applicable, the eligibility of another on whose behalf the Subscriber is contracting hereunder to subscribe for Bonds) to purchase Bonds under the Offering, and hereby agrees to indemnify the Corporation and its directors, officers, employees, advisers, affiliates, shareholders and agents (including their respective legal counsel) against all losses, claims, costs, expenses, damages or liabilities that they may suffer or incur as a result of or in connection with their reliance on such representations, warranties and covenants. The Subscriber undertakes to immediately notify the Corporation at 105 West Beaver Creek Road, Richmond Hill, Ontario, L4B 1C6 of any change in any statement or other information relating to the Subscriber set forth herein that occurs prior to the Closing Time.

Deliveries by Subscriber prior to Closing. The Subscriber agrees to deliver to the Corporation not later than 5:00 p.m. (Eastern Standard Time) on the day that is two business days before any Closing Date of which the Subscriber receives notice:

- (a) this duly completed and executed Subscription Agreement;
- (b) a certified cheque or bank draft made payable to "Jaymor Capital Ltd." in an amount equal to the Aggregate Subscription Amount, or payment of the same amount in such other manner as is acceptable to the Corporation;
- (c) properly completed and duly executed copies of the appropriate investor qualification form(s) as described on page 2 of this Subscription Agreement; and
- (d) such other documents as may be requested by the Corporation as contemplated by this Subscription Agreement.

Consent to Collection of Personal Information. If the Subscriber is an individual, the Subscriber acknowledges that the Subscriber has provided, in this Subscription Agreement, to the Corporation information (the "**Personal Information**") of a personal nature that may or may not be protected under applicable privacy legislation. This information is being collected, used and may be disclosed by the Corporation for the following purposes (the "**Purposes**"):

- (a) in order to complete the Offering;
- (b) to be kept in the corporate records of the Corporation, on its securities registers and bondholders lists, maintained by the Corporation and/or the Corporation's transfer agent;
- (c) to be disclosed to securities/tax regulatory authorities or other government bodies as required and in accordance with applicable securities laws and tax laws;
- (d) to enforce the obligations contemplated by this Subscription Agreement.
- (e) The Subscriber or the person subscribing for the Bonds on behalf of a disclosed beneficial purchaser hereby consents to the collection, use and disclosure by the Corporation of the Personal Information for the Purposes.

Certain securities commissions have been granted the authority to indirectly collect this personal information pursuant to securities legislation and this personal information is also being collected for the purpose of administration and enforcement of securities legislation. In Ontario, the Administrative Assistant to the Director of Corporate Finance, Suite 1903, Box 5520 Queen Street West, Toronto, Ontario M5H 3S8, Telephone (416) 593-8086, Facsimile: (416) 593-8252 is the public official who can answer questions about the indirect collection of personal information. The Subscriber's personal information may be disclosed by the Corporation or its counsel to: (a) stock exchanges, securities commissions or securities regulatory authorities; (b) the Corporation's registrar and transfer agent; (c) taxation authorities; (d) any of the other parties involved in the offering, including legal counsel. By executing this Subscription Agreement and the, the Subscriber is deemed to be authorizing and consenting to the foregoing collection (including the indirect collection of personal information), use and disclosure of the Subscriber's personal information as set forth above. The Subscriber

also consents to the filing of copies or originals of any of the Subscriber's documents described in this Subscription Agreement as may be required to be filed with any stock exchange, securities commission or securities regulatory authority in connection with the transactions contemplated hereby.

Partial Acceptance or Rejection of Subscription. The Corporation may, in its absolute discretion, accept or reject the Subscriber's subscription for Bonds as set forth in this Subscription Agreement, in whole or in part, and the Corporation reserves the right to allot to the Subscriber less than the amount of Bonds subscribed for under this Subscription Agreement.

Notwithstanding the foregoing, the Subscriber acknowledges and agrees that the acceptance of this Subscription Agreement will be conditional upon among other things, the sale of the Bonds to the Subscriber being exempt from any prospectus and Offering memorandum requirements of applicable securities laws. The Corporation will be deemed to have accepted this Subscription Agreement upon the delivery at Closing of the certificates representing the Bonds to the Subscriber or upon the direction of the Subscriber in accordance with the provisions hereof.

If this Subscription Agreement is rejected in whole, any certified cheque(s) or bank draft(s) delivered by the Subscriber to the Corporation on account of the Aggregate Subscription Amount for the Bonds subscribed for will be promptly returned to the Subscriber without interest. If this Subscription Agreement is accepted only in part, a cheque representing the amount by which the payment delivered by the Subscriber to the Corporation exceeds the subscription price of the number of Bonds sold to the Subscriber pursuant to a partial acceptance of this Subscription Agreement, will be promptly delivered to the Subscriber without interest.

Time and Place of Closing. The sale of the Bonds will be completed at the office the Corporation in Richmond Hill, Ontario at 10:00 a.m. (Eastern Standard Time) or such other time as the Corporation may determine (the "Closing Time") on the Closing Date. The Corporation reserves the right to close the Offering in multiple tranches, so that one or more closings may occur after the initial closing.

Subject to Regulatory Approval. The obligations of the parties hereunder are subject to all required regulatory approvals being obtained.

Representations and Warranties of the Corporation. The Corporation hereby represents and warrants to the Subscriber (and acknowledges that the Subscriber is relying thereon) that:

- (a) the Corporation has the full corporate right, power and authority to execute and deliver this Subscription Agreement and to issue the Bonds to the Subscriber;
- (b) the Corporation is duly incorporated and validly subsisting, and is qualified to carry on business in each jurisdiction in respect of which the carrying out of the activities contemplated hereby make such qualification necessary;
- (c) the Corporation has complied or will comply with all applicable corporate and Securities laws in connection with the Offer and sale of the Bonds;
- (d) upon acceptance by the Corporation, this Subscription Agreement shall constitute a binding obligation of the Corporation enforceable in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the general principles of equity including the fact that specific performance is available only in the discretion of the court; and
- (e) the execution, delivery and performance of this Subscription Agreement by the Corporation and the issue of the Bonds to the Subscriber pursuant hereto does not and will not constitute a breach of or default under the constating documents of the Corporation, or any law, regulation, order or ruling applicable to the Corporation, or any agreement to which the Corporation is a party or by which it is bound.

No Partnership. Nothing herein shall constitute or be construed to constitute a partnership of any kind whatsoever between the Subscriber and the Corporation.

Governing Law. The contract arising out of acceptance of this Subscription Agreement by the Corporation shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The parties irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Ontario.

Time of Essence. Time shall be of the essence of this Subscription Agreement.

Entire Agreement. This Subscription Agreement represents the entire agreement of the parties hereto relating to the subject matter hereof, and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein.

Facsimile Copies. The Corporation shall be entitled to rely on delivery of a facsimile copy of executed subscriptions, and acceptance by the Corporation of such facsimile subscriptions shall be legally effective to create a valid and binding agreement between the Subscriber and the Corporation in accordance with the terms hereof.

Counterpart. This Subscription Agreement may be executed in one or more counterparts each of which so executed shall constitute an original and all of which together shall constitute one and the same agreement.

Severability. The invalidity, illegality or unenforceability of any provision of this Subscription Agreement shall not affect the validity, legality or enforceability of any other provision hereof.

Survival. The covenants, representations and warranties contained in this Subscription Agreement shall survive the closing of the transactions contemplated hereby, and shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

Interpretation. The headings used in this Subscription Agreement have been inserted for convenience of reference only and shall not affect the meaning or interpretation of this Subscription Agreement or any provision hereof. In this Subscription Agreement, all references to money amounts are to Canadian dollars.

Amendment. Except as otherwise provided herein, this Subscription Agreement may only be amended by the parties hereto in writing.

Costs. The Subscriber acknowledges and agrees that all costs incurred by the Subscriber (including any fees and disbursements of any special counsel retained by the Subscriber) relating to the sale of the Bonds to the Subscriber shall be borne by the Subscriber.

Withdrawal. The Subscriber, on its own behalf and, if applicable, on behalf of others for whom it is contracting hereunder, agrees that this subscription is made for valuable consideration and may not be withdrawn, cancelled, terminated or revoked by the Subscriber, on its own behalf and, if applicable, on behalf of others for whom it is contracting hereunder.

Assignment. Neither party may assign all or part of its interest in or to this Subscription Agreement without the consent of the other party in writing.

Language. The Subscriber acknowledges that it has consented to and requested that all documents evidencing or relating in any way to the sale of the Bonds be drawn up in the English language only. **Le souscripteur reconnaît par les présentes avoir consenti et exigé que tous les documents faisant foi ou se rapportant de quelque manière à la vente des bons de souscription spéciaux soient rédigés en anglais seulement.**

SCHEDULE B

FORM 45-106F4

**TO BE COMPLETED BY ALBERTA, BRITISH COLUMBIA, MANITOBA,
NEWFOUNDLAND AND LABRADOR, NEW BRUNSWICK, NORTHWEST TERRITORIES, NOVA SCOTIA,
NUNAVUT, PRINCE EDWARD ISLAND, QUEBEC, SASKATCHEWAN AND YUKON RESIDENTS**

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RISK ACKNOWLEDGEMENT

- I acknowledge that this is a risky investment.
- I am investing entirely at my own risk.
- No securities regulatory authority or regulator has evaluated or endorsed the merits of these securities or the disclosure in the Offering Memorandum.
- The person selling me these securities is not registered with a securities regulator authority or regulator and has no duty to tell me whether this investment is suitable for me.
- The Bonds offered pursuant to this Offering Memorandum are unsecured and are not insured against loss through the Canadian Deposit Insurance Corporation or any other insurance company or program.
- I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.
- I could lose all the money I invest.

I am investing \$_____ in total; this includes any amount I am obliged to pay in future.

The Corporation reserves the right, as allowed by applicable securities legislation, to retain agents to help effect sales of the Bonds. If an agent is retained, the agent will be paid aggregate fees and commissions of up to 10% of the gross proceeds realized on the Bonds sold by such agent. The Corporation may compensate its employees, consultants, officers and directors by payment up to 10% of the gross proceeds realized on the sale of Bonds for soliciting subscriptions for the Bonds with respect to Bonds not sold by an agent. The Lead Agent will also be paid an Agency Fee equal to 1% of the gross proceeds realized on the sale of the Bonds.

I acknowledge that this is a risky investment and that I could lose all the money I invest.

Date

Signature of Purchaser

Print name of Purchaser

Sign 2 copies of this document. Keep one copy for your records.

You have 2 business days to cancel your purchase

To do so, send a notice to Jaymor Capital Ltd. stating that you want to cancel your purchase. You must send the notice before midnight on the 2nd business day after you sign the agreement to purchase the securities. You can send the notice by fax or email or deliver it in person to Jaymor Capital Ltd. at its business address. Keep a copy of the notice for your records.

Issuer Name: Jaymor Capital Ltd. (the "Corporation")
Address: 105 West Beaver Creek Road, Unit 9
Richmond Hill, Ontario, L4B 1C6
Phone: (905) 882-1212 / (800) 572-3564
Fax: (905) 882-1216
Email: info@jaymorgroup.com

You are buying Exempt Market Securities

They are called *exempt market securities* because two parts of securities law do not apply to them. If an issuer wants to sell *exempt market securities* to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority or regulator.

There are restrictions on your ability to resell *exempt market securities*. *Exempt market securities* are more risky than other securities.

You will receive an Offering Memorandum

Read the Offering Memorandum carefully because it has important information about the issuer and its securities. Keep the Offering Memorandum because you have rights based on it. Talk to a lawyer for details about these rights.

You will not receive advice

You will not get professional advice about whether the investment is suitable for you. But you can still seek that advice from a registered adviser or registered dealer. In Alberta, Manitoba, Northwest Territories, Nunavut, Prince Edward Island, Quebec, Saskatchewan and Yukon to qualify as an eligible investor, you may be required to obtain that advice.

The securities you are buying are not listed

The securities you are buying are not listed on any stock exchange, and they may never be listed.

You may never be able to sell these securities.

The issuer of your securities is a non-reporting issuer

A non-reporting issuer does not have to publish financial information or notify the public of changes in its business. You may not receive ongoing information about this issuer.

For more information on the exempt market, call your local securities regulatory authority or regulator.

Alberta Securities Commission

4th Floor, 300 - 5th Avenue S.W.
 Calgary, Alberta
 T2P 3C4
 Phone: (403) 297-6454
 Fax: (403) 297-6156
<http://www.albertasecurities.com>

British Columbia Securities Commission

701 West Georgia Street
 P.O. Box 10142, Pacific Centre
 Vancouver, British Columbia
 V7Y 1L2
 Phone (604) 899-6500
 Fax: (604) 899-6506
<http://www.bcsc.bc.ca>

Ontario Securities Commission

Suite 1903, Box 55
 20 Queen Street West
 Toronto, Ontario
 M5H 3S8
 Telephone: (416) 593-3682
 Facsimile: (416) 593-8252
 Administrative Assistant to the
 Director of Corporate Finance:
 Telephone (416) 593-8086

Saskatchewan Financial Services Commission

6th Floor, 1919 Saskatchewan Drive
 Regina, Saskatchewan
 S4P 3V7
 Telephone: (306) 787-5879
 Facsimile: (306) 787-5899

Manitoba Securities Commission

1130 – 405 Broadway Avenue
 Winnipeg, Manitoba
 R3C 3L6
 Telephone: (204) 945-2548
 Facsimile: (204) 945-0330

Autorité des marchés financiers

800, Square Victoria, 22e étage
 C.P. 246, Tour de la Bourse
 Montréal, Québec
 H4Z 1G3
 Telephone: (514) 395-0337
 or 1877 525-0337
 Facsimile: (514) 864-3681

New Brunswick Securities Commission

133 Prince William Street, Suite 606
 Saint John, New Brunswick
 E2L 2B5
 Telephone: (506) 658-3060
 Facsimile: (506) 658-3059

Nova Scotia Securities Commission

2nd Floor, Joseph Howe Building
 1690 Hollis Street
 Halifax, Nova Scotia
 B3J 3J9
 Telephone: (902) 424-7768
 Facsimile: (902) 424-4625

Prince Edward Island Securities Office

95 Rochford Street, P.O. Box 2000
 Charlottetown, Prince Edward Island
 C1A 7N8
 Telephone: (902) 368-4569
 Facsimile: (902) 368-5283

Securities Commission of Newfoundland and Labrador

P.O. Box 8700 2nd Floor, West Block
 Confederation Building
 St. John's, Newfoundland & Labrador
 A1B 4J6
 Telephone: (709) 729-4189
 Facsimile: (709) 729-6187

Government of Yukon

Department of Community
 Services Law Centre, 3rd Floor
 2130 Second Avenue
 Whitehorse, Yukon
 Y1A 5H6
 Telephone: (867) 667-5314
 Facsimile: (867) 393-6251

**Government of Northwest Territories
Department of Justice**

Securities Registry
 1st Floor Stuart M. Hodgson Building
 5009 – 49th Street
 Yellowknife, Northwest Territories
 X1A 2L9
 Telephone (867) 920-3318
 Facsimile: (867) 873-0243

**Government of Nunavut
Department of Justice**

Legal Registries Division
 P.O. Box 1000 – Station 570
 1st Floor, Brown Building
 Iqaluit, Nunavut
 XOA 0H0
 Telephone: (867) 975-6190
 Facsimile: (867) 975-6194

Instruction:

**The purchaser must sign 2 copies of this form.
 The purchaser and the issuer must each receive a signed copy.**

SCHEDULE B

FORM 45-106F4

**TO BE COMPLETED BY ALBERTA, BRITISH COLUMBIA, MANITOBA,
NEWFOUNDLAND AND LABRADOR, NEW BRUNSWICK, NORTHWEST TERRITORIES, NOVA SCOTIA,
NUNAVUT, PRINCE EDWARD ISLAND, QUEBEC, SASKATCHEWAN AND YUKON RESIDENTS**

RISK ACKNOWLEDGEMENT

- I acknowledge that this is a risky investment.
- I am investing entirely at my own risk.
- No securities regulatory authority or regulator has evaluated or endorsed the merits of these securities or the disclosure in the Offering Memorandum.
- The person selling me these securities is not registered with a securities regulator authority or regulator and has no duty to tell me whether this investment is suitable for me.
- The Bonds offered pursuant to this Offering Memorandum are unsecured and are not insured against loss through the Canadian Deposit Insurance Corporation or any other insurance company or program.
- I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.
- I could lose all the money I invest.

I am investing \$_____ in total; this includes any amount I am obliged to pay in future.

The Corporation reserves the right, as allowed by applicable securities legislation, to retain agents to help effect sales of the Bonds. If an agent is retained, the agent will be paid aggregate fees and commissions of up to 10% of the gross proceeds realized on the Bonds sold by such agent. The Corporation may compensate its employees, consultants, officers and directors by payment up to 10% of the gross proceeds realized on the sale of Bonds for soliciting subscriptions for the Bonds with respect to Bonds not sold by an agent. The Lead Agent will also be paid an Agency Fee equal to 1% of the gross proceeds realized on the sale of the Bonds.

I acknowledge that this is a risky investment and that I could lose all the money I invest.

Date

Signature of Purchaser

Print name of Purchaser

Sign 2 copies of this document. Keep one copy for your records.

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You have 2 business days to cancel your purchase

To do so, send a notice to Jaymor Capital Ltd. stating that you want to cancel your purchase. You must send the notice before midnight on the 2nd business day after you sign the agreement to purchase the securities. You can send the notice by fax or email or deliver it in person to Jaymor Capital Ltd. at its business address. Keep a copy of the notice for your records.

Issuer Name: Jaymor Capital Ltd. (the "Corporation")
Address: 105 West Beaver Creek Road, Unit 9
Richmond Hill, Ontario, L4B 1C6
Phone: (905) 882-1212 / (800) 572-3564
Fax: (905) 882-1216
Email: info@jaymorgroup.com

You are buying Exempt Market Securities

They are called *exempt market securities* because two parts of securities law do not apply to them. If an issuer wants to sell *exempt market securities* to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority or regulator.

There are restrictions on your ability to resell *exempt market securities*. *Exempt market securities* are more risky than other securities.

You will receive an Offering Memorandum

Read the Offering Memorandum carefully because it has important information about the issuer and its securities. Keep the Offering Memorandum because you have rights based on it. Talk to a lawyer for details about these rights.

You will not receive advice

You will not get professional advice about whether the investment is suitable for you. But you can still seek that advice from a registered adviser or registered dealer. In Alberta, Manitoba, Northwest Territories, Nunavut, Prince Edward Island, Quebec, Saskatchewan and Yukon to qualify as an eligible investor, you may be required to obtain that advice.

The securities you are buying are not listed

The securities you are buying are not listed on any stock exchange, and they may never be listed.

You may never be able to sell these securities.

The issuer of your securities is a non-reporting issuer

A non-reporting issuer does not have to publish financial information or notify the public of changes in its business. You may not receive ongoing information about this issuer.

For more information on the exempt market, call your local securities regulatory authority or regulator.

Alberta Securities Commission

4th Floor, 300 - 5th Avenue S.W.
 Calgary, Alberta
 T2P 3C4
 Phone: (403) 297-6454
 Fax: (403) 297-6156
<http://www.albertasecurities.com>

British Columbia Securities Commission

701 West Georgia Street
 P.O. Box 10142, Pacific Centre
 Vancouver, British Columbia
 V7Y 1L2
 Phone (604) 899-6500
 Fax: (604) 899-6506
<http://www.bcsc.bc.ca>

Ontario Securities Commission

Suite 1903, Box 55
 20 Queen Street West
 Toronto, Ontario
 M5H 3S8
 Telephone: (416) 593-3682
 Facsimile: (416) 593-8252
 Administrative Assistant to the
 Director of Corporate Finance:
 Telephone (416) 593-8086

Saskatchewan Financial Services Commission

6th Floor, 1919 Saskatchewan Drive
 Regina, Saskatchewan
 S4P 3V7
 Telephone: (306) 787-5879
 Facsimile: (306) 787-5899

Manitoba Securities Commission

1130 – 405 Broadway Avenue
 Winnipeg, Manitoba
 R3C 3L6
 Telephone: (204) 945-2548
 Facsimile: (204) 945-0330

Autorité des marchés financiers

800, Square Victoria, 22e étage
 C.P. 246, Tour de la Bourse
 Montréal, Québec
 H4Z 1G3
 Telephone: (514) 395-0337
 or 1877 525-0337
 Facsimile: (514) 864-3681

New Brunswick Securities Commission

133 Prince William Street, Suite 606
 Saint John, New Brunswick
 E2L 2B5
 Telephone: (506) 658-3060
 Facsimile: (506) 658-3059

Nova Scotia Securities Commission

2nd Floor, Joseph Howe Building
 1690 Hollis Street
 Halifax, Nova Scotia
 B3J 3J9
 Telephone: (902) 424-7768
 Facsimile: (902) 424-4625

Prince Edward Island Securities Office

95 Rochford Street, P.O. Box 2000
 Charlottetown, Prince Edward Island
 C1A 7N8
 Telephone: (902) 368-4569
 Facsimile: (902) 368-5283

Securities Commission of Newfoundland and Labrador

P.O. Box 8700, 2nd Floor, West Block
 Confederation Building
 St. John's, Newfoundland & Labrador
 A1B 4J6
 Telephone: (709) 729-4189
 Facsimile: (709) 729-6187

Government of Yukon

Department of Community
 Services Law Centre, 3rd Floor
 2130 Second Avenue
 Whitehorse, Yukon
 Y1A 5H6
 Telephone: (867) 667-5314
 Facsimile: (867) 393-6251

**Government of Northwest Territories
Department of Justice**

Securities Registry
 1st Floor, Stuart M. Hodgson Building
 5009 – 49th Street
 Yellowknife, Northwest Territories
 X1A 2L9
 Telephone (867) 920-3318
 Facsimile: (867) 873-0243

**Government of Nunavut
Department of Justice**

Legal Registries Division
 P.O. Box 1000 – Station 570
 1st Floor, Brown Building
 Iqaluit, Nunavut
 XOA 0H0
 Telephone: (867) 975-6190
 Facsimile: (867) 975-6194

Instruction:

**The purchaser must sign 2 copies of this form.
 The purchaser and the issuer must each receive a signed copy.**

SCHEDULE C

OFFERING MEMORANDUM EXEMPTION**REPRESENTATION LETTER - 45-106 ELIGIBLE INVESTOR**

TO BE COMPLETED BY ALBERTA, MANITOBA, NORTHWEST TERRITORIES, NUNAVUT, PRINCE EDWARD ISLAND, QUEBEC, SASKATCHEWAN AND YUKON RESIDENTS WHO ARE SUBSCRIBING FOR MORE THAN \$10,000 OF BONDS.

The undersigned (the "Subscriber") hereby confirms and certifies to Jaymor Capital Ltd. that the Subscriber is purchasing the Bonds as principal, that the Subscriber is resident in the jurisdiction set out on the execution page hereof, and that the Subscriber is: **[check appropriate boxes]**

- ☐ an "eligible investor", being a person or company whose **[circle one or more]**
 - (i) net assets, alone or with a spouse, exceed Cdn \$400,000,
 - (ii) net income before taxes exceeded Cdn \$75,000 in each of the two most recent years and who reasonably expects to exceed that income level in the current year, or
 - (iii) net income before taxes combined with that of a spouse exceeded CDN \$125,000 in each of the two most recent years and who reasonably expects to exceed that income level in the current year,
- ☐ a person or company of which a majority of the voting securities are beneficially owned by eligible investors or a majority of the directors are eligible investors,
- ☐ a general partnership in which all of the partners are eligible investors,
- ☐ a limited partnership in which the majority of the general partners are eligible investors,
- ☐ a trust or estate in which all of the beneficiaries or a majority of the trustees or executors are eligible investors,
- ☐ an accredited investor (as defined in National Instrument 45-106),
- ☐ a person who is a family member, close personal friend or close business associate as described in Section 2.5 of National Instrument 45-106; or
- ☐ person or company that has obtained advice regarding the suitability of the investment and if the person or company is in a jurisdiction of Canada that advice has been obtained from an eligibility adviser (as defined in National Instrument 45-106).

EXECUTED by the Subscriber this ____ day of _____, 20__.

If a corporation, partnership or other entity:

If an individual:

Signature of Authorized Signatory

Signature

Name and Position of Signatory

Print Name

Name of Purchasing Entity

Jurisdiction of Residence

Jurisdiction of Residence

SCHEDULE D

**REPRESENTATION LETTER
(FOR ACCREDITED INVESTORS)**

TO: Jaymor Capital Ltd. (the "Corporation")

In connection with the purchase of Bonds (the "Bonds") of the Corporation by the undersigned subscriber or, if applicable, the principal on whose behalf the undersigned is purchasing as agent (the "**Subscriber**" for the purposes of this Schedule D), the Subscriber hereby represents, warrants, covenants and certifies to the Corporation that:

1. The Subscriber is resident in the jurisdiction as set forth on the face page of this Subscription Agreement or is subject to the securities laws of such jurisdiction;
2. The Subscriber is purchasing the Bonds as principal for its own account;
3. The Subscriber is an "accredited investor" within the meaning of National Instrument 45-106 entitled "Prospectus and Registration Exemptions" by virtue of satisfying the indicated criterion as set out in Appendix A to this Representation Letter;
4. The Subscriber was not created or used solely to purchase or hold securities as an "accredited investor" as described in paragraph (XIII) of the attached Appendix A of this Schedule D; and
5. Upon execution of this Schedule D by the Subscriber, this Schedule D shall be incorporated into and form a part of the Subscription Agreement.

Dated: _____, 20____.

Print name of Subscriber

By: _____
Signature

Print name of Signatory (if different from Subscriber)

Title

**IMPORTANT: PLEASE MARK THE CATEGORY OR CATEGORIES
IN APPENDIX A ON THE NEXT PAGE THAT DESCRIBES YOU.**

APPENDIX A

TO SCHEDULE D

NOTE: THE INVESTOR MUST INITIAL BESIDE THE APPLICABLE PORTION OF THE DEFINITION BELOW.

Accredited Investor - (defined in National Instrument 45-106) means:

- ☐ I. a Canadian financial institution, or an authorized foreign bank named in Schedule III of the *Bank Act* (Canada); or
 - ☐ II. the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or
 - ☐ III. a subsidiary of any person referred to in paragraphs (I) or (II), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by Directors of that subsidiary; or
 - ☐ IV. a person registered under the securities legislation of a jurisdiction of Canada, as an adviser or dealer, other than a person registered solely as a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador); or
 - ☐ V. an individual registered or formerly registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (IV); or
 - ☐ VI. the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly-owned entity of the Government of Canada or a jurisdiction of Canada; or
 - ☐ VII. a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec; or
 - ☐ VIII. any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government; or
 - ☐ IX. a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a jurisdiction of Canada; or
 - ☐ X. an individual who, either alone or with a spouse, beneficially owns, directly or indirectly, financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds \$1,000,000; or
 - ☐ XI. an individual whose net income before taxes exceeded \$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year; or
- (Note: if individual accredited investors wish to purchase through wholly-owned holding companies or similar entities, such purchasing entities must qualify under paragraph (XX) below, which must be initialed.)
- ☐ XII. an individual who, either alone or with a spouse, has net assets of at least \$5,000,000; or
 - ☐ XIII. a person, other than an individual or investment fund, that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements; or

- _____ XIV. an investment fund that distributes or has distributed its securities only to
- (a) a person that is or was an accredited investor at the time of the distribution, or
 - (b) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 and 2.19 of National Instrument 45-106, or
 - (c) a person described in paragraph (a) or (b) that acquires or acquired securities under section 2.18 of National Instrument 45-106; or
- _____ XV. an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt; or
- _____ XVI. a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be; or
- _____ XVII. a person acting on behalf of a fully managed account managed by that person, if that person
- (a) is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction, and
 - (b) in Ontario, is purchasing a security that is not a security of an investment fund; or
- _____ XVIII. a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded; or
- _____ XIX. an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (I) to (IV) or paragraph (IX) in form and function; or
- _____ XX. a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by Directors, are persons that are accredited investors (as defined in National Instrument 45-106); or
- (Note: if you are purchasing as an individual, accredited investors paragraph (XI) above must be initialed rather than paragraph (XX))
- _____ XXI. an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser; or
- _____ XXII. a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as
- (a) an accredited investor, or
 - (b) an exempt purchaser in Alberta or British Columbia after September 14, 2005.

For the purposes hereof:

- (a) **"Canadian financial institution"** means
 - (i) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or
 - (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;
- (b) **"control person"** has the same meaning as in securities legislation except in Manitoba, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island and Québec where control person means any person that holds or is one of a combination of persons that holds
 - (i) a sufficient number of any of the securities of an issuer so as to affect materially the control of the issuer, or
 - (ii) more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holding of those securities does not affect materially the control of the issuer;
- (c) **"Director"** means
 - (i) a member of the board of Directors of a company or an individual who performs similar functions for a company, and
 - (ii) with respect to a person that is not a company, an individual who performs functions similar to those of a Director of a company;
- (d) **"eligibility adviser"** means
 - (i) a person that is registered as an investment dealer or in an equivalent category of registration under the securities legislation of the jurisdiction of a purchaser and authorized to give advice with respect to the type of security being distributed, and
 - (ii) in Saskatchewan or Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not
 1. have a professional, business or personal relationship with the issuer, or any of its Directors, executive Officers, founders, or control persons, and
 2. have acted for or been retained personally or otherwise as an employee, executive Officer, Director, associate or partner of a person that has acted for or been retained by the issuer or any of its Directors, executive Officers, founders or control persons within the previous 12 months;
- (e) **"executive Officer"** means, for an issuer, an individual who is
 - (i) a chair, vice-chair or president,
 - (ii) a vice-president in charge of a principal business unit, division or function including sales, finance or production,
 - (iii) an Officer of the issuer or any of its subsidiaries and who performs a policy-making function in respect of the issuer, or
 - (iv) performing a policy-making function in respect of the issuer;
- (f) **"financial assets"** means
 - (i) cash,
 - (ii) securities, or
 - (iii) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;
- (g) **"foreign jurisdiction"** means a country other than Canada or a political subdivision of a country other than Canada;
- (h) **"founder"** means, in respect of an issuer, a person who,
 - (i) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and

- (ii) at the time of the trade is actively involved in the business of the issuer;
- (i) **"fully managed account"** means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction;
- (j) **"investment fund"** has the same meaning as in National Instrument 81-106 *Investment Fund Continuous Disclosure*;
- (k) **"jurisdiction"** means a province or territory of Canada except when used in the term foreign jurisdiction;
- (l) **"local jurisdiction"** means the jurisdiction in which the Canadian securities regulatory authority is situate;
- (m) **"non-redeemable investment fund"** means an issuer,
 - (i) whose primary purpose is to invest money provided by its security holders;
 - (ii) that does not invest;
 - 1. for the purpose of exercising or seeking to exercise control of an issuer, other than an issuer that is a mutual fund or a non-redeemable investment fund; or
 - 2. for the purpose of being actively involved in the management of any issuer in which it invests, other than an issuer that is a mutual fund or a non-redeemable investment fund; and
 - (iii) that is not a mutual fund;
- (n) **"person"** includes
 - (i) an individual,
 - (ii) a corporation,
 - (iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
 - (iv) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;
- (o) **"regulator"** means, for the local jurisdiction, the Executive Director as defined under securities legislation of the local jurisdiction;
- (p) **"related liabilities"** means
 - (i) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or
 - (ii) liabilities that are secured by financial assets;
- (q) **"Schedule III bank"** means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);
- (r) **"spouse"** means, an individual who,
 - (i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual,
 - (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or
 - (iii) in Alberta, is an individual referred to in paragraph (i) or (ii) above, or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta); and
- (s) **"subsidiary"** means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary.

All monetary references are in Canadian Dollars.

SCHEDULE E

RELEASE OF ANY CLAIMS BY SUBSCRIBER AGAINST CONTROLLING SHAREHOLDER

TO: Target Capital Inc.

In consideration for Target Capital Inc. ("Target") continuing to act as the controlling shareholder of Jaymor Capital Ltd. (the "Corporation") and such other good and valuable consideration, the adequacy and sufficiency of which is hereby acknowledged and confirmed, the undersigned hereby agree as follows:

1. Prior to subscribing for securities of the Corporation (the "Securities"), the undersigned subscriber (the "Subscriber") acknowledges that it has received an offering memorandum from the Corporation (the "Offering Memorandum").
2. The Subscriber confirms that it has read the Offering Memorandum and understands the terms on which the Securities are being offered.
3. The Subscriber acknowledges and confirms that Target's assets and management are not in any way committed to the activities of the Corporation other than voting its shares at shareholder meetings of the Corporation. Further, the Subscriber acknowledges that Target has not performed any due diligence on the Corporation, its assets or its management and does not encourage or discourage an investment in the Corporation.
4. The Subscriber hereby acknowledges that Target owes no fiduciary duty of care or any other duty to the Subscriber in connection with the Securities issued by the Corporation. Further, the Subscriber agrees that Target shall not be liable to the Subscriber for any costs, expenses, liabilities, losses or damages suffered or incurred by the Subscriber in connection with its investment in the Corporation unless caused by the gross negligence or willful misconduct of Target, including any default by the Corporation in the payment of interest and/or repayment of the principal of the Securities issued by the Corporation.
5. The Subscriber hereby releases and forever discharges Target, together with its officers, directors, servants, employees, agents and other representatives from any and all actions, causes of action, claims, demands, or other liability of any nature or kind howsoever arising, including, without limitation, any and all claims, past or present, and which may arise in the future, in any way related to the Subscriber's investment in the Corporation or the acquisition of the Securities from the Corporation, unless caused by the gross negligence or willful misconduct of Target, including without limitation any claim for unpaid principal or interest under the terms of any bonds issued by the Corporation to the Subscriber that constituent Securities of the Corporation.
6. The Subscriber acknowledges and confirms that it was encouraged to seek independent legal advice before executing and delivering this release.
7. This release may be executed in several counterparts and by facsimile, each of which when so executed shall be deemed to be an original, and all such counterparts shall be deemed to be executed effective as of the day and year hereinafter written.

Dated as of the ____ day of _____, 20__.

Signature of Subscriber

Name of Subscriber – Please Print